DCED-CLGS-30 (9-09)

Received by DCED: 03/27/2026
Approved by DCED:

Department of Community & Economic Development
Governor's Center for Local Government Services
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225
Ph: 888-223-6837 | fax: 717-783-1402

2025 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

040543 ECONOMY BORO, BEAVER COUNTY

MaherDuessel

Independent Auditor's Report

Borough Council
Borough of Economy

Report on the Audit of the Financial Statements

Opinions

We have audited the Modified 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, 2025 included in the 2025 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, 2025, 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 Opinion on U.S. Generally Accepted Accounting Principles" 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, 2025, and the results of its operations for the year then ended.

Basis for 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 audit opinions.

Basis for 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.

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. Management is also responsible 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 23, 2026

DCED-CLGS-30 (9-09)

BALANCE SHEET

DCED-CLGS-30 (09-09)

ECONOMY BORO, BEAVER County

BALANCE SHEET

December 31, 2025

		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
Assets and Other Debits											
100-120	Cash and Investments	2,911,877	979,355					11,214,936			15,106,168
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds										
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets										
180-189	Other Debits									178,840	178,840
Total Assets and Other Debits		2,911,877	979,355					11,214,936		178,840	15,285,008
Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	16,460									16,460
200-209, 231-239	All Other Current Liabilities	7,512									7,512
230.00	Due To Other Funds										

ECONOMY BORO, BEAVER County

BALANCE SHEET

December 31, 2025

		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
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									130,019	130,019
240-259	Current Portion of Long-Term Debt and Other Credits									48,821	48,821
Total Liabilities and Other Credits		23,972								178,840	202,812
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	2,887,905	979,355					11,214,936			15,082,196
291-299	Other Equity										
Total Fund and Account Group Equity		2,887,905	979,355					11,214,936			15,082,196

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	15,285,008

ECONOMY BORO, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

		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	2,492,773							2,492,773
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	32,740							32,740
310.10	Real Estate Transfer Taxes	398,400							398,400
310.20	Earned Income Taxes / Wage Taxes	1,814,496							1,814,496
310.30	Business Gross Receipts Taxes	63,155							63,155
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	81,128							81,128
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other: _____								
	Other: _____								
Total Taxes		4,882,692							4,882,692
Licenses and Permits									
320-322	All Other Licenses and Permits	7,796							7,796
321.80	Cable Television Franchise Fees	168,884							168,884
Total Licenses and Permits		176,680							176,680
Fines and Forfeits									
330-332	Fines and Forfeits	36,756							36,756
Total Fines and Forfeits		36,756							36,756

ECONOMY BORO, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

		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									
Interest, Rents and Royalties									
341.00	Interest Earnings	121,738	42,875					654,626	819,239
342.00	Rents and Royalties	19,152							19,152
Total Interest, Rents and Royalties		140,890	42,875					654,626	838,391
Federal									
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								
Total Federal									
State									
354.03	Highways and Streets								
354.09	Community Development								
354.15	Recycling / Act 101	8,095							8,095
354.00	All Other State Capital and Operating Grants								
355.01	Public Utility Realty Tax (PURTA)	4,431							4,431
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		335,825						335,825
355.04	Alcoholic Beverage Licenses	200							200
355.05	General Municipal Pension System State Aid	233,298							233,298
355.07	Foreign Fire Insurance Tax Distribution	67,877							67,877
355.08	Local Share Assessment/Gaming Proceeds								
355.09	Marcellus Shale Impact Fee Distribution	55,425							55,425

ECONOMY BORO, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

REVENUES

		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
State									
355.00	All Other State Shared Revenues and Entitlements								
356.00	State Payments in Lieu of Taxes								
Total State		369,326	335,825						705,151
Local Government Units									
357.03	Highways and Streets								
357.00	All Other Local Governmental Units Capital and Operating Grants								
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services								
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes								
Total Local Government Units									
Charges for Service									
361.00	General Government	17,170							17,170
362.00	Public Safety	130,796							130,796
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	35,745							35,745
368.00	Airports								

ECONOMY BORO, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

REVENUES

		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
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								
Total Charges for Service		183,711							183,711
Unclassified Operating Revenues									
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors	19,873							19,873
388.00	Fiduciary Fund Pension Contributions							325,626	325,626
389.00	All Other Unclassified Operating Revenues	18,141							18,141
Total Unclassified Operating Revenues		38,014						325,626	363,640
Other Financing Sources									
391.00	Proceeds of General Fixed Asset Disposition	1,096							1,096
392.00	Interfund Operating Transfers							2,000	2,000
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, 2025

