

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE D - SEWER SYSTEM (Continued)

	<u>March 31, 2015</u>	<u>Additions</u>	<u>Dispositions</u>	<u>March 31, 2016</u>
Less accumulated depreciation for:				
New sewer system 1994	8,175,770	449,180	-	8,624,950
Initial sewer system 1967	345,341	15,368	-	360,709
Sewer extension 2006	126,067	17,098	-	143,165
Equipment	512,154	11,293	-	523,447
Office equipment	<u>32,361</u>	<u>589</u>	<u>-</u>	<u>32,950</u>
 Total accumulated depreciation	 <u>9,191,693</u>	 <u>493,528</u>	 <u>-</u>	 <u>9,685,221</u>
 Net sewer system	 <u>\$ 10,615,643</u>	 <u>\$(378,082)</u>	 <u>\$ -</u>	 <u>\$ 10,237,561</u>

The sewer system is pledged as collateral for long-term debt.

NOTE E - LONG-TERM DEBT

Long-term debt consists of:

	<u>Balance Outstanding March 31, 2015</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance Outstanding March 31, 2016</u>
Variable rate Guaranteed Sewer Revenue Note, Series 2013. Monthly installments of interest and principal are due in the amount of \$35,188.83. The note matures on June 1, 2033.	<u>\$ 5,530,277</u>	<u>\$ -</u>	<u>\$ (266,617)</u>	<u>\$ 5,263,660</u>
Less current maturities				<u>274,834</u>
Long-term debt				<u>\$ 4,988,826</u>

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE E - LONG-TERM DEBT (Continued)

The bonds and note described above are collateralized by all accounts and property of the Authority including all the right, title and interest of the Authority in and to any and all receipts and revenues derived from the sewer system.

The interest rate of the note issued in 2013 is fixed for ten years at 2.83% and thereafter will float at 65% of the bank's prime rate with a floor of 2.0% and a ceiling of 6.0%. The 20 year note matures on June 1, 2033 and payment is guaranteed by the Borough of Kane and Wetmore Township in proportions of 65% and 35%, respectively.

For the purpose of presenting the Authority's schedule of principal and interest payments that will be due in the future, the table below reflects the 2.83% interest rate until May 2023 at which time the rate is assumed for this purpose to reset at the 6.0% maximum rate.

The schedule for principal maturity and annual debt service is as follows:

<u>Year Ending March 31,</u>	<u>Principal Amount</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
2017	\$ 274,834	\$ 147,432	\$ 422,266
2018	282,787	139,479	422,266
2019	291,008	131,258	422,266
2020	299,143	123,123	422,266
2021	308,166	114,100	422,266
2022-2026	1,416,972	694,358	2,111,330
2027-2031	1,612,194	499,136	2,111,330
2032-2033	778,556	49,572	828,128
	<u>\$ 5,263,660</u>	<u>\$ 1,898,458</u>	<u>\$ 7,162,118</u>

NOTE F – NOTES RECEIVABLE

The Borough of Kane Authority loaned funds to a customer to help purchase a grinder pump. The note is summarized below:

\$5,057 note receivable dated March 21, 2016 paying 2.5% interest annually. Payments to be received monthly in the amount of \$216.24 through April 21, 2018. The note is collateralized by the grinder pump.

<u>5,057</u>
<u>\$ 5,057</u>

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**NOTE G - MANAGEMENT AGREEMENT**

On September 21, 1994, the Authority and the Borough of Kane entered into a management agreement for the operation of the Sewer System. Under the terms of the agreement, the Borough agrees to operate the Sewer System, bill and collect all revenue from the Sewer System, and return to the Authority periodically all excess funds not required for the estimated operating costs of the next three months. The agreement may be canceled by either party upon twelve months written notice. The Authority recognized \$720,000 of revenue during the year ended March 31, 2016 under this agreement, of which \$472,425 was included in accounts receivable at March 31, 2016.

**NOTE H – RELATED PARTY TRANSACTIONS**

An officer of the Authority provides accounting services to the Authority. Payments for these services during the year ended March 31, 2016 totaled \$5,899.

**NOTE I – SUBSEQUENT EVENTS**

The Authority has been approached by a prospective buyer to purchase the sewer system. Negotiations have not commenced.

# HAINES & COMPANY

A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

213 WEST THIRD AVENUE  
P.O. BOX 767  
WARREN, PENNSYLVANIA 16365  
814-723-7741 • FAX 814-723-9746  
HAINES-CPAS.COM

MEMBERS OF AMERICAN AND  
PENNSYLVANIA INSTITUTES OF  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members  
Borough of Kane Authority  
Kane, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Borough of Kane Authority, a component unit of the Borough of Kane, Pennsylvania, as of and for the year ended March 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough of Kane Authority's basic financial statements, and have issued our report thereon dated June 30, 2016.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Kane Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Kane Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Kane Authority's internal control.

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 financial statements will not be prevented, or detected and corrected on a timely basis.

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.

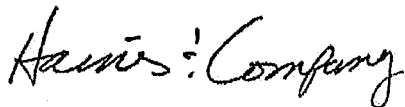
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Kane Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants  
Warren, Pennsylvania  
June 30, 2016



**BOROUGH OF KANE AUTHORITY,  
A COMPONENT UNIT OF THE  
BOROUGH OF KANE, PENNSYLVANIA  
FINANCIAL STATEMENTS  
MARCH 31, 2013**

**HAINES & COMPANY**  
A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

## TABLE OF CONTENTS

	<u>Page No.</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Net Position	3
Statement of Revenues, Expenses and Change in Net Position	4
Statement of Cash Flows	5
Notes to Financial Statements	6
<b>INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b>	14

## HAINES & COMPANY

A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

213 WEST THIRD AVENUE  
P.O. BOX 767  
WARREN, PENNSYLVANIA 16365  
814-723-7741 • FAX 814-723-9746  
HAINES-CPAS.COM

MEMBERS OF AMERICAN AND  
PENNSYLVANIA INSTITUTES OF  
CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITORS' REPORT

To the Members  
Borough of Kane Authority  
Kane, Pennsylvania

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Borough of Kane Authority, a component unit of Borough of Kane, Pennsylvania as of and for the year ended March 31, 2013, and the related notes to the financial statements, which collectively comprise the Authority'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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity'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 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 financial statements.

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

***Other Matters***

*Other Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2013, on our consideration of the Borough of Kane Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Borough of Kane Authority's internal control over financial reporting and compliance.

*Harris Company*

Certified Public Accountants  
Warren, Pennsylvania  
August 16, 2013

BOROUGH OF KANE AUTHORITY  
 STATEMENT OF NET POSITION  
 March 31, 2013

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 4,668
Accounts receivable	<u>411,860</u>
<b>TOTAL CURRENT ASSETS</b>	416,528
<b>RESTRICTED INVESTMENTS</b>	
<b>CAPITAL ASSETS</b>	
Sewer system	11,511,163
<b>DEBT ISSUE COSTS</b>	
	<u>14,740</u>
<b>TOTAL ASSETS</b>	<u>12,729,341</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable - trade	13,940
Accrued interest payable	7,580
Accrued investment fees payable	454
Current maturities of long-term debt	<u>479,067</u>
<b>TOTAL CURRENT LIABILITIES</b>	501,041
<b>LONG-TERM DEBT</b>	
	<u>5,731,186</u>
<b>TOTAL LIABILITIES</b>	<u>6,232,227</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	5,300,909
Restricted for debt service	622,103
Unrestricted	<u>574,102</u>
<b>TOTAL NET POSITION</b>	<u>\$ 6,497,114</u>

See accompanying notes to financial statements.

-3-

**BOROUGH OF KANE AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION**  
**Year Ended March 31, 2013**

<b>OPERATING REVENUES</b>	
Sewer system revenue from Borough of Kane	\$ 720,000
Other operating income	<u>1,500</u>
<b>TOTAL OPERATING REVENUES</b>	<u>721,500</u>
 <b>OPERATING EXPENSES</b>	
Depreciation	487,731
Sewer system maintenance	13,532
Regulatory fees	10,000
Engineering fees	9,186
Administrative expense	9,035
Accounting and audit fees	5,654
Legal fees	4,530
Insurance expense	2,085
Amortization	1,562
Office expense	<u>1,334</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>544,649</u>
<b>OPERATING INCOME</b>	<u>176,851</u>
 <b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest income	16,472
Net depreciation in the fair value of investments	(9,215)
Investment expenses	(3,188)
Interest expense	<u>(270,640)</u>
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>(266,571)</u>
<b>CHANGE IN NET POSITION</b>	(89,720)
<b>NET POSITION, April 1, 2012</b>	<u>6,586,834</u>
<b>NET POSITION, March 31, 2013</b>	<u>\$ 6,497,114</u>

See accompanying notes to financial statements.

-4-

BOROUGH OF KANE AUTHORITY  
 STATEMENT OF CASH FLOWS  
 Year Ended March 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers	\$ 501,500
Cash paid to suppliers	<u>(51,578)</u>
Net cash provided by operating activities	<u>449,922</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchase of fixed assets	(44,308)
Principal payments on long-term debt	(445,618)
Interest payments on debt	<u>(271,053)</u>
Net cash used for capital and related financing activities	<u>(760,979)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from interest earnings	13
Transfers from investments for debt service	<u>311,634</u>
Net cash provided by investing activities	<u>311,647</u>

NET INCREASE IN CASH

590

CASH, April 1, 2012

4,078

CASH, March 31, 2013

\$ 4,668

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ <u>176,851</u>
------------------	-------------------

Adjustments to reconcile operating income to net cash provided by operating activities:

Depreciation	487,731
Amortization	1,562
Increase in accounts receivable	(220,000)
Increase in accounts payable	<u>3,778</u>

Total adjustments	273,071
-------------------	---------

Net cash provided by operating activities	\$ <u>449,922</u>
---	-------------------

See accompanying notes to financial statements.

-5-

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**NOTE A – DESCRIPTION OF MUNICIPALITY**

The Borough of Kane Authority (the Authority) is a legal entity organized and existing under the laws of the Commonwealth of Pennsylvania, pursuant to the Municipality Authorities Act of 1945, approved May 2, 1945, P. L. 382, as amended, having been duly organized by the Borough of Kane, McKean County, Pennsylvania. The Authority has the right, privilege, franchise, and authority to lay, construct, maintain, repair, and replace in the streets, roads, alleys, and rights of way of the Borough of Kane the necessary sewer lines and related structures.

The articles of incorporation of the Authority were amended in 1994 to include by application for joinder the Township of Wetmore, McKean County, Pennsylvania.

In accordance with the requirements of Statement No. 14, *The Financial Reporting Entity, of the Governmental Accounting Standards Board (GASB)*, the financial statements must present the Authority (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements. Additionally, the accompanying financial statements are incorporated into the financial statements of the Borough of Kane because the Authority is a component unit of the Borough.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation and Accounting**

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions on behalf of the Authority, the reporting entity. The Authority accounts for its operations as an enterprise fund. Operating revenues and expenses result from providing sewer facilities to the Borough of Kane and Wetmore Township, Pennsylvania. All other revenues and expenses are reported as non operating revenues and expenses. Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Funds that use Proprietary Fund Accounting*, the Authority applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails.

Due to the fact that the Authority operates under one proprietary fund, a statement of revenues, expenses, and change in net assets – proprietary funds has been omitted. This information is reported in the Statement of Revenues, Expenses and Change in Net Position.

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

The Authority considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are recorded at fair value.

Sewer System, Depreciation, and Project Costs

Assets are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for engineering fees and maintenance are capitalized when allocable to construction, otherwise they are charged to expense as incurred.

Project costs are preliminary costs incurred to determine the feasibility or possibility of obtaining funding for a significant expansion or upgrade of the sewer system. If the project is successfully funded, these costs will be reclassified as sewer system and depreciated over the useful life of the project.

Debt Issue Costs

The costs of acquiring the revenue bonds and note are capitalized and amortized over the terms of the loans.

Capital Grants and Contributions

The Authority receives capital grants from certain governmental agencies to be used for various purposes connected with the planning, modernization, and expansion of sewer facilities. Capital grants to the Authority are reported as capital contributions in the Statement of Revenues, Expenses and Change in Net Position.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**NOTE C - CASH DEPOSITS AND RESTRICTED INVESTMENTS**

Commonwealth of Pennsylvania Local Government Unit Debt Act, provides for the investment of Authority funds in certain authorized investment types as follows:

- i.) United States Treasury Bills;
- ii.) Short-term obligations of the United States Government or its agencies or instrumentalities;
- iii.) Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund 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 therefore shall be pledged by the depository;
- iv.) Obligations of 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, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or 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.

The deposit and investment policy of the Authority adheres to the act and prudent business practice. Deposits are maintained in demand deposits and are captioned as cash in the Statement of Net Position.

**Cash Deposits**

As of March 31, 2013, the Authority had a bank deposit with a carrying amount and a bank balance of \$4,668. The entire deposit was covered by federal depository insurance.

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE C - CASH DEPOSITS AND RESTRICTED INVESTMENTS (Continued)

Restricted Investments

As of March 31, 2013, investments consist of the following:

	Fair Value	Investment Maturities			Credit Quality Rating
		Less than 1 year	1-5 years	6-10 years	
U.S. Agency bonds	\$ 326,535	\$ 50,953	\$ 275,582	\$ -	Aaa
Money market fund	223,715	223,715	-	-	N/A
Cash and certificates of deposit	233,143	78,111	155,032	-	Insured
Accrued income	3,517	3,517	-	-	
<b>Total Investments</b>	<b>\$ 786,910</b>	<b>\$ 356,296</b>	<b>\$ 430,614</b>	<b>\$ -</b>	

Investments are restricted for the maintenance, construction, and debt service of the sewer system.

