

2014 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

650842 LOWER BURRELL CITY, WESTMORELAND COUNTY

CITY OF LOWER BURRELL
WESTMORELAND COUNTY, PENNSYLVANIA
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**To the Members of City Council
City of Lower Burrell
Westmoreland County, Pennsylvania**

INDEPENDENT AUDITORS' REPORT

Report on Financial Statements

I have audited the Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statement of Capital Expenditures and Employee Compensation included in the accompanying special purpose Commonwealth of Pennsylvania Annual Audit and Financial Report (special purpose financial report) of the City of Lower Burrell, Westmoreland County, Pennsylvania as of and for the year ended December 31, 2014.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this special purpose financial report in accordance with the accounting practices and procedures prescribed by the Commonwealth of Pennsylvania's Department of Community and Economic Development (DCED), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America; this includes 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 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 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 City's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinions

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

The Schedules are prepared by the City of Lower Burrell on the basis of the financial reporting provisions prescribed or permitted by the DCED in the instructions to the Annual Audit and Financial Report to demonstrate compliance with the DCED's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the DCED. These requirements permit the Schedules to be prepared on the cash basis of accounting without the presentation of the management's discussion and analysis, the government-wide financial statements, budget and actual information and financial statements disclosures.

The effects on the Schedules of the variances between the regulatory basis of accounting described above 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 my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the Schedules referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Lower Burrell as of December 31, 2014, or changes in financial position or cash flows thereof for the year then ended.

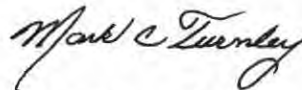
Opinion on Regulatory Basis of Accounting

In my opinion, the Schedules referred to above present fairly, in all material respects, the assets, liabilities and fund equity of the City of Lower Burrell as of December 31, 2014, and its revenues, expenditures and other financing sources and uses for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by the DCED described above.

Report on Other Legal and Regulatory Requirements

This report is intended solely for the information and use of the governing body and management of the City of Lower Burrell and for filing with the various local and state departments or offices and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Mark C. Turnley, CPA

May 17, 2015
New Brighton, Pennsylvania



BALANCE SHEET

DCED-CLGS-30 (09-09)

LOWER BURRELL CITY, WESTMORELAND County

BALANCE SHEET

December 31, 2014

		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	2,569,200	164,040	238,448		1,205,523		7,543,498			11,720,709
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds	161,908				58,165					220,073
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets										
180-189	Other Debits									5,958,567	5,958,567
Total Assets and Other Debits		2,731,108	164,040	238,448		1,263,688		7,543,498		5,958,567	17,899,349
Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	7,925									7,925
200-209, 231-239	All Other Current Liabilities	5,434						55,887			61,321
230.00	Due To Other Funds	58,165				33,720		128,188			220,073

LOWER BURRELL CITY, WESTMORELAND County

BALANCE SHEET

December 31, 2014

		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									5,958,567	5,958,567
240-259	Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits		71,524				33,720		184,075		5,958,567	6,247,886

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	2,659,584	164,040	238,448		1,229,968		7,359,423			11,651,463
291-299	Other Equity										
Total Fund and Account Group Equity		2,659,584	164,040	238,448		1,229,968		7,359,423			11,651,463

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY										17,899,349
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LOWER BURRELL CITY, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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	2,548,329						2,548,329
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	39,642						39,642
310.10	Real Estate Transfer Taxes	121,130						121,130
310.20	Earned Income Taxes / Wage Taxes	1,409,698						1,409,698
310.30	Business Gross Receipts Taxes	307,745						307,745
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	99,408						99,408
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes	8,050						8,050
310.90	Other Local Tax Enabling Act / Act 511 / Taxes							
	Other: _____							
Total Taxes		4,534,002						4,534,002

Licenses and Permits								
320-322	All Other Licenses and Permits	13,530						13,530
321.80	Cable Television Franchise Fees	218,518						218,518
Total Licenses and Permits		232,048						232,048

Fines and Forfeits								
330-332	Fines and Forfeits	23,372	500					23,872
Total Fines and Forfeits		23,372	500					23,872

LOWER BURRELL CITY, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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	6,481	31	242		1,621		378,395
342.00	Rents and Royalties	14,804						14,804
Total Interest, Rents and Royalties		21,285	31	242		1,621	370,020	393,199

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	25,986						25,986
355.01	Public Utility Realty Tax (PURTA)	5,640						5,640
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		286,299					286,299
355.04	Alcoholic Beverage Licenses	4,200						4,200
355.05	General Municipal Pension System State Aid	221,472						221,472
355.07	Foreign Fire Insurance Tax Distribution	68,296						68,296
355.08	Local Share Assessment/Gaming Proceeds							

