

BOROUGH OF TATAMY  
MUNICIPAL ANNUAL AUDIT  
AND FINANCIAL REPORT  
AS AT DECEMBER 31, 2018

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## INDEPENDENT AUDITOR'S REPORT

Borough of Tatamy  
Tatamy, PA

We have audited the accompanying Municipal Annual Audit and Financial Report of Borough of Tatamy, Northampton County, Pennsylvania, as at December 31, 2018 and for the year then ended.

### **Management's Responsibility for the Municipal Annual Audit and Financial Report**

Management is responsible for the preparation and fair presentation of the Municipal Annual Audit and Financial Report in accordance with the financial reporting provisions of Pennsylvania Department of Community and Economic Development. 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 the Municipal Annual Audit and Financial Report 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 this report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the financial and other information included in this report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the report, 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 report 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 by management, as well as evaluating the overall presentation of the Municipal Annual Audit and Financial Report.

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

**Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in the second paragraph of this report, the Municipal Annual Audit and Financial Report is prepared by Borough of Tatamy, Northampton County, Pennsylvania, in accordance with the financial reporting provisions of Pennsylvania Department of Community and Economic Development, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the report of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraphs, the Municipal Annual Audit and Financial Report referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Borough of Tatamy, Northampton County, Pennsylvania, as of December 31, 2018, and its changes in financial position for the year then ended.

**Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the Municipal Annual Audit and Financial Report referred to above is fairly presented, in all material respects, in accordance with the financial reporting provisions prescribed by Pennsylvania Department of Community and Economic Development.



Stroudsburg, PA  
September 3, 2019

**2018 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**480903 TATAMY BORO, NORTHAMPTON COUNTY**



## TATAMY 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
<b>Liabilities and Other Credits</b>											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits										
<b>Total Liabilities and Other Credits</b>		5,923						13,206			19,129
<b>Fund and Account Group Equity</b>											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	243,601	31,314	60,092							335,007
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		243,601	31,314	60,092							335,007
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											354,136

**TATAMY 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**

**Taxes**

301.00	Real Estate Taxes	367,016						367,016
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)							
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	39,112						39,112
310.20	Earned Income Taxes / Wage Taxes	162,651						162,651
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	12,266						12,266
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
<b>Total Taxes</b>		581,045						581,045

**Licenses and Permits**

320-322	All Other Licenses and Permits	45						45
321.80	Cable Television Franchise Fees	16,216						16,216
<b>Total Licenses and Permits</b>		16,261						16,261

**Fines and Forfeits**

330-332	Fines and Forfeits	15,926						15,926
<b>Total Fines and Forfeits</b>		15,926						15,926

**TATAMY 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**

<b>Interest, Rents and Royalties</b>								
341.00	Interest Earnings	822	19	76				917
342.00	Rents and Royalties	8,848						8,848
<b>Total Interest, Rents and Royalties</b>		9,670	19	76				9,765

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

<b>State</b>								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	4,336						4,336
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	646						646
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		39,349					39,349
355.04	Alcoholic Beverage Licenses	150						150
355.05	General Municipal Pension System State Aid							
355.07	Foreign Fire Insurance Tax Distribution	6,631						6,631
355.08	Local Share Assessment/Gaming Proceeds	31,440						31,440
355.09	Marcellus Shale Impact Fee Distribution							



**TATAMY 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**

355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
<b>Total State</b>		43,203	39,349					82,552

**Local Government Units**

357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants							
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services	3,240						3,240
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
<b>Total Local Government Units</b>		3,240						3,240

**Charges for Service**

361.00	General Government			3,080				3,080
362.00	Public Safety	6,907						6,907
363.20	Parking							
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)	100,388						100,388
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	25						25
368.00	Airports							

**TATAMY 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							
<b>Total Charges for Service</b>		107,320		3,080				110,400

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	1,260						1,260
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	3,883						3,883
<b>Total Unclassified Operating Revenues</b>		5,143						5,143

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	6,145						6,145
392.00	Interfund Operating Transfers							
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

**TATAMY 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	1,493	935					2,428
<b>Total Other Financing Sources</b>		7,638	935					8,573

**TOTAL REVENUES**

		789,446	40,303	3,156				832,905
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**EXPENDITURES**

