

**2023 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**040543 ECONOMY BORO, BEAVER COUNTY**

## Independent Auditor's Report

**Borough Council  
Borough of Economy**

### Report on the Audit of the Financial Statements

#### **Adverse and Unmodified Opinions**

We have audited the Cash Basis Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statements of Capital Expenditures and Employee Compensation – regulatory basis, as of and for the year ended December 31, 2023 included in the 2023 Annual Audit and Financial Report (Schedules) of the Borough of Economy (Borough).

#### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the Schedules referred to above present fairly, in all material respects, the regulatory basis financial position of the Borough as of December 31, 2023, and the regulatory results of its operations for the year then ended in accordance with the financial reporting provisions described in the instructions provided by Pennsylvania Department of Community and Economic Development (DCED).

#### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse and Unmodified Opinions” section of our report, the Schedules referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2023, and the results of its operations for the year then ended.

#### **Basis for Adverse and Unmodified Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

### Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

To meet the financial reporting requirements of the Commonwealth of Pennsylvania, the Schedules are prepared by the Borough on the basis of the instructions provided by the DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America. These requirements permit the Schedules to be prepared without financial statement disclosures, without cash flows, without component unit financial information, without government-wide financial statements, without Management's Discussion and Analysis, without budgetary comparisons, and without historical pension and post-employment benefit liability information, and require all funds to be aggregated by fund type on the Schedules.

The effects on the Schedules of the variances between the regulatory basis of accounting described above and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these Schedules in accordance with the financial reporting provisions as described in the instructions provided by the DCED to meet filing requirements in Pennsylvania, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Schedules that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

*Maher Duessel*

Pittsburgh, Pennsylvania  
March 22, 2024



## ECONOMY BORO, BEAVER County

## BALANCE SHEET

December 31, 2023

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
<b>Liabilities and Other Credits</b>											
260-269	Long-Term-Liabilities									4,498	4,498
240-259	Current Portion of Long-Term Debt and Other Credits									52,970	52,970
<b>Total Liabilities and Other Credits</b>		27,182								57,468	84,650
<b>Fund and Account Group Equity</b>											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	1,519,052	830,034					9,413,087			11,762,173
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		1,519,052	830,034					9,413,087			11,762,173
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											11,846,823

**ECONOMY BORO, BEAVER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

**Taxes**

301.00	Real Estate Taxes	2,247,812						2,247,812
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)							
310.00	Per Capita Taxes	38,444						38,444
310.10	Real Estate Transfer Taxes	186,497						186,497
310.20	Earned Income Taxes / Wage Taxes	1,633,100						1,633,100
310.30	Business Gross Receipts Taxes	68,471						68,471
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	80,510						80,510
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
<b>Total Taxes</b>		4,254,834						4,254,834

**Licenses and Permits**

320-322	All Other Licenses and Permits	9,370						9,370
321.80	Cable Television Franchise Fees	182,331						182,331
<b>Total Licenses and Permits</b>		191,701						191,701

**Fines and Forfeits**

330-332	Fines and Forfeits	44,450						44,450
<b>Total Fines and Forfeits</b>		44,450						44,450

**ECONOMY BORO, BEAVER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

<b>Interest, Rents and Royalties</b>								
341.00	Interest Earnings	103,766	39,385	533			771,939	915,623
342.00	Rents and Royalties	25,795						25,795
<b>Total Interest, Rents and Royalties</b>		129,561	39,385	533			771,939	941,418

<b>Federal</b>								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants							
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements							
353.00	Federal Payments in Lieu of Taxes							
<b>Total Federal</b>								

<b>State</b>								
354.03	Highways and Streets	42,008						42,008
354.09	Community Development							
354.15	Recycling / Act 101	6,052						6,052
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	3,461						3,461
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		337,678					337,678
355.04	Alcoholic Beverage Licenses	400						400
355.05	General Municipal Pension System State Aid	198,148						198,148
355.07	Foreign Fire Insurance Tax Distribution	57,589						57,589
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution	97,938						97,938



**ECONOMY BORO, BEAVER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

State								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
<b>Total State</b>		405,596	337,678					743,274

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	21,000						21,000
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
<b>Total Local Government Units</b>		21,000						21,000

Charges for Service								
361.00	General Government	26,440						26,440
362.00	Public Safety	106,757						106,757
363.20	Parking							
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)							
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	17,164						17,164
368.00	Airports							

**ECONOMY BORO, BEAVER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service							
<b>Total Charges for Service</b>		150,361						150,361

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	14,730						14,730
388.00	Fiduciary Fund Pension Contributions					365,963		365,963
389.00	All Other Unclassified Operating Revenues	12,397						12,397
<b>Total Unclassified Operating Revenues</b>		27,127				365,963		393,090

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	36,673						36,673
392.00	Interfund Operating Transfers	146,443						146,443
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

**ECONOMY BORO, BEAVER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	122,009						122,009
<b>Total Other Financing Sources</b>		305,125						305,125

<b>TOTAL REVENUES</b>	5,529,755	377,063	533				1,137,902	7,045,253
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**EXPENDITURES**