LOWER BURRELL CITY, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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								
355.09	Marcellus Shale Impact Fee Distribution	28,487						28,487
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
Total State		354,081	286,299					640,380

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants							
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services	28,280						28,280
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes	6,208						6,208
Total Local Government Units		34,488						34,488

Charges for Service								
361.00	General Government	227,302						227,302
362.00	Public Safety	26,043						26,043
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	41,160						41,160
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				2,323,520			2,323,520
364.30	Solid Waste Collection and Disposal Charge (trash)	180,642						180,642
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							

LOWER BURRELL CITY, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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									
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								
Total Charges for Service		475,147				2,323,520			2,798,667

Unclassified Operating Revenues									
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors	1,810		881					2,691
388.00	Fiduciary Fund Pension Contributions						564,996		564,996
389.00	All Other Unclassified Operating Revenues	8,820							8,820
Total Unclassified Operating Revenues		10,630		881			564,996		576,507

Other Financing Sources									
391.00	Proceeds of General Fixed Asset Disposition	1,986							1,986
392.00	Interfund Operating Transfers	59,820		53,297					113,117
393.00	Proceeds of General Long-Term Debt	80,128							80,128
394.00	Proceeds of Short Term-Debt								

LOWER BURRELL CITY, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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	9,378	30	40				9,448
Total Other Financing Sources		151,312	30	53,337				204,679

TOTAL REVENUES	5,836,365	286,860	54,460		2,325,141		935,016	9,437,842
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	7,165						7,165
401.00	Executive (Manager or Mayor)	216,304						216,304
402.00	Auditing Services / Financial Administration	2,960						2,960
403.00	Tax Collection	130,358						130,358
404.00	Solicitor / Legal Services	44,218						44,218
405.00	Secretary / Clerk	2,347						2,347
406.00	Other General Government Administration							
407.00	IT-Networking Services-Data Processing	7,916						7,916
408.00	Engineering Services							
409.00	General Government Buildings and Plant	80,489						80,489
Total General Government		491,757						491,757

Public Safety								
410.00	Police	1,535,971	2,548					1,538,519
411.00	Fire	173,649						173,649
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	11,920						11,920
414.00	Planning and Zoning	79,165						79,165
415.00	Emergency Management and Communications							

LOWER BURRELL CITY, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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								
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		1,800,705	2,548					1,803,253

Health and Human Services								
420.00-425.00	Health and Human Services	2,800						2,800
Total Health and Human Services		2,800						2,800

Public Works - Sanitation								
426.00	Recycling Collection and Disposal	111,191						111,191
427.00	Solid Waste Collection and Disposal (garbage)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				1,781,725			1,781,725
Total Public Works - Sanitation		111,191			1,781,725			1,892,916

Public Works - Highways and Streets								
430.00	General Services - Administration	691,474	984					692,458
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		152,693					152,693
433.00	Traffic Control Devices	19,117						19,117
434.00	Street Lighting	129,945						129,945
435.00	Sidewalks and Crosswalks	902						902
436.00	Storm Sewers and Drains	11,177	12,211					23,388

LOWER BURRELL CITY, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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									
437.00	Repairs of Tools and Machinery	533	21,771						22,304
438.00	Maintenance and Repairs of Roads and Bridges	30,523	93,919						124,442
439.00	Highway Construction and Rebuilding Projects		60,180						60,180
Total Public Works - Highways and Streets		883,671	341,758						1,225,429

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	1,705							1,705
448.00	Water System								
449.00	Water Transport and Terminals								
Total Other Public Works Enterprises		1,705							1,705

Culture and Recreation									
451.00	Culture-Recreation Administration								
452.00	Participant Recreation	4,406							4,406
453.00	Spectator Recreation	9,000							9,000
454.00	Parks	64,210							64,210
455.00	Shade Trees								
456.00	Libraries	40,000							40,000

LOWER BURRELL CITY, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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									
457.00	Civil and Military Celebrations								
458.00	Senior Citizens' Centers	1,000							1,000
459.00	All Other Culture and Recreation								
Total Culture and Recreation		118,616							118,616

Community Development									
461.00	Conservation of Natural Resources								
462.00	Community Development and Housing								
463.00	Economic Development								
464.00	Economic Opportunity	2,500							2,500
465-469	All Other Community Development								
Total Community Development		2,500							2,500

