
Michael W. Hassell

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File #: 196374

June 26, 2024

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Application of Aqua Pennsylvania Wastewater, Inc. Pursuant to Sections 507, 508, 1102 and 1329 of the Public Utility Code for Approval of its Acquisition of the Wastewater System Assets of the City of Beaver Falls
Docket No. A-2022-3033138**

Dear Secretary Chiavetta:

On behalf of Aqua Pennsylvania Wastewater, Inc. (“Aqua PA WW”), attached for filing please find the updated and corrected responses and associated materials in response to the Pennsylvania Public Utility Commission’s (“Commission”) Bureau of Technical Utility Services’ (“TUS”) requests for additional information Set 3, Nos. 21 and 23. Aqua PA WW notes that, on May 8, 2024, the Commission issued a Secretarial Letter granting a time extension for these materials from May 8, 2024, to May 15, 2024.

Copies are being provided as indicated on the Certificate of Service.

Respectfully submitted,



Michael W. Hassell

MWH/kl
Attachments

cc: Paul Diskin (*via email*)

Rosemary Chiavetta, Secretary

June 26, 2024

Page 2

Sean Donnelly (*via email*)

Daniel Searfoorce (*via email*)

Matthew Lamb (*via email*)

Certificate of Service

66 Pa. C.S. Section 1329 Application Completeness Review
Aqua Pennsylvania Wastewater, Inc. Acquisition of City of Beaver Falls
Wastewater System Assets at Docket No. A-2022-3033138

21. Checklist Item No. 19.a. – The Application’s Exhibits J1 and J2 included copies of the City of Beaver Falls’ audited financial statements for the years 2020 and 2021, respectively. The Amended Application is required to meet the requirements of the Section 1329 Application Checklist as of the filing date. Correspondingly, Checklist Item No. 19.a. requires a copy of the seller’s two most recent audited financial statement. Please submit revised exhibits that provide the seller’s audited financial statement for the year 2022.

UPDATED RESPONSE: Included with this letter is a corrected amended Exhibit J2 – 2022 audited financial statements, which includes the missing page 10 from the 2022 audited financial statements.

23. Checklist Item No. 19.c. – The Application’s Exhibit K included a copy of the City of Beaver Falls’ 2021 annual report filed with the Commonwealth’s Department of Community and Economic Development (DCED). The Amended Application is required to meet the requirements of the Section 1329 Application Checklist as of the filing date. Correspondingly, Checklist Item No. 19.c. requires a copy of the seller’s most recent annual report filed with the Commonwealth’s DCED. Please submit a revised exhibit that provides the seller’s 2022 annual report filed with the Commonwealth’s DCED.

UPDATED RESPONSE: In the Company’s response to Information Request No. 23, the Company had a typographical error referring to amended Exhibit K as the 2023 annual report filed with the DCED. The response should have stated that amended Exhibit K was the 2022 annual report filed with the DCED.

CITY OF BEAVER FALLS

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

**CITY OF BEAVER FALLS**  
BEAVER COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEAR ENDED DECEMBER 31, 2022**

**CITY OF BEAVER FALLS**

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# Mark C. Turnley

Certified Public Accountant

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To the City Council  
City of Beaver Falls, Pennsylvania

## Independent Auditor's Report

### Adverse and Unmodified Opinions

I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of City of Beaver Falls, Pennsylvania as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise City of Beaver Falls' basic financial statements as listed in the table of contents.

#### *Summary of Opinions*

| <u>Opinion Unit</u>                  | <u>Type of Opinion</u> |
|--------------------------------------|------------------------|
| Governmental Activities              | Adverse                |
| Business-Type Activities             | Unmodified             |
| Governmental Fund -General Fund      | Unmodified             |
| Aggregate Remaining Fund Information | Unmodified             |

#### *Adverse Opinion on Governmental Activities*

In my opinion, because of the significance of the matter described in the Basis for Adverse and Unmodified Opinions section of my report, the financial statements referred to above do not present fairly the financial position (Exhibit A) of the governmental activities of City of Beaver Falls as of December 31, 2021 or the changes in financial position (Exhibit B) for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Unmodified Opinions on Each Major Fund and Aggregate Remaining Fund Information*

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of City of Beaver Falls as of December 31, 2021 and the respective changes in financial position, and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Adverse and Unmodified Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of City of Beaver Falls, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse and unmodified audit opinions.

### *Matter Giving Rise to Adverse Opinion on Governmental Activities*

As described in Note 1 to the financial statements, City of Beaver Falls prepares its statement of net position (Exhibit A) and statement of activities (Exhibit B) for governmental activities using the modified accrual basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accounting principles generally accepted in the United States of America require the preparation of these government-wide financial statements using the full accrual basis of accounting, including capitalizing and depreciating fixed assets and recognizing long-term debt obligations, which would increase the assets, liabilities and net position and change the expenses of the governmental activities. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the governmental activities has not been determined.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Beaver Falls' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

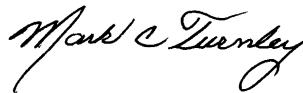
In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Beaver Falls' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Beaver Falls' ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

## Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Beaver Falls, Pennsylvania's basic financial statements. The supplementary information (Schedules 1 through 4) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Mark C. Turnley, CPA

December 7, 2023  
New Brighton, Pennsylvania

**CITY OF BEAVER FALLS**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

**EXHIBIT A**

|                                           | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>         |
|-------------------------------------------|------------------------------------|-------------------------------------|----------------------|
| <b>ASSETS</b>                             |                                    |                                     |                      |
| <b>Current Assets:</b>                    |                                    |                                     |                      |
| Cash and Cash Equivalents                 | \$ 860,026                         | \$ 2,457,972                        | \$ 3,317,998         |
| Investments                               | 112,615                            | -                                   | 112,615              |
| Taxes Receivable (net)                    | 175,226                            | -                                   | 175,226              |
| Accounts Receivable - Sanitation/Sewage   | -                                  | 220,678                             | 220,678              |
| Due From Other Funds                      | 385                                | -                                   | 385                  |
| Due From Other Governments                | 319,149                            | -                                   | 319,149              |
| Other Receivables                         | 61,838                             | 342,263                             | 404,101              |
| Internal Balances                         | 356,940                            | (356,940)                           | -                    |
| Prepaid Expenses                          | 121,881                            | -                                   | 121,881              |
| <b>Total Current Assets</b>               | <b>\$ 2,008,060</b>                | <b>\$ 2,663,973</b>                 | <b>\$ 4,672,033</b>  |
| <b>Noncurrent Assets:</b>                 |                                    |                                     |                      |
| Buildings and Improvements                | \$ -                               | \$ 10,010,405                       | \$ 10,010,405        |
| Office Equipment                          | -                                  | 98,523                              | 98,523               |
| Vehicles                                  | -                                  | 299,503                             | 299,503              |
| Machinery & Equipment                     | -                                  | 415,645                             | 415,645              |
| Infrastructure                            | -                                  | 2,487,544                           | 2,487,544            |
| Accumulated Depreciation                  | -                                  | (7,709,083)                         | (7,709,083)          |
| <b>Total Noncurrent Assets</b>            | <b>\$ -</b>                        | <b>\$ 5,602,537</b>                 | <b>\$ 5,602,537</b>  |
| <b>TOTAL ASSETS</b>                       | <b>\$ 2,008,060</b>                | <b>\$ 8,266,510</b>                 | <b>\$ 10,274,570</b> |
| <b>LIABILITIES</b>                        |                                    |                                     |                      |
| <b>Current Liabilities:</b>               |                                    |                                     |                      |
| Accounts Payable                          | \$ 878,926                         | \$ 33,076                           | \$ 912,002           |
| Payroll Liabilities                       | 20,376                             | -                                   | 20,376               |
| Due to Other Funds                        | 385                                | -                                   | 385                  |
| Due to Other Governments                  | 45,958                             | -                                   | 45,958               |
| Unearned Revenue                          | 13,180                             | -                                   | 13,180               |
| Customer Deposits                         | 183,955                            | -                                   | 183,955              |
| <b>Total Current Liabilities</b>          | <b>\$ 1,142,780</b>                | <b>\$ 33,076</b>                    | <b>\$ 1,175,856</b>  |
| <b>TOTAL LIABILITIES</b>                  | <b>\$ 1,142,780</b>                | <b>\$ 33,076</b>                    | <b>\$ 1,175,856</b>  |
| <b>NET POSITION</b>                       |                                    |                                     |                      |
| Net Investment in Capital Assets          | \$ 121,881                         | \$ 5,602,537                        | \$ 5,724,418         |
| Restricted (Note 1)                       | 603,618                            | -                                   | 603,618              |
| Unrestricted                              | 139,781                            | 2,630,897                           | 2,770,678            |
| <b>TOTAL NET POSITION</b>                 | <b>\$ 865,280</b>                  | <b>\$ 8,233,434</b>                 | <b>\$ 9,098,714</b>  |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b>\$ 2,008,060</b>                | <b>\$ 8,266,510</b>                 | <b>\$ 10,274,570</b> |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

| Functions/Programs                                | Expenses             | Program Revenues     |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          | Total                 |
|---------------------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|---------------------------------------------------|--------------------------|-----------------------|
|                                                   |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-Type Activities |                       |
| <b>Governmental Activities:</b>                   |                      |                      |                                    |                                  |                                                   |                          |                       |
| Administration                                    | \$ 1,550,917         | \$ 75,642            | \$ 107,451                         | \$ -                             | \$ (1,367,824)                                    |                          | \$ (1,367,824)        |
| Public Safety - Police                            | 2,354,729            | 462,619              | 333,668                            | -                                | (1,558,442)                                       |                          | (1,558,442)           |
| Public Safety - Fire                              | 1,101,632            | 88,138               | 160,780                            | -                                | (852,714)                                         |                          | (852,714)             |
| Public Safety - Code                              | 60,630               | 55,298               | -                                  | -                                | (5,332)                                           |                          | (5,332)               |
| Public Safety - Other                             | 147,553              | 148,797              | -                                  | -                                | 1,244                                             |                          | 1,244                 |
| Public Works - Sanitation                         | 672,938              | 938,883              | 1,896                              | -                                | 267,841                                           |                          | 267,841               |
| Public Works - Highways                           | 1,392,369            | 598,371              | 335,804                            | -                                | (458,194)                                         |                          | (458,194)             |
| Public Works - Wastewater System                  | 533,905              | 786,097              | -                                  | -                                | 252,192                                           |                          | 252,192               |
| Culture and Recreation                            | 229,838              | 175                  | 304,549                            | -                                | 74,886                                            |                          | 74,886                |
| Community Development                             | 140,413              | -                    | -                                  | -                                | (140,413)                                         |                          | (140,413)             |
| Debt Service and Refunds                          | 684,472              | 60,800               | 438,809                            | -                                | (184,863)                                         |                          | (184,863)             |
| Insurance                                         | 376,405              | -                    | -                                  | -                                | (376,405)                                         |                          | (376,405)             |
| Miscellaneous Expenses                            | 1,276,843            | -                    | -                                  | -                                | (1,276,843)                                       |                          | (1,276,843)           |
| <b>Total Governmental Activities</b>              | <b>\$ 10,522,644</b> | <b>\$ 3,214,820</b>  | <b>\$ 1,682,957</b>                | <b>\$ -</b>                      | <b>\$ (5,624,867)</b>                             |                          | <b>\$ (5,624,867)</b> |
| <b>Business-Type Activities:</b>                  |                      |                      |                                    |                                  |                                                   |                          |                       |
| Joint Sewer Users                                 | \$ 1,496,584         | \$ 1,578,312         | \$ -                               | \$ -                             |                                                   | \$ 81,728                | \$ 81,728             |
| City Sewer Users                                  | 1,707,648            | 1,576,810            | -                                  | -                                |                                                   | (130,838)                | (130,838)             |
| <b>Total Business-Type Activities</b>             | <b>\$ 3,204,232</b>  | <b>\$ 3,155,122</b>  | <b>\$ -</b>                        | <b>\$ -</b>                      |                                                   | <b>\$ (49,110)</b>       | <b>\$ (49,110)</b>    |
| <b>Total Primary Government</b>                   | <b>\$ 13,726,876</b> | <b>\$ 6,369,942</b>  | <b>\$ 1,682,957</b>                | <b>\$ -</b>                      | <b>\$ (5,624,867)</b>                             | <b>\$ (49,110)</b>       | <b>\$ (5,673,977)</b> |
| <b>General Revenues:</b>                          |                      |                      |                                    |                                  |                                                   |                          |                       |
| Taxes:                                            |                      |                      |                                    |                                  |                                                   |                          |                       |
| Property Taxes, Levied for General Purposes       |                      |                      |                                    |                                  | \$ 1,763,409                                      | \$ -                     | \$ 1,763,409          |
| Act 511 Taxes                                     |                      |                      |                                    |                                  | 1,203,094                                         | -                        | 1,203,094             |
| Earned Income Tax Levied for Pension Obligations  |                      |                      |                                    |                                  | 1,031,869                                         | -                        | 1,031,869             |
| PURTA/Beverage Licenses/Payments in Lieu of Taxes |                      |                      |                                    |                                  | 35,477                                            | -                        | 35,477                |
| Cable Franchise Fees                              |                      |                      |                                    |                                  | 115,382                                           | -                        | 115,382               |
| Investment Earnings                               |                      |                      |                                    |                                  | 24,123                                            | 6,382                    | 30,505                |
| Sale of Fixed Assets                              |                      |                      |                                    |                                  | 12,000                                            | -                        | 12,000                |
| Miscellaneous                                     |                      |                      |                                    |                                  | 131,357                                           | 7,440                    | 138,797               |
| <b>Total General Revenues</b>                     |                      |                      |                                    |                                  | <b>\$ 4,316,711</b>                               | <b>\$ 13,822</b>         | <b>\$ 4,330,533</b>   |
| <b>Change in Net Position</b>                     |                      |                      |                                    |                                  | <b>\$ (1,308,156)</b>                             | <b>\$ (35,288)</b>       | <b>\$ (1,343,444)</b> |
| Net Position — January 1, 2022                    |                      |                      |                                    |                                  | 2,173,436                                         | 8,268,722                | 10,442,158            |
| <b>Net Position — December 31, 2022</b>           |                      |                      |                                    |                                  | <b>\$ 865,280</b>                                 | <b>\$ 8,233,434</b>      | <b>\$ 9,098,714</b>   |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2022**

