

**Application of Pennsylvania-American Water Company for Acquisition of  
the Water Assets of the Steelton Borough Authority**

**66 Pa. C.S. § 1329**

**Application Filing Checklist – Water/Wastewater**

**Docket No. A-2019-\_\_\_\_\_**

19. Cost of Service.
- c. If the seller is a municipal authority, provide a copy of the most recent annual report filed with the Commonwealth's Department of Community and Economic Development.

**RESPONSE:**

- c. See enclosed the 2017 annual report filed with the Commonwealth's Department of Community and Economic Development provided by the Authority.

**ANNUAL REPORT OF MUNICIPAL AUTHORITIES 2017**  
 Commonwealth of Pennsylvania  
 Department of Community and Economic Development  
 Governor's Center for Local Government Services  
 4th Floor Commonwealth Keystone Building  
 Harrisburg, Pennsylvania 17120-0225  
 1-888-223-6837  
 FAX # 717-783-1402

FACE SHEET

	Current Information	Corrected Information
Authority Name	STEELTON BOROUGH AUTHORITY	_____
Authority Address	123 NORTH FRONT STREET	_____
	STEELTON, PA	_____
	17113	_____
Telephone Number	(717) 939-9842	_____
Fax Number		_____
Name of Contact Person	ALAN AUSMAN	_____
E-Mail Address		_____
Title	CHAIR	_____

Filing Status

1 Active \_\_\_\_\_

2 Inactive \_\_\_\_\_

3 Terminated \_\_\_\_\_

Authority Type

05 Water

Date Authority Organized (year) 1958

Fiscal Year Ends (month/day) 12/31

Date Authority Terminates (year) 2053

Number of Employees

(full time equivalent) 0

(part time equivalent) 0

SIGNATURE \_\_\_\_\_

TITLE \_\_\_\_\_

PHONE (\_\_\_\_) \_\_\_\_\_

Geographical Areas Served

Mun Code	Municipality Name	County
220933	STEELTON BORO	DAUPHIN
220994	SWATARA TWP	DAUPHIN



## Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

Authority Council  
Steelton Borough Authority  
Steelton, Pennsylvania

Management is responsible for the balance sheet of the Steelton Borough Authority (the "Authority") as of December 31, 2017, and the related statement of income and expenditures, and the debt statement (collectively the "financial statements") for the year then ended included in the accompanying prescribed form. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor do we provide any form of assurance on these financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of the Commonwealth of Pennsylvania Department of Community and Economic Development, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the Steelton Borough Authority and the Commonwealth of Pennsylvania Department of Community and Economic Development and is not intended to be and should not be used by anyone other than these specified parties.

*Zelenkofske Axlerod LLC*

ZELENKOFOSKE AXELROD LLC

Harrisburg, Pennsylvania  
June 27, 2018

OPERATING AUTHORITIES BALANCE SHEET  
FISCAL YEAR ENDING DEC 2017

<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	<u>\$ 2,479,657</u>	
Investments	<u>                    </u>	
Accounts receivable	<u>                    </u>	
Inventories	<u>                    </u>	
Other current assets	<u>2,043,325</u>	
<b>TOTAL CURRENT ASSETS</b>		<u>4,522,982</u>
<b>RESTRICTED ASSETS/TRUST FUNDS</b>		<u>                    </u>
<b>DEFERRED CHARGES</b>		<u>42,515</u>
<b>FIXED ASSETS</b>		
Property, plant & equipment, at cost	<u>18,915,365</u>	
Less accumulated depreciation	<u>( 8,280,068 )</u>	
Construction work in progress	<u>2,325,539</u>	
Other fixed assets	<u>                    </u>	
<b>NET FIXED ASSETS</b>		<u>12,960,836</u>
<b>TOTAL ASSETS</b>		<u>17,526,333</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Accounts payable	<u>                    </u>	
Accrued payroll & withholdings	<u>                    </u>	
Accrued interest payable	<u>                    </u>	
Current portion of long-term debt	<u>599,530</u>	
Other current liabilities	<u>347</u>	
<b>TOTAL CURRENT LIABILITIES</b>		<u>599,877</u>
<b>LONG-TERM DEBT - less current portion</b>		<u>11,113,193</u>
<b>TOTAL LIABILITIES</b>		<u>11,713,070</u>
<b>FUND EQUITY</b>		
<b>CONTRIBUTED CAPITAL</b>		
Governmental grants	<u>                    </u>	
Other contributions	<u>                    </u>	
<b>TOTAL CONTRIBUTED CAPITAL</b>		<u>                    </u>
<b>RETAINED EARNINGS</b>		
Reserved Net Investment in Capital Assets	<u>3,333,953</u>	
Unreserved	<u>2,479,310</u>	
<b>TOTAL RETAINED EARNINGS</b>		<u>5,813,263</u>
<b>TOTAL FUND EQUITY</b>		<u>5,813,263</u>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>		<u>\$17,526,333</u>

WATER  
OPERATING AUTHORITIES  
STATEMENT OF INCOME AND EXPENDITURES

<b>OPERATING REVENUES</b>		
Sale of Services/user charges	<u>\$2,664,325</u>	
Operating Grants - State	<u>                    </u>	
- Federal	<u>                    </u>	
Local government operating subsidies		
Interest income	<u>12,371</u>	
Other operating revenues	<u>1,838</u>	
<b>TOTAL OPERATING REVENUES</b>		<u>2,678,534</u>
<b>OPERATING EXPENSES</b>		
Cost of sales and services	<u>1,689,881</u>	
Administration - Salaries	<u>123,227</u>	
- Other Costs	<u>                    </u>	
Depreciation	<u>505,201</u>	
Other operating expenses	<u>6,140</u>	
<b>TOTAL OPERATING EXPENSES</b>		<u>2,324,449</u>
<b>OPERATING INCOME (LOSS)</b>		<u>354,085</u>
<b>NONOPERATING REVENUES</b>		
Capital Grants - State	<u>                    </u>	
- Federal	<u>                    </u>	
Proceeds of sale of fixed assets	<u>                    </u>	
Proceeds of borrowings	<u>                    </u>	
Other nonoperating revenues	<u>13,949</u>	
<b>TOTAL NONOPERATING REVENUES</b>		<u>13,949</u>
<b>NONOPERATING EXPENSES</b>		
Debt service payments (interest only)	<u>246,260</u>	
Constructions/extension of system	<u>                    </u>	
Major equipment purchased	<u>                    </u>	
Other nonoperating expenses	<u>60,365</u>	
<b>TOTAL NONOPERATING EXPENSES</b>		<u>306,625</u>
<b>TOTAL NONOPERATING REVENUE (LOSS)</b>		<u>(292,676)</u>
<b>NET INCOME BEFORE EXTRAORDINARY ITEMS</b>		<u>61,409</u>
<b>EXTRAORDINARY GAIN (LOSS)</b>		<u>                    </u>
<b>NET INCOME</b>		<u>61,409</u>
RETAINED EARNINGS (beginning of year)	<u>5,751,854</u>	
RETAINED EARNINGS (end of year)	<u>\$5,813,263</u>	