		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	67,575							67,575
Total Other Financing Sources		68,671						2,000	70,671
TOTAL REVENUES		5,896,740	378,700					982,252	7,257,692
EXPENDITURES									
General Government									
400.00	Legislative (Governing) Body	76,210							76,210
401.00	Executive (Manager or Mayor)	138,063							138,063
402.00	Auditing Services / Financial Administration	17,838							17,838
403.00	Tax Collection	99,966							99,966
404.00	Solicitor / Legal Services	41,129							41,129
405.00	Secretary / Clerk	1,207							1,207
406.00	Other General Government Administration	88,167							88,167
407.00	IT-Networking Services-Data Processing								
408.00	Engineering Services	47,458							47,458
409.00	General Government Buildings and Plant	49,914							49,914
Total General Government		559,952							559,952
Public Safety									
410.00	Police	2,370,026							2,370,026
411.00	Fire	377,553							377,553
412.00	Ambulance / Rescue								
413.00	UCC and Code Enforcement	860							860

ECONOMY BORO, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

EXPENDITURES

		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
Public Safety									
414.00	Planning and Zoning	126,693							126,693
415.00	Emergency Management and Communications	822							822
416.00	Militia and Armories								
417.00	Examination of Licensed Occupations								
418.00	Public Scales (weights and measures)								
419.00	Other Public Safety								
Total Public Safety		2,875,954							2,875,954
Health and Human Services									
420.00-425.00	Health and Human Services								
Total Health and Human Services									
Public Works - Sanitation									
426.00	Recycling Collection and Disposal	6,525							6,525
427.00	Solid Waste Collection and Disposal (garbage)								
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection								
Total Public Works - Sanitation		6,525							6,525
Public Works - Highways and Streets									
430.00	General Services - Administration	821,881	12,420						834,301
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal		308,903						308,903
433.00	Traffic Control Devices	3,908	2,421						6,329
434.00	Street Lighting		16,899						16,899

ECONOMY BORO, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

EXPENDITURES

		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
Public Works - Highways and Streets									
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	856,034	7,580						863,614
439.00	Highway Construction and Rebuilding Projects	13,072							13,072
Total Public Works - Highways and Streets		1,694,895	348,223						2,043,118
Other Public Works Enterprises									
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								
Total Other Public Works Enterprises									
Culture and Recreation									
451.00	Culture-Recreation Administration								
452.00	Participant Recreation	60,944							60,944
453.00	Spectator Recreation	663							663
454.00	Parks								

ECONOMY BORO, BEAVER County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

EXPENDITURES

		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
Culture and Recreation									
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								
Total Culture and Recreation		61,607							61,607
Community Development									
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								
Total Community Development									
Debt Service									
471.00	Debt Principal (short-term and long-term)	50,491							50,491
472.00	Debt Interest (short-term and long-term)	12,193							12,193
475.00	Fiscal Agent Fees								
Total Debt Service		62,684							62,684
Employer Paid Benefits and Withholding Items									
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, 2025

		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									
Employer Paid Benefits and Withholding Items									
484.00	Worker Compensation Insurance								
487.00	Other Group Insurance Benefits								
Total Employer Paid Benefits and Withholding Items									
Insurance									
486.00	Insurance, Casualty, and Surety	10,000							10,000
Total Insurance		10,000							10,000
Unclassified Operating Expenditures									
488.00	Fiduciary Fund Benefits and Refunds Paid							442,001	442,001
489.00	All Other Unclassified Expenditures	6,410						109,093	115,503
Total Unclassified Operating Expenditures		6,410						551,094	557,504
Other Financing Uses									
491.00	Refund of Prior Year Revenues								
492.00	Interfund Operating Transfers	2,000							2,000
493.00	All Other Financing Uses								
Total Other Financing Uses		2,000							2,000
TOTAL EXPENDITURES		5,280,027	348,223					551,094	6,179,344
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		616,713	30,477					431,158	1,078,348

ECONOMY BORO

December 31, 2025

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
General Obligation Bonds and Notes											
Truck Loan	Note	2020	2025	125,288	4,487		4,487		0		0
Revenue Bonds and Notes											
Lease Rental Debt											
Peterbilt Lease	Capital Leases	2024	2029	251,100	224,847		46,007		178,840		178,840
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	0
Capitalized lease obligations	178,840
Net debt	178,840

ECONOMY BORO, BEAVER County

STATEMENT OF CAPITAL EXPENDITURES

December 31, 2025

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	1,789		1,789
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	84,872		84,872
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: Public Works	14,341		14,341
TOTAL CAPITAL EXPENDITURES	101,002		101,002

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)	2,049,812

Independent Public Accountant/Certified Public Accountant Submission Page
Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: Maher Duessel Appointed Auditor/CPA

DCED-CLGS-30 (9-09)

December 31, 2025

NOTES / COMMENTS