

CITY OF LOWER BURRELL

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**2016 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT**

**CITY OF LOWER BURRELL**  
**WESTMORELAND COUNTY, PENNSYLVANIA**  
**TABLE OF CONTENTS**

|                                                                        | <u>PAGE</u> |
|------------------------------------------------------------------------|-------------|
| Independent Auditor's Report .....                                     | i-iii       |
| Balance Sheet .....                                                    | 1-2         |
| Statement of Revenues and Expenditures .....                           | 3-11        |
| Debt Statement .....                                                   | 12          |
| Statement of Capital Expenditures .....                                | 13          |
| Notes to the Financial Statements .....                                | 14-26       |
| Detail Schedule of Budget and Actual Revenues – General Fund .....     | 27-28       |
| Detail Schedule of Budget and Actual Expenditures – General Fund ..... | 29-33       |

# **Mark C. Turnley**

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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, 2016, and the related notes to the financial statements, which collectively comprise the City of Lower Burrell's basic financial statements as listed in the table of contents.

### **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 Borough'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'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 certain 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, 2016, or changes in financial position 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, 2016, 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.

### ***Other Information***

My audit was conducted for the purpose of forming an opinion on 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). The supplementary information (Schedules 1-2) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

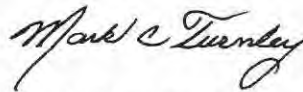
Mark C. Turnley, CPA

The 'memorandum only 2015' column information included on Schedules 1 and 2 of the City of Lower Burrell, as of and for the year ended December 31, 2015 were audited by me, and I expressed an unqualified opinion on them in my report dated June 30, 2016, but I have not performed any auditing procedures since that date on these statements.

***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,

A handwritten signature in black ink that reads "Mark C. Turnley". The signature is written in a cursive, flowing style.

Mark C. Turnley, CPA

May 31, 2017  
New Brighton, Pennsylvania



# BALANCE SHEET

DCED-CLGS-30 (09-09)

## LOWER BURRELL CITY, WESTMORELAND County BALANCE SHEET December 31, 2016

|                                      |                                              | 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                              | Cash and Investments                         | 2,242,513          | 290,690                                        | 304,572          |              | 686,680           |                  | 8,293,424        |                      |                        | 11,817,879      |
| 140-144                              | Tax Receivable                               |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 121-129, 145-149                     | Accounts Receivable (excluding taxes)        |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 130.00                               | Due From Other Funds                         | 138,778            |                                                | 158,314          |              | 58,165            |                  |                  |                      |                        | 355,257         |
| 131-139, 150-159                     | Other Current Assets                         |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 160-169                              | Fixed Assets                                 |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 180-189                              | Other Debits                                 |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| <b>Total Assets and Other Debits</b> |                                              | 2,381,291          | 290,690                                        | 462,886          |              | 744,845           |                  | 8,293,424        |                      |                        | 12,173,136      |
| <b>Liabilities and Other Credits</b> |                                              |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 210-229                              | Payroll Taxes and Other Payroll Withholdings | 8,084              |                                                |                  |              |                   |                  | 4,580            |                      |                        | 12,664          |
| 200-209, 231-239                     | All Other Current Liabilities                | 8,753              |                                                |                  |              |                   |                  | 54,391           |                      |                        | 63,144          |
| 230.00                               | Due To Other Funds                           | 58,165             |                                                |                  |              | 30,092            |                  | 267,000          |                      |                        | 355,257         |

## LOWER BURRELL CITY, WESTMORELAND County

## BALANCE SHEET

December 31, 2016

|                                                            |                                                     | 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>Liabilities and Other Credits</b>                       |                                                     |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 260-269                                                    | Long-Term-Liabilities                               |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 240-259                                                    | Current Portion of Long-Term Debt and Other Credits |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| <b>Total Liabilities and Other Credits</b>                 |                                                     | 75,002             |                                                |                  |              | 30,092            |                  | 325,971          |                      |                        | 431,065         |
|                                                            |                                                     |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| <b>Fund and Account Group Equity</b>                       |                                                     |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 281-284                                                    | Contributed Capital                                 |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 290.00                                                     | Investment in General Fixed Assets                  |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 270-289                                                    | Fund Balance / Retained Earnings on 12/31           | 2,306,289          | 290,690                                        | 462,886          |              | 714,753           |                  | 7,967,453        |                      |                        | 11,742,071      |
| 291-299                                                    | Other Equity                                        |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| <b>Total Fund and Account Group Equity</b>                 |                                                     | 2,306,289          | 290,690                                        | 462,886          |              | 714,753           |                  | 7,967,453        |                      |                        | 11,742,071      |
|                                                            |                                                     |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| <b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b> |                                                     |                    |                                                |                  |              |                   |                  |                  |                      |                        | 12,173,136      |



**LOWER BURRELL CITY, WESTMORELAND County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2016

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

**REVENUES**

| Taxes              |                                                                          |                  |  |  |  |  |  |                  |
|--------------------|--------------------------------------------------------------------------|------------------|--|--|--|--|--|------------------|
| 301.00             | Real Estate Taxes                                                        | 2,526,023        |  |  |  |  |  | 2,526,023        |
| 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                                                         | 38,885           |  |  |  |  |  | 38,885           |
| 310.10             | Real Estate Transfer Taxes                                               | 127,791          |  |  |  |  |  | 127,791          |
| 310.20             | Earned Income Taxes / Wage Taxes                                         | 1,331,229        |  |  |  |  |  | 1,331,229        |
| 310.30             | Business Gross Receipts Taxes                                            | 281,285          |  |  |  |  |  | 281,285          |
| 310.40             | Occupation Taxes (levied under Act 511)                                  |                  |  |  |  |  |  |                  |
| 310.50             | Local Services Tax **                                                    | 103,988          |  |  |  |  |  | 103,988          |
| 310.60             | Amusement / Admission Taxes                                              |                  |  |  |  |  |  |                  |
| 310.70             | Mechanical Device Taxes                                                  | 7,350            |  |  |  |  |  | 7,350            |
| 310.90             | Other Local Tax Enabling Act / Act 511 / Taxes                           |                  |  |  |  |  |  |                  |
|                    | Other: _____                                                             |                  |  |  |  |  |  |                  |
| <b>Total Taxes</b> |                                                                          | <b>4,416,551</b> |  |  |  |  |  | <b>4,416,551</b> |

| Licenses and Permits              |                                 |                |  |  |  |  |  |                |
|-----------------------------------|---------------------------------|----------------|--|--|--|--|--|----------------|
| 320-322                           | All Other Licenses and Permits  | 15,790         |  |  |  |  |  | 15,790         |
| 321.80                            | Cable Television Franchise Fees | 241,762        |  |  |  |  |  | 241,762        |
| <b>Total Licenses and Permits</b> |                                 | <b>257,552</b> |  |  |  |  |  | <b>257,552</b> |

| Fines and Forfeits              |                    |               |              |  |  |  |  |               |
|---------------------------------|--------------------|---------------|--------------|--|--|--|--|---------------|
| 330-332                         | Fines and Forfeits | 32,429        | 2,011        |  |  |  |  | 34,440        |
| <b>Total Fines and Forfeits</b> |                    | <b>32,429</b> | <b>2,011</b> |  |  |  |  | <b>34,440</b> |



**LOWER BURRELL CITY, WESTMORELAND County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2016

| Governmental Funds |                                                   |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|---------------------------------------------------|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue<br>(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   | 9,795  | 549 | 794 |  | 685 |  | 566,204 | 578,027 |
| 342.00                              | Rents and Royalties | 13,601 |     |     |  |     |  |         | 13,601  |
| Total Interest, Rents and Royalties |                     | 23,396 | 549 | 794 |  | 685 |  | 566,204 | 591,628 |

| 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                 |  |  |  |  |  |  |  |  |
| <b>Total Federal</b> |                                                   |  |  |  |  |  |  |  |  |

| State         |                                                                   |         |         |  |  |  |  |  |         |
|---------------|-------------------------------------------------------------------|---------|---------|--|--|--|--|--|---------|
| 354.03        | Highways and Streets                                              |         |         |  |  |  |  |  |         |
| 354.09        | Community Development                                             |         |         |  |  |  |  |  |         |
| 354.15        | Recycling / Act 101                                               |         |         |  |  |  |  |  |         |
| 354.00        | All Other State Capital and Operating Grants                      | 30,000  |         |  |  |  |  |  | 30,000  |
| 355.01        | Public Utility Realty Tax (PURTA)                                 | 5,021   |         |  |  |  |  |  | 5,021   |
| 355.02-355.03 | Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback |         | 367,254 |  |  |  |  |  | 367,254 |
| 355.04        | Alcoholic Beverage Licenses                                       | 4,200   |         |  |  |  |  |  | 4,200   |
| 355.05        | General Municipal Pension System State Aid                        | 231,856 |         |  |  |  |  |  | 231,856 |
| 355.07        | Foreign Fire Insurance Tax Distribution                           | 65,308  |         |  |  |  |  |  | 65,308  |
| 355.08        | Local Share Assessment/Gaming Proceeds                            |         |         |  |  |  |  |  |         |
| 355.09        | Marcellus Shale Impact Fee Distribution                           | 17,684  |         |  |  |  |  |  | 17,684  |