The Authority is required to maintain a minimum balance in its investments of \$622,103 which represents one year's debt service.

NOTE D - SEWER SYSTEM

The sewer system and equipment consist of:

	March 31, 2012	Additions	Dispositions	March 31, 2013
<b>Depreciable assets:</b>				
New sewer system 1994	\$ 17,917,315	\$ 10,662	\$ -	\$ 17,927,977
Initial sewer system 1967	614,737	-	-	614,737
Sewer extension 2006	597,334	12,702	-	610,036
Equipment	518,877	15,642	-	534,519
Office equipment	27,648	5,302	-	32,950
<b>Total capital assets being depreciated</b>	<b>19,675,911</b>	<b>44,308</b>	<b>-</b>	<b>19,720,219</b>

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE D - SEWER SYSTEM (Continued)

	March 31, 2012	Additions	Dispositions	March 31, 2013
Less accumulated depreciation for:				
New sewer system 1994	6,832,681	447,428	-	7,280,109
Initial sewer system 1967	299,234	15,368	-	314,602
Sewer extension 2006	77,149	15,108	-	92,257
Equipment	490,926	6,353	-	497,279
Office equipment	21,335	3,474	-	24,809
Total accumulated depreciation	<u>7,721,325</u>	<u>487,731</u>	<u>-</u>	<u>8,209,056</u>
Net sewer system	<u>\$ 11,954,586</u>	<u>\$ (443,423)</u>	<u>\$ -</u>	<u>\$ 11,511,163</u>

The sewer system is pledged as collateral for long-term debt.

NOTE E - LONG-TERM DEBT

Long-term debt consists of:

	Balance Outstanding March 31, 2012	Payments	Balance Outstanding March 31, 2013
4.5% RDA Sewer Revenue Bonds due September 21, 2034. Semi-annual installments of interest and principal are due in the amount of \$211,133. The bonds are guaranteed by the Borough of Kane and the Township of Wetmore in proportions of 65% and 35%, respectively.	\$ 5,929,245	\$ 157,160	\$ 5,772,085

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE E - LONG-TERM DEBT (Continued)

	<u>Balance Outstanding March 31, 2012</u>	<u>Payments</u>	<u>Balance Outstanding March 31, 2013</u>
1.0% PENNVEST Sewer Revenue Note due September 1, 2014 guaranteed by the Borough of Kane. Monthly installments of interest and principal are due in the amount of \$24,533.62.	726,626	288,458	438,168
	<u>\$ 6,655,871</u>	<u>\$ 445,618</u>	6,210,253
Less current maturities			<u>479,067</u>
Long-term debt			<u>\$ 5,731,186</u>

The bonds and note described above are collateralized by all accounts and property of the Authority including all the right, title and interest of the Authority in and to any and all receipts and revenues derived from the sewer system.

On April 30, 2013, the Authority issued a Guaranteed Sewer Revenue Note, Series of 2013 to Fulton Bank, N.A. in the amount of \$6,000,000 for the purpose of refinancing the 4.5% RDA Sewer Revenue Bonds. The new funding was disbursed as follows:

4.5% RDA Sewer Revenue Bonds principal payment	\$ 5,772,085
Accrued interest of bonds to April 30, 2013	28,466
Debt issue costs for the new note	81,281
Funding for future sewer projects	<u>118,168</u>
Total amount borrowed	<u>\$ 6,000,000</u>

The interest rate of the note is fixed for ten years at 2.83% and thereafter will float at 65% of the bank's prime rate with a floor of 2.0% and a ceiling of 6.0%. The 20 year note matures on June 1, 2033.

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE E - LONG-TERM DEBT (Continued)

For the purpose of presenting the Authority's schedule of principal and interest payments that will be due in the future, the table below reflects the 2.83% interest rate until May 2023 at which time the rate is assumed for this purpose to reset at the 6.0% maximum rate.

The note's payment is guaranteed by the Borough of Kane and Wetmore Township.

The schedule for principal maturity and annual debt service is as follows:

<u>Year Ending March 31,</u>	<u>Principal Amount</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
2014	\$ 479,067	\$ 143,036	\$ 622,103
2015	378,558	161,885	540,443
2016	238,388	154,853	393,241
2017	245,223	148,018	393,241
2018	252,253	140,988	393,241
2019-2023	1,373,986	592,221	1,966,207
2024-2028	1,449,980	818,706	2,268,686
2029-2033	1,945,308	333,808	2,279,116
2034	75,405	566	75,971
	<u>\$ 6,438,168</u>	<u>\$ 2,494,081</u>	<u>\$ 8,932,249</u>

NOTE F - MANAGEMENT AGREEMENT

On September 21, 1994, the Authority and the Borough of Kane entered into a management agreement for the operation of the Sewer System. Under the terms of the agreement, the Borough agrees to operate the Sewer System, bill and collect all revenue from the Sewer System, and return to the Authority periodically all excess funds not required for the estimated operating costs of the next three months. The agreement may be canceled by either party upon twelve months written notice.

The Authority recognized \$720,000 of revenue during the year ended March 31, 2013 under this agreement, of which \$406,000 was included in accounts receivable at March 31, 2013.

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**NOTE G – RELATED PARTY TRANSACTIONS**

An officer of the Authority provides accounting services to the Authority. Payments for these services during the year ended March 31, 2013 totaled \$8,885.

# HAINES & COMPANY

A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

213 WEST THIRD AVENUE  
P.O. BOX 767  
WARREN, PENNSYLVANIA 16365  
814-723-7741 • FAX 814-723-9746  
HAINES-CPAS.COM

MEMBERS OF AMERICAN AND  
PENNSYLVANIA INSTITUTES OF  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members  
Borough of Kane Authority  
Kane, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Borough of Kane Authority, as of and for the year ended March 31, 2013, and the related notes to the financial statements, which collectively comprise Borough of Kane Authority's basic financial statements, and have issued our report thereon dated August 16, 2013.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Borough of Kane Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Borough of Kane Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough of Kane Authority's internal control.

*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 financial statements will not be prevented, or detected and corrected on a timely basis.

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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Borough of Kane Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Harris Company*

Certified Public Accountants  
Warren, Pennsylvania  
August 16, 2013

**Borough of Kane - Sewer Fund  
 Profit & Loss Budget vs. Actual  
 January through December 2013**

	Jan - Dec 13	Budget	% of Budget
<b>Income</b>			
<b>REVENUE</b>			
340 · INTEREST/RENTS/ROYALTIES			
341.00 · Interest Earnings	6.28	150.00	4.2%
SEWER FUND			
Total 341.00 · Interest Earnings	6.28	150.00	4.2%
Total 340 · INTEREST/RENTS/ROYALTIES	6.28	150.00	4.2%
360 · CHARGES FOR SERVICES			
364.00 · Other Charges for Sanitation			
SEWER FUND			
361.60 · No Lien Letters	120.00	150.00	80.0%
364.01 · Recovery of Bad Debt	0.00	500.00	0.0%
364.04 · Connection Fees	1,670.00	1,000.00	167.0%
364.05 · Other Sewer Revenue	2,781.46	2,000.00	139.1%
364.17 · Grinder Pump Repairs	0.00	5,000.00	0.0%
Total SEWER FUND	4,571.46	8,650.00	52.8%
Total 364.00 · Other Charges for Sanitation	4,571.46	8,650.00	52.8%
364.10 · Wastewater/Sewer Charges			
364.15 · Sludge Disposal	11,199.00	6,000.00	186.7%
364.10 · Wastewater/Sewer Charges - Other	1,313,090.32	1,388,000.00	94.6%
Total 364.10 · Wastewater/Sewer Charges	1,324,289.32	1,394,000.00	95.0%
Total 360 · CHARGES FOR SERVICES	1,328,860.78	1,402,650.00	94.7%
Total REVENUE	1,328,867.06	1,402,800.00	94.7%
Total Income	1,328,867.06	1,402,800.00	94.7%
<b>Expense</b>			
<b>EXPENDITURES</b>			
426 · PUBLIC WORKS- SANITATION			
429.00 · Wastewater Collection Treatment			
429.000 · Salaries- Full Time	143,224.45	139,300.00	102.8%
429.01 · Salaries- Manager	0.00	0.00	0.0%
429.02 · Salaries- Part Time	0.00	0.00	0.0%
429.03 · Salaries- Administrative	33,945.60	33,950.00	100.0%
429.05 · Salaries- Overtime	10,377.22	12,500.00	83.0%
429.10 · Materials	39,365.05	50,000.00	78.7%
429.11 · Maintenance	35,610.77	32,000.00	111.3%
429.13 · Vehicle Maintenance	4,102.04	6,830.00	60.1%
429.14 · System Maintenance- Materials	2,248.32	2,000.00	112.4%
429.15 · System Maintenance- Labor	1,057.50	8,000.00	13.2%
429.30 · Communications	10,919.81	12,500.00	87.4%
429.41 · Water	4,920.51	5,500.00	89.5%
429.42 · Gasoline/ Oil	3,252.01	6,000.00	54.2%
429.43 · Electric- WWTP	73,906.51	78,000.00	94.8%
429.44 · Electric- Pump Station	12,765.41	15,000.00	85.1%
429.50 · Sludge Removal	41,942.55	38,000.00	110.4%
429.55 · Engineering Service	0.00	2,500.00	0.0%
429.60 · Testing/ Analysis	32,934.50	29,000.00	113.6%
429.61 · Lab Supplies	1,492.34	2,500.00	59.3%
429.70 · Training	750.50	1,000.00	75.1%
429.73 · Fuel - Natural Gas	19,984.28	20,000.00	99.9%
429.75 · Office Supplies/ Postage	6,162.26	6,500.00	94.8%
429.80 · Grinder Pump Repair	3,021.95	5,000.00	60.4%
429.81 · Minor Equipment	0.00	500.00	0.0%
429.92 · Employee- Drug Testing	130.00	200.00	65.0%
429.95 · Usage Data/Sewer Billing	21,977.01	20,000.00	109.9%
Total 429.00 · Wastewater Collection Treatment	504,080.59	526,780.00	95.7%
Total 426 · PUBLIC WORKS- SANITATION	504,080.59	526,780.00	95.7%

11:02 AM

01/02/14

Cash Basis

**Borough of Kane - Sewer Fund  
Profit & Loss Budget vs. Actual  
January through December 2013**

	Jan - Dec 13	Budget	% of Budget
<b>480 · EMPLOYER PD BENEFITS/ WITHHOLDI</b>			
429.21 · Workers' Compensation Insurance	9,857.72	9,990.00	98.7%
484.20 · SEWER FUND			
<b>Total 429.21 · Workers' Compensation Insurance</b>	<b>9,857.72</b>	<b>9,990.00</b>	<b>98.7%</b>
<b>481.00 · Withholding Taxes/ Unempl Comp</b>			
<b>SEWER FUND</b>			
429.23 · FICA	12,585.19	14,500.00	86.8%
429.29 · Unemployment Compensation	0.00	1,300.00	0.0%
<b>Total SEWER FUND</b>	<b>12,585.19</b>	<b>15,800.00</b>	<b>79.7%</b>
<b>Total 481.00 · Withholding Taxes/ Unempl Comp</b>	<b>12,585.19</b>	<b>15,800.00</b>	<b>79.7%</b>
<b>487.00 · Group Insurance/ Other Benefits</b>			
<b>SEWER FUND</b>			
429.24 · BC/ BS	139,233.36	115,800.00	120.2%
429.25 · Prescription	0.00	0.00	0.0%
429.26 · Dental	2,587.08	2,700.00	95.8%
429.27 · Life/ Disability Insurance	1,084.00	1,100.00	98.5%
429.28 · Co- Pays	0.00	0.00	0.0%
429.31 · Vision	985.80	725.00	138.0%
<b>Total SEWER FUND</b>	<b>143,890.24</b>	<b>120,325.00</b>	<b>119.6%</b>
<b>Total 487.00 · Group Insurance/ Other Benefits</b>	<b>143,890.24</b>	<b>120,325.00</b>	<b>119.6%</b>
<b>Total 480 · EMPLOYER PD BENEFITS/ WITHHOLDI</b>	<b>166,333.15</b>	<b>146,115.00</b>	<b>113.8%</b>
<b>486 · INSURANCE</b>			
<b>SEWER</b>			
429.20 · Property Liability Insurance	12,501.32	12,853.00	97.3%
429.22 · Auto Insurance	665.67	802.00	83.0%
<b>Total SEWER</b>	<b>13,166.99</b>	<b>13,655.00</b>	<b>96.4%</b>
<b>Total 486 · INSURANCE</b>	<b>13,166.99</b>	<b>13,655.00</b>	<b>96.4%</b>
<b>491 · OTHER FINANCING USES</b>			
493.10 · Sewer Exp - Transfer to KBA	670,000.00	716,250.00	93.5%
<b>Total 491 · OTHER FINANCING USES</b>	<b>670,000.00</b>	<b>716,250.00</b>	<b>93.5%</b>
<b>Total EXPENDITURES</b>	<b>1,353,580.73</b>	<b>1,402,800.00</b>	<b>96.5%</b>
<b>Total Expense</b>	<b>1,353,580.73</b>	<b>1,402,800.00</b>	<b>96.5%</b>
<b>Net Income</b>	<b>-24,713.67</b>	<b>0.00</b>	<b>100.0%</b>

BOROUGH OF KANE AUTHORITY,  
A COMPONENT UNIT OF THE  
BOROUGH OF KANE, PENNSYLVANIA  
FINANCIAL STATEMENTS  
MARCH 31, 2014

**HAINES & COMPANY**  
A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

## TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Net Position	4
Statement of Revenues, Expenses and Change in Net Position	5
Statement of Cash Flows	6
Notes to Financial Statements	7
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	15

# HAINES & COMPANY

A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

213 WEST THIRD AVENUE  
P.O. BOX 767  
WARREN, PENNSYLVANIA 16365  
814-723-7741 • FAX 814-723-9746  
HAINES-CPAS.COM

MEMBERS OF AMERICAN AND  
PENNSYLVANIA INSTITUTES OF  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Members  
Borough of Kane Authority  
Kane, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Borough of Kane Authority, a component unit of Borough of Kane, Pennsylvania, as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the Authority'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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity'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 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 financial statements.

