



## 2017 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

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

City of: \_\_\_\_\_ County: \_\_\_\_\_

Borough of: New Britain County: Bucks

Township of: \_\_\_\_\_ County: \_\_\_\_\_

Municipality of: \_\_\_\_\_ County: \_\_\_\_\_

### Section I – Introduction

#### Statutory Requirements

- State law, under the provisions of the Borough Code, First Class Township Code and Second Class Township Code, requires that either the borough controller, elected auditors or appointed auditors file an Annual Audit and Financial Report.
- State law, under the provisions of the Third Class City Code, requires a city's Director of Accounts and Finance to file an Annual Audit and Financial Report.
- The state's Administrative Code requires home rule municipalities to file an Annual Audit and Financial Report.
- The Annual Audit and Financial Report forms, supplied by the Pennsylvania Department of Community and Economic Development (DCED), were developed and approved by a Uniform Forms Committee composed of representatives of the respective municipal associations.
- Form DCED-CLGS-30 (See Section IV) is the form adopted by the Committee for use by all municipalities in Pennsylvania to fulfill their statutory reporting requirements.

#### One Form

All municipalities are required to submit forms electronically to the DCED. The online form contains the same categories as in previous years: assets, liabilities, revenues and expenditures. Enter data only for those funds that your municipality uses. Leave the remaining columns blank. The online form will automatically calculate the amounts in the "Total" column.

#### Submitting the Report

- File one copy by the designated date at each of the places listed on page 9.
- DO NOT submit a paper copy of this report to the DCED. Reports must be submitted online at: [munstats.pa.gov/forms](http://munstats.pa.gov/forms) (Please see the e-filing instructions on page 7.)
- The online system will automatically round all figures to the nearest whole dollar. The system will also add all rows and columns, following basic accounting principles.
- Appointed independent auditors should attach their own opinion in the "Final Review" step of the online form. Additionally, appointed independent auditors should place a checkmark in Section II at the bottom of the "Final Review" step, then choose the "Appointed Auditor/CPA" title from the dropdown and provide a name and contact number in order to submit the form online.
- Elected controllers should place a checkmark in the box in Section I at the bottom of the "Final Review" step of the online form, then choose the "Controller" title from the dropdown and provide a name and contact number in order to submit the form online.
- Elected Auditors must place a check mark in the box in Section 1 of the "Final Review" step of the online form, then choose the "Elected Auditor" title from the dropdown and provide the name and phone number for at least 2 of the 3 elected auditors. If you appointed an auditor to fill an elected auditor position, please choose the "Elected Auditor" title, not the "Appointed Auditor/CPA" title when submitting online.
- If you need assistance or have any questions when completing this report, please contact the Governor's Center for Local Government Services (GCLGS) toll-free at 888-223-6837.

# **BALANCE SHEET**

December 31, 2017

## **Governmental Funds**

### **Assets and Other Debits**

	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
100-120 Cash and Investments	1,003,889	54,651	2,492	
140-144 Tax Receivable				
121-129				
145-149 Accounts Receivable (excluding taxes)				
130 Due From Other Funds	41,940			
150-159 Other Current Assets				
160-169 Fixed Assets				
180-199 Other Debits				
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 1,045,829</b>	<b>\$ 54,651</b>	<b>\$ 2,492</b>	<b>\$ -</b>

### **Liabilities and Other Credits**

210-229 Payroll Taxes & Other Payroll Withholdings				
200-209				
231-239 All Other Current Liabilities				
230 Due To Other Funds	74,047	149		
260-269 Long Term Liabilities				
240-259 Current Portion of Long-Term Debt & Other Credits				
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$ 74,047</b>	<b>\$ 149</b>	<b>\$ -</b>	<b>\$ -</b>

### **Fund and Account Group Equity**

281-284 Contributed Capital				
290 Investment in General Fixed Assets				
271-289 Fund Balance/Retained Earnings 12/31	185,628	54,502	2,492	
291-299 Other Equity	786,154			
<b>TOTAL FUND AND ACCOUNT GROUP EQUITY</b>	<b>\$ 971,782</b>	<b>\$ 54,502</b>	<b>\$ 2,492</b>	<b>\$ -</b>

Total Assets and Other Debits minus Total Liabilities and Other Credits must equal the Total Fund and Account Group Equity

2017 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT/BALANCE SHEET

	Proprietary Funds		Fiduciary Funds	Account Groups		Total
	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	Gov. Long Term Debt	Memorandum Only
<b>Assets and Other Debits</b>						
100-120 Cash and Investments			102,059			1,163,091
140-144 Tax Receivable						0
121-129						
145-149 Accounts Receivable (excluding taxes)						0
130 Due From Other Funds			32,256			74,196
150-159 Other Current Assets			4,846			4,846
160-169 Fixed Assets				1,939,235		1,939,235
180-199 Other Debits					50,000	50,000
<b>TOTAL ASSETS AND OTHER DEBITS</b>	\$ -	\$ -	\$ 139,161	\$ 1,939,235	\$ 50,000	\$ 3,231,368

<b>Liabilities and Other Credits</b>						
210-229 Payroll Taxes & Other Payroll Withholdings						0
200-209						
231-239 All Other Current Liabilities			37,102			37,102
230 Due To Other Funds						74,196
260-269 Long Term Liabilities					50,000	50,000
240-259 Current Portion of Long-Term Debt & Other Credits						0
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	\$ -	\$ -	\$ 37,102	\$ -	\$ 50,000	\$ 161,298

<b>Fund and Account Group Equity</b>						
261-264 Contributed Capital						0
290 Investment in General Fixed Assets				1,939,235		1,939,235
271-289 Fund Balance/Retained Earnings 12/31			102,059			344,681
291-299 Other Equity						786,154
<b>TOTAL FUND AND ACCOUNT GROUP EQUITY</b>	\$ -	\$ -	\$ 102,059	\$ 1,939,235	\$ -	\$ 3,070,070

<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>						<b>\$ 3,231,368</b>
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Total Assets and Other Debits minus Total Liabilities and Other Credits must equal the Total Fund and Account Group Equity

## STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

REVENUES		Governmental Funds			
TAXES		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
301.00	Real Estate Taxes	814,143	82,417		
305.00	Occupation Taxes/Levied Under Municipal Code				
308.00	Residence taxes/Levied By Cities of the 3rd Class				
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)				
310.00	Per Capita Taxes				
310.10	Real Estate Transfer Taxes	86,044			
310.20	Earned Income Taxes/Wage Taxes	378,613			
310.30	Mercantile Taxes				
310.40	Occupation Taxes/Act 511				
310.50	Local Services Tax	44,453	44,454		
310.60	Amusement/Admission Taxes				
310.70	Mechanical Device Taxes				
310.90	Other Local Tax Enabling Act/Act 511/Taxes				
TOTAL TAXES		\$ 1,323,253	\$ 126,871	\$ -	\$ -

## Licenses and Permits

320-322	All Other Licenses and Permits	1,099			
321.80	Cable Television Franchise Fees	60,574			
TOTAL LICENSES AND PERMITS		\$ 61,673	\$ -	\$ -	\$ -

## Fines and Forfeits

330-332	Fines and Forfeits	12,431			
TOTAL FINES & FORFEITS		\$ 12,431	\$ -	\$ -	\$ -

## Interest, Rents, and Royalties

341.00	Interest Earnings	10,755	357	15	
342.00	Rents and Royalties	19,430			
TOTAL INTEREST, RENTS, AND ROYALTIES		\$ 30,185	\$ 357	\$ 15	\$ -

\*\* This tax was known as the Occupational Privilege Tax (OPT) prior to 2005 and the Emergency and Municipal Services Tax prior to 2008.

REVENUES		Proprietary Funds		Fiduciary Fund Type	Total
TAXES		Enterprise	Internal Service	Trust and Agency	Memorandum Only
301.00	Real Estate Taxes				896,580
305.00	Occupation Taxes/Levied Under Municipal Code				0
308.00	Residence taxes/Levied By Cities of the 3rd Class				0
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)				0
310.00	Per Capita Taxes				0
310.10	Real Estate Transfer Taxes				88,044
310.20	Earned Income Taxes/Wage Taxes				378,613
310.30	Mercantile Taxes				0
310.40	Occupation Taxes/Act 511				0
310.50	Local Services Tax				88,907
310.60	Amusement/Admission Taxes				0
310.70	Mechanical Device Taxes				0
310.90	Other Local Tax Enabling Act/Act 511/Taxes				0
					0
					0
					0
TOTAL TAXES		\$ -	\$ -	\$ -	\$ 1,450,124

## Licenses and Permits

320-322	All Other Licenses and Permits				1,099
321.80	Cable Television Franchise Fees				60,574
TOTAL LICENSES AND PERMITS		\$ -	\$ -	\$ -	\$ 61,673

## Fines and Forfeits

330-332	Fines and Forfeits				12,431
TOTAL FINES & FORFEITS		\$ -	\$ -	\$ -	\$ 12,431

## Interest, Rents, and Royalties

341.00	Interest Earnings			11,368	22,495
342.00	Rents and Royalties				19,430
TOTAL INTEREST, RENTS, AND ROYALTIES		\$ -	\$ -	\$ 11,368	\$ 41,925

\*\* This tax was known as the Occupational Privilege Tax (OPT) prior to 2005 and the Emergency and Municipal Services Tax prior to 2008.



INTERGOVERNMENTAL REVENUES		Governmental Funds			
Federal		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
351.03	Highways & Streets				
351.09	Community Development				
351.00	All Other Federal Capital and Operating Grants				
352.01	National Forest				
352.00	All Other Federal Shared Revenue and Entitlements				
353.00	Federal Payments in Lieu of Taxes				
<b>Total Federal</b>		\$ -	\$ -	\$ -	\$ -

State		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
354.03	Highways & Streets				
354.09	Community Development				
354.15	Recycling/Act 101	5,434			
354.00	All Other State Capital and Operating Grants				
355.01	Public Utility Realty Tax (PURTA)	1,475			
355.02-	Motor Vehicle Fuel Tax				
355.03	(Liquid Fuels Tax) and State Road Turnback		84,749		
355.04	Alcoholic Beverage Licenses	200			
355.05	General Municipal Pension System State Aid				
355.07	Foreign Fire Insurance Revenue		21,374		
355.08	Local Share Assessment/Gaming Proceeds				
355.00	All Other State Shared Revenues & Entitlements				
356.00	State Payments in Lieu of Taxes				
<b>Total State</b>		\$ 7,109	\$ 106,123	\$ -	\$ -

Local Governmental Units		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
357.03	Highways & Streets				
357.00	All Other Local Governmental Units Capital and Operating Grants	10,553	642		
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services				
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes				
<b>Total Local Government Units</b>		\$ 10,553	\$ 642	\$ -	\$ -

2017 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT/STATEMENT OF REVENUES AND EXPENDITURES

INTERGOVERNMENTAL REVENUES		Proprietary Funds		Fiduciary Fund Type	Total
Federal		Enterprise	Internal Service	Trust and Agency	Memorandum Only
351.03	Highways & Streets				0
351.09	Community Development				0
351.00	All Other Federal Capital and Operating Grants				0
352.01	National Forest				0
352.00	All Other Federal Shared Revenue and Entitlements				0
353.00	Federal Payments in Lieu of Taxes				0
<b>Total Federal</b>		\$ -	\$ -	\$ -	\$ -

<b>State</b>					
354.03	Highways & Streets				0
354.09	Community Development				0
354.15	Recycling/Act 101				5,434
354.00	All Other State Capital and Operating Grants				0
355.01	Public Utility Realty Tax (PURTA)				1,475
355.02-	355.03 Motor Vehicle Fuel Tax				
355.03	(Liquid Fuels Tax) and State Road Turnback				84,749
355.04	Alcoholic Beverage Licenses				200
355.05	General Municipal Pension System State Aid			9,177	9,177
355.07	Foreign Fire Insurance Revenue				21,374
355.08	Local Share Assessment/Gaming Proceeds				0
355.00	All Other State Shared Revenues & Entitlements				0
356.00	State Payments in Lieu of Taxes				0
<b>Total State</b>		\$ -	\$ -	\$ 9,177	\$ 122,409

<b>Local Governmental Units</b>					
357.03	Highways & Streets				0
357.00	All Other Local Governmental Units Capital and Operating Grants				11,195
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services				0
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes				0
<b>Total Local Government Units</b>		\$ -	\$ -	\$ -	\$ 11,195