Debt Service									
471.00	Debt Principal (short-term and long-term)	87,868				265,583			353,451
472.00	Debt Interest (short-term and long-term)	5,380				217,470			222,850
475.00	Fiscal Agent Fees								
Total Debt Service		93,248				483,053			576,301

Employer Paid Benefits and Withholding Items									
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	88,690							88,690
482.00	Judgments and Losses								
483.00	Pension / Retirement Fund Contributions	550,867							550,867
484.00	Worker Compensation Insurance	204,090							204,090

LOWER BURRELL CITY, WESTMORELAND County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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

487.00	Other Group Insurance Benefits	823,431						823,431
Total Employer Paid Benefits and Withholding Items		1,667,078						1,667,078

Insurance

486.00	Insurance, Casualty, and Surety	123,096						123,096
Total Insurance		123,096						123,096

Unclassified Operating Expenditures

488.00	Fiduciary Fund Benefits and Refunds Paid						495,750	495,750
489.00	All Other Unclassified Expenditures						44,808	44,808
Total Unclassified Operating Expenditures							540,558	540,558

Other Financing Uses

491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	53,297			59,820			113,117
493.00	All Other Financing Uses							
Total Other Financing Uses		53,297			59,820			113,117

TOTAL EXPENDITURES

5,349,664	344,306			2,324,598		540,558	8,559,126
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES

486,701	-57,446	54,460		543		394,458	878,716
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LOWER BURRELL CITY

December 31, 2014

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											
Building/Park loan	Note	2010	2015	100,000	45,084		25,327		19,757		19,757
Park Purchase	Note	2001	2021	185,500	51,393	12,832	9,175		55,050		55,050
VACTOR	Note	2013	2017	290,362	232,921		118,242		114,679		114,679
TRUCK LOAN	Note	2011	2016	30,648	18,612		6,022		12,590		12,590
DUMP TRUCK	Note	2014	2019	80,128	0	80,128	11,292		68,836		68,836
Revenue Bonds and Notes											
Lease Rental Debt											
Sewer Revenue Bond A & B	Bond	2011	2040	1,000,510	5,166,048	578,952	140,000		5,605,000		5,605,000
TRUCK F-450	Capital Leases	2008	2014	46,930	7,341		7,341		0		0
FORD F-750	Capital Leases	2009	2015	91,833	33,941		16,516		17,425		17,425
INTERNATIONAL DUMP TRUCK	Capital Leases	2012	2017	125,848	84,766		19,536		65,230		65,230
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

5,958,567

Capitalized lease obligations

Net debt

5,958,567

LOWER BURRELL CITY, WESTMORELAND County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2014

Category	Capital Purchases	Capital Construction	Total
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	47,606		47,606
Recreation			
Sewer			
Solid Waste			
Streets / Highways	73,367		73,367
Water			
Other: _____			
Community Development			
TOTAL CAPITAL EXPENDITURES	120,973		120,973

EMPLOYEE COMPENSATION

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

2,498,227

CITY OF LOWER BURRELL
NOTES TO SPECIAL PURPOSE FINANCIAL REPORT
DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lower Burrell (The City) was incorporated as a Third Class City under the provisions governing the creation of municipal corporations in the Commonwealth of Pennsylvania. The administration of the City consists of four (4) Councilmen and a City Mayor. Members of City Council are elected by the voting public. City Council appoints a City Clerk to administer the day-to-day operations of the City. The major functions of the City include public safety, maintenance of City infrastructure (roads), sanitation and sewage control, maintenance of parks and other recreational facilities for use by City residents and general administrative functions necessary to facilitate City resident needs and responsibilities.

The accompanying 2014 Municipal Annual Audit and Financial Report (special purpose financial report) was prepared in conformity with the accounting practices and procedures prescribed by the Commonwealth of Pennsylvania's Department of Community and Economic Development (DCED), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accounting practices and procedures of the DCED permit the preparation of the special purpose financial report without certain financial statement note disclosures, management's discussion and analysis, full-accrual government-wide statements, modified accrual financial statements, and budget to actual statements, as required by accounting principles generally accepted in the United States of America. The effects on the special purpose financial report, as a result of the differences between the DCED accounting practices and procedures and accounting principles generally accepted in the United States of America, are not reasonably determinable.

The most significant of the City's accounting policies are as follows:

REPORTING ENTITY

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City of Lower Burrell consists of all funds, departments, boards and agencies that are not legally separate from the City. As defined by GASB Statement No. 14, component units are legally separate entities that are included in the City's reporting entity because of the significance of their operating or financial relationships with the City. Based on the application of these criteria, the City of Lower Burrell has no component units.