LOWER BURRELL CITY, WESTMORELAND County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

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

### REVENUES

| State              |                                                  |         |         |  |  |  |  |  |         |
|--------------------|--------------------------------------------------|---------|---------|--|--|--|--|--|---------|
| 355.00             | All Other State Shared Revenues and Entitlements |         |         |  |  |  |  |  |         |
| 356.00             | State Payments in Lieu of Taxes                  |         |         |  |  |  |  |  |         |
| <b>Total State</b> |                                                  | 354,069 | 367,254 |  |  |  |  |  | 721,323 |

| Local Government Units              |                                                                                 |        |  |  |  |  |  |  |        |
|-------------------------------------|---------------------------------------------------------------------------------|--------|--|--|--|--|--|--|--------|
| 357.03                              | Highways and Streets                                                            |        |  |  |  |  |  |  |        |
| 357.00                              | All Other Local Governmental Units Capital and Operating Grants                 | 14,173 |  |  |  |  |  |  | 14,173 |
| 358.00                              | Local Government Unit Shared Payments for Contracted Intergovernmental Services |        |  |  |  |  |  |  |        |
| 359.00                              | Local Governmental Units and Authorities Payments in Lieu of Taxes              | 6,618  |  |  |  |  |  |  | 6,618  |
| <b>Total Local Government Units</b> |                                                                                 | 20,791 |  |  |  |  |  |  | 20,791 |

| Charges for Service |                                                                                                            |         |  |  |           |  |  |  |           |
|---------------------|------------------------------------------------------------------------------------------------------------|---------|--|--|-----------|--|--|--|-----------|
| 361.00              | General Government                                                                                         | 224,051 |  |  |           |  |  |  | 224,051   |
| 362.00              | Public Safety                                                                                              | 88,591  |  |  |           |  |  |  | 88,591    |
| 363.20              | Parking                                                                                                    |         |  |  |           |  |  |  |           |
| 363.00              | All Other Charges for Highway & Street Services                                                            | 33,975  |  |  |           |  |  |  | 33,975    |
| 364.10              | Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.) |         |  |  | 2,592,058 |  |  |  | 2,592,058 |
| 364.30              | Solid Waste Collection and Disposal Charge (trash)                                                         | 208,275 |  |  |           |  |  |  | 208,275   |
| 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                                                                                                   |         |  |  |           |  |  |  |           |

LOWER BURRELL CITY, WESTMORELAND County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

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

### REVENUES

| Charges for Service              |                               |         |  |  |  |           |  |  |           |
|----------------------------------|-------------------------------|---------|--|--|--|-----------|--|--|-----------|
| 369.00                           | Bars                          |         |  |  |  |           |  |  |           |
| 370.00                           | Cemeteries                    |         |  |  |  |           |  |  |           |
| 372.00                           | Electric System               |         |  |  |  |           |  |  |           |
| 373.00                           | Gas System                    |         |  |  |  |           |  |  |           |
| 374.00                           | Housing System                |         |  |  |  |           |  |  |           |
| 375.00                           | Markets                       |         |  |  |  |           |  |  |           |
| 377.00                           | Transit Systems               |         |  |  |  |           |  |  |           |
| 378.00                           | Water System                  |         |  |  |  |           |  |  |           |
| 379.00                           | All Other Charges for Service |         |  |  |  |           |  |  |           |
| <b>Total Charges for Service</b> |                               | 554,892 |  |  |  | 2,592,058 |  |  | 3,146,950 |

| Unclassified Operating Revenues              |                                                  |        |    |        |  |  |         |  |         |
|----------------------------------------------|--------------------------------------------------|--------|----|--------|--|--|---------|--|---------|
| 383.00                                       | Special Assessments                              |        |    |        |  |  |         |  |         |
| 386.00                                       | Escheats (sale of personal property)             |        |    |        |  |  |         |  |         |
| 387.00                                       | Contributions and Donations from Private Sectors | 2,600  | 42 | 10,800 |  |  |         |  | 13,442  |
| 388.00                                       | Fiduciary Fund Pension Contributions             |        |    |        |  |  | 697,947 |  | 697,947 |
| 389.00                                       | All Other Unclassified Operating Revenues        | 17,500 |    |        |  |  |         |  | 17,500  |
| <b>Total Unclassified Operating Revenues</b> |                                                  | 20,100 | 42 | 10,800 |  |  | 697,947 |  | 728,889 |

| Other Financing Sources |                                             |        |  |         |  |  |  |  |         |
|-------------------------|---------------------------------------------|--------|--|---------|--|--|--|--|---------|
| 391.00                  | Proceeds of General Fixed Asset Disposition | 894    |  |         |  |  |  |  | 894     |
| 392.00                  | Interfund Operating Transfers               | 52,350 |  | 296,163 |  |  |  |  | 348,513 |
| 393.00                  | Proceeds of General Long-Term Debt          | 32,951 |  |         |  |  |  |  | 32,951  |
| 394.00                  | Proceeds of Short Term Debt                 |        |  |         |  |  |  |  |         |

LOWER BURRELL CITY, WESTMORELAND County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

| Governmental Funds |                                                   |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|---------------------------------------------------|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue<br>(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 | 99,411  |  | 10      |  |  |  | 99,421  |
| <b>Total Other Financing Sources</b> |                                    | 185,606 |  | 296,173 |  |  |  | 481,779 |

|                       |           |         |         |  |           |  |           |            |
|-----------------------|-----------|---------|---------|--|-----------|--|-----------|------------|
| <b>TOTAL REVENUES</b> | 5,865,386 | 369,856 | 307,767 |  | 2,592,743 |  | 1,264,151 | 10,399,903 |
|-----------------------|-----------|---------|---------|--|-----------|--|-----------|------------|

### EXPENDITURES

| General Government              |                                              |         |  |        |  |  |  |         |
|---------------------------------|----------------------------------------------|---------|--|--------|--|--|--|---------|
| 400.00                          | Legislative (Governing) Body                 | 7,173   |  |        |  |  |  | 7,173   |
| 401.00                          | Executive (Manager or Mayor)                 | 248,786 |  |        |  |  |  | 248,786 |
| 402.00                          | Auditing Services / Financial Administration | 10,700  |  |        |  |  |  | 10,700  |
| 403.00                          | Tax Collection                               | 126,371 |  |        |  |  |  | 126,371 |
| 404.00                          | Solicitor / Legal Services                   | 35,492  |  |        |  |  |  | 35,492  |
| 405.00                          | Secretary / Clerk                            | 2,946   |  |        |  |  |  | 2,946   |
| 406.00                          | Other General Government Administration      |         |  |        |  |  |  |         |
| 407.00                          | IT-Networking Services-Data Processing       | 8,014   |  |        |  |  |  | 8,014   |
| 408.00                          | Engineering Services                         |         |  |        |  |  |  |         |
| 409.00                          | General Government Buildings and Plant       | 71,197  |  | 15,208 |  |  |  | 86,405  |
| <b>Total General Government</b> |                                              | 510,679 |  | 15,208 |  |  |  | 525,887 |

| Public Safety |                          |           |       |         |  |  |  |           |
|---------------|--------------------------|-----------|-------|---------|--|--|--|-----------|
| 410.00        | Police                   | 1,680,741 | 9,296 | 59,202  |  |  |  | 1,749,239 |
| 411.00        | Fire                     | 152,375   |       | 184,250 |  |  |  | 336,625   |
| 412.00        | Ambulance / Rescue       |           |       |         |  |  |  |           |
| 413.00        | UCC and Code Enforcement | 12,408    |       |         |  |  |  | 12,408    |



LOWER BURRELL CITY, WESTMORELAND County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

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

### EXPENDITURES

| Public Safety              |                                         |           |       |         |  |  |  |  |           |
|----------------------------|-----------------------------------------|-----------|-------|---------|--|--|--|--|-----------|
| 414.00                     | Planning and Zoning                     | 83,813    |       |         |  |  |  |  | 83,813    |
| 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                     | 787       |       |         |  |  |  |  | 787       |
| <b>Total Public Safety</b> |                                         | 1,930,124 | 9,296 | 243,452 |  |  |  |  | 2,182,872 |

