

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2019**

**AND**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**DECEMBER 31, 2019**

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**INDEPENDENT AUDITOR'S REPORT**

Mayor and Members of Council  
Borough of Marietta  
Marietta, Pennsylvania

**Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Marietta as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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 opinions 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 of 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 entity'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 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 statements.

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

**Summary of Opinions**

<b><u>Opinion Unit</u></b>	<b><u>Type of Opinion</u></b>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
General Fund	Unmodified
Capital Projects Fund	Unmodified
Sewer Fund	Unmodified
State Liquid Fuels Fund	Unmodified
Aggregate Remaining Fund Information	Qualified

**Basis for Qualified Opinion on the Aggregate Remaining Fund Information**

As discussed in Note 1, the Nonuniformed Pension Trust Fund has not been included in the aggregate remaining fund information in these statements. The amount that should be recorded in this fund is not known.

**Qualified Opinion**

In our opinion, except for the omission described in the “Basis for Qualified Opinion on the Aggregate Remaining Fund Information” paragraph, the financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the aggregate remaining fund information of the Borough of Marietta, as of December 31, 2019, or the changes in modified cash basis financial position, thereof for the year ended in accordance with the basis of accounting described in Note 1.

**Unmodified Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, business-type activities and each major fund of the Borough of Marietta, as of December 31, 2019, and the respective changes in modified cash basis financial position, thereof for the year then ended in accordance with the basis of accounting described in Note 1.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Marietta’s basic financial statements. The combining capital project fund financial statements and combining nonmajor governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining capital project fund financial statements and combining nonmajor governmental fund financial statements are the responsibility of management and were derived from and relate 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.

**Disclaimer of Opinion on Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Marietta's basic financial statements. The budgetary comparison information on page 21, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Matters**

Management has not presented the management's discussion and analysis that governmental accounting principles generally accepted in the United State of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Sager, Swisher and Company, LLP*

Columbia, Pennsylvania  
April 16, 2020

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**STATEMENT OF NET POSITION – MODIFIED CASH BASIS  
DECEMBER 31, 2019**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 1,713,565	\$ 153,072	\$ 1,866,637
Investments	423,212	--	423,212
Internal Balances	(185)	185	--
	<b>\$ 2,136,592</b>	<b>\$ 153,257</b>	<b>\$ 2,289,849</b>
<b>LIABILITIES</b>			
Due to Other Governments	\$ 3,762	\$ --	\$ 3,762
Payroll Tax Withholdings	331	--	331
Escrow Deposits	1,500	--	1,500
	<b>5,593</b>	<b>--</b>	<b>5,593</b>
<b>NET POSITION</b>			
Restricted for			
Highways	118,274	--	118,274
Fire Protection	44,082	--	44,082
Capital Projects	986,740	--	986,740
Unrestricted	981,903	153,257	1,135,160
	<b>2,130,999</b>	<b>153,257</b>	<b>2,284,256</b>
<b>TOTAL NET POSITION</b>	<b>2,130,999</b>	<b>153,257</b>	<b>2,284,256</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 2,136,592</b>	<b>\$ 153,257</b>	<b>\$ 2,289,849</b>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2019**

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities</b>							
General Government	\$ 121,456	\$ 15,948	\$ 5,175	\$ --	\$ (100,333)	\$ --	\$ (100,333)
Public Safety	624,714	31,931	15,197	--	(577,586)	--	(577,586)
Sanitation	399,250	206,651	--	183,708	(8,891)	--	(8,891)
Highways and Streets	242,547	--	6,947	508,236	272,636	--	272,636
Culture and Recreation	73,138	380	9,250	44,000	(19,508)	--	(19,508)
Debt Service	55,350	--	--	--	(55,350)	--	(55,350)
Employee Benefits, Insurance and Other	36,290	5,473	--	--	(30,817)	--	(30,817)
<b>Total Governmental Activities</b>	1,552,745	260,383	36,569	735,944	(519,849)	--	(519,849)
<b>Business-Type Activities</b>							
Sewer	541,353	580,788	6,186	--	--	45,621	45,621
<b>Total Primary Government</b>	<u>\$ 2,094,098</u>	<u>\$ 841,171</u>	<u>\$ 42,755</u>	<u>\$ 735,944</u>	(519,849)	45,621	(474,228)
<b>General Revenues</b>							
Property Taxes, Levied for General Purposes, Net					726,436	--	726,436
Other Taxes and Franchise Fees Levied for Specific Purposes, Net					406,727	--	406,727
Investment Earnings					23,044	2,440	25,484
Miscellaneous					6,225	--	6,225
<b>Total General Revenues</b>					<u>1,162,432</u>	<u>2,440</u>	<u>1,164,872</u>
<b>Transfers</b>					100,000	(100,000)	--
<b>Change in Net Position</b>					742,583	(51,939)	690,644
<b>Net Position – January 1, 2019</b>					<u>1,388,416</u>	<u>205,196</u>	<u>1,593,612</u>
<b>Net Position – December 31, 2019</b>					<u>\$ 2,130,999</u>	<u>\$ 153,257</u>	<u>\$ 2,284,256</u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**BALANCE SHEET – MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