<b>Total Intergovernmental Revenues</b>	\$ 133,604
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REVENUES		Governmental Funds			
CHARGES FOR SERVICE		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
361.00	General Government	22,314			
362.00	Public Safety	27,440			
363.20	Parking				
363.00	All Other Charges for Highway & Streets Services				
364.10	Wastewater/Sewage Charges				
364.30	Solid Waste Collection & Disposal Charge (trash)				
364.60	Host Municipality Benefit Fee for Solid Waste Facility				
364.00	All Other Charges for Sanitation Services				
365.00	Health				
366.00	Human Services				
367.00	Culture and Recreation	72,197			
368.00	Airports				
369.00	Bars				
370.00	Cemeteries				
372.00	Electric System				
373.00	Gas System				
374.00	Housing System				
375.00	Markets				
377.00	Transit Systems				
378.00	Water Systems				
379.00	All Other Charges for Service				
TOTAL CHARGES FOR SERVICE		\$ 121,951	\$ -	\$ -	\$ -

#### UNCLASSIFIED OPERATING REVENUES

383.00	Special Assessments				
386.00	Escheats (sale of personal property)				
387.00	Contributions & Donations from Private Sectors	5,837	50		
388.00	Fiduciary Fund Pension Contributions				
389.00	All Other Unclassified Operating Revenues***				
TOTAL UNCLASSIFIED OPERATING REVENUES		\$ 5,837	\$ 50	\$ -	\$ -

#### OTHER FINANCING SOURCES

391.00	Proceeds of General Fixed Asset Distribution				
392.00	Interfund Operating Transfers**	2,500	840	9,510	
393.00	Proceeds of General Long Term Debt		50,000		
394.00	Proceeds of Short Term Debt				
395.00	Refund of Prior Year Expenditures	2,873			
TOTAL OTHER FINANCING SOURCES		\$ 5,373	\$ 50,840	\$ 9,510	\$ -

#### TOTAL REVENUES

\$ 1,578,365	\$ 284,883	\$ 9,525	\$ -
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\*\* The total of line 392.00 must match the total of line 492.00

\*\*\* This amount cannot be greater than 1% of the total revenue within the same fund



**2017 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT/STATEMENT OF REVENUES AND EXPENDITURES**

REVENUES	Proprietary Funds		Fiduciary Fund Type	Total
	Enterprise	Internal Service	Trust and Agency	Memorandum Only
<b>CHARGES FOR SERVICE</b>				
361.00 General Government				22,314
362.00 Public Safety				27,440
363.20 Parking				0
363.00 All Other Charges for Highway & Streets Services				0
364.10 Wastewater/Sewage Charges				0
364.30 Solid Waste Collection & Disposal Charge (trash)				0
364.60 Host Municipality Benefit Fee for Solid Waste Facility				0
364.00 All Other Charges for Sanitation Services				0
365.00 Health				0
366.00 Human Services				0
367.00 Culture and Recreation				72,197
368.00 Airports				0
369.00 Bars				0
370.00 Cemeteries				0
372.00 Electric System				0
373.00 Gas System				0
374.00 Housing System				0
375.00 Markets				0
377.00 Transit Systems				0
378.00 Water Systems				0
379.00 All Other Charges for Service				0
<b>TOTAL CHARGES FOR SERVICE</b>	\$ -	\$ -	\$ -	\$ 121,951

**UNCLASSIFIED OPERATING REVENUES**

383.00 Special Assessments				0
386.00 Escheats (sale of personal property)				0
387.00 Contributions & Donations from Private Sectors				5,887
388.00 Fiduciary Fund Pension Contributions				0
389.00 All Other Unclassified Operating Revenues***				0
<b>TOTAL UNCLASSIFIED OPERATING REVENUES</b>	\$ -	\$ -	\$ -	\$ 5,887

**OTHER FINANCING SOURCES**

391.00 Proceeds of General Fixed Asset Distribution				0
392.00 Interfund Operating Transfers**			4,098	16,948
393.00 Proceeds of General Long Term Debt				50,000
394.00 Proceeds of Short Term Debt				0
395.00 Refund of Prior Year Expenditures				2,873
<b>TOTAL OTHER FINANCING SOURCES</b>	\$ -	\$ -	\$ 4,098	\$ 69,821

<b>TOTAL REVENUES</b>	\$ -	\$ -	\$ 24,643	\$ 1,897,416
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\*\* The total of line 392.00 must match the total of line 492.00

\*\*\* This amount cannot be greater than 1% of the total revenue within the same fund

EXPENDITURES		Governmental Funds			
GENERAL GOVERNMENT		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
400.00	Legislative (Governing) Body	3,189			
401.00	Executive (Manager or Mayor)	98,713			
402.00	Auditing Services/Financial Administration	6,325			
403.00	Tax Collection	8,450			
404.00	Solicitor/Legal Services	41,653			
405.00	Secretary/Clerk	36,003			
406.00	Other General Government Administration	8,269			
407.00	IT-Networking Services-Data Processing				
408.00	Engineering Services	54,324			
409.00	General Government Buildings and Plant	22,678		7,033	
<b>TOTAL GENERAL GOVERNMENT</b>		<b>\$ 279,604</b>	<b>\$ -</b>	<b>\$ 7,033</b>	<b>\$ -</b>

**Public Safety**

410.00	Police	949,463			
411.00	Fire	6,102	85,655		
412.00	Ambulance/Rescue		39,038		
413.00	UCC and Code Enforcement				
414.00	Planning and Zoning	89,332			
415.00	Emergency Management & Communications	5,216			
416.00	Militia and Amories				
417.00	Examination of Licensed Occupations				
418.00	Public Scales (weights and measures)				
419.00	Other Public Safety				
<b>Total Public Safety</b>		<b>\$ 1,050,113</b>	<b>\$ 124,693</b>	<b>\$ -</b>	<b>\$ -</b>

**Health and Human Services**

420.00-425.00	Health and Human Services	\$ -	\$ -	\$ -	\$ -
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**Public Works - Sanitation**

426.00	Recycling Collection and Disposal	2,021			
427.00	Solid Waste Collection and Disposal				
428.00	Weed Control				
429.00	Wastewater/Sewage Collection and Treatment				
<b>Total Public Works - Sanitation</b>		<b>\$ 2,021</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

