

**BOROUGH OF TRAPPE  
FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020**

# **BOROUGH OF TRAPPE**

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## INDEPENDENT AUDITORS' REPORT

To the Borough Council  
Borough of Trappe  
Trappe, Pennsylvania

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Borough of Trappe as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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.

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Borough of Trappe, as of December 31, 2020, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Borough of Trappe's basic financial statements. The management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 30 through 31, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



STYER ASSOCIATES  
Certified Public Accountants

June 24, 2021  
Souderton, Pennsylvania

**BOROUGH OF TRAPPE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

As management of the Borough of Trappe (the "Borough"), we offer readers of the Borough's financial statements this narrative overview and analysis of the financial activities of the Borough for the year ended December 31, 2020. Please read it in conjunction with the Borough's basic financial statements, which follow this section.

**Financial Highlights**

- The assets of the Borough exceeded its liabilities at the close of the most recent year by \$6,659,661 (*net position*). Of this amount, \$3,121,168 (*unrestricted net position*) may be used to meet the Borough's ongoing obligations to citizens and creditors.
- The Borough's total net position increased by \$583,943 for the year ending December 31, 2020.
- As of the close of the current year, the Borough's governmental funds reported combined ending fund balances of \$3,245,381, an increase of \$315,108 in comparison with the prior year. 60% of the amount is *available for spending* at the Borough's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,931,951, or 142% of general fund expenditures.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Borough's basic financial statements. The Borough's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements:**

The *government-wide financial statements* are designed to provide the readers with a broad overview of the Borough's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the Borough's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of how the financial position of the Borough may be changing. Changes in net position may reflect a changing manner in how the Borough may have used previously accumulated funds.

The *statement of activities* presents information showing how the Borough's net position changed during the most recent fiscal year.

**BOROUGH OF TRAPPE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

**Government-Wide Financial Statements (Continued):**

The governmental activities of the Borough include general government administration, public safety, and public works. The government-wide financial statements can be found on pages 13 through 14 of this report.

**Fund Financial Statements:**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Borough's near-term financing decisions. Both the governmental fund statement of assets, liabilities, and fund balance and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Borough maintains four governmental fund types. The Borough adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget. The basic governmental fund financial statements can be found on pages 15 through 17 of this report.

*Fiduciary Funds* are used to report assets held in a trustee or agency capacity for others. The basic fiduciary fund financial statements can be found on pages 18 through 19 of this report.

**Notes to the Financial Statements:**

The notes provide basic information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 29 of this report.

**BOROUGH OF TRAPPE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

**Other information:**

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information concerning budgetary comparisons for the general fund. Supplementary information can be found on pages 30 and 31 of this report.

**Government-Wide Financial Analysis:**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Borough, assets exceeded liabilities by \$6,659,661 at the close of the most recent fiscal year. A large portion of the Borough's net position, \$3,414,280 (51% of total), reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment, and infrastructure). The Borough uses these capital assets to provide service to citizens; consequently, these assets are *not* available for future spending (i.e., the Borough's investment in capital assets are of a permanent nature as assets acquired are generally not sold or otherwise disposed of during their useful life).

The following table summarizes the Borough's Statement of Net Position:

**SUMMARY OF NET POSITION – MODIFIED CASH BASIS  
DECEMBER 31, 2020 AND 2019**

	<u>Governmental Activities</u>	<u>Governmental Activities</u>
	<u>2020</u>	<u>2019</u>
Current and other assets .....	\$ 3,323,315	\$ 2,930,273
Capital assets.....	<u>3,414,280</u>	<u>3,145,445</u>
<b>TOTAL ASSETS</b> .....	<b><u>\$ 6,737,595</u></b>	<b><u>\$ 6,075,718</u></b>
Liabilities:		
Due to Collegeville-Trappe Public Works.....	\$ 77,931	\$ 0
Other liabilities.....	<u>3</u>	<u>0</u>
<b>TOTAL LIABILITIES</b> .....	<b><u>77,934</u></b>	<b><u>0</u></b>
Net position:		
Invested in capital assets.....	\$ 3,414,280	\$ 3,145,445
Restricted .....	124,213	130,323
Unrestricted.....	<u>3,121,168</u>	<u>2,799,950</u>
<b>TOTAL NET POSITION</b> .....	<b><u>6,659,661</u></b>	<b><u>6,075,718</u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b> .....	<b><u>\$ 6,737,595</u></b>	<b><u>\$ 6,075,718</u></b>

At the end of the current fiscal year, the Borough is able to report positive balances in all categories of net position.

**BOROUGH OF TRAPPE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

As noted previously, the Borough's net position increased by \$583,943 for the year ending December 31, 2020.

