

BOROUGH OF MONACA

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## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**BOROUGH OF MONACA**  
BEAVER COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORTS BY  
CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEAR ENDED  
DECEMBER 31, 2018**

**BOROUGH OF MONACA**  
**BEAVER COUNTY, PENNSYLVANIA**

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**Borough Council  
Borough of Monaca**

## Independent Auditor's Report

### **Report on Financial Statements**

I have audited the accompanying modified cash financial statements of the governmental funds, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Monaca as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Borough'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 these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express opinions 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 opinions.

## Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental funds, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Monaca, Beaver County, Pennsylvania as of December 31, 2018 and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with the basis of accounting as described in Note 1.

## Basis of Accounting

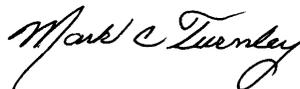
I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to that matter.

## Other Matters

### Report on Supplementary and Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Borough of Monaca's basic financial statements. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records use 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 schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Mark C. Turnley, CPA

July 24, 2019  
New Brighton, Pennsylvania

**BOROUGH OF MONACA**  
**STATEMENT OF NET POSITION (MODIFIED CASH BASIS)**  
**DECEMBER 31, 2018**

**EXHIBIT A**

|                                           | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>         |
|-------------------------------------------|------------------------------------|-------------------------------------|----------------------|
| <b>ASSETS</b>                             |                                    |                                     |                      |
| <b>Current Assets:</b>                    |                                    |                                     |                      |
| Cash and Cash Equivalents                 | \$ 934,330                         | \$ 1,779,108                        | \$ 2,713,438         |
| Investments                               | 253,223                            | 3,033,869                           | 3,287,092            |
| Internal Balances                         | (26,937)                           | 26,937                              | -                    |
| <b>Total Current Assets</b>               | <b>\$ 1,160,616</b>                | <b>\$ 4,839,914</b>                 | <b>\$ 6,000,530</b>  |
| <b>Noncurrent Assets:</b>                 |                                    |                                     |                      |
| Land/Building                             | \$ -                               | \$ 6,028,551                        | \$ 6,028,551         |
| Equipment and Lines                       | -                                  | 14,484,359                          | 14,484,359           |
| Wastewater Treatment Plant                | -                                  | 2,083,461                           | 2,083,461            |
| Construction in Progress                  | -                                  | 153,911                             | 153,911              |
| Accumulated Depreciation                  | -                                  | (11,345,654)                        | (11,345,654)         |
| Unamortized Bond Discount                 | -                                  | 37,382                              | 37,382               |
| <b>Total Noncurrent Assets</b>            | <b>\$ -</b>                        | <b>\$ 11,442,010</b>                | <b>\$ 11,442,010</b> |
| <b>TOTAL ASSETS</b>                       | <b>\$ 1,160,616</b>                | <b>\$ 16,281,924</b>                | <b>\$ 17,442,540</b> |
| <b>LIABILITIES</b>                        |                                    |                                     |                      |
| <b>Current Liabilities:</b>               |                                    |                                     |                      |
| Payroll Tax Liabilities                   | \$ 303                             | \$ -                                | \$ 303               |
| Unearned Revenue                          | 12,104                             | -                                   | 12,104               |
| Current Portion Long-Term Debt            | -                                  | 869,206                             | 869,206              |
| Other Current Liabilities                 | 3,374                              | -                                   | 3,374                |
| <b>Total Current Liabilities</b>          | <b>\$ 15,781</b>                   | <b>\$ 869,206</b>                   | <b>\$ 884,987</b>    |
| <b>Noncurrent Liabilities:</b>            |                                    |                                     |                      |
| Bonds Payable                             | \$ -                               | \$ 7,828,850                        | \$ 7,828,850         |
| Bond Premium                              | -                                  | 61,022                              | 61,022               |
| Notes Payable                             | -                                  | 4,067,652                           | 4,067,652            |
| Less: Current Portion Long-Term Debt      | -                                  | (869,206)                           | (869,206)            |
| <b>Total Noncurrent Liabilities</b>       | <b>\$ -</b>                        | <b>\$ 11,088,318</b>                | <b>\$ 11,088,318</b> |
| <b>TOTAL LIABILITIES</b>                  | <b>\$ 15,781</b>                   | <b>\$ 11,957,524</b>                | <b>\$ 11,973,305</b> |
| <b>NET POSITION</b>                       |                                    |                                     |                      |
| Net Investment in Capital Assets          | \$ -                               | \$ 2,598,486                        | \$ 2,598,486         |
| Restircted                                | 208,929                            | -                                   | 208,929              |
| Unrestricted                              | 935,906                            | 1,725,914                           | 2,661,820            |
| <b>TOTAL NET POSITION</b>                 | <b>\$ 1,144,835</b>                | <b>\$ 4,324,400</b>                 | <b>\$ 5,469,235</b>  |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b>\$ 1,160,616</b>                | <b>\$ 16,281,924</b>                | <b>\$ 17,442,540</b> |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF MONACA**  
**STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**EXHIBIT B**

| Functions/Programs                                | Expenses            | Program Revenues        |                                          |                                        | Net (Expense) Revenue and<br>Changes in Net Position |                             |                       |
|---------------------------------------------------|---------------------|-------------------------|------------------------------------------|----------------------------------------|------------------------------------------------------|-----------------------------|-----------------------|
|                                                   |                     | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-Type<br>Activities | Total                 |
| <b>Governmental Activities:</b>                   |                     |                         |                                          |                                        |                                                      |                             |                       |
| General Government                                | \$ 357,257          | \$ 11,923               | \$ -                                     | \$ -                                   | \$ (345,334)                                         |                             | \$ (345,334)          |
| Public Safety - Police                            | 895,457             | 66,014                  | -                                        | -                                      | (829,443)                                            |                             | (829,443)             |
| Public Safety - Fire                              | 65,025              | -                       | -                                        | -                                      | (65,025)                                             |                             | (65,025)              |
| Public Safety - Other                             | 66,459              | 26,331                  | -                                        | -                                      | (40,128)                                             |                             | (40,128)              |
| Public Works - Sanitation                         | 401,964             | 494,426                 | 5,687                                    | -                                      | 98,149                                               |                             | 98,149                |
| Public Works - Highways                           | 574,744             | 600                     | 204,865                                  | -                                      | (369,279)                                            |                             | (369,279)             |
| Culture and Recreation                            | 162,852             | 4,775                   | -                                        | 98,500                                 | (59,577)                                             |                             | (59,577)              |
| Economic Development                              | 279,282             | -                       | -                                        | -                                      | (279,282)                                            |                             | (279,282)             |
| Capital Outlay                                    | 56,268              | -                       | -                                        | -                                      | (56,268)                                             |                             | (56,268)              |
| Debt Service                                      | 274,783             | -                       | -                                        | -                                      | (274,783)                                            |                             | (274,783)             |
| Insurance and Employee Benefits                   | 788,198             | -                       | 127,372                                  | -                                      | (660,826)                                            |                             | (660,826)             |
| Miscellaneous                                     | 19,283              | -                       | -                                        | -                                      | (19,283)                                             |                             | (19,283)              |
| <b>Total Governmental Activities</b>              | <b>\$ 3,941,572</b> | <b>\$ 604,069</b>       | <b>\$ 337,924</b>                        | <b>\$ 98,500</b>                       | <b>\$ (2,901,079)</b>                                |                             | <b>\$ (2,901,079)</b> |
| <b>Business-Type activities:</b>                  |                     |                         |                                          |                                        |                                                      |                             |                       |
| Water & Sewer                                     | \$ 1,881,072        | \$ 2,557,505            | \$ -                                     | \$ -                                   |                                                      | \$ 676,433                  | \$ 676,433            |
| <b>Total Business-Type Activities</b>             | <b>\$ 1,881,072</b> | <b>\$ 2,557,505</b>     | <b>\$ -</b>                              | <b>\$ -</b>                            |                                                      | <b>\$ 676,433</b>           | <b>\$ 676,433</b>     |
| <b>Total Primary Government</b>                   | <b>\$ 5,822,644</b> | <b>\$ 3,161,574</b>     | <b>\$ 337,924</b>                        | <b>\$ 98,500</b>                       | <b>\$ (2,901,079)</b>                                | <b>\$ 676,433</b>           | <b>\$ (2,224,646)</b> |
| <b>General Revenues:</b>                          |                     |                         |                                          |                                        |                                                      |                             |                       |
| Taxes:                                            |                     |                         |                                          |                                        |                                                      |                             |                       |
| Property Taxes, Levied for General Purposes (net) |                     |                         |                                          |                                        | \$ 1,258,438                                         | \$ -                        | \$ 1,258,438          |
| Act 511 Taxes                                     |                     |                         |                                          |                                        | 1,002,281                                            | -                           | 1,002,281             |
| PURTA/Alcohol Beverage tax                        |                     |                         |                                          |                                        | 3,710                                                | -                           | 3,710                 |
| Payment in Lieu of Taxes                          |                     |                         |                                          |                                        | 31,894                                               | -                           | 31,894                |
| Cable Franchise Fees                              |                     |                         |                                          |                                        | 92,734                                               | -                           | 92,734                |
| Investment Earnings                               |                     |                         |                                          |                                        | 11,562                                               | 64,632                      | 76,194                |
| Miscellaneous                                     |                     |                         |                                          |                                        | 172,962                                              | -                           | 172,962               |
| Interfund transfers                               |                     |                         |                                          |                                        | 360,000                                              | (360,000)                   | -                     |
| <b>Total General Revenues</b>                     |                     |                         |                                          |                                        | <b>\$ 2,933,581</b>                                  | <b>\$ (295,368)</b>         | <b>\$ 2,638,213</b>   |
| <b>Change in Net Position</b>                     |                     |                         |                                          |                                        | <b>\$ 32,502</b>                                     | <b>\$ 381,065</b>           | <b>\$ 413,567</b>     |
| Net Position — January 1, 2018                    |                     |                         |                                          |                                        | 1,112,333                                            | 3,943,335                   | 5,055,668             |
| <b>Net Position — December 31, 2018</b>           |                     |                         |                                          |                                        | <b>\$ 1,144,835</b>                                  | <b>\$ 4,324,400</b>         | <b>\$ 5,469,235</b>   |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF MONACA**  
**BALANCE SHEET (MODIFIED CASH BASIS)**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2018**