EXPENDITURES	Proprietary Funds		Fiduciary Fund Type	Total
	Enterprise	Internal Service	Trust and Agency	Memorandum Only
<b>GENERAL GOVERNMENT</b>				
400.00 Legislative (Governing) Body				3,189
401.00 Executive (Manager or Mayor)				98,713
402.00 Auditing Services/Financial Administration				6,325
403.00 Tax Collection				8,450
404.00 Solicitor/Legal Services				41,653
405.00 Secretary/Clerk				36,003
406.00 Other General Government Administration			2,483	10,732
407.00 IT-Networking Services-Data Processing				0
408.00 Engineering Services				54,324
409.00 General Government Buildings and Plant				29,711
<b>TOTAL GENERAL GOVERNMENT</b>	\$ -	\$ -	\$ 2,483	\$ 289,100

<b>Public Safety</b>				
410.00 Police				949,463
411.00 Fire				91,757
412.00 Ambulance/Rescue				39,038
413.00 UCC and Code Enforcement				0
414.00 Planning and Zoning				89,332
415.00 Emergency Management & Communications				5,216
416.00 Militia and Armories				0
417.00 Examination of Licensed Occupations				0
418.00 Public Scales (weights and measures)				0
419.00 Other Public Safety				0
<b>Total Public Safety</b>	\$ -	\$ -	\$ -	\$ 1,174,806

<b>Health and Human Services</b>				
420.00-425.00 Health and Human Services	\$ -	\$ -	\$ -	\$ -

<b>Public Works - Sanitation</b>				
426.00 Recycling Collection and Disposal				2,021
427.00 Solid Waste Collection and Disposal				0
428.00 Weed Control				0
429.00 Wastewater/Sewage Collection and Treatment				0
<b>Total Public Works - Sanitation</b>	\$ -	\$ -	\$ -	\$ 2,021

EXPENDITURES		Governmental Funds			
PUBLIC WORKS - HIGHWAYS & STREETS		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
430.00	General Services - Administration	30,132			
431.00	Cleaning of Streets and Gutters	1,455			
432.00	Winter Maintenance - Snow Removal	18,213			
433.00	Traffic control Devices	3,378			
434.00	Street Lighting	22,491			
435.00	Sidewalks and Crosswalks				
436.00	Storm Sewers and Drains	20,488			
437.00	Repairs of Tools and Machinery				
438.00	Maintenance & Repairs of Roads & Bridges		93,248		
439.00	Highway Construction and Rebuilding Projects				
<b>Total Public Works - Highways and Streets</b>		<b>\$ 96,157</b>	<b>\$ 93,248</b>	<b>\$ -</b>	<b>\$ -</b>

<b>PUBLIC WORKS - OTHER SERVICES</b>					
440.00	Airports				
441.00	Cemeteries				
442.00	Electric System				
443.00	Gas System				
444.00	Markets				
445.00	Parking				
446.00	Storm Water and Flood Control				
447.00	Transit System				
448.00	Water System				
449.00	Water Transport and Terminals				
<b>Total Public Works - Other Services</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Culture and Recreation</b>					
451.00	Recreation	2,475	22,781		
452.00	Participant Recreation	38,603			
453.00	Spectator Recreation				
454.00	Parks				
455.00	Shade Trees				
456.00	Libraries				
457.00	Civil and Military Celebrations		1,200		
458.00	Senior Citizens' Centers				
459.00	All Other Culture and Recreation	27,407	338		
<b>Total Culture and Recreation</b>		<b>\$ 68,485</b>	<b>\$ 24,319</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Community Development</b>					
461.00	Conservation of Natural Resources				
462.00	Community Development and Housing				
463.00	Economic Development				
464.00	Economic Opportunity				
465.00 - 469.00	All Other Community Development				
<b>Total Community Development</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



EXPENDITURES	Proprietary Funds		Fiduciary Fund Type	Total
	Enterprise	Internal Service	Trust and Agency	Memorandum Only
<b>PUBLIC WORKS - HIGHWAYS &amp; STREETS</b>				
430.00 General Services - Administration				30,132
431.00 Cleaning of Streets and Gutters				1,455
432.00 Winter Maintenance - Snow Removal				18,213
433.00 Traffic control Devices				3,378
434.00 Street Lighting				22,491
435.00 Sidewalks and Crosswalks				0
436.00 Storm Sewers and Drains				20,488
437.00 Repairs of Tools and Machinery				0
438.00 Maintenance & Repairs of Roads & Bridges				93,248
439.00 Highway Construction and Rebuilding Projects				0
<b>Total Public Works - Highways and Streets</b>	\$ -	\$ -	\$ -	\$ 189,405

<b>PUBLIC WORKS - OTHER SERVICES</b>				
440.00 Airports				0
441.00 Cemeteries				0
442.00 Electric System				0
443.00 Gas System				0
444.00 Markets				0
445.00 Parking				0
446.00 Storm Water and Flood Control				0
447.00 Transit System				0
448.00 Water System				0
449.00 Water Transport and Terminals				0
<b>Total Public Works - Other Services</b>	\$ -	\$ -	\$ -	\$ -

<b>Culture and Recreation</b>				
451.00 Recreation				25,256
452.00 Participant Recreation				38,603
453.00 Spectator Recreation				0
454.00 Parks				0
455.00 Shade Trees				0
456.00 Libraries				0
458.00 Civil and Military Celebrations				1,200
458.00 Senior Citizens' Centers				0
450.00 All Other Culture and Recreation				27,745
<b>Total Culture and Recreation</b>	\$ -	\$ -	\$ -	\$ 92,804

<b>Community Development</b>				
461.00 Conservation of Natural Resources				0
462.00 Community Development and Housing				0
463.00 Economic Development				0
464.00 Economic Opportunity				0
465.00 - 469.00 All Other Community Development				0
<b>Total Community Development</b>	\$ -	\$ -	\$ -	\$ -



EXPENDITURES	Governmental Funds			
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
<b>DEBT SERVICE</b>				
471.00 Debt Principal (short-term and long-term)				
472.00 Debt Interest (short-term and long-term)		148		
475.00 Fiscal Agent Fees		23,350		
<b>Total Debt Service</b>	\$ -	\$ 23,498	\$ -	\$ -

<b>EMPLOYER PAID BENEFITS &amp; WITHHOLDING ITEMS</b>				
481.00 Employer Paid Withholding Taxes and Unemployment Compensation	14,039			
482.00 Judgments and Losses				
483.00 Pension/Retirement Fund Contributions				
484.00 Workers Compensation Insurance				
487.00 Other Group Insurance Benefits	1,637			
<b>EMPLOYER PAID BENEFITS &amp; WITHHOLDING ITEMS</b>	\$ 15,676	\$ -	\$ -	\$ -