The following table summarizes the Borough's Statement of Activities:

**CHANGES IN NET POSITION – MODIFIED CASH BASIS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>Governmental Activities</u>  <u>2020</u>	<u>Governmental Activities</u>  <u>2019</u>
<b><u>Revenues:</u></b>		
Program revenues:		
Charges for services.....	\$ 128,002	\$ 179,291
Grants and contributions.....	231,042	164,038
General revenues:		
Property taxes .....	116,397	114,204
Earned income taxes .....	903,475	852,445
Other taxes .....	305,827	288,278
Investment and miscellaneous earnings.....	<u>18,652</u>	<u>83,910</u>
Total Revenues .....	<u>1,703,395</u>	<u>1,682,166</u>
<b><u>Expenses:</u></b>		
General government.....	367,446	397,434
Public safety .....	139,031	159,016
Refuse .....	261,958	249,174
Public works .....	265,498	297,391
Recreation and parks.....	39,386	43,014
Other expenses .....	<u>46,133</u>	<u>40,974</u>
Total Expenses .....	<u>1,119,452</u>	<u>1,187,003</u>
<b>Increase in net position.....</b>	<b>583,943</b>	<b>495,163</b>
<b>NET POSITION – BEGINNING .....</b>	<b><u>6,075,718</u></b>	<b><u>5,580,555</u></b>
<b>NET POSITION – ENDING.....</b>	<b><u>\$ 6,659,661</u></b>	<b><u>\$ 6,075,718</u></b>



**BOROUGH OF TRAPPE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

**Financial Analysis of the Borough's Funds**

As noted earlier, the Borough uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:**

The focus of the Borough's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Borough's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Borough's governmental funds reported an ending fund balance of \$3,245,381 an increase of \$315,108 in comparison with the prior year.

At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,931,951. As a measure of the General Fund's liquidity, the fund balance represents 142% of the total General Fund expenditures.

**Capital Assets:**

The Borough's investment in capital assets for its governmental activities as of December 31, 2020, amounts to \$3,414,280 (net of accumulated depreciation). This investment in capital assets includes buildings, improvements, machinery and equipment, and infrastructure.

Capital assets, net of accumulated depreciation, are illustrated below in the following table:

	<u>Governmental Activities</u>	<u>Governmental Activities</u>
	<u>2020</u>	<u>2019</u>
Land .....	\$ 90,803	\$ 0
Buildings .....	328,617	352,867
Equipment .....	277,322	132,697
Infrastructure .....	<u>2,717,538</u>	<u>2,659,881</u>
Total .....	<u>\$ 3,414,280</u>	<u>\$ 3,145,445</u>

Additional information on the Borough's capital assets can be found in Note 3 on pages 25 and 26 of this report.

**BOROUGH OF TRAPPE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

**Economic Factors and Next Year's Budgets and Rates**

**Revenues**

The Real Estate Tax of .47 mills has remained the same since its reintroduction in 2013. The 2019 - 2022 Budget assumes \$118,278 in real estate tax income for 2020 and thereafter increases property value and taxes two percent (2%) annually. An increase of .5 mills was introduced for the 2021 budget for the purposes of funding the needs of Emergency Services.

Real Estate Transfer Tax includes a one-half percent (0.5%) tax on the sales price of real estate in the Borough. This tax is assessed against improved properties (possessing structures) and unimproved properties (vacant land), and collected at the time of the sale of same. (Note: Real estate transfers in Trappe are subject to a two percent Real Estate Transfer Tax. One percent is paid to the Commonwealth and one-half percent is paid to the Perkiomen Valley School District.) The amount of tax revenue received is directly related to the health of the local real estate market. This revenue increases in a robust real estate market, and falls in a down real estate market.

The 2021 Budget assumes real estate transfer taxes of \$140,000 for existing development,. The Borough is increasing the projected receipts of this tax by three percent (3%) for 2022 through 2024. Additionally, the 2021 estimates include an increase for the remaining sales of the Old School project, 3<sup>rd</sup> Avenue, and the 7<sup>th</sup> Avenue Tract.

The real estate market will be monitored and the Real Estate Transfer Tax estimates for future budget years will be revised, as conditions warrant.

The Earned Income Tax is the Borough's primary revenue source. (Note: Trappe Borough residents currently pay 1.4% earned income tax, but 0.9% of that is collected for the Perkiomen Valley School District.) Earned income includes salaries, wages, net business profits and tips. Earned income does not include income received from Social Security, unemployment compensation, interest, dividends, pension plans, disability payments and distributions from 401(k) and like retirement accounts. The \$890,000 budgeted for 2021 is derived by increasing the 12 months ending November 30, 2020 annualized. The 2021 budget assumes revenues to remain flat from the 2020 return. The budget for 2022-2024 assumes an annual two percent (2%) increase in earned income tax for the following three years.

**BOROUGH OF TRAPPE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

As required by Act 32, earned income tax paid by a majority of County residents was collected by a single entity (the "Tax Collection Officer") beginning January 1, 2012. Due to economies of scale, the commission rate paid to the Tax Collection Officer decreased effective January 1, 2015 from 1.39% to 1.3%.