8

| Health and Human Services              |                           |        |  |  |  |  |  |  |        |
|----------------------------------------|---------------------------|--------|--|--|--|--|--|--|--------|
| 420.00-425.00                          | Health and Human Services | 26,353 |  |  |  |  |  |  | 26,353 |
| <b>Total Health and Human Services</b> |                           | 26,353 |  |  |  |  |  |  | 26,353 |

| Public Works - Sanitation              |                                               |         |  |       |           |  |  |  |           |
|----------------------------------------|-----------------------------------------------|---------|--|-------|-----------|--|--|--|-----------|
| 426.00                                 | Recycling Collection and Disposal             | 162,397 |  | 2,400 |           |  |  |  | 164,797   |
| 427.00                                 | Solid Waste Collection and Disposal (garbage) |         |  |       |           |  |  |  |           |
| 428.00                                 | Weed Control                                  |         |  |       |           |  |  |  |           |
| 429.00                                 | Wastewater / Sewage Treatment and Collection  |         |  |       | 2,226,992 |  |  |  | 2,226,992 |
| <b>Total Public Works - Sanitation</b> |                                               | 162,397 |  | 2,400 | 2,226,992 |  |  |  | 2,391,789 |

| Public Works - Highways and Streets |                                    |         |         |  |  |  |  |  |         |
|-------------------------------------|------------------------------------|---------|---------|--|--|--|--|--|---------|
| 430.00                              | General Services - Administration  | 683,474 | 7,634   |  |  |  |  |  | 691,108 |
| 431.00                              | Cleaning of Streets and Gutters    |         |         |  |  |  |  |  |         |
| 432.00                              | Winter Maintenance -- Snow Removal |         | 146,825 |  |  |  |  |  | 146,825 |
| 433.00                              | Traffic Control Devices            | 22,126  |         |  |  |  |  |  | 22,126  |
| 434.00                              | Street Lighting                    | 144,239 |         |  |  |  |  |  | 144,239 |

LOWER BURRELL CITY, WESTMORELAND County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

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

### EXPENDITURES

| Public Works - Highways and Streets              |                                              |         |         |  |  |  |  |           |
|--------------------------------------------------|----------------------------------------------|---------|---------|--|--|--|--|-----------|
| 435.00                                           | Sidewalks and Crosswalks                     |         |         |  |  |  |  |           |
| 436.00                                           | Storm Sewers and Drains                      | 13,344  | 16,928  |  |  |  |  | 30,272    |
| 437.00                                           | Repairs of Tools and Machinery               | 603     |         |  |  |  |  | 603       |
| 438.00                                           | Maintenance and Repairs of Roads and Bridges | 34,320  | 103,678 |  |  |  |  | 137,998   |
| 439.00                                           | Highway Construction and Rebuilding Projects |         | 69,160  |  |  |  |  | 69,160    |
| <b>Total Public Works - Highways and Streets</b> |                                              | 898,106 | 344,225 |  |  |  |  | 1,242,331 |

| 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                | 1,910 |  |  |  |  |  | 1,910 |
| 448.00                                      | Water System                  |       |  |  |  |  |  |       |
| 449.00                                      | Water Transport and Terminals |       |  |  |  |  |  |       |
| <b>Total Other Public Works Enterprises</b> |                               | 1,910 |  |  |  |  |  | 1,910 |

| Culture and Recreation |                                   |        |  |        |  |  |  |         |
|------------------------|-----------------------------------|--------|--|--------|--|--|--|---------|
| 451.00                 | Culture-Recreation Administration |        |  |        |  |  |  |         |
| 452.00                 | Participant Recreation            | 4,367  |  |        |  |  |  | 4,367   |
| 453.00                 | Spectator Recreation              | 8,500  |  |        |  |  |  | 8,500   |
| 454.00                 | Parks                             | 73,963 |  | 62,745 |  |  |  | 136,708 |



LOWER BURRELL CITY, WESTMORELAND County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

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

### EXPENDITURES

| Culture and Recreation              |                                  |         |  |        |  |  |  |         |
|-------------------------------------|----------------------------------|---------|--|--------|--|--|--|---------|
| 455.00                              | Shade Trees                      |         |  |        |  |  |  |         |
| 456.00                              | Libraries                        | 42,000  |  |        |  |  |  | 42,000  |
| 457.00                              | Civil and Military Celebrations  |         |  |        |  |  |  |         |
| 458.00                              | Senior Citizens' Centers         | 1,000   |  |        |  |  |  | 1,000   |
| 459.00                              | All Other Culture and Recreation |         |  |        |  |  |  |         |
| <b>Total Culture and Recreation</b> |                                  | 129,830 |  | 62,745 |  |  |  | 192,575 |

| 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   |  |  |  |  |  |  |  |
| <b>Total Community Development</b> |                                   |  |  |  |  |  |  |  |

| Debt Service              |                                           |        |  |  |         |  |  |         |
|---------------------------|-------------------------------------------|--------|--|--|---------|--|--|---------|
| 471.00                    | Debt Principal (short-term and long-term) | 69,599 |  |  | 147,544 |  |  | 217,143 |
| 472.00                    | Debt Interest (short-term and long-term)  | 6,351  |  |  | 209,703 |  |  | 216,054 |
| 475.00                    | Fiscal Agent Fees                         |        |  |  |         |  |  |         |
| <b>Total Debt Service</b> |                                           | 75,950 |  |  | 357,247 |  |  | 433,197 |

| Employer Paid Benefits and Withholding Items |                                                               |         |  |  |  |  |  |         |
|----------------------------------------------|---------------------------------------------------------------|---------|--|--|--|--|--|---------|
| 481.00                                       | Employer Paid Withholding Taxes and Unemployment Compensation | 108,940 |  |  |  |  |  | 108,940 |
| 482.00                                       | Judgments and Losses                                          |         |  |  |  |  |  |         |
| 483.00                                       | Pension / Retirement Fund Contributions                       | 733,658 |  |  |  |  |  | 733,658 |

**LOWER BURRELL CITY, WESTMORELAND County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2016

| Governmental Funds |                                                   |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|---------------------------------------------------|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue<br>(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  | 232,142   |  |  |  |  |  |  | 232,142   |
| 487.00                                                    | Other Group Insurance Benefits | 827,442   |  |  |  |  |  |  | 827,442   |
| <b>Total Employer Paid Benefits and Withholding Items</b> |                                | 1,902,182 |  |  |  |  |  |  | 1,902,182 |

| Insurance              |                                 |         |  |  |  |  |  |  |         |
|------------------------|---------------------------------|---------|--|--|--|--|--|--|---------|
| 486.00                 | Insurance, Casualty, and Surety | 119,608 |  |  |  |  |  |  | 119,608 |
| <b>Total Insurance</b> |                                 | 119,608 |  |  |  |  |  |  | 119,608 |

11

| Unclassified Operating Expenditures              |                                          |  |  |  |  |  |  |         |         |
|--------------------------------------------------|------------------------------------------|--|--|--|--|--|--|---------|---------|
| 488.00                                           | Fiduciary Fund Benefits and Refunds Paid |  |  |  |  |  |  | 652,409 | 652,409 |
| 489.00                                           | All Other Unclassified Expenditures      |  |  |  |  |  |  | 51,695  | 51,695  |
| <b>Total Unclassified Operating Expenditures</b> |                                          |  |  |  |  |  |  | 704,104 | 704,104 |

| Other Financing Uses              |                               |         |  |  |  |        |  |  |         |
|-----------------------------------|-------------------------------|---------|--|--|--|--------|--|--|---------|
| 491.00                            | Refund of Prior Year Revenues | 32,986  |  |  |  |        |  |  | 32,986  |
| 492.00                            | Interfund Operating Transfers | 296,163 |  |  |  | 52,350 |  |  | 348,513 |
| 493.00                            | All Other Financing Uses      |         |  |  |  |        |  |  |         |
| <b>Total Other Financing Uses</b> |                               | 329,149 |  |  |  | 52,350 |  |  | 381,499 |

|                           |           |         |         |  |           |  |         |  |            |
|---------------------------|-----------|---------|---------|--|-----------|--|---------|--|------------|
| <b>TOTAL EXPENDITURES</b> | 6,086,288 | 353,521 | 323,805 |  | 2,636,589 |  | 704,104 |  | 10,104,307 |
|---------------------------|-----------|---------|---------|--|-----------|--|---------|--|------------|

|                                                     |          |        |         |  |         |  |         |  |         |
|-----------------------------------------------------|----------|--------|---------|--|---------|--|---------|--|---------|
| <b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b> | -220,902 | 16,335 | -16,038 |  | -43,846 |  | 560,047 |  | 295,596 |
|-----------------------------------------------------|----------|--------|---------|--|---------|--|---------|--|---------|

