

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
**Municipal Authority of the Borough of Lewistown**

We have audited the accompanying Annual Report of Municipal Authorities, Form DCED-GLGS-04, (the "financial statement") of the **Municipal Authority of the Borough of Lewistown** (the "Authority") as of and for the year ended December 31, 2017.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the financial reporting provisions of the Pennsylvania Municipality Authorities Act of 1945, as amended, which states the Authority must file an annual report of its fiscal affairs with the Commonwealth of Pennsylvania, Department of Community and Economic Development ("DCED") on forms prepared and distributed by the DCED. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the financial statement 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 statement is free from material misstatements.

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

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 statement referred to above presents fairly, in all material respects, the financial position of the **Municipal Authority of the Borough of Lewistown** as of December 31, 2017 and the results of its operations for the year then ended in accordance with financial reporting provisions of the Pennsylvania Municipality Authorities Act of 1945, as amended.

## Restricted Use

Our report is intended solely for the information and use of the governing body and management of the Authority and for filing with 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 specific parties.

*Baker Tilly Virchow Krause, LLP*

State College, Pennsylvania  
April 18, 2018

**ANNUAL REPORT OF MUNICIPAL AUTHORITIES 2017**  
**Commonwealth of Pennsylvania**  
**Department of Community and Economic Development**  
**Governor's Center for Local Government Services**  
**4th Floor Commonwealth Keystone Building**  
**Harrisburg, Pennsylvania 17120-0225**  
**1888-223-6837**  
**FAX # 717-783-1402**

**FACE SHEET**

	Current Information	Corrected Information
Authority Name	LEWISTOWN, BORO OF, MUNICIPAL AUTHORITY	_____
Authority Address	70 CHESTNUT ST  LEWISTOWN, PA 17044-220	_____ _____ _____
Telephone Number	(717) 248-0165	_____
Fax Number		_____
Name of Contact Person	DEANNA HASSINGER	_____
E-Mail Address	djhaas23@hotmail.com	_____
Title	OFFICE MANAGER	_____

<b>Filing Status</b>		<b>Authority Type</b>
1 Active	<u>  X  </u>	05 Water
2 Inactive	<u>      </u>	
5 Terminated	<u>      </u>	

Date Authority Organized (year)	1944	Date Authority Terminates (year)	<u>  2047  </u>
Fiscal Year Ends (month/day)	12/31	Number of Employees	
		(full time equivalent)	<u>  24  </u>
		(part time equivalents)	<u>    0  </u>

**SIGNATURE** \_\_\_\_\_

**TITLE** \_\_\_\_\_ **PHONE** (     ) \_\_\_\_\_

## Geographical Areas Served

<b>Mun Code</b>	<b>Municipal Name</b>	<b>County</b>
<u>440035</u>	ARMAGH TWP	MIFFLIN
<u>440095</u>	BROWN TWP	MIFFLIN
<u>440123</u>	BURNHAM BORO	MIFFLIN
<u>440185</u>	DERRY TWP	MIFFLIN
<u>440215</u>	GRANVILLE TWP	MIFFLIN
<u>440243</u>	JUNIATA TERRACE BORO	MIFFLIN
<u>440303</u>	LEWISTOWN BORO	MIFFLIN
<u>440455</u>	UNION TWP	MIFFLIN

**THE MUNICIPAL AUTHORITY OF THE BOROUGH OF LEWISTOWN**  
**OPERATING AUTHORITIES BALANCE SHEET**  
**DECEMBER 31, 2017**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 2,447,510	
Investments	<u>251,084</u>	
Accounts Receivable	<u>1,153,158</u>	
Inventory	<u>194,717</u>	
Other Current Assets	<u>24,778</u>	
<b>TOTAL CURRENT ASSETS</b>		<u>\$ 4,071,247</u>

**RESTRICTED ASSETS/TRUST FUNDS**

6,271,404

**DEFERRED CHARGES**

1,123,991

**FIXED ASSETS**

Property, Plant, and Equipment - At Cost	59,893,875	
Less: Accumulated Depreciation	<u>(23,687,398)</u>	
Construction Work-in-Progress	<u>856,162</u>	
Other Fixed Assets	<u>0</u>	
<b>NET FIXED ASSETS</b>		<u>37,062,639</u>

**TOTAL ASSETS**

\$ 48,529,281

**LIABILITIES AND FUND EQUITY**

**CURRENT LIABILITIES**

Accounts Payable	\$ 149,927	
Accrued Payroll and Withholdings	<u>0</u>	
Accrued Interest Payable	<u>212,291</u>	
Current Portion of Long-Term Debt	<u>1,470,057</u>	
Other Current Liabilities	<u>171,030</u>	
<b>TOTAL CURRENT LIABILITIES</b>		<u>\$ 2,003,305</u>