The Local Services Tax includes funds received from a \$52 per year tax paid by persons who work within the Borough limits. Individuals earning less than \$12,000 per year, and certain military personnel, are exempt from paying this tax. The \$77,000 budgeted for 2021 is approximately equal to the actual collections for the 12 months ended November 30, 2020. The budget for the subsequent four years allows for a half a percent (.005%) annual increase. The 2021 - 2024 Budget assumes a collection fee of one and three-quarter percent (1.75%), plus postage costs, pursuant to the Montgomery County Tax Collection Committee's Agreement with Berkheimer

Another source of income is from fees paid by cable television providers for the use of the public right-of-ways (i.e., underground trenches in the roadway and overhead wires at utility poles) needed to transmit service to homes and businesses in the Borough. This fee is not assessed to satellite television providers, as these companies do not utilize public rights-of-way. Since 2009, Verizon and Comcast have offered service in the Borough. The Borough has a franchise agreement with each provider, and each franchise agreement requires the provider to pay a fee equal to five percent of certain revenues, which include basic and premium subscription rates, equipment rentals and installation charges. Internet services are not subject to the fee. The Comcast Franchise Agreement was renewed in 2011 for an additional 12 years and will expire on December 28, 2022. The Borough joined an eleven-member consortium of Montgomery County communities to negotiate the new 12-year agreement. By joining forces, the municipalities gained bargaining strength, and as such were able to secure more favorable agreement terms. The Verizon Franchise Agreement expires in 2021. The 2021 Budget of \$84,400 is equal to the actual receipts for 2020. It is anticipated that cable revenues, and the franchise fees paid to the Borough will not increase over the upcoming four years due to cord cutting.

**BOROUGH OF TRAPPE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

In addition to permitting the construction of new residential and non-residential developments, Trappe Borough requires a permit to install residential plumbing and accessory structures, including decks, spas and pools. In 2012 the Borough implemented electrical, mechanical and roof permits. The permitting process ensures these improvements are both constructed to applicable building codes and installed pursuant to all other Borough regulations. The Borough believes most of the expense to review and issue a building or zoning permit should be assumed by the individual requesting a permit. In 2020, the Borough studied costs related to permits issued during the previous twelve months, then established permit fees to recapture at least 90% of these expenses. Because a sound permitting program offers recognized benefits to the entire community (i.e., the protection of property values, a reduced demand for emergency services), the Borough believes permit fees need not recover all expected permit costs. Permit fees are reviewed periodically and fee adjustments are made, when warranted.

The actual results for the ten months ended October 31, 2020 were generally assumed to be indicative of the fees for the 2021 Budget. The 2021 - 2023 amounts are generally based on the 2020 budget as activity levels are projected to decrease because of the completion of several developments in the Borough.

Interest earned on Trappe Borough funds is another source of income. To protect the Borough, public funds are invested in Pennsylvania approved securities. As a result, the interest rate earned is relatively modest. The Borough officials continually assess interest rates and the availability of investment vehicles acceptable to Borough standards.

The Liquor License fee includes a \$200 annual fee assessed for each retail alcohol license in the Borough. Wholesale alcohol licenses (i.e., beer distributors) are not assessed for this fee. The Pennsylvania Liquor Control Board levies and collects the fee, and remits the funds to the Borough. As of 2020, there were two retail alcohol licenses in the Borough. The number of retail licenses, and the fee, are not expected to change in the upcoming five years.

The Borough receives an annual contribution made by the Collegeville-Trappe Joint Public Works Department from revenues generated by telecommunication equipment leases at the West First and West Seventh Avenue water towers. The contribution is estimated to be \$60,000 per year in 2019 - 2023.

**BOROUGH OF TRAPPE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

**Expenditures**

The 2020 major capital expenditures are:

LED Street Light Replacement	\$110,513
First Avenue Street Project	\$250,000
Traffic Signal Repairs	\$ 45,236

The 2020 actual capital expenditures were significantly less than anticipated due to the world wide pandemic and the limitations the events caused. Most projects and work was carried over until 2021.

One of the most costly projected expenses of the Borough over the next five years is road maintenance. These expenditures are provided for in the General Fund, with some of the funding coming from the Liquid Fuels Fund. Some of the significant annual projected construction costs are as follows:

2021 - Bronson Circle, N. Borough Line Road, Meadowview Drive, Kelso Circle, Neborlea Way, Pacer Lane, and Paddock Way \$401,490.

2022 - Harvard Drive, Yale Court, Laurel Drive, Lilac Circle, Michelle Lane, Silver Leaf Circle, Williams Way \$483,690.

Roads are evaluated at least annually and the five-year plan is modified based on noted road condition changes.

The Borough contracts with a private vendor for the collection and disposal of waste and recyclable materials at residential properties possessing four or fewer units. The Borough has a solid waste disposal contract through June 30, 2022. Projected expenses are as follows: \$262,000 for 2021, and a five percent (5%) increase in 2022.

Salaries and Benefits include a Full time Borough Manager, Secretary and a part time independently contracted Treasurer. Projected expenses are as follows: \$313,000 for 2021.

Trappe Borough is the prime cash-funding source of Trappe Fire Company No. 1's volunteer fire division. The average annual Trappe funding planned is as follows: \$184,000.00.

