

**LAKE CITY BOROUGH  
ANNUAL AUDIT AND FINANCIAL REPORT  
FOR THE YEAR ENDED  
DECEMBER 31, 2017**

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FELIX & GLOEKLER, P. C.

CERTIFIED PUBLIC ACCOUNTANTS

2306 Peninsula Drive • Erie, Pennsylvania 16506

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### **Independent Auditor's Report**

To: Members of Council of the Borough of Lake City, Pennsylvania  
President Judge of Erie County Court of Common Pleas  
Secretary of Pennsylvania Department of Community and Economic Development

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the general fund, special revenue funds, enterprise funds, and trust and agency funds, included in the Department of Community and Economic Development's (DCED) prescribed form of the Borough of Lake City, Commonwealth of Pennsylvania, as of and for the year ended December 31, 2017, which collectively comprise the basic financial statements as shown in the DCED prescribed form.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements included in DCED's prescribed form in accordance with the modified cash basis of accounting, which is permitted, by the Pennsylvania Department of Community and Economic Development, Governor's Center for Local Government Services as described in section entitled "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles". 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements included in DCED's prescribed form 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 included in DCED's prescribed form 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 auditor's 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 auditor considers internal control relevant to the Borough of Lake City'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 Borough of Lake City'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**

As described below, the Borough prepared these financial statements included in DCED's prescribed form using the modified cash basis of accounting that is permitted by the Pennsylvania Department of Community and Economic Development, Governor's Center for Local Government Services, 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 modified cash basis of accounting and accounting principles generally accepted in the United States of America are that fixed assets, improvements and infrastructure assets are not capitalized; instead, capital acquisitions and construction are reflected as expenditures. When the proceeds of the debt are received, they are recorded as revenues and other financing sources. As the debt and expenses are paid, the principal payments are recorded as expenditures.

Also, management of the Borough of Lake City, Commonwealth of Pennsylvania, has not presented a management's discussion and analysis and budget versus actual report that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**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” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Lake City, Commonwealth of Pennsylvania, as of December 31, 2017, or the changes in its financial position for the year then ended.

**Opinion on Modified Cash Basis of Accounting Used to Prepare the DCED Prescribed Form**

In our opinion, the financial statements included in the prescribed form referred to above present fairly, in all material respects, the respective assets, liabilities, and fund balances of the general fund, special revenue funds, enterprise funds, and trust and agency funds of the Borough of Lake City, Commonwealth of Pennsylvania, as of December 31, 2017 and its revenues and expenditures for the year then ended, on the basis of accounting described in the fourth paragraph above.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The DCED required accompanying financial information listed as "Debt Statement, Statement of Capital Expenditures, and Employee Compensation Schedule" are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Members of Council of the Borough of Lake City, Pennsylvania  
President Judge of Erie County Court of Common Pleas  
Secretary of Pennsylvania Department of Community and Economic Development  
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**Restriction on Use**

This report is intended solely for the information and use of the governing body and management of the Borough of Lake City, Commonwealth of Pennsylvania, and for filing with the Pennsylvania Department of Community and Economic Development and the Erie County Prothonotary and is not intended to be and should not be used by anyone other than these specified parties.

*Felix and Gloekler, P.C.*

Felix and Gloekler, P.C.  
Erie, Pennsylvania

March 14, 2018

**2017 MUNICIPAL ANNUAL AUDIT  
 AND FINANCIAL REPORT**

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City of: \_\_\_\_\_ County: \_\_\_\_\_

Borough of: Lake City \_\_\_\_\_ County: Erie \_\_\_\_\_

Township of: \_\_\_\_\_ County: \_\_\_\_\_

Municipality of: \_\_\_\_\_ County: \_\_\_\_\_

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**Section I – Introduction**

**Statutory Requirements**

State law, under the provisions of the Borough Code, First Class Township Code and Second Class Township Code, requires that either the borough controller, elected auditors or appointed auditors file an Annual Audit and Financial Report.

State law, under the provisions of the Third Class City Code, requires a city’s Director of Accounts and Finance to file an Annual Audit and Financial Report.