	<b>Major Funds</b>			<b>Total</b>
	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Funds</b>	
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 977,831	\$ 573,378	\$ 162,356	\$ 1,713,565
Investments	9,850	413,362	--	423,212
<b>TOTAL ASSETS</b>	<b>\$ 987,681</b>	<b>\$ 986,740</b>	<b>\$ 162,356</b>	<b>\$ 2,136,777</b>
<b>LIABILITIES</b>				
Due to Other Governments	\$ 3,762	\$ --	\$ --	\$ 3,762
Due to Other Funds	185	--	--	185
Payroll Tax Withholdings	331	--	--	331
Escrow Deposits	1,500	--	--	1,500
<b>TOTAL LIABILITIES</b>	<b>5,778</b>	<b>--</b>	<b>--</b>	<b>5,778</b>
<b>FUND BALANCES</b>				
Restricted	--	986,740	162,356	1,149,096
Committed	123,000	--	--	123,000
Assigned	36,147	--	--	36,147
Unassigned	822,756	--	--	822,756
<b>TOTAL FUND BALANCES</b>	<b>981,903</b>	<b>986,740</b>	<b>162,356</b>	<b>2,130,999</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 987,681</b>	<b>\$ 986,740</b>	<b>\$ 162,356</b>	<b>\$ 2,136,777</b>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
MODIFIED CASH BASIS – GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2019**

	<b>Major Funds</b>			<b>Total</b>
	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Funds</b>	
<b>REVENUES</b>				
Real Estate Taxes and Penalties	\$ 635,300	\$ --	\$ 91,136	\$ 726,436
Other Taxes	361,940	--	--	361,940
Licenses and Permits	44,787	--	--	44,787
Fines and Forfeits	3,319	--	--	3,319
Interest, Rents and Royalties	13,823	7,479	1,742	23,044
Intergovernmental Revenue	72,709	583,708	93,236	749,653
Charges for Services	251,591	--	--	251,591
Contributions	23,010	--	--	23,010
Miscellaneous Revenue	4,240	--	--	4,240
	<b>1,410,719</b>	<b>591,187</b>	<b>186,114</b>	<b>2,188,020</b>
<b>EXPENDITURES</b>				
General Government	121,456	--	--	121,456
Public Safety	564,546	--	60,168	624,714
Sanitation	173,336	225,914	--	399,250
Highways and Streets	210,954	--	31,593	242,547
Culture and Recreation	73,138	--	--	73,138
Debt Service	55,350	--	--	55,350
Employee Benefits, Insurance and Other	36,290	--	--	36,290
	<b>1,235,070</b>	<b>225,914</b>	<b>91,761</b>	<b>1,552,745</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>				
	<b>175,649</b>	<b>365,273</b>	<b>94,353</b>	<b>635,275</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	--	105,000	--	105,000
Transfer Out	(5,000)	--	--	(5,000)
Refund of Prior Year Expenditures	7,308	--	--	7,308
	<b>2,308</b>	<b>105,000</b>	<b>--</b>	<b>107,308</b>
<b>Changes in Fund Balances</b>				
	177,957	470,273	94,353	742,583
<b>Fund Balances – January 1, 2019</b>	<b>803,946</b>	<b>516,467</b>	<b>68,003</b>	<b>1,388,416</b>
<b>Fund Balances – December 31, 2019</b>	<b>\$ 981,903</b>	<b>\$ 986,740</b>	<b>\$ 162,356</b>	<b>\$ 2,130,999</b>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**STATEMENT OF NET POSITION – MODIFIED CASH BASIS  
PROPRIETARY FUND  
DECEMBER 31, 2019**

	<u>Sewer Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 153,072
Due from Other Funds	<u>185</u>
<b>TOTAL ASSETS</b>	<u>\$ 153,257</u>
<b>LIABILITIES</b>	<u>\$ --</u>
<b>NET POSITION</b>	
Unrestricted	<u>153,257</u>
<b>TOTAL NET POSITION</b>	<u>153,257</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 153,257</u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –  
MODIFIED CASH BASIS  
PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2019**

