

**LAKE CITY BOROUGH**  
**Annual Audit & Financial Statements**  
**Year Ending December 31, 2022**



# Buseck · Barger · Bleil & Co. Inc.

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## INDEPENDENT AUDITOR'S REPORT

To the Council Members of Lake City Borough  
Lake City Borough, Pennsylvania, Commonwealth of Pennsylvania

### **Opinions**

We have audited the Pennsylvania Annual Audit and Financial Report (DCED-CLGS-30) of Lake City Borough, Pennsylvania, which comprises the balance sheet as of December 31, 2022, and the related statements of revenues and expenditures, debt and capital expenditures for the year then ended.

In our opinion, the DCED-CLGS-30 referred to above presents fairly, in all material respects, the balance sheet of Lake City Borough, Pennsylvania, as of December 31, 2022, the revenues it received and expenditures it paid, debt, and capital expenditures for the year then ended, in accordance with the financial reporting provisions of the Pennsylvania Department of Community and Economic Development.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the DCED-CLGS-30 section of our report. We are required to be independent of Lake City Borough, Pennsylvania and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter – Basis of Accounting**

The DCED-CLGS-30 is prepared by Lake City Borough, Pennsylvania in accordance with the financial reporting provisions of the Pennsylvania Department of Community and Economic Development, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Pennsylvania Department of Community and Economic Development. As a result, the DCED-CLGS-30 may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the DCED-CLGS-30**

Management is responsible for the preparation and fair presentation of the DCED-CLGS-30 in accordance with the financial reporting provisions of the Pennsylvania Department of Community and Economic Development. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the DCED-CLGS-30 that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility for the Audit of the DCED-CLGS-30**

Our objectives are to obtain reasonable assurance about whether the DCED-CLGS-30 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is high than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated DCED-CLGS-30.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and access the risks of material misstatement of the DCED-CLGS-30, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the DCED-CLGS-30.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lake City Borough, Pennsylvania's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the DCED-CLGS-30.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lake City Borough, Pennsylvania's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Restriction on Use**

This report is intended solely for the information and use of management, the Council Members, others within Lake City Borough, Pennsylvania and the Pennsylvania Department of Community and Economic Development and is not intended to be and should not be used by anyone other than these specified parties.

*Buseck, Barger, Bleil & Co. Inc.*

Certified Public Accountants  
Erie, Pennsylvania

February 3, 2023

**2022 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**250603 LAKE CITY BOROUGH, ERIE COUNTY**

**BOROUGH OF LAKE CITY, ERIE COUNTY**  
**BALANCE SHEET**  
**December 31, 2022**

	GOVERNMENTAL FUNDS					PROPRIETARY FUNDS			FID. FUND		ACCOUNT GROUPS		TOTAL
	GENERAL FUND	SPECIAL REVENUE (INCLUDING STATE LIQUID FUELS)	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG TERM DEBT	MEMORANDUM ONLY			
<b>ASSETS AND OTHER DEBITS</b>													
100-120	1,333,269	147,434			336,472		1,441,044					3,258,219	
140-144	1,111,551											1,111,551	
121-129													
145-149					200,687							200,687	
130.00					100,000							100,000	
131-139													
150-159	47,771											47,771	
160-169					6,524,937							6,524,937	
180-189													
	1,492,591	147,434	-	-	7,162,096	-	1,441,044	-	-	-	-	10,243,165	
	<b>TOTAL ASSETS AND OTHER DEBITS</b>												

<b>LIABILITIES AND OTHER CREDITS</b>												
210-229	10,590				2,788							13,378
200-209												
231-239	26,321				8,300							34,621
230.00					100,000							100,000
260-269					3,991,515							3,991,515
240-259												
	36,911	-	-	-	4,102,603	-	-	-	-	-	-	4,139,514
	<b>TOTAL LIABILITIES AND OTHER CREDITS</b>											

<b>FUND AND ACCOUNT GROUP EQUITY</b>												
281-284												
290.00												
270-289	1,455,680	147,434	-	-	3,059,493	-	1,441,044	-	-	-	-	6,103,651
291-299												
	1,455,680	147,434	-	-	3,059,493	-	1,441,044	-	-	-	-	6,103,651
	<b>TOTAL FUND AND ACCOUNT GROUP EQUITY</b>											

<b>TOTAL LIABILITIES AND FUND AND ACCOUNT EQUITY</b>	<b>10,243,165</b>
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	REVENUES							TOTAL
	GOVERNMENTAL FUNDS		PROPRIETARY FUNDS			FID. FUND	MEMORANDUM ONLY	
	GENERAL FUND	SPECIAL REVENUE (INCLUDING STATE LIQUID)	CAPITAL PROJECTS	DEBT SERVICE	ENTERPRISE			
<b>LOCAL GOVERNMENT UNITS</b>								
357.03							-	
	HIGHWAYS AND STREETS							
357.00	ALL OTHER LOCAL GOV'T UNITS	7,599						7,599
358.00	LOCAL GOV'T UNIT SHARE PMT.							-
359.00	LOCAL GOV'T UNITS & AUTH. PIMTS							-
	<b>TOTAL LOCAL GOVERNMENT UNITS</b>	7,599	-	-	-	-	-	7,599

