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	- Wate	r/Wastewater
Dock	et 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	Corre	cted Information
Authority Name	STEELTON BOROUGH AUT	THORITY	
			X 04-10-10
Authority Address	123 NORTH FRONT STREE	т	

	STEELTON, PA	2	
	17113		
Telephone Number	(717) 939-9842	20.30.11112222	
Fax Number			
Name of Contact Person	ALAN AUSMAN	-	
E-Mail Address	12	V	
ήe	CHAIR		
Filing Status		Authority Type	
1 Active	P	05 Water	
2 Inactive			
3 Terminated			
Date Authority Organized (year)	1958	Date Authority Terminates (yea	r) 2053
Fiscal Year Ends (month/day)	12/31	Number of Employees	
45	40	(full time equivalent)	0
		(part time equivalent)	0
SIGNATURE	AND THE RESIDENCE OF THE PERSON OF THE PERSO		
		PHONE () _	

Geographical Areas Served

Mun Code 220933

Municipality Name

STEELTON BORO

220994

SWATARA TWP

County_o

DAUPHIN

DAUPHIN



Zelenkofske Axelrod 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.

Zelenhofshe Attalised LLC

ZELENKOFSKE AXELROD LLC

Harrisburg, Pennsylvania June 27, 2018

OPERATING AUTHORITIES BALANCE SHEET FISCAL YEAR ENDING DEC 2017

	FISCAL TEAR ENDING DEC 2017
ASSETS	
CURRENT ASSETS	
Cash	<u>\$ 2,479,657</u>
Investments	-
Accounts receivable	Commercial
Inventories	4
Other current assets	2,043,325
TOTAL CURRENT ASSETS	4,522,982
RESTRICTED ASSETS/TRUST FUNDS	
DEFERRED CHARGES	42,515
FIXED ASSETS	
.Property, plant & equipment, at cost	18,915,365
Less accumulated depreciation	(8,280,068)
Construction work in progress	2,325,539
Other fixed assets	
NET FIXED ASSETS	12,960,836
TOTAL ASSETS	17,526,333
LIABILITIES AND FUND EQUITY	
Accounts payable	3
Accrued payroll & withholdings	
Accrued interest payable	
Current portion of long-term debt	599,530
Other current liabilities	347
TOTAL CURRENT LIABILITIES	<u>599,877</u>
LONG-TERM DEBT - less current portion	<u>11,113,193</u>
TOTAL LIABILITIES	11,713,070
FUND EQUITY	
CONTRIBUTED CAPITAL	
Governmental grants	
Other contributions	
TOTAL CONTRIBUTED CAPITAL	
RETAINED EARNINGS	u u
Reserved Net Investment in Capital Assets	3,333,953
Unreserved	2,479,310
TOTAL RETAINED EARNINGS	_5.813,263
TOTAL FUND EQUITY	_5,813,263
TOTAL LIABILITIES & FUND EQUIT	\$ <u>17,526,333</u>

WATER OPERATING AUTHORITIES STATEMENT OF INCOME AND EXPENDITURES

STATEMENT OF INCOME	AND EXPENDITUR	ES	
OPERATING REVENUES	40.004.005		
Sale of Services/user charges	\$2,664,325	•	
Operating Grants - State			
- Federal	0	-	
Local government operating subsidies	8	_	
Interest income	12,371	_	
Other operating revenues	1,838	-	
TOTAL OPERATING REVENUES		2,678,534	45
OPERATING EXPENSES			
Cost of sales and services	1,689,881	i	
Administration - Salaries	123,227		
- Other Costs			
Depreciation	505,201	6	
Other operating expenses	6,140		
TOTAL OPERATING EXPENSES		2,324,449	
OPERATING INCOME (LOSS)			354,085
NONOPERATING REVENUES			
Capital Grants - State			ő.
- Federal			
Proceeds of sale of fixed assets		š	
Proceeds of borrowings			
Other nonoperating revenues	13,949		
TOTAL NONOPERATING REVENUES		13,949	
NONOPERATING EXPENSES			
Debt service payments (interest only)	246,260		
Constructions/extension of system			
Major equipment purchased			
Other nonoperating expenses	60,365		
TOTAL NONOPERATING EXPENSES		306,625	
TOTAL NONOPERATING REVENUE (LOSS)			(292,676)
NET INCOME BEFORE EXTRAORDINARY ITEMS			61,409
EXTRAORDINARY GAIN (LOSS)			
NET INCOME			61,409
RETAINED EARNINGS (beginning of year)		5,751,854	
RETAINED EARNINGS (end of year)		\$5,813,263	

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

nec	essary corre	ections and addition	ons.				
Type Purp	Bond (B) Note (N)	Issue Date (mm/yyyy)	Original Amount of Issue	Outstanding Begining of Year	Principal Paid This Year	Outstanding at Year End	Final Year
05	В	02/2015	\$5109344	\$5005530	\$71,971	\$4,933,559	2044
05	₿	04/2012	\$9180000	\$2733170	2,733,170	0	2025
05	N	01/2010	\$2959726	\$2245681	130,616	2,115,065	2030
	<u>N</u>	01/2017	2,186,047	0	0	2,186,047	2032
	<u>B</u>	10/2017	2,780,540	0	247,397	2,533,143	2025
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Total bonds and notes outstanding					11,767,814		
Capitalized lease obligations							
Other debt - Less Net Bond Discount/Bond Premium			(55,091)	11 710 700			
TOTAL OUTSTANDING DEBT				11,712,723			
Minus assets held in debt service funds, bond reserve funds and bond redemption funds							
Minus lease rental payments receivable					^		
NET DEBT					\$11,712,723		