<b>INSURANCE</b>				
486.00 Insurance, Casualty, and Surety	\$ 15,210	\$ -	\$ -	\$ -

<b>UNCLASSIFIED OPERATING EXPENDITURES</b>				
488.00 Fiduciary Fund Benefits and Refunds Paid				
489.00 All Other Unclassified Expenditures***	1,631			
<b>TOTAL UNCLASSIFIED OPERATING EXPENDITURES</b>	\$ 1,631	\$ -	\$ -	\$ -

<b>Other Financing Uses</b>				
491.00 Refund of Prior Year Revenues	0			
492.00 Interfund Operating Transfers**	14,448	2,500		
493.00 Other Financing Uses				
<b>Total Other Financing Uses</b>	\$ 14,448	\$ 2,500	\$ -	\$ -

<b>TOTAL EXPENDITURES</b>	\$ 1,543,345	\$ 268,258	\$ 7,033	\$ -
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	\$ 35,020	\$ 16,625	\$ 2,492	\$ -
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\*\* The total of line 492.00 must match the total of line 392.00

\*\*\* This amount cannot be greater than 1% of the total revenue within the same fund

EXPENDITURES	Proprietary Funds		Fiduciary Fund Type		Total
	Enterprise	Internal Service	Trust and Agency	Memorandum Only	
471.00 Debt Principal (short-term and long-term)					0
472.00 Debt Interest (short-term and long-term)					148
475.00 Fiscal Agent Fees					23,350
<b>Total Debt Service</b>	\$ -	\$ -	\$ -	\$ -	<b>23,498</b>

<b>EMPLOYER PAID BENEFITS &amp; WITHHOLDING ITEMS</b>					
481.00 Employer Paid Withholding Taxes and Unemployment Compensation					14,039
482.00 Judgments and Losses					0
483.00 Pension/Retirement Fund Contributions					0
484.00 Workers Compensation Insurance					0
487.00 Other Group Insurance Benefits					1,637
<b>EMPLOYER PAID BENEFITS &amp; WITHHOLDING ITEMS</b>	\$ -	\$ -	\$ -	\$ -	<b>15,676</b>

<b>INSURANCE</b>					
486.00+ Insurance, Casualty, and Surety	\$ -	\$ -	\$ -	\$ -	15,210

<b>UNCLASSIFIED OPERATING EXPENDITURES</b>					
488.00 Fiduciary Fund Benefits and Refunds Paid			2,428		2,428
489.00 All Other Unclassified Expenditures***					1,631
<b>TOTAL UNCLASSIFIED OPERATING EXPENDITURES</b>	\$ -	\$ -	\$ 2,428	\$ -	<b>4,059</b>

<b>Other Financing Uses</b>					
491.00 Refund of Prior Year Revenues					0
492.00 Interfund Operating Transfers**					16,948
493.00 Other Financing Uses					0
<b>Total Other Financing Uses</b>	\$ -	\$ -	\$ -	\$ -	<b>16,948</b>

<b>TOTAL EXPENDITURES</b>	\$ -	\$ -	\$ 4,891	\$ -	<b>1,823,527</b>
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	\$ -	\$ -	\$ 19,752	\$ -	<b>73,889</b>
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\*\* The total of line 492.00 must match the total of line 392.00

\*\*\* This amount cannot be greater than 1% of the total revenue within the same fund

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### STATEMENT OF CAPITAL EXPENDITURES

Category	Capital Purchases	Capital Construction	Total
Electric.....			0
Fire.....			0
Gas System.....			0
General Government.....	9,969		9,969
Health.....			0
Housing.....			0
Libraries.....			0
Mass Transit.....			0
Parks.....			0
Police.....			0
Recreation.....			0
Sewer.....			0
Solid Waste.....			0
Streets/Highways.....			0
Water.....			0
Other (Please specify)			0
Emergency Management	4,086		4,086
			0
TOTAL CAPITAL EXPENDITURES*			\$ 14,055

\* Capital Expenditures are generally considered to be those which result in additions to the value of fixed assets (land, buildings and other structures, machinery and equipment).

## EMPLOYEE COMPENSATION

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

\$	163,731
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\*\*Use income from box 16 of the W-3 statement





May 7, 2018

To the Borough Council and  
Sam Bryant, Borough Manager  
Borough of New Britain  
45 Keeley Avenue  
New Britain, PA 18901

In planning and performing our audit of the 2017 Municipal Annual Audit and Financial Report of the Borough of New Britain as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Borough of New Britain's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the 2017 Municipal Annual Audit and Financial Report, but not for the purpose of expressing an opinion on the effectiveness of the Borough of New Britain's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of New Britain's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 2017 Municipal Annual Audit and Financial Report will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies.

In addition, we identified other matters and recommendations to bring to your attention. As per our custom, we refer back to the prior year's management letter to review those findings and their status.

## SIGNIFICANT DEFICIENCIES NOTED - PRIOR YEAR AUDIT

### Permits

*Deficiency:* During our testing of the permits, out of 20 permits in our sample we noted two minor miscalculations and one file that did not have the calculations in the file.

*Status:* This remains a current deficiency of the Borough. We sampled 12 permits that covered 50% of the total permit revenue, but we had issues doing the recalculations due to there not being any documentation or calculations in the file. A staff member of the company that does the Borough's permits did stop in and we reviewed the calculations with them. With their assistance we were able to verify that the calculations were correct. However, we once again recommend that a discussion take place with the firm that does the inspections and issues the permits to request that all calculations be documented and maintained in the permit files for your records. We would also like to recommend that your in-house staff periodically do a double-check of the permits being issued to make sure the permit fees are being properly calculated.

### Recording of Payroll Activity

*Deficiency:* The Borough maintains a separate payroll checking account for processing all activity associated with the payment of employees and related payroll liabilities. There is a separate general ledger account in your QuickBooks system for this payroll checking account. Prior to changing banking arrangements during 2016, payroll activity was always booked in your general ledger QuickBooks account. However, after the change to Penn Community Bank was made, we noted that entries were no longer made in that general ledger payroll account. Instead, all the entries associated with payroll processing were run through your general ledger general fund checking account.

*Status:* This deficiency was corrected in 2017 with the QuickBooks payroll checking account being utilized.