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 financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Borough of Kane Authority, a component unit of Borough of Kane, Pennsylvania, as of March 31, 2014, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note H to the financial statements, during the year ended March 31, 2014, the Authority adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Other Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2014, on our consideration of the Borough of Kane Authority's internal control

over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Borough of Kane Authority's internal control over financial reporting and compliance.

*Haines Company*

Certified Public Accountants  
Warren, Pennsylvania  
July 22, 2014

BOROUGH OF KANE AUTHORITY

STATEMENT OF NET POSITION

March 31, 2014

ASSETS

CURRENT ASSETS

Cash	\$ 8,889
Accounts receivable	<u>471,000</u>

TOTAL CURRENT ASSETS	479,889
----------------------	---------

RESTRICTED CASH	78,914
-----------------	--------

RESTRICTED INVESTMENTS	754,588
------------------------	---------

CAPITAL ASSETS

Sewer system	<u>11,074,991</u>
--------------	-------------------

TOTAL ASSETS	<u>12,388,382</u>
--------------	-------------------

LIABILITIES

CURRENT LIABILITIES

Accounts payable - trade	2,072
Accrued interest payable	12,897
Accrued investment fees payable	464
Current maturities of long-term debt	<u>430,727</u>

TOTAL CURRENT LIABILITIES	446,160
---------------------------	---------

LONG-TERM DEBT	<u>5,530,263</u>
----------------	------------------

TOTAL LIABILITIES	<u>5,976,423</u>
-------------------	------------------

NET POSITION

Invested in capital assets, net of related debt	5,114,001
Restricted for debt service	594,063
Unrestricted	<u>703,895</u>

TOTAL NET POSITION	<u>\$ 6,411,959</u>
--------------------	---------------------

See accompanying notes to financial statements.

-4-

BOROUGH OF KANE AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION  
Year Ended March 31, 2014

OPERATING REVENUES	
Sewer system revenue from Borough of Kane	\$ 720,000
Other operating income	<u>1,670</u>
 TOTAL OPERATING REVENUES	 <u>721,670</u>
 OPERATING EXPENSES	
Depreciation	491,114
Debt issue costs	81,281
Regulatory fees	10,000
Engineering fees	7,368
Administrative expense	7,212
Accounting and audit fees	6,355
Sewer system maintenance	2,060
Legal fees	2,052
Office expense	<u>1,495</u>
 TOTAL OPERATING EXPENSES	 <u>608,937</u>
 OPERATING INCOME	 <u>112,733</u>
 NON-OPERATING REVENUES (EXPENSES)	
Interest income	10,660
Net depreciation in the fair value of investments	(12,113)
Investment expenses	(3,334)
Interest expense	<u>(178,361)</u>
 TOTAL NON-OPERATING REVENUES (EXPENSES)	 <u>(183,148)</u>
 CHANGE IN NET POSITION	 <u>(70,415)</u>
 NET POSITION, April 1, 2013 (NOTE H)	 <u>6,482,374</u>
 NET POSITION, March 31, 2014	 <u>\$ 6,411,959</u>

See accompanying notes to financial statements.

-5-

BOROUGH OF KANE AUTHORITY  
STATEMENT OF CASH FLOWS  
Year Ended March 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers	\$ 656,670
Cash paid to suppliers	<u>(42,550)</u>
Net cash provided by operating activities	<u>614,120</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchase of fixed assets	(54,942)
Principal payments on long-term debt	(477,178)
Interest payments on debt	<u>(144,579)</u>
Net cash used for capital and related financing activities	<u>(676,699)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from interest earnings	42
Net transfers from restricted cash for debt service	<u>66,758</u>
Net cash provided by investing activities	<u>66,800</u>

NET INCREASE IN CASH	4,221
CASH, April 1, 2013	<u>4,668</u>
CASH, March 31, 2014	<u>\$ 8,889</u>

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ <u>112,733</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Debt issue costs funded by new debt	81,281
Depreciation	491,114
Increase in accounts receivable	(65,000)
Decrease in accounts payable	<u>(6,008)</u>
Total adjustments	<u>501,387</u>
Net cash provided by operating activities	<u>\$ 614,120</u>

See accompanying notes to financial statements.

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE A – DESCRIPTION OF MUNICIPALITY

The Borough of Kane Authority (the Authority) is a legal entity organized and existing under the laws of the Commonwealth of Pennsylvania, pursuant to the Municipality Authorities Act of 1945, approved May 2, 1945, P. L. 382, as amended, having been duly organized by the Borough of Kane, McKean County, Pennsylvania. The Authority has the right, privilege, franchise, and authority to lay, construct, maintain, repair, and replace in the streets, roads, alleys, and rights of way of the Borough of Kane the necessary sewer lines and related structures.

The articles of incorporation of the Authority were amended in 1994 to include by application for joinder the Township of Wetmore, McKean County, Pennsylvania.

In accordance with the requirements of Statement No. 14, *The Financial Reporting Entity, of the Governmental Accounting Standards Board (GASB)*, the financial statements must present the Authority (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements. Additionally, the accompanying financial statements are incorporated into the financial statements of the Borough of Kane because the Authority is a component unit of the Borough.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions on behalf of the Authority, the reporting entity. The Authority accounts for its operations as an enterprise fund. Operating revenues and expenses result from providing sewer facilities to the Borough of Kane and Wetmore Township, Pennsylvania. All other revenues and expenses are reported as non operating revenues and expenses. Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Funds that use Proprietary Fund Accounting*, the Authority applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails.

Due to the fact that the Authority operates under one proprietary fund, a statement of revenues, expenses, and change in net assets – proprietary funds has been omitted. This information is reported in the Statement of Revenues, Expenses and Change in Net Position.

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

The Authority considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are recorded at fair value.

Sewer System, Depreciation, and Project Costs

Assets are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for engineering fees and maintenance are capitalized when allocable to construction, otherwise they are charged to expense as incurred.

Project costs are preliminary costs incurred to determine the feasibility or possibility of obtaining funding for a significant expansion or upgrade of the sewer system. If the project is successfully funded, these costs will be reclassified as sewer system and depreciated over the useful life of the project.

Debt Issue Costs

Debt issuance costs are expensed in the period they are incurred.

Capital Grants and Contributions

The Authority receives capital grants from certain governmental agencies to be used for various purposes connected with the planning, modernization, and expansion of sewer facilities. Capital grants to the Authority are reported as capital contributions in the Statement of Revenues, Expenses and Change in Net Position.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE C - CASH DEPOSITS AND RESTRICTED INVESTMENTS

Commonwealth of Pennsylvania Local Government Unit Debt Act, provides for the investment of Authority funds in certain authorized investment types as follows:

- i.) United States Treasury Bills;
- ii.) Short-term obligations of the United States Government or its agencies or instrumentalities;
- iii.) Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund 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 therefore shall be pledged by the depository;
- iv.) Obligations of 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, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or 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.

The deposit and investment policy of the Authority adheres to the act and prudent business practice. Deposits are maintained in demand deposits and are captioned as cash in the Statement of Net Position.

Cash Deposits

As of March 31, 2014, the Authority had a bank checking account with a carrying amount and a bank balance of \$43,759. The entire deposit was covered by federal depository insurance.

The Authority also has a checking accounts with a different bank for the purpose of funding the monthly principal and interest payments of the revenue note. The carrying amount and the bank balance of the account at March 31, 2014 was \$54,014 and \$54,014. The entire balance of the account was covered by federal depository insurance.

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE C - CASH DEPOSITS AND RESTRICTED INVESTMENTS (Continued)

Restricted Investments

As of March 31, 2014, investments consist of the following:

	Fair Value	Investment Maturities			Credit Quality Rating
		Less than 1 year	1-5 years	6-10 years	
U.S. Agency bonds	\$ 568,815	\$ -	\$ 568,815	\$ -	Aaa
Money market fund	31,800	31,800	-	-	N/A
Certificates of deposit	150,898	150,898	-	-	Insured
Accrued income	3,075	3,075	-	-	
	<u>\$ 754,588</u>	<u>\$ 185,773</u>	<u>\$ 568,815</u>	<u>\$ -</u>	

Investments are restricted for the maintenance, construction, and debt service of the sewer system.

The Authority is required to maintain a minimum balance in its investments of \$594,063 which represents one year's debt service.

NOTE D - SEWER SYSTEM

The sewer system and equipment consist of:

	March 31, 2013	Additions	Dispositions	March 31, 2014
Depreciable assets:				
New sewer system 1994	\$ 17,927,977	\$ -	\$ -	\$ 17,927,977
Initial sewer system 1967	614,737	-	-	614,737
Sewer extension 2006	610,036	50,695	-	660,731
Equipment	534,519	4,247	-	538,766
Office equipment	32,950	-	-	32,950
Total capital assets being depreciated	<u>19,720,219</u>	<u>54,942</u>	<u>-</u>	<u>19,775,161</u>

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE D - SEWER SYSTEM (Continued)

	<u>March 31,</u> <u>2013</u>	<u>Additions</u>	<u>Dispositions</u>	<u>March 31,</u> <u>2014</u>
Less accumulated depreciation for:				
New sewer system 1994	7,280,109	447,832	-	7,727,941
Initial sewer system 1967	314,602	15,368	-	329,970
Sewer extension 2006	92,257	16,712	-	108,969
Equipment	497,279	7,139	-	504,418
Office equipment	<u>24,809</u>	<u>4,063</u>	<u>-</u>	<u>28,872</u>
Total accumulated depreciation	<u>8,209,056</u>	<u>491,114</u>	<u>-</u>	<u>8,700,170</u>
Net sewer system	<u>\$ 11,511,163</u>	<u>\$ (436,172)</u>	<u>\$ -</u>	<u>\$ 11,074,991</u>

The sewer system is pledged as collateral for long-term debt.

NOTE E - LONG-TERM DEBT

Long-term debt consists of:

	<u>Balance</u> <u>Outstanding</u> <u>March 31, 2013</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>Outstanding</u> <u>March 31, 2014</u>
Variable rate Guaranteed Sewer Revenue Note, Series 2013. Monthly installments of interest and principal are due in the amount of \$35,188.83. The note matures on June 1, 2033.	\$ -	\$ 6,000,000	\$ (210,236)	\$ 5,789,764

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE E - LONG-TERM DEBT (Continued)

	<u>March 31, 2013</u>	<u>Additions</u>	<u>Payments</u>	<u>March 31, 2014</u>
<p>1.0% PENNVEST Sewer Revenue Note due September 1, 2014 guaranteed by the Borough of Kane. Monthly installments of interest and principal are due in the amount of \$24,533.62.</p>	438,168	-	(266,942)	171,226
<p>4.5% RDA Sewer Revenue Bonds due September 21, 2034. Semi-annual installments of interest and principal are due in the amount of \$211,133. The bonds are guaranteed by the Borough of Kane and the Township of Wetmore in proportions of 65% and 35%, respectively.</p>	<u>5,772,085</u>	<u>-</u>	<u>(5,772,085)</u>	<u>-</u>
	<u>\$ 6,210,253</u>	<u>\$ 6,000,000</u>	<u>\$ (6,249,263)</u>	5,960,990
<p>Less current maturities</p>				<u>430,727</u>
<p>Long-term debt</p>				<u>\$ 5,530,263</u>

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE E - LONG-TERM DEBT (Continued)

The bonds and note described above are collateralized by all accounts and property of the Authority including all the right, title and interest of the Authority in and to any and all receipts and revenues derived from the sewer system.

On April 30, 2013, the Authority issued a Guaranteed Sewer Revenue Note, Series of 2013 to Fulton Bank, N.A. in the amount of \$6,000,000 for the purpose of refinancing the 4.5% RDA Sewer Revenue Bonds. The new funding was disbursed as follows:

4.5% RDA Sewer Revenue Bonds principal payment	\$ 5,772,085
Accrued interest of bonds to April 30, 2013	28,466
Debt issue costs for the new note	81,281
Funding for future sewer projects	118,168
Total amount borrowed	\$ 6,000,000

The interest rate of the note issued in 2013 is fixed for ten years at 2.83% and thereafter will float at 65% of the bank's prime rate with a floor of 2.0% and a ceiling of 6.0%. The 20 year note matures on June 1, 2033 and payment is guaranteed by the Borough of Kane and Wetmore Township in proportions of 65% and 35%, respectively.

For the purpose of presenting the Authority's schedule of principal and interest payments that will be due in the future, the table below reflects the 2.83% interest rate until May 2023 at which time the rate is assumed for this purpose to reset at the 6.0% maximum rate.

The schedule for principal maturity and annual debt service is as follows:

Year Ending March 31,	Principal Amount	Total Interest	Total Debt Service
2015	\$ 430,727	\$ 163,336	\$ 594,063
2016	266,630	155,636	422,266
2017	274,797	147,469	422,266
2018	282,787	139,479	422,266
2019	291,008	131,258	422,266
2020-2024	1,504,354	606,976	2,111,330
2025-2029	1,427,945	683,385	2,111,330
2030-2034	1,482,742	189,928	1,672,670
	\$ 5,960,990	\$ 2,217,467	\$ 8,178,457

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE F - MANAGEMENT AGREEMENT

On September 21, 1994, the Authority and the Borough of Kane entered into a management agreement for the operation of the Sewer System. Under the terms of the agreement, the Borough agrees to operate the Sewer System, bill and collect all revenue from the Sewer System, and return to the Authority periodically all excess funds not required for the estimated operating costs of the next three months. The agreement may be canceled by either party upon twelve months written notice.