The state’s Administrative Code requires home rule municipalities to file an Annual Audit and Financial Report.

The Annual Audit and Financial Report forms, supplied by the Pennsylvania Department of Community and Economic Development (DCED), were developed and approved by a Uniform Forms Committee composed of representatives of the respective municipal associations.

Form DCED-CLGS-30 (See Section IV) is the form adopted by the Committee for use by all municipalities in Pennsylvania to fulfill their statutory reporting requirements.

**One Form**

All municipalities are required to submit forms electronically to DCED. The online form contains the same categories as in previous years: assets, liabilities, revenues, and expenditures. Enter data only for those funds that your municipality uses. Leave the remaining columns blank. The online form will automatically calculate the amounts in the "Total" column.

**Submitting the Report**

File one copy by the designated date at each of the places listed on page 9.

DO NOT submit a paper copy of this report to DCED. Reports must be submitted online at: [www.newPA.com/links/efiling](http://www.newPA.com/links/efiling) (Please see the e-filing instructions on page 7.)

The online system will automatically round all figures to the nearest whole dollar. The system will also add all rows and columns, following basic accounting principles.

Appointed independent auditors should attach their own opinion in the "Final Review" step of the online form. Additionally, appointed independent auditors should place a checkmark in Section II at the bottom of the "Final Review" step, then choose the "Appointed Auditor/CPA" title from the dropdown and provide a name and contact number in order to submit the form online.

Elected controllers should place a checkmark in the box in Section I at the bottom of the "Final Review" step of the online form, then choose the "Controller" title from the dropdown and provide a name and contact number in order to submit the form online.

Elected Auditors must place a check mark in the box in Section I of the "Final Review" step of the online form, then choose the "Elected auditor title from the dropdown and provide the name and phone number for **at least 2 of the 3 elected auditors**. If you appointed an auditor to fill an elected position, please choose the "Elected Auditor" title, not the Appointed Auditor/CPA title when submitting online.

If you need assistance or have any questions when completing this report, please contact the Governor's Center for Local Government Services (GCLGS) toll free at 888-223-6837.

**BALANCE SHEET**

December 31, 2017

ASSETS AND OTHER DEBITS	GOVERNMENTAL FUNDS			
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
100-120 Cash and Investments	414,363	67,976		
140-144 Tax Receivable	111,603			
121-129				
145-149 Accounts Receivable (excluding taxes)				
130 Due From Other Funds	499			
131-139				
150-159 Other Current Assets	17,911			
160-169 Fixed Assets				
180-189 Other Debits				
<b>TO TAL ASSETS AND O THER DEBITS</b>	<b>\$ 544,376</b>	<b>\$ 67,976</b>	<b>\$ -</b>	<b>\$ -</b>

LIABILITIES AND OTHER CREDITS				
210-229 Payroll Taxes and Other Payroll Withholdings	5,464			
200-209				
231-239 All Other Current Liabilities	40,680			
230 Due To Other Funds				
260-269 Long-Term Liabilities				
240-259 Current Portion of Long-Term Debt & Other Credits				
<b>TO TAL LIABILITIES AND O THER CREDITS</b>	<b>\$ 46,144</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

FUND AND ACCOUNT GROUP EQUITY				
281-284 Contributed Capital				
290 Investment in General Fixed Assets				
270-289 Fund Balance/Retained Earnings on 12/31	498,232	67,976		
291-299 Other Equity				
<b>TO TAL FUND AND ACCOUNT GROUP EQUITY</b>	<b>\$ 498,232</b>	<b>\$ 67,976</b>	<b>\$ -</b>	<b>\$ -</b>



## 2017 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT / BALANCE SHEET

	PROPRIETARY FUNDS	FIDUCIARY FUND	ACCOUNT GROUPS		TOTAL
	Enterprise	Trust & Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
<b>ASSETS AND OTHER DEBITS</b>					
100-120 Cash and Investments	243,742	1,261,382			1,987,463
140-144 Tax Receivable					111,603
121-129					-
145-149 Accounts Receivable (excluding taxes)	180,566				180,566
130 Due From Other Funds					499
131-139					-
150-159 Other Current Assets					17,911
160-169 Fixed Assets	3,922,686				3,922,686
180-189 Other Debits					-
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 4,346,994</b>	<b>\$ 1,261,382</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,220,728</b>

