

**Application of Pennsylvania-American Water Company for Acquisition of
the Wastewater Assets of Royersford Borough
66 Pa. C.S. §1329
Application Filing Checklist – Water/Wastewater
Docket No. A-2020-3019634**

19. Cost of Service.
- c. Provide a copy of the seller's most recent annual report filed with the Commonwealth's Department of Community and Economic Development.

RESPONSE:

- c. See enclosed the 2018 annual report that Royersford Borough filed with the Commonwealth's Department of Community and Economic Development.

**2018 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

461173 ROYERSFORD BORO, MONTGOMERY COUNTY



BALANCE SHEET

DCED-CLGS-30 (09-09)

ROYERSFORD BORO, MONTGOMERY County
BALANCE SHEET
 December 31, 2018

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Assets and Other Debits											
100-120	Cash and Investments	121,689	245,110			340,398		4,861,381			5,568,578
140-144	Tax Receivable	6,726									6,726
121-129, 145-149	Accounts Receivable (excluding taxes)	138,692				63,546					202,238
130.00	Due From Other Funds					65,037					65,037
131-139, 150-159	Other Current Assets	149,322				25,771					175,093
160-169	Fixed Assets					4,494,645					4,494,645
180-189	Other Debits					9,756					9,756
Total Assets and Other Debits		416,429	245,110			4,999,153		4,861,381			10,522,073

Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	2,775				5,854					8,629
200-209, 231-239	All Other Current Liabilities	107,417				48,004					155,421
230.00	Due To Other Funds	61,842				1,995					65,037

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ROYERSFORD BORO, MONTGOMERY County

BALANCE SHEET

December 31, 2018

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities					2,608,000					2,608,000
240-259	Current Portion of Long-Term Debt and Other Credits					215,093					215,093
Total Liabilities and Other Credits		172,034				2,880,146					3,052,180
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	244,395	245,110			2,119,007		4,861,381			7,469,893
291-299	Other Equity										
Total Fund and Account Group Equity		244,395	245,110			2,119,007		4,861,381			7,469,893
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											10,522,073

ROYERSFORD BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Taxes

301.00	Real Estate Taxes	1,423,678	227,252					1,650,930
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)							
310.00	Per Capita Taxes	15,866						15,866
310.10	Real Estate Transfer Taxes	91,003						91,003
310.20	Earned Income Taxes / Wage Taxes	669,270						669,270
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	53,104						53,104
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		2,252,921	227,252					2,480,173

Licenses and Permits

320-322	All Other Licenses and Permits	1,050						1,050
321.80	Cable Television Franchise Fees	103,581						103,581
Total Licenses and Permits		104,631						104,631

Fines and Forfeits

330-332	Fines and Forfeits	25,362						25,362
Total Fines and Forfeits		25,362						25,362

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ROYERSFORD BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Interest, Rents and Royalties								
341.00	Interest Earnings	16,950	3,684			3,838		24,472
342.00	Rents and Royalties							
Total Interest, Rents and Royalties		16,950	3,684			3,838		24,472

Federal								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants							
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements							
353.00	Federal Payments in Lieu of Taxes							
Total Federal								

State								
354.03	Highways and Streets	4,239						4,239
354.09	Community Development							
354.15	Recycling / Act 101					7,931		7,931
354.00	All Other State Capital and Operating Grants	69,444						69,444
355.01	Public Utility Realty Tax (PURTA)	2,187						2,187
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		129,018					129,018
355.04	Alcoholic Beverage Licenses	850						850
355.05	General Municipal Pension System State Aid	107,741						107,741
355.07	Foreign Fire Insurance Tax Distribution	24,167						24,167
355.08	Local Share Assessment/Gaming Proceeds	10,152						10,152
355.09	Marcellus Shale Impact Fee Distribution							

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ROYERSFORD BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

State								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes	6,207						6,207
Total State		224,987	129,018			7,931		361,936

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants							
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services	118,739						118,739
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units		118,739						118,739

Charges for Service								
361.00	General Government	2,320						2,320
362.00	Public Safety	12,545						12,545
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	49,000						49,000
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				778,908			778,908
364.30	Solid Waste Collection and Disposal Charge (trash)				400,802			400,802
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	38,163						38,163
368.00	Airports							

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ROYERSFORD BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service	48,692						48,692
Total Charges for Service		150,720			1,179,710			1,330,430

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors							
388.00	Fiduciary Fund Pension Contributions					180,328		180,328
389.00	All Other Unclassified Operating Revenues	17,406						17,406
Total Unclassified Operating Revenues		17,406				180,328		197,734

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	81,947						81,947
392.00	Interfund Operating Transfers	227,252						227,252
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

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ROYERSFORD BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures							
Total Other Financing Sources		309,199						309,199