The Authority recognized \$720,000 of revenue during the year ended March 31, 2014 under this agreement, of which \$471,000 was included in accounts receivable at March 31, 2014.

NOTE G – RELATED PARTY TRANSACTIONS

An officer of the Authority provides accounting services to the Authority. Payments for these services during the year ended March 31, 2014 totaled \$7,608.

NOTE H – CHANGE IN ACCOUNTING PRINCIPLE

The Governmental Accounting Standards Board issued Statement 65, *Items Previously Reported as Assets and Liabilities* in March 2012 effective for financial statements for periods beginning after December 15, 2012. This Statement requires that debt issuance costs be expensed in the period they are incurred rather than capitalized and amortized over the term of the debt. The Statement calls for retroactive restatement of beginning net position as follows:

NET POSITION, April 1, 2013:

Balance as previously reported	\$	6,497,114
Adjustment to expense unamortized debt issue costs		(14,740)
Balance as restated	\$	6,482,374

The effect of the restatement increases operating income and decreases the negative change in net position for the year ended March 31, 2014 by \$14,269.

# HAINES & COMPANY

A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

213 WEST THIRD AVENUE  
P.O. BOX 767  
WARREN, PENNSYLVANIA 16365  
814-723-7741 • FAX 814-723-9746  
HAINES-CPAS.COM

MEMBERS OF AMERICAN AND  
PENNSYLVANIA INSTITUTES OF  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members  
Borough of Kane Authority  
Kane, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Borough of Kane Authority, a component unit of Borough of Kane, Pennsylvania, as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise Borough of Kane Authority's basic financial statements, and have issued our report thereon dated July 22, 2014.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Borough of Kane Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Borough of Kane Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough of Kane Authority's internal control.

*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 financial

statements will not be prevented, or detected and corrected on a timely basis.

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.

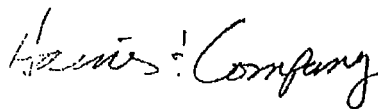
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Borough of Kane Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants  
Warren, Pennsylvania  
July 22, 2014

**Borough of Kane - Sewer Fund**  
**Sewer Fund**  
**January through December 2014**

	Jan - Dec 14	Budget	% of Budget
<b>Income</b>			
<b>REVENUE</b>			
<b>340 · INTEREST/RENTS/ROYALTIES</b>			
341.00 · Interest Earnings			
SEWER FUND	2.79	150.00	1.9%
<b>Total 341.00 · Interest Earnings</b>	<b>2.79</b>	<b>150.00</b>	<b>1.9%</b>
<b>Total 340 · INTEREST/RENTS/ROYALTIES</b>	<b>2.79</b>	<b>150.00</b>	<b>1.9%</b>
<b>360 · CHARGES FOR SERVICES</b>			
<b>364.00 · Other Charges for Sanitation</b>			
SEWER FUND			
361.60 · No Lien Letters	200.00	150.00	133.3%
364.01 · Recovery of Bad Debts	0.00	500.00	0.0%
364.04 · Connection Fees	0.00	1,000.00	0.0%
364.05 · Other Sewer Revenue	1,550.49	2,400.00	64.6%
364.17 · Grinder Pump Repairs	3,791.12	5,000.00	75.8%
<b>Total SEWER FUND</b>	<b>5,541.61</b>	<b>9,050.00</b>	<b>61.2%</b>
<b>Total 364.00 · Other Charges for Sanitation</b>	<b>5,541.61</b>	<b>9,050.00</b>	<b>61.2%</b>
<b>364.10 · Wastewater/Sewer Charges</b>			
364.15 · Sludge Disposal	4,799.40	6,000.00	80.0%
364.10 · Wastewater/Sewer Charges - Other	1,361,804.95	1,388,000.00	98.1%
<b>Total 364.10 · Wastewater/Sewer Charges</b>	<b>1,366,604.35</b>	<b>1,394,000.00</b>	<b>98.0%</b>
<b>365.00 · Health</b>			
SEWER			
365.30 · COBRA Employee Ins. Premiums	863.12	0.00	100.0%
<b>Total SEWER</b>	<b>863.12</b>	<b>0.00</b>	<b>100.0%</b>
<b>Total 365.00 · Health</b>	<b>863.12</b>	<b>0.00</b>	<b>100.0%</b>
<b>Total 360 · CHARGES FOR SERVICES</b>	<b>1,373,009.08</b>	<b>1,403,050.00</b>	<b>97.9%</b>
<b>Total REVENUE</b>	<b>1,373,011.87</b>	<b>1,403,200.00</b>	<b>97.8%</b>
<b>Total Income</b>	<b>1,373,011.87</b>	<b>1,403,200.00</b>	<b>97.8%</b>
<b>Expense</b>			
<b>EXPENDITURES</b>			
<b>426 · PUBLIC WORKS- SANITATION</b>			
<b>429.00 · Wastewater Collection Treatment</b>			
429.000 · Salaries- Full Time	120,031.90	113,900.00	105.4%
429.01 · Salaries- Manager	1,538.46	0.00	100.0%
429.02 · Salaries- Part Time	0.00	0.00	0.0%
429.03 · Salaries- Administrative	34,460.72	34,400.00	100.2%
429.05 · Salaries- Overtime	13,495.33	12,500.00	108.0%
429.10 · Materials	31,213.16	45,000.00	69.4%
429.11 · Maintenance	28,923.40	37,000.00	78.2%
429.13 · Vehicle Maintenance	3,934.58	6,830.00	57.6%
429.14 · System Maintenance- Materials	35.00	3,500.00	1.0%
429.15 · System Maintenance- Labor	645.00	6,000.00	10.8%
429.30 · Communications	11,337.12	12,500.00	90.7%
429.41 · Water	6,789.42	5,500.00	123.4%
429.42 · Gasoline/ Oil	3,010.23	6,000.00	50.2%
429.43 · Electric- WWTP	65,353.99	78,000.00	83.8%
429.44 · Electric- Pump Station	15,390.34	15,000.00	102.6%

**Borough of Kane - Sewer Fund**  
**Sewer Fund**  
 January through December 2014

	Jan - Dec 14	Budget	% of Budget
429.50 · Sludge Removal	48,772.77	39,000.00	125.1%
429.55 · Engineering Service	216.00	2,500.00	8.6%
429.60 · Testing/ Analysis	41,018.19	31,000.00	132.3%
429.61 · Lab Supplies	1,634.12	2,500.00	65.4%
429.70 · Training	210.00	1,000.00	21.0%
429.73 · Fuel - Natural Gas	15,712.08	20,700.00	75.9%
429.75 · Office Supplies/ Postage	5,814.47	6,500.00	89.5%
429.80 · Grinder Pump Repair	10,154.60	5,000.00	203.1%
429.81 · Minor Equipment	4,065.00	500.00	813.0%
429.92 · Employee- Drug Testing	220.00	200.00	110.0%
429.95 · Usage Data/Sewer Billing	23,573.75	23,142.00	101.9%
<b>Total 429.00 · Wastewater Collection Treatment</b>	<b>487,549.63</b>	<b>508,172.00</b>	<b>95.9%</b>
<b>Total 426 · PUBLIC WORKS- SANITATION</b>	<b>487,549.63</b>	<b>508,172.00</b>	<b>95.9%</b>
<b>480 · EMPLOYER PD BENEFITS/ WITHHOLDI</b>			
429.21 · Workers' Compensation Insurance			
484.20 · SEWER FUND	12,537.54	12,560.00	99.8%
<b>Total 429.21 · Workers' Compensation Insurance</b>	<b>12,537.54</b>	<b>12,560.00</b>	<b>99.8%</b>
<b>481.00 · Withholding Taxes/ Unempl Comp</b>			
<b>SEWER FUND</b>			
429.23 · FICA	12,949.54	14,500.00	89.3%
429.29 · Unemployment Compensation	0.00	1,300.00	0.0%
<b>Total SEWER FUND</b>	<b>12,949.54</b>	<b>15,800.00</b>	<b>82.0%</b>
<b>Total 481.00 · Withholding Taxes/ Unempl Comp</b>	<b>12,949.54</b>	<b>15,800.00</b>	<b>82.0%</b>
<b>487.00 · Group Insurance/ Other Benefits</b>			
<b>SEWER FUND</b>			
429.24 · BC/ BS	69,116.31	131,000.00	52.8%
429.25 · BC/BS Reimbursements	0.00	1,000.00	0.0%
429.26 · Dental	1,877.76	2,500.00	75.1%
429.27 · Life/ Disability Insurance	780.48	1,100.00	71.0%
429.31 · Vision	725.16	850.00	85.3%
<b>Total SEWER FUND</b>	<b>72,499.71</b>	<b>136,450.00</b>	<b>53.1%</b>
<b>Total 487.00 · Group Insurance/ Other Benefits</b>	<b>72,499.71</b>	<b>136,450.00</b>	<b>53.1%</b>
<b>Total 480 · EMPLOYER PD BENEFITS/ WITHHOLDI</b>	<b>97,986.79</b>	<b>164,810.00</b>	<b>59.5%</b>
<b>486 · INSURANCE</b>			
<b>SEWER</b>			
429.20 · Property Liability Insurance	14,662.52	13,181.00	111.2%
429.22 · Auto Insurance	784.60	787.00	99.7%
<b>Total SEWER</b>	<b>15,447.12</b>	<b>13,968.00</b>	<b>110.6%</b>
<b>Total 486 · INSURANCE</b>	<b>15,447.12</b>	<b>13,968.00</b>	<b>110.6%</b>
<b>491 · OTHER FINANCING USES</b>			
493.10 · Sewer Exp - Transfer to KBA	680,000.00	716,250.00	94.9%
<b>Total 491 · OTHER FINANCING USES</b>	<b>680,000.00</b>	<b>716,250.00</b>	<b>94.9%</b>
<b>Total EXPENDITURES</b>	<b>1,280,983.54</b>	<b>1,403,200.00</b>	<b>91.3%</b>
<b>Total Expense</b>	<b>1,280,983.54</b>	<b>1,403,200.00</b>	<b>91.3%</b>
<b>Net Income</b>	<b>92,028.33</b>	<b>0.00</b>	<b>100.0%</b>

BOROUGH OF KANE AUTHORITY,  
A COMPONENT UNIT OF THE  
BOROUGH OF KANE, PENNSYLVANIA  
FINANCIAL STATEMENTS  
MARCH 31, 2015

**HAINES & COMPANY**  
A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

## TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Net Position	4
Statement of Revenues, Expenses and Change in Net Position	5
Statement of Cash Flows	6
Notes to Financial Statements	7
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	14

# HAINES & COMPANY

A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

213 WEST THIRD AVENUE  
P.O. BOX 767  
WARREN, PENNSYLVANIA 16365  
814-723-7741 • FAX 814-723-9746  
HAINES-CPAS.COM

MEMBERS OF AMERICAN AND  
PENNSYLVANIA INSTITUTES OF  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Members  
Borough of Kane Authority  
Kane, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Borough of Kane Authority, a component unit of Borough of Kane, Pennsylvania, as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority'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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity'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 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 financial statements.

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 financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Borough of Kane Authority, a component unit of the Borough of Kane, Pennsylvania, as of March 31, 2015, and the changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Other Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015, on our consideration of the Borough of Kane Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit

performed in accordance with *Government Auditing Standards* in considering the Borough of Kane Authority's internal control over financial reporting and compliance.

*Harris Company*

Certified Public Accountants  
Warren, Pennsylvania  
June 30, 2015

BOROUGH OF KANE AUTHORITY

STATEMENT OF NET POSITION

March 31, 2015

ASSETS	
CURRENT ASSETS	
Cash	\$ 43,759
Accounts receivable	<u>537,000</u>
TOTAL CURRENT ASSETS	580,759
RESTRICTED CASH	54,014
RESTRICTED INVESTMENTS	761,617
INVENTORY	4,994
CAPITAL ASSETS	
Sewer system	<u>10,615,643</u>
TOTAL ASSETS	<u>12,017,027</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable - trade	46,450
Accrued interest payable	13,042
Accrued investment fees payable	464
Current maturities of long-term debt	<u>266,630</u>
TOTAL CURRENT LIABILITIES	326,586
LONG-TERM DEBT	<u>5,263,647</u>
TOTAL LIABILITIES	<u>5,590,233</u>
NET POSITION	
Invested in capital assets, net of related debt	5,085,366
Restricted for debt service	422,266
Unrestricted	<u>919,162</u>
TOTAL NET POSITION	<u>\$ 6,426,794</u>

See accompanying notes to financial statements.

-4-

BOROUGH OF KANE AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION  
Year Ended March 31, 2015

OPERATING REVENUES	
Sewer system revenue from Borough of Kane	\$ 720,000
Other operating income	<u>2,505</u>
 TOTAL OPERATING REVENUES	 <u>722,505</u>
OPERATING EXPENSES	
Depreciation	491,523
Sewer system maintenance	26,597
Engineering fees	11,016
Administrative expense	6,580
Regulatory fees	6,250
Accounting and audit fees	5,750
Legal fees	1,647
Office expense	<u>1,566</u>
 TOTAL OPERATING EXPENSES	 <u>550,929</u>
 OPERATING INCOME	 <u>171,576</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest income	6,730
Net appreciation in the fair value of investments	3,278
Realized gain on sale of investment	75
Investment expenses	(3,228)
Interest expense	<u>(163,596)</u>
 TOTAL NON-OPERATING REVENUES (EXPENSES)	 <u>(156,741)</u>
 CHANGE IN NET POSITION	 14,835
 NET POSITION, April 1, 2014	 <u>6,411,959</u>
 NET POSITION, March 31, 2015	 <u>\$ 6,426,794</u>

See accompanying notes to financial statements.