**EXHIBIT C**

|                                            | <b>GENERAL<br/>FUND</b> | <b>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> |
|--------------------------------------------|-------------------------|---------------------------------------------|-----------------------------------------|
| <b>ASSETS:</b>                             |                         |                                             |                                         |
| Cash and Cash Equivalents                  | \$ 813,521              | \$ 46,505                                   | \$ 860,026                              |
| Investments                                | 109,629                 | 2,986                                       | 112,615                                 |
| Taxes Receivable, net                      | 175,226                 | -                                           | 175,226                                 |
| Due From Other Funds                       | 357,325                 | -                                           | 357,325                                 |
| Due From Other Governments                 | 319,149                 | -                                           | 319,149                                 |
| Other Receivables                          | 61,838                  | -                                           | 61,838                                  |
| Prepaid Expenses                           | 121,881                 | -                                           | 121,881                                 |
| <b>TOTAL ASSETS</b>                        | <b>\$ 1,958,569</b>     | <b>\$ 49,491</b>                            | <b>\$ 2,008,060</b>                     |
| <b>LIABILITIES AND FUND BALANCES</b>       |                         |                                             |                                         |
| <b>LIABILITIES:</b>                        |                         |                                             |                                         |
| Accounts Payable                           | \$ 878,926              | \$ -                                        | \$ 878,926                              |
| Payroll Liabilities                        | 20,376                  | -                                           | 20,376                                  |
| Due to Other Funds                         | -                       | 385                                         | 385                                     |
| Due to Other Governments                   | 45,958                  | -                                           | 45,958                                  |
| Unearned Revenue                           | 13,180                  | -                                           | 13,180                                  |
| Customer Deposits                          | 183,955                 | -                                           | 183,955                                 |
| <b>TOTAL LIABILITIES</b>                   | <b>\$ 1,142,395</b>     | <b>\$ 385</b>                               | <b>\$ 1,142,780</b>                     |
| <b>FUND BALANCES:</b>                      |                         |                                             |                                         |
| Non-spendable (Note 1)                     | \$ 121,881              | \$ -                                        | \$ 121,881                              |
| Restricted (Note 1)                        | 554,512                 | 49,106                                      | 603,618                                 |
| Unassigned                                 | 139,781                 | -                                           | 139,781                                 |
| <b>TOTAL FUND BALANCES</b>                 | <b>\$ 816,174</b>       | <b>\$ 49,106</b>                            | <b>\$ 865,280</b>                       |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 1,958,569</b>     | <b>\$ 49,491</b>                            | <b>\$ 2,008,060</b>                     |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                                              | <b>GENERAL FUND</b>   | <b>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> |
|--------------------------------------------------------------|-----------------------|---------------------------------------------|-----------------------------------------|
| <b><u>REVENUES</u></b>                                       |                       |                                             |                                         |
| Taxes                                                        | \$ 3,998,372          | \$ -                                        | \$ 3,998,372                            |
| Licenses and Permits                                         | 317,258               | -                                           | 317,258                                 |
| Fines and Forfeitures                                        | 119,275               | 9,450                                       | 128,725                                 |
| Interest and Rents                                           | 35,413                | 1,008                                       | 36,421                                  |
| Intergovernmental                                            | 1,475,678             | 248,368                                     | 1,724,046                               |
| Charges for Services                                         | 2,761,894             | -                                           | 2,761,894                               |
| Miscellaneous                                                | 179,150               | 47,111                                      | 226,261                                 |
| <b>Total Revenue</b>                                         | <b>\$ 8,887,040</b>   | <b>\$ 305,937</b>                           | <b>\$ 9,192,977</b>                     |
| <b><u>EXPENDITURES</u></b>                                   |                       |                                             |                                         |
| General Government                                           | \$ 1,542,702          | \$ 8,215                                    | \$ 1,550,917                            |
| Public Safety                                                | 3,617,095             | 47,449                                      | 3,664,544                               |
| Public Works                                                 | 2,583,110             | 16,102                                      | 2,599,212                               |
| Culture and Recreation                                       | 229,838               | -                                           | 229,838                                 |
| Community and Deveopement                                    | 140,413               | -                                           | 140,413                                 |
| Debt Service                                                 | 77,856                | 606,616                                     | 684,472                                 |
| Insurance                                                    | 376,405               | -                                           | 376,405                                 |
| Miscellaneous Expenses (Pension/Employer Taxes)              | 1,275,125             | -                                           | 1,275,125                               |
| <b>Total Expenditures</b>                                    | <b>\$ 9,842,544</b>   | <b>\$ 678,382</b>                           | <b>\$ 10,520,926</b>                    |
| <b>Excess ( Deficiency) of Revenue<br/>over Expenditures</b> | <b>\$ (955,504)</b>   | <b>\$ (372,445)</b>                         | <b>\$ (1,327,949)</b>                   |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>                 |                       |                                             |                                         |
| Sale of Assets                                               | \$ 12,000             | \$ -                                        | \$ 12,000                               |
| Refund of Prior Year Revenues                                | (1,719)               | -                                           | (1,719)                                 |
| Refund of Prior Year Expenses                                | 9,512                 | -                                           | 9,512                                   |
| Operating Transfers In                                       | 305,436               | 606,605                                     | 912,041                                 |
| Operating Transfers Out                                      | (606,605)             | (305,436)                                   | (912,041)                               |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>\$ (281,376)</b>   | <b>\$ 301,169</b>                           | <b>\$ 19,793</b>                        |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>\$ (1,236,880)</b> | <b>\$ (71,276)</b>                          | <b>\$ (1,308,156)</b>                   |
| FUND BALANCE - JANUARY 1, 2022                               | 2,053,054             | 120,382                                     | 2,173,436                               |
| <b>FUND BALANCE - DECEMBER 31, 2022</b>                      | <b>\$ 816,174</b>     | <b>\$ 49,106</b>                            | <b>\$ 865,280</b>                       |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                                               | Budgeted Amounts    |                     | Actual<br>(Budgetary Basis) | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------------------|---------------------|---------------------|-----------------------------|---------------------------------------------------------|
|                                                               | Original            | Final               |                             |                                                         |
| <b>REVENUES</b>                                               |                     |                     |                             |                                                         |
| Taxes                                                         | \$ 3,830,000        | \$ 3,830,000        | \$ 3,998,372                | \$ 168,372                                              |
| Licenses and Permits                                          | 279,300             | 279,300             | 317,258                     | 37,958                                                  |
| Fines and Forfeitures                                         | 130,900             | 130,900             | 119,275                     | (11,625)                                                |
| Interest and Rents                                            | 35,560              | 35,560              | 35,413                      | (147)                                                   |
| Intergovernmental                                             | 905,575             | 905,575             | 1,475,678                   | 570,103                                                 |
| Charges for Services                                          | 2,646,230           | 2,646,230           | 2,761,894                   | 115,664                                                 |
| Miscellaneous                                                 | 176,300             | 176,300             | 179,150                     | 2,850                                                   |
| <b>Total Revenues</b>                                         | <b>\$ 8,003,865</b> | <b>\$ 8,003,865</b> | <b>\$ 8,887,040</b>         | <b>\$ 883,175</b>                                       |
| <b>EXPENDITURES</b>                                           |                     |                     |                             |                                                         |
| Legislative                                                   | \$ 16,250           | \$ 16,250           | \$ 22,084                   | \$ (5,834)                                              |
| Executive                                                     | 259,091             | 259,091             | 263,677                     | (4,586)                                                 |
| Financial Administration                                      | 162,950             | 162,950             | 232,436                     | (69,486)                                                |
| Tax Collection                                                | 37,680              | 37,680              | 35,404                      | 2,276                                                   |
| Legal                                                         | 33,000              | 33,000              | 67,112                      | (34,112)                                                |
| Data Processing                                               | 18,550              | 18,550              | 23,124                      | (4,574)                                                 |
| Engineering Services                                          | 2,500               | 2,500               | 152,159                     | (149,659)                                               |
| Municipal Building                                            | 47,500              | 47,500              | 746,706                     | (699,206)                                               |
| Public Safety - Police                                        | 1,764,365           | 1,764,365           | 2,307,280                   | (542,915)                                               |
| Public Safety - Fire                                          | 926,530             | 926,530             | 1,101,632                   | (175,102)                                               |
| Emergency Management                                          | 1,000               | 1,000               | 899                         | 101                                                     |
| Code Enforcement                                              | 56,833              | 56,833              | 60,630                      | (3,797)                                                 |
| Rental Registration                                           | 45,200              | 45,200              | 48,003                      | (2,803)                                                 |
| Other Public Safety                                           | 73,708              | 73,708              | 98,651                      | (24,943)                                                |
| Public Works - Sanitation                                     | 625,500             | 625,500             | 672,938                     | (47,438)                                                |
| Public Works - Water Pollution Control                        | 406,780             | 406,780             | 523,272                     | (116,492)                                               |
| Public Works - Highways                                       | 1,148,430           | 1,148,430           | 1,376,267                   | (227,837)                                               |
| Public Works - Wastewater System                              | -                   | -                   | 10,633                      | (10,633)                                                |
| Culture and Recreation                                        | 17,500              | 17,500              | 229,838                     | (212,338)                                               |
| Community and Development                                     | 20,000              | 20,000              | 140,413                     | (120,413)                                               |
| Debt Service                                                  | 502,700             | 502,700             | 77,856                      | 424,844                                                 |
| Insurance                                                     | 1,166,796           | 1,166,796           | 376,405                     | 790,391                                                 |
| Miscellaneous Expenses (Pension/Employer Taxes)               | 1,328,239           | 1,328,239           | 1,275,125                   | 53,114                                                  |
| <b>Total Expenditures</b>                                     | <b>\$ 8,661,102</b> | <b>\$ 8,661,102</b> | <b>\$ 9,842,544</b>         | <b>\$ (1,181,442)</b>                                   |
| <b>Excess ( Deficiency) of Revenues<br/>over Expenditures</b> | <b>\$ (657,237)</b> | <b>\$ (657,237)</b> | <b>\$ (955,504)</b>         | <b>\$ (298,267)</b>                                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                     |                     |                             |                                                         |
| Sale of Assets                                                | \$ 39,837,500       | \$ 39,837,500       | \$ 12,000                   | \$ (39,825,500)                                         |
| Refund of Prior Year Revenues                                 | -                   | -                   | (1,719)                     | (1,719)                                                 |
| Refund of Prior Year Expenses                                 | -                   | -                   | 9,512                       | 9,512                                                   |
| Operating Transfers In                                        | 245,000             | 245,000             | 305,436                     | 60,436                                                  |
| Operating Transfers Out                                       | (39,285,046)        | (39,285,046)        | (606,605)                   | 38,678,441                                              |
| <b>Total Other Financing Sources (Uses)</b>                   | <b>\$ 797,454</b>   | <b>\$ 797,454</b>   | <b>\$ (281,376)</b>         | <b>\$ (1,078,830)</b>                                   |
| <b>NET CHANGE IN FUND BALANCES</b>                            | <b>\$ 140,217</b>   | <b>\$ 140,217</b>   | <b>\$ (1,236,880)</b>       | <b>\$ (1,377,097)</b>                                   |
| FUND BALANCE - JANUARY 1, 2022                                | -                   | -                   | 2,053,054                   | 2,053,054                                               |
| <b>FUND BALANCE - DECEMBER 31, 2022</b>                       | <b>\$ 140,217</b>   | <b>\$ 140,217</b>   | <b>\$ 816,174</b>           | <b>\$ 675,957</b>                                       |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2022**

| <b>ASSETS</b>                             | <b>JOINT<br/>SEWER<br/>USERS FUND</b> | <b>CITY SEWER<br/>USERS FUND</b> | <b>TOTAL</b>        |
|-------------------------------------------|---------------------------------------|----------------------------------|---------------------|
| <b>Current Assets:</b>                    |                                       |                                  |                     |
| Cash and cash equivalents                 | \$ 2,036,507                          | \$ 421,465                       | \$ 2,457,972        |
| Accounts receivable:                      |                                       |                                  |                     |
| Sanitation/Sewage (Net)                   | -                                     | 220,678                          | 220,678             |
| Other                                     | 342,263                               | -                                | 342,263             |
| <b>Total Current Assets</b>               | <b>\$ 2,378,770</b>                   | <b>\$ 642,143</b>                | <b>\$ 3,020,913</b> |
| <b>Noncurrent Assets:</b>                 |                                       |                                  |                     |
| Buildings and improvements                | \$ 10,010,405                         | \$ -                             | \$ 10,010,405       |
| Office Equipment                          | 86,638                                | 11,885                           | 98,523              |
| Vehicles                                  | 150,933                               | 148,570                          | 299,503             |
| Machinery & Equipment                     | -                                     | 415,645                          | 415,645             |
| Infrastructure                            | 1,700,472                             | 787,072                          | 2,487,544           |
| Accumulated depreciation                  | (6,943,167)                           | (765,916)                        | (7,709,083)         |
| <b>Total Noncurrent Assets</b>            | <b>\$ 5,005,281</b>                   | <b>\$ 597,256</b>                | <b>\$ 5,602,537</b> |
| <b>TOTAL ASSETS</b>                       | <b>\$ 7,384,051</b>                   | <b>\$ 1,239,399</b>              | <b>\$ 8,623,450</b> |
| <br><b>LIABILITIES AND NET POSITION</b>   |                                       |                                  |                     |
| <b>LIABILITIES</b>                        |                                       |                                  |                     |
| <b>Current Liabilities:</b>               |                                       |                                  |                     |
| Accounts payable                          | \$ 26,378                             | \$ 6,698                         | \$ 33,076           |
| Due to other funds                        | 68,229                                | 288,711                          | 356,940             |
| <b>Total Current Liabilities</b>          | <b>\$ 94,607</b>                      | <b>\$ 295,409</b>                | <b>\$ 390,016</b>   |
| <b>TOTAL LIABILITIES</b>                  | <b>\$ 94,607</b>                      | <b>\$ 295,409</b>                | <b>\$ 390,016</b>   |
| <br><b>NET POSITION</b>                   |                                       |                                  |                     |
| Net Investment in Capital Assets          | \$ 5,005,281                          | \$ 597,256                       | \$ 5,602,537        |
| Unrestricted                              | 2,284,163                             | 346,734                          | 2,630,897           |
| <b>TOTAL NET POSITION</b>                 | <b>\$ 7,289,444</b>                   | <b>\$ 943,990</b>                | <b>\$ 8,233,434</b> |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b>\$ 7,384,051</b>                   | <b>\$ 1,239,399</b>              | <b>\$ 8,623,450</b> |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                                                             | <b>JOINT SEWER<br/>USERS FUND</b> | <b>CITY SEWER<br/>USERS FUND</b> | <b>TOTAL</b>        |
|-----------------------------------------------------------------------------|-----------------------------------|----------------------------------|---------------------|
| <b><u>OPERATING REVENUES:</u></b>                                           |                                   |                                  |                     |
| Sewage charges                                                              | \$ 1,571,313                      | \$ 1,576,810                     | \$ 3,148,123        |
| Tap-In Fees                                                                 | 4,550                             | -                                | 4,550               |
| Permit Fees                                                                 | 500                               | -                                | 500                 |
| Miscellaneous                                                               | 1,949                             | -                                | 1,949               |
| <b>TOTAL OPERATING REVENUES</b>                                             | <b>\$ 1,578,312</b>               | <b>\$ 1,576,810</b>              | <b>\$ 3,155,122</b> |
| <b><u>OPERATING EXPENSES:</u></b>                                           |                                   |                                  |                     |
| Contractual services                                                        | \$ -                              | \$ 712,562                       | \$ 712,562          |
| Wages and Benefits                                                          | 613,193                           | 200,000                          | 813,193             |
| Administrative                                                              | 30,000                            | 300,000                          | 330,000             |
| Office                                                                      | 5,573                             | -                                | 5,573               |
| Repair and maintenance                                                      | 153,809                           | 134,083                          | 287,892             |
| Billing expense                                                             | -                                 | 20,226                           | 20,226              |
| Depreciation                                                                | 199,550                           | 48,547                           | 248,097             |
| Engineering                                                                 | 7,258                             | 52,586                           | 59,844              |
| Legal                                                                       | -                                 | 12,147                           | 12,147              |
| Utilities                                                                   | 166,412                           | -                                | 166,412             |
| Chemicals/Chlorine                                                          | 42,934                            | -                                | 42,934              |
| Sludge/grit removal                                                         | 108,355                           | -                                | 108,355             |
| Janitorial Supplies                                                         | 1,394                             | -                                | 1,394               |
| Gas and Oil                                                                 | 4,278                             | -                                | 4,278               |
| Equipment                                                                   | 3,766                             | -                                | 3,766               |
| Operating Supplies                                                          | -                                 | 344                              | 344                 |
| Uniforms                                                                    | 2,995                             | -                                | 2,995               |
| Permits and testing                                                         | 21,823                            | -                                | 21,823              |
| Certification & Training                                                    | 858                               | -                                | 858                 |
| Small Tools                                                                 | 3,263                             | 558                              | 3,821               |
| Insurance                                                                   | 30,273                            | -                                | 30,273              |
| Miscellaneous                                                               | 850                               | 363                              | 1,213               |
| Property Damage                                                             | -                                 | 26,232                           | 26,232              |
| Line Rental Expense                                                         | 100,000                           | -                                | 100,000             |
| Sewer-Line Reimbursement                                                    | -                                 | 200,000                          | 200,000             |
| <b>TOTAL OPERATING EXPENSES</b>                                             | <b>\$ 1,496,584</b>               | <b>\$ 1,707,648</b>              | <b>\$ 3,204,232</b> |
| <b>OPERATING INCOME (LOSS) BEFORE NON<br/>OPERATING REVENUES (EXPENSES)</b> | <b>\$ 81,728</b>                  | <b>\$ (130,838)</b>              | <b>\$ (49,110)</b>  |
| <b><u>NONOPERATING REVENUES (EXPENSES):</u></b>                             |                                   |                                  |                     |
| Interest income                                                             | \$ 4,931                          | \$ 1,451                         | \$ 6,382            |
| Refund Prior Year Expenses                                                  | 7,440                             | -                                | 7,440               |
| <b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>                               | <b>\$ 12,371</b>                  | <b>\$ 1,451</b>                  | <b>\$ 13,822</b>    |
| <b>CHANGE IN NET POSITION</b>                                               | <b>\$ 94,099</b>                  | <b>\$ (129,387)</b>              | <b>\$ (35,288)</b>  |
| NET POSITION - January 1, 2022                                              | 7,195,345                         | 1,073,377                        | 8,268,722           |
| <b>NET POSITION - December 31, 2022</b>                                     | <b>\$ 7,289,444</b>               | <b>\$ 943,990</b>                | <b>\$ 8,233,434</b> |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                                                                                                  | <b>JOINT SEWER<br/>USERS FUND</b> | <b>CITY SEWER<br/>USERS FUND</b> | <b>TOTAL</b>        |
|------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|---------------------|
| <b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>                                                              |                                   |                                  |                     |
| Cash Received from User Charges                                                                                  | \$ 1,617,378                      | \$ 1,564,248                     | \$ 3,181,626        |
| Miscellaneous Revenue                                                                                            | 1,949                             | -                                | 1,949               |
| Cash Paid to Vendors for Goods and Services                                                                      | (1,306,816)                       | (1,528,086)                      | (2,834,902)         |
| <b>Net cash provided (used) by operating activities</b>                                                          | <b>\$ 312,511</b>                 | <b>\$ 36,162</b>                 | <b>\$ 348,673</b>   |
| <b><u>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES:</u></b>                                      |                                   |                                  |                     |
| Refund Prior Year Revenues                                                                                       | \$ 7,440                          | \$ -                             | \$ 7,440            |
| <b>Net cash provided (used) by capital and related financing activities</b>                                      | <b>\$ 7,440</b>                   | <b>\$ -</b>                      | <b>\$ 7,440</b>     |
| <b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>                                                              |                                   |                                  |                     |
| Interest income                                                                                                  | \$ 4,931                          | \$ 1,451                         | \$ 6,382            |
| <b>Net cash provided by investing activities</b>                                                                 | <b>\$ 4,931</b>                   | <b>\$ 1,451</b>                  | <b>\$ 6,382</b>     |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                                      | <b>\$ 324,882</b>                 | <b>\$ 37,613</b>                 | <b>\$ 362,495</b>   |
| <b>CASH AND CASH EQUIVALENTS - January 1, 2022</b>                                                               | <b>1,711,625</b>                  | <b>383,852</b>                   | <b>2,095,477</b>    |
| <b>CASH AND CASH EQUIVALENTS - December 31, 2022</b>                                                             | <b>\$ 2,036,507</b>               | <b>\$ 421,465</b>                | <b>\$ 2,457,972</b> |
| <b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br/>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b> |                                   |                                  |                     |
| Operating Income (Loss)                                                                                          | \$ 81,728                         | \$ (130,838)                     | \$ (49,110)         |
| <b>Adjustments to reconcile excess revenues over expenditures<br/>provided (used) by operating activities:</b>   |                                   |                                  |                     |
| Depreciation                                                                                                     | 199,550                           | 48,547                           | 248,097             |
| <b>Changes in assets and liabilities:</b>                                                                        |                                   |                                  |                     |
| (Increase) decrease in sewer/refuse receivables                                                                  | -                                 | (12,562)                         | (12,562)            |
| (Increase) decrease in other accounts receivable                                                                 | 41,015                            | -                                | 41,015              |
| Increase (decrease) in accounts payable                                                                          | (1,170)                           | 6,680                            | 5,510               |
| Increase (decrease) in due to other funds                                                                        | (8,612)                           | 124,335                          | 115,723             |
| <b>Net cash provided (used) by operating activities</b>                                                          | <b>\$ 312,511</b>                 | <b>\$ 36,162</b>                 | <b>\$ 348,673</b>   |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2022**