**BOROUGH OF TRAPPE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2020**

**REQUESTS FOR INFORMATION:**

This financial report is designed to provide a general overview of the Borough's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Borough of Trappe, 525 West Main Street, Trappe, PA 19426.

**BOROUGH OF TRAPPE**  
**STATEMENT OF NET POSITION – MODIFIED CASH BASIS**  
**DECEMBER 31, 2020**

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash.....	\$ 3,323,315
Capital Assets:	
Land .....	90,803
Other capital assets, net of depreciation .....	<u>3,323,477</u>
Total Capital Assets.....	<u>3,414,280</u>
<b>TOTAL ASSETS.....</b>	<b>\$ <u>6,737,595</u></b>
<b><u>LIABILITIES</u></b>	
Due to Collegeville-Trappe Public Works.....	\$ 77,931
Due to custodial fund .....	<u>3</u>
Total Liabilities .....	<u>77,934</u>
<b><u>NET POSITION</u></b>	
Invested in capital assets.....	3,414,280
Restricted for:	
State liquid fuels funds.....	18,714
Open space .....	105,499
Unrestricted.....	<u>3,121,168</u>
Total Net Position .....	<u>6,659,661</u>
<b>TOTAL LIABILITIES AND NET POSITION .....</b>	<b>\$ <u>6,737,595</u></b>

The notes to the financial statements are an integral part of this statement.

**BOROUGH OF TRAPPE**  
**STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
<u>Functions/Programs</u>	<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Total</u>
	<u>Expenses</u>			
	\$ 367,446	\$ 1,543	\$	\$ (301,397)
General government.....	139,031	27,131		(48,404)
Public safety.....	261,958	3,758		(258,200)
Refuse collection.....	265,498	117,347	72,710	(75,441)
Public works .....	39,386	8,553		(30,833)
Recreation and parks.....	42,328			(42,328)
Insurance and miscellaneous .....	3,805			(3,805)
Interest .....	<u>1,119,452</u>	<u>158,332</u>	<u>72,710</u>	<u>(760,408)</u>
Total Activities .....				
<u>General Revenues</u>				
Taxes:				
Property taxes, levied for				
general purposes .....				116,397
Earned income taxes .....				903,475
Local services taxes .....				90,080
Real estate transfer taxes.....				130,892
Franchise fees .....				84,855
Investment earnings .....				17,016
Miscellaneous .....				<u>1,636</u>
Total General Revenues.....				<u>1,344,351</u>
<b>Change in Net Position .....</b>				<b>583,943</b>
<b>Net Position – Beginning .....</b>				<b><u>6,075,718</u></b>
<b>Net Position – Ending .....</b>				<b><u>\$6,659,661</u></b>

The notes to the financial statements are an integral part of this statement.



**BOROUGH OF TRAPPE**  
**STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE –**  
**MODIFIED CASH BASIS – GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2020**

	<u>General</u>	<u>Capital Projects Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS:</u></b>				
Cash.....	\$ 3,199,102	\$	\$ 124,213	\$ 3,323,315
Due from other funds .....	<u>                    </u>	<u>1,189,217</u>	<u>                    </u>	<u>1,189,217</u>
<b>TOTAL ASSETS .....</b>	<b><u>\$ 3,199,102</u></b>	<b><u>\$1,189,217</u></b>	<b><u>\$ 124,213</u></b>	<b><u>\$ 4,512,532</u></b>
<b><u>LIABILITIES AND FUND BALANCES:</u></b>				
<b><u>Liabilities:</u></b>				
Due to Collegeville-Trappe Public Works....	\$ 77,931	\$	\$	\$ 77,931
Due to other funds .....	<u>1,189,220</u>	<u>                    </u>	<u>                    </u>	<u>1,189,220</u>
Total Liabilities .....	<u>1,267,151</u>	<u>0</u>	<u>0</u>	<u>1,267,151</u>
<b><u>Fund Balances:</u></b>				
Restricted for:				
State liquid fuels funds.....			18,714	18,714
Open space .....			105,499	105,499
Assigned for:				
Capital expenditures .....		1,189,217		1,189,217
Unassigned .....	<u>1,931,951</u>	<u>                    </u>	<u>                    </u>	<u>1,931,951</u>
Total Fund Balances.....	<u>1,931,951</u>	<u>1,189,217</u>	<u>124,213</u>	<u>3,245,381</u>
<b>TOTAL LIABILITIES AND FUND BALANCES .....</b>	<b><u>\$ 3,199,102</u></b>	<b><u>\$1,189,217</u></b>	<b><u>\$ 124,213</u></b>	

Amounts reported for *governmental activities* in the statement of net position are different because:  
Capital assets used in governmental activities are not financial resources and, therefore, are not  
reported in the funds.

	<u>3,414,280</u>
Net Position of Governmental Activities	<u>\$ 6,659,661</u>

The notes to the financial statements are an integral part of this statement.