-5-

BOROUGH OF KANE AUTHORITY

STATEMENT OF CASH FLOWS

Year Ended March 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers	\$ 656,505
Cash paid to suppliers	<u>(20,022)</u>
Net cash provided by operating activities	<u>636,483</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchase of fixed assets	(32,175)
Principal payments on long-term debt	(430,713)
Interest payments on debt	<u>(163,451)</u>
Net cash used for capital and related financing activities	<u>(626,339)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from interest earnings	54
Net transfers from restricted cash for debt service	<u>24,672</u>
Net cash provided by investing activities	<u>24,726</u>

NET INCREASE IN CASH	34,870
CASH, April 1, 2014	<u>8,889</u>
CASH, March 31, 2015	<u>\$ 43,759</u>

Reconciliation of operating income to net cash provided by operating activities:

Operating income	<u>\$ 171,576</u>
------------------	-------------------

Adjustments to reconcile operating income to net cash provided by operating activities:

Depreciation	491,523
Increase in inventory	(4,994)
Increase in accounts receivable	(66,000)
Increase in accounts payable	<u>44,378</u>

Total adjustments	<u>464,907</u>
-------------------	----------------

Net cash provided by operating activities	<u>\$ 636,483</u>
---	-------------------

See accompanying notes to financial statements.

-6-

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**NOTE A – DESCRIPTION OF MUNICIPALITY**

The Borough of Kane Authority (the Authority) is a legal entity organized and existing under the laws of the Commonwealth of Pennsylvania, pursuant to the Municipality Authorities Act of 1945, approved May 2, 1945, P. L. 382, as amended, having been duly organized by the Borough of Kane, McKean County, Pennsylvania. The Authority has the right, privilege, franchise, and authority to lay, construct, maintain, repair, and replace in the streets, roads, alleys, and rights of way of the Borough of Kane the necessary sewer lines and related structures.

The articles of incorporation of the Authority were amended in 1994 to include by application for joinder the Township of Wetmore, McKean County, Pennsylvania.

In accordance with the requirements of Statement No. 14, *The Financial Reporting Entity, of the Governmental Accounting Standards Board (GASB)*, the financial statements must present the Authority (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements. Additionally, the accompanying financial statements are incorporated into the financial statements of the Borough of Kane because the Authority is a component unit of the Borough.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation and Accounting**

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions on behalf of the Authority, the reporting entity. The Authority accounts for its operations as an enterprise fund. Operating revenues and expenses result from providing sewer facilities to the Borough of Kane and Wetmore Township, Pennsylvania. All other revenues and expenses are reported as non operating revenues and expenses. Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Funds that use Proprietary Fund Accounting*, the Authority applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails.

Due to the fact that the Authority operates under one proprietary fund, a statement of revenues, expenses, and change in net position – proprietary funds has been omitted. This information is reported in the Statement of Revenues, Expenses and Change in Net Position.

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

The Authority considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are recorded at fair value.

Sewer System, Depreciation, and Project Costs

Assets are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for engineering fees and maintenance are capitalized when allocable to construction, otherwise they are charged to expense as incurred.

Project costs are preliminary costs incurred to determine the feasibility or possibility of obtaining funding for a significant expansion or upgrade of the sewer system. If the project is successfully funded, these costs will be reclassified as sewer system and depreciated over the useful life of the project.

Inventory

Inventories are valued at the lower of cost or market. Cost is determined by the first-in, first-out (FIFO) method.

Capital Grants and Contributions

The Authority receives capital grants from certain governmental agencies to be used for various purposes connected with the planning, modernization, and expansion of sewer facilities. Capital grants to the Authority are reported as capital contributions in the Statement of Revenues, Expenses and Change in Net Position.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE C - CASH DEPOSITS AND RESTRICTED INVESTMENTS

Commonwealth of Pennsylvania Local Government Unit Debt Act, provides for the investment of Authority funds in certain authorized investment types as follows:

- i.) United States Treasury Bills;
- ii.) Short-term obligations of the United States Government or its agencies or instrumentalities;
- iii.) Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund 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 therefore shall be pledged by the depository;
- iv.) Obligations of 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, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or 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.

The deposit and investment policy of the Authority adheres to the act and prudent business practice. Deposits are maintained in demand deposits and are captioned as cash in the Statement of Net Position.

Cash Deposits

As of March 31, 2015, the Authority had a bank checking account with a carrying amount and a bank balance of \$43,759 and \$44,800, respectively. The entire deposit was covered by federal depository insurance.

The Authority also has a checking account with a different bank for the purpose of funding the monthly principal and interest payments of the revenue note. The carrying amount and the bank balance of the account at March 31, 2015 was \$54,014 and \$54,014. The entire balance of the account was covered by federal depository insurance.

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE C - CASH DEPOSITS AND RESTRICTED INVESTMENTS (Continued)

Restricted Investments

As of March 31, 2015, investments consist of the following:

	Fair Value	Investment Maturities			Credit Quality Rating
		Less than 1 year	1-5 years	6-10 years	
U.S. Agency bonds	\$ 572,990	\$ -	\$ 572,990	\$ -	Aaa
Money market fund	187,089	187,089	-	-	N/A
Accrued income	1,538	1,538	-	-	
	<u>\$ 761,617</u>	<u>\$ 188,627</u>	<u>\$ 572,990</u>	<u>\$ -</u>	

Investments are restricted for the maintenance, construction, and debt service of the sewer system.

The Authority is required to maintain a minimum balance in its investments of \$422,266, which represents one year's debt service.

NOTE D - SEWER SYSTEM

The sewer system and equipment consist of:

	March 31, 2014	Additions	Dispositions	March 31, 2015
<b>Depreciable assets:</b>				
New sewer system 1994	\$ 17,927,977	\$ -	\$ -	\$ 17,927,977
Initial sewer system 1967	614,737	-	-	614,737
Sewer extension 2006	660,731	-	-	660,731
Equipment	538,766	32,175	-	570,941
Office equipment	32,950	-	-	32,950
<b>Total capital assets being depreciated</b>	<u>19,775,161</u>	<u>32,175</u>	<u>-</u>	<u>19,807,336</u>

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE D - SEWER SYSTEM (Continued)

	<u>March 31, 2014</u>	<u>Additions</u>	<u>Dispositions</u>	<u>March 31, 2015</u>
Less accumulated depreciation for:				
New sewer system 1994	7,727,941	447,829	-	8,175,770
Initial sewer system 1967	329,970	15,371	-	345,341
Sewer extension 2006	108,969	17,098	-	126,067
Equipment	504,418	7,736	-	512,154
Office equipment	28,872	3,489	-	32,361
Total accumulated depreciation	<u>8,700,170</u>	<u>491,523</u>	<u>-</u>	<u>9,191,693</u>
Net sewer system	<u>\$ 11,074,991</u>	<u>\$ (459,348)</u>	<u>\$ -</u>	<u>\$ 10,615,643</u>

The sewer system is pledged as collateral for long-term debt.

NOTE E - LONG-TERM DEBT

Long-term debt consists of:

	<u>Balance Outstanding March 31, 2014</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance Outstanding March 31, 2015</u>
Variable rate Guaranteed Sewer Revenue Note, Series 2013. Monthly installments of interest and principal are due in the amount of \$35,188.83. The note matures on June 1, 2033.	\$ 5,789,764	\$ -	\$ (259,487)	\$ 5,530,277

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

NOTE E - LONG-TERM DEBT (Continued)

	<u>Outstanding March 31, 2014</u>	<u>Additions</u>	<u>Payments</u>	<u>Outstanding March 31, 2015</u>
1.0% PENNVEST Sewer Revenue Note due September 1, 2014 guaranteed by the Borough of Kane. Monthly installments of interest and principal are due in the amount of \$24,533.62.	\$ 171,226	\$ -	\$ (171,226)	\$ -
	<u>\$ 5,960,990</u>	<u>\$ -</u>	<u>\$ (430,713)</u>	5,530,277
Less current maturities				<u>266,630</u>
Long-term debt				<u>\$ 5,263,647</u>

The bonds and note described above are collateralized by all accounts and property of the Authority including all the right, title and interest of the Authority in and to any and all receipts and revenues derived from the sewer system.

The schedule for principal maturity and annual debt service is as follows:

<u>Year Ending March 31,</u>	<u>Principal Amount</u>	<u>Total Interest</u>	<u>Total Debt Service</u>
2016	\$ 266,630	\$ 155,636	\$ 422,266
2017	274,797	147,469	422,266
2018	282,787	139,479	422,266
2019	291,008	131,258	422,266
2020	299,143	123,123	422,266
2021-2025	1,457,290	654,040	2,111,330
2026-2030	1,517,275	594,055	2,111,330
2031-2033	<u>1,141,347</u>	<u>109,071</u>	<u>1,250,418</u>
	<u>\$ 5,530,277</u>	<u>\$ 2,054,131</u>	<u>\$ 7,584,408</u>

BOROUGH OF KANE AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**NOTE F - MANAGEMENT AGREEMENT**

On September 21, 1994, the Authority and the Borough of Kane entered into a management agreement for the operation of the Sewer System. Under the terms of the agreement, the Borough agrees to operate the Sewer System, bill and collect all revenue from the Sewer System, and return to the Authority periodically all excess funds not required for the estimated operating costs of the next three months. The agreement may be canceled by either party upon twelve months written notice.

The Authority recognized \$720,000 of revenue during the year ended March 31, 2015 under this agreement, of which \$536,000 was included in accounts receivable at March 31, 2015.

**NOTE G – RELATED PARTY TRANSACTIONS**

An officer of the Authority provides accounting services to the Authority. Payments for these services during the year ended March 31, 2015 totaled \$6,534.

# HAINES & COMPANY

A PROFESSIONAL CORPORATION  
CERTIFIED PUBLIC ACCOUNTANTS

213 WEST THIRD AVENUE  
P.O. BOX 767  
WARREN, PENNSYLVANIA 16365  
814-723-7741 • FAX 814-723-9746  
HAINES-CPAS.COM

MEMBERS OF AMERICAN AND  
PENNSYLVANIA INSTITUTES OF  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members  
Borough of Kane Authority  
Kane, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Borough of Kane Authority, a component unit of the Borough of Kane, Pennsylvania, as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough of Kane Authority's basic financial statements, and have issued our report thereon dated June 30, 2015.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Kane Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Kane Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Kane Authority's internal control.

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 financial statements will not be prevented, or detected and corrected on a timely basis.

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.

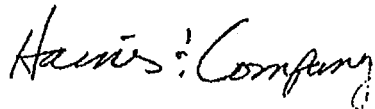
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Kane Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants  
Warren, Pennsylvania  
June 30, 2015

**Borough of Kane - Sewer Fund**  
**Sewer Fund**  
January through December 2015

	Jan - Dec 15	Budget	% of Budget
<b>Income</b>			
<b>REVENUE</b>			
340 · INTEREST/RENTS/ROYALTIES			
341.00 · Interest Earnings			
SEWER FUND	61.19	150.00	40.8%
Total 341.00 · Interest Earnings	61.19	150.00	40.8%
Total 340 · INTEREST/RENTS/ROYALTIES	61.19	150.00	40.8%
360 · CHARGES FOR SERVICES			
364.00 · Other Charges for Sanitation			
SEWER FUND			
361.60 · No Lien Letters	200.00	150.00	133.3%
364.01 · Recovery of Bad Debts	0.00	500.00	0.0%
364.04 · Connection Fees	1,252.50	1,000.00	125.3%
364.05 · Other Sewer Revenue	5,739.26	2,400.00	239.1%
364.17 · Grinder Pump Repairs	5,049.50	5,000.00	101.0%
Total SEWER FUND	12,241.26	9,050.00	135.3%
Total 364.00 · Other Charges for Sanitation	12,241.26	9,050.00	135.3%
364.10 · Wastewater/Sewer Charges			
364.15 · Sludge Disposal	3,000.00	6,000.00	50.0%
364.10 · Wastewater/Sewer Charges - Other	1,391,874.00	1,388,000.00	100.3%
Total 364.10 · Wastewater/Sewer Charges	1,394,874.00	1,394,000.00	100.1%
365.00 · Health			
SEWER			
365.30 · COBRA Employee Ins. Premiums	0.00	0.00	0.0%
Total SEWER	0.00	0.00	0.0%
Total 365.00 · Health	0.00	0.00	0.0%
Total 360 · CHARGES FOR SERVICES	1,407,115.26	1,403,050.00	100.3%
Total REVENUE	1,407,176.45	1,403,200.00	100.3%
Total Income	1,407,176.45	1,403,200.00	100.3%
<b>Expense</b>			
<b>EXPENDITURES</b>			
426 · PUBLIC WORKS- SANITATION			
429.00 · Wastewater Collection Treatment			
429.000 · Salaries- Full Time	96,857.00	110,700.00	87.5%
429.01 · Salaries- Manager	19,999.98	20,000.00	100.0%
429.02 · Salaries- Part Time	11,313.35	0.00	100.0%
429.03 · Salaries- Administrative	35,193.60	35,200.00	100.0%
429.05 · Salaries- Overtime	15,653.58	12,500.00	125.2%
429.10 · Materials	29,337.56	40,000.00	73.3%
429.11 · Maintenance	72,745.36	48,000.00	151.6%
429.13 · Vehicle Maintenance	3,479.35	6,582.00	52.9%
429.14 · System Maintenance- Materials	3,430.15	3,500.00	98.0%
429.15 · System Maintenance- Labor	1,908.58	6,000.00	31.8%
429.30 · Communications			
0737 · Cell Phones	595.36		
1 · Zito Media	2,520.00		
2 · Pump Stations	2,205.00		
429.30 · Communications - Other	6,407.65	12,500.00	51.3%
Total 429.30 · Communications	11,728.01	12,500.00	93.8%