### Bank Reconciliations – Duplicate Entries

*Deficiency:* A duplicate interest income amount was booked in the liquid fuels checking account for March, 2016. When reconciling this account and reviewing bank reconciliations, staff did not note that there was a duplicate entry. When this BB&T Bank account was closed and moved to Penn Community Bank, it became overdrawn when staff attempted to withdraw the total amount listed in your general ledger system.

*Status:* The deficiency regarding the duplicate entries was corrected in 2017. However, we noted there were two bank accounts that were not reconciled for December when our fieldwork started in late January. Bank reconciliations are an important part of your internal control system and need to be done in a timely manner.

## **SIGNIFICANT DEFICIENCIES NOTED – CURRENT YEAR AUDIT**

### **Opening and Closing of Cash Accounts**

*Deficiency:* In reviewing the Borough's cash activity, we noted the closing of one QNB certificate of deposit and the opening of two new cash accounts. We did not note any mention or approval of the opening and closing of these accounts in your minutes.

*Recommendation:* We recommend that whenever a cash account is opened or closed, it be noted and approved in the minutes to keep all the cash account activity on the radar screen so management, staff, and outside auditors are aware of the changes being made.

### **New Loan Transaction Activity**

*Deficiency:* During 2017 the Borough obtained a loan from the First National Bank of Newtown in the liquid fuel funds for future road projects. One advance of \$50,000 was taken on the loan during 2017 from which \$23,350 of loan issue costs were paid. In performing our audit procedures, we noted that the remaining \$26,650 was being held in an "in-house" escrow account at First National Bank of Newtown which staff was not aware existed. We found that none of this activity was recorded in your accounting system.

*Recommendation:* We recommend that all activity relating to loans be recorded in your QuickBooks accounting system. We have recorded the activity relating to this loan in your QuickBooks system via a journal entry.

## **OTHER MATTERS NOTED – PRIOR YEAR AUDIT**

### **Tax Collector Reports**

*Finding:* During our audit of the real estate taxes of the Borough, we noted that the tax collector monthly reports are not being filed in a separate file to maintain them for proper review and testing.

*Status:* This finding has been corrected. All the tax collector reports for 2017 were properly filed.

### **Customers Bank Collateralization of Funds**

*Finding:* During our audit, we could not get adequate proof from Customers Bank that the certificate of deposit that the Borough maintains with them, which has now exceeded \$250,000, was property collateralized in accordance with the requirements of PA Act 72.

Status: This remains a current finding of the Borough. Once again we recommend that the Borough either obtain evidence of collateralization or move some level of funds out of the certificate of deposit to make sure the remaining funds are adequately covered by FDIC insurance.

#### Escrow Administration Fees

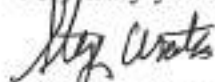
Finding: During our audit of the escrow funds, we noted two issues that we would like to bring to your attention. The first is that the maintenance of the documentation regarding the escrow activity appeared to have slipped somewhat from the prior year, as we encountered more instances of missing documentation during our review of the files. In addition, our review of the administration fee that the Borough charges to developers was not being calculated correctly. The 4% administration fee was being calculated on the remaining balance of the escrow funds on deposit with the Borough and not on the expenses that were paid out of the escrow as is required. These incorrect calculations of the administration fee resulted in overcharges to developers totaling \$272.60 and undercharges totaling \$606.87.

Status: This remained a current finding for 2017; however, we did note that progress was made. In June staff adopted a new system regarding processing the administration fees and were better at processing the activity, although we did note three invoices for which the administration fee was not charged. In addition, we noted that staff stopped putting a copy of deposits and professional invoices in each of the separate escrow files. Once again we recommend that staff be more diligent in maintaining the backup documentation in each separate escrow file and processing the administration charges to make sure they are correctly calculated.

We would like to thank the staff of the Borough of New Britain for their assistance and cooperation during our audit and we look forward to a continuing relationship in the future. If you need any assistance implementing any of these recommendations, please feel free to contact us.

This communication is intended solely for the information and use of management, the Borough Council, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



STYER ASSOCIATES

Certified Public Accountants





# New Britain Borough

45 Keeley Avenue • New Britain, Pennsylvania 18901 • 215-348-4586

FAX 215-348-5953

May 7, 2018

Styer Associates  
P.O. Box 64080  
Souderton, PA 18964

This representation letter is provided in connection with your audit of the 2017 Municipal Annual Audit and Financial Report of the Borough of New Britain, which comprises the balance sheet and the related statement of revenues and expenditures, debt statement, and statement of capital expenditures, for the purpose of expressing an opinion as to whether the 2017 Municipal Annual Audit and Financial Report is presented fairly, in all material respects, in accordance with the cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of May 7, 2018, the following representations made to you during your audit.

## Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 4, 2017, including our responsibility for the preparation and fair presentation of the 2017 Municipal Annual Audit and Financial Report.
- 2) The 2017 Municipal Annual Audit and Financial Report referred to above is fairly presented in conformity with the cash basis of accounting and includes all properly classified funds and other financial information of the primary government.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 2017 Municipal Annual Audit and Financial Report that is free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.



- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the cash basis of accounting.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the 2017 Municipal Annual Audit and Financial Report that would require adjustment to or disclosure in the 2017 Municipal Annual Audit and Financial Report.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with the cash basis of accounting.
- 9) Guarantees, whether written or oral, under which the Borough of New Britain is contingently liable, if any, have been properly recorded or disclosed.

#### **Information Provided**

- 10) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the 2017 Municipal Annual Audit and Financial Report, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the Borough of New Britain or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the 2017 Municipal Annual Audit and Financial Report.
- 12) We have disclosed to you the results of our assessment of the risk that the 2017 Municipal Annual Audit and Financial Report may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a) Management;
  - b) Employees who have significant roles in internal control, or

c) Others where the fraud could have a material effect on the 2017 Municipal Annual Audit and Financial Report.

- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's 2017 Municipal Annual Audit and Financial Report communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse, whose effects should be considered when preparing the 2017 Municipal Annual Audit and Financial Report.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the 2017 Municipal Annual Audit and Financial Report.
- 17) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

**Government – specific**

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The Borough of New Britain has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) We are responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 22) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the 2017 Municipal Annual Audit and Financial Report, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 23) As part of your audit, you assisted with preparation of the 2017 Municipal Annual Audit and Financial Report. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for the 2017 Municipal Annual Audit and Financial Report.