|                                    | <b>POLICE<br/>PENSION<br/>FUND</b> | <b>FIREFIGHTERS<br/>PENSION<br/>FUND</b> | <b>CITY<br/>EMPLOYEES<br/>PENSION<br/>FUND</b> | <b>TOTAL</b>         |
|------------------------------------|------------------------------------|------------------------------------------|------------------------------------------------|----------------------|
| <b>ASSETS</b>                      |                                    |                                          |                                                |                      |
| Cash and Cash Equivalents          | \$ 296,891                         | \$ 131,502                               | \$ 154,170                                     | \$ 582,563           |
| Investments, at Fair Value:        |                                    |                                          |                                                |                      |
| U.S. Treasury Securities           | -                                  | -                                        | -                                              | -                    |
| U.S. Agency Securities             | -                                  | -                                        | -                                              | -                    |
| Municipal Bonds                    | -                                  | -                                        | -                                              | -                    |
| Corporate Bonds                    | -                                  | -                                        | -                                              | -                    |
| Money Market Funds                 | 702,826                            | 321,603                                  | 130,328                                        | 1,154,757            |
| Stock Funds                        | 7,334,907                          | 3,054,650                                | 5,150,024                                      | 15,539,581           |
| Tax Exempt Bonds                   | -                                  | 61,420                                   | -                                              | 61,420               |
| Taxable Bonds                      | 1,090,101                          | 298,705                                  | -                                              | 1,388,806            |
| Taxable Bond Funds                 | 2,103,131                          | 1,227,401                                | 2,640,008                                      | 5,970,540            |
| Accrued Interest                   | -                                  | -                                        | -                                              | -                    |
| Other Accounts Receivable          | 401                                | -                                        | -                                              | 401                  |
| <b>TOTAL ASSETS</b>                | <b>\$ 11,528,257</b>               | <b>\$ 5,095,281</b>                      | <b>\$ 8,074,530</b>                            | <b>\$ 24,698,068</b> |
| <b>LIABILITIES</b>                 |                                    |                                          |                                                |                      |
| Accounts Payable                   | \$ 1,773                           | \$ -                                     | \$ -                                           | \$ 1,773             |
| <b>TOTAL LIABILITIES</b>           | <b>\$ 1,773</b>                    | <b>\$ -</b>                              | <b>\$ -</b>                                    | <b>\$ 1,773</b>      |
| <b>NET POSITION</b>                |                                    |                                          |                                                |                      |
| Held in Trust for Pension Benefits | \$ 11,526,483                      | \$ 5,095,281                             | \$ 8,074,530                                   | \$ 24,696,294        |
| <b>TOTAL NET POSITION</b>          | <b>\$ 11,526,483</b>               | <b>\$ 5,095,281</b>                      | <b>\$ 8,074,530</b>                            | <b>\$ 24,696,294</b> |

**KW**  
**11/3/2023 Verified**

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                                         | POLICE<br>PENSION<br>FUND | FIREFIGHTERS<br>PENSION FUND | CITY<br>EMPLOYEES<br>PENSION<br>FUND | TOTAL                 |
|---------------------------------------------------------|---------------------------|------------------------------|--------------------------------------|-----------------------|
| <b>ADDITIONS</b>                                        |                           |                              |                                      |                       |
| Contributions                                           |                           |                              |                                      |                       |
| Employer                                                | \$ 761,503                | \$ 295,390                   | \$ 218,232                           | \$ 1,275,125          |
| Plan Members                                            | 101,136                   | 29,951                       | 66,442                               | 197,529               |
| <b>Total Contributions</b>                              | <b>\$ 862,639</b>         | <b>\$ 325,341</b>            | <b>\$ 284,674</b>                    | <b>\$ 1,472,654</b>   |
| Investment Earnings                                     |                           |                              |                                      |                       |
| Net Increase <Decrease> in Fair Value<br>of Investments | \$ (2,305,014)            | \$ (995,887)                 | \$ (1,692,174)                       | \$ (4,993,075)        |
| Interest and Dividends                                  | 416,813                   | 224,787                      | 289,774                              | 931,374               |
| Total Investment Earnings                               | \$ (1,888,201)            | \$ (771,100)                 | \$ (1,402,400)                       | \$ (4,061,701)        |
| Less Investment Expense                                 | -                         | -                            | -                                    | -                     |
| <b>Net Investment Earnings</b>                          | <b>\$ (1,888,201)</b>     | <b>\$ (771,100)</b>          | <b>\$ (1,402,400)</b>                | <b>\$ (4,061,701)</b> |
| <b>Total Additions</b>                                  | <b>\$ (1,025,562)</b>     | <b>\$ (445,759)</b>          | <b>\$ (1,117,726)</b>                | <b>\$ (2,589,047)</b> |
| <b>DEDUCTIONS</b>                                       |                           |                              |                                      |                       |
| Benefits                                                | \$ 841,936                | \$ 315,267                   | \$ 377,070                           | \$ 1,534,273          |
| Member Refunds (Lump Sum)                               | 4,140                     | -                            | 36,476                               | 40,616                |
| Administrative Expenses                                 | 51,569                    | 28,122                       | 39,283                               | 118,974               |
| <b>Total Deductions</b>                                 | <b>\$ 897,645</b>         | <b>\$ 343,389</b>            | <b>\$ 452,829</b>                    | <b>\$ 1,693,863</b>   |
| <b>CHANGE IN NET POSITION</b>                           | <b>\$ (1,923,207)</b>     | <b>\$ (789,148)</b>          | <b>\$ (1,570,555)</b>                | <b>\$ (4,282,910)</b> |
| NET POSITION - JANUARY 1, 2022                          | 13,449,690                | 5,884,429                    | 9,645,085                            | 28,979,204            |
| <b>NET POSITION - DECEMBER 31, 2022</b>                 | <b>\$ 11,526,483</b>      | <b>\$ 5,095,281</b>          | <b>\$ 8,074,530</b>                  | <b>\$ 24,696,294</b>  |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

The City of Beaver Falls was incorporated on December 3, 1928, under the provisions governing the creation of municipal corporations in the Commonwealth of Pennsylvania. Beginning in January of 2022 the City began operating under a Home Rule Charter. Any rights and powers of the City not specifically mentioned in the Home Rule Charter are covered under the Third-Class City Code of the Commonwealth of Pennsylvania. The administration of the City consists of four (4) Councilmen and a City Mayor. Members of City Council are elected by the voting public. The City Council appoints a City Manager to administer the day-to-day operations of the City. The major functions of the City include public safety, maintenance of City infrastructure (roads), sanitation and sewage control, maintenance of parks and other recreational facilities for use by City residents and general administrative functions necessary to facilitate City resident needs and responsibilities.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the City of Beaver Falls consists of all funds, departments, boards, and agencies that are not legally separate from the City. Generally accepted accounting standards defines component units are legally separate entities that are included in the City's reporting entity because of the significance of their operating or financial relationships with the City. The City of Beaver Falls has no component units.

**FINANCIAL STATEMENT PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** – The statement of net position (Exhibit A) and the statement of activities (Exhibit B) report information about the City as a whole. These financial statements combine all of the financial activity of the primary government excluding fiduciary funds. As a general rule, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are recorded separately from business-type activities, which rely to a significant extent on fees and charges for services.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies, and contributions that are restricted to meeting the operational or capital requirements of a particular program.

**FUND FINANCIAL STATEMENTS** – Fund financial statements report detailed information about the City. Under generally accepted accounting standards, the focus of governmental fund financial statements is on major funds rather than reporting funds by type. Major funds represent the City's most important funds and are determined based on a percentage of assets, liabilities, revenues, and expenditures/expenses. For the City of Beaver Falls the General Fund always considered a major fund. Each major governmental fund is presented in a separate column. Non-major governmental funds, if any, are segregated and combined in a single column. Fiduciary funds are reported separately.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. The governmental activities on the government-wide financial statements are presented in conformity with the modified accrual basis of accounting, which is a basis of accounting other than generally accepted accounting standards. The governmental fund financial statements of the City of Beaver Falls are presented on the modified accrual basis of accounting, in accordance with accounting standards generally accepted in the United States of America (GAAP) established by the Government Accounting Standards Board (GASB). Business-type activities on the government-wide financial statements, the proprietary fund financial statements, and the Fiduciary Fund financial statements use the accrual basis of accounting in conformity with GAAP.

Revenue resulting from exchange transactions, in which the City receives value without directly giving equal values in return, includes property taxes, grants and contributions. On the modified accrual basis, revenue from current year property taxes is recognized when received, and within sixty days subsequent to year-end if they are both measurable and available to fund current year general operations. Revenues from grants and contributions are recognized in the calendar year in which all eligibility requirements have been satisfied. On the modified accrual basis, revenue from non-exchange transactions must also be 'available' before it can be recognized.

The management of the City of Beaver Falls has determined that the revenues most susceptible to accrual at December 31, 2022 are **1)** current real estate taxes estimated to be collected within 60 days, **2)** delinquent real estate taxes earned by the City in December of 2022, **3)** deed transfer taxes and vehicle violations earned by the City in December of 2022, **4)** certain taxpayer assessed Act 511 taxes, **5)** solid waste and sewage fees billed to City residents, **6)** cable franchise fees earned during the year, and **7)** other miscellaneous revenues estimable and available to the City for 2022 but not as yet collected at December 31, 2022. On the governmental fund financial statements, receivables that will not be collected within the 'available' period have been reported as 'deferred inflows of resources'.

On the modified accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures, with certain exceptions, are recognized in the accounting period in which the related fund liability is incurred, if measurable. The primary expenditures deemed susceptible to accrual at December 31, 2022, are those for which the City's intention was to expense these items as budgeted for in the 2022 official budget, and for which the City has incurred an obligation during 2022 but has not paid as of December 31, 2022.

**FUND ACCOUNTING**

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. Fund categories are defined as follows:

**Governmental Funds** – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the City's major and non-major governmental funds:

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**MAJOR GOVERNMENTAL FUNDS:**

**GENERAL FUND** - Established under 'The Third-Class City Code' of the Commonwealth of Pennsylvania and is used for the general operations of the City. Income in this fund is derived mainly from assessed revenues such as real estate taxes, local taxes established under Act 511, charges for sanitation service and other miscellaneous revenues not designated for other restricted fund purposes. These revenues are used for general ongoing government services such as public safety, public works, general administration of the City and other miscellaneous operating expenses.

**NON-MAJOR GOVERNMENTAL FUNDS:**

**HIGHWAY AID FUND** - Established and restricted under Act 655 of the Commonwealth of Pennsylvania. Funding is received from the Commonwealth and is restricted in use for the maintenance, repair and construction of roads, streets, and bridges for which the City is responsible.

**LOCAL DRUG INVESTIGATIVE FUND** - Established to account for monies received primarily from the Local Drug Enforcement Agency for forfeited drug funds to be used for training and other allowable expenses.

**K-9 FUND** - Established to account for monies received through donations to be used for K-9 expenses.

**CRIMEWATCH FUND** - Established to account for monies received through donations to be used for Crimewatch expenses.

**CAPITAL PROJECTS FUND** - Established from the proceeds of a portion of the City's General Obligation Bonds – Series of 2017 to fund capital projects of the City.

**DEBT SERVICE FUND** - Established from the proceeds of the City's General Obligation Bonds – Series of 2017. The main purpose of the fund is to pay the principal and interest due on the City's general obligation bonds and notes. Funding is received through transfers from the General Fund.

**Proprietary Funds** - used to account for activities similar to those found in the private sector, where the determination of net income is necessary and useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies within the City (internal service funds). The City maintains two (2) proprietary funds: **1)** City Sewer Users Fund and **2)** Joint Sewer Users Fund. Based on the criteria for determining major funds as set forth in GASB Statement No. 34, each of the City's proprietary funds are considered major funds.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**Fiduciary Funds** – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Custodial funds report fiduciary activities that are not held in a Trust or equivalent arrangement that meets specific criteria. The City has three pension trust funds (police pension, firefighter's pension, and non-uniform service employee's pension). The City does not maintain any other type of fiduciary fund.

**ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the City's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**BUDGETS**

In December of 2021, the City of Beaver Falls adopted its 2022 annual budget for its General Fund totaling \$47,946,148 in accordance with the provisions of Section 1406 of the City's Home Rule Charter. The budgets are prepared utilizing the modified accrual method of accounting in accordance with generally accepted accounting principles. Budgetary transfers among various expenditure line items is authorized in accordance with Section 1407 of the City's Home Rule Charter. The adjusted budgetary amounts, if any, are reflected in these financial statements (Exhibit G). Actual expenditures exceeded budget for calendar year 2022. All appropriations lapse at the end of each calendar year.

The Commonwealth of Pennsylvania's Third-Class City Code, uses the following procedures in establishing budgetary data:

- a. In accordance with the Third-Class City Code, each year at the last stated meeting in November, the chief fiscal officer shall, on behalf of Council, present to Council for introduction a proposed budget ordinance. The proposed budget ordinance shall show the estimated receipts, expenditures and liabilities for the ensuing year, with the balance of unexpended appropriations and all other information of value as a basis for fixing the levy and tax rate for the next calendar year. Council shall upon introducing the proposed budget ordinance, fix a date of adoption, which shall be not later than December 31 of that year.
- b. When the proposed budget ordinance is submitted to Council and has been introduced, the City Clerk shall immediately make the proposed budget ordinance available for public inspection at the City Clerk's office and shall publish a notice to that effect once in a newspaper of general circulation that states the date fixed by Council for enactment of the proposed budget ordinance. The notice shall be published at least 20 days prior to the time fixed by Council for enactment of the proposed budget ordinance. The proposed budget ordinance shall be available for public inspection at the City Clerk's office for at least 10 days after the newspaper notice is published.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BUDGETS (Continued)**

- c. Council shall, after making the changes and modifications as appear proper, enact the budget and any appropriation measures required to put it into effect upon the date fixed for enactment. Any budget revisions whereby total expenditures would be increased by more than 10%, or more than 25% in any individual line-item over the proposed budget, the proposed budget shall not be enacted unless made available for public inspection for a period of at least 10 days after notice to that effect is published.

**CASH AND CASH EQUIVALENTS**

For the purposes of these basic financial statements, cash and cash equivalents include amounts in demand deposit accounts and all highly liquid short-term investments with original maturity terms of less than three months.

**INVESTMENTS**

Provisions of the Third-Class City Code authorize the following investments:

- I. Obligations of (a) 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, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) 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.
- II. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) 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, is pledged by the depository.
- III. U.S. government obligations, short-term commercial paper issued by a public corporation, and banker's acceptances.
- IV. Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933.