FUND ACCOUNTING

The City uses funds to report on its financial position and the results of its operations during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds utilized by the City of Lower Burrell are classified into two categories: governmental and fiduciary. Fund categories are defined as follows:

Governmental Funds – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's governmental funds:

CITY OF LOWER BURRELL
NOTES TO SPECIAL PURPOSE FINANCIAL REPORT
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

GENERAL FUND - Established under 'The City Code' of the Commonwealth of Pennsylvania and is used for the general operations of the City. Income in this fund is derived mainly from assessed revenues such as real estate taxes, local taxes established under Act 511, and other miscellaneous revenues not designated for other restricted fund purposes. These revenues are used for general ongoing government services such as public safety, public works, general administration of the City and other miscellaneous operating expenses.

HIGHWAY AID FUND (SPECIAL REVENUE FUND) - Established and restricted under Act 655 of the Commonwealth of Pennsylvania. Funding is received from the Commonwealth and is restricted in use for the maintenance, repair and construction of roads, streets and bridges for which the City is responsible.

DRUG FORFEITURE FUND (SPECIAL REVENUE FUND) - Established to account for drug forfeiture proceeds and donations to provide the City's police department with additional operating funds for drug investigation activities.

FEDERAL DRUG ASSET FUND (SPECIAL REVENUE FUND) - Established to account for federal drug asset funds to assist the City's police department with drug investigation activities.

POLICE EQUIPMENT ESCROW FUND (CAPITAL PROJECT FUND) - Established to account for donations received from the general public earmarked for police equipment.

CAPITAL EQUIPMENT FUND (CAPITAL PROJECT FUND) - Established to account for appropriations from the General Fund for street capital improvement purchases and projects deemed necessary by City Council.

FIRE FIGHTING EQUIPMENT FUND (CAPITAL PROJECT FUND) - Established to account for appropriations from the General Fund for major fire equipment purchases deemed necessary by City Council.

PARK EQUIPMENT ESCROW FUND (CAPITAL PROJECT FUND) - Established to account for appropriations from the General Fund for recreational equipment purchases deemed necessary by City Council.

BUILDING ESCROW FUND (CAPITAL PROJECT FUND) - Established to account for appropriations from the General Fund for improvements to the City's municipal complex deemed necessary by City Council.

WOLF PACK PARK FUND (CAPITAL PROJECT FUND) - Established to account for donations received from the general public for recreational improvements and equipment for the Derek Kotecki Memorial Park.

Proprietary Funds – Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary and useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies within the City (internal service funds). The City maintains one proprietary fund - the Sewer Fund.

CITY OF LOWER BURRELL
NOTES TO SPECIAL PURPOSE FINANCIAL REPORT
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND ACCOUNTING (Continued)

Fiduciary Funds – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Agency funds are custodial in nature and do not involve measuring income or any other results from operations. The City has two pension trust funds (police and non-uniform pension funds). The City maintains three (3) agency funds – Gathers Maintenance Escrow Fund and Spiering Maintenance Escrow Fund which maintain funds in escrow for the installation of a small flow treatment facility, and a Clearing Fund which maintains Act 98 fire insurance escrow proceeds and certain other road bond escrow funds held by the City on behalf of developers and City property owners.

ACCOUNT GROUP

In addition to the aforementioned funds, the City maintains one account group: General Long-Term Debt Account Group. The account group is used to account for long-term liabilities to be financed by governmental funds. This account group reports only the unmatured principal of the debt issued.

BASIS OF ACCOUNTING

The City of Lower Burrell utilizes the cash basis of accounting. Under this method revenues are recorded when cash is received rather than earned. Expenditures are recorded when the disbursement is made rather than when the obligation is incurred.

BUDGETS

On December 8, 2013, the City of Lower Burrell adopted its 2014 annual budget for its General Fund totaling \$5,700,870 in accordance with the provisions of the Commonwealth of Pennsylvania City Code. The budget is prepared utilizing the cash basis of accounting. Budgetary transfers among various expenditure line items are performed as necessary and as approved by City Council. All appropriations lapse at the end of each calendar year. The accompanying special purpose financial report does not present budgetary information as required by accounting principles generally accepted in the United States of America

CASH AND INVESTMENTS

Cash includes amounts in demand deposit accounts. Provisions of the City Code authorize the following investments:

- I. U.S. Treasury Bills.
- II. Short-term obligations of the United States Government of its agencies or instrumentalities

CITY OF LOWER BURRELL
NOTES TO SPECIAL PURPOSE FINANCIAL REPORT
DECEMBER 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH AND INVESTMENTS (Continued)

- III. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC), Federal Savings and Loan Insurance Corporation and National Credit Union Share Insurance Fund.
- IV. Obligations of the United States of America, the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth of Pennsylvania, or any of their agencies or instrumentalities backed by the full faith and credit of the governmental units.
- V. Shares of an investment company registered under the Investment Company Act of 1940, and registered under the Securities Act of 1933.
- VI. Any investment authorized by 20 Pa. C.S. Ch. 73 relating to fiduciaries investments.

