

**2018 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

480093 BATH BORO, NORTHAMPTON COUNTY

BATH BORO, NORTHAMPTON County

BALANCE SHEET

December 31, 2018

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									878,507	878,507
240-259	Current Portion of Long-Term Debt and Other Credits							47,727			47,727
Total Liabilities and Other Credits		396						47,727		878,507	926,630

Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets								2,805,719		2,805,719
270-289	Fund Balance / Retained Earnings on 12/31	1,166,973	91,194	143,112				23,652			1,424,931
291-299	Other Equity										
Total Fund and Account Group Equity		1,166,973	91,194	143,112				23,652	2,805,719		4,230,650

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											5,157,280
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BATH BORO, NORTHAMPTON County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

REVENUES

State								
356.00	State Payments in Lieu of Taxes							
355.00	All Other State Shared Revenues and Entitlements	1,037						1,037
Total State		34,462	72,421					106,883

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	32,811						32,811
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes	1,977						1,977
Total Local Government Units		34,788						34,788

Charges for Service								
361.00	General Government	4,479						4,479
362.00	Public Safety	22,322						22,322
363.20	Parking	118						118
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)	307,935						307,935
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services	301						301
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	1,500						1,500
368.00	Airports							

BATH BORO, NORTHAMPTON County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

REVENUES

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service							
Total Charges for Service		336,655						336,655

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	365						365
388.00	Fiduciary Fund Pension Contributions					11,721		11,721
389.00	All Other Unclassified Operating Revenues	601						601
Total Unclassified Operating Revenues		966				11,721		12,687

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers		50,000	75,623				125,623
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

BATH BORO, NORTHAMPTON County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	36,675						36,675
Total Other Financing Sources		36,675		50,000	75,623			162,298

TOTAL REVENUES

		1,610,646	87,406	50,100	138,885		14,772	1,901,809
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	18,124						18,124
401.00	Executive (Manager or Mayor)	3,386						3,386
402.00	Auditing Services / Financial Administration	6,650						6,650
403.00	Tax Collection	6,072						6,072
404.00	Solicitor / Legal Services	75,690						75,690
405.00	Secretary / Clerk	65,337						65,337
406.00	Other General Government Administration	162,042		17,063				179,105
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	69,755						69,755
409.00	General Government Buildings and Plant	355,635		76,633				432,268
Total General Government		762,691		93,696				856,387

Public Safety

410.00	Police	454,391						454,391
411.00	Fire	16,859	13,850					30,709
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	35,280						35,280

BATH BORO, NORTHAMPTON County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

EXPENDITURES

Public Safety								
414.00	Planning and Zoning	17,186						17,186
415.00	Emergency Management and Communications	2,500						2,500
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety		3,048					3,048
Total Public Safety		526,216	16,898					543,114

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

Public Works - Sanitation								
426.00	Recycling Collection and Disposal	9,426						9,426
427.00	Solid Waste Collection and Disposal (garbage)	233,620						233,620
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
Total Public Works - Sanitation		243,046						243,046

Public Works - Highways and Streets								
430.00	General Services - Administration	143,656						143,656
431.00	Cleaning of Streets and Gutters	397						397
432.00	Winter Maintenance – Snow Removal	9,545						9,545
433.00	Traffic Control Devices	17,454	3,010					20,464
434.00	Street Lighting	386	62,812					63,198

BATH BORO, NORTHAMPTON County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

EXPENDITURES

Public Works - Highways and Streets							
435.00	Sidewalks and Crosswalks						
436.00	Storm Sewers and Drains	1,092					1,092
437.00	Repairs of Tools and Machinery	8,530					8,530
438.00	Maintenance and Repairs of Roads and Bridges	33,122	79,231	68,250			180,603
439.00	Highway Construction and Rebuilding Projects						
Total Public Works - Highways and Streets		214,182	145,053	68,250			427,485

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

Culture and Recreation							
451.00	Culture-Recreation Administration						
452.00	Participant Recreation						
453.00	Spectator Recreation						
454.00	Parks	9,774					9,774

BATH BORO, NORTHAMPTON County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries	1,000						1,000
457.00	Civil and Military Celebrations	9,966						9,966
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		20,740						20,740

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

Debt Service								
471.00	Debt Principal (short-term and long-term)				112,673			112,673
472.00	Debt Interest (short-term and long-term)				27,368			27,368
475.00	Fiscal Agent Fees							
Total Debt Service					140,041			140,041

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	19,418						19,418
482.00	Judgments and Losses	259					3,914	4,173
483.00	Pension / Retirement Fund Contributions	11,721						11,721

BATH BORO, NORTHAMPTON County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

EXPENDITURES

Employer Paid Benefits and Withholding Items

484.00	Worker Compensation Insurance	14,812						14,812
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items		46,210				3,914		50,124

Insurance

486.00	Insurance, Casualty, and Surety	21,802						21,802
Total Insurance		21,802						21,802

Unclassified Operating Expenditures

488.00	Fiduciary Fund Benefits and Refunds Paid					22,844		22,844
489.00	All Other Unclassified Expenditures					2,699		2,699
Total Unclassified Operating Expenditures						25,543		25,543

Other Financing Uses

491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	113,579	12,044					125,623
493.00	All Other Financing Uses							
Total Other Financing Uses		113,579	12,044					125,623

TOTAL EXPENDITURES

		1,948,466	173,995	161,946	140,041		29,457	2,453,905
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES

		-337,820	-86,589	-111,846	-1,156		-14,685	-552,096
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BATH BORO
December 31, 2018

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
G.O. Note	Note	2016	2036	425,000	402,137		16,728		385,409		385,409
G.O. Note	Note	2016	2023	250,000	213,219		33,817		179,402		179,402
G.O. Note	Note	2016	2023	380,000	330,786		51,323		279,463		279,463
Revenue Bonds and Notes											
Lease Rental Debt											
Equipment Lease	Capital Leases	2016	2021	57,082	45,038		10,805		34,233		34,233
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	844,274
Capitalized lease obligations	34,233
Net debt	878,507

BATH BORO, NORTHAMPTON County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2018

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	17,063	398,134	415,197
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	17,063	398,134	415,197

EMPLOYEE COMPENSATION

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

248,490

Independent Public Accountant/Certified Public Accountant Submission Page
Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: Alan C. France Appointed Auditor/CPA

December 31, 2018

NOTES / COMMENTS

FRANCE, ANDERSON, BASILE and COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Governing Body of the Municipality
President Judge of the Court of Common Pleas
Secretary of the Department of Community and Economic Development

We have audited the accompanying 2018 Municipal Annual Audit and Financial Report (DCED-CLGS-30) of the Borough of Bath, Northampton County, Pennsylvania, which comprises the Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statement of Capital Expenditures and Employee Compensation as of and for the year ended December 31, 2018.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Commonwealth of Pennsylvania, Department of Community & Economic Development (DCED). Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Borough of Bath, Northampton County, Pennsylvania, as of December 31, 2018, and the respective cash receipts and disbursements for the year then ended, in accordance with the financial reporting provisions of the DCED.

Basis of Accounting

The financial statements are prepared on the basis of the financial reporting provisions of the Commonwealth of Pennsylvania, Department of Community & Economic Development, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the DCED. Our opinion is not modified with respect to that matter.

Restriction of Use

This report is intended solely for the information and use of management, the Borough Council, others within the Borough of Bath, Northampton County, Pennsylvania, and the Commonwealth of Pennsylvania, Department of Community and Economic Development and is not intended to be and should not be used by anyone other than these specified parties.

Francis Anderson, Bartels and Company, P.C.

Emmaus, PA
April 17, 2019