

**ANNUAL AUDIT AND
FINANCIAL REPORT**

BOROUGH OF TRAINER

DECEMBER 31, 2023

BOROUGH OF TRAINER

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DIVERSIFIED TAX
& Accounting Services

**620 Allendale Road #80283
Valley Forge, PA 19484**

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Members of Council
Borough of Trainer
Trainer, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying annual audit and financial report (financial statements) of the BOROUGH OF TRAINER, as of and for the year ended December 31, 2023.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheet of each of the fund types of the BOROUGH OF TRAINER as of December 31, 2023, and the revenues it earned and the expenditures it incurred for the year then ended, in accordance with the basis of accounting practices prescribed or permitted by the Department of Community and Economic Development (DCED) of the Commonwealth of Pennsylvania as described in the Emphasis of Matter Basis of Accounting section of our report.

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 financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Trainer as of December 31, 2023, or the changes in financial position thereof for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

Members of Council
Borough of Trainer

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 opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

The financial statements are prepared by the BOROUGH OF TRAINER on the basis of accounting practices prescribed or permitted by the DCED to demonstrate compliance with the DCED basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in the Emphasis of Matter Basis of Accounting section of our report and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter Basis of Accounting

We draw attention to the basis of accounting, which is referenced in the second paragraph of this report. The Borough of Trainer prepares its financial statements using accounting practices prescribed or permitted by the DCED to demonstrate compliance with the budget laws, which practices differ from accounting principles generally accepted in the United States of America. As permitted by the DCED with the exception that follows, the Borough of Trainer prepares its financial statements on the modified accrual basis of accounting. Under this basis, revenues primarily are recorded when measurable and available. Expenditures are recorded when the liability is incurred. Proprietary and trust and agency fund types utilize the accrual basis of accounting. Under this basis, revenue is recorded when earned, and expenditures are recorded when the liability is incurred. Additionally, in accordance with the prescribed accounting practices permitted by the DCED, the Borough does not include footnote disclosures.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices prescribed or permitted by the DCED to demonstrate compliance with the DCED. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements 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 included in our opinion. 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 GAAS will always detect a material misstatement when it exists.

Members of Council
Borough of Trainer

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 GAAS, 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 of Trainer 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 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.

Diversified Tax & Accounting Services
DIVERSIFIED TAX
& Accounting Services

Valley Forge, Pennsylvania
May 15, 2024

TRAINER BORO, DELAWARE County

BALANCE SHEET

December 31, 2023

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		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									3,867,268	3,867,268
240-259	Current Portion of Long-Term Debt and Other Credits									176,082	176,082
Total Liabilities and Other Credits		34,865								4,043,350	4,078,215
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	1,285,234	97,047								1,382,281
291-299	Other Equity										
Total Fund and Account Group Equity		1,285,234	97,047								1,382,281
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											5,460,496

TRAINER BORO, DELAWARE 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	1,105,053						1,105,053
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							
310.10	Real Estate Transfer Taxes	40,321						40,321
310.20	Earned Income Taxes / Wage Taxes	1,710,182						1,710,182
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	73,087						73,087
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		2,928,643						2,928,643

Licenses and Permits								
320-322	All Other Licenses and Permits	63,138						63,138
321.80	Cable Television Franchise Fees	19,976						19,976
Total Licenses and Permits		83,114						83,114

Fines and Forfeits								
330-332	Fines and Forfeits	9,396						9,396
Total Fines and Forfeits		9,396						9,396

TRAINER BORO, DELAWARE 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

Interest, Rents and Royalties								
341.00	Interest Earnings	16,107	3,081					19,188
342.00	Rents and Royalties							
Total Interest, Rents and Royalties		16,107	3,081					19,188

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							
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	2,362						2,362
355.02- 355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		51,687					51,687
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	87,418						87,418
355.07	Foreign Fire Insurance Tax Distribution	10,554						10,554
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

TRAINER BORO, DELAWARE 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								
356.00	State Payments in Lieu of Taxes							
355.00	All Other State Shared Revenues and Entitlements	3,555						3,555
Total State		103,889	51,687					155,576

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							
362.00	Public Safety	3,048						3,048
363.20	Parking							
363.00	All Other Charges for Highway & Street Services		9,791					9,791
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)	127,236						127,236
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	19,681						19,681
368.00	Airports							

TRAINER BORO, DELAWARE 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							
Total Charges for Service		149,965	9,791					159,756

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	164,780	58,197					222,977
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	22,427						22,427
Total Unclassified Operating Revenues		187,207	58,197					245,404