- 24) The Borough of New Britain has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 25) The Borough of New Britain has complied with all aspects of contractual agreements that would have a material effect on the 2017 Municipal Annual Audit and Financial Report in the event of noncompliance.
- 26) The 2017 Municipal Annual Audit and Financial Report includes all component units as well as joint ventures with an equity interest, and properly discloses all other joint ventures and other related organizations.
- 27) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 28) Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenues and expenditures, and allocations have been made on a reasonable basis.
- 29) Revenues are appropriately classified in the statement of revenues and expenditures within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 30) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 31) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 32) Capital assets are properly capitalized, reported, and, if applicable, depreciated.
- 33) We have appropriately disclosed the Borough of New Britain's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position is properly recognized under the policy.

Signed: \_\_\_\_\_



Title: \_\_\_\_\_

Borough Manager

**NEW BRITAIN BOROUGH - GENERAL FUND**  
**DCED-CLGS-30**  
**December 31, 2016 AND December 31, 2017**

12/31/17      12/31/16

**BALANCE SHEET**

**Assets and Other Debits**

100-120 Cash and Investments	258,022	235,714
130 Due from other funds	149	0
150-159 Other Current Assets	0	6,972

**Total Assets and Other Debits**

	258,171	242,686
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**Liabilities and Other Credits**

230 Due to Other Funds	72,547	48,297
240-259 Current Portion of Long-Term Debt & Other Credit	0	39,536

**Total Liabilities**

	72,547	87,833
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**Fund and Account Group Equity**

271-289 Fund Balance	185,624	154,853
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**Total Fund and Account Group Equity**

	258,171	242,686
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**NEW BRITAIN BOROUGH - GENERAL FUND**  
**DCED-CLGS-30**  
**December 31, 2016 AND December 31, 2017**

12/31/17      12/31/16

**STATEMENT OF REVENUES AND EXPENDITURES**

**REVENUES**

**Taxes**

301.00 Real Estate Taxes	814,143	796,072
310.10 Real Estate Transfer Taxes	86,044	95,143
310.20 Earned Income Taxes	378,613	354,794
310.50 Emergency and Municipal Services Tax	<u>44,453</u>	<u>40,479</u>
<b><u>Total Taxes</u></b>	<b><u>1,323,253</u></b>	<b><u>1,286,488</u></b>

**Licenses and Permits**

320.00 All Other Licenses & Permits	1,099	5,619
321.80 Cable Television Franchise	<u>60,574</u>	<u>61,575</u>
<b><u>Total Licenses and Permits</u></b>	<b><u>61,673</u></b>	<b><u>67,194</u></b>

**Fines and Forfeits**

330.00-332 Fines and Forfeits	<u>12,431</u>	<u>10,288</u>
<b><u>Total Fines and Forfeits</u></b>	<b><u>12,431</u></b>	<b><u>10,288</u></b>

**Interest, Rents, and Royalties**

341.00 Interest Earnings	1,277	1,056
342.00 Rents and Royalties	<u>350</u>	<u>200</u>
<b><u>Total Interest, Rents and Royalties</u></b>	<b><u>1,627</u></b>	<b><u>1,256</u></b>



**NEW BRITAIN BOROUGH - GENERAL FUND**  
**DCED-CLGS-30**  
**December 31, 2016 AND December 31, 2017**

12/31/17      12/31/16

**STATEMENT OF REVENUES AND EXPENDITURES**  
**INTERGOVERNMENTAL REVENUES**

**Federal**

351.00 All Other Federal Capital and Operating Grants	0	7,154
<b>Total Federal</b>	0	7,154

**State**

354.15 Recycling/Act 101	5,434	7,104
354.00 All Other State Capital and Operating Grants	0	150,000
355.01 Public Utility Realty Tax	1,475	1,572
355.04 Alcoholic Beverage Licenses	200	200
<b>Total State</b>	7,109	158,876

**Local Governmental Units**

357.00 All Other Local Governmental Unit Grants	10,553	0
<b>Total Local Governmental Units</b>	10,553	0

**Charges for Service**

361.00 General Government	22,314	39,525
362.00 Public Safety	27,440	43,209
367.00 Cultures & Recreation	71,604	61,486
<b>Total Charges for Service</b>	121,358	144,220

**Unclassified Operating Revenues**

387.00 Contributions and Donations From Private Sources	5,837	5,108
389.00 All Other Unclassified Operating Revenues	0	348
<b>TOTAL UNCLASSIFIED OPERATING REVENUES</b>	5,837	5,456

**NEW BRITAIN BOROUGH - GENERAL FUND**  
**DCED-CLGS-30**  
**December 31, 2016 AND December 31, 2017**

12/31/17      12/31/16

**STATEMENT OF REVENUES AND EXPENDITURES**

**Other Financing Sources**

392.00 Interfund Operating Transfers	0	17
395.00 Refunds of Prior Year Expenditures	2,873	1,025

<b><u>Total Other Financing Sources</u></b>	<b><u>2,873</u></b>	<b><u>1,042</u></b>
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<b><u>TOTAL REVENUES</u></b>	<b><u>1,546,714</u></b>	<b><u>1,681,974</u></b>
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**EXPENDITURES**

**General Government**

400.00 Legislative/Governing Body	3,189	4,745
401.00 Executive/Manager or Mayor	98,713	75,403
402.00 Auditing Services/Bookkeeping Services	6,325	8,999
403.00 Tax Collection	8,450	8,695
404.00 Solicitor/Legal Services	41,653	21,352
405.00 Secretary/Clerk	36,003	39,406
406.00 Other General Govt Admin	8,329	11,880
407.00 IT-Networking Services-Data Processing	-60	13,642
408.00 Engineering Services	54,324	12,401
409.00 General Governmental Buildings and Plant	22,678	54,480

<b><u>Total General Government</u></b>	<b><u>279,604</u></b>	<b><u>251,003</u></b>
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**NEW BRITAIN BOROUGH - GENERAL FUND**  
**DCED-CLGS-30**  
**December 31, 2016 AND December 31, 2017**

12/31/17      12/31/16

**STATEMENT OF REVENUES AND EXPENDITURES**

**Public Safety**

410.00 Police	949,463	1,004,541
411.00 Fire	6,102	5,789
414.00 Planning and Zoning	89,332	85,836
415.00 Emergency Management	5,216	394

<b><u>Total Public Safety</u></b>	<u>1,050,113</u>	<u>1,096,560</u>
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**Public Works - Sanitation**