**Borough of Kane - Sewer Fund**

**Sewer Fund**

January through December 2015

	Jan - Dec 15	Budget	% of Budget
<b>429.41 · Water</b>			
0132671 · Pine Street	2,521.92		
0133064 · Kinzua Road	1,998.42		
429.41 · Water - Other	0.00	6,000.00	0.0%
<b>Total 429.41 · Water</b>	<b>4,520.34</b>	<b>6,000.00</b>	<b>75.3%</b>
<b>429.42 · Gasoline/ Oil</b>	<b>2,146.38</b>	<b>5,500.00</b>	<b>39.0%</b>
<b>429.43 · Electric- WWTP</b>			
05150-1 · Pine Street	40,324.56		
21950-1 · Kinzua Road	38,500.25		
429.43 · Electric- WWTP - Other	0.00	75,000.00	0.0%
<b>Total 429.43 · Electric- WWTP</b>	<b>78,824.81</b>	<b>75,000.00</b>	<b>105.1%</b>
<b>429.44 · Electric- Pump Station</b>			
02510-1 · West Kane Road- #1	477.46		
04150-1 · Pond Street- #4	2,284.09		
05400-1 · Grinder Pump	97.48		
06050-1 · Rt 321 S- #5	5,223.77		
07950 · Willow Run Road	356.52		
10550-1 · Rt 6- #6	610.62		
13450-1 · Rt 66- #2 (3 Phase)	4,201.94		
19450-1 · West Wind Road- #3	879.84		
429.44 · Electric- Pump Station - Other	0.00	16,000.00	0.0%
<b>Total 429.44 · Electric- Pump Station</b>	<b>14,131.72</b>	<b>16,000.00</b>	<b>88.3%</b>
<b>429.50 · Sludge Removal</b>	<b>33,908.27</b>	<b>39,000.00</b>	<b>86.9%</b>
<b>429.55 · Engineering Service</b>	<b>0.00</b>	<b>2,500.00</b>	<b>0.0%</b>
<b>429.60 · Testing/ Analysis</b>	<b>32,993.75</b>	<b>31,000.00</b>	<b>106.4%</b>
<b>429.61 · Lab Supplies</b>	<b>3,206.40</b>	<b>2,500.00</b>	<b>128.3%</b>
<b>429.70 · Training</b>	<b>623.00</b>	<b>1,000.00</b>	<b>62.3%</b>
<b>429.73 · Fuel - Natural Gas</b>			
5001 · Kinzua Road	11,841.10		
6001 · Pine Street	12,344.88		
429.73 · Fuel - Natural Gas - Other	0.00	20,000.00	0.0%
<b>Total 429.73 · Fuel - Natural Gas</b>	<b>24,185.98</b>	<b>20,000.00</b>	<b>120.9%</b>
<b>429.75 · Office Supplies/ Postage</b>	<b>4,826.47</b>	<b>6,500.00</b>	<b>74.3%</b>
<b>429.80 · Grinder Pump Repair</b>	<b>3,747.71</b>	<b>5,000.00</b>	<b>75.0%</b>
<b>429.81 · Minor Equipment</b>	<b>0.00</b>	<b>900.00</b>	<b>0.0%</b>
<b>429.92 · Employee- Drug Testing</b>	<b>111.00</b>	<b>200.00</b>	<b>55.5%</b>
<b>429.95 · Usage Data/Sewer Billing</b>			
001 · Usage data	11,493.80		
002 · Sewer Billing	21,868.97		
429.95 · Usage Data/Sewer Billing - Other	0.00	23,500.00	0.0%
<b>Total 429.95 · Usage Data/Sewer Billing</b>	<b>33,362.77</b>	<b>23,500.00</b>	<b>142.0%</b>
<b>Total 429.00 · Wastewater Collection Treatment</b>	<b>538,235.12</b>	<b>529,582.00</b>	<b>101.6%</b>
<b>Total 426 · PUBLIC WORKS- SANITATION</b>	<b>538,235.12</b>	<b>529,582.00</b>	<b>101.6%</b>
<b>480 · EMPLOYER PD BENEFITS/ WITHHOLDI</b>			
<b>429.21 · Workers' Compensation Insurance</b>			
484.20 · SEWER FUND	11,553.94	13,390.00	86.3%
<b>Total 429.21 · Workers' Compensation Insurance</b>	<b>11,553.94</b>	<b>13,390.00</b>	<b>86.3%</b>
<b>481.00 · Withholding Taxes/ Unempl Comp</b>			
<b>SEWER FUND</b>			
429.23 · FICA	12,745.99	14,000.00	91.0%
429.29 · Unemployment Compensation	0.00	1,300.00	0.0%
<b>Total SEWER FUND</b>	<b>12,745.99</b>	<b>15,300.00</b>	<b>83.3%</b>
<b>Total 481.00 · Withholding Taxes/ Unempl Comp</b>	<b>12,745.99</b>	<b>15,300.00</b>	<b>83.3%</b>

9:06 AM

01/04/16

Cash Basis

**Borough of Kane - Sewer Fund**  
**Sewer Fund**  
 January through December 2015

	<u>Jan - Dec 15</u>	<u>Budget</u>	<u>% of Budget</u>
<b>487.00 · Group Insurance/ Other Benefits</b>			
<b>SEWER FUND</b>			
429.24 · BC/ BS	48,945.74	111,000.00	44.1%
429.25 · BC/BS Reimbursements	0.00	0.00	0.0%
429.26 · Dental	2,040.70	2,000.00	102.0%
429.27 · Life/ Disability Insurance	773.76	1,000.00	77.4%
429.31 · Vision	650.76	850.00	76.6%
<b>Total SEWER FUND</b>	<u>52,410.96</u>	<u>114,850.00</u>	<u>45.6%</u>
<b>Total 487.00 · Group Insurance/ Other Benefits</b>	<u>52,410.96</u>	<u>114,850.00</u>	<u>45.6%</u>
<b>Total 480 · EMPLOYER PD BENEFITS/ WITHHOLDI</b>	76,710.89	143,540.00	53.4%
<b>486 · INSURANCE</b>			
<b>SEWER</b>			
429.20 · Property Liability Insurance	13,575.57	13,058.00	104.0%
429.22 · Auto Insurance	697.10	770.00	90.5%
<b>Total SEWER</b>	<u>14,272.67</u>	<u>13,828.00</u>	<u>103.2%</u>
<b>Total 486 · INSURANCE</b>	14,272.67	13,828.00	103.2%
<b>491 · OTHER FINANCING USES</b>			
493.10 · Sewer Exp - Transfer to KBA	716,600.00	716,250.00	100.0%
<b>Total 491 · OTHER FINANCING USES</b>	<u>716,600.00</u>	<u>716,250.00</u>	<u>100.0%</u>
<b>Total EXPENDITURES</b>	<u>1,345,818.68</u>	<u>1,403,200.00</u>	<u>95.9%</u>
<b>Total Expense</b>	<u>1,345,818.68</u>	<u>1,403,200.00</u>	<u>95.9%</u>
<b>Net Income</b>	<u><u>61,357.77</u></u>	<u><u>0.00</u></u>	<u><u>100.0%</u></u>

**# 3 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM**

**N/A**

**Kane Borough Authority**  
**McKean County, Pennsylvania**

**WASTEWATER SYSTEM**  
**ORIGINAL COST OF INVENTORY/ASSETS**

**September 19, 2019**



**Pittsburgh, Pennsylvania**



# Table of Contents

## **Contents**

Executive Summary ..... 1

Methodology ..... 2

Appendix A – Original Cost of Inventory/Assets

Appendix B – Borough of Kane Sewer Map

Appendix C – Wetmore Sewer Contract Index Maps

Appendix D – Pine Street WWTP Site Plan

Appendix E – Kinzua Road WWTP Site Plan

## **Executive Summary**

Kane Borough Authority authorized Gannett Fleming, Inc. on January 15, 2018 to prepare an Act 12 Engineers Assessment Study for sale of the Wastewater System Assets to the Pennsylvania American Water Company (PAWC). Pennsylvania Act 12 of 2016, amended Chapter 13 of the Pennsylvania Public Utility Code and the Final Implementation Order entered by the Public Utility Commission at Docket No. M-2016- 2543193 (collectively, "Act 12") by adding section §1329 Valuation of acquired water and wastewater systems.

The Kane Wastewater System covered by this Study consists of gravity separate and combined sewers within Kane Borough, gravity separate sewers and low pressure sewers in contiguous Wetmore Township, eight (8) collection system lift stations (West Wind, Pond Street, Jo Jo Road Grinder Pump, Route 321 South, Route 6, Route 66, West Kane and Willow Run) and two (2) wastewater treatment plants (Pine Street and Kinzua Road).

A complete list of assets showing original installation date and cost as of July 2019 is included in Appendix A. The Grand Total as shown on the summary of assets organized by NARUC account number = \$21,023,527.36 .

The summary of assets organized by NARUC account number in Appendix A also shows a list of excluded assets = \$215,647.06. This report lists only those excluded assets identified herein. The buyer and seller are obligated to identify and complete Schedule 1.3 - Excluded Assets contained in the Asset Purchase Agreement.

Maps of the Boro and Township sewer service areas are contained in Appendices B and C, respectively. Site plans of the Pine Street and Kinzua Road WWTPs are contained in Appendices D and E, respectively.

## **Methodology**

The Engineer met with representatives of the Borough of Kane and Kane Borough Authority to obtain records, tour the WWTPs and verify assets as listed on book depreciation schedules provided by Kane. The Engineer also addressed buyer and seller comments in this Revision 1.

A list of inventory/assets was developed of the used and useful utility plant assets (including land and land rights) and any utility plant held for future use that is part of the System Assets. The assets were assigned an account number that conforms to the National Association of Regulatory Utility Commissioners (NARUC) System of Accounts for water and wastewater systems. The List of Inventory/Assets for the Kane Authority is shown in Appendix A.

The development of the inventory/assets began with the Book Depreciation Summary provided by the Borough of Kane Authority and the Book Depreciation Summary provided by the Borough of Kane. The Book Depreciation Summary for each entity provided a list of assets, the date of installation, and the cost of each item. Each item was reviewed and assigned NARUC account numbers.

To provide a list of assets for the Initial 1967 Project, the lineal footage of sewers and service sewers was measured and manholes were counted off the Borough of Kane Sewer Map (Appendix B). The sewer mains and service sewers data was tabulated based on pipe diameter. Unit costs were obtained from similar projects that were constructed in 1966 and 1976. The unit costs for the line items were adjusted with the ENR index.

To confirm and/or update costs, the RDA/FmHA requisitions for the 1996 Sewer System Capital Improvements Project were obtained from the Borough of Kane Authority and the final estimates for Pine Street and Kinzua Wastewater Treatment Plants, Kinzua Interceptor Sewer and Vacuum Truck contracts were located and tabulated in individual tables to further breakdown the assets and assign NARUC account numbers. These tables were then consolidated into Appendix A.

The RDA/FmHA requisitions were also used for the final estimates for the Pump Stations, West Kane Sewer, Rt 66 Sewer, West Wind Sewer, East Kane Sewer, Greendale Sewer and Northwest Sewer contracts and Grinder Pumps. These contracts were for the construction of sewers in Wetmore Township as shown on the contract plan index maps located in Appendix C.

Contract No. 2003-2, General/Mechanical Construction and Contract No. 2003-3, Electrical Construction of the Northwest Development Project – Sanitary Sewers, Pump Station, Force Main and Access Road Bid forms were located for a portion of the Northwest Project (Zook Area) and this information was tabulated and assigned NARUC account numbers. The road paving project cost was based on information provided by McKean County Redevelopment Authority. The Allegheny Power cost and other costs were based on accounting records of the Kane Borough Authority. It should be noted that the costs based on the bid form were also adjusted based on accounting records of the Kane Borough Authority.

Based on the 1994 site plans showing the original 1967 plant projects, there were seven (7) facilities constructed at the Pine Street WWTP and Kinzua Road WWTP. The two WWTPs are essentially identical with regard to facilities and capacities. Certain and same facilities at each WWTP were demolished with the 1996 project with some facilities remaining in service.

The following original 1967 facilities were demolished at each WWTP with the 1996 upgrades:

- Screening/Grit removal facility
- Primary Settling Tanks
- Sprinkling (trickling) filter

The following original 1967 facilities remain and some were repurposed at each WWTP with the 1996 upgrades:

- Control building (remain)
- Digester tanks (repurposed to WAS Holding Tanks)
- Secondary Settling Tanks (repurposed to Chlorine Contact Tanks)
- Chlorine Contact Tanks (repurposed to Effluent/Utility Water Tanks)

Site Plans for Pine Street and Kinzua Road WWTPs are included as Appendices D and E. The Pine Street WWTP site plan is annotated to show which facilities were demolished and which facilities remain or were repurposed. It is the Engineer's opinion that the seven original facilities were of comparable size and original value. It follows then that the value of the remaining facilities, in terms of 1967 dollars, would be equal to four sevenths' (4/7) of the original value, or approximately 57%. The remaining value of the Pine Street and Kinzua Road WWTPs is then  $\$203,723 \times 4/7 = \$116,413$ . These values are shown at items 805 and 806 of Appendix A.