General Government								
400.00	Legislative (Governing) Body	60,320						60,320
401.00	Executive (Manager or Mayor)	156,840						156,840
402.00	Auditing Services / Financial Administration	13,900				6,096		19,996
403.00	Tax Collection	96,529						96,529
404.00	Solicitor / Legal Services	48,357						48,357
405.00	Secretary / Clerk	1,226						1,226
406.00	Other General Government Administration	83,201						83,201
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	49,966						49,966
409.00	General Government Buildings and Plant	68,820						68,820
<b>Total General Government</b>		579,159				6,096		585,255

Public Safety								
410.00	Police	2,338,566						2,338,566
411.00	Fire	365,177						365,177
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	554						554

**ECONOMY BORO, BEAVER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES**

**Public Safety**

414.00	Planning and Zoning	116,275						116,275
415.00	Emergency Management and Communications	800						800
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
<b>Total Public Safety</b>		2,821,372						2,821,372

**Health and Human Services**

420.00-425.00	Health and Human Services							
<b>Total Health and Human Services</b>								

**Public Works - Sanitation**

426.00	Recycling Collection and Disposal	5,740						5,740
427.00	Solid Waste Collection and Disposal (garbage)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
<b>Total Public Works - Sanitation</b>		5,740						5,740

**Public Works - Highways and Streets**

430.00	General Services - Administration	1,191,789	128,761					1,320,550
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		176,122					176,122
433.00	Traffic Control Devices	4,282	2,042					6,324
434.00	Street Lighting		15,557					15,557

**ECONOMY BORO, BEAVER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES**

<b>Public Works - Highways and Streets</b>								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains							
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges	752,698						752,698
439.00	Highway Construction and Rebuilding Projects	164,211						164,211
<b>Total Public Works - Highways and Streets</b>		2,112,980	322,482					2,435,462

<b>Other Public Works Enterprises</b>								
440.00	Airports							
441.00	Cemeteries							
442.00	Electric System							
443.00	Gas System							
444.00	Markets							
445.00	Parking							
446.00	Storm Water and Flood Control							
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
<b>Total Other Public Works Enterprises</b>								

<b>Culture and Recreation</b>								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation	146,788						146,788
453.00	Spectator Recreation	978						978
454.00	Parks							

**ECONOMY BORO, BEAVER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES**

<b>Culture and Recreation</b>								
455.00	Shade Trees							
456.00	Libraries							
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
<b>Total Culture and Recreation</b>		147,766						147,766

<b>Community Development</b>								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
<b>Total Community Development</b>								

<b>Debt Service</b>								
471.00	Debt Principal (short-term and long-term)	50,958						50,958
472.00	Debt Interest (short-term and long-term)	3,860						3,860
475.00	Fiscal Agent Fees							
<b>Total Debt Service</b>		54,818						54,818

<b>Employer Paid Benefits and Withholding Items</b>								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions							

**ECONOMY BORO, BEAVER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES**

<b>Employer Paid Benefits and Withholding Items</b>								
484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits							
<b>Total Employer Paid Benefits and Withholding Items</b>								

<b>Insurance</b>								
486.00	Insurance, Casualty, and Surety							
<b>Total Insurance</b>								

<b>Unclassified Operating Expenditures</b>								
488.00	Fiduciary Fund Benefits and Refunds Paid						875,846	875,846
489.00	All Other Unclassified Expenditures	7,167		68			66,379	73,614
<b>Total Unclassified Operating Expenditures</b>		7,167		68			942,225	949,460

<b>Other Financing Uses</b>								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers			146,443				146,443
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>				146,443				146,443

<b>TOTAL EXPENDITURES</b>	5,729,002	322,482	146,511				948,321	7,146,316
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	-199,247	54,581	-145,978				189,581	-101,063
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**ECONOMY BORO**  
December 31, 2023

**DEBT STATEMENT**

**OUTSTANDING BONDS AND NOTES**

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
<b>General Obligation Bonds and Notes</b>											
Truck Loan	Note	2020	2025	125,288	56,505		25,605		30,900		30,900
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
Brush Hog Lease	Capital Leases	2019	2024	137,649	51,921		25,353		26,568		26,568
<b>Other</b>											

(1) - excludes unamortized premium/discount

<b>Total bonds and notes outstanding</b>	30,900
<b>Capitalized lease obligations</b>	26,568
<b>Net debt</b>	57,468



**ECONOMY BORO, BEAVER County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2023

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	16,999		16,999
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	195,754		195,754
Recreation	100,261		100,261
Sewer		87,681	87,681
Solid Waste			
Streets / Highways			
Water			
Other: Public Works	392,348		392,348
<b>TOTAL CAPITAL EXPENDITURES</b>	705,362	87,681	793,043

**EMPLOYEE COMPENSATION**

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

1,978,853

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**Independent Public Accountant/Certified Public Accountant Submission Page**  
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**SIGNATURE AND VERIFICATION**

Signed: Maher Duessel Appointed Auditor/CPA

December 31, 2023

**NOTES / COMMENTS**