<b>LIABILITIES AND OTHER CREDITS</b>					
210-229 Payroll Taxes and Other Payroll Withholdings	1,421				6,885
200-209					-
231-239 All Other Current Liabilities	542				41,222
230 Due to Other Funds	499				499
260-269 Long-Term-Liabilities	1,381,907				1,381,907
240-259 Current Portion of Long-Term Debt & Other Credits					-
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 1,384,369</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,430,513</b>

<b>FUND AND ACCOUNT GROUP EQUITY</b>					
281-284 Contributed Capital					-
290 Investment in General Fixed Assets					-
270-289 Fund Balance/Retained Earnings on 12/31	2,962,625	1,261,382			4,790,215
291-299 Other Equity					-
<b>TOTAL FUND AND ACCOUNT GROUP EQUITY</b>	<b>\$ 2,962,625</b>	<b>\$ 1,261,382</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,790,215</b>

**TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY**

**\$ 6,220,728**

**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2017

REVENUES	GOVERNMENTAL FUNDS			
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
<b>TAXES</b>				
301.00 Real Estate Taxes	366,485			
305.00 Occupation Taxes (levied under municipal code)				
308.00 Residence Taxes (levied by cities of the 3 <sup>rd</sup> class)				
309.00 Regional Asset District Sales Tax (Allegheny County municipalities only)				
310.00 Per Capita Taxes	9,214			
310.10 Real Estate Transfer Taxes	20,834			
310.20 Earned Income Taxes/Wage Taxes	265,406			
310.30 Business Gross Receipts Taxes				
310.40 Occupation Taxes (levied under Act 511)				
310.50 Emergency and Municipal Services Tax**	41,500			
310.60 Amusement/Admission Taxes				
310.70 Mechanical Device Taxes				
310.90 Other Local Tax Enabling Act/Act511/Taxes				
<b>TOTAL TAXES</b>	<b>\$ 703,439</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LICENSES &amp; PERMITS</b>				
320-322 All Other Licenses and Permits				
321.80 Cable Television Franchise Fees	18,526			
<b>TOTAL LICENSES &amp; PERMITS</b>	<b>\$ 18,526</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FINES &amp; FORFEITS</b>				
330-332 Fines and Forfeits	11,522			
<b>TOTAL FINES &amp; FORFEITS</b>	<b>\$ 11,522</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>INTEREST, RENTS &amp; ROYALTIES</b>				
341.00 Interest Earnings	1,907	554		
342.00 Rents and Royalties	6,724			
<b>TOTAL INTEREST, RENTS &amp; ROYALTIES</b>	<b>\$ 8,631</b>	<b>\$ 554</b>	<b>\$ -</b>	<b>\$ -</b>

\*\*This tax was known as the Occupational Privilege Tax (OPT) prior to 2005 and the Emergency and Municipal Services Tax prior to 2008.

2017 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT / STATEMENT OF REVENUES AND EXPENDITURES

REVENUES	PROPRIETARY FUNDS			FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust & Agency	Memorandum Only	
<b>TAXES</b>					
301.00 Real Estate Taxes					366,485
305.00 Occupation Taxes (levied under municipal code)					-
308.00 Residence Taxes (levied by cities of the 3 <sup>rd</sup> class)					-
309.00 Regional Asset District Sales Tax (Allegheny County municipalities only)					-
310.00 Per Capita Taxes					9,214
310.10 Real Estate Transfer Taxes					20,834
310.20 Earned Income Taxes/Wage Taxes					265,406
310.30 Business Gross Receipts Taxes					-
310.40 Occupation Taxes (levied under Act 511)					-
310.50 Emergency and Municipal Services Tax**					41,500
310.60 Amusement/Admission Taxes					-
310.70 Mechanical Device Taxes					-
310.90 Other Local Tax Enabling Act/Act511/Taxes					-
					-
					-
<b>TOTAL TAXES</b>	\$ -	\$ -	\$ -	\$ -	\$ 703,439