**EXHIBIT C**

|                                            | <b>GENERAL<br/>FUND</b> | <b>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> |
|--------------------------------------------|-------------------------|---------------------------------------------|-----------------------------------------|
| <b>ASSETS:</b>                             |                         |                                             |                                         |
| Cash and Cash Equivalents                  | \$ 469,044              | \$ 465,286                                  | \$ 934,330                              |
| Investments                                | 253,223                 | -                                           | 253,223                                 |
| Due from Other Funds                       | 7,332                   | -                                           | 7,332                                   |
| <b>TOTAL ASSETS</b>                        | <b>\$ 729,599</b>       | <b>\$ 465,286</b>                           | <b>\$ 1,194,885</b>                     |
| <b>LIABILITIES AND FUND BALANCES</b>       |                         |                                             |                                         |
| <b>LIABILITIES:</b>                        |                         |                                             |                                         |
| Payroll Tax Liabilities                    | \$ 303                  | \$ -                                        | \$ 303                                  |
| Due to Other Funds                         | 34,269                  | -                                           | 34,269                                  |
| Unearned Revenue                           | -                       | 12,104                                      | 12,104                                  |
| Other Current Liabilities                  | 3,374                   | -                                           | 3,374                                   |
| <b>TOTAL LIABILITIES</b>                   | <b>\$ 37,946</b>        | <b>\$ 12,104</b>                            | <b>\$ 50,050</b>                        |
| <b>FUND BALANCES:</b>                      |                         |                                             |                                         |
| Restricted                                 | \$ -                    | \$ 208,929                                  | \$ 208,929                              |
| Assigned                                   | -                       | 244,253                                     | 244,253                                 |
| Unassigned                                 | 691,653                 | -                                           | 691,653                                 |
| <b>TOTAL FUND BALANCES</b>                 | <b>\$ 691,653</b>       | <b>\$ 453,182</b>                           | <b>\$ 1,144,835</b>                     |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 729,599</b>       | <b>\$ 465,286</b>                           | <b>\$ 1,194,885</b>                     |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF MONACA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (MODIFIED CASH BASIS)**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                                              | <u>GENERAL FUND</u> | <u>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</u> | <u>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</u> |
|--------------------------------------------------------------|---------------------|---------------------------------------------|-----------------------------------------|
| <b><u>REVENUES</u></b>                                       |                     |                                             |                                         |
| Taxes                                                        | \$ 2,168,630        | \$ 92,089                                   | \$ 2,260,719                            |
| Licenses and Permits                                         | 108,645             | -                                           | 108,645                                 |
| Fines and Forfeitures                                        | 46,856              | -                                           | 46,856                                  |
| Interest and Rents                                           | 25,416              | 2,844                                       | 28,260                                  |
| Intergovernmental                                            | 274,533             | 197,495                                     | 472,028                                 |
| Donations                                                    | -                   | 5,590                                       | 5,590                                   |
| Charges for Services                                         | 524,604             | 10,956                                      | 535,560                                 |
| Miscellaneous                                                | 22,915              | 4,843                                       | 27,758                                  |
| <b>Total Revenue</b>                                         | <b>\$ 3,171,599</b> | <b>\$ 313,817</b>                           | <b>\$ 3,485,416</b>                     |
| <b><u>EXPENDITURES</u></b>                                   |                     |                                             |                                         |
| General Government                                           | \$ 356,030          | \$ 1,227                                    | \$ 357,257                              |
| Public Safety                                                | 1,000,766           | 26,174                                      | 1,026,940                               |
| Public Works                                                 | 821,959             | 154,748                                     | 976,707                                 |
| Culture and Recreation                                       | 162,852             | -                                           | 162,852                                 |
| Economic Development                                         | 279,282             | -                                           | 279,282                                 |
| Capital Outlay                                               | -                   | 56,268                                      | 56,268                                  |
| Debt Service                                                 | 274,783             | -                                           | 274,783                                 |
| Insurance and Employee Benefits                              | 788,198             | -                                           | 788,198                                 |
| Miscellaneous                                                | 325                 | 14,758                                      | 15,083                                  |
| <b>Total Expenditures</b>                                    | <b>\$ 3,684,195</b> | <b>\$ 253,175</b>                           | <b>\$ 3,937,370</b>                     |
| <b>Excess ( Deficiency) of Revenue<br/>over Expenditures</b> | <b>\$ (512,596)</b> | <b>\$ 60,642</b>                            | <b>\$ (451,954)</b>                     |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>                 |                     |                                             |                                         |
| Operating Transfers In                                       | \$ 360,000          | \$ -                                        | \$ 360,000                              |
| Refund Prior Year Receipts                                   | (4,200)             | -                                           | (4,200)                                 |
| Refund of Prior Year Expenses                                | 124,457             | 4,200                                       | 128,657                                 |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>\$ 480,257</b>   | <b>\$ 4,200</b>                             | <b>\$ 484,457</b>                       |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>\$ (32,340)</b>  | <b>\$ 64,842</b>                            | <b>\$ 32,502</b>                        |
| FUND BALANCE - JANUARY 1, 2018                               | 723,993             | 388,340                                     | 1,112,333                               |
| <b>FUND BALANCE - DECEMBER 31, 2018</b>                      | <b>\$ 691,653</b>   | <b>\$ 453,182</b>                           | <b>\$ 1,144,835</b>                     |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF MONACA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL (MODIFIED CASH BASIS)**  
**GOVERNMENTAL FUNDS - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                                               | Budgeted Amounts    |                     | Actual              | Variance with Final           |
|---------------------------------------------------------------|---------------------|---------------------|---------------------|-------------------------------|
|                                                               | Original            | Final               | (Budgetary Basis)   | Budget Positive<br>(Negative) |
| <b>REVENUES</b>                                               |                     |                     |                     |                               |
| Taxes                                                         | \$ 2,248,000        | \$ 2,248,000        | \$ 2,168,630        | \$ (79,370)                   |
| Licenses and Permits                                          | 110,500             | 110,500             | 108,645             | (1,855)                       |
| Fines and Forfeitures                                         | 50,000              | 50,000              | 46,856              | (3,144)                       |
| Interest and Rents                                            | 23,000              | 23,000              | 25,416              | 2,416                         |
| Intergovernmental                                             | 138,000             | 138,000             | 274,533             | 136,533                       |
| Charges for Services                                          | 523,500             | 523,500             | 524,604             | 1,104                         |
| Miscellaneous                                                 | 30,000              | 30,000              | 22,915              | (7,085)                       |
| <b>Total Revenues</b>                                         | <b>\$ 3,123,000</b> | <b>\$ 3,123,000</b> | <b>\$ 3,171,599</b> | <b>\$ 48,599</b>              |
| <b>EXPENDITURES</b>                                           |                     |                     |                     |                               |
| General Government                                            | \$ 359,000          | \$ 359,000          | \$ 356,030          | \$ 2,970                      |
| Public Safety                                                 | 1,115,300           | 1,115,300           | 1,000,766           | 114,534                       |
| Public Works                                                  | 837,500             | 837,500             | 821,959             | 15,541                        |
| Culture and Recreation                                        | 113,000             | 113,000             | 162,852             | (49,852)                      |
| Economic Development                                          | -                   | -                   | 279,282             | (279,282)                     |
| Debt Service                                                  | 306,000             | 306,000             | 274,783             | 31,217                        |
| Insurance and Employee Benefits                               | 765,000             | 765,000             | 788,198             | (23,198)                      |
| Miscellaneous                                                 | 15,000              | 15,000              | 325                 | 14,675                        |
| <b>Total Expenditures</b>                                     | <b>\$ 3,510,800</b> | <b>\$ 3,510,800</b> | <b>\$ 3,684,195</b> | <b>\$ (173,395)</b>           |
| <b>Excess ( Deficiency) of Revenues<br/>over Expenditures</b> | <b>\$ (387,800)</b> | <b>\$ (387,800)</b> | <b>\$ (512,596)</b> | <b>\$ (124,796)</b>           |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                     |                     |                     |                               |
| Operating Transfers In                                        | \$ 360,000          | \$ 360,000          | \$ 360,000          | \$ -                          |
| Refund of Prior Year Receipts                                 | -                   | -                   | (4,200)             | (4,200)                       |
| Refund of Prior Year Expenses                                 | -                   | -                   | 124,457             | 124,457                       |
| <b>Total Other Financing Sources (Uses)</b>                   | <b>\$ 360,000</b>   | <b>\$ 360,000</b>   | <b>\$ 480,257</b>   | <b>\$ 120,257</b>             |
| <b>NET CHANGE IN FUND BALANCES</b>                            | <b>\$ (27,800)</b>  | <b>\$ (27,800)</b>  | <b>\$ (32,340)</b>  | <b>\$ (4,539)</b>             |
| FUND BALANCE - JANUARY 1, 2018                                | 27,800              | 27,800              | 723,993             | 696,193                       |
| <b>FUND BALANCE - DECEMBER 31, 2018</b>                       | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 691,653</b>   | <b>\$ 691,654</b>             |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF MONACA**  
**STATEMENT OF NET POSITION (MODIFIED CASH BASIS)**  
**PROPRIETARY FUNDS - WATER & SEWER FUNDS**  
**DECEMBER 31, 2018**

|                                           | <u>WATER FUND</u>           | <u>SEWER FUND</u>          | <u>TOTAL</u>                |
|-------------------------------------------|-----------------------------|----------------------------|-----------------------------|
| <b>ASSETS</b>                             |                             |                            |                             |
| <b>Current Assets:</b>                    |                             |                            |                             |
| Cash and Cash Equivalents                 | \$ 789,815                  | \$ 989,293                 | \$ 1,779,108                |
| Investments                               | 1,265,395                   | 1,768,474                  | 3,033,869                   |
| Due from Other Funds                      | 53,933                      | -                          | 53,933                      |
| <b>Total Current Assets</b>               | <b><u>\$ 2,109,143</u></b>  | <b><u>\$ 2,757,767</u></b> | <b><u>\$ 4,866,910</u></b>  |
| <b>Noncurrent Assets:</b>                 |                             |                            |                             |
| Land/Building                             | \$ 5,837,118                | \$ 191,433                 | \$ 6,028,551                |
| Equipment and Lines                       | 8,134,641                   | 6,349,718                  | 14,484,359                  |
| Wastewater Treatment Plant                | -                           | 2,083,461                  | 2,083,461                   |
| Construction in Progress                  | 128,628                     | 25,283                     | 153,911                     |
| Accumulated Depreciation                  | (6,151,219)                 | (5,194,435)                | (11,345,654)                |
| Unamortized Bond Discount                 | 8,050                       | 29,332                     | 37,382                      |
| <b>Total Noncurrent Assets</b>            | <b><u>\$ 7,957,218</u></b>  | <b><u>\$ 3,484,792</u></b> | <b><u>\$ 11,442,010</u></b> |
| <b>TOTAL ASSETS</b>                       | <b><u>\$ 10,066,361</u></b> | <b><u>\$ 6,242,559</u></b> | <b><u>\$ 16,308,920</u></b> |
| <b>LIABILITIES</b>                        |                             |                            |                             |
| <b>Current Liabilities:</b>               |                             |                            |                             |
| Due to Other Funds                        | \$ -                        | \$ 26,996                  | \$ 26,996                   |
| Current Portion - Long-Term Debt          | 557,576                     | 311,630                    | 869,206                     |
| <b>Total Current Liabilities</b>          | <b><u>\$ 557,576</u></b>    | <b><u>\$ 338,626</u></b>   | <b><u>\$ 896,202</u></b>    |
| <b>Noncurrent Liabilities:</b>            |                             |                            |                             |
| Bonds Payable                             | \$ 3,460,400                | \$ 4,368,450               | \$ 7,828,850                |
| Bond Premium                              | 11,755                      | 49,267                     | 61,022                      |
| Notes Payable                             | 3,901,552                   | 166,100                    | 4,067,652                   |
| Less: Current Portion Long-Term Debt      | (557,576)                   | (311,630)                  | (869,206)                   |
| <b>Total Noncurrent Liabilities</b>       | <b><u>\$ 6,816,131</u></b>  | <b><u>\$ 4,272,187</u></b> | <b><u>\$ 11,088,318</u></b> |
| <b>TOTAL LIABILITIES</b>                  | <b><u>\$ 7,373,707</u></b>  | <b><u>\$ 4,610,813</u></b> | <b><u>\$ 11,984,520</u></b> |
| <b>NET POSITION</b>                       |                             |                            |                             |
| Net Investment in Capital Assets          | \$ 3,697,511                | \$ (1,099,025)             | \$ 2,598,486                |
| Unrestricted                              | (1,004,857)                 | 2,730,771                  | 1,725,914                   |
| <b>TOTAL NET POSITION</b>                 | <b><u>\$ 2,692,654</u></b>  | <b><u>\$ 1,631,746</u></b> | <b><u>\$ 4,324,400</u></b>  |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b><u>\$ 10,066,361</u></b> | <b><u>\$ 6,242,559</u></b> | <b><u>\$ 16,308,920</u></b> |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF MONACA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (MODIFIED CASH BASIS)**  
**PROPRIETARY FUNDS- WATER & SEWER FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                                      | WATER<br>FUND       | SEWER<br>FUND       | TOTAL               |
|------------------------------------------------------|---------------------|---------------------|---------------------|
| <b><u>OPERATING REVENUES:</u></b>                    |                     |                     |                     |
| Water fees                                           | \$ 1,380,622        | \$ -                | \$ 1,380,622        |
| Sewer fees                                           | -                   | 1,140,980           | 1,140,980           |
| Miscellaneous                                        | 31,792              | 4,111               | 35,903              |
| <b>Total Operating Revenues</b>                      | <b>\$ 1,412,414</b> | <b>\$ 1,145,091</b> | <b>\$ 2,557,505</b> |
| <b><u>OPERATING EXPENSES:</u></b>                    |                     |                     |                     |
| Salaries and wages                                   | \$ 178,763          | \$ 180,729          | \$ 359,492          |
| Overtime                                             | 31,499              | 11,461              | 42,960              |
| Small tools/minor equipment                          | 6,990               | 4,576               | 11,566              |
| Engineering fees                                     | 42,473              | 28,401              | 70,874              |
| Telephone                                            | 2,572               | 518                 | 3,090               |
| Utilities                                            | 68,627              | 78,008              | 146,635             |
| Office supplies                                      | 1,897               | 3,051               | 4,948               |
| Lab supplies                                         | 92                  | 8,478               | 8,570               |
| Office equipment/maintenance                         | 6,269               | 2,837               | 9,106               |
| General expenses                                     | 8,802               | 7,537               | 16,339              |
| Uniform allowance                                    | 1,167               | 1,159               | 2,326               |
| Sludge removal                                       | -                   | 33,841              | 33,841              |
| Chemicals                                            | 878                 | 20,834              | 21,712              |
| Permits/certifications                               | 460                 | 7,385               | 7,845               |
| Analytical testing                                   | 5,274               | 27,823              | 33,097              |
| Advertising                                          | 1,051               | 4,423               | 5,474               |
| Sanitary maintenance                                 | -                   | 18,606              | 18,606              |
| Grounds Maintenance                                  | 12,954              | -                   | 12,954              |
| Building Maintenance                                 | 4,118               | -                   | 4,118               |
| Vehicle operation                                    | 4,926               | 840                 | 5,766               |
| Pumping equipment & maint                            | 64,737              | -                   | 64,737              |
| Plant maintenance                                    | -                   | 34,497              | 34,497              |
| Vehicle maintenance                                  | 2,802               | 257                 | 3,059               |
| Water dist. Maintenance                              | 51,808              | -                   | 51,808              |
| Schools and conferences                              | 893                 | 1,112               | 2,005               |
| Depreciation                                         | 427,995             | 167,174             | 595,169             |
| <b>Total Operating Expenses</b>                      | <b>\$ 927,047</b>   | <b>\$ 643,547</b>   | <b>\$ 1,570,594</b> |
| <b>TOTAL OPERATING INCOME</b>                        | <b>\$ 485,367</b>   | <b>\$ 501,544</b>   | <b>\$ 986,911</b>   |
| <b><u>NON-OPERATING REVENUE &lt;EXPENSE&gt;:</u></b> |                     |                     |                     |
| Interest income                                      | \$ 29,476           | \$ 35,156           | \$ 64,632           |
| Interest expense                                     | (184,856)           | (109,073)           | (293,929)           |
| <b>TOTAL NON-OPERATING REVENUE &lt;EXPENSE&gt;</b>   | <b>\$ (155,380)</b> | <b>\$ (73,917)</b>  | <b>\$ (229,297)</b> |
| <b><u>OTHER FINANCING &lt;USES&gt; SOURCES:</u></b>  |                     |                     |                     |
| Transfers out                                        | \$ (160,000)        | \$ (200,000)        | \$ (360,000)        |
| Refund of prior year receipts                        | -                   | (16,549)            | (16,549)            |
| <b>TOTAL OTHER FINANCING USES</b>                    | <b>\$ (160,000)</b> | <b>\$ (216,549)</b> | <b>\$ (376,549)</b> |
| <b>CHANGE IN NET POSITION</b>                        | <b>\$ 169,987</b>   | <b>\$ 211,078</b>   | <b>\$ 381,065</b>   |
| NET POSITION - JANUARY 1, 2018                       | 2,522,667           | 1,420,668           | 3,943,335           |
| <b>NET POSITION - DECEMBER 31, 2018</b>              | <b>\$ 2,692,654</b> | <b>\$ 1,631,746</b> | <b>\$ 4,324,400</b> |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF MONACA**  
**STATEMENT OF CASH FLOWS (MODIFIED CASH BASIS)**  
**PROPRIETARY FUNDS - WATER & SEWER FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

|                                                  |                            |
|--------------------------------------------------|----------------------------|
| Cash received from user charges                  | \$ 2,521,602               |
| Cash received from miscellaneous sources         | 35,903                     |
| Cash paid to employees for services              | (402,452)                  |
| Cash paid to vendors for goods and services      | <u>(572,973)</u>           |
| Net cash provided (used) by operating activities | <b><u>\$ 1,582,080</u></b> |