Fiduciary fund type investments include investments consisting of fixed income securities, U.S. Treasury securities, mutual funds and exchange-traded products held by Hefren-Tillotson, Inc. for the benefit of the City's pension plans (Trust Funds). Investments are stated at fair value. The City's portfolio is in compliance with these statutes at December 31, 2022.

**RECEIVABLES**

Sanitation, sewage, and other receivables are reflected at net realizable value as of December 31, 2022.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as 'due from/to other funds' on the governmental funds balance sheet. For the purposes of the government-wide statement of Net position, governmental inter-fund receivables and payables have been eliminated. Amounts due between governmental activities and business-type activities are offset as 'Internal Balances' on the Statement of Net position.

**CAPITAL ASSETS AND DEPRECIATION**

All capital assets of the City's business-type activities are recorded at cost (or estimated historical cost). Donated fixed assets are recorded at fair value at the time of receipt. The City does not maintain a specific dollar threshold for fixed asset capitalization. The cost of infrastructure is included in the government-wide statement of net position for business-type activities and the proprietary fund financial statements. Routine repair and maintenance costs that do not add to the value of the asset or extend its useful life are charged as an expense.

All reported capital assets for business-type activities, except land, are depreciated using the straight-line method over the following useful lives:

| <b><u>CATEGORY</u></b>     | <b><u>BUSINESS-TYPE<br/>ACTIVITIES</u></b> |
|----------------------------|--------------------------------------------|
| Buildings and Improvements | 10-50 years                                |
| Office Equipment           | 5-7 years                                  |
| Vehicles                   | 5-15 Years                                 |
| Infrastructure             | 50 Years                                   |

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or 'financial flow' measurement focus. This means that only the current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of 'available resources'. Governmental operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of 'available spendable resources' during a period. Under the modified accrual method of accounting, capital assets purchased by governmental funds are recorded as expenditures in the fund financial statements (Exhibit D). The City does not capitalize and depreciate the cost of its governmental activities fixed asset purchases in accordance with generally accepted accounting principles.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements for business-type activities only. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the non-current portion that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, liabilities that mature or come due for payment within 60 days of the end of the fiscal year-end, are considered to be paid with current available financial resources. Notes and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. The City's General Fund and Debt Service Fund are typically used to liquidate long-term liability obligations.

**LONG-TERM DEBT FINANCING COSTS**

Bond and note issue costs are recorded as expenditures in the governmental or proprietary fund financial statements in the year paid. During the 2022 calendar year, the City incurred no bond/note issuance costs.

**COMPENSATED ABSENCES**

In accordance with the terms of its various collective bargaining unit agreements, the City is responsible to pay eligible employees at the rate of \$10 per day for each accumulated unused sick day upon separation of service from the City. For governmental fund financial statements under the modified accrual method of accounting, compensated absences are recorded as expenditures when paid rather than accrued when earned.

**NET POSITION**

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy City obligations. Net position is classified as follows:

- **Net Investment in Capital Assets** – This component of net position consists of capital assets net of accumulated depreciation, and reduced by the outstanding balances of debt that is attributable to the acquisition, construction and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.
- **Restricted Net Position** – This component of net position consists of restricted assets reduced by liabilities and deferred inflows related to those assets. Restricted net position consists of the following:
  - General Fund - Act 205 Earned Income Taxes for pension obligations - \$554,512
  - Highway Aid Fund restricted under Act 655 for highway/road projects - \$11,061
  - Capital Project Fund restricted for City capital improvements - \$452
  - Drug Investigative Fund restricted for police public safety costs - \$28,535
  - K-9 Fund restricted for police public safety costs - \$8,204
  - Crimewatch Fund restricted for police safety costs - \$854

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**NET POSITION (Continued)**

- **Unrestricted** – Consists of net position that does not meet the definition of ‘restricted’ or ‘net investment in capital assets’.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City’s policy is to first apply the expense toward restricted resources and then toward unrestricted resources

**FUND EQUITY**

In the Balance Sheet – Governmental Funds (Exhibit C), fund balances are reported in specific categories to make the nature and extent of the constraints placed on any entity’s fund balance more transparent in accordance with GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Non-spendable fund balance** – amounts that are not in spendable form (such as prepaid) or are required to be maintained intact – The City’s non-spendable fund balance is comprised of prepaid expenses paid in calendar year 2022 for the benefit of future periods totaling \$121,881.
- **Restricted fund balance** – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation. Restricted fund balance of \$603,618 is detailed above under restricted net position.
- **Committed fund balance** – amount constrained to specific purposes by the City itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- **Assigned fund balance** – amounts the City intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- **Unassigned fund balance** – amount that are available for any purpose.

**OPERATING REVENUES AND EXPENSES**

Proprietary fund operating revenues are those revenues that are generated directly from the primary activity of the City’s Joint Sewer User’s Fund and City Sewer User’s Fund. For the City, these revenues are sewer user charges, tap-in fees, and miscellaneous revenues directly related to the operations of these two funds. Operating expenses are the necessary costs incurred to operate the City’s two proprietary funds. Non-operating revenues of the City consist of interest income and refund of prior year expenses.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ADOPTION OF GASB PRONOUNCEMENTS**

The requirements of the following GASB Statement were adopted for the City's 2022 financial statements. Except where noted, the adoption of this pronouncement did not have a significant impact on the Township's financial statements.

**GASB issued Statement No. 87, 'Leases'.** The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments.

**GASB issued Statement No. 91, 'Conduit Debt Obligations'.** The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

**GASB issued Statement No. 97, 'Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans'.** The primary objectives of this Statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensations plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

**PENDING GASB PRONOUNCEMENTS**

**GASB issued Statement No. 94, 'Public-Private and Public-Public Partnerships and Availability Payment Arrangements'.** The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and provide guidance for accounting and financial reporting for availability payment arrangements (APAs). The provisions of this Statement are effective for the City's December 31, 2023, financial statements.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS (Continued)**

**GASB issued Statement No. 96**, '*Subscription-Based Information Technology Arrangements*'. The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The provisions of this Statement are effective for the City's December 31, 2023, financial statements.

**GASB issued Statement No 99**, '*Omnibus 2022*'. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS (Continued)**

**GASB issued Statement No 99 (Continued)**

- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.

The requirements related to leases, PPPs, and SBITAs are effective for the City's December 31, 2023, financial statements.

The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the City's December 31, 2024, financial statements.

**GASB issued Statement No 100, 'Accounting Changes and Error Correction'.** The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The provisions of this Statement are effective for the City's December 31, 2024 financial statements.

**GASB issued Statement No 101, 'Compensated Absences'.** The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for the City's December 31, 2024, financial statements.

The effects of implementing these Statements on the City's financial statements have not yet been determined.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS**

At December 31, 2022, the City of Beaver Falls had the following carrying values on its cash and cash equivalent accounts held with its depositories:

|                              | <b>Bank<br/>Balance</b> | <b>(Memo Only)<br/>Book<br/>Balance</b> |
|------------------------------|-------------------------|-----------------------------------------|
| General Fund                 | \$ 984,313              | \$ 813,521                              |
| Non-Major Governmental Funds | 46,505                  | 46,505                                  |
| Proprietary Funds            | 2,475,812               | 2,457,972                               |
| Fiduciary Funds              | 1,428,469               | 582,563                                 |
| <b>TOTAL</b>                 | <b>\$ 4,935,099</b>     | <b>\$ 3,900,561</b>                     |

The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government account \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

**Custodial Credit Risk:**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a separate policy for custodial credit risk in addition to the requirements of the Third-Class City Code. As of December 31, 2022, \$4,435,099 of the City's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the City's name. In accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, the aforementioned deposits, in excess of \$250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

**INVESTMENTS:**

The fair value and maturity term of the City's fiduciary fund investments as of December 31, 2022, is as follows:

|                 | <b>Fair Value</b>    | <b>No Stated<br/>Maturity</b> | <b>1 Year<br/>or Less</b> | <b>1-5 Years</b>  | <b>6-10 Years</b> | <b>11-15 Years</b> | <b>16-30 Years</b> |
|-----------------|----------------------|-------------------------------|---------------------------|-------------------|-------------------|--------------------|--------------------|
| U.S. Agencies   | \$ 327,044           | \$ -                          | \$ 249,283                | \$ 22,166         | \$ -              | \$ -               | \$ 55,596          |
| U.S. Treasury   | 32,277               | -                             | -                         | 910               | 8,604             | -                  | 22,763             |
| Municipal Bonds | 588,458              | -                             | 19,642                    | 263,950           | 193,825           | 111,042            | -                  |
| Corporate Bonds | 502,447              | -                             | 45,694                    | 299,805           | 90,199            | 20,166             | 46,581             |
| Mutual Funds    | 21,555,449           | 21,555,449                    | -                         | -                 | -                 | -                  | -                  |
|                 | <b>\$ 23,005,675</b> | <b>\$ 21,555,449</b>          | <b>\$ 314,619</b>         | <b>\$ 586,831</b> | <b>\$ 292,628</b> | <b>\$ 131,208</b>  | <b>\$ 124,940</b>  |

Investments classified as U.S. Agencies are securities of agencies of the U.S. Government that have an implied but not explicit guarantee.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS (Continued)**

**Custodial Credit Risk:**

For an investment, custodial risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The City's investments in mutual funds and money funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The City does not have a specific policy that would limit its investment choices to those with certain credit ratings.

**Credit Risk:**

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has no formal investment policy, in addition to the requirements of the Third-Class City Code and the Intergovernmental Cooperation Act, that limits its investment choices based on credit ratings by nationally recognized rating organizations. As of December 31, 2022, investments in U.S. Agencies, U.S. Treasury, Municipal Bonds, and Corporate Bonds of the City's pension plans are rated individually by nationally recognized statistical rating agencies (Moody's and S&P) as follows:

| Bond<br>Quality | Market<br>Value     |
|-----------------|---------------------|
| AAA             | \$ 397,131          |
| AA+             | 75,635              |
| AA              | 336,053             |
| AA-             | 117,719             |
| A+              | 52,731              |
| A-              | 273,528             |
| Aa1             | 78,100              |
| A2              | 19,722              |
| BBB+            | 27,837              |
| BBB             | 39,493              |
| Not Rated       | -                   |
|                 | <b>\$ 1,417,949</b> |

**Interest Rate Risk:**

The City does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Concentration of Credit Risk:**

The City places no limit on the amount it may invest in any one issuer.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS (Continued)**

**Fair Value Measurements:**

The City of Beaver Fall's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. Generally accepted accounting standards establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy provides the highest priority to unadjusted quoted prices for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

- **Level 1** – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes
- **Level 2** – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data
- **Level 3** – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

The following schedule presents the Investments of the City by level within the fair value hierarchy:

|                 | <b>Value</b>                | <b>Fair Value Measurements</b> |                    |                    |
|-----------------|-----------------------------|--------------------------------|--------------------|--------------------|
|                 | <b>at 12/31/22</b>          | <b>Level 1</b>                 | <b>Level 2</b>     | <b>Level 3</b>     |
| U.S. Treasury   | \$ 327,044                  | \$ 327,044                     | \$ -               | \$ -               |
| U.S. Agencies   | 32,277                      | 32,277                         | -                  | -                  |
| Municipal Bonds | 588,458                     | 588,458                        | -                  | -                  |
| Corporate Bonds | 502,447                     | 502,447                        | -                  | -                  |
| Mutal Funds     | 21,555,449                  | 21,555,449                     | -                  | -                  |
|                 | <b><u>\$ 23,005,675</u></b> | <b><u>\$ 23,005,675</u></b>    | <b><u>\$ -</u></b> | <b><u>\$ -</u></b> |

**NOTE 3 - PROPERTY TAXES**

The City of Beaver Falls levies property taxes March 1st of each calendar year. The calendar dates for payment of these taxes are as follows:

**PAYMENT PERIOD**

|                             |                   |
|-----------------------------|-------------------|
| February 1 – March 31, 2022 | (Discount period) |
| April 1 – May 31, 2022      | (Face period)     |
| June 1 – March 31, 2023     | (Penalty period)  |

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 - PROPERTY TAXES (Continued)**

Taxpayers are entitled to a 2% discount if taxes are paid prior to May 1st. Collections after June 30th are assessed a 10% penalty. Taxes unpaid as of April of the year following levy are liened through Beaver County. As of December 31, 2022, the City had \$250,172 in unpaid 2022 property taxes which represents 14%.6 of the total assessed property taxes for the current year.

The tax millage assessment for the 2022 calendar year is 29 mills on the assessed value of land and buildings, which represents \$29.00 of revenue for every \$1,000 of assessed value. The total millage includes 19.5928 dedicated for general revenue purposes, 9.1747 dedicated for debt service and .2325 mills dedicated for the maintenance and operation of recreation places. No provision has been made for amounts estimated to be uncollectable.

Taxes receivables, as reflected in Exhibit A and C, consist of the following at December 31, 2022:

|                        |                   |
|------------------------|-------------------|
| Delinquent Real Estate | \$ 49,874         |
| Act 511 Taxes          | 125,352           |
|                        | <u>\$ 175,226</u> |

**NOTE 4 – INTERFUND TRANSACTIONS**

Interfund receivable and payable obligations, as reflected in Exhibit C and Exhibit F, are comprised of the following at December 31, 2022:

|                       | <b><u>DUE FROM<br/>OTHER FUNDS</u></b> | <b><u>DUE TO<br/>OTHER FUNDS</u></b> |
|-----------------------|----------------------------------------|--------------------------------------|
| General Fund          | \$ 357,325                             | \$ -                                 |
| Capital Projects Fund | -                                      | 385                                  |
| Joint Sewer Users     | -                                      | 68,229                               |
| City Sewer Users      | -                                      | 288,711                              |
|                       | <u>\$ 357,325</u>                      | <u>\$ 357,325</u>                    |

During the 2022 calendar year, the following transfers were made between funds:

- General Fund transferred \$606,605 to the Debt Service Fund for the Series of B 2017 General Obligation Bond and Series A of 2017 General Obligation Note principal and interest payments
- Highway Aid Fund transferred \$286,436 to the General Fund for street lighting
- K-9 Fund transferred \$19,000 to the General Fund for reimbursement of a police vehicle purchase

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 5 - DUE FROM OTHER GOVERNMENTAL UNITS**

The 'due from other governmental units' total of \$319,149, as reflected in Exhibits A and C for governmental activities and governmental funds, represents amounts earned by and due the City of Beaver Falls for 2022 from other governmental agencies as follows:

|                                           |           |                       |
|-------------------------------------------|-----------|-----------------------|
| Fines - Magistrate                        | \$        | 4,768                 |
| Reimbursements from School District       |           | 570                   |
| Beaver County Housing Authority           |           | 27,364                |
| Grants                                    |           | 228,367               |
| Reimbursements for Police & Fire Services |           | 58,080                |
|                                           | <b>\$</b> | <b><u>319,149</u></b> |

**NOTE 6 – OTHER RECEIVABLES**

Other receivables, as reflected in Exhibit A and C, consist of the following at December 31, 2022:

|                      | <b><u>GOVERNMENTAL</u></b> | <b><u>BUSINESS-TYPE</u></b> |
|----------------------|----------------------------|-----------------------------|
|                      | <b><u>ACTIVITIES</u></b>   | <b><u>ACTIVITIES</u></b>    |
| Cable Franchise Fees | \$ 27,872                  | \$ -                        |
| Sewage               | -                          | 342,263                     |
| Miscellaneous        | 33,966                     | -                           |
|                      | <b>\$ 61,838</b>           | <b>\$ 342,263</b>           |

**NOTE 7 – BUSINESS-TYPE FIXED ASSETS**

A summary of the business-type fixed asset activity for the 2022 calendar year was as follows:

|                                                     | <b><u>Balance</u></b>  |                         | <b><u>Deductions</u></b> | <b><u>Balance</u></b>    |
|-----------------------------------------------------|------------------------|-------------------------|--------------------------|--------------------------|
|                                                     | <b><u>1/1/2022</u></b> | <b><u>Additions</u></b> |                          | <b><u>12/31/2022</u></b> |
| Building and Improvements                           | \$ 10,010,405          | \$ -                    | \$ -                     | \$ 10,010,405            |
| Office Equipment                                    | 98,523                 | -                       | -                        | 98,523                   |
| Vehicles                                            | 299,503                | -                       | -                        | 299,503                  |
| Machinery & Equipment                               | 415,645                | -                       | -                        | 415,645                  |
| Infrastructure                                      | 2,487,544              | -                       | -                        | 2,487,544                |
|                                                     | <b>\$ 13,311,620</b>   | <b>\$ -</b>             | <b>\$ -</b>              | <b>\$ 13,311,620</b>     |
| <b>Less: Accumulated depreciation</b>               |                        |                         |                          |                          |
| Building and Improvements                           | \$ (5,853,356)         | \$ (172,140)            | \$ -                     | \$ (6,025,496)           |
| Office Equipment                                    | (48,420)               | -                       | -                        | (48,420)                 |
| Vehicles                                            | (265,363)              | (6,101)                 | -                        | (271,464)                |
| Machinery & Equipment                               | (275,712)              | (36,912)                | -                        | (312,624)                |
| Infrastructure                                      | (1,018,135)            | (32,944)                | -                        | (1,051,079)              |
|                                                     | <b>\$ (7,460,986)</b>  | <b>\$ (248,097)</b>     | <b>\$ -</b>              | <b>\$ (7,709,083)</b>    |
| <b>Business-Type Activities Capital Assets, Net</b> | <b>\$ 5,850,634</b>    | <b>\$ (248,097)</b>     | <b>\$ -</b>              | <b>\$ 5,602,537</b>      |

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 8 – LONG TERM DEBT OBLIGATIONS**

**BONDS PAYABLE – GENERAL OBLIGATION BONDS SERIES B OF 2017**

In November of 2017, the City of Beaver Falls issued General Obligation Bonds, Series B of 2017 in the amount of \$2,380,000. Proceeds from the sale of the bonds will be used to provide funds for and towards the costs of planning, designing, acquiring, constructing, furnishing, and equipping additions and improvements to the City's capital improvement plan and pay the costs of issuing and insuring the bonds. The bonds were issued in denominations of \$5,000 with interest payable on May 15 and November 15 each year through maturity. Interest rates range between 1.55% and 3.375%, with the bonds scheduled to mature on November 15, 2034. The bonds provide for early redemption options for the city as more fully described in the detailed Official Statement.