	<u>Sewer Fund</u>
<b>OPERATING REVENUES</b>	
Sewer Rentals	\$ 578,088
Miscellaneous Income	<u>2,700</u>
<b>TOTAL OPERATING REVENUES</b>	<u>580,788</u>
<b>OPERATING AND ADMINISTRATIVE EXPENDITURES</b>	
Salaries and Benefits	68,284
Pension Contribution	10,267
Insurance	1,565
Supplies	308
Postage	1,330
Professional Services	34,113
Contracted Services	8,250
Collection Costs	8,556
Communications	1,599
Treatment Costs	406,013
Advertising	<u>1,068</u>
<b>TOTAL OPERATING AND ADMINISTRATIVE EXPENDITURES</b>	<u>541,353</u>
<b>OPERATING INCOME</b>	<u>39,435</u>
<b>NONOPERATING REVENUES</b>	
Interest Income	2,440
General Municipal Pension System State Aid	<u>6,186</u>
<b>TOTAL NONOPERATING REVENUES</b>	<u>8,626</u>
<b>INCOME BEFORE TRANSFERS</b>	48,061
<b>TRANSFER OUT</b>	<u>(100,000)</u>
<b>Change in Net Position</b>	(51,939)
<b>Net Position – January 1, 2019</b>	<u>205,196</u>
<b>Net Position – December 31, 2019</b>	<u>\$ 153,257</u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS  
PROPRIETARY FUND  
YEAR ENDED DECEMBER 31, 2019**

	<u>Sewer Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Users	\$ 580,603
Cash Payments to Employees for Services	(68,284)
Cash Payments to Suppliers for Goods and Services	<u>(473,069)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>39,250</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
State Sources	6,186
Transfer Out	<u>(100,000)</u>
<b>NET CASH (USED) BY NON-CAPITAL FINANCING ACTIVITIES</b>	<u>(93,814)</u>
<b>CASH FLOWS FROM, CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>--</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Earnings on Investments	<u>2,440</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>2,440</u>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(52,124)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>205,196</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 153,072</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
<b>OPERATING INCOME</b>	\$ 39,435
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
(Increase) Decrease in Due from Other Funds	<u>(185)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 39,250</u>

The accompanying notes are an integral part of these financial statements.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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

The financial statements of the Borough of Marietta were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

**A. Reporting Entity**

In evaluating the Borough as a reporting entity, management has addressed all potential component units, which may or may not fall within the Borough's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the Borough's reporting entity are financial accountability and the nature and significance of the relationship.

Based on the above criteria, the following is a component unit of the Borough:

Marietta Borough Authority – The Authority was organized by the Council of the Borough of Marietta to construct a sewage system for the Borough. The Borough appoints members to the Authority and has a potential burden to finance the operations of the Authority. For the year ended December 31, 2014, the Authority's status was considered inactive.

This report includes all of the funds of the Borough of Marietta with the exception of the Nonuniformed Pension Trust Fund.

**B. Fund Accounting**

The accounts of the Borough are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

**C. Basis of Presentation**

**Government-wide financial statements** (i.e., the statement of net position and the statement of activities) report information on all of the governmental and business-type activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately in the government-wide financial statements from business-type activities, which rely, to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Borough's governmental activities. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund financial statements** are also provided in the report for all of the governmental funds and the proprietary fund of the Borough. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

The Borough reports the following major governmental funds:

The general fund is the Borough's primary operating fund. It accounts for all financial resources except those required to be in another fund.

The capital projects fund accounts for transfers from other funds and related investment earnings for capital outlays not accounted for in another fund. This fund includes the capital reserve fund, flood control project fund and the sewer improvement fund.

Additionally, the Borough reports the following nonmajor governmental funds:

The special revenue funds account for the proceeds of special revenue sources that are restricted to expenditures for specified purposes. The funds included in this category are:

The state liquid fuels fund is a state mandated fund used to account for financial resources related specifically to maintenance of the Borough's streets.

The Fire Tax Protection Fund was established to account for the portion of the real estate tax receipts levied for fire taxes. Disbursements from this fund are to reimburse the volunteer fire company located within the Borough for expenses incurred or future expenditures per agreement.

Proprietary Fund Types are used to account for the operations of the Borough that are financed and operated in a manner similar to those often found in the private-sector. The fund included in this category is:

The enterprise fund is used to account for the operation of the sewer.

D. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements regardless of measurement focus.

The Borough's accounts are maintained, and these statements are presented, on the modified cash basis of accounting under which income collected, costs and expenses paid, assets, liabilities, fund balance and net position arising as a result of cash transactions or from the acquisition of long-lived assets, for cash are recognized. Receivables, payables, and deferred expenses, which may be material in amount, are not reflected in the accompanying financial statements which are not intended to present the financial position or the results of operations in conformity with generally accepted accounting principles. Receivables and payables between the Borough and other taxing authorities resulting from cash transactions are reflected in these financial statements. Operating tapping fee revenue represents the costs to connect a tap. Non-operating tapping fees are used for future capital improvements.