**CASH FLOWS FROM CAPITAL AND RELATED****FINANCIAL ACTIVITIES:**

|                                                                      |                              |
|----------------------------------------------------------------------|------------------------------|
| Bond principal payments                                              | \$ (469,865)                 |
| Note principal payments                                              | (195,000)                    |
| PENNVEST principal payments                                          | (183,805)                    |
| Interest payments on debt                                            | (293,929)                    |
| Other adjustments                                                    | (20,708)                     |
| Capital purchases                                                    | <u>(264,311)</u>             |
| Net cash provided (used) by capital and related financing activities | <b><u>\$ (1,427,618)</u></b> |

**CASH FLOWS FROM INVESTING ACTIVITIES:**

|                                                  |                            |
|--------------------------------------------------|----------------------------|
| Interest income                                  | \$ 64,632                  |
| CD purchase                                      | <u>(800,000)</u>           |
| Net cash provided (used) by investing activities | <b><u>\$ (735,368)</u></b> |

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:**

|                                                              |                            |
|--------------------------------------------------------------|----------------------------|
| Interfund transfers out                                      | \$ (360,000)               |
| Refund of prior year receipts                                | <u>(16,549)</u>            |
| Net cash provided (used) by non-capital financing activities | <b><u>\$ (376,549)</u></b> |

**Net increase (decrease) in cash and cash equivalents** (957,455)

**Cash and cash equivalents - January 1, 2018** 2,736,563

**Cash and cash equivalents - December 31, 2018** **\$ 1,779,108**

**RECONCILIATION OF OPERATING INCOME(LOSS) TO NET****CASH PROVIDED (USED) BY OPERATING ACTIVITIES:**

|                                                                                                     |                            |
|-----------------------------------------------------------------------------------------------------|----------------------------|
| Operating Income (Loss)                                                                             | \$ 986,911                 |
| Adjustments to reconcile excess revenues over expenditures provided (used) by operating activities: |                            |
| Depreciation                                                                                        | 595,169                    |
| <b>Net cash provided (used) by operating activities</b>                                             | <b><u>\$ 1,582,080</u></b> |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF MONACA**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUND**  
**DECEMBER 31, 2018**

|                                    | <b>POLICE<br/>PENSION<br/>FUND</b> |
|------------------------------------|------------------------------------|
| <b>ASSETS</b>                      |                                    |
| Investments                        | \$ 2,915,879                       |
| <b>TOTAL ASSETS</b>                | <b>\$ 2,915,879</b>                |
| <b>LIABILITIES</b>                 |                                    |
| Other Current Liabilities          | \$ -                               |
| <b>TOTAL LIABILITIES</b>           | <b>\$ -</b>                        |
| <b>NET POSITION</b>                |                                    |
| Held in Trust for Pension Benefits | \$ 2,915,879                       |
| <b>TOTAL NET POSITION</b>          | <b>\$ 2,915,879</b>                |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF MONACA**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                         | <b><u>POLICE<br/>PENSION<br/>FUND</u></b> |
|-----------------------------------------|-------------------------------------------|
| <b>ADDITIONS</b>                        |                                           |
| Interest/Dividends                      | \$ 72,400                                 |
| Employer Contributions                  | 105,694                                   |
| Realized/Unrealized Gains (Losses)      | (181,402)                                 |
| <b>TOTAL ADDITIONS</b>                  | <b><u>\$ (3,308)</u></b>                  |
| <br>                                    |                                           |
| <b>DEDUCTIONS</b>                       |                                           |
| Benefit Payments                        | \$ 93,692                                 |
| Administrative Expenses                 | 25,262                                    |
| <b>TOTAL DEDUCTIONS</b>                 | <b><u>\$ 118,954</u></b>                  |
| <br>                                    |                                           |
| <b>CHANGE IN NET POSITION</b>           | <b>\$ (122,262)</b>                       |
| <br>                                    |                                           |
| <b>NET POSITION - JANUARY 1, 2018</b>   | <b><u>3,038,141</u></b>                   |
| <br>                                    |                                           |
| <b>NET POSITION - DECEMBER 31, 2018</b> | <b><u>\$ 2,915,879</u></b>                |

The accompanying notes are an integral part of these financial statements

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Monaca Borough was incorporated under the provisions governing the creation of municipal corporations in the Commonwealth of Pennsylvania. Members of the Borough Council are elected by the voting public. These board members administer the day-to-day operations of the Borough. The major functions of the Borough include public safety, maintenance of Borough infrastructure (roads, water and sewer lines), sanitation control, maintenance of parks and other recreational facilities for use by Borough residents and general administrative functions necessary to facilitate Borough resident needs and responsibilities.

As described herein Note 1, the financial statements of the Borough of Monaca are presented on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting. The more significant accounting policies used by the Borough are discussed below.

**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 Borough of Monaca consists of all funds, departments, boards and agencies that are not legally separate from the Borough. As defined by GASB Statement No. 14, component units are legally separate entities that are included in the Borough's reporting entity because of the significance of their operating or financial relationships with the Borough. Monaca Borough has no component units.

**BASIS OF PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** – The statement of net position (Exhibit A) and the statement of activities (Exhibit B) display information about the Borough as a whole. These statements include the aggregate financial activities of the Borough's governmental funds, except for fiduciary funds, as these funds cannot be used to fund the general operations of the Borough. GASB Statement No. 34 requires that the government-wide statements be prepared using the economic resources measurement focus (full accrual). That is the same approach used in the preparation of the proprietary funds financial statements but differs from the manner in which governmental fund financial statements are prepared (modified cash). However, the governmental activities of Monaca Borough were prepared using the modified cash basis of accounting, as opposed to the full accrual basis of accounting as required by GASB Statement No. 34. Accordingly, the accompanying government-wide statement of net position and statement of activities for governmental activities are not presented in conformity with generally accepted accounting principles.

GASB Statement No. 34 also required reconciliation statements with brief explanations to better identify the relationship between the government-wide statements (governmental activities) and the statements for governmental funds. The Borough however, does not use the economic resources measurement focus in the preparation of its statement of net position and statement of activities for its governmental activities. The Borough used the modified cash basis of accounting in both the preparation of its fund financial statements and government-wide financial statements. Accordingly, the accompanying financial statements do not include the required reconciliation statements.

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

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

**BASIS OF PRESENTATION (Continued)**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)**

The government-wide statement of activities (Exhibit B) presents a comparison between direct expenses and program revenues for the Borough's business-type activities and for each function of the Borough's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies and contributions that are restricted to meeting the operational or capital requirements of a particular program. The Borough allocates the following program revenues to each functional disbursement category as follows:

- General Government – Licenses and permits, rents, lien letters, and miscellaneous sales of reports and maps
- Public Safety (Police) – Fines and forfeitures, police accident reports, crossing guard reimbursements
- Public Safety (Other) – Building permits, use and occupancy permits, police grants, inspections
- Public Works (Sanitation) – Solid waste collection fees, recycling grant
- Public Works (Highways) – Liquid Fuels monies
- Insurance and Employee Benefits – Municipal pension state aid

Revenues which are not classified as program revenues are presented as general revenues of the Borough. General revenues consist mainly of taxes, unrestricted grants, and miscellaneous receipts not earmarked for a specific function. The comparison of direct expenses with program revenues identifies the extent to which the government function is self-financing or draws from the general revenues of the Borough.

**FUND FINANCIAL STATEMENTS** – Fund financial statements report detailed information about the Borough. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. In Exhibit C, non-major funds are segregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (revenues and other financing sources) and uses (expenditures and other financing used) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in total net assets. The statement of cash flows provides information about how the Borough finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

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

**FUND ACCOUNTING**

The Borough 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 Borough functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary 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 Borough's major and non-major governmental funds:

**MAJOR GOVERNMENTAL FUND:**

**GENERAL FUND** - Established under 'The Borough Code' of the Commonwealth of Pennsylvania and is used for the general operations of the Borough. 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 Borough and other miscellaneous operating expenses.

**NON-MAJOR GOVERNMENTAL FUNDS:**

**LIQUID FUELS FUND** (SPECIAL REVENUE) - 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 Borough is responsible.

**FIRE FUND** (SPECIAL REVENUE) - Established to account for a portion of real estate tax revenues to be used for various fire expenses.

**WATER & SEWER CONTRACT FUND** (SPECIAL REVENUE) – Established to account for customer water and sewer deposits. Monies are refunded to customers upon satisfaction of any outstanding water and sewer balances due the Borough.

**CAPITAL PROJECT FUND** – Established to account for proceeds from various bond issues to be used for Borough capital projects.

**FIRE TRUCK FUND** (SPECIAL REVENUE) - Established to account for monies received from the General Fund for the purchase of a fire truck.

**PLAYGROUND EQUIPMENT FUND** (SPECIAL REVENUE) – Established to account for monies received from donations to be used for the purchase of playground equipment.

**POLICE NARCOTICS FUND** (SPECIAL REVENUE) – Established to account for deposits from forfeited drug money and Expenses for the purchase of drugs purchased by undercover patrolmen.

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

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

**FUND ACCOUNTING (Continued)**

**K-9 FUND** (SPECIAL REVENUE) – Established to account for monies received from donations to be used for expenses related to the police K-9 program.

**TOYS FOR TOTS** (SPECIAL REVENUE) – Established to account for monies received from donations to be used for expenses related to the police Toys for Tots program.

**175TH CELEBRATION FUND** (SPECIAL REVENUE) – Established to account for monies received from donations to be used for expenses related to the Borough's 175<sup>th</sup> Anniversary celebration.

**LIGHT UP NIGHT FUND** (SPECIAL REVENUE) – Established to account for monies received from donations to be used for expenses related to the Borough's light up night.

**POLICE OFFICERS ASSOCIATION FUND** (SPECIAL REVENUE) – Established to account for monies received from police officers related to police association dues.

**FALL FESTIVAL FUND** (SPECIAL REVENUE) – Established to account for monies received from donations to be used for expenses related to the Borough's fall festival.

**Proprietary Funds** - 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 Borough (internal service funds). The Borough's Water and Sewer Funds are responsible for receipting charges for water and sewage services rendered to the Borough's residents and using these funds to defray the cost of maintaining these systems of services.

**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 Borough under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Borough's own programs. Agency funds are custodial in nature and do not involve measuring income or any other results from operations. The Borough has one pension trust fund (police pension).

**BASIS OF ACCOUNTING**

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Governmental activities in the government-wide financial statements and government funds use the cash basis of accounting. Under the cash method, revenue is recognized at the time cash is received rather than when earned, and expenses are recognized when paid rather than when obligations are incurred. The business-type activities and proprietary funds use the modified cash basis of accounting which recognizes revenue in the same way as the cash basis. The difference is that fixed assets and long-term debt are recognized in the proprietary fund statements. Fiduciary funds use the accrual basis of accounting. Under this method, revenues are recognized when the revenue is earned and expenses are recognized when the obligations are incurred.

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

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

**ESTIMATES**

The preparation of financial statements in conformity with the modified cash basis of accounting requires the Borough's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**BUDGETS**

In December of 2017, Monaca Borough adopted its 2018 annual budget for its General Fund totaling \$3,510,800 in accordance with the provisions of the Borough Code. The budget is prepared utilizing the cash basis of accounting. Budgetary transfers among various expenditure line items are performed as approved by Borough Council. The original and adjusted budgetary amounts are reflected in these financial statements (Exhibit E). All annual appropriations of the general fund lapse at year-end. All appropriations lapse at the end of each calendar year. Actual General Fund expenditures exceeded budgeted expenditures at December 31, 2018 as reflected on Exhibit E.

**CASH AND CASH EQUIVALENTS**

For purposes of these basic financial statements, cash and cash equivalents include amounts in demand deposit accounts and all highly liquid short-term investments with original maturity terms of less than three months.

**INVESTMENTS**

Provisions of the Borough Code authorize the following investments:

- I. Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- II. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.
- III. U.S. government obligations, short-term commercial paper issued by a public corporation, and banker's acceptances.

Monaca Borough's investment portfolio is in compliance with these provisions at December 31, 2018.

Proprietary fund investments include two certificates of deposit with maturity terms of nine months. Fiduciary fund investments include monies invested by the Borough with PNC Institutional Investments for its' police pension plan. The Borough's non-uniform pension fund investments include assets pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. The assets are administered by the Pennsylvania Municipal Retirement System (PMRS). Investments are stated at fair value. The Borough does not maintain an investment policy that summarizes the investment philosophy of the Borough and establishes investment guidelines and performance objectives for the Police and Non-Uniform Pension Plans.

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

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

**CAPITAL ASSETS AND DEPRECIATION**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets purchased by governmental funds are recorded as expenditures in the fund financial statements (Exhibit D). All capital assets of the Borough's business-type activities are recorded at cost (or estimated historical cost). Donated fixed assets are recorded at fair value at the time of receipt. The Borough maintains a capitalization dollar threshold with a minimum of \$2,000. The cost of infrastructure is included in the government-wide statement of net position for business-type activities and the proprietary fund financial statements. Routine repair and maintenance costs that do not add to the value of the asset or extend its useful life are charged as an expense.

All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the following useful lives:

| <u>CATEGORY</u>            | <u>YEARS</u> |
|----------------------------|--------------|
| Site Improvements          | 15-20 years  |
| Buildings and Improvements | 5-40 years   |
| Machinery and Equipment    | 4-15 years   |
| Vehicles                   | 4-15 Years   |
| Infrastructure             | 10-40 Years  |

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

All long-term obligations (bonds, notes and leases) are reported in the government-wide financial statements for business-type activities only. Payables and accrued liabilities are not recorded in the business-type activities as the Borough's financials are in compliance with the modified cash basis of accounting. Notes and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. Payments for long-term liabilities are reflected as they are paid as expenditures in the governmental funds. The Borough's General Fund is typically used to liquidate long-term liability obligations.

The Borough of Monaca has not adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 with regard to capitalizing and depreciating general capital assets and recording long-term obligations in the statement of net position for its governmental activities. Accordingly, the accompanying government-wide statements of net position and activities of the Borough of Monaca do not present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

**OPERATING REVENUES AND EXPENSES**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the Borough of Monaca, these revenues are water and sewer usage charges and other miscellaneous revenues directly related to the operations of the Borough. Operating expenses are the necessary costs incurred to operate the water and sewer activities. Non-operating revenues of the Borough's water and sewer funds consist of investment earnings. Non-operating expenses consist of interest expense on loan obligations.