**BOROUGH OF TRAPPE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2020**

	General	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes, penalties, and interest.....	\$ 1,240,844	\$	\$	\$ 1,240,844
Franchise taxes .....	84,855			84,855
Charges for services .....	9,493			9,493
Intergovernmental revenues .....	127,270		103,772	231,042
Licenses and permits .....	61,897			61,897
Interest and rents .....	64,702	7,200	115	72,017
Fines and forfeitures.....	1,612			1,612
Miscellaneous.....	1,636			1,636
Total Revenues.....	<u>1,592,309</u>	<u>7,200</u>	<u>103,887</u>	<u>1,703,396</u>
<b>Expenditures:</b>				
General government .....	340,653			340,653
Public safety .....	130,509			130,509
Refuse collection .....	261,958			261,958
Public works.....	95,060		24,664	119,724
Recreation and parks .....	33,077			33,077
Debt service - interest.....	3,805			3,805
Capital outlays.....	456,238			456,238
Insurance and miscellaneous.....	42,324			42,324
Total Expenditures .....	<u>1,363,624</u>		<u>24,664</u>	<u>1,388,288</u>
<b>Excess of Revenues Over</b>				
<b>Expenditures .....</b>	<u>228,685</u>	<u>7,200</u>	<u>79,223</u>	<u>315,108</u>
<b>Other Financing Sources (Uses):</b>				
Operating transfers in.....	85,333	37,000		122,333
Operating transfers out.....	(37,000)		(85,333)	(122,333)
Total Other Financing Sources (Uses) .....	<u>48,333</u>	<u>37,000</u>	<u>(85,333)</u>	<u>0</u>
<b>Net Change in Fund Balances .....</b>	<u>277,018</u>	<u>44,200</u>	<u>(6,110)</u>	<u>315,108</u>
<b>FUND BALANCES – BEGINNING.....</b>	<u>1,654,933</u>	<u>1,145,017</u>	<u>130,323</u>	<u>2,930,273</u>
<b>FUND BALANCES – ENDING .....</b>	<u>\$ 1,931,951</u>	<u>\$ 1,189,217</u>	<u>\$ 124,213</u>	<u>\$ 3,245,381</u>

The notes to the financial statements are an integral part of this statement.

**BOROUGH OF TRAPPE  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL ACTIVITIES –  
MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2020**

Net change in fund balances – total governmental funds	\$ 315,108
--------------------------------------------------------	------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$456,238) exceeded depreciation (\$187,403) in the current period.

	<u>268,835</u>
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Change in net position of governmental activities	\$ <u>583,943</u>
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The notes to the financial statements are an integral part of this statement.

**BOROUGH OF TRAPPE**  
**STATEMENT OF FIDUCIARY NET POSITION – MODIFIED CASH BASIS**  
**DECEMBER 31, 2020**

<b><u>Assets:</u></b>	<b><u>Custodial Fund</u></b>
Cash .....	\$138,998
Due from other funds .....	<u>3</u>
<b>TOTAL ASSETS.....</b>	<b><u><u>\$139,001</u></u></b>
 <b><u>Net Position:</u></b>	
Restricted for:	
Developers and individuals.....	<u>\$139,001</u>
<b>TOTAL NET POSITION.....</b>	<b><u><u>\$139,001</u></u></b>

The notes to the financial statements are an integral part of this statement.

**BOROUGH OF TRAPPE  
STATEMENT OF CHANGES IN FIDUCIARY NET  
POSITION – MODIFIED CASH BASIS  
DECEMBER 31, 2020**

	<b><u>Custodial Fund</u></b>
<b><u>Additions:</u></b>	
Contributions:	
Developers and individuals.....	\$193,538
Total Contributions.....	<u>193,538</u>
<b>Total Additions.....</b>	<b><u>193,538</u></b>
<b><u>Deductions:</u></b>	
Professional fees .....	43,339
Return of contributions .....	<u>31,346</u>
Total Deductions .....	<u>74,685</u>
<b>NET INCREASE.....</b>	<b>118,853</b>
<b>NET POSITION - BEGINNING OF YEAR AS RESTATED.....</b>	<b><u>20,148</u></b>
<b>NET POSITION - END OF YEAR .....</b>	<b><u>\$139,001</u></b>

The notes to the financial statements are an integral part of this statement.

**BOROUGH OF TRAPPE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**Note 1 – Summary of Significant Accounting Policies:**

The Borough of Trappe is a municipal corporation incorporated under Article II of the Commonwealth of Pennsylvania Municipal Code Act of 1966, as amended. The Borough operates under a Borough Council form of government and provides such services as are authorized by its charter to advance the welfare, health, comfort, safety, and convenience of the Borough and its inhabitants.

The Borough's financial statements are prepared in accordance with the modified cash basis of accounting. The Governmental Accounting Standards Board (GASB) is responsible for establishing regulations for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the Borough are discussed below.