Excluded assets are shown at the end of Appendix A and include grinder pumps, service laterals from curb to house and a loader (to be retained by the Boro/Authority). Grinder pumps were provided by Kane to the customer. It is recommended the buyer and seller agree on the disposition of the grinder pumps.

The Engineer will respond to RFIs on this Study from the buyers and seller's consultants.

END OF REPORT

# APPENDIX A

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
<b>353 - Land and Land Rights</b>							
1	353	Land & ROW		1996	\$34,237.24		
<b>SUB-TOTAL =</b>						<b>\$34,237.24</b>	

<b>354 - Structures and Improvements</b>							
2	354	Various	Borough of Kane Original Cost of Inventory/Assets	1993	\$9,799.64		
3	354	Door	Borough of Kane Original Cost of Inventory/Assets	2003	\$1,222.75		
4	354	3 yard rear load dumpster	Borough of Kane Original Cost of Inventory/Assets	2008	\$1,030.00		
5	354	Reznor Heater	Borough of Kane Original Cost of Inventory/Assets	2009	\$1,409.00		
6	354	Contract Bonds	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$57,670.00		
7	354	Mobilization	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$205,862.00		
8	354	Soil and Erosion Control	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$7,064.00		
9	354	Relocation of Exist Pipe	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$20,248.00		
10	354	Excavation (SBR)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$112,749.00		
11	354	Backfill (SBR)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$12,590.00		
12	354	Stone Base (SBR)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$5,320.00		
13	354	Concrete (SBR)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$369,702.00		
14	354	Reinforcing (SBR)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$172,312.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
15	354	Handrail (SBR)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$33,927.00		
16	354	Nosings (SBR)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,287.00		
17	354	Excavation (W.A.S. Pump Station)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$31,500.00		
18	354	Backfill (W.A.S. Pump Station)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,475.00		
19	354	Concrete (W.A.S. Pump Station)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$34,510.00		
20	354	Reinforcing (W.A.S. Pump Station)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$15,470.00		
21	354	Handrail (W.A.S. Pump Station)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$2,064.00		
22	354	Nosings (W.A.S. Pump Station)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,036.00		
23	354	Lintels, A B s (W.A.S. Pump Station)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$245.00		
24	354	Masonry (W.A.S. Pump Station)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$2,250.00		
25	354	Roof System (Trusses, shingles, plywood, etc.) (W.A.S. Pump Station)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$3,690.00		
26	354	Hatches (W.A.S. Pump Station)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$3,272.00		
27	354	Insulation (W.A.S. Pump Station)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$2,880.00		
28	354	Door, Frame, Hardware (W.A.S. Pump Station)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,245.00		
29	354	Fiberglass Specialties (portable safety rail) (W.A.S. Pump Station)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,000.00		
30	354	Excavation (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$2,632.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
31	354	Backfill (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$460.00		
32	354	Concrete (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$77,088.00		
33	354	Reinforcing (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$25,942.00		
34	354	Masonry (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$23,859.75		
35	354	Handrail (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$3,888.00		
36	354	Nosings (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,147.50		
37	354	Lintels, A.B.s (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$2,079.00		
38	354	Cast-In-Place (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,460.00		
39	354	Bar Screen - Coarse (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$883.00		
40	354	Bar Screen - Fine (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$976.00		
41	354	Precast Plank (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$2,688.00		
42	354	Roof System (Trusses, shingles, plywood, etc.) (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$46,944.00		
43	354	Door, Frame, Hardware (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$4,980.00		
44	354	Overhead Door (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$5,100.00		
45	354	Aluminum Windows (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$7,980.00		
46	354	Grating/Supports (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$15,640.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
47	354	Embedding Angle (Preliminary Treatment Struct.)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$2,660.00		
48	354	Excavation (Blower Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,043.00		
49	354	Backfill (Blower Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$230.00		
50	354	Concrete (Blower Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$9,266.00		
51	354	Reinforcing (Blower Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,666.00		
52	354	Masonry (Blower Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$20,662.50		
53	354	Misc. Metals (Lintels, A B s) (Blower Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,031.25		
54	354	Roof System (Trusses, shingles, plywood, etc.) (Blower Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$22,960.00		
55	354	Door, Frame, Hardware (Blower Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$5,200.00		
56	354	Aluminum Windows (Blower Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$2,660.00		
57	354	Excavation (Aerobic Digesters)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$23,148.00		
58	354	Backfill (Aerobic Digesters)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$4,840.00		
59	354	Concrete (Aerobic Digesters)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$127,687.00		
60	354	Reinforcing (Aerobic Digesters)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$57,596.00		
61	354	Handrail (Aerobic Digesters)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$3,053.00		
62	354	Nosings (Aerobic Digesters)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$550.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
63	354	Excavation (Garage)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$833.00		
64	354	Backfill (Garage)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$420.00		
65	354	Concrete - Footers (Garage)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$4,930.00		
66	354	Reinforcing - Footers (Garage)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,428.00		
67	354	Concrete - Slab (Garage)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$5,940.00		
68	354	Reinforcing - Slab (Garage)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$952.00		
69	354	Masonry (Garage)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$3,171.00		
70	354	Metal Building (Garage)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$42,802.00		
71	354	Door, Frame, Hardware (Garage)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,245.00		
72	354	Overhead Door (Garage)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$5,100.00		
73	354	Concrete (Effluent Water Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,602.00		
74	354	Reinforcing (Effluent Water Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$952.00		
75	354	Masonry (Effluent Water Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$3,575.00		
76	354	Misc. Metals: Handrails (Effluent Water Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$2,420.00		
77	354	Roof System (Trusses, shingles, plywood, etc.) (Effluent Water Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$5,713.00		
78	354	Hatches (Effluent Water Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,695.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
79	354	Door, Frame, Hardware (Effluent Water Building)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,245.00		
80	354	Concrete (W.A.S. Holding Tank)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$12,921.00		
81	354	Concrete (Chlorine Contact Tank)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$70,632.00		
82	354	Reinforcing (Chlorine Contact Tank)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$19,992.00		
83	354	Handrail (Chlorine Contact Tank)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$6,829.50		
84	354	Rework Walkways (Chlorine Contact Tank)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$3,198.00		
85	354	Demolition (Control Building Renovations)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$546.00		
86	354	Concrete (Control Building Renovations)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$232.00		
87	354	Misc. Metals (Control Building Renovations)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$2,242.00		
88	354	Rubber Flooring (Control Building Renovations)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$5,278.50		
89	354	Lab Furnishings/Apparatus (Control Building Renovations)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$13,038.00		
90	354	Misc. Metals: Ladder/Platform (Existing Digester Tank)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,905.00		
91	354	Demo at Headworks	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$3,158.00		
92	354	Grading	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$3,159.00		
93	354	Seeding	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$8,424.00		
94	354	Fencing	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$4,675.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
95	354	Paving (Bituminous & Stone)	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$77,275.00		
96	354	Ceiling Systems	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$25,920.00		
97	354	Painting	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$89,500.00		
98	354	Catch Basins	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$12,375.00		
99	354	Lavatory	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,085.00		
100	354	Water Heater	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$806.00		
101	354	Floor Drains	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,295.00		
102	354	Hydropneumatic Tank	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$5,420.00		
103	354	Trench Excavation	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$40,024.00		
104	354	Trench Backfill	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$40,024.00		
105	354	Change Order No. 1	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	-\$12,600.00		
106	354	Change Order No. 2	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$5,759.02		
107	354	Change Order No. 4	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$19,949.47		
108	354	Change Order No. 5	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$22,029.44		
109	354	Change Order No. 6	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$8,572.00		
110	354	Change Order No. 7	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$4,486.27		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
111	354	Change Order No. 8	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$2,902.45		
112	354	Change Order No. 9	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$901.62		
113	354	Change Order No. 10	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,968.21		
114	354	Change Order No. 11	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$22,000.00		
115	354	Change Order No. 12	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$25,020.00		
116	354	Change Order No. 13	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$1,058.11		
117	354	Change Order No. 14	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$78,000.00		
118	354	Change Order No. 15	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$20,462.94		
119	354	Change Order No. 16	Contract 1-92 - Pine Street WWTP (General/Mechanical)	1995-96	\$7,717.28		
120	354	Select Backfill	Contract 2003-2 - General/Mechanical Construction	2004	\$11,750.00		
121	354	Straw Bale Barrier/Filter Fabric	Contract 2003-2 - General/Mechanical Construction	2004	\$12,510.00		
122	354	Exploratory Excavation	Contract 2003-2 - General/Mechanical Construction	2004	\$4,500.00		
123	354	Mobilization/Demobilization	Contract 2003-2 - General/Mechanical Construction	2004	\$5,500.00		
124	354	Electrical Work	Contract 2003-3 - Electrical Construction	2004	\$70,500.00		
125	354	Bond	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$10,000.00		
126	354	Inspection	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$5,000.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
127	354	Temp. Power Construction	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$10,000.00		
128	354	Mobilization	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$8,000.00		
129	354	General Conditions	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$10,000.00		
130	354	Excavation and Backfill	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$28,000.00		
131	354	A	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,000.00		
132	354	B	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,400.00		
133	354	C	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$3,300.00		
134	354	D	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,500.00		
135	354	E	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$3,000.00		
136	354	F	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$4,600.00		
137	354	H	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$9,000.00		
138	354	J	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$2,000.00		
139	354	V	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,300.00		
140	354	W	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$800.00		
141	354	X	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,700.00		
142	354	Y	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,000.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
143	354	Z	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$600.00		
144	354	100 AMP Main Breaker	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$10,000.00		
145	354	1200 AMP MCC	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$15,000.00		
146	354	30 KVA Trans, 1 phase	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,000.00		
147	354	30 KVA Trans, 3 phase	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,500.00		
148	354	15 KVA Trans, 3 phase	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$2,400.00		
149	354	45 KVA Trans, 3 phase	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,700.00		
150	354	Panel LP4	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$2,500.00		
151	354	Panel LP4A	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$2,500.00		
152	354	Panel LP5	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$2,500.00		
153	354	Panel LP3	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$2,500.00		
154	354	Panel LP2	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$2,500.00		
155	354	Panel LP6	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$2,500.00		
156	354	Manhole	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$6,000.00		
157	354	Light Pole Bases	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$10,500.00		
158	354	Fire Alarm Control Panel	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$2,500.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
159	354	fire Alarm Auto Disks	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,000.00		
160	354	Fire Alarm Pull Stations	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,100.00		
161	354	Fire Alarm Horns	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$700.00		
162	354	Fire Alarm Heat Det.	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,900.00		
163	354	500Kw Generator	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$55,000.00		
164	354	Fuel Tank	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$22,000.00		
165	354	Auto Transfer SW	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$5,000.00		
166	354	1" PVC	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$3,000.00		
167	354	1 1/2" PVC	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,500.00		
168	354	2" PVC	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$13,000.00		
169	354	4" PVC	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$5,600.00		
170	354	3/4" GRC	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$17,500.00		
171	354	1" GRC	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$2,200.00		
172	354	1 1/4" GRC	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,000.00		
173	354	1 1/2" GRC	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$425.00		
174	354	2" GRC	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,700.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
175	354	4" GRC	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,500.00		
176	354	3/4" GRC PVC	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$6,000.00		
177	354	1" GRC PVC	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$2,750.00		
178	354	12 THHN	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$4,000.00		
179	354	10 THHN	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$2,200.00		
180	354	8 THHN	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$2,200.00		
181	354	6 THHN	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,500.00		
182	354	3 THHN	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,500.00		
183	354	3/0 THHN	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$5,000.00		
184	354	500 MCM	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$8,500.00		
185	354	20 A Switches	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$950.00		
186	354	20 A Rec	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,950.00		
187	354	System Cable	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$48,000.00		
188	354	Spare fuse Cabinet and Fuses	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$5,000.00		
189	354	Coordination Drawing	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$5,000.00		
190	354	Project Demo	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$10,000.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
191	354	30 AMP Disc	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$7,000.00		
192	354	Fractional HP Starters	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$700.00		
193	354	Motor Connections	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$10,468.00		
194	354	20 KVAR capacitors	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$8,000.00		
195	354	Fuel piping	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,000.00		
196	354	C.O. 1 - 1% Bid Reduction	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	-\$4,868.40		
197	354	C.O. 2 - Red. For Underground Service	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	-\$500.00		
198	354	C.O. 3 - Various Adds	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$4,770.75		
199	354	C.O. 4 - Various Adds	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$3,851.75		
200	354	C.O. 5 - Various Adds	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$1,710.40		
201	354	C.O. 6 - Various Adds	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$301.00		
202	354	C.O. 7 - Various Adds	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$858.75		
203	354	C.O. 8 - Delayed Costs	Contract 2-92 - Pine Street WWTP (Electrical)	1995-96	\$6,000.00		
204	354	Contract Bond	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$2,684.00		
205	354	Office Mobilization	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$2,596.00		
206	354	Field Mobilization	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$1,294.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
207	354	1/2 - 2" Blk. Stl. Pipe	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$17,940.00		
208	354	3/4 Copper Tubing	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$700.00		
209	354	2-3" PVC Intake	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$1,350.00		
210	354	2-3" CPVC Intake	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$1,890.00		
211	354	Automatic Air Vents	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$380.00		
212	354	Pumps	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$425.00		
213	354	Air Separators	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$148.00		
214	354	Expansion Tank	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$1,140.00		
215	354	Boilers	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$19,304.00		
216	354	Finned Tube Radiation	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$9,620.00		
217	354	Gas Fired Units	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$3,216.00		
218	354	Propane Heater	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$542.00		
219	354	Thru-the-Wall A/C	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$4,124.00		
220	354	Misc Demolition	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$1,983.00		
221	354	Concrete Pads	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$352.00		
222	354	Painting	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$500.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
223	354	Misc. Cut and Patch	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$2,552.00		
224	354	Insulation	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$1,400.00		
225	354	ATC	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$18,320.00		
226	354	GRD's	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$600.00		
227	354	Fans	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$10,208.00		
228	354	Roof Hoods	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$5,136.00		
229	354	Roof Curbs	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$1,680.00		
230	354	Electric Heat	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$2,512.00		
231	354	Louvers	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$2,552.00		
232	354	Starters and Disconnect	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$1,888.00		
233	354	Balance	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$600.00		
234	354	Roofing	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$549.00		
235	354	Flue Pipe	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$950.00		
236	354	Motor Operated Damper and Bbd	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$495.00		
237	354	Fin Tube	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$4,680.00		
238	354	Galv. Duct Fab	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$2,125.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
239	354	Galv. Duct Install	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$1,700.00		
240	354	Galv. Fitting Fab	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$740.00		
241	354	Galv. Fitting Duct	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$925.00		
242	354	Change Order #1	Contract 3-92 - Pine Street Wastewater Treatment Plant (HVAC)	1995-96	\$550.00		
243	354	Bonds & Insurances	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$54,300.00		
244	354	Mobilization/Demobilization	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$12,800.00		
245	354	Temporary Facilities	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$30,000.00		
246	354	Supervision	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$66,000.00		
247	354	Testing Services	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$16,500.00		
248	354	Start-up	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$6,000.00		
249	354	Clear & Grub (Site Work)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$5,000.00		
250	354	Erosion Control (Site Work)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$3,000.00		
251	354	Site Grading (Site Work)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$3,000.00		
252	354	Fine Grading & Seeding (Site Work)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$8,000.00		
253	354	Concrete Sidewalks (Site Work)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$5,000.00		
254	354	Temporary Roadways (Site Work)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$10,000.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
255	354	Asphalt Roadways (Site Work)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$30,000.00		
256	354	Gravel Roadways (Site Work)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$2,500.00		
257	354	Chain link Fencing (Site Work)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$8,000.00		
258	354	Storm Piping (Site Work)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$16,000.00		
259	354	Yard Piping & Precast Vaults Mat (Site Work)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$320,000.00		
260	354	Yard Piping & Precast Vaults Ins. (Site Work)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$165,000.00		
261	354	Excavation and Dewatering (Preliminary Treatment Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$2,000.00		
262	354	Backfill (Preliminary Treatment Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$2,500.00		
263	354	Concrete Footers & Base Slabs (Preliminary Treatment Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$25,000.00		
264	354	Concrete Walls (Preliminary Treatment Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$35,000.00		
265	354	Concrete Suspended Slabs (Preliminary Treatment Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$3,500.00		
266	354	Concrete Slabs on Grade (Preliminary Treatment Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$1,500.00		
267	354	Precast Concrete Planks (Preliminary Treatment Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$4,000.00		
268	354	Masonry Building Construction (Preliminary Treatment Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$38,000.00		
269	354	Miscellaneous Metals (Preliminary Treatment Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$30,800.00		
270	354	Roof Structure (Preliminary Treatment Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$52,000.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
271	354	Doors & Windows (Preliminary Treatment Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$19,000.00		
272	354	Durock Ceilings (Preliminary Treatment Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$17,000.00		
273	354	Painting & Coatings (Preliminary Treatment Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$33,000.00		
274	354	Fiberglass Gratings (Preliminary Treatment Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$22,000.00		
275	354	Excavation and Dewatering (Sequential Batch Reactor)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$53,000.00		
276	354	Backfill (Sequential Batch Reactor)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$20,000.00		
277	354	Concrete Base Slabs (Sequential Batch Reactor)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$286,000.00		
278	354	Concrete Walls (Sequential Batch Reactor)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$390,000.00		
279	354	Concrete Suspended Slabs (Sequential Batch Reactor)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$20,000.00		
280	354	Miscellaneous Metals (Sequential Batch Reactor)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$27,500.00		
281	354	Painting & Coatings (Sequential Batch Reactor)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$7,500.00		
282	354	Demolition Work (Chlorine Contact Tank)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$20,000.00		
283	354	Concrete Slabs & Fillet (Chlorine Contact Tank)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$20,000.00		
284	354	Concrete Walls (Chlorine Contact Tank)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$51,000.00		
285	354	Miscellaneous Metals (Chlorine Contact Tank)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$5,500.00		
286	354	Painting & Coatings (Chlorine Contact Tank)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$4,300.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
287	354	Demolition Work (Effluent Water Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$15,000.00		
288	354	Concrete Suspended Slabs (Effluent Water Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$3,100.00		
289	354	Concrete Fillet (Effluent Water Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$1,700.00		
290	354	Masonry Building Construction (Effluent Water Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$3,100.00		
291	354	Miscellaneous Metals (Effluent Water Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$5,500.00		
292	354	Roof Structure (Effluent Water Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$9,000.00		
293	354	Door & Hatches (Effluent Water Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$3,500.00		
294	354	Durock Ceilings (Effluent Water Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$2,000.00		
295	354	Painting & Coatings (Effluent Water Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$4,300.00		
296	354	Shoring (W A S. Pump Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$125,000.00		
297	354	Excavation and Dewatering (W A S. Pump Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$20,000.00		
298	354	Backfill (W A S. Pump Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$10,000.00		
299	354	Concrete Base Slabs (W A S. Pump Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$12,000.00		
300	354	Concrete Walls (W A S. Pump Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$56,000.00		
301	354	Concrete Suspended Slabs (W A S. Pump Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$20,000.00		
302	354	Masonry Building Construction (W A S. Pump Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$2,400.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
303	354	Miscellaneous Metals (W A.S. Pump Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$11,000.00		
304	354	Roof Structure (W A.S. Pump Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$6,000.00		
305	354	Fluid Applied Roofing (W A.S. Pump Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$700.00		
306	354	Doors & Hatches (W A.S. Pump Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$4,000.00		
307	354	Durock Ceilings (W A.S. Pump Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$800.00		
308	354	Painting & Coatings (W A.S. Pump Structure)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$6,500.00		
309	354	Excavation (Belt Filter Press & Blower Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$2,500.00		
310	354	Backfill (Belt Filter Press & Blower Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$2,000.00		
311	354	Concrete Footings (Belt Filter Press & Blower Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$8,000.00		
312	354	Concrete Equipment Bases (Belt Filter Press & Blower Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$10,200.00		
313	354	Concrete Slabs on Grade (Belt Filter Press & Blower Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$9,100.00		
314	354	Concrete Suspended Slabs (Belt Filter Press & Blower Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$600.00		
315	354	Masonry Building Construction (Belt Filter Press & Blower Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$40,000.00		
316	354	Miscellaneous Metals (Belt Filter Press & Blower Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$16,500.00		
317	354	Roof Structure (Belt Filter Press & Blower Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$68,300.00		
318	354	Doors & Windows (Belt Filter Press & Blower Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$24,400.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
319	354	Durock Ceilings (Belt Filter Press & Blower Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$26,400.00		
320	354	Painting & Coatings (Belt Filter Press & Blower Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$37,500.00		
321	354	Demolition Work (W.A.S. Holding Tank)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$10,000.00		
322	354	Concrete Floor Fill (W.A.S. Holding Tank)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$6,700.00		
323	354	Roof Repair (W.A.S. Holding Tank)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$2,000.00		
324	354	Painting & Coatings (W.A.S. Holding Tank)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$4,300.00		
325	354	Excavation and Dewatering (Aerobics Digesters)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$10,000.00		
326	354	Backfill (Aerobics Digesters)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$7,500.00		
327	354	Concrete Base Slabs (Aerobics Digesters)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$76,000.00		
328	354	Concrete Walls (Aerobics Digesters)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$133,000.00		
329	354	Concrete Suspended Slabs (Aerobics Digesters)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$4,000.00		
330	354	Miscellaneous Metals (Aerobics Digesters)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$13,200.00		
331	354	Painting & Coatings (Aerobics Digesters)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$5,500.00		
332	354	Demolition Work (Existing Control Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$20,000.00		
333	354	Demolition Work (Existing Sprinkling Filter)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$50,000.00		
334	354	Excavation and Dewatering (Septage Acceptance Facility)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$3,500.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
335	354	Backfill (Septage Acceptance Facility)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$2,000.00		
336	354	Concrete Footers & Base Slabs (Septage Acceptance Facility)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$5,200.00		
337	354	Concrete Walls (Septage Acceptance Facility)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$7,000.00		
338	354	Concrete Suspended Slabs (Septage Acceptance Facility)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$4,200.00		
339	354	Concrete Slabs on Grade (Septage Acceptance Facility)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$1,100.00		
340	354	Masonry Building Construction (Septage Acceptance Facility)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$4,500.00		
341	354	Roof Structure (Septage Acceptance Facility)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$14,000.00		
342	354	Doors, Windows & Hatches (Septage Acceptance Facility)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$7,200.00		
343	354	Durock Ceilings (Septage Acceptance Facility)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$3,000.00		
344	354	Painting & Coatings (Septage Acceptance Facility)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$5,400.00		
345	354	Demolition Work (Existing Grit Building)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$30,000.00		
346	354	Plumbing Work - Mat	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$20,000.00		
347	354	Plumbing Work - Install	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$15,000.00		
348	354	Change Order 1 (Deduct)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	-\$9,000.00		
349	354	Change Order 2 (N.C.)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$0.00		
350	354	Change Order 3 (Add)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$975.20		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
351	354	Change Order 4 (Add)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$8,897.14		
352	354	Change Order 5 (Add)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$18,260.00		
353	354	Change Order 6 (Add)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$4,885.00		
354	354	Change Order 7 (Add)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$30,027.00		
355	354	Change Order 8 (Add)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$988.89		
356	354	Change Order 9 (Add)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$3,235.00		
357	354	Change Order 10 (N.C.)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$0.00		
358	354	Change Order 11 (Add)	Contract 4-92 - Kinzua Wastewater Treatment Plant General/Mechanical	1995-96	\$2,981.00		
359	354	Bond	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$10,000.00		
360	354	Inspection	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$5,000.00		
361	354	Temp. Power Construction	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$10,000.00		
362	354	Mobilization	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$8,000.00		
363	354	General Conditions	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$10,000.00		
364	354	Excavation and Backfill	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$28,000.00		
365	354	A	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,000.00		
366	354	B	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,200.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
367	354	C	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$3,000.00		
368	354	D	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$600.00		
369	354	E	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,300.00		
370	354	F	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$5,200.00		
371	354	G	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$200.00		
372	354	V	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$1,000.00		
373	354	W	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$800.00		
374	354	X	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$600.00		
375	354	Y	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$800.00		
376	354	Z	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$400.00		
377	354	H	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$10,800.00		
378	354	100 AMP Main Breaker	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$10,000.00		
379	354	1200 AMP MCC	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$15,000.00		
380	354	30 KVA Trans, 1 phase	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$1,000.00		
381	354	30 KVA Trans, 3 phase	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,800.00		
382	354	40 KVA Trans, 3 phase	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$1,700.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
383	354	15 KVA Trans, 3 phase	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$1,200.00		
384	354	Panel LP4	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,500.00		
385	354	Panel LP4A	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,500.00		
386	354	Panel LP6	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,500.00		
387	354	Panel LP1	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,500.00		
388	354	Panel LP3	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,500.00		
389	354	Panel LP2	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,500.00		
390	354	Panel LP5	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,500.00		
391	354	Manhole	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$6,000.00		
392	354	Light Pole Bases	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$12,000.00		
393	354	Fire Alarm Control Panel	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,500.00		
394	354	Auto Dialer Fire Alarm	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$1,000.00		
395	354	Fire Pull Stations	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$1,100.00		
396	354	Fire Horns	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$700.00		
397	354	Fire Heat Detector	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,100.00		
398	354	500 KW Generator	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$55,000.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
399	354	Fuel Tank	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$22,000.00		
400	354	Auto Transfer Switch	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$5,000.00		
401	354	1" PVC	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$4,000.00		
402	354	1 1/2" PVC	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$1,500.00		
403	354	2" PVC	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$15,000.00		
404	354	4" PVC	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$7,000.00		
405	354	3/4" GRC	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$17,500.00		
406	354	1" GRC	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$3,750.00		
407	354	1 1/4" GRC	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,000.00		
408	354	1 1/2" GRC	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$425.00		
409	354	2" GRC	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$9,000.00		
410	354	4" GRC	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$1,600.00		
411	354	3/4" GRC PVC	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$7,500.00		
412	354	1" GRC PVC	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,750.00		
413	354	12 Wire	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$6,000.00		
414	354	10 Wire	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$3,750.00		