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

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

**UNEARNED REVENUE**

Unearned revenue arises when the Borough receives resources before it has legal claim to them. This occurs when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Borough has a legal claim to the resources, the unearned revenue liability is removed and revenue is recognized.

**LONG-TERM DEBT FINANCING COSTS**

Bond and note issuance costs are recorded as expenditures in the governmental and proprietary fund financial statements in the year paid. The Borough did not incur bond or note issuance costs during the 2018 fiscal year.

**DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

In addition to assets and liabilities, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred outflows and/or inflows of resources. These separate financial statement elements represent a decrease and/or increase in net position that applies to a future period and so will not be recognized as an outflow and/or inflow of resources (expenses/expenditures or income/revenue) in the current period.

**GOVERNMENT-WIDE NET POSITION**

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy Borough obligations. Net position is classified as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets net of accumulated depreciation, and reduced by the outstanding balances of debt that is attributable to the acquisition, construction and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted Net Position – This component of net position consists of restricted assets reduced by liabilities and deferred inflows related to those assets.
- Unrestricted – Consists of net position that does not meet the definition of ‘restricted’ or ‘net investment in capital assets.’

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Borough’s policy is to first apply the expense toward restricted and then toward unrestricted resources.

**GOVERNMENTAL FUND BALANCES**

In the Balance Sheet – Governmental Funds (Exhibit C), fund balances are reported in specific categories to make the nature and extent of the constraints placed on any entity’s fund balance more transparent in accordance with GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

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

**GOVERNMENTAL FUND BALANCES (Continued)**

- Non-spendable fund balance – amounts that are not in spendable form (such as inventory and prepaid expenses) or are required to be maintained intact
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation
- Committed fund balance – amount constrained to specific purposes by the Borough itself, using its highest level of decision-making Borough; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint
- Assigned fund balance – amounts the Borough intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the Borough.
- Unassigned fund balance – amount that are available for any purpose

The Borough has not yet developed a formal written GASB 54 policy.

**ADOPTION OF GASB PRONOUNCEMENTS**

The requirements of the following GASB Statements were adopted for the Borough's 2018 financial statements. Except where noted, the adoption of these pronouncements did not have a significant impact on the Borough's financial statements.

The GASB issued Statement No. 75, *“Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”*. The primary objective of this Statement is to address reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. This Statement replaces the requirements of Statement No. 45.

The GASB issued Statement No. 81, *“Irrevocable Split-Interest Agreement”*. The primary objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

The GASB issued Statement No. 85, *‘Omnibus 2017’*. The primary objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The GASB issued Statement No. 86, *‘Certain Debt Extinguishment Issues’*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for certain debt extinguishments and to enhance the decision-usefulness of that information.

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

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

**PENDING GASB PRONOUNCEMENTS**

In November of 2016, the GASB issued Statement No. 83, '*Certain Asset Retirement Obligations*'. The primary objective of this Statement is to provide financial statement users with information about 'asset retirement obligations (ARO) that were not addressed in GASB Standards by establishing uniform accounting and financial reporting requirements for these obligations. The provisions of this Statement are effective for the Borough's December 31, 2019 financial statements.

In January of 2017, the GASB issued Statement No. 84, '*Fiduciary Activities*'. The primary objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. The provisions of this Statement are effective for the Borough's December 31, 2019 financial statements.

In June of 2017, the GASB issued Statement No. 87, '*Leases*'. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The provisions of this Statement are effective for the Borough's December 31, 2020 financial statements.

In March 9 of 2018, the GASB issued Statement No. 88, '*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*'. The primary objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. The provisions of this Statement are effective for the Borough's December 31, 2019 financial statements.

In June of 2018, the GASB issued Statement No. 89, '*Accounting for Interest Cost Incurred before the end of a Construction Period*'. The primary objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and, (b) to simplify accounting for certain interest costs. The provisions of this Statement are effective for the Borough's December 31, 2020 financial statements.

In August of 2018, the GASB issued Statement No. 90, '*Majority Equity Interests (an amendment of GASB Statements No. 14 and No. 61)*'. The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. The provisions of this Statement are effective for the Borough's December 31, 2019 financial statements.

The effects of implementing the aforementioned GASB Statements on the Borough's financial statements have not yet been determined.

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS**

At December 31, 2018, Monaca Borough had the following carrying values on its cash and cash equivalent account held at Huntington and Wesbanco Banks:

|                                | <b>Bank Balance</b> | <b>(Memo only)<br/>Book Balance</b> |
|--------------------------------|---------------------|-------------------------------------|
| General Fund                   | \$ 560,024          | \$ 469,044                          |
| Non-Major Governmental Funds   | 482,647             | 465,286                             |
| Proprietary Funds              | 1,783,664           | 1,779,108                           |
|                                | <b>\$ 2,826,335</b> | <b>\$ 2,713,438</b>                 |
| <br>                           |                     |                                     |
| CD's Classified as Investments | 3,287,092           | 3,287,092                           |
| <b>TOTAL</b>                   | <b>\$ 6,113,427</b> | <b>\$ 6,000,530</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 accounts is \$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 Borough's deposits may not be returned to it. The Borough does not have a separate policy for custodial credit risk in addition to the requirement of the Borough Code. As of December 31, 2018, \$5,617,733 of the Borough'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 Borough'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 and maturity term of the Borough's investments as of December 31, 2018 is as follows:

|                                         | <b>Fair Value</b>   | <b>Investment Maturities (in Years)</b> |                   |                   |                         |
|-----------------------------------------|---------------------|-----------------------------------------|-------------------|-------------------|-------------------------|
|                                         |                     | <b>No Stated<br/>Maturity</b>           | <b>1-5</b>        | <b>6-10</b>       | <b>More Than<br/>10</b> |
| <b>Fiduciary Funds (Pension Funds):</b> |                     |                                         |                   |                   |                         |
| U.S. Government Securities              | \$ 696,820          | \$ -                                    | \$ 153,037        | \$ 74,572         | \$ 469,211              |
| Mutual Funds                            | 98,371              | 98,371                                  | -                 | -                 | -                       |
| Corporate Debt                          | 522,765             | -                                       | 389,540           | 86,293            | 46,932                  |
| Registered Investment Companies         | 1,597,923           | 1,597,923                               | -                 | -                 | -                       |
| <b>Total Fiduciary Funds</b>            | <b>\$ 2,915,879</b> | <b>\$ 1,696,294</b>                     | <b>\$ 542,577</b> | <b>\$ 160,865</b> | <b>516,143</b>          |

Investments classified as U.S. agencies are securities of agencies of the U.S. government that have an implied but not explicit guarantee.

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS (Continued)**

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Investments in U.S. Government Securities, equity securities and 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 Borough does not have a formal investment policy for custodial credit risk.

**Interest Rate Risk**

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Borough's investments in U.S. governmental securities and agencies have maturities of fifteen (15) years or less, with the exception of several investments in United States Agencies, (FNMA, FHLMC), which have maturities of over twenty-five (25) years.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Borough has no formal investment policy, in addition to the requirements of the Borough Code and the Intergovernmental Cooperation Act, that limits its investment choices based on credit ratings by nationally recognized rating organizations. As of December 31, 2018, the Borough's investments in the Federal National Mortgage Association and Federal Home Loan Mortgage Corporation were rated AAAm by Standard & Poors and Moody's Investors Service.

**Fair Value Measurements:**

The Borough of Monaca' investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes

Level 2 – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data

Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

The following schedule presents the investments of the Borough's fiduciary fund by level within the fair value hierarchy:

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS (Continued)**

**Fair Value Measurements: (Continued)**

|                                 | Value<br>at 12/31/18 | Fair Value Measurements |             |             |
|---------------------------------|----------------------|-------------------------|-------------|-------------|
|                                 |                      | Level 1                 | Level 2     | Level 3     |
| U.S. Government Securities      | \$ 696,820           | \$ 696,820              | \$ -        | \$ -        |
| Mutual Funds                    | 98,371               | 98,371                  | -           | -           |
| Corporate Debt                  | 522,765              | 522,765                 | -           | -           |
| Registered Investment Companies | 1,597,923            | 1,597,923               | -           | -           |
|                                 | <u>\$ 2,915,879</u>  | <u>\$ 2,915,879</u>     | <u>\$ -</u> | <u>\$ -</u> |

**NOTE 3 - PROPERTY TAXES**

Monaca Borough levies property taxes February 1st of each calendar year. The calendar dates for payment of these taxes is as follows:

**PAYMENT PERIOD**

|                             |                   |
|-----------------------------|-------------------|
| February 1 – March 31, 2018 | (Discount period) |
| April 1 – May 31, 2018      | (Face period)     |
| June 1, 2018 – April 2019   | (Penalty period)  |

Taxpayers are entitled to a 2% discount if taxes are paid prior to April 1st. Collections after May 31st are assessed a 10% penalty. Taxes for 2018, unpaid as of April 15, 2019, were liened with Beaver County. The Borough liened a total of \$77,976 in unpaid 2017 property taxes which represents 5.0% of the original assessment for 2017.

The tax millage for the 2018 calendar year is 29 mills on the assessed value of land and buildings, which represents \$29 of revenue for every \$1,000 of assessed value. For 2018 fiscal year, the Borough earmarked 27 mills for general purposes and 2 mills for various fire expenses. The Borough recognized property tax revenue when received during the fiscal year. No provision has been made for amounts estimated to be uncollectible.

**NOTE 4 – ANALYSIS OF INTERFUND TRANSFERS/OBLIGATIONS**

Interfund transfers for the year ended December 31, 2018 were comprised of the following amounts:

|              | <u>TO</u>         | <u>FROM</u>       |
|--------------|-------------------|-------------------|
| General Fund | \$ 360,000        | \$ -              |
| Water Fund   | -                 | 160,000           |
| Sewer Fund   | -                 | 200,000           |
|              | <u>\$ 360,000</u> | <u>\$ 360,000</u> |

The Borough's routine transfers include budgeted amounts from the Water and Sewer Funds to cover expenditures paid by the General Fund.

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 4 – ANALYSIS OF INTERFUND TRANSFERS/OBLIGATIONS (Continued)**

“Internal balances” as reflected on the statement of net position (Exhibit A), totaling \$26,937 (net), is the amount due from the General Fund to the Water and Sewer Funds for expenses paid out of the Water and Sewer Funds. Additionally, at December 31, 2018, the Sewer Fund owed the Water Fund \$19,664 for a portion of General Obligation Bonds Series of 2011 and Series of 2016.

**NOTE 5 – PROPERTY, PLANT, AND EQUIPMENT (PROPRIETARY FUNDS)**

A summary of the business-type fixed asset activity for the 2018 calendar year was as follows:

|                                 | <b>Balance<br/>1/1/18</b> | <b>Additions</b>    | <b>Deletions</b> | <b>Balance<br/>12/31/18</b> |
|---------------------------------|---------------------------|---------------------|------------------|-----------------------------|
| Sewer System                    | \$ 8,528,250              | \$ 121,645          | \$ -             | \$ 8,649,895                |
| Water System                    | 13,957,721                | 142,666             | -                | 14,100,387                  |
|                                 | <b>\$ 22,485,971</b>      | <b>\$ 264,311</b>   | <b>\$ -</b>      | <b>\$ 22,750,282</b>        |
| Less: Accumulated Depreciation  | \$ (10,750,485)           | \$ (595,169)        | \$ -             | \$ (11,345,654)             |
| <b>Business-Type Activities</b> |                           |                     |                  |                             |
| <b>Capital Assets, Net</b>      | <b>\$ 11,735,486</b>      | <b>\$ (330,858)</b> | <b>\$ -</b>      | <b>\$ 11,404,628</b>        |

**NOTE 6 – PROPRIETARY FUND (BUSINESS-TYPE ACTIVITIES) DEBT OBLIGATIONS**

**WATER FUND – NOTE PAYABLE**

In August 2010, the Borough of Monaca entered into a \$4,200,000 loan agreement with the Pennsylvania Infrastructure Investment Borough (PENNVEST) for the improvement of the Borough’s water supply system. The note is secured by the gross revenues generated from the Borough’s water supply system as well as the taxing power of the Borough. The current amortization schedule for the loan calls for monthly principal and interest payments of \$19,772.48 at an interest rate of 1.274% per annum through January 2017, and monthly principal and interest payments of \$21,662.92 at an interest rate of 2.547% through maturity. The loan is scheduled to mature on January 1, 2032.

A summary of the note payable debt service requirements as of December 31, 2018 is as follows:

| <b>Year End<br/>31-Dec</b> | <b>PENNVEST<br/>Principal</b> | <b>PENNVEST<br/>Interest</b> | <b>Total</b>        |
|----------------------------|-------------------------------|------------------------------|---------------------|
| 2019                       | \$ 188,541                    | \$ 71,414                    | \$ 259,955          |
| 2020                       | 193,400                       | 66,555                       | 259,955             |
| 2021                       | 198,384                       | 61,571                       | 259,955             |
| 2022                       | 203,496                       | 56,459                       | 259,955             |
| 2023                       | 208,740                       | 51,215                       | 259,955             |
| 2024-2028                  | 1,127,213                     | 172,562                      | 1,299,775           |
| 2029-2032                  | 770,078                       | 31,450                       | 801,528             |
|                            | <b>\$ 2,889,852</b>           | <b>\$ 511,226</b>            | <b>\$ 3,401,078</b> |

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 6 – PROPRIETARY FUND (BUSINESS-TYPE ACTIVITIES) DEBT OBLIGATIONS (Continued)**

**WATER AND SEWER FUNDS – NOTE PAYABLE - 2014**

In May of 2014, the Borough of Monaca issued General Obligation Note – Series of 2014 in the amount of \$2,265,000. The purpose of the note was to currently refund General Obligation Bonds – Series of 2007, to currently refund the 2003 Pennvest Loan, to partially fund the cost of the 2014 Capital Program, and to pay the costs of the issuance of the note. Interest is payable semi-annually on May 15 and November 15 at an interest rate of 2.475%. The note is secured by the general taxing power of the Borough and is scheduled to mature on May 15, 2026.

Management has determined that the Water Fund is responsible for 67% and the Sewer Fund is responsible for 11% of the note based on the capital projects to be completed. The debt service schedule for this note is reflected in Note 7. The December 31, 2018 note payable obligation of the Water and Sewer Funds is \$1,177,800.