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers	58,197	183,540					241,737
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

TRAINER BORO, DELAWARE 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							
Total Other Financing Sources		58,197	183,540					241,737
TOTAL REVENUES		3,536,518	306,296					3,842,814

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	13,594						13,594
401.00	Executive (Manager or Mayor)	7,813						7,813
402.00	Auditing Services / Financial Administration	60,053						60,053
403.00	Tax Collection	3,715						3,715
404.00	Solicitor / Legal Services	25,604						25,604
405.00	Secretary / Clerk	55,874						55,874
406.00	Other General Government Administration	21,728						21,728
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	149,953						149,953
409.00	General Government Buildings and Plant	2,876,698						2,876,698
Total General Government		3,215,032						3,215,032

Public Safety								
410.00	Police	1,443,804						1,443,804
411.00	Fire	119,802						119,802
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	1,943						1,943

TRAINER BORO, DELAWARE 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							
415.00	Emergency Management and Communications							
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		1,565,549						1,565,549

Health and Human Services								
420.00-425.00	Health and Human Services	37,223						37,223
Total Health and Human Services		37,223						37,223

Public Works - Sanitation								
426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)	200,401						200,401
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
Total Public Works - Sanitation		200,401						200,401

Public Works - Highways and Streets								
430.00	General Services - Administration	133,359						133,359
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		771					771
433.00	Traffic Control Devices		7,826					7,826
434.00	Street Lighting		37,015					37,015

TRAINER BORO, DELAWARE 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 Works - Highways and Streets								
435.00	Sidewalks and Crosswalks		500					500
436.00	Storm Sewers and Drains							
437.00	Repairs of Tools and Machinery		16,137					16,137
438.00	Maintenance and Repairs of Roads and Bridges		38,561					38,561
439.00	Highway Construction and Rebuilding Projects		200,115					200,115
Total Public Works - Highways and Streets		133,359	300,925					434,284

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	25,232						25,232
452.00	Participant Recreation		1,867					1,867
453.00	Spectator Recreation							
454.00	Parks		26,367					26,367

TRAINER BORO, DELAWARE 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

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		9,066					9,066
Total Culture and Recreation		25,232	37,300					62,532

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)	108,646						108,646
472.00	Debt Interest (short-term and long-term)	67,358						67,358
475.00	Fiscal Agent Fees							
Total Debt Service		176,004						176,004

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	114,557						114,557
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	250,673						250,673

TRAINER BORO, DELAWARE 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

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance	103,170						103,170
487.00	Other Group Insurance Benefits	299,063						299,063
Total Employer Paid Benefits and Withholding Items		767,463						767,463

Insurance								
486.00	Insurance, Casualty, and Surety	97,271						97,271
Total Insurance		97,271						97,271

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures	12,359						12,359
Total Unclassified Operating Expenditures		12,359						12,359

Other Financing Uses								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	183,540	58,197					241,737
493.00	All Other Financing Uses							
Total Other Financing Uses		183,540	58,197					241,737

TOTAL EXPENDITURES	6,413,433	396,422						6,809,855
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-2,876,915	-90,126						-2,967,041
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TRAINER 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
General Obligation Bonds and Notes											
GON 2021	Note	2021	2046	4,000,000	4,000,000	0	61,383	0	3,938,617		3,938,617
Revenue Bonds and Notes											
Lease Rental Debt											
2023 FORD TAHOO - POLICE #1	Note	2023	2025	54,998	0	54,998	17,010	0	37,988		37,988
2023 FORD TAHOO - POLICE #2	Note	2023	2025	54,998	0	54,998	17,010	0	37,988		37,988
2022 FORD TRUCK	Bond	2023	2025	42,000	0	42,000	13,243	0	28,757		28,757
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	4,043,350
Capitalized lease obligations	0
Net debt	4,043,350

TRAINER BORO, DELAWARE County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2023

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	5,012	2,920,439	2,925,451
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	42,572		42,572
Recreation			
Sewer			
Solid Waste			
Streets / Highways	36,308	199,315	235,623
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	83,892	3,119,754	3,203,646

EMPLOYEE COMPENSATION

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

1,480,798

NOTES / COMMENTS**Other - Shared Agreement**

The Borough is a participant in a 50/50 intermunicipal service cooperation agreement with Marcus Hook Borough where the two Boroughs have consolidated into a single fire department. All related expenses to fund the fire department including capital expenditures, debt payments, operating expenses and all related expenses are paid directly by Marcus Hook Borough and reimbursed at fifty percent (50%) by Trainer Borough. These reimbursed expenses are included in 411.00 Fire on this report.