**Basis of Accounting:**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**Modified Cash Basis:**

The records of the Borough are maintained on the modified cash basis of accounting and the accompanying financial statements have been prepared on that basis. Except for capital asset purchases and amounts due to Collegeville-Trappe Public Works, all transactions are recognized as either revenues or expenses. Noncash transactions, except depreciation, are not recognized. The modified cash basis differs from generally accepted accounting principles primarily because certain revenues are recognized as received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

**Reporting Entity:**

The financial statements of the Borough of Trappe include all governmental activities, organizations, and functions for which the Borough exercises significant oversight responsibility. The criteria considered in determining governmental activities to be reported within the Borough's financial statements include the degree of oversight responsibility exercised by the Borough Council over a government organization, activity, or function, the Borough's accountability for the activity's fiscal matters, its scope of public service, and the nature of any special financing relationships which may exist between the Borough and a given government activity. There are no agencies or organizations that require reporting in the Borough financial statements.

**BOROUGH OF TRAPPE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**Note 1 – Summary of Significant Accounting Policies (Continued):**

Related Organizations:

The Borough of Trappe appoints members to the governing boards of the following:

1. Collegeville-Trappe Joint Public Works Department – three of the six members of the governing board are appointed by Trappe. The Department provides water service and public works service to the residents of Trappe and Collegeville Boroughs.
2. Collegeville-Trappe Municipal Authority – three of the six members of the governing board are appointed by Trappe. The Authority provides sewer service to residents of Trappe and Collegeville Boroughs.

The provisions have not been met regarding component units, therefore, the above organizations are not included in the financial statements of the Borough of Trappe.

Basic Financial Statements – Government-Wide Statements:

The Borough's basic financial statements include both government-wide (reporting the Borough as a whole) and fund financial statements (reporting the Borough's major funds). The Borough's public safety, parks and recreation, public works, and general administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities (a) are presented on a consolidated basis by column and (b) are reported on the modified cash basis of accounting, which recognizes all long term assets as well as long term debt and obligations. The Borough's net position is reported in three parts – Invested in capital assets; Restricted for state liquid fuels funds and open space funds; and Unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Borough's functions (fire, public works, etc.). The functions are also supported by general government revenues (property and earned income taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function (public works, etc.).

The net costs (by function) are normally covered by general revenue (property and earned income taxes, franchise fees, intergovernmental revenues, interest income, etc.).

The Borough does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Borough as an entity and the change in the Borough's net position resulting from the current year's activities.

**BOROUGH OF TRAPPE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**Note 1 – Summary of Significant Accounting Policies (Continued):**

Basic Financial Statements – Fund Financial Statements:

The financial transactions of the Borough are reported in individual fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Borough:

1. Governmental Funds – The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Borough:
  - a. **General fund** is the general operating fund of the Borough. It is used to account for all financial resources except those required to be accounted for in another fund.
  - b. **Capital projects funds** are used to account for financial resources to be used for the acquisition of capital assets and equipment or construction of major capital facilities.
  - c. **Special revenue funds** are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally or administratively restricted to expenditures for specified purposes. The Borough only has one **Special revenue fund** which is used to account for state liquid fuel funds and specific expenditures related to that revenue.
  - d. **Open space fund** is used to account for financial resources to be used for the purchase of open space or improvements to the parks of the Borough.

The **Special revenue and Open space funds** of the Borough are not major funds and are reported in the **Other governmental funds** column in the fund financial statements.

2. Fiduciary Funds – These funds are used to report assets held in a trustee or agency capacity for others and, therefore, are not available to support Borough programs.
  - a. **Custodial fund** is used to account for funds posted by developers who have projects in progress in the Borough. The funds are used to pay legal, engineering, and administrative costs incurred by the Borough relating to those projects.

Cash and Cash Equivalents:

The Borough considers cash and cash equivalents to include cash on hand, demand deposits, and bank savings and money market accounts.



**BOROUGH OF TRAPPE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**Note 1 – Summary of Significant Accounting Policies (Continued):**

Budget:

The Borough Council adheres to the following procedures in establishing the budgets reflected in the financial statements:

1. Beginning at least 30 days prior to adoption of the budget, a proposed budget for the ensuing year shall be prepared in a manner designated by Council. The proposed budget shall be kept on file with the borough secretary and made available for public inspection for a period of 10 days.
2. Notice that the proposed budget is available for inspection must be published in a newspaper of general circulation in the Borough and posted during the 10 day period noted in item 1.
3. After 10 days, Council shall adopt the budget no later than December 31 and file it with the Pennsylvania Department of Community and Economic Development.
4. Annual budgets are generally adopted for the general fund.
5. For budgetary purposes, appropriations lapse at the end of each year.
6. The budget is prepared on the modified cash basis of accounting.
7. The budget was not amended during 2020.

Use of Estimates:

The preparation of financial statements in conformity with the modified cash basis of accounting used by the Borough requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

Date of Management Evaluation of Subsequent Events:

Management has evaluated subsequent events through June 24, 2021, the date on which the financial statements were available to be issued.

**BOROUGH OF TRAPPE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**Note 2 – Deposits:**

Pennsylvania statutes provide for investment of Governmental Funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, insured or collateralized time deposits and certificates of deposit, and qualifying commercial paper, bankers' acceptances, negotiable certificates of deposit, and insured bank deposit reciprocal arrangements. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes.