**WATER AND SEWER FUNDS - BONDS PAYABLE - 2011**

In December of 2011, the Borough of Monaca issued \$5,635,000 in General Obligation Bonds - Series of 2011 to fund capital projects of the Borough, currently refund the Borough's General Obligation Bonds, Series of 2003 and advance refund a portion of the Borough's General Obligation Bonds, Series of 2007. The bonds were issued in denominations of \$5,000, with interest payable semi-annually on April 1 and October 1 at rates ranging between .6% and 3.875%. The bonds provide for early redemption options as more fully described in the Official Statement of Issue. The bonds are secured by the general taxing power of the Borough and are scheduled to mature on April 1, 2031.

Management has determined that the Water Fund is responsible for 14.7% and the Sewer Fund is responsible for 53.6% of the debt service obligation of this issue based on the capital projects to be completed. The debt service schedule for this bond issue is reflected in Note 7. The December 31, 2018 bonds payable obligation of the Water and Sewer Funds is \$648,850.

**WATER AND SEWER FUNDS - BONDS PAYABLE - 2016**

In September of 2016, the Borough of Monaca issued \$9,875,000 in General Obligation Bonds - Series of 2016 to refund a portion of the 2011 Bonds, terminate the 2009 equipment lease, fund certain capital water, sewer and road improvement projects throughout the Borough, and to pay the costs related to the issuance of the Bonds. The bonds were issued in denominations of \$5,000, with interest payable semi-annually on May 1 and November 1 at rates ranging between 2.0% and 3.0%. The bonds provide for early redemption options as more fully described in the Official Statement of Issue. The bonds are secured by the general taxing power of the Borough and are scheduled to mature on May 15, 2032.

Management has determined that the Water Fund is responsible for 37% and the Sewer Fund is responsible for 43% of the debt service obligation of this issue based on the capital projects to be completed. The debt service schedule for this bond issue is reflected in Note 7. The December 31, 2018 bonds payable obligation of the Water and Sewer Funds is \$7,180,000.

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 7 – GOVERNMENTAL ACTIVITY LONG-TERM DEBT OBLIGATIONS**

A summary of the debt service requirements for the Borough's General Obligation Note – Series of 2014 and General Obligation Bonds – Series of 2011 and Series of 2016 (Note 6) as of December 31, 2018 is as follows:

| <b>Year End<br/>Dec 31</b> | <b>2014<br/>Principal</b> | <b>2011<br/>Principal</b> | <b>2016<br/>Principal</b> | <b>Interest</b>     | <b>Total</b>         |
|----------------------------|---------------------------|---------------------------|---------------------------|---------------------|----------------------|
| 2019                       | \$ 260,000                | \$ 155,000                | \$ 465,000                | \$ 259,183          | \$ 1,139,183         |
| 2020                       | 260,000                   | 160,000                   | 480,000                   | 234,825             | 1,134,825            |
| 2021                       | 265,000                   | 165,000                   | 490,000                   | 211,825             | 1,131,825            |
| 2022                       | 270,000                   | 165,000                   | 515,000                   | 187,371             | 1,137,371            |
| 2023                       | 195,000                   | 95,000                    | 605,000                   | 163,220             | 1,058,220            |
| 2024-2028                  | 260,000                   | 120,000                   | 3,910,000                 | 531,921             | 4,821,921            |
| 2029-2032                  | -                         | 90,000                    | 2,510,000                 | 126,319             | 2,726,319            |
|                            | <u>\$ 1,510,000</u>       | <u>\$ 950,000</u>         | <u>\$ 8,975,000</u>       | <u>\$ 1,714,664</u> | <u>\$ 13,149,664</u> |

**NOTE 8 – CHANGES IN LONG-TERM DEBT**

The following summarizes the changes in the Borough's long-term debt obligations during the year ended December 31, 2018:

|                                                            | <b>Balance<br/>1/1/18</b>   | <b>Additions</b>   | <b>Deletions</b>         | <b>Balance<br/>12/31/18</b> | <b>Due Within<br/>One Year</b> |
|------------------------------------------------------------|-----------------------------|--------------------|--------------------------|-----------------------------|--------------------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>                             |                             |                    |                          |                             |                                |
| General Obligation Notes                                   | \$ 387,200                  | \$ -               | \$ 55,000                | \$ 332,200                  | \$ 57,200                      |
| Lease Purchase Obligation                                  | 18,347                      | -                  | 18,347                   | -                           | -                              |
| General Obligation Bonds                                   | 2,236,285                   | -                  | 140,135                  | 2,096,150                   | 142,135                        |
| <b>Total long-term debt -<br/>Governmental activities</b>  | <u><b>\$ 2,641,832</b></u>  | <u><b>\$ -</b></u> | <u><b>\$ 213,482</b></u> | <u><b>\$ 2,428,350</b></u>  | <u><b>\$ 199,335</b></u>       |
| <b>BUSINESS-TYPE ACTIVITIES</b>                            |                             |                    |                          |                             |                                |
| General Obligation Notes                                   | \$ 4,446,457                | \$ -               | \$ 378,805               | \$ 4,067,652                | \$ 391,341                     |
| General Obligation Bonds                                   | 8,298,715                   | -                  | 469,865                  | 7,828,850                   | 477,865                        |
| <b>Total long-term debt -<br/>Business-Type Activities</b> | <u><b>\$ 12,745,172</b></u> | <u><b>\$ -</b></u> | <u><b>\$ 848,670</b></u> | <u><b>\$ 11,896,502</b></u> | <u><b>\$ 869,206</b></u>       |

**NOTE 9 – UNEARNED REVENUE**

Unearned revenue totaling \$12,104 as reflected on Exhibits A and C for governmental activities is comprised of unspent grant monies received by the Borough.

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 10 - BOROUGH PENSION PLANS**

**POLICE PENSION PLAN** - The Borough of Monaca Police Pension Plan is a single-employer defined benefit pension plan controlled by the provisions of Borough Ordinance, adopted pursuant to Act 600. The plan is governed by the Monaca Borough Council who is responsible for the management of plan assets. Borough Council delegated the Borough to manage certain plan assets to PNC Institutional Investments.

Plan membership as of January 1, 2017 was comprised of:

|                                     |                  |
|-------------------------------------|------------------|
| Active employees (non-vested)       | 7                |
| Retirees and beneficiaries          |                  |
| currently receiving benefits        | 3                |
| Terminated employees entitled to    |                  |
| benefits but not yet receiving them | <u>2</u>         |
| Total                               | <u><u>12</u></u> |

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

- PARTICIPANTS** - All eligible members of the Borough of Monaca police department.
- ELIGIBILITY** - All participants are eligible for retirement benefits provided that they have completed 25 years of aggregate service as a Borough employee and have attained the age of 50.
- BENEFITS** - Based on one-half of the participant's average monthly salary earned during the final 36 months of employment, plus an additional monthly benefit of \$100 for each completed year of service in excess of 25 years to a maximum of \$500.
- DISABILITY** - Based on seventy five percent of the participant's salary at the time the disability was incurred, offset by social security disability benefits for the same injury.
- TERMINATION OR DEATH** - The plan provides the surviving spouse fifty percent of a deceased members pension benefit.
- FUNDING** - Employee contributions and Borough contributions are to be determined by the actuary. The Borough's contribution of \$105,694 was received from Municipal Pension State Aid. Employee contributions to the police pension plan are currently not required.

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

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

**NON-UNIFORM PENSION PLAN**

**PENNSYLVANIA MUNICIPAL RETIREMENT SYSTEM (PMRS)**

**DESCRIPTION OF PLAN**

The Monaca Borough non-uniform pension plan is a single-employer defined benefit pension plan controlled by the provisions of a resolution adopted pursuant to Act 15 of 1974. The plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained by contacting the PMRS accounting office or visiting their website at pmrs.state.pa.us.

**PLAN MEMBERSHIP**

Plan membership consisted of the following as of December 31, 2017:

|                                     |                  |
|-------------------------------------|------------------|
| Active plan members                 | 13               |
| Retirees and beneficiaries          |                  |
| currently receiving benefits        | 11               |
| Terminated employees entitled to    |                  |
| benefits but not yet receiving them | <u>6</u>         |
| Total                               | <u><u>30</u></u> |

**PLAN BENEFITS**

The plan provides retirement and death benefits to eligible plan members and their beneficiaries. Effective January 1, 2009, the plan allows for a normal retirement benefit at age 62 or older with at least 24 years of credited service. Early retirement is available after eight (8) years of service. Monthly pension benefits are detailed in plan documents. Participants are fully vested upon completion of five (5) years of service.

**PLAN CONTRIBUTION REQUIREMENTS**

Employer contributions are actuarially determined reflecting a payment equal to annual Normal Cost, the expected Administrative Expenses, and an amount necessary to amortize the remaining Unfunded Actuarial Liability as a level dollar amount over a closed period. This contribution is based upon the Minimum Municipal Obligation (MMO) as defined in Act 205. For the calendar year 2018, the Township contributed \$19,442 to the plan. This contribution to the pension plan, subsequent to the measurement date of the Township's net pension liability (NPL), is recognized as a component of 'deferred outflows of resources – pension' on the statement of net position. Employee contributions are currently not required.

**MONACA BOROUGH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**NOTE 11 - COMMITMENTS AND CONTINGENT LIABILITIES**

**LEGAL MATTERS**

The Borough of Monaca, in the normal course of operations, is party to various legal matters normally associated with municipalities such as real estate tax assessment appeals, personnel wage and benefits, and other miscellaneous legal matters. Legal Counsel for the Borough has stated that any matters which exceed the amount of \$5,000 have been accepted by the Borough's insurance carrier as an insured risk and therefore the Borough is not at financial risk relevant to these claims.

**FEDERAL AND STATE FUNDING**

The Borough of Monaca's state and federally funded programs, including its pension funds, are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The Borough is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**NOTE 12 – RISK MANAGEMENT**

The Borough of Monaca 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 for these risks have not exceeded commercial insurance coverage for the past three years.

**NOTE 13 – SUBSEQUENT EVENT**

Management has evaluated subsequent events through the July 24, 2019 date the financial statements were available to be issued, which is the date of the independent auditor's report. Management has determined that there are no events subsequent to December 31, 2018 through the date of the financial statements that would require additional disclosure.

***SUPPLEMENTARY  
SCHEDULES***

**BOROUGH OF MONACA**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL RECEIPTS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                          | <b>BUDGET</b>       | <b>ACTUAL</b>       | <b>(MEMORANDUM ONLY)<br/>PRIOR YEAR</b> |
|------------------------------------------|---------------------|---------------------|-----------------------------------------|
| <b><u>TAXES:</u></b>                     |                     |                     |                                         |
| Real estate - current                    | \$ 1,385,000        | \$ 1,302,919        | \$ 1,304,483                            |
| Real estate - prior                      | 55,000              | 50,423              | 53,737                                  |
| Real estate - delinquent                 | 60,000              | 83,007              | 75,919                                  |
| Real estate transfer tax                 | 40,000              | 49,363              | 56,751                                  |
| Per capita - current                     | 28,000              | 27,012              | 27,783                                  |
| Per capita - prior                       | -                   | 11,949              | 11,921                                  |
| Earned income tax                        | 600,000             | 589,955             | 565,967                                 |
| Local service tax                        | 70,000              | 45,672              | 59,971                                  |
| Mechanical devices tax                   | 10,000              | 8,330               | 7,665                                   |
| <b>TOTAL TAXES</b>                       | <b>\$ 2,248,000</b> | <b>\$ 2,168,630</b> | <b>\$ 2,164,196</b>                     |
| <br><b><u>LICENSES AND PERMITS:</u></b>  |                     |                     |                                         |
| Building permits                         | \$ 20,000           | \$ 14,396           | \$ 15,367                               |
| Business and peddler permits             | 1,000               | 915                 | 4,710                                   |
| Cable franchise fees                     | 89,000              | 92,734              | 163,420                                 |
| Street Openings                          | 500                 | 600                 | 150                                     |
| <b>TOTAL LICENSES AND PERMITS</b>        | <b>\$ 110,500</b>   | <b>\$ 108,645</b>   | <b>\$ 183,647</b>                       |
| <br><b><u>FINES AND FORFEITURES:</u></b> |                     |                     |                                         |
| Motor vehicle code violations            | \$ 25,000           | \$ 22,943           | \$ 27,412                               |
| Ordinance violations                     | 18,000              | 12,476              | 10,471                                  |
| State police fines                       | 2,000               | 3,219               | 3,276                                   |
| County fines                             | 5,000               | 8,218               | 18,862                                  |
| <b>TOTAL FINES AND FORFEITURES</b>       | <b>\$ 50,000</b>    | <b>\$ 46,856</b>    | <b>\$ 60,021</b>                        |
| <br><b><u>INTEREST AND RENTS:</u></b>    |                     |                     |                                         |
| Interest                                 | \$ 1,000            | \$ 8,718            | \$ 2,093                                |
| Building rent                            | 22,000              | 11,923              | 12,815                                  |
| <b>TOTAL INTEREST AND RENTS</b>          | <b>\$ 23,000</b>    | <b>\$ 25,416</b>    | <b>\$ 19,063</b>                        |
| <br><b><u>INTERGOVERNMENTAL:</u></b>     |                     |                     |                                         |
| <b><u>Local:</u></b>                     |                     |                     |                                         |
| In lieu of taxes                         | \$ -                | \$ 31,894           | \$ 31,040                               |
| <b><u>State:</u></b>                     |                     |                     |                                         |
| Municipal pension aid                    | 128,000             | 127,372             | 124,132                                 |
| Beverage licenses                        | 2,500               | 1,400               | 1,600                                   |
| Public utility realty tax                | 2,500               | 2,311               | 2,106                                   |
| Act 13 - Gas Well                        | -                   | 7,370               | 4,635                                   |
| Keystone Grant - Monaca Public Library   | -                   | -                   | 150,000                                 |
| John Antoline Park Grant                 | 5,000               | 98,500              | 5,502                                   |
| Recycling grant                          | -                   | 5,687               | -                                       |
| <b>TOTAL INTERGOVERNMENTAL</b>           | <b>\$ 138,000</b>   | <b>\$ 274,533</b>   | <b>\$ 319,015</b>                       |