<b>LICENSES &amp; PERMITS</b>					
320-322 All Other Licenses and Permits					-
321.80 Cable Television Franchise Fees					18,526
<b>TOTAL LICENSES &amp; PERMITS</b>	\$ -	\$ -	\$ -	\$ -	\$ 18,526

<b>FINES &amp; FORFEITS</b>					
330-332 Fines and Forfeits					11,522
<b>TOTAL FINES &amp; FORFEITS</b>	\$ -	\$ -	\$ -	\$ -	\$ 11,522

<b>INTEREST, RENTS &amp; ROYALTIES</b>					
341.00 Interest Earnings	962		152,488		155,911
342.00 Rents and Royalties					6,724
<b>TOTAL INTEREST, RENTS &amp; ROYALTIES</b>	\$ 962	\$ -	\$ 152,488	\$ -	\$ 162,635

2017 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT / STATEMENT OF REVENUES AND EXPENDITURES

INTERGOVERNMENTAL REVENUES	GOVERNMENTAL FUNDS			
<b>FEDERAL</b>	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
351.03 Highway and Streets				
351.09 Community Development				
351.00 All Other Federal Capital and Operating Grants	3,222			
352.01 National Forest				
352.00 All Other Federal Shared Revenue & Entitlements				
353.00 Federal Payments in Lieu of Taxes				
<b>TOTAL FEDERAL</b>	<b>\$ 3,222</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>STATE</b>	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
354.03 Highways and Streets				
354.09 Community Development				
354.15 Recycling/Act 101	1,372			
354.00 All Other State Capital and Operating Grants				
355.01 Public Utility Realty Tax (PURTA)	732			
355.02-355.03 Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		96,702		
355.04 Alcoholic Beverage Licenses	400			
355.05 General Municipal Pension System State Aid	40,674			
355.07 Foreign Fire Insurance Tax Distribution	13,364			
355.08 Local Share Assessment/Gaming Proceeds				
355.09 Marcellus Shale Impact Fee Distribution				
355.00 All Other State Shared Revenues & Entitlements				
356.00 State Payments in Lieu of Taxes				
<b>TOTAL STATE</b>	<b>\$ 56,542</b>	<b>\$ 96,702</b>	<b>\$ -</b>	<b>\$ -</b>

<b>LOCAL GOVERNMENT UNITS</b>	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
357.03 Highways and Streets				
357.00 All Other Local Governmental Units Capital and Operating Grants	10,498			
358.00 Local Government Unit Shared Payments for Contracted Intergovernmental Services				
359.00 Local Governmental Units and Authorities Payments in Lieu of Taxes				
<b>TOTAL LOCAL GOVERNMENT UNITS</b>	<b>\$ 10,498</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

2017 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT / STATEMENT OF REVENUES AND EXPENDITURES

INTERGOVERNMENTAL REVENUES	PROPRIETARY FUNDS	FIDUCIARY FUND	TOTAL	
<b>FEDERAL</b>	<b>Enterprise</b>	<b>Internal Service</b>	<b>Trust &amp; Agency</b>	<b>Memorandum Only</b>
351.03 Highway and Streets				-
351.09 Community Development				-
351.00 All Other Federal Capital and Operating Grants				3,222
352.01 National Forest				-
352.00 All Other Federal Shared Revenue & Entitlements				-
353.00 Federal Payments in Lieu of Taxes				-
<b>TOTAL FEDERAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,222</b>

<b>STATE</b>				
354.03 Highways and Streets				-
354.09 Community Development				-
354.15 Recycling/Act 101				1,372
354.00 All Other State Capital and Operating Grants				-
355.01 Public Utility Realty Tax (PURTA)				732
355.02-355.03 Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback				96,702
355.04 Alcoholic Beverage Licenses				400
355.05 General Municipal Pension System State Aid				40,674
355.07 Foreign Fire Insurance Tax Distribution				13,364
355.08 Local Share Assessment/Gaming Proceeds				-
355.09 Marcellus Shale Impact Fee Distribution				-
355.00 All Other State Shared Revenues & Entitlements				-
356.00 State Payments in Lieu of Taxes				-
<b>TOTAL STATE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 153,244</b>