Fiduciary fund type investments include equity securities, fixed income investments, and mutual funds invested by the City's designated asset managers for its Police Pension Fund (Commonwealth Financial Network and SEI private investment company). The investments of the City's Non-Uniform pension plan are maintained by the Pennsylvania Municipal Retirement System (PMRS) and are not presented as part of this report. Investments are recorded at fair value.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as 'due from/to other funds' on the balance sheet.

CAPITAL ASSETS AND DEPRECIATION

The historical cost of fixed assets purchased by the City of Lower Burrell is not accumulated, maintained and depreciated. Accordingly, the City does not maintain a General Fixed Asset Account Group.

TOTAL COLUMNS

Total columns in the 2014 Municipal Annual Audit and Financial Report are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CITY OF LOWER BURRELL
NOTES TO SPECIAL PURPOSE FINANCIAL REPORT
DECEMBER 31, 2014

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

CASH DEPOSITS:

At December 31, 2014, City of Lower Burrell had the following carrying values on its cash and cash equivalent accounts:

	Bank Balance	(Memo Only) Book Balance
General Fund	\$ 2,665,036	\$ 2,569,200
Special Revenue Funds	164,040	164,040
Capital Project Fund	238,448	238,448
Enterprise Funds	1,019,911	1,205,523
Fiduciary Funds	186,724	184,075
Total	<u>\$ 4,087,435</u>	<u>\$ 4,177,211</u>

The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government account \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a separate policy for custodial credit risk in addition to the requirements of the City Code. As of December 31, 2014, \$3,837,435 of the City's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the City's name. In accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, the aforementioned deposits, in excess of \$250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

INVESTMENTS:

The fair value of the City's fiduciary fund investments as of December 31, 2014 is as follows:

Commonwealth Financial Network:	
Mutual Funds	\$ 44,026
Equity Securities	3,081,382
Fixed Income Securities	1,115,314
	<u>\$ 4,240,722</u>
SEI:	
Mutual Funds	\$ 174,872
Equity Securities	2,341,753
Fixed Income Securities	602,076
	<u>\$ 3,118,701</u>
TOTAL	<u>\$ 7,359,423</u>

CITY OF LOWER BURRELL
NOTES TO SPECIAL PURPOSE FINANCIAL REPORT
DECEMBER 31, 2014

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

INVESTMENTS:

Custodial Credit Risk:

For an investment, custodial credit risk is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The City fiduciary fund investments in mutual funds and PMRS, are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The City does not have a specific policy that would limit its investment choices to those with certain credit ratings.

Interest Rate Risk:

The City has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has no formal investment policy, in addition to the requirements of the City Code and the Intergovernmental Cooperation Act, that limits its investment choices based on credit ratings by nationally recognized rating organizations.

NOTE 3 - PROPERTY TAXES

City of Lower Burrell levies property taxes March 1st of each calendar year. The calendar dates for payment of these taxes is as follows:

PAYMENT PERIOD

March 1 – April 30, 2014	(Discount period)
May 1 – June 30, 2014	(Face period)
July 1 and after	(Penalty period)

Taxpayers are entitled to a 2% discount if taxes are paid prior to May 1st. Collections after June 30th are assessed a 10% penalty. Unpaid taxes are remitted to the City's delinquent real estate tax collector. As of December 31, 2014, \$95,216 of 2014 real estate taxes are unpaid which represents 3.7% of the total assessed property taxes for 2014.

The tax millage assessment for the 2014 calendar year is 21.25 for general purposes. This represents \$21.25 of revenue for every \$1,000 of assessed value.

CITY OF LOWER BURRELL
NOTES TO SPECIAL PURPOSE FINANCIAL REPORT
DECEMBER 31, 2014

NOTE 4 – DUE FROM/TO OTHER FUNDS

Inter-fund receivables and payables at December 31, 2014 are comprised of the following:

	<u>RECEIVABLE</u>	<u>PAYABLE</u>
General Fund	\$ 161,908	\$ 58,165
Enterprise Funds	58,165	33,720
Proprietary Funds	-	128,188
	<u>\$ 220,073</u>	<u>\$ 220,073</u>

Due from/to other funds on the balance sheet represents monies due between funds for operating costs advanced over the years between funds.