**BOROUGH OF MONACA**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL RECEIPTS**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                                       | <u>BUDGET</u>              | <u>ACTUAL</u>              | <u>(MEMORANDUM ONLY)</u><br><u>PRIOR YEAR</u> |
|-------------------------------------------------------|----------------------------|----------------------------|-----------------------------------------------|
| <b><u>CHARGES FOR SERVICES:</u></b>                   |                            |                            |                                               |
| Accident Reports                                      | \$ 1,500                   | \$ 1,331                   | \$ 3,786                                      |
| Reimbursement - Police Services                       | 28,000                     | 17,827                     | 58,621                                        |
| Rental inspections                                    | 17,000                     | 9,460                      | 8,715                                         |
| Electrical inspections                                | 500                        | -                          | 216                                           |
| Health inspections                                    | 1,500                      | 1,560                      | 1,200                                         |
| Refuse fee                                            | 475,000                    | 494,426                    | 482,385                                       |
| <b>TOTAL CHARGES FOR SERVICES</b>                     | <b><u>\$ 523,500</u></b>   | <b><u>\$ 524,604</u></b>   | <b><u>\$ 554,923</u></b>                      |
| <b><u>MISCELLANEOUS:</u></b>                          |                            |                            |                                               |
| Sale of Borough Property                              | \$ -                       | \$ -                       | \$ 31,690                                     |
| Other miscellaneous revenue                           | 25,000                     | 22,915                     | 6,038                                         |
| <b>TOTAL MISCELLANEOUS</b>                            | <b><u>\$ 25,000</u></b>    | <b><u>\$ 22,915</u></b>    | <b><u>\$ 37,728</u></b>                       |
| <b><u>OTHER FINANCING SOURCES:</u></b>                |                            |                            |                                               |
| Interfund transfers:                                  |                            |                            |                                               |
| Water fund                                            | \$ 160,000                 | \$ 160,000                 | \$ 150,000                                    |
| Sewer fund                                            | 200,000                    | 200,000                    | 150,000                                       |
| Refunds of Prior Year Expenses                        | 5,000                      | 124,457                    | -                                             |
| <b>TOTAL FINANCING SOURCES</b>                        | <b><u>\$ 365,000</u></b>   | <b><u>\$ 484,457</u></b>   | <b><u>\$ 300,000</u></b>                      |
| <b>TOTAL REVENUES AND<br/>OTHER FINANCING SOURCES</b> | <b><u>\$ 3,483,000</u></b> | <b><u>\$ 3,656,055</u></b> | <b><u>\$ 3,638,594</u></b>                    |

**BOROUGH OF MONACA  
 DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                                         | <u>BUDGET</u>     | <u>ACTUAL</u>     | <u>(MEMORANDUM ONLY)<br/>PRIOR YEAR</u> |
|---------------------------------------------------------|-------------------|-------------------|-----------------------------------------|
| <b><u>GENERAL GOVERNMENT:</u></b>                       |                   |                   |                                         |
| <b><u>COUNCIL EXPENSES:</u></b>                         |                   |                   |                                         |
| Salaries and wages                                      | \$ 24,000         | \$ 24,000         | \$ 21,000                               |
| Schools and conferences                                 | 9,000             | 7,550             | 4,057                                   |
| Advertising                                             | 500               | 1,492             | 2,470                                   |
| General expense                                         | 2,500             | 3,219             | 2,565                                   |
| <b>TOTAL COUNCIL EXPENSES</b>                           | <b>\$ 36,000</b>  | <b>\$ 36,262</b>  | <b>\$ 30,092</b>                        |
| <b><u>MAYOR EXPENSES:</u></b>                           |                   |                   |                                         |
| Salaries and wages                                      | \$ 2,412          | \$ 2,211          | \$ 2,412                                |
| Memberships                                             | 130               | 70                | 130                                     |
| General expense                                         | 458               | 206               | 63                                      |
| <b>TOTAL MAYOR EXPENSES</b>                             | <b>\$ 3,000</b>   | <b>\$ 2,487</b>   | <b>\$ 2,605</b>                         |
| <b><u>BOROUGH MANAGER &amp; SECRETARY EXPENSES:</u></b> |                   |                   |                                         |
| Salaries and wages                                      | \$ 176,500        | \$ 168,487        | \$ 160,340                              |
| Maintenance - office equipment                          | 9,000             | 3,331             | 8,778                                   |
| Travel                                                  | 2,000             | 5,077             | 139                                     |
| Schools and conferences                                 | 3,000             | 1,209             | 2,348                                   |
| Postage, printing and advertising                       | 5,000             | 3,147             | 4,066                                   |
| Office supplies                                         | 5,000             | 4,212             | 5,751                                   |
| Office equipment                                        | 7,000             | 19,106            | 8,894                                   |
| General expense                                         | 8,000             | 7,843             | 9,669                                   |
| <b>TOTAL BOROUGH MANAGER AND<br/>SECRETARY EXPENSES</b> | <b>\$ 215,500</b> | <b>\$ 212,412</b> | <b>\$ 199,987</b>                       |
| <b><u>TAX COLLECTION:</u></b>                           |                   |                   |                                         |
| Tax collector salary                                    | \$ 18,500         | \$ 16,975         | \$ 17,000                               |
| General expenses                                        | 4,000             | 6,639             | 3,782                                   |
| Tax collector bond                                      | 500               | 539               | 539                                     |
| Per capita collection expense                           | 3,500             | -                 | 3,566                                   |
| <b>TOTAL TAX COLLECTION</b>                             | <b>\$ 26,500</b>  | <b>\$ 24,154</b>  | <b>\$ 24,887</b>                        |
| <b><u>SOLICITOR EXPENSES</u></b>                        |                   |                   |                                         |
| Professional services                                   | \$ 17,000         | \$ 23,282         | \$ 15,747                               |
| General expense                                         | 3,000             | 253               | 1,698                                   |
| <b>TOTAL SOLICITOR EXPENSES</b>                         | <b>\$ 20,000</b>  | <b>\$ 23,534</b>  | <b>\$ 17,444</b>                        |

**BOROUGH OF MONACA  
 DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                               | <u>BUDGET</u>     | <u>ACTUAL</u>     | <u>(MEMORANDUM ONLY)<br/>PRIOR YEAR</u> |
|-----------------------------------------------|-------------------|-------------------|-----------------------------------------|
| <b><u>GENERAL GOVERNMENT: (Continued)</u></b> |                   |                   |                                         |
| <b><u>AUDITOR EXPENSES:</u></b>               |                   |                   |                                         |
| Services rendered                             | \$ 8,000          | \$ 8,700          | \$ 8,150                                |
| <b>TOTAL AUDITOR EXPENSES</b>                 | <b>\$ 8,000</b>   | <b>\$ 8,700</b>   | <b>\$ 8,150</b>                         |
| <b><u>MUNICIPAL BUILDING:</u></b>             |                   |                   |                                         |
| Janitorial services                           | \$ 6,500          | \$ 6,849          | \$ 5,735                                |
| Telephone                                     | 9,000             | 9,519             | 10,379                                  |
| Utilities                                     | 14,000            | 18,361            | 14,118                                  |
| Janitorial supplies                           | 1,500             | 372               | 372                                     |
| Other                                         | -                 | 39                | -                                       |
| General expense                               | 10,000            | 9,352             | 9,054                                   |
| General repairs                               | 9,000             | 3,989             | 6,248                                   |
| <b>TOTAL MUNICIPAL BUILDING</b>               | <b>\$ 50,000</b>  | <b>\$ 48,481</b>  | <b>\$ 45,906</b>                        |
| <b>TOTAL GENERAL GOVERNMENT</b>               | <b>\$ 359,000</b> | <b>\$ 356,030</b> | <b>\$ 329,071</b>                       |
| <b><u>PUBLIC SAFETY:</u></b>                  |                   |                   |                                         |
| <b><u>POLICE PROTECTION:</u></b>              |                   |                   |                                         |
| Salaries and wages                            | \$ 470,100        | \$ 475,886        | \$ 431,650                              |
| Overtime                                      | 60,000            | 129,298           | 98,989                                  |
| Longevity                                     | 5,000             | 4,979             | 4,539                                   |
| Shift differential                            | 5,500             | -                 | -                                       |
| Court Time                                    | 90,000            | 96,458            | 95,642                                  |
| Part-time police                              | 102,300           | 71,290            | 107,503                                 |
| Telephone and electric                        | 8,000             | 8,105             | 8,305                                   |
| Schools and conferences                       | 2,000             | -                 | -                                       |
| Office supplies                               | 1,800             | 688               | 1,365                                   |
| Minor equipment                               | 9,000             | 9,916             | 8,623                                   |
| Office equipment                              | 10,000            | 9,337             | 7,411                                   |
| General expenses                              | 13,000            | 17,290            | 15,897                                  |
| Uniform allowance                             | 8,300             | 8,477             | 9,218                                   |
| Traffic signal maintenance                    | 2,000             | 3,261             | 1,782                                   |
| Radio maintenance                             | 1,000             | -                 | -                                       |
| Vehicle maintenance                           | 12,000            | 15,013            | 14,616                                  |
| Vehicle operating expenses                    | 13,500            | 17,906            | 15,882                                  |
| Dues, subscriptions & memberships             | 1,500             | 30                | 775                                     |
| Capital Improvements                          | 35,000            | -                 | 42,892                                  |
| Animal control                                | 2,000             | 1,350             | 550                                     |
| <b>TOTAL POLICE PROTECTION</b>                | <b>\$ 852,000</b> | <b>\$ 869,283</b> | <b>\$ 865,639</b>                       |

**BOROUGH OF MONACA  
 DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2018**

| <b><u>PUBLIC SAFETY: (Continued)</u></b>     | <b><u>BUDGET</u></b>       | <b><u>ACTUAL</u></b>       | <b><u>(MEMORANDUM ONLY)<br/>PRIOR YEAR</u></b> |
|----------------------------------------------|----------------------------|----------------------------|------------------------------------------------|
| <b><u>FIRE DEPARTMENT:</u></b>               |                            |                            |                                                |
| Fire marshal                                 | \$ 900                     | \$ 900                     | \$ 900                                         |
| Telephone                                    | 2,100                      | 2,195                      | 1,463                                          |
| Utilities                                    | 8,000                      | 8,511                      | 8,078                                          |
| Donations                                    | 12,000                     | 11,688                     | 9,524                                          |
| Minor equipment                              | 15,000                     | 14,598                     | 19,172                                         |
| General expenses                             | 2,000                      | 2,000                      | 711                                            |
| Vehicle maintenance                          | 15,000                     | 14,834                     | 15,787                                         |
| Vehicle operating expense                    | 7,000                      | 6,698                      | 5,911                                          |
| Building maintenance                         | 3,000                      | 3,601                      | 137                                            |
| Capital improvements                         | 105,000                    | -                          | -                                              |
| <b>TOTAL FIRE DEPARTMENT</b>                 | <b><u>\$ 170,000</u></b>   | <b><u>\$ 65,025</u></b>    | <b><u>\$ 61,739</u></b>                        |
| <b><u>BUILDING, PLANNING AND ZONING:</u></b> |                            |                            |                                                |
| Code enforcement officer                     | \$ 35,600                  | \$ 34,012                  | \$ 33,843                                      |
| Rental inspector wages                       | 6,000                      | 7,292                      | 4,066                                          |
| Overtime                                     | 1,000                      | -                          | 281                                            |
| General expenses                             | 1,500                      | 1,724                      | 914                                            |
| Vehicle operations                           | 1,000                      | 1,421                      | 320                                            |
| Professional Services                        | 20,000                     | 7,518                      | 9,300                                          |
| Board Services                               | 500                        | -                          | -                                              |
| Engineering Services                         | 3,000                      | 1,832                      | 2,313                                          |
| Permits/inspections                          | 16,000                     | 7,766                      | 8,468                                          |
| Codification Services                        | 4,000                      | 2,340                      | 2,785                                          |
| <b>TOTAL BUILDING PLANNING AND ZONING</b>    | <b><u>\$ 90,100</u></b>    | <b><u>\$ 63,905</u></b>    | <b><u>\$ 63,090</u></b>                        |
| <b><u>EMERGENCY MANAGEMENT:</u></b>          |                            |                            |                                                |
| Minor equipment                              | \$ 1,000                   | \$ 1,211                   | \$ -                                           |
| Hours                                        | 1,200                      | 1,200                      | 1,200                                          |
| General expenses                             | 1,000                      | 143                        | 63                                             |
| <b>TOTAL EMERGENCY MANAGEMENT</b>            | <b><u>\$ 3,200</u></b>     | <b><u>\$ 2,554</u></b>     | <b><u>\$ 1,263</u></b>                         |
| <b>TOTAL PUBLIC SAFETY</b>                   | <b><u>\$ 1,115,300</u></b> | <b><u>\$ 1,000,766</u></b> | <b><u>\$ 991,732</u></b>                       |