## LOWER BURRELL CITY

December 31, 2016

## 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)<br>Capital Lease (C)<br>Lease Rental (L)<br>Note (N) | Issue Year<br>(yyyy) | Maturity<br>Year<br>(yyyy) | Original<br>Amount of<br>Issue | Outstanding<br>Beginning of<br>Year (1) | Principal<br>Incurred<br>This Year | Principal<br>Paid This<br>Year | Current Year<br>Accretion on<br>Compound Interest<br>Bonds | Outstanding at<br>Year End (1) | Plus (less)<br>Unamortized<br>Premium<br>(Discount) | Total<br>Balance |
|-------------------------------------------|---------------------------------------------------------------|----------------------|----------------------------|--------------------------------|-----------------------------------------|------------------------------------|--------------------------------|------------------------------------------------------------|--------------------------------|-----------------------------------------------------|------------------|
| <b>General Obligation Bonds and Notes</b> |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                           |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
| Park Purchase                             | Note                                                          | 2001                 | 2021                       | 185,500                        | 45,875                                  |                                    | 9,175                          |                                                            | 36,700                         |                                                     | 36,700           |
| DUMP TRUCK                                | Note                                                          | 2014                 | 2019                       | 80,128                         | 53,414                                  |                                    | 15,885                         |                                                            | 37,529                         |                                                     | 37,529           |
| WHEEL LOADER                              | Note                                                          | 2015                 | 2019                       | 119,349                        | 95,097                                  |                                    | 22,816                         |                                                            | 72,281                         |                                                     | 72,281           |
| BOBCAT                                    | Note                                                          | 2016                 | 2021                       | 32,951                         | 0                                       | 32,951                             | 2,544                          |                                                            | 30,407                         |                                                     | 30,407           |
| <b>Revenue Bonds and Notes</b>            |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                           |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
| <b>Lease Rental Debt</b>                  |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                           |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
| Sewer Revenue Bond A & B                  | Bond                                                          | 2011                 | 2040                       | 1,000,510                      | 5,465,000                               |                                    | 145,000                        |                                                            | 5,320,000                      |                                                     | 5,320,000        |
| INTERNATIONAL DUMP TRUCK                  | Capital Leases                                                | 2012                 | 2017                       | 125,848                        | 44,630                                  |                                    | 21,723                         |                                                            | 22,907                         |                                                     | 22,907           |
| <b>Other</b>                              |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                           |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

5,519,824

Capitalized lease obligations

0

Net debt

5,519,824

**LOWER BURRELL CITY, WESTMORELAND County**  
**STATEMENT OF CAPITAL EXPENDITURES**

**December 31, 2016**

| Category                          | Capital Purchases | Capital Construction | Total          |
|-----------------------------------|-------------------|----------------------|----------------|
| Community Development             |                   |                      |                |
| Electric                          |                   |                      |                |
| Fire                              | 186,473           |                      | 186,473        |
| Gas System                        |                   |                      |                |
| General Government                | 15,208            |                      | 15,208         |
| Health                            |                   |                      |                |
| Housing                           |                   |                      |                |
| Libraries                         |                   |                      |                |
| Mass Transit                      |                   |                      |                |
| Parks                             | 65,756            |                      | 65,756         |
| Police                            | 81,764            |                      | 81,764         |
| Recreation                        |                   |                      |                |
| Sewer                             |                   |                      |                |
| Solid Waste                       | 2,400             |                      | 2,400          |
| Streets / Highways                | 99,771            |                      | 99,771         |
| Water                             |                   |                      |                |
| Other: _____                      |                   |                      |                |
| <b>TOTAL CAPITAL EXPENDITURES</b> | <b>451,372</b>    |                      | <b>451,372</b> |

**EMPLOYEE COMPENSATION**

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

2,757,106

**CITY OF LOWER BURRELL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2016**

**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 2016 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, 2016**

**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.

**B.E.A.T FUND (SPECIAL REVENUE FUND)** - Established to account for donations to assist the City with special event activities not funded through the City's General Fund.

**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.

**OTHER CAPITAL PROJECT FUND (CAPITAL PROJECT FUND)** - Established to account for appropriations from the General Fund initially made into the City's Clearing Fund for various capital projects deemed necessary by City Council.



**CITY OF LOWER BURRELL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2016**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**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.

**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 four (4) 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, a Clearing Fund which maintains escrow funds held by the City on behalf of developers and City property owners, and a federal tax withholding account related to the City's pension checks.

**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 14, 2015, the City of Lower Burrell adopted its 2016 annual budget for its General Fund totaling \$6,232,805 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, 2016**

**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 2016 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, 2016**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS:**

At December 31, 2016, City of Lower Burrell had the following carrying values on its cash and cash equivalent accounts:

|                       | <b><u>Bank Balance</u></b> | <b>(Memo Only)<br/><u>Book Balance</u></b> |
|-----------------------|----------------------------|--------------------------------------------|
| General Fund          | \$ 2,238,725               | \$ 2,242,513                               |
| Special Revenue Funds | 290,690                    | 290,690                                    |
| Capital Project Fund  | 306,051                    | 304,572                                    |
| Enterprise Funds      | 623,110                    | 686,680                                    |
| Fiduciary Funds       | 326,941                    | 325,971                                    |
| <b>Total</b>          | <b><u>\$ 3,458,576</u></b> | <b><u>\$ 3,850,426</u></b>                 |

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, 2016, \$3,208,576 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, 2016 is as follows:

**Commonwealth Financial Network:**

|                                |                            |
|--------------------------------|----------------------------|
| Money Market Funds             | \$ 19,100                  |
| Equity Mutual Funds            | 655,223                    |
| Fixed Income Mutual Funds      | 1,409,594                  |
| Exchange Traded Products (ETP) | 3,572,316                  |
|                                | <b><u>\$ 5,656,233</u></b> |

**SEI:**

|                                                  |                            |
|--------------------------------------------------|----------------------------|
| Prime Obligation Mutual Funds                    | \$ 106,568                 |
| Domestic/International Equity Mutual Funds       | 1,832,279                  |
| Domestic/International Fixed Income Mutual Funds | 372,373                    |
|                                                  | <b><u>\$ 2,311,220</u></b> |
| <b>TOTAL</b>                                     | <b><u>\$ 7,967,453</u></b> |

**CITY OF LOWER BURRELL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2016**

**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, 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, 2016 | (Discount period) |
| May 1 – June 30, 2016    | (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, 2016, \$93,226 of 2016 real estate taxes are unpaid which represents 3.6% of the total assessed property taxes for 2016.

The tax millage assessment for the 2016 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, 2016**

**NOTE 4 – DUE FROM/TO OTHER FUNDS**

Inter-fund receivables and payables at December 31, 2016 are comprised of the following:

|                       | <b><u>RECEIVABLE</u></b> | <b><u>PAYABLE</u></b>    |
|-----------------------|--------------------------|--------------------------|
| General Fund          | \$ 138,778               | \$ 58,165                |
| Capital Project Funds | 158,314                  | -                        |
| Enterprise Funds      | 58,165                   | 30,092                   |
| Fiduciary Funds       | -                        | 267,000                  |
|                       | <b><u>\$ 355,257</u></b> | <b><u>\$ 355,257</u></b> |

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 2016, the City of Lower Burrell Sewer System Fund paid the Authority \$354,336 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, 2016:

| <b><u>YEAR END</u></b> | <b><u>AMOUNT</u></b>       |
|------------------------|----------------------------|
| <b><u>DEC 31</u></b>   |                            |
| 2017                   | \$ 351,614                 |
| 2018                   | 353,504                    |
| 2019                   | 354,880                    |
| 2020                   | 355,581                    |
| 2021                   | 355,845                    |
| 2022-2026              | 1,772,806                  |
| 2027-2031              | 1,767,200                  |
| 2032-2036              | 1,772,266                  |
| 2037-2040              | 1,303,950                  |
|                        | <b><u>\$ 8,387,646</u></b> |

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, 2016, 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, 2016**

**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, 2016 is as follows:

| <b>Year End</b> |                  |
|-----------------|------------------|
| <b>Dec 31</b>   | <b>Principal</b> |
| 2017            | \$ 9,175         |
| 2018            | 9,175            |
| 2019            | 9,175            |
| 2020            | 9,175            |
|                 | <u>\$ 36,700</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, 2016 is as follows:

| <b>Year End</b> |                  |                 |                  |
|-----------------|------------------|-----------------|------------------|
| <b>Dec 31</b>   | <b>Principal</b> | <b>Interest</b> | <b>Total</b>     |
| 2017            | \$ 16,365        | \$ 886          | \$ 17,251        |
| 2018            | 16,855           | 397             | 17,252           |
| 2019            | 4,309            | 21              | 4,330            |
|                 | <u>\$ 37,529</u> | <u>\$ 1,304</u> | <u>\$ 38,833</u> |

On April 24, 2015, the City issued a promissory note to First National Bank in the amount of \$119,349 for the purchase of a 2015 Caterpillar Wheel Loader. The terms of the lease call for five (5) annual payments of \$25,394.14 at an annual interest rate of 2.65%. The note is scheduled to mature on September 1, 2019. A summary of the remaining debt service obligations on this note obligation at December 31, 2016 is as follows:

| <b>Year End</b> |                  |                 |                  |
|-----------------|------------------|-----------------|------------------|
| <b>Dec 31</b>   | <b>Principal</b> | <b>Interest</b> | <b>Total</b>     |
| 2017            | \$ 23,480        | \$ 1,914        | \$ 25,394        |
| 2018            | 24,103           | 1,291           | 25,394           |
| 2019            | 24,698           | 696             | 25,394           |
|                 | <u>\$ 72,281</u> | <u>\$ 3,901</u> | <u>\$ 76,182</u> |