<b>LOCAL GOVERNMENT UNITS</b>				
357.03 Highways and Streets				-
357.00 All Other Local Governmental Units Capital and Operating Grants				10,498
358.00 Local Government Unit Shared Payments for Contracted Intergovernmental Services				-
359.00 Local Governmental Units and Authorities Payments in Lieu of Taxes				-
<b>TOTAL LOCAL GOVERNMENT UNITS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,498</b>

<b>TOTAL INTERGOVERNMENTAL REVENUES</b>				<b>\$ 166,964</b>
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REVENUES	GOVERNMENTAL FUNDS			
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
<b>CHARGES FOR SERVICE</b>				
361.00 General Government	4,984			
362.00 Public Safety	9,945			
363.20 Parking				
363.00 All Other Charges for Highway & Streets Services				
364.10 Wastewater/Sewage Charges				
364.30 Solid Waste Collection & 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				
368.00 Airports				
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				
<b>TOTAL CHARGES FOR SERVICE</b>	\$ 14,929	\$ -	\$ -	\$ -

UNCLASSIFIED OPERATING REVENUES				
383.00 Assessments				
386.00 Escheats (sale of personal property)				
387.00 Contributions & Donations from Private Sectors				
388.00 Fiduciary Fund Pension Contributions				
389.00 All Other Unclassified Operating Revenues	3,991			
<b>TOTAL UNCLASSIFIED OPERATING REVENUES</b>	\$ 3,991	\$ -	\$ -	\$ -

OTHER FINANCING SOURCES				
391.00 Proceeds of General Fixed Asset Disposition	2,675			
392.00 Interfund Operating Transfers	40,986			
393.00 Proceeds of General Long-Term Debt				
394.00 Proceeds of Short-Term Debt				
395.00 Refunds of Prior Year Expenditures	14,377			
<b>TOTAL OTHER FINANCING SOURCES</b>	\$ 58,038	\$ -	\$ -	\$ -

<b>TOTAL REVENUES</b>	\$ 889,338	\$ 97,256	\$ -	\$ -
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## 2017 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT / STATEMENT OF REVENUES AND EXPENDITURES

REVENUES	PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust & Agency	Memorandum Only
<b>CHARGES FOR SERVICE</b>				
361.00 General Government				4,984
362.00 Public Safety	70			10,015
363.20 Parking				-
363.00 All Other Charges for Highway & Streets Services				-
364.10 Wastewater/Sewage Charges	662,457			662,457
364.30 Solid Waste Collection & 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				-
368.00 Airports				-
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	158,835			158,835
379.00 All Other Charges for Service	20,361			20,361
<b>TOTAL CHARGES FOR SERVICE</b>	<b>\$ 841,723</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 856,652</b>

UNCLASSIFIED OPERATING REVENUES				
383.00 Assessments				-
386.00 Escheats (sale of personal property)				-
387.00 Contributions & Donations from Private Sectors				-
388.00 Fiduciary Fund Pension Contributions			57,619	57,619
389.00 All Other Unclassified Operating Revenues	1,125			5,116
<b>TOTAL UNCLASSIFIED OPERATING REVENUES</b>	<b>\$ 1,125</b>	<b>\$ -</b>	<b>\$ 57,619</b>	<b>\$ 62,735</b>

OTHER FINANCING SOURCES				
391.00 Proceeds of General Fixed Asset Disposition				2,675
392.00 Interfund Operating Transfers	-			40,986
393.00 Proceeds of General Long-Term Debt				-
394.00 Proceeds of Short-Term Debt				-
395.00 Refunds of Prior Year Expenditures	15,620			29,997
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$ 15,620</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 73,658</b>