**DEFAULT PROVISIONS**

The Bonds are general obligations of the City, payable from its tax and other general revenues, which taxing power presently includes ad valorem taxes which may be levied on all taxable real property within the City presently without limitation as to rate or amount. The City has covenanted that it will provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of debt service on the Bonds for such year, and will duly and punctually pay or cause to be paid from its Sinking Fund , as hereinafter defined, or any other of its revenues or funds, the principal of every maturity of the Bonds and the interest thereon at the dates and place and in the manner stated on the Bonds, and for such budgeting, appropriation and payment the City irrevocably has pledged its full faith, credit and taxing power.

In the event of default of the payment of principle or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the "Policy") for such payments. However, in the event of any acceleration of the date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure payment of redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the City which is recovered by the City from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the bond insurer at such time and in such amounts as would have been due absence such prepayment by the City unless the bond insurer chooses to pay such amounts at an earlier date. Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the bond insurer without appropriate consent. The bond insurer may direct and must consent to any remedies that that Paying Agent exercises and the bond insurer's consent may be required in connection with amendments to the Ordinance. In the event the bond insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the monies received by the Paying Agent pursuant to the Ordinance. In the event the bond insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The bonds carry a commitment from Build America Mutual Assurance Corporation (BAM) under which a Municipal Bond Insurance Policy will be issued at the time of delivery of the bonds, which policy assure the payment of the principal and interest to the registered owners of the Bonds.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 8 – LONG TERM DEBT OBLIGATIONS (Continued)**

**BONDS PAYABLE – GENERAL OBLIGATION BONDS SERIES B OF 2017 (Continued)**

A summary of the City of Beaver Fall's General Obligation Bonds outstanding at December 31, 2022, is as follows:

| <b>Year End</b> |                            |                          |                            |
|-----------------|----------------------------|--------------------------|----------------------------|
| <b>Dec 31</b>   | <b>Principal</b>           | <b>Interest</b>          | <b>Total</b>               |
| 2023            | \$ 10,000                  | 75,226                   | \$ 85,226                  |
| 2024            | 10,000                     | 74,926                   | 84,926                     |
| 2025            | 10,000                     | 74,626                   | 84,626                     |
| 2026            | 10,000                     | 74,326                   | 84,326                     |
| 2027            | 10,000                     | 74,026                   | 84,026                     |
| 2028-2032       | 1,110,000                  | 349,368                  | 1,459,368                  |
| 2033-2034       | 1,150,000                  | 58,132                   | 1,208,132                  |
|                 | <b><u>\$ 2,310,000</u></b> | <b><u>\$ 780,630</u></b> | <b><u>\$ 3,090,630</u></b> |

**NOTES PAYABLE – GENERAL OBLIGATION NOTES SERIES A OF 2017**

In November of 2017, the City of Beaver Falls issued General Obligation Notes, Series A of 2017 in the amount of \$5,880,000. Proceeds from the sale of the notes were used to currently refund the City's outstanding General Obligation Bonds, Series of 2012, and pay the costs of issuing and insuring the bonds. The notes were issued in denominations of \$5,000 with interest payable on May 15 and November 15 each year through maturity. Interest rates range between 1.55% and 3.0%, with the notes scheduled to mature on November 15, 2030. The notes provide for early redemption options for the city as more fully described in the detailed Official Statement. Default provisions as described herein Note 8 (Bonds Payable) apply to the City's General Obligation Notes Series A of 2017.

A summary of the City of Beaver Fall's Series A of 2017 General Obligation Notes outstanding at December 31, 2022, is as follows:

| <b>Year End</b> |                            |                          |                            |
|-----------------|----------------------------|--------------------------|----------------------------|
| <b>Dec 31</b>   | <b>Principal</b>           | <b>Interest</b>          | <b>Total</b>               |
| 2023            | \$ 420,000                 | 102,150                  | \$ 522,150                 |
| 2024            | 430,000                    | 92,175                   | 522,175                    |
| 2025            | 440,000                    | 81,425                   | 521,425                    |
| 2026            | 450,000                    | 70,425                   | 520,425                    |
| 2027            | 465,000                    | 58,050                   | 523,050                    |
| 2028-2030       | 1,470,000                  | 89,100                   | 1,559,100                  |
|                 | <b><u>\$ 3,675,000</u></b> | <b><u>\$ 493,325</u></b> | <b><u>\$ 4,168,325</u></b> |

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 8 – LONG TERM DEBT OBLIGATIONS (Continued)**

**NOTES -PAYABLE– FIRST NATIONAL BANK (DIRECT BORROWING)**

In December of 2019, the City of Beaver Falls borrowed \$600,000 from First National Bank for the following purposes 1) refinancing existing indebtedness and providing additional funds for economic revitalization, and 2) financing the closing costs and attorneys' fees in connection with the loan. The terms of the loan call for 120 monthly principal and interest payments of \$6,237.52 at an interest rate of 4.5%. The note is scheduled to mature in December of 2029. The outstanding balance on the loan as of December 31, 2022, is \$440,747.

**DEFAULT PROVISIONS**

The City represents, warrants, and covenants to the Bank that the full faith, credit, and taxing power of the City has been irrevocably pledged to the Bank to secure the payment of this Note. In the event of default, under the Loan Agreement occurs and is continuing upon demand the Bank or any future Registered Owner of this Note, the outstanding principal sum, together with any unpaid accrued interest, will be due and payable in full.

A summary of the City of Beaver Fall's 2019 General Obligation Note outstanding with First National Bank at December 31, 2022, is as follows:

| <b>Year End</b> | <b>Principal</b>         | <b>Interest</b>         | <b>Total</b>             |
|-----------------|--------------------------|-------------------------|--------------------------|
| <b>Dec 31</b>   |                          |                         |                          |
| 2023            | \$ 56,166                | \$ 18,684               | \$ 74,850                |
| 2024            | 58,746                   | 16,104                  | 74,850                   |
| 2025            | 61,445                   | 13,405                  | 74,850                   |
| 2026            | 64,267                   | 10,583                  | 74,850                   |
| 2027            | 67,220                   | 7,630                   | 74,850                   |
| 2028-2029       | 132,903                  | 5,872                   | 138,775                  |
|                 | <b><u>\$ 440,747</u></b> | <b><u>\$ 72,278</u></b> | <b><u>\$ 513,025</u></b> |

**NOTE 9 – CHANGES IN LONG-TERM DEBT**

The following represents the changes in the City's long-term debt during 2022:

|                          | <b>Balance</b>             |                    |                          | <b>Balance</b>             | <b>Due Within</b>        |
|--------------------------|----------------------------|--------------------|--------------------------|----------------------------|--------------------------|
|                          | <b>1/1/2022</b>            | <b>Additions</b>   | <b>Reductions</b>        | <b>12/31/2022</b>          | <b>One Year</b>          |
| General Obligation Bonds | \$ 2,320,000               | \$ -               | \$ 10,000                | \$ 2,310,000               | \$ 10,000                |
| General Obligation Notes | 4,085,000                  | -                  | 410,000                  | 3,675,000                  | 420,000                  |
| Direct Borrowings:       |                            |                    |                          |                            |                          |
| Note Obligations         | 494,152                    | -                  | 53,405                   | 440,747                    | 56,166                   |
|                          | <b><u>\$ 6,899,152</u></b> | <b><u>\$ -</u></b> | <b><u>\$ 473,405</u></b> | <b><u>\$ 6,425,747</u></b> | <b><u>\$ 486,166</u></b> |

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 10 - CITY PENSION PLANS**

The following is a summary of the City's police, fire, and non-uniform pension plans:

**POLICE PENSION PLAN** - The City of Beaver Falls' Police Pension Plan is a single-employer defined benefit pension plan established May 12, 1941, as amended April 26, 2016, to provide retirement and death benefits to qualified police department employees under the provisions governing pension plans in the Commonwealth of Pennsylvania and local City ordinances. The actuarial costs of this plan are determined under the Entry Age Normal Actuarial Cost Method as required by Act 205 of the Commonwealth. The plan is governed by the Council of the City of Beaver Falls which is responsible for the management of Plan assets. The Council has delegated the authority to manage certain plan assets to Hefren Tillotson, Inc. A summary of the plan's provisions are as follows:

**PARTICIPANTS** – All permanent members of the City of Beaver Falls police department who have attained the age of 21.

**ELIGIBILITY** – All participants are eligible for retirement benefits provided that they have completed 25 years of aggregate service as a City employee and have attained the age of 50.

**BENEFITS** – Benefit is equal to 50% of the greater of monthly pay at retirement or average monthly pay, plus a service increment, if any.

**TERMINATION** – The plan provides terminated employees with a return of their contribution without interest.

**VESTING** – Employees are 100% vested after completion of 12 years of service.

**FUNDING** – Employee contributions are equal to 4% of monthly earnings plus \$1.00 to provide for service increments. City contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program and Act 47 of 1988.

**FIREMEN'S PENSION PLAN** - The City of Beaver Falls' Fireman's pension Plan is a single-employer defined benefit pension plan established February 23, 1948, as amended October 25, 2015, to provide retirement and death benefits to qualified fire department employees under the provisions governing firemen's pension plans in the Commonwealth of Pennsylvania and local City ordinances. The actuarial costs of the plan are determined under the Entry Age Normal Actuarial Cost method as required by Act 205 of the Commonwealth. The plan is governed by the Council of the City of Beaver Falls which is responsible for the management of Plan assets. The Council has delegated the authority to manage certain plan assets to Merrill Lynch and Hefren Tillotson Inc. A summary of the plan's provisions are as follows:

**PARTICIPANTS** – All permanent members of the City of Beaver Falls fire department who have attained the age of 21.

**ELIGIBILITY** – All participants are eligible for retirement benefits provided that they have completed 25 years of aggregate service as a City employee and have attained the age of 50.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 10 - CITY PENSION PLANS (Continued)**

**FIREMEN'S PENSION PLAN (Continued)**

**BENEFITS** – Benefit is equal to 50% of average pay at retirement, plus a service increment, if any. For employees hired on or after 8/5/93, lump sum payments for sick pay and vacation pay are not included.

**TERMINATION** – The plan provides terminated employees with a return of their contribution without interest.

**VESTING** – Employees are 100% vested after completion of 12 years of service.

**FUNDING** – Employee contributions are equal to 4% of monthly earnings plus \$1.00 to provide for service increments. City contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program and Act 47 of 1988.

**GENERAL EMPLOYEES PENSION PLAN** - The City of Beaver Falls' Employee's pension Plan is a single-employer defined benefit pension plan established January 1, 1960, as amended October 22, 1996, to provide retirement and death benefits to qualified non-uniformed service employees under the provisions of Act 205 of the Commonwealth of Pennsylvania and local City ordinances. The actuarial costs of the plan are determined under the Entry Age Normal Actuarial Cost method as required by Act 205 of the Commonwealth. The plan is governed by the Council of the City of Beaver Falls which is responsible for the management of Plan assets. The Council has delegated the authority to manage certain plan assets to Hefren-Tillotson, Inc. A summary of the plan's provisions are as follows:

**PARTICIPANTS** – All permanent members of the City of Beaver Falls other than police or firemen.

**ELIGIBILITY** – All participants are eligible for retirement benefits provided that they have completed 20 years of aggregate service as a City employee and have attained the age of 60.

**BENEFITS** – Benefit is equal to 50% of monthly average compensation.

**TERMINATION** – The plan provides terminated employees with a return of their contribution without interest.

**VESTING** – Employees are 100% vested after completion of 12 years of service.

**FUNDING** – Employee contributions are equal to 5% of monthly salary. City contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program and Act 47 of 1988.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 10 - CITY PENSION PLANS (Continued)**

Plan membership as of January 1, 2021, was comprised of:

|                                     | <u>Police</u> | <u>Firemen</u> | <u>Employees</u> |
|-------------------------------------|---------------|----------------|------------------|
| Active employees (non-vested)       | 16            | 9              | 22               |
| Retirees and beneficiaries          |               |                |                  |
| currently receiving benefits        | 28            | 17             | 19               |
| Terminated employees entitled to    |               |                |                  |
| benefits but not yet receiving them | -             | -              | -                |
| Total                               | <u>44</u>     | <u>26</u>      | <u>41</u>        |

**NOTE 11 – RISK AND UNCERTAINTIES**

**INSURANCE**

The City of Beaver Falls is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors, and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

**LEGAL MATTERS**

The City of Beaver Falls, in the normal course of operations, is party to various legal matters normally associated with municipalities such as real estate tax assessment appeals, personnel wage and benefits, and other miscellaneous legal matters. As of December 31, 2022, the City is unaware of any pending claims or litigations that would be material to the financial position of the City of Beaver Falls.

**FEDERAL AND STATE FUNDING**

The City of Beaver Falls' state and federally funded programs, including its pension funds, are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The City is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**CITY OF BEAVER FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 12 – SUBSEQUENT EVENTS**

The City of Beaver Falls entered into an Asset Purchase Agreement with the Aqua Pennsylvania Wastewater Inc., in October 2021. The final purchase price has been agreed upon in the amount of \$41,250,000 and the closing is anticipated to take place at some point during the early part of calendar year 2023 upon the approval of the Pennsylvania Utility Commission and Department of Environmental Protection.

The City of Beaver Falls has opted to operate under the Home Rule Charter Law effective January 1, 2022. All elected officials in office at that time will serve until the end of their respective terms. All city administration officers or employees holding any office or position prior to January 2022 will continue such office or position unless that office or position is eliminated under the Charter or Administrative Code.

Management has determined that there are no other subsequent events after December 31, 2022, through the December 7, 2023, date of the “Independent Auditor’s Report” date, which is the date the financial statements were available to be issued, that requires disclosure in the financial statements.