**CITY OF LOWER BURRELL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2016**

**NOTE 6 – NOTES PAYABLE (Continued)**

On June 15, 2016, the City issued a promissory note to First National Bank in the amount of \$32,951.50 for the purchase of a Bobcat. The terms of the note call for sixty (60) payments of \$588.25 at an annual interest rate of 2.65%. The note is scheduled to mature on July 1, 2021. A summary of the remaining debt service obligations on this note obligation at December 31, 2016 is as follows:

| <b>Year End</b> |                  |                 |                  |
|-----------------|------------------|-----------------|------------------|
| <b>Dec 31</b>   | <b>Principal</b> | <b>Interest</b> | <b>Total</b>     |
| 2017            | \$ 6,330         | \$ 1,914        | \$ 7,059         |
| 2018            | 6,500            | 559             | 7,059            |
| 2019            | 6,674            | 385             | 7,059            |
| 2020            | 6,853            | 206             | 7,059            |
| 2021            | 4,050            | 68              | 4,118            |
|                 | <u>\$ 30,407</u> | <u>\$ 3,132</u> | <u>\$ 32,354</u> |

**NOTE 7 - LEASE PURCHASE OBLIGATIONS**

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, 2016 is as follows:

| <b>Year End</b> | <b>Ford F-750</b> |                 |              |
|-----------------|-------------------|-----------------|--------------|
| <b>Dec 31</b>   | <b>Principal</b>  | <b>Interest</b> | <b>Total</b> |
| 2017            | \$ 22,907         | \$ 1,248        | \$ 24,155    |

The following represents the changes in the City's debt obligations during 2016:

|        | <b>Balance</b>      |                  |                     | <b>Balance</b>      | <b>Due Within</b> |
|--------|---------------------|------------------|---------------------|---------------------|-------------------|
|        | <b>1/1/16</b>       | <b>Additions</b> | <b>Deletions</b>    | <b>12/31/16</b>     | <b>One Year</b>   |
| Bonds  | \$ 5,465,000        | \$ -             | \$ (145,000)        | \$ 5,320,000        | \$ 145,000        |
| Notes  | 194,386             | 32,951           | (50,420)            | 176,917             | 55,350            |
| Leases | 44,630              | -                | (21,723)            | 22,907              | 22,907            |
|        | <u>\$ 5,704,016</u> | <u>\$ 32,951</u> | <u>\$ (217,143)</u> | <u>\$ 5,519,824</u> | <u>\$ 223,257</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.

**CITY OF LOWER BURRELL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2016**

**NOTE 9 – LOAN RECEIVABLE**

In September of 2015, the City of Lower Burrell issued a non-interest bearing loan to the Lower Burrell Municipal Sanitary Authority in the amount of \$100,000 to cover a cost over-run on the Wildlife Lodge Road and Route 56 bypass sewer project. Apart from other payment options, the Authority pledges to the City revenues received from such sources as tapping fees or other means. The loan is scheduled to be repaid within two years of the date of the agreement.

**NOTE 10 - CITY PENSION PLANS**

Since the City does not present its special purpose financial report in conformity with generally accepted accounting principles, it has not adopted as yet the accounting and reporting requirements as required by Governmental Accounting Standards Board (GASB) Statement No. 68 – “Accounting and Financial Reporting for Pensions”. The following is a summary of the City's police and non-uniform 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.

Plan membership as of January 1, 2015 was comprised of:

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

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

|                              |                                                                                                                                                                                                                                                                                        |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><u>PARTICIPANTS</u></b> - | All permanent members of the City of Lower Burrell police department.                                                                                                                                                                                                                  |
| <b><u>ELIGIBILITY</u></b> -  | 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.                                                                                                    |
| <b><u>BENEFITS</u></b> -     | 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).                                                                                                    |
| <b><u>VESTING</u></b> -      | Participants are entitled to a vested deferred benefit after 12 years of service.                                                                                                                                                                                                      |
| <b><u>FUNDING</u></b> -      | 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 \$622,594 to the plan in 2016. |

**CITY OF LOWER BURRELL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2016**

**NOTE 10 - CITY PENSION PLANS (Continued)**

**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, 2015 was comprised of:

|                                                                         |           |
|-------------------------------------------------------------------------|-----------|
| Active employees                                                        | 27        |
| Retirees and beneficiaries currently receiving benefits                 | 22        |
| Terminated employees entitled to benefits<br>but not yet receiving them | <u>2</u>  |
| Total                                                                   | <u>51</u> |

The summary of the plans provisions are as follows:

|                              |                                                                                                                                                                                                                                                                                       |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b><u>PARTICIPANTS</u></b> - | All full-time non-uniformed employees of the City of Lower Burrell.                                                                                                                                                                                                                   |
| <b><u>ELIGIBILITY</u></b> -  | All participants are eligible for retirement benefits provided that they have attained the age of sixty with 12 years of credited service.                                                                                                                                            |
| <b><u>BENEFITS</u></b> -     | 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.                                                                  |
| <b><u>TERMINATION</u></b> -  | The plan provides terminated employees with a return of their accumulated contributions and the members excess investment account standing credited to the member.                                                                                                                    |
| <b><u>FUNDING</u></b> -      | 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 \$98,192 to the plan in 2016. |
| <b><u>VESTING</u></b> -      | Participants are 100% vested after 12 years of service.                                                                                                                                                                                                                               |

**CITY OF LOWER BURRELL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2016**

**NOTE 10 - CITY PENSION PLANS (Continued)**

**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.

The plan's investment income was used to fund administrative costs. There are no long-term contracts for contributions as of December 31, 2016. In addition, there are no assets legally reserved for purposes other than the payment of plan member benefits.

**NOTE 11 - 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 12 - CONTINGENT LIABILITIES**

**LEGAL MATTERS**

The City, on occasion, can be party to various legal actions arising from normal business operations. As of December 31, 2016, 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.

**CITY OF LOWER BURRELL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2016**

**NOTE 13– PRIOR PERIOD ADJUSTMENTS**

The City of Lower Burrell made a prior period adjustment to the General Fund balance as of January 1, 2016 in the amount of \$146,204. In addition, a prior period adjustment of \$131,627 was made to the City's Sewer (Enterprise) Fund balance as of January 1, 2016. These adjustments were made to change the recognition for the timing of certain deposits and transfers between funds from the accrual basis to the cash basis of accounting.

**NOTE 14– SUBSEQUENT EVENTS**

Management has determined that there are no events subsequent to December 31, 2016 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.

***SUPPLEMENTARY  
INFORMATION***



**CITY OF LOWER BURRELL**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL REVENUES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**SCHEDULE 1**

|                                    | <b>BUDGET</b>       | <b>ACTUAL</b>       | <b>(MEMORANDUM<br/>ONLY)<br/>2015</b> |
|------------------------------------|---------------------|---------------------|---------------------------------------|
| <b>TAXES:</b>                      |                     |                     |                                       |
| Real estate - current              | \$ 2,454,400        | \$ 2,440,298        | \$ 2,445,994                          |
| Real estate - delinquent           | 105,000             | 85,726              | 89,715                                |
| Deed transfer                      | 132,000             | 127,791             | 143,847                               |
| Per capita                         | 35,000              | 35,139              | 35,451                                |
| Per capita - delinquent            | 2,000               | 3,746               | 4,282                                 |
| Earned income tax                  | 1,340,000           | 1,290,024           | 1,286,244                             |
| Earned income - delinquent         | 30,000              | 41,205              | 45,807                                |
| Business privilege tax             | 300,000             | 261,543             | 281,186                               |
| Business privilege - delinquent    | 6,500               | 19,742              | 24,301                                |
| LST Tax                            | 95,000              | 102,896             | 95,828                                |
| LST Tax - delinquent               | 1,000               | 1,092               | 2,632                                 |
| Mechanical Devices                 | 8,100               | 7,350               | 7,875                                 |
| <b>TOTAL TAXES</b>                 | <b>\$ 4,509,000</b> | <b>\$ 4,416,551</b> | <b>\$ 4,463,163</b>                   |
| <b>LICENSES AND PERMITS:</b>       |                     |                     |                                       |
| Health License                     | \$ 4,000            | \$ 3,240            | \$ 2,080                              |
| Solicitation Permit                | 1,100               | 1,100               | 1,100                                 |
| Cable franchise fee                | 239,000             | 241,762             | 230,729                               |
| Smoke & Dye Permits                | 9,000               | 9,950               | 9,735                                 |
| Street opening permits             | 3,000               | 1,500               | 6,100                                 |
| <b>TOTAL LICENSES AND PERMITS</b>  | <b>\$ 256,100</b>   | <b>\$ 257,552</b>   | <b>\$ 249,744</b>                     |
| <b>FINES AND FORFEITURES:</b>      |                     |                     |                                       |
| Vehicle Code Violation             | \$ 24,500           | \$ 23,878           | \$ 21,526                             |
| Violation of Ordinances            | 2,000               | 2,864               | 1,971                                 |
| State Distribution                 | 5,500               | 5,686               | 6,530                                 |
| <b>TOTAL FINES AND FORFEITURES</b> | <b>\$ 32,000</b>    | <b>\$ 32,429</b>    | <b>\$ 30,026</b>                      |
| <b>INTEREST AND RENTS:</b>         |                     |                     |                                       |
| Interest                           | \$ 5,000            | \$ 7,625            | \$ 5,601                              |
| U-comp Dividend                    | 780                 | 2,170               | 776                                   |
| Park Rental                        | 12,000              | 11,080              | 11,835                                |
| Pavillion Rental                   | 1,200               | 2,155               | 1,275                                 |
| Gas Lease                          | 700                 | 366                 | 695                                   |
| <b>TOTAL INTEREST AND RENTS</b>    | <b>\$ 19,680</b>    | <b>\$ 23,396</b>    | <b>\$ 20,182</b>                      |
| <b>INTERGOVERNMENTAL:</b>          |                     |                     |                                       |
| Ambulance Gas Reimbursement        | \$ -                | \$ -                | \$ 3,444                              |
| DARE Grant                         | -                   | -                   | 1,495                                 |
| DUI Grant                          | 2,620               | 14,173              | 5,624                                 |
| Safe Schools Grant                 | 30,000              | 30,000              | 60,000                                |
| Recycling Performance Grant        | 10,000              | -                   | -                                     |
| Beverage Licenses                  | 4,800               | 4,200               | 4,800                                 |
| Pension - Commonwealth of PA       | 226,000             | 231,856             | 203,883                               |
| AG-64 Payment                      | -                   | -                   | 812                                   |
| Foreign Fire Insurance             | 68,200              | 65,308              | 65,662                                |
| Public Utility Realty Tax          | 5,200               | 5,021               | 5,276                                 |
| Act 13 Impact Fee                  | 25,200              | 17,684              | 25,198                                |
| Westmoreland Housing Authority     | 6,500               | 6,619               | 6,407                                 |
| <b>TOTAL INTERGOVERNMENTAL</b>     | <b>\$ 378,520</b>   | <b>\$ 374,860</b>   | <b>\$ 382,602</b>                     |

