

2020 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

090753 NEW BRITAIN BORO, BUCKS COUNTY



BALANCE SHEET

DCED-CLGS-30 (09-09)

NEW BRITAIN BORO, BUCKS County

BALANCE SHEET

December 31, 2020

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Assets and Other Debits											
100-120	Cash and Investments	639,797	33,513	17,219	1,503,941			673,852			2,868,322
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds	27,716	3,227					38,972			69,915
131-139, 150-159	Other Current Assets							3,841			3,841
160-169	Fixed Assets								2,468,140		2,468,140
180-189	Other Debits									2,254,000	2,254,000
Total Assets and Other Debits		667,513	36,740	17,219	1,503,941			716,665	2,468,140	2,254,000	7,664,218
Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings										
200-209, 231-239	All Other Current Liabilities							569,106			569,106
230.00	Due To Other Funds	68,084	926	905							69,915

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	7,664,218
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NEW BRITAIN BORO, BUCKS County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2020

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	808,561	81,575		95,963				986,099
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	90,870							90,870
310.20	Earned Income Taxes / Wage Taxes	422,439							422,439
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	54,165	26,678						80,843
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other: _____								
	Other: _____								
Total Taxes		1,376,035	108,253		95,963				1,580,251

Licenses and Permits									
320-322	All Other Licenses and Permits	8,424							8,424
321.80	Cable Television Franchise Fees	55,085							55,085
Total Licenses and Permits		63,509							63,509

Fines and Forfeits									
330-332	Fines and Forfeits	6,771							6,771
Total Fines and Forfeits		6,771							6,771

NEW BRITAIN BORO, BUCKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	33,625	1,594	138	8,709			8,809	52,875
342.00	Rents and Royalties	35,700							35,700
Total Interest, Rents and Royalties		69,325	1,594	138	8,709			8,809	88,575

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	210,000		193,939					403,939
355.01	Public Utility Realty Tax (PURTA)	1,429							1,429
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		88,542						88,542
355.04	Alcoholic Beverage Licenses	200							200
355.05	General Municipal Pension System State Aid							9,531	9,531
355.07	Foreign Fire Insurance Tax Distribution		21,377						21,377
355.08	Local Share Assessment/Gaming Proceeds								
355.09	Marcellus Shale Impact Fee Distribution								

NEW BRITAIN BORO, BUCKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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		211,629	109,919	193,939				9,531	525,018

Local Government Units									
357.03	Highways and Streets								
357.00	All Other Local Governmental Units Capital and Operating Grants	3,675		2,500					6,175
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		3,675		2,500					6,175

Charges for Service									
361.00	General Government	9,858							9,858
362.00	Public Safety	42,114							42,114
363.20	Parking								
363.00	All Other Charges for Highway & Street Services								
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)								
364.30	Solid Waste Collection and Disposal Charge (trash)								
364.60	Host Municipality Benefit Fee for Solid Waste Facility								
364.00	All Other Charges for Sanitation Services								
365.00	Health								
366.00	Human Services								
367.00	Culture and Recreation	6,820							6,820
368.00	Airports								

NEW BRITAIN BORO, BUCKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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		58,792							58,792

Unclassified Operating Revenues									
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors	24,713	1,990	7,650					34,353
388.00	Fiduciary Fund Pension Contributions						3,338		3,338
389.00	All Other Unclassified Operating Revenues								
Total Unclassified Operating Revenues		24,713	1,990	7,650			3,338		37,691

Other Financing Sources									
391.00	Proceeds of General Fixed Asset Disposition								
392.00	Interfund Operating Transfers	10,581	4,273	94,132					108,986
393.00	Proceeds of General Long-Term Debt				1,537,000				1,537,000
394.00	Proceeds of Short Term-Debt								

NEW BRITAIN BORO, BUCKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	3,129							3,129
Total Other Financing Sources		13,710	4,273	94,132	1,537,000				1,649,115
TOTAL REVENUES		1,828,159	226,029	298,359	1,641,672			21,678	4,015,897

EXPENDITURES

General Government									
400.00	Legislative (Governing) Body	2,901							2,901
401.00	Executive (Manager or Mayor)	118,734							118,734
402.00	Auditing Services / Financial Administration	7,016	149						7,165
403.00	Tax Collection	3,313							3,313
404.00	Solicitor / Legal Services	42,814							42,814
405.00	Secretary / Clerk	44,551							44,551
406.00	Other General Government Administration	13,786						1,255	15,041
407.00	IT-Networking Services-Data Processing	3,824							3,824
408.00	Engineering Services	37,969							37,969
409.00	General Government Buildings and Plant	30,301							30,301
Total General Government		305,209	149					1,255	306,613

Public Safety									
410.00	Police	1,011,902			71,144				1,083,046
411.00	Fire		69,752						69,752
412.00	Ambulance / Rescue		29,448						29,448
413.00	UCC and Code Enforcement	85,371							85,371

NEW BRITAIN BORO, BUCKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	8,528							8,528
415.00	Emergency Management and Communications	1,200							1,200
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		1,107,001	99,200		71,144				1,277,345