***SUPPLEMENTARY***  
***INFORMATION***

**CITY OF BEAVER FALLS**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL REVENUES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**SCHEDULE 1**

|                                          | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>OVER &lt;UNDER&gt;</u><br><u>BUDGET</u> |
|------------------------------------------|---------------------|---------------------|--------------------------------------------|
| <b>TAXES:</b>                            |                     |                     |                                            |
| Real estate - current                    | \$ 1,450,000        | \$ 1,460,045        | \$ 10,045                                  |
| Real estate - prior                      | 37,000              | 34,554              | (2,446)                                    |
| Real estate - delinquent                 | 225,000             | 268,810             | 43,810                                     |
| Deed transfer                            | 75,000              | 108,467             | 33,467                                     |
| Per capita and residence                 | 20,000              | 17,224              | (2,776)                                    |
| Per capita and residence - prior         | 500                 | 360                 | (140)                                      |
| Per capita and residence - delinquent    | 8,500               | 3,148               | (5,352)                                    |
| Earned income - city                     | 610,000             | 680,315             | 70,315                                     |
| Earned income - Act 205                  | 1,000,000           | 1,031,869           | 31,869                                     |
| Earned income - prior                    | 14,000              | 21,836              | 7,836                                      |
| Mercantile tax                           | 80,000              | 97,073              | 17,073                                     |
| Mercantile License tax                   | -                   | 250                 | 250                                        |
| LST                                      | 110,000             | 112,521             | 2,521                                      |
| Business privilege tax                   | 200,000             | 161,900             | (38,100)                                   |
| <b>TOTAL TAXES</b>                       | <b>\$ 3,830,000</b> | <b>\$ 3,998,372</b> | <b>\$ 168,372</b>                          |
| <b>LICENSES AND PERMITS:</b>             |                     |                     |                                            |
| Solicitation Permit                      | \$ 50               | \$ 850              | \$ 800                                     |
| Transient Licenses                       | 100                 | 100                 | -                                          |
| Amusement licenses                       | 10,000              | 23,800              | 13,800                                     |
| Cable franchise fee                      | 120,000             | 115,382             | (4,618)                                    |
| Building permits                         | 40,000              | 25,278              | (14,722)                                   |
| Demolition permits                       | 1,000               | 1,295               | 295                                        |
| Plumbing licenses                        | 2,300               | 150                 | (2,150)                                    |
| Zoning Permits                           | 2,500               | 2,125               | (375)                                      |
| Vacant Property Fees                     | 2,000               | 870                 | (1,130)                                    |
| Rental registration                      | 100,000             | 121,928             | 21,928                                     |
| Code Enforcement misc. receipts          | -                   | -                   | -                                          |
| Street opening permits                   | -                   | 23,100              | 23,100                                     |
| Dumpster Permits                         | 1,350               | 2,380               | 1,030                                      |
| <b>TOTAL LICENSES AND PERMITS</b>        | <b>\$ 279,300</b>   | <b>\$ 317,258</b>   | <b>\$ 37,958</b>                           |
| <b>FINES AND FORFEITURES:</b>            |                     |                     |                                            |
| Magistrate and Clerk of Courts           | \$ 75,000           | \$ 70,899           | \$ (4,101)                                 |
| Code Restitution                         | 900                 | 679                 | (221)                                      |
| Rental Restitution                       | 850                 | 1,272               | 422                                        |
| State police fines                       | 4,000               | 3,440               | (560)                                      |
| Warrant server fees                      | 450                 | 330                 | (120)                                      |
| Incarceration fees                       | 12,000              | 10,087              | (1,913)                                    |
| Police reports                           | 2,700               | 2,539               | (161)                                      |
| Parking Authority collections            | 20,000              | 15,964              | (4,036)                                    |
| Parking Meter Violations                 | 11,000              | 9,502               | (1,498)                                    |
| Parking Magistrate Fines/Finals          | 4,000               | 4,563               | 563                                        |
| <b>TOTAL FINES AND FORFEITURES</b>       | <b>\$ 130,900</b>   | <b>\$ 119,275</b>   | <b>\$ (11,625)</b>                         |
| <b>INTEREST AND RENTS:</b>               |                     |                     |                                            |
| Investment interest                      | \$ 10,900           | \$ 23,113           | \$ 12,213                                  |
| DEP rent                                 | 21,660              | 9,025               | (12,635)                                   |
| Other Rents                              | 3,000               | 3,100               | 100                                        |
| Parks - Rental of Facilities             | -                   | 175                 | 175                                        |
| <b>TOTAL INTEREST AND RENTS</b>          | <b>\$ 35,560</b>    | <b>\$ 35,413</b>    | <b>\$ (147)</b>                            |
| <b>INTERGOVERNMENTAL:</b>                |                     |                     |                                            |
| Fire & EMS Grants                        | \$ -                | \$ 39,058           | \$ 39,058                                  |
| PA recycling grants                      | -                   | 1,896               | 1,896                                      |
| Parks & Recreation Grants                | -                   | 279,549             | 279,549                                    |
| PA State pension aid                     | 330,000             | 414,436             | 84,436                                     |
| PA Cola refund                           | 5,550               | 4,350               | (1,200)                                    |
| Fire Relief Tax Distribution             | 22,000              | 26,403              | 4,403                                      |
| DCED Grant                               | 35,000              | 107,451             | 72,451                                     |
| Covid                                    | 436,052             | 438,809             | 2,757                                      |
| PURTA Tax Refund                         | 2,600               | 2,961               | 361                                        |
| PA Liquor License - LCB                  | 2,000               | 3,350               | 1,350                                      |
| Act13 Gas Well Fees                      | 10,000              | 16,982              | 6,982                                      |
| County Grants - Public Safety            | -                   | 37,895              | 37,895                                     |
| Local Park Grant                         | -                   | 25,000              | 25,000                                     |
| PENNDOT Snow Removal Agreement           | 31,000              | 48,371              | 17,371                                     |
| PILOT - County Building                  | 30,795              | 30,795              | -                                          |
| PILOT - Reimbursement to school county   | (20,671)            | (20,671)            | -                                          |
| PILOT - Morado, Brodhead, Harmony        | 22,425              | 19,534              | (2,891)                                    |
| PILOT - Reimbursement to school district | (4,890)             | (4,616)             | 274                                        |
| PILOT - Current Real Estate              | 3,714               | 4,125               | 411                                        |
| <b>TOTAL INTERGOVERNMENTAL</b>           | <b>\$ 905,575</b>   | <b>\$ 1,475,678</b> | <b>\$ 570,103</b>                          |

**CITY OF BEAVER FALLS**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL REVENUES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**SCHEDULE 1**

|                                                       | <u>BUDGET</u>        | <u>ACTUAL</u>       | <u>OVER &lt;UNDER&gt;<br/>BUDGET</u> |
|-------------------------------------------------------|----------------------|---------------------|--------------------------------------|
| <b>CHARGES FOR SERVICES:</b>                          |                      |                     |                                      |
| Miscellaneous revenue                                 | \$ 873               | \$ 135              | \$ (738)                             |
| School Reimbursement                                  | -                    | 10,209              | 10,209                               |
| Housing Auth Police Reimbursement                     | 50,000               | 50,170              | 170                                  |
| Eastvale Patrol                                       | 13,048               | 13,048              | -                                    |
| West Mayfield Patrol                                  | 67,195               | 67,196              | 1                                    |
| Big Beaver Patrol                                     | 132,870              | 132,870             | -                                    |
| Zoning Hearing Fees                                   | 4,500                | 2,200               | (2,300)                              |
| Tax Cert Fees                                         | 14,500               | 15,900              | 1,400                                |
| Sale of Fire Reports                                  | -                    | 60                  | 60                                   |
| Lein Letter Fees                                      | 11,600               | 12,758              | 1,158                                |
| Police Reimbursements                                 | 18,000               | 22,686              | 4,686                                |
| AG Task Force Reimbursements                          | -                    | 18,246              | 18,246                               |
| DUI Task Force Reimbursements                         | -                    | 10,874              | 10,874                               |
| Fire Dept receipts                                    | -                    | -                   | -                                    |
| Fire Service Ins. Reimbursement                       | 5,000                | 4,028               | (972)                                |
| Fire Hydrant Fees                                     | 68,422               | 77,428              | 9,006                                |
| Eastvale Fire Protection                              | 6,720                | 6,622               | (98)                                 |
| Zoning Occupancy Inspections                          | 16,000               | 24,670              | 8,670                                |
| Parking Authority                                     | 18,825               | 17,814              | (1,011)                              |
| Dye Testing                                           | 7,500                | 12,630              | 5,130                                |
| Water Pollution Control - Line Rental                 | 100,000              | 100,000             | -                                    |
| WPC Expense Reimbursement                             | 660,000              | 673,467             | 13,467                               |
| Property Maint - PM Liens                             | 8,150                | 12,858              | 4,708                                |
| Sale of Trash Carts                                   | -                    | 200                 | 200                                  |
| Solid Waste Admin Fee                                 | 150,000              | 150,000             | -                                    |
| Solid Waste                                           | 743,027              | 775,825             | 32,798                               |
| City SU Admin Exp Reimb                               | 150,000              | 150,000             | -                                    |
| City SU Sewer Line Reimb                              | 200,000              | 200,000             | -                                    |
| City SU Wage Reimbursement                            | 200,000              | 200,000             | -                                    |
| <b>TOTAL CHARGES FOR SERVICES</b>                     | <b>\$ 2,646,230</b>  | <b>\$ 2,761,894</b> | <b>\$ 115,664</b>                    |
| <b>MISCELLANEOUS:</b>                                 |                      |                     |                                      |
| Civil Service Testing                                 | \$ 500               | \$ 991              | \$ 491                               |
| Workers Comp Fund Dividends                           | 100,000              | 90,471              | (9,529)                              |
| Donations                                             | 15,000               | 26,888              | 11,888                               |
| County Lease Agreement                                | 60,800               | 60,800              | -                                    |
| <b>TOTAL MISCELLANEOUS</b>                            | <b>\$ 176,300</b>    | <b>\$ 179,150</b>   | <b>\$ 2,850</b>                      |
| <b>OTHER FINANCING SOURCES:</b>                       |                      |                     |                                      |
| Sale of property - fixed assets                       | \$ 39,837,500        | \$ 12,000           | \$ (39,825,500)                      |
| Liquid Fuels                                          | 245,000              | 286,436             | 41,436                               |
| K-9                                                   | -                    | 19,000              | 19,000                               |
| Tax Anticipation Loan                                 | -                    | -                   | -                                    |
| Refund prior year expenses                            | -                    | 9,512               | 9,512                                |
| <b>TOTAL OTHER FINANCING SOURCES</b>                  | <b>\$ 40,082,500</b> | <b>\$ 326,948</b>   | <b>\$ (39,755,552)</b>               |
| <b>TOTAL REVENUES AND<br/>OTHER FINANCING SOURCES</b> | <b>\$ 48,086,365</b> | <b>\$ 9,213,988</b> | <b>\$ (38,872,377)</b>               |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                       | BUDGET            | ACTUAL            | OVER <UNDER><br>BUDGET |
|---------------------------------------|-------------------|-------------------|------------------------|
| <b>GENERAL GOVERNMENT:</b>            |                   |                   |                        |
| <b>LEGISLATIVE:</b>                   |                   |                   |                        |
| Council & Mayor Expenses              | \$ 15,000         | \$ 15,000         | \$ -                   |
| Mayor & Council Supplies              | 250               | 30                | (220)                  |
| Council ER FICA/Medi Exp              | -                 | 1,132             | 1,132                  |
| Mayor & Council Memberships Dues      | -                 | 130               | 130                    |
| Mayor & Council Training Exp          | -                 | 5,792             | 5,792                  |
| COG Payment                           | 1,000             | -                 | (1,000)                |
| <b>TOTAL LEGISLATIVE</b>              | <b>\$ 16,250</b>  | <b>\$ 22,084</b>  | <b>\$ 5,834</b>        |
| <b>EXECUTIVE:</b>                     |                   |                   |                        |
| City Manager's Salary                 | \$ 75,850         | \$ 75,857         | \$ 7                   |
| Admin Coord/City Clerk Salary         | 60,000            | 60,005            | 5                      |
| Admin Secretary Salary                | 40,000            | -                 | (40,000)               |
| Admin Life/AD&D/STD Ins Exp           | -                 | 1,538             | 1,538                  |
| Health Insurance                      | -                 | 45,393            | 45,393                 |
| Pension Contributions                 | 2,806             | 2,806             | -                      |
| Employer FICA Exp                     | -                 | 12,680            | 12,680                 |
| Admin Contracted Sick Days            | 700               | 700               | -                      |
| Admin Longevity                       | 2,550             | 2,550             | -                      |
| Higher Education Bonues               | -                 | 1,200             | 1,200                  |
| Administration supplies               | 5,000             | 5,105             | 105                    |
| Audit                                 | 9,300             | 8,352             | (948)                  |
| Telephone                             | 9,400             | 3,814             | (5,586)                |
| Postage                               | 8,000             | 1,379             | (6,621)                |
| Printing and legal ads                | 7,500             | 2,857             | (4,643)                |
| Managers Bond                         | -                 | 250               | 250                    |
| Miscellaneous administrative expense  | 200               | 250               | 50                     |
| Admin Maint Service                   | -                 | 874               | 874                    |
| Leased Equipment - Admin              | 15,000            | 14,878            | (122)                  |
| Dues, Subscriptions & Memberships     | -                 | 1,405             | 1,405                  |
| Taxes on City Owned Property          | 7,235             | 50                | (7,185)                |
| Accountant - Part-time                | 6,000             | 390               | (5,610)                |
| Admin Training/Meeting/Conf           | -                 | 65                | 65                     |
| Planning commission                   | 50                | -                 | (50)                   |
| Civil service commission expense      | 1,500             | 7,537             | 6,037                  |
| Public Relations                      | 500               | 300               | (200)                  |
| City Manager's Expenses               | 7,500             | 1,900             | (5,600)                |
| Capital Purchase-RECLAIM Project      | -                 | 11,542            | 11,542                 |
| <b>TOTAL EXECUTIVE</b>                | <b>\$ 259,091</b> | <b>\$ 263,677</b> | <b>\$ 4,586</b>        |
| <b>FINANCIAL ADMINISTRATION:</b>      |                   |                   |                        |
| Salary - treasurer                    | \$ 47,250         | \$ -              | \$ (47,250)            |
| Chief Financial Officers Salary       | 65,100            | 61,095            | (4,005)                |
| Salary - treasurer - vacation wages   | -                 | 10,977            | 10,977                 |
| Salary - bookkeeper                   | 40,000            | 80,248            | 40,248                 |
| Treas Life/AD&D/STD Ins Exp           | -                 | 1,740             | 1,740                  |
| Health Insurance                      | -                 | 61,704            | 61,704                 |
| Employer FICA Exp                     | -                 | 11,120            | 11,120                 |
| Treasurer's ofc longevity             | 1,100             | 1,100             | -                      |
| Treasurer's ofc supplies              | 2,500             | 1,917             | (583)                  |
| Postage                               | -                 | 421               | 421                    |
| Insurance and Bonding                 | 2,500             | 1,349             | (1,151)                |
| Computer/Software Maint               | 4,500             | 635               | (3,865)                |
| Dues, Subscriptions & Memberships     | -                 | 80                | 80                     |
| Training/Meeting/Conf                 | -                 | 50                | 50                     |
| <b>TOTAL FINANCIAL ADMINISTRATION</b> | <b>\$ 162,950</b> | <b>\$ 232,436</b> | <b>\$ 69,486</b>       |
| <b>TAX COLLECTION:</b>                |                   |                   |                        |
| Tax Bill Printing                     | \$ 5,000          | \$ 3,349          | \$ (1,651)             |
| Earned income tax commission          | 10,000            | 11,939            | 1,939                  |
| EMS income tax commission             | 2,400             | 2,216             | (184)                  |
| Earned income tax commission act 205  | 20,280            | 15,958            | (4,322)                |
| Postage                               | -                 | 1,942             | 1,942                  |
| <b>TOTAL TAX COLLECTION</b>           | <b>\$ 37,680</b>  | <b>\$ 35,404</b>  | <b>\$ (2,276)</b>      |

**CITY OF BEAVER FALLS**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                        | BUDGET            | ACTUAL              | OVER <UNDER><br>BUDGET |
|----------------------------------------|-------------------|---------------------|------------------------|
| <b>GENERAL GOVERNMENT (Continued):</b> |                   |                     |                        |
| <b>LEGAL:</b>                          |                   |                     |                        |
| Salary - solicitor                     | \$ 18,000         | \$ 18,000           | \$ -                   |
| Legal fees                             | 15,000            | 49,112              | 34,112                 |
| <b>TOTAL LEGAL</b>                     | <b>\$ 33,000</b>  | <b>\$ 67,112</b>    | <b>\$ 34,112</b>       |
| <b>DATA PROCESSING:</b>                |                   |                     |                        |
| IT Services                            | \$ 12,000         | \$ 12,944           | \$ 944                 |
| Credit Card Processing Fee             | 250               | -                   | (250)                  |
| Computer Software & Upgrades           | 6,300             | 10,180              | 3,880                  |
| <b>TOTAL DATA PROCESSING</b>           | <b>\$ 18,550</b>  | <b>\$ 23,124</b>    | <b>\$ 4,574</b>        |
| <b>ENGINEERING SERVICES:</b>           |                   |                     |                        |
| Engineering Services                   | \$ 2,500          | \$ 64,868           | \$ 62,368              |
| Engineering/Architectural Services     | -                 | 87,291              | 87,291                 |
| <b>TOTAL ENGINEERING SERVICES</b>      | <b>2,500</b>      | <b>152,159</b>      | <b>149,659</b>         |
| <b>MUNICIPAL BUILDING:</b>             |                   |                     |                        |
| Operating Supplies                     | \$ -              | \$ 567              | \$ 567                 |
| Repair/Maintenance Supplies            | -                 | 191                 | 191                    |
| City Building - Phone & Internet       | -                 | 6,762               | 6,762                  |
| Telephone Maint Agreement              | -                 | 130                 | 130                    |
| City Building - electric               | 20,000            | 21,194              | 1,194                  |
| City Building - gas                    | 5,500             | 9,120               | 3,620                  |
| City Building - water                  | 2,000             | 3,190               | 1,190                  |
| City Building - Contracted Services    | 20,000            | 32,864              | 12,864                 |
| Capital Improvements                   | -                 | 672,688             | 672,688                |
| <b>TOTAL MUNICIPAL BUILDING</b>        | <b>\$ 47,500</b>  | <b>\$ 746,706</b>   | <b>\$ 699,206</b>      |
| <b>TOTAL GENERAL GOVERNMENT</b>        | <b>\$ 577,521</b> | <b>\$ 1,542,702</b> | <b>\$ 965,181</b>      |
| <b>PUBLIC SAFETY:</b>                  |                   |                     |                        |
| <b>POLICE:</b>                         |                   |                     |                        |
| Salary - chief                         | \$ 87,275         | \$ 78,549           | \$ (8,726)             |
| Police Sick Wages                      | -                 | 53,050              | 53,050                 |
| Police Vacation Wages                  | -                 | 80,672              | 80,672                 |
| Salary - captain                       | 296,608           | 201,066             | (95,542)               |
| Salary - sergeant                      | 206,693           | 175,006             | (31,687)               |
| Salary - non-ranked policemen          | 596,400           | 580,554             | (15,846)               |
| Police Acting OIC wages                | 7,000             | 8,422               | 1,422                  |
| Police Vehicle Repair Wages            | -                 | 192                 | 192                    |
| Police Life/AD&D/STD Ins Exp           | -                 | 11,484              | 11,484                 |
| Health Insurance                       | -                 | 290,313             | 290,313                |
| Police ER Medicare Expenses            | -                 | 25,388              | 25,388                 |
| Police Heart & Lung Benefit            | -                 | 3,076               | 3,076                  |
| Overtime - Regular OT                  | 120,510           | 222,991             | 102,481                |
| Overtime - Schools (Training & OT)     | 20,000            | 36,642              | 16,642                 |
| Overtime - Major Cases                 | 20,600            | 13,446              | (7,154)                |
| Overtime - Housing Auth Patrol         | 55,000            | 37,242              | (17,758)               |
| Overtime - Jailer (police)             | 15,450            | 18,583              | 3,133                  |
| Overtime - Special Events              | 8,000             | 13,553              | 5,553                  |
| Overtime - 1.5 Reimbursable            | -                 | 27,138              | 27,138                 |
| Police Sick Day Incentive              | 1,500             | 1,700               | 200                    |
| Longevity - police                     | 8,400             | 8,400               | -                      |
| Shift differential                     | 7,500             | 9,579               | 2,079                  |
| Holiday pay                            | 56,779            | 66,503              | 9,724                  |
| Court time                             | 130,000           | 163,567             | 33,567                 |
| Education pay                          | 1,000             | 1,800               | 800                    |
| Uniforms/Cleaning Allowance            | 15,200            | 13,214              | (1,986)                |