426.00 Recycling Collection and Disposal	2,021	2,000
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<b><u>Total Public Works - Sanitation</u></b>	<u>2,021</u>	<u>2,000</u>
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**Public Works - Highway and Streets**

430.00 General Services	30,132	15,190
431.00 Cleaning of Streets and Gutters	1,455	1,375
432.00 Winter Maintenance	18,213	20,228
433.00 Traffic Control Devices	3,378	748
434.00 Street Lighting	22,491	35,011
436.00 Storm Sewers and Drains	20,488	6,737
437.00 Repairs of Tools and Machinery	0	8,057
438.00 Road and Bridge Maintenance	0	3,811

<b><u>Total Public Works - Highways and Streets</u></b>	<u>96,157</u>	<u>91,157</u>
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**NEW BRITAIN BOROUGH - GENERAL FUND**  
**DCED-CLGS-30**  
**December 31, 2016 AND December 31, 2017**

	<u>12/31/17</u>	<u>12/31/16</u>
<b><u>STATEMENT OF REVENUES AND EXPENDITURES</u></b>		
<b><u>Culture and Recreation</u></b>		
451.00 Culture-Recreation Administration	2,475	285,280
452.00 Participant Recreation	<u>38,603</u>	<u>39,631</u>
<b><u>Total Culture and Recreation</u></b>	<b><u>41,078</u></b>	<b><u>324,911</u></b>
<b><u>Employer Paid Benefits &amp; Withholding Items</u></b>		
481.00 Employer Paid Withholding Taxes and UC	14,039	15,685
487.00 Group Insurance and Other Benefits	<u>1,637</u>	<u>15,365</u>
<b><u>Total Employer Paid Benefits &amp; Withholding Items</u></b>	<b><u>15,676</u></b>	<b><u>31,050</u></b>
<b><u>Insurance</u></b>		
486.00 Insurance, Casualty, and Surety	<u>15,210</u>	<u>11,917</u>
<b><u>Unclassified Operating Expenditures</u></b>		
489.00 All Other Unclassified Expenditures	<u>1,634</u>	<u>1,637</u>
<b><u>Other Financing Uses</u></b>		
492.00 Interfund Operating Transfers	<u>14,448</u>	<u>53</u>
<b><u>Total Other Financing Uses</u></b>	<b><u>14,448</u></b>	<b><u>53</u></b>
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>1,515,941</u></b>	<b><u>1,810,288</u></b>
<b><u>EXCESS/DEFICIT OF REVENUES OVER</u></b>		
<b><u>EXPENDITURES</u></b>	<b><u>30,773</u></b>	<b><u>(128,314)</u></b>





A Professional Corporation

**STYER ASSOCIATES**

CERTIFIED PUBLIC ACCOUNTANTS

20 South School Lane

P.O. Box 64080

Souderton, PA 18964

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Gregory S. Ede, CPA

Timothy N. Clemmer, CPA

R. David Styer, CPA

1949-2015

May 7, 2018

## **INDEPENDENT AUDITORS' REPORT**

To the Borough Council  
Borough of New Britain  
New Britain, Pennsylvania

We have audited the accompanying Municipal Annual Audit and Financial Report of the Borough of New Britain, Bucks County, Pennsylvania as of December 31, 2017, and for the year then ended, which comprise the balance sheet and the related statement of revenues and expenditures, debt statement, and statement of capital expenditures in accordance with the financial reporting provisions of the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

### **Management's Responsibility for the Annual Financial Report**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Municipal Annual Financial Report based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Municipal Annual Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Municipal Annual Financial Report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Municipal Annual Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Municipal Annual Financial Report 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Municipal Annual Financial Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the Municipal Annual Financial Report referred to above presents fairly, in all material respects, the financial position of the Borough of New Britain, Bucks County, Pennsylvania as of December 31, 2017, and the results of its operations for the year then ended, in accordance with the financial reporting provisions of Pennsylvania Department of Community and Economic Development.

### **Basis of Accounting**

We draw attention to basis of accounting used in this report. The financial statements are prepared on the cash basis of accounting as prescribed or permitted by the Pennsylvania Department of Community and Economic Development, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when a liability is incurred. Our opinion is not modified with respect to that matter.

### **Restrictions On Use**

This report is intended solely for the information and use of the governing body and management of the Borough of New Britain, Bucks County, Pennsylvania, the Department of Community and Economic Development, and is not intended to be, and should not be, used by anyone other than these specified parties.



STYER ASSOCIATES  
Certified Public Accountants

**NEW BRITAIN BOROUGH  
CONCISE BALANCE SHEET  
DECEMBER 31, 2017**

**ASSETS**

Cash and investments.....	\$ 1,167,937
<b>Total Assets.....</b>	<b>\$ 1,167,937</b>

**LIABILITIES AND NET ASSETS**

<b><u>Liabilities:</u></b>	
Escrow deposits .....	\$ 37,102
<b>Total Liabilities.....</b>	<b>37,102</b>
<b><u>Fund Balances:</u></b>	
Restricted .....	942,715
Unassigned.....	188,120
<b>Total Fund Balances .....</b>	<b>1,130,835</b>
<b>Total Liabilities and Fund Balances.....</b>	<b>\$ 1,167,937</b>

**CONCISE STATEMENT OF REVENUES AND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2017**

<b><u>Revenues:</u></b>	
Taxes, penalties and interest .....	\$ 1,450,124
Charges for services and intergovernmental revenues.....	255,555
Licenses and permits.....	61,673
Interest and other .....	113,116
<b>Total Revenues .....</b>	<b>1,880,468</b>
<b><u>Expenditures:</u></b>	
General government.....	289,100
Public safety.....	1,174,806
Public works .....	191,426
Recreation and parks.....	92,804
Other operating expenses.....	61,443
<b>Total Expenditures.....</b>	<b>1,809,579</b>
<b>Excess of Revenues Over (Under) Expenditures .....</b>	<b>\$ 70,889</b>

**NOTICE**

These concise financial statements are published pursuant to the appropriate provisions of the Borough Code. A copy of the 2017 Municipal Annual Report, prepared by Styer Associates, P.C., CPA's, Souderton, PA is on file in the Borough Office.

**NEW BRITAIN BOROUGH  
CONCISE BALANCE SHEET  
DECEMBER 31, 2017**

**ASSETS**

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<b>Total Assets.....</b>	<b><u>\$ 1,167,937</u></b>

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