Health and Human Services									
420.00-425.00	Health and Human Services								
Total Health and Human Services									

Public Works - Sanitation									
426.00	Recycling Collection and Disposal	2,718							2,718
427.00	Solid Waste Collection and Disposal (garbage)								
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection								
Total Public Works - Sanitation		2,718							2,718

Public Works - Highways and Streets									
430.00	General Services - Administration	10,443							10,443
431.00	Cleaning of Streets and Gutters	2,255							2,255
432.00	Winter Maintenance – Snow Removal	10,420							10,420
433.00	Traffic Control Devices	6,704							6,704
434.00	Street Lighting	19,446		5,687					25,133

NEW BRITAIN BORO, BUCKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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								
436.00	Storm Sewers and Drains								
437.00	Repairs of Tools and Machinery								
438.00	Maintenance and Repairs of Roads and Bridges		181,133						181,133
439.00	Highway Construction and Rebuilding Projects								
Total Public Works - Highways and Streets		49,268	181,133	5,687					236,088

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	100	18,722	282,233					301,055
452.00	Participant Recreation								
453.00	Spectator Recreation								
454.00	Parks								

NEW BRITAIN BORO, BUCKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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		845						845
456.00	Libraries								
457.00	Civil and Military Celebrations		2,063						2,063
458.00	Senior Citizens' Centers								
459.00	All Other Culture and Recreation	72,285	65						72,350
Total Culture and Recreation		72,385	21,695	282,233					376,313

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)		96,000						96,000
472.00	Debt Interest (short-term and long-term)	1,124	17,057		25,506				43,687
475.00	Fiscal Agent Fees				33,000				33,000
Total Debt Service		1,124	113,057		58,506				172,687

Employer Paid Benefits and Withholding Items									
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	11,820							11,820
482.00	Judgments and Losses								
483.00	Pension / Retirement Fund Contributions								

NEW BRITAIN BORO, BUCKS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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

EXPENDITURES

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits	35,898						35,898
Total Employer Paid Benefits and Withholding Items		47,718						47,718

Insurance								
486.00	Insurance, Casualty, and Surety	11,363						11,363
Total Insurance		11,363						11,363

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						4,638	4,638
489.00	All Other Unclassified Expenditures							
Total Unclassified Operating Expenditures							4,638	4,638

Other Financing Uses								
491.00	Refund of Prior Year Revenues	1,270						1,270
492.00	Interfund Operating Transfers	86,418	12,889	1,598	8,081			108,986
493.00	All Other Financing Uses							
Total Other Financing Uses		87,688	12,889	1,598	8,081			110,256

TOTAL EXPENDITURES	1,684,474	428,123	289,518	137,731			5,893	2,545,739
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	143,685	-202,094	8,841	1,503,941			15,785	1,470,158
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NEW BRITAIN BORO

December 31, 2020

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											
First National Bank of Newtown	Note	2017	2027	1,000,000	813,000		96,000		717,000		717,000
First National Bank of Newtown	Note	2020	2039	1,537,000	0	1,537,000	0		1,537,000		1,537,000
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding 2,254,000

Capitalized lease obligations 0

Net debt 2,254,000

NEW BRITAIN BORO, BUCKS County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2020

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government		3,500	3,500
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police		28,709	28,709
Recreation		9,315	9,315
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES		41,524	41,524

EMPLOYEE COMPENSATION

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

156,624

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

SIGNATURE AND VERIFICATION

Signed:

Gregory S Ede Appointed Auditor/CPA

December 31, 2020

NOTES / COMMENTS



A Professional Corporation
STYER ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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Gregory S. Ede, CPA

Timothy N. Clemmer, CPA

R. David Styer, CPA
1949-2015

INDEPENDENT AUDITORS' REPORT

To the Borough Council
Borough of New Britain
New Britain, Pennsylvania

We have audited the accompanying Commonwealth of Pennsylvania Audit and Financial Report (Form DCED-CLGS-30) of the Borough of New Britain, Bucks County, Pennsylvania, which includes the statement of assets, liabilities, and fund balances as of December 31, 2020, and the related statement of revenue and expenditures and the related notes to the financial statements, for the year then ended, which collectively comprise the financial statements as shown in the DCED prescribed form.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Department of Community and Economic Development of the Commonwealth of Pennsylvania. This includes determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements. 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 error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion 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 of 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 opinion.

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

The financial statements are prepared by the Borough of New Britain on the basis of the financial reporting provisions of the Department of Community and Economic Development of the Commonwealth of Pennsylvania, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Department of Community and Economic Development of the Commonwealth of Pennsylvania. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the effects of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of New Britain as of December 31, 2020, or the changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and fund balances of the Borough of New Britain as of December 31, 2020, and its revenue collected and expenditures or expenses paid, for the year then ended, on the basis of the accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

Basis of Accounting

The Borough’s policy is to prepare the Form DCED-CLGS-30 on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, revenues and the related assets are recognized when received rather than when earned and expenditures or expenses are recognized when paid rather than when a liability is incurred. Our opinion is not modified with respect to this matter.

STYER ASSOCIATES
Certified Public Accountants

March 17, 2021