NOTE 5 – RENTAL OF SEWER SYSTEM

GUARANTEED SEWER REVENUE BONDS – SERIES A AND B OF 2011

The City of Lower Burrell guaranteed the Guaranteed Sewer Revenue Bonds, Series A and B of 2011 issued by the Municipal Authority of the City of Lower Burrell in the amount of \$6,105,000. In connection with this bond issue, the City is required to make semi-annual rental payments to the Municipal Authority of the City of Lower Burrell in accordance with the terms of the Fourth Supplemental Agreement of Lease and Guaranty dated December 15, 2011 by and between the City and the Authority. During the calendar year 2014, the City of Lower Burrell Sewer System Fund paid the Authority \$350,940 in rental payments. Semi-annual rental payments are required on February 1 and August 1 each year through maturity. The following represents the remaining rental payments due the Authority as of December 31, 2014:

<u>YEAR END</u> <u>DEC 31</u>	<u>AMOUNT</u>
2015	\$ 351,634
2016	354,344
2017	351,614
2018	353,504
2019	354,880
2020-2024	1,776,103
2025-2029	1,770,986
2030-2034	1,768,126
2035-2039	1,767,035
2040	245,400
	<u>\$ 9,093,626</u>

In addition to the payments shown above, the City is obligated under the Agreement of Lease and Guaranty to pay the Authority an amount equal to the Authority's operating budget not paid from restricted assets. For the year ended December 31, 2014, no payments were made to the Authority from the City's Sewer System Fund.

CITY OF LOWER BURRELL
NOTES TO SPECIAL PURPOSE FINANCIAL REPORT
DECEMBER 31, 2014

NOTE 6 – NOTES PAYABLE

In December of 2000, the City purchased land from August and Eleanor Moret for \$183,500. The land is to be used as a multipurpose facility during the payment period which extends for a period of 20 years interest free at an annual payment of \$9,175. The note is scheduled to mature in December of 2020. A summary of the remaining debt service obligations on this note obligation at December 31, 2014 is as follows:

Year End	
Dec 31	Principal
2015	\$ 9,175
2016	9,175
2017	9,175
2018	9,175
2019	9,175
2020	9,175
	<u>\$ 55,050</u>

In October of 2010, the City issued a promissory note to First National Bank in the amount of \$100,250 for building improvements. The terms of the lease call for 60 monthly payments of \$1,833.88 at an annual interest rate of 3.65%. The note is scheduled to mature on November 1, 2015. A summary of the remaining debt service obligations on this note obligation at December 31, 2014 is as follows:

Year End			
Dec 31	Principal	Interest	Total
2015	<u>\$ 19,757</u>	<u>\$ 416</u>	<u>\$ 20,173</u>

In November of 2011, the City issued a promissory note to First National Bank in the amount of \$30,648 for the purchase of a truck. The terms of the lease call for five (5) annual payments of \$6,575.52 at an annual interest rate of 2.95%. The note is scheduled to mature on April 1, 2016. A summary of the remaining debt service obligations on this note obligation at December 31, 2014 is as follows:

Year End			
Dec 31	Principal	Interest	Total
2015	<u>\$ 6,198</u>	<u>\$ 371</u>	<u>\$ 6,569</u>
2016	<u>6,392</u>	<u>177</u>	<u>6,569</u>
	<u>\$ 12,590</u>	<u>\$ 548</u>	<u>\$ 13,138</u>

CITY OF LOWER BURRELL
NOTES TO SPECIAL PURPOSE FINANCIAL REPORT
DECEMBER 31, 2014

NOTE 6 – NOTES PAYABLE (Continued)

In February of 2013, the City issued a promissory note to First National Bank in the amount of \$290,362 for the purchase of a vactor for use in its Sewer System operations. The terms of the lease call for 5 annual payments of \$62,207.09 at an annual interest rate of 2.65%, to be paid from the City's Sewer System Fund. The note is scheduled to mature on October 10, 2017. A summary of the remaining debt service obligations on the Sewer System Fund's note outstanding at December 31, 2014 is as follows:

Year End			
Dec 31	Principal	Interest	Total
2015	\$ 59,168	\$ 3,039	\$ 62,207
2016	55,511	3,119	58,630
	<u>\$ 114,679</u>	<u>\$ 6,158</u>	<u>\$ 120,837</u>