**APPENDIX A - WASTEWATER SYSTEM  
ORIGINAL COST OF INVENTORY/ASSETS**

**ORGANIZED BY ACCOUNT NUMBER**

ITEM #	ACCOUNT	PROPERTY DESCRIPTION	CONTRACT NUMBER	YEAR	UNIT COST	ACCOUNT COST	COMMENTS
415	354	8 Wire	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,800.00		
416	354	6 Wire	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$1,350.00		
417	354	3 Wire	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$2,000.00		
418	354	3/0 Wire	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$12,000.00		
419	354	500 MCM	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$10,409.00		
420	354	20 A Switches	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$870.00		
421	354	20 A Rec.	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$1,530.00		
422	354	System Cable	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$54,000.00		
423	354	Spare fuse Cabinet and Fuses	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$5,000.00		
424	354	Coordination Drawing	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$5,000.00		
425	354	Project Demo	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$8,000.00		
426	354	30 AMP Disc	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$9,800.00		
427	354	Fractional HP Starters	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$1,500.00		
428	354	Motor Connections	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$12,600.00		
429	354	20 KVAR capacitors	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$8,000.00		
430	354	Fuel piping	Contract 5-92 - Kinzua Wastewater Treatment Plant (Electrical)	1995-96	\$1,000.00		