General Government								
400.00	Legislative (Governing) Body	20,651						20,651
401.00	Executive (Manager or Mayor)	1,300						1,300
402.00	Auditing Services / Financial Administration	11,520						11,520
403.00	Tax Collection	11,323						11,323
404.00	Solicitor / Legal Services	5,846						5,846
405.00	Secretary / Clerk	57,688						57,688
406.00	Other General Government Administration							
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	15,131						15,131
409.00	General Government Buildings and Plant	21,147		7,185				28,332
<b>Total General Government</b>		144,606		7,185				151,791

**Public Safety**

410.00	Police	233,779						233,779
411.00	Fire	43,405						43,405
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	2,168						2,168

**TATAMY 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**

<b>Public Safety</b>								
414.00	Planning and Zoning	11,688						11,688
415.00	Emergency Management and Communications							
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
<b>Total Public Safety</b>		291,040						291,040

<b>Health and Human Services</b>								
420.00-425.00	Health and Human Services							
<b>Total Health and Human Services</b>								

<b>Public Works - Sanitation</b>								
426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)	99,601						99,601
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
<b>Total Public Works - Sanitation</b>		99,601						99,601

<b>Public Works - Highways and Streets</b>								
430.00	General Services - Administration	103,375	2,115					105,490
431.00	Cleaning of Streets and Gutters		1,568					1,568
432.00	Winter Maintenance – Snow Removal		2,680					2,680
433.00	Traffic Control Devices		1,757	2,909				4,666
434.00	Street Lighting	16,247	21,566					37,813

**TATAMY 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**

<b>Public Works - Highways and Streets</b>								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains							
437.00	Repairs of Tools and Machinery		357					357
438.00	Maintenance and Repairs of Roads and Bridges		261					261
439.00	Highway Construction and Rebuilding Projects							
<b>Total Public Works - Highways and Streets</b>		119,622	30,304	2,909				152,835

<b>Other Public Works Enterprises</b>								
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	2,500						2,500
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
<b>Total Other Public Works Enterprises</b>		2,500						2,500

<b>Culture and Recreation</b>								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	10,054						10,054

**TATAMY 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**

<b>Culture and Recreation</b>								
455.00	Shade Trees							
456.00	Libraries	375						375
457.00	Civil and Military Celebrations	200		500				700
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
<b>Total Culture and Recreation</b>		10,629		500				11,129

<b>Community Development</b>								
461.00	Conservation of Natural Resources	143						143
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
<b>Total Community Development</b>		143						143

<b>Debt Service</b>								
471.00	Debt Principal (short-term and long-term)							
472.00	Debt Interest (short-term and long-term)							
475.00	Fiscal Agent Fees							
<b>Total Debt Service</b>								

<b>Employer Paid Benefits and Withholding Items</b>								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	32,745	21					32,766
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	12,830						12,830

**TATAMY 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**

<b>Employer Paid Benefits and Withholding Items</b>								
484.00	Worker Compensation Insurance	931						931
487.00	Other Group Insurance Benefits	38,853						38,853
<b>Total Employer Paid Benefits and Withholding Items</b>		85,359	21					85,380

<b>Insurance</b>								
486.00	Insurance, Casualty, and Surety	53,075						53,075
<b>Total Insurance</b>		53,075						53,075

<b>Unclassified Operating Expenditures</b>								
488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures	1,558						1,558
<b>Total Unclassified Operating Expenditures</b>		1,558						1,558

<b>Other Financing Uses</b>								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers							
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>								

<b>TOTAL EXPENDITURES</b>	808,133	30,325	10,594					849,052
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	-18,687	9,978	-7,438					-16,147
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**TATAMY 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
<b>General Obligation Bonds and Notes</b>											
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
<b>Other</b>											

(1) - excludes unamortized premium/discount

<b>Total bonds and notes outstanding</b>	0
<b>Capitalized lease obligations</b>	0
<b>Net debt</b>	0



**TATAMY BORO, NORTHAMPTON County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2018

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government		7,150	7,150
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	27,620		27,620
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	27,620	7,150	34,770

**EMPLOYEE COMPENSATION**

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

336,569

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

**SIGNATURE AND VERIFICATION**

Signed: Riley and Company, Inc. Appointed Auditor/CPA

December 31, 2018

**NOTES / COMMENTS**