On March 5, 2014, the City issued a promissory note to First National Bank in the amount of \$80,128 for the purchase of a Ford F-550 Dump Truck. The terms of the lease call for sixty (60) monthly payments of \$1,439.20 at an annual interest rate of 2.95%. The note is scheduled to mature on March 1, 2019. A summary of the remaining debt service obligations on this note obligation at December 31, 2014 is as follows:

Year End			
Dec 31	Principal	Interest	Total
2015	\$ 15,429	\$ 1,822	\$ 17,251
2016	15,886	1,365	17,251
2017	16,365	886	17,251
2018	16,855	397	17,252
2019	4,301	21	4,322
	<u>\$ 68,836</u>	<u>\$ 4,491</u>	<u>\$ 73,327</u>

NOTE 7 - LEASE PURCHASE OBLIGATIONS

In April of 2009, the City entered into a lease agreement with Catalyst Capital Corporation for the purchase of a 2009 Ford F-750 truck totaling \$91,833. The terms of the lease call for 6 annual payments of \$18,383 at an annual approximate interest rate of 5.5% scheduled to mature in April of 2015. A summary of the City's remaining lease purchase obligation outstanding at December 31, 2014 is as follows:

Year End	Ford F-750		
Dec 31	Principal	Interest	Total
2015	<u>\$ 17,425</u>	<u>\$ 958</u>	<u>\$ 18,383</u>

CITY OF LOWER BURRELL
NOTES TO SPECIAL PURPOSE FINANCIAL REPORT
DECEMBER 31, 2014

NOTE 7 - LEASE PURCHASE OBLIGATIONS (Continued)

In September of 2011, the City entered into a lease agreement with Catalyst Capital Corporation for the purchase of a 2012 International Dump Truck totaling \$125,848. The terms of the lease call for 6 annual payments of \$24,154.99 at an annual approximate interest rate of 5.449% scheduled to mature in May of 2017. A summary of the City's remaining lease purchase obligation outstanding at December 31, 2014 is as follows:

Year End Dec 31	Ford F-750 Principal	Interest	Total
2015	\$ 20,600	\$ 3,555	\$ 24,155
2016	21,723	2,432	24,155
2017	22,907	1,248	24,155
	<u>\$ 65,230</u>	<u>\$ 7,235</u>	<u>\$ 72,465</u>

The following represents the changes in the City's debt obligations during 2014:

	Balance 1/1/14	Additions	Deletions	Balance 12/31/14	Due Within One Year
Bonds	\$ 5,745,000	\$ -	\$ (140,000)	\$ 5,605,000	\$ 140,000
Notes	360,842	80,128	(170,058)	270,912	109,727
Leases	126,048	-	(43,393)	82,655	38,025
	<u>\$ 6,231,890</u>	<u>\$ 80,128</u>	<u>\$ (353,451)</u>	<u>\$ 5,958,567</u>	<u>\$ 287,752</u>

NOTE 8 – COMPENSATED ABSENCES

It is the City's policy to recognize the cost of compensated absences (unused sick and vacation days) as incurred. Accordingly, the accompanying financial statements contain no provision for an accumulated compensated absences liability.

NOTE 9 - CITY PENSION PLANS

POLICE PENSION PLAN - City of Lower Burrell's police pension plan, established on May 19, 1961, is a single-employer defined benefit pension plan established to provide retirement and death benefits to qualified police department employees under the provisions governing pension plans in the Commonwealth of Pennsylvania and City Council ordinances. The plan is governed by the members of City Council who are responsible for the management of plan assets. Council has delegated the authority to manage certain plan assets to Commonwealth Financial Network and SEI.

CITY OF LOWER BURRELL
NOTES TO SPECIAL PURPOSE FINANCIAL REPORT
DECEMBER 31, 2014

NOTE 9 - CITY PENSION PLANS (Continued)

POLICE PENSION PLAN (Continued)

Plan membership as of January 1, 2013 was comprised of:

Active employees	17
Retirees and beneficiaries currently receiving benefits	15
Terminated employees entitled to benefits but not yet receiving them	-
Total	<u>32</u>

A summary of the plan's provisions are as follows:

<u>PARTICIPANTS</u> -	All permanent members of the City of Lower Burrell police department.
<u>ELIGIBILITY</u> -	All participants are eligible for retirement benefits provided that they have completed 20 years of aggregate service as a full-time City employee and have attained the age of 50.
<u>BENEFITS</u> -	50% of compensation, plus a service increment of 2.5% of the basic normal retirement benefit for each year of service in excess of 20 years (but not greater than \$100 per month).
<u>VESTING</u> -	Participants are entitled to a vested deferred benefit after 12 years of service.
<u>FUNDING</u> -	Employee contributions are currently 5%. City contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program. The City contributed \$501,730 to the plan in 2014.