The accompanying notes are an integral part of these financial statements

**CITY OF LOWER BURRELL**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL REVENUES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**SCHEDULE 1**

|                                                       | <b>BUDGET</b>       | <b>ACTUAL</b>       | <b>(MEMORANDUM<br/>ONLY)<br/>2015</b> |
|-------------------------------------------------------|---------------------|---------------------|---------------------------------------|
| <b>CHARGES FOR SERVICES</b>                           |                     |                     |                                       |
| Code Enforcement Services Fee                         | \$ 10,000           | \$ 13,700           | \$ 12,885                             |
| School Guards                                         | 17,800              | 15,560              | 16,512                                |
| Special Services                                      | 25,000              | 15,657              | 22,498                                |
| Hearing Fees: Zoning & Council                        | 2,100               | 2,410               | 2,550                                 |
| No Lien Letters                                       | 14,000              | 15,720              | 15,600                                |
| Duplicate Tax Bill Fee                                | 3,000               | 3,560               | 4,390                                 |
| Sale Zoning Ordinance                                 | 90                  | 15                  | 90                                    |
| Tax Office - County                                   | 60,000              | 67,982              | 35,618                                |
| Tax Office - School                                   | 70,000              | 89,072              | 51,032                                |
| Sign Permits                                          | 150                 | 375                 | 300                                   |
| SRO School                                            | 74,750              | 73,781              | 4,963                                 |
| Building Permits                                      | 6,200               | 7,317               | 10,313                                |
| Sewage Permits                                        | 470                 | -                   | 470                                   |
| Use & Occupancy Permits                               | 175                 | 275                 | 125                                   |
| Task Force                                            | 12,000              | 5,553               | 14,180                                |
| Police Protection - Athletic Events                   | 800                 | -                   | 2,509                                 |
| Copies of Accident Reports                            | 1,200               | 1,665               | 1,550                                 |
| Snow Removal Penndot                                  | 38,000              | 33,975              | 43,057                                |
| Recycling Day                                         | -                   | 418                 | 257                                   |
| Recycling Fees                                        | 200,600             | 207,857             | 209,756                               |
| <b>TOTAL CHARGES FOR SERVICES</b>                     | <b>\$ 536,335</b>   | <b>\$ 554,892</b>   | <b>\$ 448,656</b>                     |
| <b>MISCELLANEOUS:</b>                                 |                     |                     |                                       |
| Donations                                             | \$ -                | \$ 2,600            | \$ 53,105                             |
| Other                                                 | 18,860              | 17,500              | 23,632                                |
| <b>TOTAL MISCELLANEOUS</b>                            | <b>\$ 18,860</b>    | <b>\$ 20,100</b>    | <b>\$ 76,737</b>                      |
| <b>OTHER FINANCING SOURCES:</b>                       |                     |                     |                                       |
| Sale of Vehicles                                      | \$ 200              | \$ -                | \$ -                                  |
| Sale of Scrap Metal                                   | 1,200               | 894                 | 1,659                                 |
| Insurance Premium Payments                            | 65,600              | 61,673              | 61,323                                |
| Loan Proceeds                                         | -                   | 32,951              | 118,990                               |
| Refund of Prior Year Expenses                         | -                   | 37,738              | 136,355                               |
| Transfer from Sewer Fund                              | 51,495              | 52,350              | 72,060                                |
| <b>TOTAL OTHER FINANCING SOURCES</b>                  | <b>\$ 118,495</b>   | <b>\$ 185,606</b>   | <b>\$ 390,387</b>                     |
| <b>TOTAL REVENUES AND<br/>OTHER FINANCING SOURCES</b> | <b>\$ 5,868,990</b> | <b>\$ 5,865,386</b> | <b>\$ 6,061,498</b>                   |

The accompanying notes are an integral part of these financial statements

**CITY OF LOWER BURRELL**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

|                                       | BUDGET            | ACTUAL            | (MEMORANDUM<br>ONLY)<br>2015 |
|---------------------------------------|-------------------|-------------------|------------------------------|
| <b>GENERAL GOVERNMENT:</b>            |                   |                   |                              |
| <b>LEGISLATIVE:</b>                   |                   |                   |                              |
| Salary - director                     | \$ 2,800          | \$ 2,800          | \$ 2,800                     |
| City League Membership                | 4,150             | 3,293             | 3,293                        |
| COG Dues                              | 200               | -                 | -                            |
| Annual City Meetings                  | 1,200             | 1,079             | 1,215                        |
| <b>TOTAL LEGISLATIVE</b>              | <b>\$ 8,350</b>   | <b>\$ 7,172</b>   | <b>\$ 7,308</b>              |
| <b>EXECUTIVE:</b>                     |                   |                   |                              |
| Salary - Mayor                        | \$ 3,400          | \$ 3,400          | \$ 3,400                     |
| Salary - City Clerk                   | 94,155            | 94,151            | 91,855                       |
| Salaries - Office                     | 103,016           | 103,015           | 99,477                       |
| Office Supplies                       | 3,795             | 3,795             | 2,070                        |
| Postage                               | 2,740             | 2,738             | 2,297                        |
| Economic Development                  | 15,000            | 15,000            | 10,000                       |
| Office Equip & Service                | 14,250            | 13,186            | 8,776                        |
| Travel Expense                        | 2,100             | 2,071             | 1,527                        |
| Updates to Code Book                  | 2,900             | 1,705             | -                            |
| Telephone                             | 2,900             | 2,665             | 2,739                        |
| Advertising                           | 7,100             | 7,059             | 3,039                        |
| <b>TOTAL EXECUTIVE</b>                | <b>\$ 251,356</b> | <b>\$ 248,786</b> | <b>\$ 225,181</b>            |
| <b>FINANCIAL ADMINISTRATION:</b>      |                   |                   |                              |
| Salary - controller                   | \$ 2,800          | \$ 2,800          | \$ 2,800                     |
| Office Supplies                       | 400               | 400               | -                            |
| Advertising & Printing                | 750               | -                 | 201                          |
| Audit of City's Finances              | 7,500             | 7,500             | 9,000                        |
| <b>TOTAL FINANCIAL ADMINISTRATION</b> | <b>\$ 11,450</b>  | <b>\$ 10,700</b>  | <b>\$ 12,001</b>             |
| <b>TAX COLLECTION:</b>                |                   |                   |                              |
| Salary - Treasurer                    | \$ 18,000         | \$ 18,000         | \$ 18,000                    |
| Salary - Wage Tax Collector           | 6,000             | 6,008             | 6,104                        |
| Salary - Business Priv Tax Collector  | 3,330             | 3,008             | 2,898                        |
| Recycling Collection                  | 3,000             | 3,004             | 2,891                        |
| Salaries - Office                     | 66,180            | 66,168            | 68,798                       |
| Office Supplies                       | 7,000             | 6,782             | 5,679                        |
| Postage                               | 14,500            | 11,008            | 5,728                        |
| Office Equipment & Service            | 9,100             | 9,072             | 7,211                        |
| Miscellaneous                         | 1,500             | 893               | 698                          |
| Telephone                             | 2,500             | 2,427             | 2,316                        |
| Premium on Bonds                      | 1,000             | -                 | -                            |
| <b>TOTAL TAX COLLECTION</b>           | <b>\$ 132,110</b> | <b>\$ 126,371</b> | <b>\$ 120,322</b>            |
| <b>LEGAL:</b>                         |                   |                   |                              |
| Salary - solicitor                    | \$ 22,075         | \$ 22,071         | \$ 23,541                    |
| Special litigation                    | 18,000            | 13,421            | 13,231                       |
| <b>TOTAL LEGAL</b>                    | <b>\$ 40,075</b>  | <b>\$ 35,492</b>  | <b>\$ 36,772</b>             |
| <b>CLERICAL:</b>                      |                   |                   |                              |
| Printing & Miscellaneous              | \$ 3,000          | \$ 2,946          | \$ 3,606                     |
| <b>TOTAL CLERICAL</b>                 | <b>\$ 3,000</b>   | <b>\$ 2,946</b>   | <b>\$ 3,606</b>              |
| <b>DATA PROCESSING:</b>               |                   |                   |                              |
| Software Support                      | \$ 9,000          | \$ 8,014          | \$ 8,154                     |
| <b>TOTAL DATA PROCESSING</b>          | <b>\$ 9,000</b>   | <b>\$ 8,014</b>   | <b>\$ 8,154</b>              |