**CITY OF BEAVER FALLS**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                      | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>OVER &lt;UNDER&gt;</u><br><u>BUDGET</u> |
|--------------------------------------|---------------------|---------------------|--------------------------------------------|
| <b>PUBLIC SAFETY (Continued):</b>    |                     |                     |                                            |
| <b>POLICE (Continued):</b>           |                     |                     |                                            |
| Police Tuition Reimbursement         | 350                 | -                   | (350)                                      |
| Office supplies                      | 5,000               | 4,830               | (170)                                      |
| Weight equipment                     | 300                 | 100                 | (200)                                      |
| Ammunition                           | 13,000              | 12,113              | (887)                                      |
| Criminal investigation               | 2,400               | 781                 | (1,619)                                    |
| K-9 supplies                         | 2,000               | 2,037               | 37                                         |
| K-9 veterinarian expenses            | 500                 | -                   | (500)                                      |
| K-9 Equipment & Training             | 250                 | -                   | (250)                                      |
| Fuel                                 | 15,000              | 27,626              | 12,626                                     |
| Police Uniform Exp (Not Reimburse)   | 5,000               | 8,712               | 3,712                                      |
| Restricted Spending Exp              | 500                 | 3,379               | 2,879                                      |
| Vehicle maintenance                  | 12,000              | 15,444              | 3,444                                      |
| Employment Physicals                 | -                   | 1,455               | 1,455                                      |
| Police Breathalyzer Testing          | 200                 | 6,468               | 6,268                                      |
| Criminal Drug Testing                | -                   | 5,891               | 5,891                                      |
| Police Cell Phones                   | 4,000               | 3,151               | (849)                                      |
| Postage                              | -                   | 976                 | 976                                        |
| Radio Maint & Repairs                | 250                 | 190                 | (60)                                       |
| Printing                             | 700                 | 130                 | (570)                                      |
| Ticket printing                      | 3,000               | -                   | (3,000)                                    |
| Range - Utilities                    | 1,000               | 758                 | (242)                                      |
| Police Computer/Software Maintenance | 25,000              | 22,389              | (2,611)                                    |
| Police Equipment Maintenance Svc     | -                   | 491                 | 491                                        |
| Police Storage Rental                | -                   | 3,021               | 3,021                                      |
| Meetings/Conference/Training         | 20,000              | 7,208               | (12,792)                                   |
| Capital Purchase Police Vehicles     | -                   | 38,000              | 38,000                                     |
| <b>TOTAL POLICE</b>                  | <b>\$ 1,764,365</b> | <b>\$ 2,307,280</b> | <b>\$ 542,915</b>                          |
| <b>FIRE DEPARTMENT:</b>              |                     |                     |                                            |
| Salary - chief                       | \$ 87,276           | \$ 75,864           | \$ (11,412)                                |
| Sick Hourly Wages                    | -                   | 22,776              | 22,776                                     |
| Vacation Hourly Wages                | -                   | 52,345              | 52,345                                     |
| Asst Fire Chief Wages                | 65,279              | -                   | (65,279)                                   |
| Salary - captain                     | 126,248             | 143,258             | 17,010                                     |
| Salary - firefighters                | 275,402             | 235,500             | (39,902)                                   |
| Fire Acting OIC Wages                | 5,000               | 3,277               | (1,723)                                    |
| Part-Time Firefighters               | 20,000              | -                   | (20,000)                                   |
| Fire Life/AD&D/STD Ins Exp           | -                   | 5,927               | 5,927                                      |
| Health Insurance                     | -                   | 137,475             | 137,475                                    |
| Fire ER FICA Medicare Expenses       | -                   | 11,392              | 11,392                                     |
| Heart & Lung Benefits                | -                   | 1,256               | 1,256                                      |
| Overtime - Call Out (1.5)            | 47,775              | 57,593              | 9,818                                      |
| Overtime - Double Wages              | 70,000              | 85,944              | 15,944                                     |
| Overtime - Off-Duty Training Wages   | 12,000              | 17,691              | 5,691                                      |
| Contracted sick days                 | 3,500               | 3,500               | -                                          |
| Longevity                            | 3,950               | 5,750               | 1,800                                      |
| Holiday pay                          | 29,400              | 39,827              | 10,427                                     |
| Higher Education Bonus               | 1,050               | 1,350               | 300                                        |
| Uniforms                             | 8,000               | 8,697               | 697                                        |
| Fire school Reimbursements           | 4,500               | 3,200               | (1,300)                                    |
| Office supplies                      | 2,500               | 2,111               | (389)                                      |
| Minor Equipment                      | 4,000               | 2,179               | (1,821)                                    |
| Fire Hose Replacement                | 3,500               | -                   | (3,500)                                    |
| Cleaning supplies                    | 1,000               | 1,554               | 554                                        |
| Fuel and lubrication                 | 9,000               | 13,109              | 4,109                                      |
| Replacement Fire Gear                | 9,000               | 11,719              | 2,719                                      |
| SCUBA Equipment                      | 1,000               | 597                 | (403)                                      |
| Truck & Equipment Repairs            | 25,000              | 31,104              | 6,104                                      |

**CITY OF BEAVER FALLS**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                     | BUDGET            | ACTUAL              | OVER <UNDER><br>BUDGET |
|-------------------------------------|-------------------|---------------------|------------------------|
| <b>PUBLIC SAFETY:</b>               |                   |                     |                        |
| <b>FIRE DEPARTMENT (Continued):</b> |                   |                     |                        |
| Tire Replacement                    | 3,000             | 1,159               | (1,841)                |
| Mask Repair & Parts                 | 3,500             | 655                 | (2,845)                |
| Compressor maintenance              | 1,600             | 1,812               | 212                    |
| Protective clothing                 | 3,500             | -                   | (3,500)                |
| Fire Computer/Software Maintenance  | 5,500             | 5,445               | (56)                   |
| Physicals                           | 4,400             | 2,094               | (2,306)                |
| Volunteer fire time                 | 17,500            | 11,768              | (5,732)                |
| Telephone                           | 2,600             | 2,215               | (385)                  |
| Postage                             | -                 | 31                  | 31                     |
| Radio repairs                       | 3,000             | 2,278               | (722)                  |
| Travel                              | -                 | 50                  | 50                     |
| #3 Station - electric               | 1,300             | 2,105               | 805                    |
| #3 Station - gas/Pleasantview       | 1,700             | 2,437               | 737                    |
| BFMA hydrant rental                 | 21,700            | 21,700              | -                      |
| #3 Station - Water                  | 350               | 282                 | (68)                   |
| Fire Equipment Maint Service        | -                 | 118                 | 118                    |
| Training                            | 4,500             | 4,501               | 1                      |
| Fire Grant Expenses                 | -                 | 41,584              | 41,584                 |
| State Fire Relief Disbursement      | 22,000            | 26,403              | 4,403                  |
| Capital Purchases - Equipment       | 16,000            | -                   | (16,000)               |
| <b>TOTAL FIRE DEPARTMENT</b>        | <b>\$ 926,530</b> | <b>\$ 1,101,632</b> | <b>\$ 175,102</b>      |
| <b>EMERGENCY MANAGEMENT:</b>        |                   |                     |                        |
| Emergency Mgmt Fee                  | \$ 1,000          | \$ 899              | \$ (101)               |
| <b>TOTAL EMERGENCY MANAGEMENT</b>   | <b>\$ 1,000</b>   | <b>\$ 899</b>       | <b>\$ (101)</b>        |
| <b>CODE ENFORCEMENT:</b>            |                   |                     |                        |
| Code enforcement Vacation - Other   | \$ -              | \$ 1,279            | \$ 1,279               |
| Code Office Staff Wages - Other     | 31,583            | 31,583              | -                      |
| Fuel                                | 1,000             | 1,348               | 348                    |
| Uniforms                            | 400               | -                   | (400)                  |
| Vehicle Maintenance                 | 1,000             | 1,075               | 75                     |
| Zoning Hearing Expense              | 10,000            | 1,613               | (8,387)                |
| Zoning Ordinance/Comp Plan          | -                 | 3,095               | 3,095                  |
| Telephone                           | 750               | 699                 | (51)                   |
| Postage                             | -                 | 1,355               | 1,355                  |
| Code - Demolition Expenses          | -                 | 4,000               | 4,000                  |
| Code Training & Certificates        | 1,500             | 1,158               | (342)                  |
| Code Life/AD&D/STD Ins Exp          | -                 | 622                 | 622                    |
| Code ER FICA Medicare Expenses      | -                 | 2,841               | 2,841                  |
| Code Longevity                      | 400               | 400                 | -                      |
| Code Office Supplies                | 1,200             | 1,987               | 787                    |
| Code ICC Publication                | 1,000             | 809                 | (191)                  |
| Misc Expense                        | 1,000             | 766                 | (234)                  |
| Inspection Certification            | 1,000             | -                   | (1,000)                |
| Computer & Software Maintenance     | 6,000             | 6,000               | -                      |
| <b>TOTAL CODE ENFORCEMENT</b>       | <b>\$ 56,833</b>  | <b>\$ 60,630</b>    | <b>\$ 3,797</b>        |
| <b>RENTAL REGISTRATION:</b>         |                   |                     |                        |
| Rental Admin - Sick Pay             | \$ -              | \$ 427              | \$ 427                 |
| Rental Admin - Vacation             | -                 | 2,622               | 2,622                  |
| Rental Reg Clerk                    | 36,400            | 34,825              | (1,575)                |
| Rental Reg Life/AD&D/STD Ins Exp    | -                 | 373                 | 373                    |
| Rental ER FICA Medicare Expenses    | -                 | 2,537               | 2,537                  |
| Rental Office Supplies              | 1,000             | -                   | (1,000)                |
| Rental ICC Publication              | 1,000             | -                   | (1,000)                |
| Misc Expense                        | 1,000             | 902                 | (98)                   |
| Computer & Software Maintenance     | 5,800             | 6,317               | 517                    |
| <b>TOTAL RENTAL REGISTRATION</b>    | <b>\$ 45,200</b>  | <b>\$ 48,003</b>    | <b>\$ 2,803</b>        |