The Borough does not have a formal deposit and investment policy but adheres to state statutes and prudent business practice. Governmental funds' amounts are maintained in demand deposits and highly liquid money market funds. They are captioned as "cash" in the statement of net position. These amounts are stated at cost which approximates market. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the policy of the Borough.

**Deposits:**

Concentration of Credit Risk – At December 31, 2020, 29% of the balances shown as cash on the Borough's statement of net position – modified cash basis were held by Customers Bank and 71% were held by PLGIT.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough follows state statutes as they relate to custodial credit risk. As of December 31, 2020, the Borough's total bank balances of \$3,567,622 were exposed to custodial credit risk as follows:

Balances subject to FDIC Insurance .....	\$ 250,000
Balances uninsured and collateralized with letter of credit provided by Customers Bank issued by Federal Home Loan Bank of Pittsburgh .....	870,966
Balances uninsured and uncollateralized PLGIT funds...	<u>2,446,656</u>
<b>TOTAL .....</b>	<b><u>\$3,567,622</u></b>

**BOROUGH OF TRAPPE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**Note 3 – Capital Assets:**

Capital assets purchased or acquired with an original cost of \$2,000 or more and infrastructure construction of \$25,000 or more are reported at historical cost or estimated historical costs. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are reported in the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets are expensed in the fund financial statement.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	15 – 30 years
Equipment	5 – 15 years
Infrastructure	25 years

**Changes in Capital Assets:**

The following is a summary of changes in capital assets for the year ended December 31, 2020:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land .....	\$ 0	\$ 90,803	\$	\$ 90,803
Capital assets:				
Buildings.....	705,819	2,848		708,667
Equipment.....	215,167	166,997	(7,014)	375,150
Infrastructure .....	3,208,321	195,590		3,403,911
Total Capital Assets at Historical Cost.....	4,129,307	365,435	(7,014)	4,487,728
Less accumulated depreciation:				
Building .....	(352,952)	(27,098)		(380,050)
Equipment.....	(82,470)	(22,372)	7,014	(97,828)
Infrastructure.....	(548,440)	(137,933)		(686,373)
Total Accumulated Depreciation .....	(983,862)	(187,403)	7,014	(1,164,251)
Other capital assets, net .....	3,145,445	178,032	0	3,323,477
Total Capital Assets, Net .....	\$3,145,445	\$ 268,835	\$ 0	\$ 3,414,280

**BOROUGH OF TRAPPE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**Note 3 – Capital Assets(Continued):**

**Depreciation Expense:**

Depreciation expense was charged to functions of the Borough as follows:

General government.....	\$ 26,797
Public safety.....	8,523
Public works .....	145,775
Recreation and parks.....	6,308
	<u>\$ 187,403</u>

**Note 4 – Due to Collegeville-Trappe Public Works:**

On August 5, 2020, the Borough signed a repayment agreement with Collegeville-Trappe Public Works to reimburse Public Works for the Borough's share of the purchase of property, the appraisal, environmental assessments, site development, building design, and legal and engineering fees for the construction of a salt shed for the storage of the Borough's supply of road salt. The Borough's share of the costs was \$117,836. The payment terms are a first payment of \$40,000 on or before December 31, 2020 with a final payment due on or before December 31, 2030. Interest shall be accrued at the PLGIT prime rate monthly each month based on the remaining amount due. The balance of the Due to at December 31, 2020 was \$77,931.

**Note 5 – Government-Wide Net Position:**

Government-wide net position is divided into three components:

- Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position – consist of assets that are restricted by the Borough's creditors (for example, through debt covenants), by state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net position is reported in this category.

**Note 6 – Fund Balance:**

In accordance with GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Borough classifies governmental fund balances as follows:

**BOROUGH OF TRAPPE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**Note 6 – Fund Balance (Continued):**

Non-spendable – includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints. The Borough has no non-spendable fund balances.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, or amounts constrained due to enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Borough through formal action of the Council. Presently the Borough has no committed fund balances.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by Borough Council.

Unassigned – includes positive fund balances within the General Fund which have not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

**Note 7 – Prior Period Adjustment:**

At January 1, 2020, the Borough adopted Statement No. 84 of the Governmental Accounting Standards Board, Fiduciary Activities. A prior period adjustment in the amount of \$20,148 was made to the beginning net position in the Fiduciary Fund per the adoption of GASB 84.

**Note 8 – Use of Restricted Resources:**

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Borough's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Borough's policy is to first apply the expenditure toward restricted fund balance and then to other less restrictive classifications (committed and then assigned fund balances) if there are any before using unassigned fund balances.

**Note 9 – Real Estate Taxes:**

Real estate taxes are levied in January at .47 mills. Liens are placed on uncollected taxes by January 15<sup>th</sup> of the following year. The Borough uses a tax collector to make collections throughout the year. Due to the Borough being on the modified cash basis, real estate taxes are recognized when collected.