**CITY OF LOWER BURRELL**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

|                                        | BUDGET              | ACTUAL              | (MEMORANDUM<br>ONLY)<br>2015 |
|----------------------------------------|---------------------|---------------------|------------------------------|
| <b>GENERAL GOVERNMENT (Continued):</b> |                     |                     |                              |
| <b>MUNICIPAL BUILDING:</b>             |                     |                     |                              |
| Heating Fuel                           | \$ 11,250           | \$ 6,005            | \$ 8,751                     |
| Gas Oil & Grease                       | 3,250               | 2,057               | 3,265                        |
| Janitor's Supplies                     | 2,800               | 2,712               | 2,384                        |
| Janitor's Service                      | 10,000              | 7,853               | 9,505                        |
| Electricity                            | 15,585              | 15,583              | 16,536                       |
| Water                                  | 5,135               | 3,077               | 2,867                        |
| Maintenance of Building                | 33,920              | 33,911              | 41,027                       |
| <b>TOTAL MUNICIPAL BUILDING</b>        | <b>\$ 81,940</b>    | <b>\$ 71,197</b>    | <b>\$ 84,336</b>             |
| <b>TOTAL GENERAL GOVERNMENT</b>        | <b>\$ 537,281</b>   | <b>\$ 510,679</b>   | <b>\$ 497,679</b>            |
| <b>PUBLIC SAFETY:</b>                  |                     |                     |                              |
| <b>POLICE:</b>                         |                     |                     |                              |
| Salary - Chief                         | \$ 94,155           | \$ 94,151           | \$ 92,120                    |
| Salary - Detective                     | 61,985              | 15,311              | 89,110                       |
| Salary - Sergeant                      | 429,715             | 429,714             | 442,194                      |
| Salary - Patrolmen                     | 783,430             | 783,428             | 706,965                      |
| School Guards                          | 22,500              | 18,927              | 21,492                       |
| K-9 Expenses                           | -                   | -                   | 2,895                        |
| Animal Control Officer                 | 3,500               | 3,030               | 2,760                        |
| Overtime - Detective                   | 29,500              | 10,014              | 4,408                        |
| Overtime - Sergeant                    | 71,000              | 68,238              | 37,880                       |
| Overtime - Patrolmen                   | 150,700             | 120,589             | 107,039                      |
| Office Supplies & Printing             | 2,500               | 2,222               | 4,521                        |
| DUI Expenses                           | 2,620               | 1,107               | 3,606                        |
| Non-Vehicle Equip Repairs              | 2,000               | 1,533               | 1,479                        |
| Office Equipment & Service             | 13,655              | 7,775               | 14,380                       |
| Miscellaneous Expense                  | 6,690               | 6,682               | 5,968                        |
| Lexipol Annual Fees                    | 6,000               | 5,450               | -                            |
| Civil Service                          | 3,810               | 20                  | -                            |
| Professional Clearances                | 95                  | -                   | -                            |
| Telephone                              | 10,240              | 7,314               | 8,261                        |
| Gas Oil & Grease                       | 25,000              | 21,403              | 26,961                       |
| Maint of Vehicles                      | 16,320              | 16,314              | 15,749                       |
| Police Call System                     | 2,625               | 2,496               | 3,045                        |
| Jail Use Charges                       | 4,100               | 3,315               | 4,754                        |
| Education                              | 10,079              | 10,079              | 10,164                       |
| Uniforms                               | 12,520              | 12,519              | 12,019                       |
| Ammunition                             | 7,310               | 7,060               | 7,160                        |
| Crime Watch                            | 1,350               | 9,488               | 10,512                       |
| Police Car Outlay                      | -                   | -                   | 30,851                       |
| Equipment Escrow Fund                  | 22,620              | 22,562              | 18,200                       |
| <b>TOTAL POLICE</b>                    | <b>\$ 1,796,019</b> | <b>\$ 1,680,741</b> | <b>\$ 1,684,493</b>          |

**CITY OF LOWER BURRELL**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

|                                       | BUDGET              | ACTUAL              | (MEMORANDUM<br>ONLY)<br>2015 |
|---------------------------------------|---------------------|---------------------|------------------------------|
| <b>PUBLIC SAFETY (Continued):</b>     |                     |                     |                              |
| <b>FIRE DEPARTMENT:</b>               |                     |                     |                              |
| Fire Alarm System                     | \$ 415              | \$ 414              | \$ 368                       |
| Ambulance Call System                 | 200                 | -                   | -                            |
| Gasoline - Kinloch                    | 3,000               | 2,842               | 2,969                        |
| Gasoline - Lower Burrell              | 3,850               | 2,197               | 3,544                        |
| Gasoline - Ambulance                  | -                   | -                   | 1,291                        |
| Firehouse Utilities                   | -                   | -                   | 252                          |
| Hydrant Rental                        | 14,200              | 14,180              | 14,180                       |
| Volunteer Fire Company                | 65,210              | 65,210              | 63,310                       |
| Firemen Relief Fund                   | 65,660              | 65,308              | 65,662                       |
| Capital Purchases                     | -                   | 2,223               | -                            |
| <b>TOTAL FIRE DEPARTMENT</b>          | <b>\$ 152,535</b>   | <b>\$ 152,375</b>   | <b>\$ 151,577</b>            |
| <b>EMERGENCY MANAGEMENT:</b>          |                     |                     |                              |
| Emergency Mgmt Fee                    | \$ 9,500            | \$ -                | \$ 198                       |
| <b>TOTAL EMERGENCY MANAGEMENT</b>     | <b>\$ 9,500</b>     | <b>\$ -</b>         | <b>\$ 198</b>                |
| <b>UCC AND CODE ENFORCEMENT:</b>      |                     |                     |                              |
| Demolition Expense                    | \$ 6,000            | \$ -                | \$ -                         |
| Code Enforcement - Professional Fees  | 12,408              | 12,408              | 11,697                       |
| <b>TOTAL UCC AND CODE ENFORCEMENT</b> | <b>\$ 18,408</b>    | <b>\$ 12,408</b>    | <b>\$ 11,697</b>             |
| <b>PLANNING AND ZONING:</b>           |                     |                     |                              |
| Salary - Director                     | \$ 2,800            | \$ 2,800            | \$ 2,800                     |
| Salary - Ordinance Officer            | 69,640              | 69,636              | 67,938                       |
| Zoning Hearing Board                  | 3,615               | 3,614               | 3,138                        |
| Office Supplies & Printing            | 1,580               | 1,580               | 1,177                        |
| Maint of Vehicles                     | 2,940               | 2,939               | 1,629                        |
| Solicitor/Stenographer                | 2,000               | 1,123               | 7,353                        |
| Gas Oil & Grease                      | 1,000               | 812                 | 949                          |
| Sewage Enforcement Officer            | 650                 | 165                 | 635                          |
| Education                             | 1,500               | 950                 | 414                          |
| Education Fund                        | 200                 | 195                 | 195                          |
| <b>TOTAL PLANNING AND ZONING</b>      | <b>\$ 85,925</b>    | <b>\$ 83,813</b>    | <b>\$ 86,228</b>             |
| <b>OTHER PUBLIC SAFETY:</b>           |                     |                     |                              |
| Crossing Guard Supplies               | \$ 890              | \$ 787              | \$ -                         |
| <b>TOTAL OTHER PUBLIC SAFETY</b>      | <b>\$ 890</b>       | <b>\$ 787</b>       | <b>\$ -</b>                  |
| <b>TOTAL PUBLIC SAFETY</b>            | <b>\$ 2,063,277</b> | <b>\$ 1,930,124</b> | <b>\$ 1,934,192</b>          |
| <b>HEALTH AND WELFARE:</b>            |                     |                     |                              |
| Special Auxiliary Services            | \$ 27,500           | \$ 23,553           | \$ 22,002                    |
| Special Auxiliary Supplies            | -                   | -                   | 1,230                        |
| Health Officer                        | 2,850               | 2,800               | 2,550                        |
| Rodent Control                        | 500                 | -                   | -                            |
| <b>TOTAL HEALTH AND WELFARE</b>       | <b>\$ 30,850</b>    | <b>\$ 26,353</b>    | <b>\$ 25,782</b>             |
| <b>PUBLIC WORKS:</b>                  |                     |                     |                              |
| <b>SANITATION:</b>                    |                     |                     |                              |
| Recycling - Collection/Disposal       | \$ 151,155          | \$ 151,152          | \$ 147,196                   |
| Recycling Program                     | 13,000              | 11,245              | 11,328                       |
| <b>TOTAL SANITATION</b>               | <b>\$ 164,155</b>   | <b>\$ 162,397</b>   | <b>\$ 158,524</b>            |