TOTAL REVENUES

3,220,915	359,954			1,191,479		180,328	4,952,676
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	145,360						145,360
401.00	Executive (Manager or Mayor)	72,187						72,187
402.00	Auditing Services / Financial Administration	21,000						21,000
403.00	Tax Collection	25,030						25,030
404.00	Solicitor / Legal Services	59,151						59,151
405.00	Secretary / Clerk	48,766						48,766
406.00	Other General Government Administration	38,625						38,625
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services							
409.00	General Government Buildings and Plant	123,598						123,598
Total General Government		533,717						533,717

Public Safety								
410.00	Police	1,330,992						1,330,992
411.00	Fire	168,579						168,579
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	271,928						271,928

ROYERSFORD BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Safety

414.00	Planning and Zoning	2,007						2,007
415.00	Emergency Management and Communications	1,021						1,021
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
Total Public Safety		1,774,527						1,774,527

Health and Human Services

420.00-425.00	Health and Human Services							
Total Health and Human Services								

Public Works - Sanitation

426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)				424,956			424,956
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				803,364			803,364
Total Public Works - Sanitation					1,228,320			1,228,320

Public Works - Highways and Streets

430.00	General Services - Administration	362,769						362,769
431.00	Cleaning of Streets and Gutters	1,955						1,955
432.00	Winter Maintenance – Snow Removal	20,884						20,884
433.00	Traffic Control Devices	9,301						9,301
434.00	Street Lighting	121,062						121,062

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ROYERSFORD BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Works - Highways and Streets								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	6,561						6,561
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges	129,590						129,590
439.00	Highway Construction and Rebuilding Projects	3,500						3,500
Total Public Works - Highways and Streets		655,622						655,622

Other Public Works Enterprises								
440.00	Airports							
441.00	Cemeteries							
442.00	Electric System							
443.00	Gas System							
444.00	Markets							
445.00	Parking							
446.00	Storm Water and Flood Control							
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises								

Culture and Recreation								
451.00	Culture-Recreation Administration	202,945						202,945
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks							

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ROYERSFORD BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries	6,000						6,000
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		208,945						208,945

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development								

Debt Service								
471.00	Debt Principal (short-term and long-term)	23,046						23,046
472.00	Debt Interest (short-term and long-term)	7,242			52,789			60,031
475.00	Fiscal Agent Fees							
Total Debt Service		30,288			52,789			83,077

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses						321,952	321,952
483.00	Pension / Retirement Fund Contributions	126,483						126,483

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ROYERSFORD BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items		126,483					321,952	448,435

Insurance								
486.00	Insurance, Casualty, and Surety						81,628	81,628
Total Insurance							81,628	81,628

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						202,159	202,159
489.00	All Other Unclassified Expenditures							
Total Unclassified Operating Expenditures							202,159	202,159

Other Financing Uses								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers		227,252					227,252
493.00	All Other Financing Uses							
Total Other Financing Uses			227,252					227,252

TOTAL EXPENDITURES	3,329,582	227,252			1,281,109		605,739	5,443,682
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-108,667	132,702			-89,630		-425,411	-491,006
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ROYERSFORD BORO

December 31, 2018

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
General Obligation Bonds, Series of 2011	Bond	2011	2031	479,802	352,764		23,178		329,586		329,586
Revenue Bonds and Notes											
Guaranteed Sewer Revenue Note	Note	2008	2032	3,000,000	2,955,000		172,000		2,783,000		2,783,000
Lease Rental Debt											
General Fund Capital Lease	Capital Leases	2017	2020	31,235	31,235		9,983		21,252		21,252
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	3,112,586
Capitalized lease obligations	21,252
Net debt	3,133,838

ROYERSFORD BORO, MONTGOMERY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2018

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation		24,459	24,459
Sewer			
Solid Waste			
Streets / Highways		363,769	363,769
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES		388,228	388,228

EMPLOYEE COMPENSATION

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

1,399,728

ELECTED CONTROLLER'S/AUDITOR'S CERTIFIED OPINION

To the:
Governing Body of the Municipality
President Judge of the Court of Common Pleas
Secretary of the Department of Community & Economic Development

I/We, the undersigned, the duly elected (or appointed replacement), qualified, and Acting Controller/Auditors of the ROYERSFORD BORO have audited, adjusted and settled the various funds and account groups of the ROYERSFORD BORO for the year ended December 31, 2018. My/Our audit, adjustment and settlement was made in accordance with law rather than with generally accepted auditing standards

(PLEASE CROSS OUT ONLY IF ON MODIFIED ACCRUAL/ACCRUAL BASIS)

This municipality's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations of this municipality in conformity with generally accepted accounting principles.

These financial statements do not include all of the disclosures required by generally accepted accounting principles.

In my/our opinion, the aforementioned financial statements present the financial position of the various funds and account groups of the municipality of ROYERSFORD BORO for the year ended December 31, 2018, and the results of operations of such funds in accordance with the law.

SIGNATURE AND VERIFICATION

Signed: Maillie LLP Appointed Auditor/CPA

Subscribed and sworn to before me this 22 day of May, 2019.



Signed: _____
Witness (Controller)/Auditor (Auditors)

December 31, 2018

NOTES / COMMENTS

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