**BOROUGH OF MONACA  
 DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                       | <u>BUDGET</u>            | <u>ACTUAL</u>            | <u>(MEMORANDUM ONLY)<br/>PRIOR YEAR</u> |
|---------------------------------------|--------------------------|--------------------------|-----------------------------------------|
| <b><u>PUBLIC WORKS:</u></b>           |                          |                          |                                         |
| <b><u>SANITATION:</u></b>             |                          |                          |                                         |
| General Expense                       | \$ -                     | \$ 40                    | \$ -                                    |
| Contracted services                   | 400,000                  | 398,864                  | 384,601                                 |
| Recycling expenses                    | 5,000                    | 3,060                    | 333                                     |
| <b>TOTAL SANITATION</b>               | <b><u>\$ 405,000</u></b> | <b><u>\$ 401,964</u></b> | <b><u>\$ 384,934</u></b>                |
| <br>                                  |                          |                          |                                         |
| <b><u>HIGHWAYS:</u></b>               |                          |                          |                                         |
| Salaries and wages                    | \$ 250,000               | \$ 260,463               | \$ 211,392                              |
| Overtime                              | 25,000                   | 22,387                   | 23,649                                  |
| Office Supplies                       | 500                      | 916                      | 740                                     |
| Telephone                             | 1,200                    | 1,318                    | 1,047                                   |
| Utilities                             | 4,000                    | 5,305                    | 3,466                                   |
| General expenses                      | 12,000                   | 9,153                    | 11,243                                  |
| Uniform allowance                     | 1,500                    | 2,168                    | 2,025                                   |
| Small tools                           | 6,000                    | 4,683                    | 4,748                                   |
| Street maintenance                    | 30,000                   | 41,262                   | 31,703                                  |
| Street markings                       | 10,000                   | 4,568                    | 4,484                                   |
| Engineering                           | 9,000                    | 6,433                    | 10,409                                  |
| Radio maintenance                     | 300                      | -                        | -                                       |
| Vehicle maintenance                   | 22,000                   | 21,834                   | 26,412                                  |
| Vehicle operating expenses            | 10,000                   | 9,741                    | 8,031                                   |
| Storm sewer maintenance               | 40,000                   | 9,945                    | 18,117                                  |
| Building expense                      | 3,500                    | 10,523                   | 1,190                                   |
| Capital Improvement                   | 7,500                    | 9,299                    | -                                       |
| <b>TOTAL HIGHWAYS</b>                 | <b><u>\$ 432,500</u></b> | <b><u>\$ 419,996</u></b> | <b><u>\$ 358,656</u></b>                |
| <br>                                  |                          |                          |                                         |
| <b>TOTAL PUBLIC WORKS</b>             | <b><u>\$ 837,500</u></b> | <b><u>\$ 821,959</u></b> | <b><u>\$ 743,590</u></b>                |
| <br>                                  |                          |                          |                                         |
| <b><u>CULTURE AND RECREATION:</u></b> |                          |                          |                                         |
| <b><u>CIVIC CONTRIBUTIONS:</u></b>    |                          |                          |                                         |
| Civic contributions                   | \$ 25,000                | \$ 35,677                | \$ 27,588                               |
| CC building maintenance               | 25,000                   | 64,707                   | 79,003                                  |
| Town plaza                            | 8,000                    | 4,996                    | 4,747                                   |
| <b>TOTAL CIVIC CONTRIBUTIONS</b>      | <b><u>\$ 58,000</u></b>  | <b><u>\$ 105,379</u></b> | <b><u>\$ 111,338</u></b>                |
| <br>                                  |                          |                          |                                         |
| <b><u>RECREATION:</u></b>             |                          |                          |                                         |
| Recreation board                      | \$ 25,000                | \$ 23,396                | \$ 7,975                                |
| Capital improvements                  | 10,000                   | 9,907                    | 17,983                                  |
| Other                                 | -                        | 16                       | -                                       |
| Grounds maintenance                   | 20,000                   | 24,154                   | 16,852                                  |
| <b>TOTAL PARKS AND RECREATION</b>     | <b><u>\$ 55,000</u></b>  | <b><u>\$ 57,474</u></b>  | <b><u>\$ 42,810</u></b>                 |
| <br>                                  |                          |                          |                                         |
| <b>TOTAL CULTURE AND RECREATION</b>   | <b><u>\$ 113,000</u></b> | <b><u>\$ 162,852</u></b> | <b><u>\$ 154,148</u></b>                |

**BOROUGH OF MONACA  
 DETAIL SCHEDULE OF BUDGETED AND ACTUAL DISBURSEMENTS  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                                         | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>(MEMORANDUM ONLY)<br/>PRIOR YEAR</u> |
|---------------------------------------------------------|---------------------|---------------------|-----------------------------------------|
| <b><u>ECONOMIC DEVELOPMENT:</u></b>                     |                     |                     |                                         |
| General Expenses                                        | \$ -                | \$ 9,100            | \$ -                                    |
| Engineering Fees                                        | -                   | 270,182             | -                                       |
| <b>TOTAL ECONOMIC DEVELOPMENT</b>                       | <b>-</b>            | <b>279,282</b>      | <b>-</b>                                |
| <b><u>DEBT SERVICE:</u></b>                             |                     |                     |                                         |
| Debt principal                                          | \$ 306,000          | \$ 195,135          | \$ 196,667                              |
| Debt interest                                           | -                   | 60,348              | 58,528                                  |
| Police car principal                                    | -                   | 18,347              | 32,977                                  |
| Police car interest                                     | -                   | 454                 | 1,186                                   |
| Fiscal agent fees                                       | -                   | 500                 | 1,149                                   |
| <b>TOTAL DEBT SERVICE</b>                               | <b>\$ 306,000</b>   | <b>\$ 274,783</b>   | <b>\$ 290,507</b>                       |
| <b><u>INSURANCE AND BENEFITS:</u></b>                   |                     |                     |                                         |
| Insurance - multi-peril                                 | \$ 100,000          | \$ 87,363           | \$ 96,366                               |
| Workers compensation insurance                          | 85,000              | 97,062              | 110,985                                 |
| Miscellaneous expense                                   | -                   | 325                 | 14,323                                  |
| Contingency expenses                                    | 15,000              | -                   | 960                                     |
| Life insurance                                          | 13,000              | 11,322              | 10,294                                  |
| Hospitalization                                         | 335,000             | 376,571             | 331,914                                 |
| Pension                                                 | 132,000             | 146,600             | 169,128                                 |
| Social security                                         | 90,000              | 62,748              | 55,857                                  |
| Unemployment compensation                               | 10,000              | 6,532               | 10,531                                  |
| <b>TOTAL INSURANCE AND BENEFITS</b>                     | <b>\$ 780,000</b>   | <b>\$ 788,523</b>   | <b>\$ 800,358</b>                       |
| <b><u>OTHER FINANCING USES:</u></b>                     |                     |                     |                                         |
| Refund of Prior Year Receipts                           | \$ -                | \$ 4,200            | \$ -                                    |
| <b>TOTAL OTHER FINANCING USES</b>                       | <b>-</b>            | <b>4,200</b>        | <b>-</b>                                |
| <b>TOTAL DISBURSEMENTS AND OTHER<br/>FINANCING USES</b> | <b>\$ 3,510,800</b> | <b>\$ 3,688,396</b> | <b>\$ 3,309,405</b>                     |

**BOROUGH OF MONACA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                                | LIQUID<br>FUELS<br>FUND | FIRE<br>FUND      | WATER<br>AND<br>SEWER<br>CONTRACT<br>FUND | CAPITAL<br>PROJECT<br>FUND | FIRE<br>TRUCK<br>FUND | PLAYGROUND<br>EQUIPMENT<br>FUND | POLICE<br>NARCOTICS<br>FUND | CANINE<br>FUND  | TOYS FOR<br>TOTS FUND | 175TH<br>CELEBRATION<br>FUND | LIGHT UP<br>NIGHT<br>FUND | POLICE<br>OFFICERS<br>ASSOC.<br>FUND | FALL<br>FESTIVAL<br>FUND | TOTAL<br>NON-<br>MAJOR<br>GOVERN.<br>FUNDS |
|------------------------------------------------|-------------------------|-------------------|-------------------------------------------|----------------------------|-----------------------|---------------------------------|-----------------------------|-----------------|-----------------------|------------------------------|---------------------------|--------------------------------------|--------------------------|--------------------------------------------|
| <b>ASSETS:</b>                                 |                         |                   |                                           |                            |                       |                                 |                             |                 |                       |                              |                           |                                      |                          |                                            |
| Cash and Cash Equivalents                      | \$ 208,929              | \$ 175,657        | \$ 27,074                                 | \$ 19,437                  | \$ 8,609              | \$ 7,441                        | \$ 2,448                    | \$ 3,815        | \$ 125                | \$ 2,287                     | \$ 185                    | \$ 6,921                             | \$ 2,358                 | \$ 465,286                                 |
| <b>TOTAL ASSETS</b>                            | <b>\$ 208,929</b>       | <b>\$ 175,657</b> | <b>\$ 27,074</b>                          | <b>\$ 19,437</b>           | <b>\$ 8,609</b>       | <b>\$ 7,441</b>                 | <b>\$ 2,448</b>             | <b>\$ 3,815</b> | <b>\$ 125</b>         | <b>\$ 2,287</b>              | <b>\$ 185</b>             | <b>\$ 6,921</b>                      | <b>\$ 2,358</b>          | <b>\$ 465,286</b>                          |
| <b>LIABILITIES AND FUND BALANCES:</b>          |                         |                   |                                           |                            |                       |                                 |                             |                 |                       |                              |                           |                                      |                          |                                            |
| <b>LIABILITIES:</b>                            |                         |                   |                                           |                            |                       |                                 |                             |                 |                       |                              |                           |                                      |                          |                                            |
| Unearned Revenue                               | \$ -                    | \$ -              | \$ -                                      | \$ -                       | \$ -                  | \$ 12,104                       | \$ -                        | \$ -            | \$ -                  | \$ -                         | \$ -                      | \$ -                                 | \$ -                     | \$ 12,104                                  |
| <b>TOTAL LIABILITIES</b>                       | <b>\$ -</b>             | <b>\$ -</b>       | <b>\$ -</b>                               | <b>\$ -</b>                | <b>\$ -</b>           | <b>\$ 12,104</b>                | <b>\$ -</b>                 | <b>\$ -</b>     | <b>\$ -</b>           | <b>\$ -</b>                  | <b>\$ -</b>               | <b>\$ -</b>                          | <b>\$ -</b>              | <b>\$ 12,104</b>                           |
| <b>FUND BALANCES:</b>                          |                         |                   |                                           |                            |                       |                                 |                             |                 |                       |                              |                           |                                      |                          |                                            |
| Restricted                                     | \$ 208,929              | \$ -              | \$ -                                      | \$ -                       | \$ -                  | \$ -                            | \$ -                        | \$ -            | \$ -                  | \$ -                         | \$ -                      | \$ -                                 | \$ -                     | \$ 208,929                                 |
| Assigned                                       | -                       | 175,657           | 27,074                                    | 19,437                     | 8,609                 | (4,663)                         | 2,448                       | 3,815           | 125                   | 2,287                        | 185                       | 6,921                                | 2,358                    | 244,253                                    |
| <b>TOTAL FUND BALANCES</b>                     | <b>\$ 208,929</b>       | <b>\$ 175,657</b> | <b>\$ 27,074</b>                          | <b>\$ 19,437</b>           | <b>\$ 8,609</b>       | <b>\$ (4,663)</b>               | <b>\$ 2,448</b>             | <b>\$ 3,815</b> | <b>\$ 125</b>         | <b>\$ 2,287</b>              | <b>\$ 185</b>             | <b>\$ 6,921</b>                      | <b>\$ 2,358</b>          | <b>\$ 453,182</b>                          |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 208,929</b>       | <b>\$ 175,657</b> | <b>\$ 27,074</b>                          | <b>\$ 19,437</b>           | <b>\$ 8,609</b>       | <b>\$ 7,441</b>                 | <b>\$ 2,448</b>             | <b>\$ 3,815</b> | <b>\$ 125</b>         | <b>\$ 2,287</b>              | <b>\$ 185</b>             | <b>\$ 6,921</b>                      | <b>\$ 2,358</b>          | <b>\$ 465,286</b>                          |