The accompanying notes are an integral part of these financial statements



**CITY OF LOWER BURRELL**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

|                                         | BUDGET              | ACTUAL              | (MEMORANDUM<br>ONLY)<br>2015 |
|-----------------------------------------|---------------------|---------------------|------------------------------|
| <b>PUBLIC WORKS (Continued):</b>        |                     |                     |                              |
| <b>STREET DEPARTMENT:</b>               |                     |                     |                              |
| Salary - director                       | \$ 2,800            | \$ 2,800            | \$ 2,800                     |
| Wages - Foreman                         | 51,010              | 50,624              | 49,389                       |
| Wages                                   | 455,450             | 449,742             | 439,146                      |
| Wages - Secretary                       | 9,750               | 8,604               | 9,253                        |
| Wages - Summer Interns                  | 10,080              | 5,986               | 3,120                        |
| Overtime                                | 21,208              | 21,207              | 31,258                       |
| Office supplies                         | 3,165               | 3,161               | 552                          |
| Gas Oil & Grease                        | 28,000              | 20,250              | 26,217                       |
| Safety Supplies                         | 3,300               | 3,237               | 1,885                        |
| Maint of Vehicles                       | 10,000              | 6,187               | 19,539                       |
| Vehicle Parts                           | 60,800              | 57,440              | 54,013                       |
| Miscellaneous                           | 1,000               | 981                 | 383                          |
| Engineering Services                    | 8,365               | 8,361               | 11,571                       |
| Engineering Services                    | 2,500               | 2,213               | 4,724                        |
| GIS Support                             | 1,000               | -                   | 500                          |
| Communications                          | 4,240               | 4,233               | 3,206                        |
| Laundry                                 | 2,500               | 2,046               | 2,081                        |
| Education                               | 1,150               | 1,144               | 179                          |
| Drug and alcohol testing                | 300                 | 130                 | 100                          |
| Capital Equipment Purchase - Dump Truck | -                   | 32,996              | 118,991                      |
| Tools & Minor Equip                     | 2,140               | 2,134               | 1,164                        |
| NPDES Purchases                         | 16,000              | 13,344              | 12,303                       |
| Material/Supply - Street Repairs        | 34,320              | 34,320              | 37,586                       |
| Marcellus Shale Improvements/Escrow     | 25,200              | -                   | -                            |
| Verizon Wireless                        | 5,625               | 603                 | 585                          |
| Street Markings & Signs                 | 11,345              | 11,342              | 6,176                        |
| Current Of Signals                      | 5,676               | 5,676               | 4,843                        |
| Maint & Repairs                         | 7,000               | 3,570               | 10,867                       |
| Traffic Control                         | -                   | 1,539               | -                            |
| Street Lighting                         | 144,240             | 144,239             | 136,561                      |
| <b>TOTAL STREET DEPARTMENT</b>          | <b>\$ 928,164</b>   | <b>\$ 898,107</b>   | <b>\$ 988,992</b>            |
| <b>OTHER PUBLIC WORKS</b>               |                     |                     |                              |
| Transit System                          | \$ 1,900            | \$ 1,910            | \$ 1,821                     |
| <b>TOTAL OTHER PUBLIC WORKS</b>         | <b>\$ 1,900</b>     | <b>\$ 1,910</b>     | <b>\$ 1,821</b>              |
| <b>TOTAL PUBLIC WORKS</b>               | <b>\$ 1,094,219</b> | <b>\$ 1,062,414</b> | <b>\$ 1,149,337</b>          |

The accompanying notes are an integral part of these financial statements

**CITY OF LOWER BURRELL**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

|                                                        | BUDGET              | ACTUAL              | (MEMORANDUM<br>ONLY)<br>2015 |
|--------------------------------------------------------|---------------------|---------------------|------------------------------|
| <b>CULTURE AND RECREATION:</b>                         |                     |                     |                              |
| Park Programs                                          | \$ 700              | \$ 699              | \$ 4,041                     |
| Park Upkeep                                            | 9,500               | 3,668               | -                            |
| Band Concerts                                          | 1,500               | 1,500               | 1,500                        |
| Joint Recreation Programs                              | 7,500               | 7,000               | 4,000                        |
| Salary - Directors                                     | 2,800               | 2,800               | 2,800                        |
| Wages                                                  | 36,330              | 36,338              | 35,443                       |
| Wages - Seasonal                                       | 8,640               | 7,614               | 6,174                        |
| Materials & Supplies                                   | 8,400               | 8,360               | 7,162                        |
| GMC Maint                                              | 740                 | 738                 | 1,057                        |
| XMark Mower                                            | 2,400               | 1,926               | 3,707                        |
| Utilities                                              | 12,976              | 12,975              | 10,426                       |
| Maintenance of Equipment                               | 2,550               | 201                 | 1,076                        |
| Misc. Equipment Purchases                              | 3,300               | 3,012               | 599                          |
| People's Library                                       | 42,000              | 42,000              | 42,000                       |
| Senior Citizens                                        | 1,000               | 1,000               | 1,000                        |
| <b>TOTAL CULTURE AND RECREATION</b>                    | <b>\$ 140,336</b>   | <b>\$ 129,830</b>   | <b>\$ 120,985</b>            |
| <b>DEBT SERVICE:</b>                                   |                     |                     |                              |
| Principle                                              | \$ 69,600           | \$ 69,599           | \$ 119,221                   |
| Interest                                               | 6,395               | 6,351               | 8,181                        |
| <b>TOTAL DEBT SERVICE</b>                              | <b>\$ 75,995</b>    | <b>\$ 75,950</b>    | <b>\$ 127,402</b>            |
| <b>EMPLOYER PAID BENEFITS:</b>                         |                     |                     |                              |
| FICA                                                   | \$ 96,911           | \$ 96,910           | \$ 95,278                    |
| Unemployment Compensation                              | 12,030              | 12,029              | 7,847                        |
| Police Pension (City Share)                            | 631,176             | 631,176             | 572,530                      |
| City Pension (City Share)                              | 102,490             | 102,483             | 91,000                       |
| Compensation                                           | 208,515             | 207,171             | 208,033                      |
| Firefighter's Worker's Comp                            | 27,800              | 24,971              | 25,872                       |
| Insurance/Hospitalization                              | 827,465             | 827,442             | 864,137                      |
| <b>TOTAL EMPLOYER PAID BENEFITS</b>                    | <b>\$ 1,906,387</b> | <b>\$ 1,902,182</b> | <b>\$ 1,864,696</b>          |
| <b>INSURANCE:</b>                                      |                     |                     |                              |
| Casualty                                               | \$ 126,865          | \$ 119,608          | \$ 125,373                   |
| <b>TOTAL INSURANCE</b>                                 | <b>\$ 126,865</b>   | <b>\$ 119,608</b>   | <b>\$ 125,373</b>            |
| <b>OTHER FINANCING USES:</b>                           |                     |                     |                              |
| Transfer - Street Capital Equipment                    | \$ 14,500           | \$ 14,500           | \$ 12,000                    |
| Transfer - Building Capital Maintenance                | 2,000               | 2,000               | 4,000                        |
| Transfer - Parks Capital Equipment                     | 9,400               | 9,400               | 15,330                       |
| Transfer - Police Equipment Fund                       | 88,740              | 88,740              | 86,510                       |
| Transfer - Other Capital Project Fund                  | 112,955             | 151,523             | 24,400                       |
| Transfer - Fire Equipment Fund                         | 30,000              | 30,000              | 60,000                       |
| Refund of Prior Year Revenues                          | -                   | 32,986              | -                            |
| <b>TOTAL OTHER FINANCING USES</b>                      | <b>\$ 257,595</b>   | <b>\$ 329,149</b>   | <b>\$ 202,240</b>            |
| <b>TOTAL EXPENDITURES AND OTHER<br/>FINANCING USES</b> | <b>\$ 6,232,805</b> | <b>\$ 6,086,288</b> | <b>\$ 6,047,687</b>          |

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