CHARGES FOR SERVICE									
361.00	GENERAL GOVERNMENT	1,667							1,667
362.00	PUBLIC SAFETY	14,563							14,563
363.2	PARKING								-
363.00	ALL OTHER CHARGES FOR HWY & ST								-
364.10	WATER/SEWAGE (TAPPING)								-
364.30	SOLID WASTEWATER COLLECTION				709,700				709,700
364.60	HOST MUNICIPALITY BENEFIT FEE								-
364.00	ALL OTHER CHARGES FOR SANI.								-
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 SYSTEM								-
378.00	WATER SYSTEM				155,989				155,989
379.00	ALL OTHER CHARGES FOR SERVICE				21,984				21,984
	<b>TOTAL CHARGES FOR SERVICE</b>	16,230	-	-	887,673	-	-	-	903,903



	GOVERNMENTAL FUNDS						FID. FUND	TOTAL
	GENERAL FUND	SPECIAL REVENUE (INCLUDING STATE LIQUID)	CAPITAL PROJECTS	DEBT SERVICE	PROPRIETARY FUNDS			
					ENTERPRISE	INTERNAL SERVICE		
<b>REVENUES</b>								
<b>UNCLASSIFIED OPERATING REVENUES</b>								
383.00								
	SPECIAL ASSESSMENTS							-
386.00	ESCHEATS (SALE OF PERSONAL PROP)							-
387.00	CONTR. & DONATIONS - PRIVATE							-
388.00	FID. FUND PENSION CONTRIB.					89,154		89,154
389.00	ALL OTHER UNCLASSIFIED OP REV.	1,244			559			1,803
	<b>TOTAL UNCLASSIFIED OP. REVENUES</b>	1,244	-	-	559	89,154		90,957

<b>OTHER FINANCING SOURCES</b>								
391.00	PROCEEDS OF GEN. FIXED ASSET DISP	7,943						7,943
392.00	INTERFUND OPERATING TRANSFERS	128,553						128,553
393.00	PROCEEDS OF GENERAL LTD							-
394.00	PROCEEDS OF SHORT TERM DEBT							-
395.00	REFUNDS OF PRIOR YEAR EXP.	3,574			2,063			5,637
	<b>TOTAL OTHER FINANCING SOURCES</b>	140,070	-	-	2,063	-		142,133

<b>TOTAL REVENUES</b>	1,295,282	94,019	-	-	894,211	-	166,374	2,449,886
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**EXPENDITURES**

<b>GENERAL GOVERNMENT</b>								
400.00	LEGISLATIVE (GOVERNING) BODY	70,286						70,286
401.00	EXECUTIVE (MANAGER OR MAYOR)							-
402.00	AUDITING SERVICES/FINANCIAL	4,670						4,670
403.00	TAX COLLECTION	16,585						16,585
404.00	SOLICITOR/LEGAL SERVICES	7,042						7,042
405.00	SECRETARY/CLERK							-
406.00	OTHER GENERAL GOV'T ADMIN	4,823					14,295	19,118
407.00	IT-NETWORKING SERVICES							-
408.00	ENGINEERING SERVICES							-
409.00	GENERAL GOV'T BUILDINGS & PLANT	20,706						20,706
	<b>TOTAL GENERAL GOVERNMENT</b>	124,112	-	-	-	-	14,295	138,407



EXPENDITURES	GOVERNMENTAL FUNDS						TOTAL	
	GENERAL FUND	SPECIAL REVENUE (INCLUDING STATE LIQUID)	CAPITAL PROJECTS	DEBT SERVICE	PROPRIETARY FUNDS			FID. FUND
					ENTERPRISE	INTERNAL SERVICE		
<b>PUBLIC WORKS - HIGHWAYS AND STREETS</b>								
430.00	124,890						124,890	
431.00							-	
432.00	6,955						6,955	
433.00	6,124						6,124	
434.00	43,402						43,402	
435.00							-	
436.00	23,885						23,885	
437.00							-	
438.00	6,373						6,373	
439.00							-	
<b>TOTAL PUBLIC WORKS - HIGHWAYS &amp; STREETS</b>	<b>211,629</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>211,629</b>	

OTHER PUBLIC WORKS ENTERPRISES		TOTAL	
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 FLOOR CONTROL		-
447.00	TRANSIT SYSTEM	1,500	1,500
448.00	WATER SYSTEM		102,420
449.00	WATER TRANSPORT AND TERMINALS		40,124
<b>TOTAL OTHER PUBLIC WORKS ENTERPRISES</b>		<b>1,500</b>	<b>142,544</b>

