

**ANNUAL AUDIT AND
FINANCIAL REPORT**

BOROUGH OF TRAINER

DECEMBER 31, 2022

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, 2022.

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, 2022, 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, 2022, 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

DIVERSIFIED TAX
& Accounting Services

Valley Forge, Pennsylvania
November 28, 2023

BALANCE SHEET

December 31, 2022

		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									3,938,617	3,938,617
240-259	Current Portion of Long-Term Debt and Other Credits									61,383	61,383
Total Liabilities and Other Credits		27,994								4,000,000	4,027,994

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	4,162,149	187,174								4,349,323
291-299	Other Equity										
Total Fund and Account Group Equity		4,162,149	187,174								4,349,323

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											8,377,317
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TRAINER BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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	1,129,087						1,129,087
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	65,274						65,274
310.20	Earned Income Taxes / Wage Taxes	1,363,408						1,363,408
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	67,018						67,018
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		2,624,787						2,624,787

Licenses and Permits								
320-322	All Other Licenses and Permits	123,019						123,019
321.80	Cable Television Franchise Fees	21,973						21,973
Total Licenses and Permits		144,992						144,992

Fines and Forfeits								
330-332	Fines and Forfeits	4,387						4,387
Total Fines and Forfeits		4,387						4,387

TRAINER BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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	5,991	1,079					7,070
342.00	Rents and Royalties							
Total Interest, Rents and Royalties		5,991	1,079					7,070

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	96,390						96,390
353.00	Federal Payments in Lieu of Taxes							
Total Federal		96,390						96,390

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants	5,130						5,130
355.01	Public Utility Realty Tax (PURTA)	2,502						2,502
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		50,129					50,129
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	82,887						82,887
355.07	Foreign Fire Insurance Tax Distribution	10,216						10,216
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, 2022

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							
Total State		100,735	50,129					150,864

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	29,028						29,028
363.20	Parking							
363.00	All Other Charges for Highway & Street Services		8,793					8,793
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)	123,448						123,448
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	13,155						13,155
368.00	Airports							

TRAINER BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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		165,631	8,793					174,424

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	75,000						75,000
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	11,586						11,586
Total Unclassified Operating Revenues		86,586						86,586

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers		153,598					153,598
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, 2022

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	76,443						76,443
Total Other Financing Sources		76,443	153,598					230,041

TOTAL REVENUES

3,305,942	213,599						3,519,541
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	12,448						12,448
401.00	Executive (Manager or Mayor)	7,072						7,072
402.00	Auditing Services / Financial Administration	41,043						41,043
403.00	Tax Collection	5,457						5,457
404.00	Solicitor / Legal Services	35,979						35,979
405.00	Secretary / Clerk	54,262						54,262
406.00	Other General Government Administration	23,850						23,850
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	98,445						98,445
409.00	General Government Buildings and Plant	714,866						714,866
Total General Government		993,422						993,422

Public Safety

410.00	Police	1,327,781						1,327,781
411.00	Fire	137,911						137,911
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	2,398						2,398

TRAINER BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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	4,000						4,000
Total Public Safety		1,472,090						1,472,090

Health and Human Services								
420.00-425.00	Health and Human Services	36,237						36,237
Total Health and Human Services		36,237						36,237

Public Works - Sanitation								
426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)	186,893						186,893
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
Total Public Works - Sanitation		186,893						186,893

Public Works - Highways and Streets								
430.00	General Services - Administration	125,947						125,947
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		4,302					4,302
433.00	Traffic Control Devices		10,790					10,790
434.00	Street Lighting		28,326					28,326

TRAINER BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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		26,138				26,138
438.00	Maintenance and Repairs of Roads and Bridges		88,094				88,094
439.00	Highway Construction and Rebuilding Projects		47,966				47,966
Total Public Works - Highways and Streets		125,947	206,116				332,063

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	14,054					14,054
452.00	Participant Recreation		4,225				4,225
453.00	Spectator Recreation						
454.00	Parks		12,682				12,682

TRAINER BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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		9,986					9,986
Total Culture and Recreation		14,054	26,893					40,947

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)	26,251						26,251
472.00	Debt Interest (short-term and long-term)	117,839						117,839
475.00	Fiscal Agent Fees							
Total Debt Service		144,090						144,090

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	92,200						92,200
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	243,873						243,873

TRAINER BORO, DELAWARE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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	105,596						105,596
487.00	Other Group Insurance Benefits	234,356						234,356
Total Employer Paid Benefits and Withholding Items		676,025						676,025

Insurance

486.00	Insurance, Casualty, and Surety	75,525						75,525
Total Insurance		75,525						75,525

Unclassified Operating Expenditures

488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures	4,003						4,003
Total Unclassified Operating Expenditures		4,003						4,003

Other Financing Uses

491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	153,598						153,598
493.00	All Other Financing Uses							
Total Other Financing Uses		153,598						153,598

TOTAL EXPENDITURES	3,881,884	233,009						4,114,893
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-575,942	-19,410						-595,352
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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	0	0	4,000,000	0	4,000,000
Revenue Bonds and Notes											
Lease Rental Debt											
2019 Dodge Charger	Capital Leases	2019	2022	96,975	26,251		26,251		0		0
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	4,000,000
Capitalized lease obligations	0
Net debt	4,000,000

TRAINER BORO, DELAWARE County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2022

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government		683,121	683,121
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	62,698		62,698
Recreation			
Sewer			
Solid Waste			
Streets / Highways		47,966	47,966
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	62,698	731,087	793,785

EMPLOYEE COMPENSATION

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

1,162,359

NOTES / COMMENTS

131-139 Other Current Assets - includes \$143,964.79 Due from Vendor. It was erroneously paid and received back from the vendor in 2023.

Subsequent Events

- 1.) The Borough received a federal entitled award for \$192,539 in 2023 as part of the American Rescue Plan.
- 2.) The Borough received a 2022 Community Block Grant through the County for \$129,333 for an improvement street project, which was completed in August 2023. The total cost of this project was \$150,000.
- 3.) In 2022, the Borough began construction on a new headquarters for approximately \$6,000,000 which was completed in November 2023. The new address is 4300 Township Line Road, Trainer, PA 19061.

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.