<b>TOTAL REVENUES</b>	<b>\$ 859,430</b>	<b>\$ -</b>	<b>\$ 210,107</b>	<b>\$ 2,056,131</b>
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EXPENDITURES	GOVERNMENTAL FUNDS			
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
<b>GENERAL GOVERNMENT</b>				
400.00 Legislative (Governing) Body	55,368			
401.00 Executive (Manager or Mayor)				
402.00 Auditing Services/Financial Administration				
403.00 Tax Collection	14,914			
404.00 Solicitor/Legal Services				
405.00 Secretary/Clerk				
406.00 Other General Government Administration				
407.00 IT-Networking Services-Data Processing				
408.00 Engineering Services				
409.00 General Government Buildings and Plant	27,023			
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 97,305</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>PUBLIC SAFETY</b>				
410.00 Police	303,302			
411.00 Fire	44,570			
412.00 Ambulance/Rescue				
413.00 UCC and Code Enforcement				
414.00 Planning and Zoning	145			
415.00 Emergency Management & Communications				
416.00 Militia and Armories				
417.00 Examination of Licensed Occupations				
418.00 Public Scales (weights and measures)				
419.00 Other Public Safety				
<b>TOTAL PUBLIC SAFETY</b>	<b>\$ 348,017</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>HEALTH AND HUMAN SERVICES</b>				
420.00-425.00 Health and Human Services				

<b>PUBLIC WORKS - SANITATION</b>				
426.00 Recycling Collection and Disposal				
427.00 Solid Waste Collection and Disposal (trash)				
428.00 Weed Control				
429.00 Wastewater/Sewage Collection & Treatment				
<b>TOTAL PUBLIC WORKS - SANITATION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



2017 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT / STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES	PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust & Agency	Memorandum Only
<b>GENERAL GOVERNMENT</b>				
400.00 Legislative (Governing) Body				55,368
401.00 Executive (Manager or Mayor)				-
402.00 Auditing Services/Financial Administration				-
403.00 Tax Collection				14,914
404.00 Solicitor/Legal Services				-
405.00 Secretary/Clerk				-
406.00 Other General Government Administration				-
407.00 IT-Networking Services-Data Processing				-
408.00 Engineering Services				-
409.00 General Government Buildings and Plant				27,023
<b>TOTAL GENERAL GOVERNMENT</b>	\$ -	\$ -	\$ -	\$ 97,305

<b>PUBLIC SAFETY</b>				
410.00 Police				303,302
411.00 Fire				44,570
412.00 Ambulance/Rescue				-
413.00 UCC and Code Enforcement				-
414.00 Planning and Zoning				145
415.00 Emergency Management & Communications				-
416.00 Militia and Armories				-
417.00 Examination of Licensed Occupations				-
418.00 Public Scales (weights and measures)				-
419.00 Other Public Safety				-
<b>TOTAL PUBLIC SAFETY</b>	\$ -	\$ -	\$ -	\$ 348,017

<b>HEALTH AND HUMAN SERVICES</b>				
420.00-425.00 Health and Human Services				-

<b>PUBLIC WORKS - SANITATION</b>				
426.00 Recycling Collection and Disposal				-
427.00 Solid Waste Collection and Disposal (garbage)				-
428.00 Weed Control				-
429.00 Wastewater/Sewage Collection & Treatment	417,621			417,621
<b>TOTAL PUBLIC WORKS - SANITATION</b>	\$ 417,621	\$ -	\$ -	\$ 417,621

EXPENDITURES	GOVERNMENTAL FUNDS			
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
<b>PUBLIC WORKS - HIGHWAYS &amp; STREETS</b>				
430.00 General Services - Administration	89,200			
431.00 Cleaning of Streets and Gutters				
432.00 Winter Maintenance - Snow Removal	15,908			
433.00 Traffic Control Devices	879			
434.00 Street Lighting	40,128			
435.00 Sidewalks and Crosswalks				
436.00 Storm Sewers and Drains	9,300	4,805		
437.00 Repairs of Tools and Machinery				
438.00 Maintenance & Repairs of Roads & Bridges	19,897			
439.00 Highway Construction and Rebuilding Projects		108,489		
<b>TOTAL PUBLIC WORKS - HIGHWAYS &amp; STREETS</b>	<b>\$ 175,312</b>	<b>\$ 113,294</b>	<b>\$ -</b>	<b>\$ -</b>