EXPENDITURES	GOVERNMENTAL FUNDS					TOTAL	
	GENERAL FUND	SPECIAL REVENUE (INCLUDING STATE LIQUID)	CAPITAL PROJECTS	DEBT SERVICE	PROPRIETARY FUNDS		
					ENTERPRISE		INTERNAL SERVICE
FID. FUND		TRUST AND AGENCY		MEMORANDUM ONLY			
<b>CULTURE AND RECREATION</b>							
451.00						-	
	CULTURE - REC. ADMINISTRATION					-	
452.00	1,200					1,200	
	PARTICIPANT RECREATION						
453.00						-	
	SPECTATOR RECREATION					-	
454.00						-	
	PARKS					-	
455.00						-	
	SHADE TREES					-	
456.00	1,000					1,000	
	LIBRARIES						
457.00						-	
	CIVIL AND MILITARY CELEBRATIONS					-	
458.00						-	
	SENIOR CITIZENS' CENTERS					-	
459.00	585					585	
	ALL OTHER CULTURE AND RECREATION						
	<b>TOTAL CULTURE AND RECREATION</b>	2,785	-	-	-	2,785	

<b>COMMUNITY DEVELOPMENT</b>						
461.00						-
	CONSERVATION OF NATURAL RESOURCES					-
462.00						-
	COMMUNITY DEVELOPMENT & HOUSING					-
463.00						-
	ECONOMIC DEVELOPMENT					-
464.00						-
	ECONOMIC OPPORTUNITY					-
465.469						-
	ALL OTHER COMMUNITY DEVELOPMENT					-
	<b>TOTAL COMMUNITY DEVELOPMENT</b>	-	-	-	-	-

<b>DEBT SERVICE</b>						
471.00						-
	DEBT PRINCIPAL (SHORT & LONG TERM)					-
472.00				41,108		41,108
	DEBT INTEREST (SHORT & LONG TERM)					
475.00						-
	FISCAL AGENT FEES					-
	<b>TOTAL DEBT SERVICE</b>	-	-	41,108	-	41,108

EXPENDITURES	GOVERNMENTAL FUNDS						TOTAL
	GENERAL FUND	SPECIAL REVENUE (INCLUDING STATE LIQUID)	CAPITAL PROJECTS	DEBT SERVICE	PROPRIETARY FUNDS		
					ENTERPRISE	INTERNAL SERVICE	
		TRUST AND AGENCY				MEMORANDUM ONLY	
<b>EMPLOYER PAID BENEFITS &amp; WITHHOLDING</b>							
481.00	48,743						48,743
482.00							-
483.00	63,840					80,494	144,334
484.00	22,516						22,516
487.00	79,290						79,290
<b>TOTAL EMPLOYER PAID BENE. &amp; WITHHOLDING</b>	<b>214,389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,494</b>	<b>294,883</b>

<b>INSURANCE</b>	
484.00	16,305
<b>TOTAL INSURANCE</b>	<b>16,305</b>

<b>UNCLASSIFIED OPERATING EXPENDITURES</b>	
488.00	389,525
489.00	471
<b>TOTAL UNCLASSIFIED OP. EXPENDITURES</b>	<b>389,525</b>

<b>OTHER FINANCING USES</b>	
491.00	-
492.00	63,695
493.00	450
<b>TOTAL OTHER FINANCING USES</b>	<b>63,695</b>

<b>TOTAL EXPENDITURES</b>	<b>1,020,146</b>	<b>-</b>	<b>949,707</b>	<b>-</b>	<b>484,314</b>	<b>2,454,167</b>
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	<b>275,136</b>	<b>94,019</b>	<b>-</b>	<b>(55,496)</b>	<b>-</b>	<b>(4,281)</b>
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**BOROUGH OF LAKE CITY, ERIE COUNTY  
DECEMBER 31, 2022**

**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 Int. Bond	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
<b>GENERAL OBLIGATION BONDS AND NOTES</b>											
<b>REVENUE BONDS AND NOTES</b>											
<b>LEASE RENTAL DEBT</b>											
Pennvest Loan M/S #71105	N	2018	2019	4,315,048	4,211,325	-	219,810	-	3,991,515	-	3,991,515
<b>OTHER</b>											

(1) excludes unamortized premium/discount

Total bonds and notes outstanding

Capitalized lease obligations

Net debt

3,991,515

\$ 3,991,515

**BOROUGH OF LAKE CITY, ERIE COUNTY  
STATEMENT OF CAPITAL EXPENDITURES  
DECEMBER 31, 2022**

Category	Capital Purchases	Capital Construction	Total
Community Development			-
Electric			-
Fire			-
Gas System			-
General Government			-
Health			-
Housing			-
Libraries			-
Mass Transit			-
Parks			-
Police			-
Recreation			-
Sewer	34,628	105,383	140,011
Solid Waste			-
Streets/Highways			-
Water	8,300		8,300
Other:			-
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>42,928</b>	<b>105,383</b>	<b>148,311</b>

**EMPLOYEE COMPENSATION**

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

585,518