**BOROUGH OF TRAPPE**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**Note 10 – Earned Income Taxes:**

The Borough's main source of tax revenue is from earned income taxes. Borough residents currently pay a 1.4% earned income tax, but .9% of that is collected for the Perkiomen Valley School District.

**Note 11 – Interfund Activity:**

Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliations to the government-wide financial statements.

Interfund receivables and payables at December 31, 2020 were as follows:

<u>Funds</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$	\$1,189,220
Capital Projects Funds	1,189,217	
Custodial Fund	<u>3</u>	
<b>Total All Funds</b>	<b><u>\$1,189,220</u></b>	<b><u>\$1,189,220</u></b>

The above interfund receivable and payable between the General and Capital Projects Funds is a result of pooling of cash in the General Fund to maximize investment earnings. The interfund receivable to the Custodial Fund relates to escrow funds in the General Fund.

Individual fund operating transfers for the year ended December 31, 2020 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 85,333	\$ 37,000
Special Revenue Fund		80,000
Capital Projects Fund	37,000	
Open Space Fund		<u>5,333</u>
<b>Total All Funds</b>	<b><u>\$ 122,333</u></b>	<b><u>\$ 122,333</u></b>

Transfers were made to move funds to the Capital Project Funds for future use and to reimburse the General Fund for capital expenditures.

**BOROUGH OF TRAPPE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**Note 12 – Contingent Liability: Collegeville-Trappe Joint Public Works Department (CTJPWD) Pension:**

In December, 2010, the Boroughs of Trappe and Collegeville entered into an agreement which includes a provision whereby each Borough agrees to assume 50% of the financial responsibility for the pension liability of each CTJPWD employee in the event Collegeville's pension plan, which includes the CTJPWD employees, becomes "financially insolvent to make payments as required". In addition, the agreement provides that in the event Collegeville's pension plan is liquidated, any overfunded balance attributed to CTJPWD employees shall be paid equally to the Boroughs of Trappe and Collegeville.

Due to issues associated with the COVID-19 pandemic, information regarding the status of the Collegeville pension plan's unfunded net pension liability as of December 31, 2020 is not yet available. As of the most recent measurement date of December 31, 2019, Collegeville's pension plan had an unfunded liability of \$347,300. The Borough's obligation if the plan were liquidated was estimated to be \$120,691.

## **SUPPLEMENTARY INFORMATION**



**BOROUGH OF TRAPPE**  
**BUDGETARY COMPARISON SCHEDULE – GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2020**

	Budget Original and Final	Actual Amounts	Variance Positive (Negative)
<b><u>Revenues:</u></b>			
Taxes, penalties, and interest.....	\$1,168,222	\$ 1,240,844	\$ 72,622
Franchise taxes .....	88,800	84,855	(3,945)
Charges for services .....	6,076	9,493	3,417
Intergovernmental revenues .....	433,700	127,270	(306,430)
Licenses and permits .....	60,120	61,897	1,777
Interest and rents .....	87,264	64,702	(22,562)
Fines and forfeitures.....	3,100	1,612	(1,488)
Miscellaneous.....	9,000	1,636	(7,364)
Total Revenues.....	<u>1,856,282</u>	<u>1,592,309</u>	<u>(263,973)</u>
<b><u>Expenditures:</u></b>			
General government .....	490,502	340,653	149,849
Public safety .....	134,015	130,509	3,506
Refuse collection .....	263,858	261,958	1,900
Public works.....	206,805	95,060	111,745
Recreation and parks .....	37,450	33,077	4,373
Debt service - interest.....		3,805	(3,805)
Capital outlays.....	760,371	456,238	304,133
Insurance and miscellaneous.....	47,500	42,324	5,176
Total Expenditures .....	<u>1,940,501</u>	<u>1,363,624</u>	<u>576,877</u>
<b>Excess (Deficiency) of Revenues Over Expenditures .....</b>	<u>(84,219)</u>	<u>228,685</u>	<u>312,904</u>
<b><u>Other Financing Sources (Uses):</u></b>			
Operating transfers in .....		85,333	85,333
Operating transfers out .....	<u>(37,000)</u>	<u>(37,000)</u>	
Total Other Financing Sources (Uses).....	<u>(37,000)</u>	<u>48,333</u>	<u>85,333</u>
<b>Net Change in Fund Balance .....</b>	<u>(121,219)</u>	<u>277,018</u>	<u>398,237</u>
<b>FUND BALANCE - BEGINNING .....</b>	<u>1,654,933</u>	<u>1,654,933</u>	<u>0</u>
<b>FUND BALANCE - ENDING .....</b>	<u>\$ 1,533,714</u>	<u>\$ 1,931,951</u>	<u>\$ 398,237</u>

(See note to budgetary comparison schedule.)

**BOROUGH OF TRAPPE**  
**NOTE TO BUDGETARY COMPARISON SCHEDULE – GENERAL FUND**  
**DECEMBER 31, 2020**

**Note 1 – Funds and Basis of Accounting:**

The Budgetary Comparison Schedule is presented for the General Fund of the Borough, the main governmental operating fund. It is prepared on the modified cash basis of accounting.