<b>PUBLIC WORKS - OTHER SERVICES</b>				
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				
<b>TOTAL PUBLIC WORKS - OTHER SERVICES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>CULTURE AND RECREATION</b>				
451.00 Culture-Recreation Administration				
452.00 Participant Recreation	2,400			
453.00 Spectator Recreation				
454.00 Parks				
455.00 Shade Trees	500			
456.00 Libraries	1,000			
457.00 Civil and Military Celebrations				
458.00 Senior Citizen's Centers				
459.00 All Other Culture and Recreation				
<b>TOTAL CULTURE AND RECREATION</b>	<b>\$ 3,900</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>COMMUNITY DEVELOPMENT</b>				
461.00 Conservation of Natural Resources				
462.00 Community Development and Housing				
463.00 Economic Development				
464.00 Economic Opportunity				
465.00-469.00 All Other Community Development				
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## 2017 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT / STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES	PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust & Agency	Memorandum Only
<b>PUBLIC WORKS - HIGHWAYS &amp; STREETS</b>				
430.00 General Services - Administration				89,200
431.00 Cleaning of Streets and Gutters				-
432.00 Winter Maintenance - Snow Removal				15,908
433.00 Traffic Control Devices				879
434.00 Street Lighting				40,128
435.00 Sidewalks and Crosswalks				-
436.00 Storm Sewers and Drains				14,105
437.00 Repairs of Tools and Machinery				-
438.00 Maintenance & Repairs of Roads & Bridges				19,897
439.00 Highway Construction and Rebuilding Projects				108,489
<b>TOTAL PUBLIC WORKS - HIGHWAYS &amp; STREETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 288,606</b>

<b>PUBLIC WORKS - OTHER SERVICES</b>				
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	103,469			103,469
449.00 Water Transport and Terminals	29,258			29,258
<b>TOTAL PUBLIC WORKS - OTHER SERVICES</b>	<b>\$ 132,727</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 132,727</b>

<b>CULTURE AND RECREATION</b>				
451.00 Culture-Recreation Administration				-
452.00 Participant Recreation				2,400
453.00 Spectator Recreation				-
454.00 Parks				-
455.00 Shade Trees				500
456.00 Libraries				1,000
457.00 Civil and Military Celebrations				-
458.00 Senior Citizen's Centers				-
459.00 All Other Culture and Recreation				-
<b>TOTAL CULTURE AND RECREATION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,900</b>

<b>COMMUNITY DEVELOPMENT</b>				
461.00 Conservation of Natural Resources				-
462.00 Community Development and Housing				-
463.00 Economic Development				-
464.00 Economic Opportunity				-
465.00-469.00 All Other Community Development				-
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

2017 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT / STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES	GOVERNMENTAL FUNDS			
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
<b>DEBT SERVICE</b>				
471.00 Debt Principal (short-term and long-term)				
472.00 Debt Interest (short-term and long-term)				
475.00 Fiscal Agent Fees				
<b>TOTAL DEBT SERVICE</b>	\$ -	\$ -	\$ -	\$ -
<b>EMPLOYER PAID BENEFITS &amp; WITHHOLDING ITEMS</b>				
481.00 Employer Paid Withholding Taxes and Unemployment Compensation	43,639			
482.00 Judgments and Losses				
483.00 Pension/Retirement Fund Contributions	25,645			
484.00 Worker Compensation Insurance				
487.00 Other Group Insurance Benefits	94,477			
<b>TOTAL EMPLOYER PAID BENEFITS &amp; WITHHOLDING ITEMS</b>	\$ 163,761	\$ -	\$ -	\$ -
<b>INSURANCE</b>				
486.00 Insurance, Casualty, and Surety	47,835			
<b>UNCLASSIFIED OPERATING EXPENDITURES</b>				
488.00 Fiduciary Fund Benefits and Refunds Paid				
489.00 All Other Unclassified Expenditures	5,104			
<b>TOTAL UNCLASSIFIED OPERATING EXPENDITURES</b>	\$ 5,104	\$ -	\$ -	\$ -
<b>OTHER FINANCING USES</b>				
491.00 Refund of Prior Year Revenues	5			
492.00 Interfund Operating Transfers				
493.00 All Other Financing Uses				
<b>TOTAL OTHER FINANCING USES</b>	\$ 5	\$ -	\$ -	\$ -
<b>TOTAL EXPENDITURES</b>	\$ 841,239	\$ 113,294	\$ -	\$ -
<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	\$ 48,099	\$ (16,038)	\$ -	\$ -