**BOROUGH OF MONACA**  
**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES**  
**IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                                    | LIQUID<br>FUELS FUND | FIRE<br>FUND      | WATER<br>AND SEWER<br>CONTRACT<br>FUND | CAPITAL<br>PROJECT<br>FUND | FIRE<br>TRUCK<br>FUND | PLAYGROUND<br>EQUIPMENT<br>FUND | POLICE<br>NARC.<br>FUND | CANINE<br>FUND  | TOYS FOR<br>TOTS<br>FUND | 175TH<br>CELEBRATION<br>FUND | LIGHT UP<br>NIGHT<br>FUND | POLICE<br>OFFICERS<br>ASSOC.<br>FUND | FALL<br>FESTIVAL<br>FUND | TOTAL             |
|----------------------------------------------------|----------------------|-------------------|----------------------------------------|----------------------------|-----------------------|---------------------------------|-------------------------|-----------------|--------------------------|------------------------------|---------------------------|--------------------------------------|--------------------------|-------------------|
| <b>REVENUES:</b>                                   |                      |                   |                                        |                            |                       |                                 |                         |                 |                          |                              |                           |                                      |                          |                   |
| Real Estate Taxes                                  | \$ -                 | \$ 92,089         | \$ -                                   | \$ -                       | \$ -                  | \$ -                            | \$ -                    | \$ -            | \$ -                     | \$ -                         | \$ -                      | \$ -                                 | \$ -                     | \$ 92,089         |
| Intergovernmental                                  | 197,495              | -                 | -                                      | -                          | -                     | -                               | -                       | -               | -                        | -                            | -                         | -                                    | -                        | 197,495           |
| Donations                                          | -                    | -                 | -                                      | -                          | -                     | -                               | -                       | 1,000           | 4,590                    | -                            | -                         | -                                    | -                        | 5,590             |
| Interest                                           | 2,165                | 319               | -                                      | 224                        | 73                    | 63                              | -                       | -               | -                        | -                            | -                         | -                                    | -                        | 2,844             |
| Water and Sewer Deposits                           | -                    | -                 | 10,956                                 | -                          | -                     | -                               | -                       | -               | -                        | -                            | -                         | -                                    | -                        | 10,956            |
| Miscellaneous                                      | -                    | -                 | -                                      | -                          | -                     | -                               | 274                     | -               | -                        | -                            | -                         | 4,569                                | -                        | 4,843             |
| <b>TOTAL REVENUES</b>                              | <b>\$ 199,660</b>    | <b>\$ 92,408</b>  | <b>\$ 10,956</b>                       | <b>\$ 224</b>              | <b>\$ 73</b>          | <b>\$ 63</b>                    | <b>\$ 274</b>           | <b>\$ 1,000</b> | <b>\$ 4,590</b>          | <b>\$ -</b>                  | <b>\$ -</b>               | <b>\$ 4,569</b>                      | <b>\$ -</b>              | <b>\$ 313,817</b> |
| <b>OTHER FINANCING SOURCES:</b>                    |                      |                   |                                        |                            |                       |                                 |                         |                 |                          |                              |                           |                                      |                          |                   |
| Refund of Prior Year Expenses                      | \$ -                 | \$ -              | \$ -                                   | \$ -                       | \$ -                  | \$ 4,200                        | \$ -                    | \$ -            | \$ -                     | \$ -                         | \$ -                      | \$ -                                 | \$ -                     | \$ 4,200          |
| <b>TOTAL OTHER FINANCING SOURCES</b>               | <b>\$ -</b>          | <b>\$ -</b>       | <b>\$ -</b>                            | <b>\$ -</b>                | <b>\$ -</b>           | <b>\$ 4,200</b>                 | <b>\$ -</b>             | <b>\$ -</b>     | <b>\$ -</b>              | <b>\$ -</b>                  | <b>\$ -</b>               | <b>\$ -</b>                          | <b>\$ -</b>              | <b>\$ 4,200</b>   |
| <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>  | <b>\$ 199,660</b>    | <b>\$ 92,408</b>  | <b>\$ 10,956</b>                       | <b>\$ 224</b>              | <b>\$ 73</b>          | <b>\$ 4,263</b>                 | <b>\$ 274</b>           | <b>\$ 1,000</b> | <b>\$ 4,590</b>          | <b>\$ -</b>                  | <b>\$ -</b>               | <b>\$ 4,569</b>                      | <b>\$ -</b>              | <b>\$ 318,017</b> |
| <b>EXPENDITURES:</b>                               |                      |                   |                                        |                            |                       |                                 |                         |                 |                          |                              |                           |                                      |                          |                   |
| General Government                                 | \$ -                 | \$ 1,227          | \$ -                                   | \$ -                       | \$ -                  | \$ -                            | \$ -                    | \$ -            | \$ -                     | \$ -                         | \$ -                      | \$ -                                 | \$ -                     | \$ 1,227          |
| Public Safety                                      | -                    | 11,480            | -                                      | -                          | -                     | -                               | 1,987                   | 1,108           | 4,570                    | -                            | -                         | 7,029                                | -                        | 26,174            |
| Public Works                                       | 154,748              | -                 | -                                      | -                          | -                     | -                               | -                       | -               | -                        | -                            | -                         | -                                    | -                        | 154,748           |
| Capital Outlay                                     | -                    | -                 | -                                      | 56,268                     | -                     | -                               | -                       | -               | -                        | -                            | -                         | -                                    | -                        | 56,268            |
| Refunds                                            | -                    | -                 | 14,758                                 | -                          | -                     | -                               | -                       | -               | -                        | -                            | -                         | -                                    | -                        | 14,758            |
| <b>TOTAL EXPENDITURES</b>                          | <b>\$ 154,748</b>    | <b>\$ 12,707</b>  | <b>\$ 14,758</b>                       | <b>\$ 56,268</b>           | <b>\$ -</b>           | <b>\$ -</b>                     | <b>\$ 1,987</b>         | <b>\$ 1,108</b> | <b>\$ 4,570</b>          | <b>\$ -</b>                  | <b>\$ -</b>               | <b>\$ 7,029</b>                      | <b>\$ -</b>              | <b>\$ 253,175</b> |
| <b>OTHER FINANCING USES:</b>                       |                      |                   |                                        |                            |                       |                                 |                         |                 |                          |                              |                           |                                      |                          |                   |
| Interfund transfers                                | \$ -                 | \$ -              | \$ -                                   | \$ -                       | \$ -                  | \$ -                            | \$ -                    | \$ -            | \$ -                     | \$ -                         | \$ -                      | \$ -                                 | \$ -                     | \$ -              |
| <b>TOTAL OTHER FINANCING USES</b>                  | <b>\$ -</b>          | <b>\$ -</b>       | <b>\$ -</b>                            | <b>\$ -</b>                | <b>\$ -</b>           | <b>\$ -</b>                     | <b>\$ -</b>             | <b>\$ -</b>     | <b>\$ -</b>              | <b>\$ -</b>                  | <b>\$ -</b>               | <b>\$ -</b>                          | <b>\$ -</b>              | <b>\$ -</b>       |
| <b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b> | <b>\$ 154,748</b>    | <b>\$ 12,707</b>  | <b>\$ 14,758</b>                       | <b>\$ 56,268</b>           | <b>\$ -</b>           | <b>\$ -</b>                     | <b>\$ 1,987</b>         | <b>\$ 1,108</b> | <b>\$ 4,570</b>          | <b>\$ -</b>                  | <b>\$ -</b>               | <b>\$ 7,029</b>                      | <b>\$ -</b>              | <b>\$ 253,175</b> |
| EXCESS REVENUES OVER (UNDER) EXPENDITURES          | \$ 44,912            | \$ 79,701         | \$ (3,802)                             | \$ (56,044)                | \$ 73                 | \$ 4,263                        | \$ (1,713)              | \$ (108)        | \$ 20                    | \$ -                         | \$ -                      | \$ (2,460)                           | \$ -                     | \$ 64,842         |
| FUND BALANCE - January 1, 2018                     | 164,017              | 95,956            | 30,876                                 | 75,481                     | 8,536                 | (8,926)                         | 4,161                   | 3,923           | 105                      | 2,287                        | 185                       | 9,381                                | 2,358                    | 388,340           |
| <b>FUND BALANCE - December 31, 2018 (Deficit)</b>  | <b>\$ 208,929</b>    | <b>\$ 175,657</b> | <b>\$ 27,074</b>                       | <b>\$ 19,437</b>           | <b>\$ 8,609</b>       | <b>\$ (4,663)</b>               | <b>\$ 2,448</b>         | <b>\$ 3,815</b> | <b>\$ 125</b>            | <b>\$ 2,287</b>              | <b>\$ 185</b>             | <b>\$ 6,921</b>                      | <b>\$ 2,358</b>          | <b>\$ 453,182</b> |

**BOROUGH OF MONACA**  
**STATEMENT OF BUDGET VS. ACTUAL - SEWER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                                      | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>VARIANCE</u>     |
|------------------------------------------------------|---------------------|---------------------|---------------------|
| <b><u>OPERATING REVENUES:</u></b>                    |                     |                     |                     |
| Residential                                          | \$ 925,000          | \$ 939,148          | \$ 14,148           |
| Industrial                                           | 130,000             | 100,897             | (29,103)            |
| Plant Intake                                         | 124,000             | 95,935              | (28,065)            |
| Sewer Taps                                           | 10,000              | 5,000               | (5,000)             |
| Miscellaneous                                        | 1,000               | 83                  | (917)               |
| Other Charges for Services                           | -                   | 4,028               | 4,028               |
| <b>Total Operating Revenues</b>                      | <b>\$ 1,190,000</b> | <b>\$ 1,145,091</b> | <b>\$ (44,909)</b>  |
| <b><u>OPERATING EXPENSES:</u></b>                    |                     |                     |                     |
| Salaries and wages                                   | \$ 200,000          | \$ 180,729          | \$ 19,271           |
| Overtime                                             | 10,000              | 11,461              | (1,461)             |
| Small tools/minor equipment                          | 5,000               | 4,576               | 424                 |
| Engineering fees                                     | 24,000              | 28,401              | (4,401)             |
| Telephone                                            | 1,000               | 518                 | 482                 |
| Utilities                                            | 75,000              | 78,008              | (3,008)             |
| Office supplies                                      | 2,000               | 3,051               | (1,051)             |
| Lab supplies                                         | 8,000               | 8,478               | (478)               |
| Office equipment/maintenance                         | 6,000               | 2,837               | 3,163               |
| General expenses                                     | 7,000               | 7,537               | (537)               |
| Uniform allowance                                    | 1,000               | 1,159               | (159)               |
| Sludge removal                                       | 45,000              | 33,841              | 11,159              |
| Chemicals                                            | 17,000              | 20,834              | (3,834)             |
| Permits/certifications                               | 7,000               | 7,385               | (385)               |
| Analytical testing                                   | 20,000              | 27,823              | (7,823)             |
| Advertising                                          | 2,500               | 4,423               | (1,923)             |
| Sanitary maintenance                                 | 90,000              | 18,606              | 71,394              |
| Vehicle operation                                    | 1,000               | 840                 | 160                 |
| Plant maintenance                                    | 30,000              | 34,497              | (4,497)             |
| Vehicle maintenance                                  | 2,000               | 257                 | 1,743               |
| Schools and conferences                              | 1,500               | 1,112               | 388                 |
| Depreciation                                         | -                   | 167,174             | (167,174)           |
| Capital improvements                                 | 50,000              | -                   | 50,000              |
| <b>Total Operating Expenses</b>                      | <b>\$ 605,000</b>   | <b>\$ 643,547</b>   | <b>\$ (38,547)</b>  |
| <b>TOTAL OPERATING INCOME</b>                        | <b>\$ 585,000</b>   | <b>\$ 501,544</b>   | <b>\$ (83,456)</b>  |
| <b><u>NON-OPERATING REVENUE &lt;EXPENSE&gt;:</u></b> |                     |                     |                     |
| Interest income                                      | \$ -                | \$ 35,156           | \$ 35,156           |
| Interest expense                                     | (385,000)           | (109,073)           | 275,927             |
| <b>TOTAL NON-OPERATING REVENUE &lt;EXPENSE&gt;</b>   | <b>\$ (385,000)</b> | <b>\$ (73,917)</b>  | <b>\$ 311,083</b>   |
| <b><u>OTHER FINANCING &lt;USES&gt; SOURCES:</u></b>  |                     |                     |                     |
| Transfers out                                        | \$ (200,000)        | \$ (200,000)        | \$ -                |
| Refund of prior year receipts                        | -                   | (16,549)            | (16,549)            |
| <b>TOTAL OTHER FINANCING USES</b>                    | <b>\$ (200,000)</b> | <b>\$ (216,549)</b> | <b>\$ (16,549)</b>  |
| <b>CHANGE IN NET POSITION</b>                        | <b>\$ -</b>         | <b>\$ 211,078</b>   | <b>\$ 211,078</b>   |
| NET POSITION - JANUARY 1, 2018                       | -                   | 1,420,668           | 1,420,668           |
| <b>NET POSITION - DECEMBER 31, 2018</b>              | <b>\$ -</b>         | <b>\$ 1,631,746</b> | <b>\$ 1,631,746</b> |

**BOROUGH OF MONACA**  
**STATEMENT OF BUDGET VS. ACTUAL - WATER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                                      | <u>BUDGET</u>              | <u>ACTUAL</u>              | <u>VARIANCE</u>            |
|------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| <b><u>OPERATING REVENUES:</u></b>                    |                            |                            |                            |
| Residential                                          | \$ 1,150,000               | \$ 1,180,400               | \$ 30,400                  |
| Industrial                                           | 230,000                    | 195,222                    | (34,778)                   |
| Water Taps                                           | 10,000                     | 5,000                      | (5,000)                    |
| Miscellaneous                                        | 40,000                     | 31,792                     | (8,208)                    |
| <b>Total Operating Revenues</b>                      | <b><u>\$ 1,430,000</u></b> | <b><u>\$ 1,412,414</u></b> | <b><u>\$ (17,586)</u></b>  |
| <b><u>OPERATING EXPENSES:</u></b>                    |                            |                            |                            |
| Wages                                                | \$ 200,000                 | \$ 178,763                 | \$ 21,237                  |
| Overtime                                             | 38,000                     | 31,499                     | 6,501                      |
| Equipment maintenance                                | 6,000                      | 6,269                      | (269)                      |
| Small tools/minor equipment                          | 6,000                      | 6,990                      | (990)                      |
| Engineering fees                                     | 36,000                     | 42,473                     | (6,473)                    |
| Telephone/GPS                                        | 5,000                      | 2,572                      | 2,428                      |
| Schools and conferences                              | 2,000                      | 893                        | 1,107                      |
| Advertising                                          | 3,000                      | 1,051                      | 1,949                      |
| Utilities                                            | 72,000                     | 68,627                     | 3,373                      |
| Office supplies                                      | 1,500                      | 1,897                      | (397)                      |
| Lab supplies                                         | 500                        | 92                         | 408                        |
| General                                              | 8,000                      | 8,802                      | (802)                      |
| Uniform allowance                                    | 1,000                      | 1,167                      | (167)                      |
| Chemicals                                            | 3,000                      | 878                        | 2,122                      |
| Vehicle maintenance                                  | 6,000                      | 2,802                      | 3,198                      |
| Vehicle operating                                    | 10,000                     | 4,926                      | 5,074                      |
| Grounds maintenance                                  | 12,000                     | 12,954                     | (954)                      |
| Building maintenance                                 | 8,000                      | 4,118                      | 3,882                      |
| Pumping equipment & maintenance                      | 50,000                     | 64,737                     | (14,737)                   |
| Water dist. Maintenance                              | 45,000                     | 51,808                     | (6,808)                    |
| Permits/Certifications                               | 1,400                      | 460                        | 940                        |
| Anlytical testing                                    | 6,000                      | 5,274                      | 726                        |
| Capital improvements                                 | 40,000                     | -                          | -                          |
| Depreciation                                         | -                          | 427,995                    | (427,995)                  |
| <b>Total Operating Expenses</b>                      | <b><u>\$ 560,400</u></b>   | <b><u>\$ 927,047</u></b>   | <b><u>\$ (406,647)</u></b> |
| <b>TOTAL OPERATING INCOME</b>                        | <b><u>\$ 869,600</u></b>   | <b><u>\$ 485,367</u></b>   | <b><u>\$ (424,233)</u></b> |
| <b><u>NON-OPERATING REVENUE &lt;EXPENSE&gt;:</u></b> |                            |                            |                            |
| Interest income                                      | \$ -                       | \$ 29,476                  | \$ 29,476                  |
| Interest expense                                     | (709,600)                  | (184,856)                  | 524,744                    |
| <b>TOTAL NON-OPERATING REVENUE &lt;EXPENSE&gt;</b>   | <b><u>\$ (709,600)</u></b> | <b><u>\$ (155,380)</u></b> | <b><u>\$ 554,220</u></b>   |
| <b><u>OTHER FINANCING &lt;USES&gt; SOURCES:</u></b>  |                            |                            |                            |
| Transfers out                                        | \$ (160,000)               | \$ (160,000)               | \$ -                       |
| <b>TOTAL OTHER FINANCING USES</b>                    | <b><u>\$ (160,000)</u></b> | <b><u>\$ (160,000)</u></b> | <b><u>\$ -</u></b>         |
| <b>CHANGE IN NET POSITION</b>                        | <b>\$ -</b>                | <b>\$ 169,987</b>          | <b>\$ 169,987</b>          |
| NET POSITION - JANUARY 1, 2018                       | -                          | 2,522,667                  | 2,522,667                  |
| <b>NET POSITION - DECEMBER 31, 2018</b>              | <b><u>\$ -</u></b>         | <b><u>\$ 2,692,654</u></b> | <b><u>\$ 2,692,654</u></b> |