

LAKE CITY BOROUGH

Annual Audit & Financial Statements

For the Year Ended December 31, 2025



Certified Public Accountants
Frontier Building
1640 West Eighth Street
Erie, PA 16505

**BUSECK, BARGER,
BLEIL & CO.**

Phone 814.454.6341
Fax 814.455.9060
Email: info@bbbcpas.com
www.bbcbcpas.com

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, 2025, 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, 2025, 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, Banger, Bleil Co. Inc.

Certified Public Accountants
Erie, Pennsylvania

March 3, 2026

Received by DCED:
Approved by DCED:

Department of Community & Economic Development
Governor's Center for Local Government Services
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225
Ph: 888-223-6837 | fax: 717-783-1402

**2025 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

250603 LAKE CITY BORO, ERIE COUNTY

LAKE CITY BORO, ERIE County

BALANCE SHEET

December 31, 2025

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities					3,332,985					3,332,985
240-259	Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits		36,674				3,334,808					3,371,482
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	1,768,792	14,401			4,220,387		2,121,756			8,125,336
291-299	Other Equity										
Total Fund and Account Group Equity		1,768,792	14,401			4,220,387		2,121,756			8,125,336
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											11,496,818

LAKE CITY BORO, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

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	534,541	33,133					567,674
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	8,609						8,609
310.10	Real Estate Transfer Taxes	50,190						50,190
310.20	Earned Income Taxes / Wage Taxes	374,400						374,400
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	50,901						50,901
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		1,018,641	33,133					1,051,774

Licenses and Permits								
320-322	All Other Licenses and Permits							
321.80	Cable Television Franchise Fees	26,756						26,756
Total Licenses and Permits		26,756						26,756

Fines and Forfeits								
330-332	Fines and Forfeits	7,167						7,167
Total Fines and Forfeits		7,167						7,167

LAKE CITY BORO, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

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		214,603	93,798			830,313		1,138,714

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	9,156						9,156
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		9,156						9,156

Charges for Service								
361.00	General Government	2,405						2,405
362.00	Public Safety	8,440						8,440
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.)					750,036		750,036
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							
368.00	Airports							

LAKE CITY BORO, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

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				199,911			199,911
379.00	All Other Charges for Service				19,243			19,243
Total Charges for Service		10,845			969,190			980,035

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)	1,531						1,531
387.00	Contributions and Donations from Private Sectors							
388.00	Fiduciary Fund Pension Contributions					88,576		88,576
389.00	All Other Unclassified Operating Revenues	1,981			800			2,781
Total Unclassified Operating Revenues		3,512			800	88,576		92,888

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers	37,600			76,648			114,248
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

LAKE CITY BORO, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

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	7,621				3,950		11,571
Total Other Financing Sources		45,221				80,598		125,819
TOTAL REVENUES		1,397,010	131,461			1,892,438	383,041	3,803,950

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	38,943						38,943
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	5,758						5,758
403.00	Tax Collection	23,861						23,861
404.00	Solicitor / Legal Services	9,468						9,468
405.00	Secretary / Clerk							
406.00	Other General Government Administration							
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	11,058						11,058
409.00	General Government Buildings and Plant	27,258						27,258
Total General Government		116,346						116,346

Public Safety								
410.00	Police	370,029						370,029
411.00	Fire		33,133					33,133
412.00	Ambulance / Rescue	35,220						35,220
413.00	UCC and Code Enforcement							

LAKE CITY BORO, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

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	1,912						1,912
415.00	Emergency Management and Communications							
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
Total Public Safety		407,161	33,133					440,294

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							
427.00	Solid Waste Collection and Disposal (garbage)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				707,645			707,645
Total Public Works - Sanitation					707,645			707,645

Public Works - Highways and Streets								
430.00	General Services - Administration	174,688						174,688
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	10,354						10,354
433.00	Traffic Control Devices	9,368						9,368
434.00	Street Lighting	53,092						53,092

LAKE CITY BORO, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

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	300						300
436.00	Storm Sewers and Drains	4,100						4,100
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges	4,324						4,324
439.00	Highway Construction and Rebuilding Projects		191,327					191,327
Total Public Works - Highways and Streets		256,226	191,327					447,553

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				162,899			162,899
449.00	Water Transport and Terminals				64,593			64,593
Total Other Public Works Enterprises					227,492			227,492

Culture and Recreation								
451.00	Culture-Recreation Administration	1,312						1,312
452.00	Participant Recreation	1,500						1,500
453.00	Spectator Recreation							
454.00	Parks							

LAKE CITY BORO, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

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	1,975						1,975
456.00	Libraries	1,000						1,000
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		5,787						5,787

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)							
472.00	Debt Interest (short-term and long-term)				60,097			60,097
475.00	Fiscal Agent Fees						18,747	18,747
Total Debt Service					60,097		18,747	78,844

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	52,749						52,749
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	61,032					75,956	136,988

LAKE CITY BORO, ERIE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2025

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	22,392						22,392
487.00	Other Group Insurance Benefits	76,508						76,508
Total Employer Paid Benefits and Withholding Items		212,681				75,956		288,637

Insurance

488.00	Insurance, Casualty, and Surety	17,122						17,122
Total Insurance		17,122						17,122

Unclassified Operating Expenditures

488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures	3,470			296			3,766
Total Unclassified Operating Expenditures		3,470			296			3,766

Other Financing Uses

491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	114,248						114,248
493.00	All Other Financing Uses	315						315
Total Other Financing Uses		114,563						114,563

TOTAL EXPENDITURES

1,133,356	224,460			995,530		94,703	2,448,049
-----------	---------	--	--	---------	--	--------	-----------

EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES

263,654	-92,999			896,908		288,338	1,355,901
---------	---------	--	--	---------	--	---------	-----------

LAKE CITY BORO
December 31, 2025

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											
Revenue Bonds and Notes											
Lease Rental Debt											
Pennvest Loan	Note	2018	2039	4,644,396	3,548,280		215,295		3,332,985		3,332,985
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

3,332,985

Capitalized lease obligations

0

Net debt

3,332,985

LAKE CITY BORO, ERIE County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2025

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	56,782		56,782
Recreation			
Sewer	43,995		43,995
Solid Waste			
Streets / Highways		191,327	191,327
Water		981,116	981,116
Other: _____			
TOTAL CAPITAL EXPENDITURES	100,777	1,172,443	1,273,220

EMPLOYEE COMPENSATION

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

633,593

December 31, 2025

NOTES / COMMENTS