**CITY OF BEAVER FALLS**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                              | BUDGET              | ACTUAL              | OVER <UNDER><br>BUDGET |
|----------------------------------------------|---------------------|---------------------|------------------------|
| <b>OTHER PUBLIC SAFETY:</b>                  |                     |                     |                        |
| Daytime Jailer/Clerk Wages                   | \$ 38,958           | \$ 30,493           | \$ (8,465)             |
| PT Jailers Wage                              | 4,000               | 3,585               | (415)                  |
| Police Jailer Sicktime                       | -                   | 3,371               | 3,371                  |
| Meter Patrol Wages                           | 19,950              | 23,856              | 3,906                  |
| Meter Maintenance Wages                      | 8,000               | 9,921               | 1,921                  |
| Police Jailer Vacation Hourly                | -                   | 5,095               | 5,095                  |
| Jail/Meter Life/AD&D/STD Ins Exp             | -                   | 746                 | 746                    |
| Healthcare                                   | -                   | 13,561              | 13,561                 |
| ER FICA Medicare Expenses                    | -                   | 5,299               | 5,299                  |
| Pkg & Jailer Longevity                       | 2,150               | 2,150               | -                      |
| Uniforms                                     | 150                 | 122                 | (28)                   |
| Parking Meter Equipment Repair               | 500                 | 452                 | (48)                   |
| <b>TOTAL OTHER PUBLIC SAFETY</b>             | <b>\$ 73,708</b>    | <b>\$ 98,651</b>    | <b>\$ 24,943</b>       |
| <b>TOTAL PUBLIC SAFETY</b>                   | <b>\$ 2,867,636</b> | <b>\$ 3,617,095</b> | <b>\$ 749,459</b>      |
| <b>PUBLIC WORKS:</b>                         |                     |                     |                        |
| <b>SANITATION:</b>                           |                     |                     |                        |
| Recycling Service Fees                       | \$ -                | \$ 7,325            | \$ 7,325               |
| Trash Cart Expenses                          | 500                 | 2,675               | 2,175                  |
| Landfill fees                                | 115,000             | 105,781             | (9,219)                |
| Trash Collection Services                    | 510,000             | 557,157             | 47,157                 |
| <b>TOTAL SANITATION</b>                      | <b>\$ 625,500</b>   | <b>\$ 672,938</b>   | <b>\$ 47,438</b>       |
| <b>WATER POLLUTION CONTROL:</b>              |                     |                     |                        |
| Manager Salary                               | \$ 85,653           | \$ 45,685           | \$ (39,968)            |
| Sick Wages                                   | -                   | 35,654              | 35,654                 |
| Vacation Wages                               | -                   | 26,496              | 26,496                 |
| Chief Operator                               | 53,128              | 45,104              | (8,024)                |
| Chief Mechanic                               | 53,128              | 45,888              | (7,241)                |
| Mechanic 2 Wages                             | 47,850              | 10,124              | (37,726)               |
| Mechanic Helper Wages                        | 47,180              | 43,383              | (3,796)                |
| Mechanic/OP Trainee                          | 47,180              | 43,727              | (3,453)                |
| Higher wages                                 | 5,000               | 5,541               | 541                    |
| Secretary - WPCP                             | 22,211              | 19,343              | (2,868)                |
| Life/AD&D/STD Ins Exp                        | -                   | 2,668               | 2,668                  |
| Healthcare                                   | -                   | 126,926             | 126,926                |
| ER FICA Medicare Expenses                    | -                   | 26,957              | 26,957                 |
| Contracted sick days                         | 4,900               | 2,100               | (2,800)                |
| Longevity                                    | 4,550               | 4,550               | -                      |
| Overtime                                     | 20,000              | 26,062              | 6,062                  |
| Shift differential                           | 1,000               | 460                 | (540)                  |
| Holidays                                     | 15,000              | 12,604              | (2,396)                |
| <b>TOTAL WATER POLLUTION CONTROL</b>         | <b>\$ 406,780</b>   | <b>\$ 523,272</b>   | <b>\$ 116,492</b>      |
| <b>STREET DEPARTMENT:</b>                    |                     |                     |                        |
| Salary - superintendent                      | \$ 83,197           | \$ 78,080           | \$ (5,117)             |
| Sick Wages                                   | -                   | 14,270              | 14,270                 |
| Vacation Wages                               | -                   | 37,040              | 37,040                 |
| Maintenance/ Utility Wages                   | 47,909              | 47,124              | (785)                  |
| Salary - skilled laborer and vactor operator | 95,819              | 57,617              | (38,202)               |
| Salary - mechanics/operators                 | 53,128              | 46,399              | (6,729)                |
| Salary - sweeper operator                    | 47,179              | 34,126              | (13,053)               |
| Salary - skilled laborer helper              | 46,487              | 25,032              | (21,455)               |
| Salary - vactor helper                       | 46,487              | 27,356              | (19,131)               |
| Salary - labor pool                          | 133,474             | 46,433              | (87,041)               |
| Higher wages                                 | 15,000              | 42,853              | 27,853                 |
| Life/AD&D/STD Ins Exp                        | -                   | 3,464               | 3,464                  |
| Healthcare                                   | -                   | 125,519             | 125,519                |
| ER FICA Medicare Expenses                    | -                   | 42,516              | 42,516                 |
| Contracted sick days                         | 6,300               | 4,200               | (2,100)                |
| Longevity                                    | 9,150               | 8,900               | (250)                  |
| Overtime                                     | 40,000              | 59,318              | 19,318                 |
| Shift differential                           | 2,500               | 508                 | (1,992)                |
| Sewer OT                                     | 3,000               | 1,284               | (1,716)                |
| HC Opt-Out Bonus                             | -                   | 21,311              | 21,311                 |
| Uniforms                                     | 4,800               | 6,113               | 1,313                  |
| Office supplies                              | 2,500               | 2,999               | 499                    |
| Street Supplies                              | 25,000              | 25,041              | 41                     |
| Street Dept Fuel                             | 46,000              | 35,135              | (10,865)               |
| Uniform & Safety Equipment                   | 2,500               | 233                 | (2,267)                |
| Drug and alcohol testing                     | 2,000               | 1,772               | (228)                  |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                          | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>OVER &lt;UNDER&gt;</u><br><u>BUDGET</u> |
|------------------------------------------|---------------------|---------------------|--------------------------------------------|
| <b>PUBLIC WORKS:</b>                     |                     |                     |                                            |
| <b>STREET DEPARTMENT (Continued):</b>    |                     |                     |                                            |
| Telephone                                | 7,200               | 6,124               | (1,076)                                    |
| Utilities - electric                     | 4,600               | 4,917               | 317                                        |
| Utilities - gas                          | 12,000              | 16,314              | 4,314                                      |
| Utilities - water                        | 600                 | 558                 | (42)                                       |
| Computer & Software Expenses             | -                   | 2,750               | 2,750                                      |
| Weed Cutting                             | 3,000               | -                   | (3,000)                                    |
| St Training/Meetings/Conference          | -                   | 100                 | 100                                        |
| Street Vehicle Purchase                  | -                   | 90,000              | 90,000                                     |
| Salary - snow control                    | 5,000               | 17,515              | 12,515                                     |
| Snow Supply Reimbursements               | 130,000             | 123,224             | (6,776)                                    |
| Street signs                             | 4,000               | 6,038               | 2,038                                      |
| Traffic Signal Phone Line                | -                   | 479                 | 479                                        |
| Traffic signals electricity              | 5,000               | 5,177               | 177                                        |
| Traffic signal repairs                   | 3,000               | 4,609               | 1,609                                      |
| Street lights                            | 210,000             | 233,654             | 23,654                                     |
| 7th Avenue lights                        | 3,600               | 2,749               | (851)                                      |
| Storm sewer maintenance                  | 2,000               | 741                 | (1,259)                                    |
| Street vehicles maintenance              | 20,000              | 40,017              | 20,017                                     |
| Tools and new equipment                  | 2,500               | 2,144               | (356)                                      |
| Street sweeper maintenance               | 10,000              | 8,347               | (1,653)                                    |
| Road patching material                   | 12,000              | 13,247              | 1,247                                      |
| Road painting                            | 1,500               | 2,920               | 1,420                                      |
| <b>TOTAL STREET DEPARTMENT</b>           | <b>\$ 1,148,430</b> | <b>\$ 1,376,267</b> | <b>\$ 227,837</b>                          |
| <b>STORMWATER MANAGEMENT:</b>            |                     |                     |                                            |
| MS4 Engineering Fees                     | \$ -                | \$ 1,733            | \$ 1,733                                   |
| MS4 Permits                              | -                   | 500                 | 500                                        |
| MS4 Contracted Maintenance               | -                   | 8,400               | 8,400                                      |
| <b>TOTAL STORMWATER MANAGEMENT</b>       | <b>\$ -</b>         | <b>\$ 10,633</b>    | <b>\$ 10,633</b>                           |
| <b>TOTAL PUBLIC WORKS</b>                | <b>\$ 2,180,710</b> | <b>\$ 2,583,110</b> | <b>\$ 402,400</b>                          |
| <b>CULTURE AND RECREATION:</b>           |                     |                     |                                            |
| <b>PARKS &amp; PLAYGROUNDS:</b>          |                     |                     |                                            |
| Park Operating Supplies                  | \$ -                | \$ 372              | \$ 372                                     |
| Special events                           | 2,000               | -                   | (2,000)                                    |
| Parks Repairs & Maintenance              | 2,000               | 5,289               | 3,289                                      |
| Parks and playgrounds - utilities        | 6,000               | 5,262               | (738)                                      |
| Parks and playgrounds - water            | -                   | 126                 | 126                                        |
| Recreation payment                       | 7,500               | 1,529               | (5,971)                                    |
| Park Capital Improvement                 | -                   | 209,919             | 209,919                                    |
| Park Minor Equipment                     | -                   | 7,341               | 7,341                                      |
| <b>TOTAL PARKS &amp; PLAYGROUNDS</b>     | <b>\$ 17,500</b>    | <b>\$ 229,838</b>   | <b>\$ 212,338</b>                          |
| <b>TOTAL CULTURE AND RECREATION</b>      | <b>\$ 17,500</b>    | <b>\$ 229,838</b>   | <b>\$ 212,338</b>                          |
| <b>COMMUNITY &amp; DEVELOPMENT</b>       |                     |                     |                                            |
| Admin Comm Development Coord             | \$ 20,000           | \$ 48,438           | \$ 28,438                                  |
| Office Supplies                          | -                   | 18                  | 18                                         |
| Minor Equipment                          | -                   | 1,363               | 1,363                                      |
| Special Events Expense                   | -                   | 4,277               | 4,277                                      |
| Community Development Prof Svc           | -                   | 7,201               | 7,201                                      |
| DCED STMP Grant Expenses                 | -                   | 79,031              | 79,031                                     |
| Meetings/Confernces/Training             | -                   | 85                  | 85                                         |
| <b>TOTAL COMMUNITY &amp; DEVELOPMENT</b> | <b>\$ 20,000</b>    | <b>\$ 140,413</b>   | <b>\$ 120,413</b>                          |
| <b>DEBT SERVICE:</b>                     |                     |                     |                                            |
| Bond & Debt Svc Admin Fees               | \$ 1,100            | \$ 1,500            | \$ 400                                     |
| Bank Fees                                | 700                 | 1,506               | 806                                        |
| FNB Loan Payment                         | 500,900             | 53,405              | (447,495)                                  |
| FNB Note Interest                        | -                   | 21,445              | 21,445                                     |
| <b>TOTAL DEBT SERVICE</b>                | <b>\$ 502,700</b>   | <b>\$ 77,856</b>    | <b>\$ (424,844)</b>                        |
| <b>INSURANCE:</b>                        |                     |                     |                                            |
| Workers Comp Ins                         | \$ 173,621          | \$ 231,374          | \$ 57,753                                  |
| General Ins                              | 150,000             | 137,795             | (12,205)                                   |
| Employee Ins Cont.                       | (78,225)            | -                   | 78,225                                     |
| Employee Hospital/Life Ins               | 893,800             | 7,236               | (886,564)                                  |
| Cost of Health Ins Reimbursements        | 35,000              | -                   | (35,000)                                   |
| Health Ins Reimbursements                | (7,400)             | -                   | 7,400                                      |
| <b>TOTAL INSURANCE</b>                   | <b>\$ 1,166,796</b> | <b>\$ 376,405</b>   | <b>\$ (790,391)</b>                        |

**CITY OF BEAVER FALLS  
 DETAILED SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                                        | <u>BUDGET</u>               | <u>ACTUAL</u>               | <u>OVER &lt;UNDER&gt;<br/>BUDGET</u> |
|--------------------------------------------------------|-----------------------------|-----------------------------|--------------------------------------|
| <b>MISCELLANEOUS EXPENSES:</b>                         |                             |                             |                                      |
| Non-Uniform Pension Contribution                       | \$ 147,778                  | \$ 147,778                  | \$ -                                 |
| State Pension Transfer                                 | 330,000                     | 414,436                     | 84,436                               |
| Uniform Pension Contribution                           | 512,841                     | 512,841                     | -                                    |
| Fireman's Pension Contribution                         | 200,070                     | 200,070                     | -                                    |
| Social Security - other                                | 85,050                      | -                           | (85,050)                             |
| Medicare                                               | 52,500                      | -                           | (52,500)                             |
| <b>TOTAL MISCELLANEOUS EXPENSES</b>                    | <b><u>\$ 1,328,239</u></b>  | <b><u>\$ 1,275,125</u></b>  | <b><u>\$ (53,114)</u></b>            |
| <b>OTHER FINANCING USES:</b>                           |                             |                             |                                      |
| Refund Prior Year Revenues                             | \$ -                        | \$ 1,719                    | \$ 1,719                             |
| Transfer to Capital                                    | 32,786,738                  | -                           | (32,786,738)                         |
| Transfer to Debt Service                               | 6,498,308                   | 606,605                     | (5,891,703)                          |
| <b>TOTAL OTHER FINANCING USES</b>                      | <b><u>\$ 39,285,046</u></b> | <b><u>\$ 608,324</u></b>    | <b><u>\$ (38,676,722)</u></b>        |
| <b>TOTAL EXPENDITURES AND OTHER<br/>FINANCING USES</b> | <b><u>\$ 47,946,148</u></b> | <b><u>\$ 10,450,868</u></b> | <b><u>\$ (37,495,280)</u></b>        |

**CITY OF BEAVER FALLS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

**SCHEDULE 3**

|                                            | HIGHWAY<br>AID<br>FUND | LOCAL<br>DRUG<br>INVESTIGATIVE<br>FUND | K-9<br>FUND     | CRIMEWATCH<br>FUND | CAPITAL<br>PROJECTS<br>FUND | DEBT<br>SERVICE<br>FUND | TOTAL<br>NON-MAJOR<br>GOVERNMENTAL<br>FUNDS |
|--------------------------------------------|------------------------|----------------------------------------|-----------------|--------------------|-----------------------------|-------------------------|---------------------------------------------|
| <b>ASSETS:</b>                             |                        |                                        |                 |                    |                             |                         |                                             |
| Cash and Cash Equivalents                  | \$ 8,075               | \$ 28,535                              | \$ 8,204        | \$ 854             | \$ 837                      | \$ -                    | \$ 46,505                                   |
| Investments                                | 2,986                  | -                                      | -               | -                  | -                           | -                       | 2,986                                       |
| <b>TOTAL ASSETS</b>                        | <b>\$ 11,061</b>       | <b>\$ 28,535</b>                       | <b>\$ 8,204</b> | <b>\$ 854</b>      | <b>\$ 837</b>               | <b>\$ -</b>             | <b>\$ 49,491</b>                            |
| <b>LIABILITIES AND FUND BALANCES</b>       |                        |                                        |                 |                    |                             |                         |                                             |
| <b>LIABILITIES:</b>                        |                        |                                        |                 |                    |                             |                         |                                             |
| Due to Other Funds                         | \$ -                   | \$ -                                   | \$ -            | \$ -               | \$ 385                      | \$ -                    | \$ 385                                      |
| <b>TOTAL LIABILITIES</b>                   | <b>\$ -</b>            | <b>\$ -</b>                            | <b>\$ -</b>     | <b>\$ -</b>        | <b>\$ 385</b>               | <b>\$ -</b>             | <b>\$ 385</b>                               |
| <b>FUND BALANCES:</b>                      |                        |                                        |                 |                    |                             |                         |                                             |
| Restricted                                 | \$ 11,061              | \$ 28,535                              | \$ 8,204        | \$ 854             | \$ 452                      | \$ -                    | \$ 49,106                                   |
| <b>TOTAL FUND BALANCES</b>                 | <b>\$ 11,061</b>       | <b>\$ 28,535</b>                       | <b>\$ 8,204</b> | <b>\$ 854</b>      | <b>\$ 452</b>               | <b>\$ -</b>             | <b>\$ 49,106</b>                            |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 11,061</b>       | <b>\$ 28,535</b>                       | <b>\$ 8,204</b> | <b>\$ 854</b>      | <b>\$ 837</b>               | <b>\$ -</b>             | <b>\$ 49,491</b>                            |

The accompanying notes are an integral part of these financial statements

**CITY OF BEAVER FALLS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                                              | HIGHWAY<br>AID<br>FUND | LOCAL<br>DRUG<br>INVESTIGATIVE<br>FUND | K-9<br>FUND        | CRIMEWATCH<br>FUND | CAPITAL<br>PROJECTS<br>FUND | DEBT<br>SERVICE<br>FUND | TOTAL<br>NON-MAJOR<br>GOVERNMENTAL<br>FUNDS |
|--------------------------------------------------------------|------------------------|----------------------------------------|--------------------|--------------------|-----------------------------|-------------------------|---------------------------------------------|
| <b>REVENUES</b>                                              |                        |                                        |                    |                    |                             |                         |                                             |
| Interest and Rents                                           | \$ 963                 | \$ 3                                   | \$ -               | \$ -               | \$ 33                       | \$ 9                    | \$ 1,008                                    |
| Fines & Forfeitures                                          | -                      | 9,450                                  | -                  | -                  | -                           | -                       | 9,450                                       |
| Intergovernmental                                            | 248,368                | -                                      | -                  | -                  | -                           | -                       | 248,368                                     |
| Donations                                                    | -                      | -                                      | 47,111             | -                  | -                           | -                       | 47,111                                      |
| <b>Total Revenue</b>                                         | <b>\$ 249,331</b>      | <b>\$ 9,453</b>                        | <b>\$ 47,111</b>   | <b>\$ -</b>        | <b>\$ 33</b>                | <b>\$ 9</b>             | <b>\$ 305,937</b>                           |
| <b>EXPENDITURES</b>                                          |                        |                                        |                    |                    |                             |                         |                                             |
| General Government                                           | \$ -                   | \$ -                                   | \$ -               | \$ -               | \$ 8,215                    | \$ -                    | \$ 8,215                                    |
| Public Safety                                                | -                      | 14,389                                 | 32,930             | 130                | -                           | -                       | 47,449                                      |
| Public Works                                                 | -                      | -                                      | -                  | -                  | 16,102                      | -                       | 16,102                                      |
| Debt Service                                                 | -                      | -                                      | -                  | -                  | -                           | 606,616                 | 606,616                                     |
| <b>Total Expenditures</b>                                    | <b>\$ -</b>            | <b>\$ 14,389</b>                       | <b>\$ 32,930</b>   | <b>\$ 130</b>      | <b>\$ 24,317</b>            | <b>\$ 606,616</b>       | <b>\$ 678,382</b>                           |
| <b>Excess ( Deficiency) of Revenue<br/>over Expenditures</b> | <b>\$ 249,331</b>      | <b>\$ (4,936)</b>                      | <b>\$ 14,181</b>   | <b>\$ (130)</b>    | <b>\$ (24,284)</b>          | <b>\$ (606,607)</b>     | <b>\$ (372,445)</b>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                        |                                        |                    |                    |                             |                         |                                             |
| Operating Transfers In                                       | \$ -                   | \$ -                                   | \$ -               | \$ -               | \$ -                        | \$ 606,605              | \$ 606,605                                  |
| Operating Transfers Out                                      | (286,436)              | -                                      | (19,000)           | -                  | -                           | -                       | (305,436)                                   |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>\$ (286,436)</b>    | <b>\$ -</b>                            | <b>\$ (19,000)</b> | <b>\$ -</b>        | <b>\$ -</b>                 | <b>\$ 606,605</b>       | <b>\$ 301,169</b>                           |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>\$ (37,105)</b>     | <b>\$ (4,936)</b>                      | <b>\$ (4,819)</b>  | <b>\$ (130)</b>    | <b>\$ (24,284)</b>          | <b>\$ (2)</b>           | <b>\$ (71,276)</b>                          |
| FUND BALANCE - JANUARY 1, 2022                               | 48,166                 | 33,471                                 | 13,023             | 984                | 24,736                      | 2                       | 120,382                                     |
| <b>FUND BALANCE - DECEMBER 31, 2022</b>                      | <b>\$ 11,061</b>       | <b>\$ 28,535</b>                       | <b>\$ 8,204</b>    | <b>\$ 854</b>      | <b>\$ 452</b>               | <b>\$ -</b>             | <b>\$ 49,106</b>                            |

The accompanying notes are an integral part of these financial statements

**CORRECTED**  
**AMENDED EXHIBIT J2**

## VERIFICATION

I, William C. Packer, Vice President, Regulatory Accounting & Regional Controller of Aqua Pennsylvania Wastewater, Inc., hereby state that the facts set forth in the letter of Counsel of Aqua Pennsylvania Wastewater, Inc., dated June 26, 2024, addressing information requests of the Bureau of Technical Utility Services in the matter at PaPUC Docket No. A-2022-3033138, are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).



William C. Packer  
Vice President, Regulatory Accounting &  
Regional Controller  
Aqua Pennsylvania Wastewater, Inc.

Dated: June 26, 2024