**LONG-TERM DEBT - Less Current Portion**

19,254,830

**TOTAL LIABILITIES**

\$ 21,258,135

**FUND EQUITY**

**CONTRIBUTED CAPITAL**

Governmental Grants	<u>0</u>	
Other Contributions	<u>0</u>	
<b>TOTAL CONTRIBUTED CAPITAL</b>		<u>\$ 0</u>

**RETAINED EARNINGS**

Reserved	<u>0</u>	
Unreserved	<u>27,271,146</u>	
<b>TOTAL RETAINED EARNINGS</b>		<u>\$ 27,271,146</u>

**TOTAL FUND EQUITY**

27,271,146

**TOTAL LIABILITIES AND FUND EQUITY**

\$ 48,529,281

**THE MUNICIPAL AUTHORITY OF THE BOROUGH OF LEWISTOWN**

**WATER OPERATING AUTHORITIES  
STATEMENT OF INCOME AND EXPENDITURES  
FISCAL YEAR ENDED DECEMBER 31, 2017**

**OPERATING REVENUE**

Sale of Services/User Charges	\$ 5,398,200	
Operating Grants - State	<u>0</u>	
Operating Grants - Federal	<u>0</u>	
Local Government Operating Subsidies	<u>0</u>	
Interest Income	<u>19,938</u>	
Other Operating Revenue	<u>243,220</u>	
<b>TOTAL OPERATING REVENUE</b>		<u>\$ 5,661,358</u>

**OPERATING EXPENSES**

Cost of Sales and Services	<u>0</u>	
Administration - Salaries	<u>367,344</u>	
Administration - Other Costs	<u>1,172,100</u>	
Depreciation and Amortization	<u>1,494,716</u>	
Other Operating Expenses	<u>959,932</u>	
<b>TOTAL OPERATING EXPENSES</b>		<u>3,994,092</u>

**OPERATING INCOME**

\$ 1,667,266

**NONOPERATING REVENUE**

Capital Grants - State	<u>0</u>	
Capital Grants - Federal	<u>0</u>	
Proceeds of Sale of Fixed Assets	<u>0</u>	
Proceeds of Borrowings	<u>0</u>	
Other Nonoperating Revenue	<u>44,425</u>	
<b>TOTAL NONOPERATING REVENUE</b>		<u>44,425</u>

**NONOPERATING EXPENSES**

Debt Service Payments (Interest Only)	<u>458,085</u>	
Constructions/Extension of System	<u>0</u>	
Major Equipment Purchased	<u>0</u>	
Other Nonoperating Expenses	<u>10,226</u>	
<b>TOTAL NONOPERATING EXPENSES</b>		<u>468,311</u>

**TOTAL NONOPERATING LOSS**

(423,886)

**NET INCOME**

\$ 1,243,380

**RETAINED EARNINGS (Beginning of Year)** \$ 26,027,766

**RETAINED EARNINGS (End of Year)** \$ 27,271,146

# THE MUNICIPAL AUTHORITY OF THE BOROUGH OF LEWISTOWN

## 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.

Type Purpose	Bond (B) Note (N)	Issue Date (mm/yy)	Original Amount of Issue	Outstanding Beginning of Year	Principal Paid This Year	Outstanding at Year End	Final Year
05	B	10/14	\$ 4,300,000	\$ 4,265,000	\$ 240,000	\$ 4,025,000	2029
05	B	10/15	\$ 15,975,000	\$ 15,720,000	\$ 1,080,000	\$ 14,640,000	2028
05	N	06/15	\$ 4,000,000	\$ 2,135,090	\$ 75,541	\$ 2,059,549	2036
Total Bonds and Notes Outstanding					<u>\$ 20,724,549</u>		
Capitalized Lease Obligations					<u>27,078</u>		
Other Debt - Unamortized Bond Discount and Deferred Loss on Advance Refunding					<u>(54,445)</u>		
<b>TOTAL OUTSTANDING DEBT</b>						<u>\$ 20,697,182</u>	
Minus Assets Held in Debt Service Funds, Bond Reserve Funds, and Bond Redemption Funds					<u>\$ 6,271,404</u>		
Minus Lease Rental Payments Receivable					<u>0</u>		
<b>NET DEBT</b>						<u>\$ 14,425,778</u>	