NON-UNIFORM EMPLOYEES PENSION PLAN - The non-uniform employees pension plan of the City of Lower Burrell is a single-employer defined benefit pension plan controlled by the provisions of Ordinance No. 6-1975 adopted pursuant to Act 15 of 1974, established October 1, 1965, to provide retirement benefits for all qualified non-uniform employees. The plan is governed by the members of City Council who are responsible for the management of plan assets. Council has delegated the authority to manage certain plan assets to the Pennsylvania Municipal Retirement System (PMRS), an agent multiple-employer public employee retirement system.

Plan membership as of January 1, 2013 was comprised of:

Active employees	26
Retirees and beneficiaries currently receiving benefits	21
Terminated employees entitled to benefits but not yet receiving them	1
Total	<u>48</u>

CITY OF LOWER BURRELL
NOTES TO SPECIAL PURPOSE FINANCIAL REPORT
DECEMBER 31, 2014

NOTE 9 - CITY PENSION PLANS (Continued)

NON-UNIFORM EMPLOYEES PENSION PLAN (Continued)

The summary of the plans provisions are as follows:

<u>PARTICIPANTS</u> -	All full-time non-uniformed employees of the City of Lower Burrell.
<u>ELIGIBILITY</u> -	All participants are eligible for retirement benefits provided that they have attained the age of sixty with 12 years of credited service.
<u>BENEFITS</u> -	The plan provides for a monthly benefit equal to 2.5% times credited service times the participant's final average salary based upon the greater of final year's salary or the highest five years annualized salary.
<u>TERMINATION</u> -	The plan provides terminated employees with a return of their accumulated contributions and the members excess investment account standing credited to the member.
<u>FUNDING</u> -	Employee contributions are currently 6%. City contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program. The City contributed \$49,137 to the plan in 2014.
<u>VESTING</u> -	Participants are 100% vested after 12 years of service.

FUNDING REQUIREMENTS

On December 18, 1984, act 205 was passed into law, and is known as the "Municipal Pension Plan Funding Standard and Recovery Act." The act mandates actuarial funding standards, establishes a recovery program for financially distressed pension plans and provides for the distribution of the tax on the premiums of foreign fire insurance companies.

The act requires minimum funding standards based on the most recent actuarial valuation report, including normal cost and administrative expense requirements and an amortization contribution of the unfunded actuarial accrued liability. For financially distressed pension plans, the act provides for delayed implementation of this funding standard over either 10 or 15 years. In addition, supplemental state aid is available to all eligible municipalities and will be paid from the supplemental state assistance account.

In addition to member contributions, the pension plan may also receive an annual allocation from the General Municipal Pension System State Aid Program. The entire proceeds of the insurance premium tax on foreign casualty insurance companies and any investment income earned on those proceeds, and the portion of the proceeds of the insurance premium tax on foreign fire insurance companies which represents the amount of the distributions applicable to paid firefighters, and any investment income earned on the amount of those distributions are specifically designated for municipal pension plans. Any remaining obligation with respect to the pension plan shall be paid by the municipality.

CITY OF LOWER BURRELL
NOTES TO SPECIAL PURPOSE FINANCIAL REPORT
DECEMBER 31, 2014

NOTE 9 - CITY PENSION PLANS (Continued)

The plan's investment income was used to fund administrative costs. There are no long-term contracts for contributions as of December 31, 2014. In addition, there are no assets legally reserved for purposes other than the payment of plan member benefits.

NOTE 10 - RISK MANAGEMENT

The City of Lower Burrell is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims by the City for these risks have not exceeded commercial insurance coverage for the past three years.

NOTE 11 - CONTINGENT LIABILITIES

LEGAL MATTERS

The City, on occasion, can be party to various legal actions arising from normal business operations. As of December 31, 2014, the City is unaware of any pending litigation that would be material to the financial position of City of Lower Burrell.

STATE FUNDING

City of Lower Burrell's state funded programs are subject to audit by various governmental agencies. The City is potentially liable for any expenditure disallowed by the results of these audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

NOTE 12- SUBSEQUENT EVENTS

Management has determined that there are no events subsequent to December 31, 2014 through the date of the 'Independent Auditor's Report' date, which is the date the financial statements were available to be issued, that require additional disclosure in the financial statements.