## 2017 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT / STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES	PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust & Agency	Memorandum Only
<b>DEBT SERVICE</b>				
471.00 Debt Principal (short-term and long-term)				-
472.00 Debt Interest (short-term and long-term)	30,352			30,352
475.00 Fiscal Agent Fees				-
<b>TOTAL DEBT SERVICE</b>	<b>\$ 30,352</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,352</b>
<b>EMPLOYER PAID BENEFITS &amp; WITHHOLDING ITEMS</b>				
481.00 Employer Paid Withholding Taxes and Unemployment Compensation			57	43,696
482.00 Judgments and Losses			7,192	7,192
483.00 Pension/Retirement Fund Contributions			61,281	86,926
484.00 Worker Compensation Insurance				-
487.00 Other Group Insurance Benefits	-			94,477
<b>TOTAL EMPLOYER PAID BENEFITS &amp; WITHHOLDING ITEMS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 68,530</b>	<b>\$ 232,291</b>
<b>INSURANCE</b>				
486.00 Insurance, Casualty, and Surety				47,835
<b>UNCLASSIFIED OPERATING EXPENDITURES</b>				
488.00 Fiduciary Fund Benefits and Refunds Paid				-
489.00 All Other Unclassified Expenditures	945		7,512	13,561
<b>TOTAL UNCLASSIFIED OPERATING EXPENDITURES</b>	<b>\$ 945</b>	<b>\$ -</b>	<b>\$ 7,512</b>	<b>\$ 13,561</b>
<b>OTHER FINANCING USES</b>				
491.00 Refund of Prior Year Revenues				5
492.00 Interfund Operating Transfers	40,986			40,986
493.00 All Other Financing Uses	7,768			7,768
<b>TOTAL OTHER FINANCING USES</b>	<b>\$ 48,754</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 48,759</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 630,399</b>	<b>\$ -</b>	<b>\$ 76,042</b>	<b>\$ 1,660,974</b>
<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	<b>\$ 229,031</b>	<b>\$ -</b>	<b>\$ 134,065</b>	<b>\$ 395,157</b>

**DEBT STATEMENT**

Purpose	Bond (B) Note (N)	Issue Date (year)	Maturity Date (year)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion of Compound Interest	Outstanding Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
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<b>GENERAL OBLIGATION BONDS AND NOTES</b>											
Redevelopment Auth. Loan	N	2016	2021	125,000	113,099	-	24,024		89,075		\$ 89,075
<b>REVENUE BONDS AND NOTES</b>											
<b>LEASE RENTAL DEBT</b>											
Pennvest Loan MS #71105	N	2000	2020	605,000	173,597		33,904		139,693		\$ 139,693
Sewer Revenue Note	N	2015	2020	600,000	230,460	193,001	220,000		203,461		\$ 203,461
Sewer Revenue Note	N	2016	2021	950,000	949,678	-	-		949,678		\$ 949,678
											\$ -
<b>OTHER</b>											
											\$ -
											\$ -
											\$ -
											\$ -

Total bonds and notes outstanding	\$ 89,075
Capital lease obligations	1,292,832
Other debt	-
<b>TOTAL OUTSTANDING DEBT</b>	<b>\$ 1,381,907</b>