E. Budgets and Budgetary Accounting

An operating budget is adopted every year for the general fund on a modified cash basis of accounting.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting (Continued)

The Marietta Borough Council may make transfers of funds appropriated to any particular item of expenditure by legislative action in accordance with the Borough Code of the Commonwealth of Pennsylvania. Budgetary information reflected in the financial statements is presented at the department level of budgetary control and includes the effect of approved budget amendments.

Appropriations lapse at the end of the year. In order to preserve a portion of an appropriation for which an expenditure has been committed by a purchase order, contract or other form of commitment, an encumbrance is recorded. Encumbrances outstanding at year-end are reported as assigned fund balance. As of December 31, 2019, the Borough did not have any encumbrances.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

G. Capital Assets

Capital assets are not recorded and are considered an expenditure when purchased. No depreciation has been provided for in these financial statements.

H. Long-Term Debt

Long-term debt arising from cash transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and the payment of principal and interest are reported as expenditures.

I. Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Cash, Cash Equivalents and Investments

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less.

All investments are stated at cost, which approximates fair value.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then. During the year ended December 31, 2019, the Borough did not have any deferred outflows of resources.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time. During the year ended December 31, 2019, the Borough did not have any deferred inflows of resources.

L. Net Position Flow Assumption

Sometimes the Borough will fund outlays for a particular purpose from both restricted and unrestricted resources. It is the Borough's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

M. Fund Balance Policy

The Borough implemented *GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions*, to address issues related to how fund balance was being reported. GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

Nonspendable – amounts that are not in spendable form (such as inventory) or required to be legally or contractually maintained intact,

Restricted – amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

Committed – amounts that can be used only for the specific purposes determined by a formal action of Borough Council (the Borough's highest level of decision-making authority). Borough Council is required to also take formal action to modify or rescind the commitment,

Assigned – amounts intended to be used by the Borough for specific purposes that are neither restricted nor committed. Assignments can be made by the governing body itself or by its designee,

Unassigned – residual classification for the Borough's general fund and includes all spendable amounts not contained in the other classifications. Negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes.

Committed Fund Balance Policy

The Borough's committed fund balance are amounts required to be reported by Borough Council, either because of Borough Policy or because of motions that passed at Borough Council meetings.

Assigned Fund Balance Policy

The Borough's assigned fund balances are amounts the Borough intends to use for a specific purpose as expressed by the Borough's Treasurer. The Borough adopted a Fund Balance Policy in December 2011 authorizing the Borough's Treasurer to assign fund balance.

Order of Fund Balance Spending Policy

The Borough's policy is to first apply restricted fund balance, then committed, assigned, and unassigned, respectively when an expenditure is incurred for purposes for which amounts in any of these classifications could be used.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Balance Policy (Continued)

Minimum Fund Balance

Borough Council has adopted a formal minimum fund balance policy. Council will strive to maintain a minimum unassigned fund balance of not less than ten percent (10%) and not more than twenty percent (20%) of the budgeted expenditures for the fiscal year.

N. Changes in Accounting Standards

During the year ended December 31, 2019, the Borough implemented Governmental Accounting Standards Board (GASB) Statement No. 83, *Certain Asset Retirement Obligations*. The primary objective of this statement is to establish uniform criteria for governments to recognize and disclose certain asset retirement obligations, including obligations that may not have been previously reported. The implementation of this standard does not currently impact the Borough.

During the year ended December 31, 2019, the Borough implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. The primary objective of this statement is to establish criteria for identifying fiduciary activities of all state and local governments. The implementation of this standard does not currently impact the Borough.

During the year ended December 31, 2019, the Borough implemented Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this statement is to improve the information that is disclosed in the notes to governmental financial statements related to debt.

O. Date of Management's Review

Management has evaluated subsequent events through April 16, 2020, the date the financial statements were available to be issued.

NOTE 2 – DEPOSITS AND INVESTMENTS

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including obligations of (1) 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, (2) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (3) 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.

The Borough holds investments in the Pennsylvania Local Government Investment Trust (PLGIT). In accordance with the Government Accounting Standards Board, PLGIT funds are valued at amortized cost. The amortized cost method involves valuing a security at its cost on the date of purchase and recording a constant amortization or accretion to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investment. Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized statistical rating organization, and is subject to an independent annual audit. PLGIT does not have any limitations or restrictions on withdrawals from the fund.

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation are authorized 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.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

**Cash**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough does not have a policy for custodial credit risk. As of December 31, 2019, \$957,017 of the Borough's bank balance of \$1,871,021 was exposed to custodial credit risk as:

Insured or Registered	\$	--
Uninsured or unregistered with securities held by counterparty's trust department		--
Uninsured or unregistered held by the counterparty or by its trust department not in the Borough's name		<u>957,017</u>
	<u>\$</u>	<u>957,017</u>

Reconciliation to Financial Statements

Uninsured Amount Above	\$	957,017
Plus: Insured Amount		300,064
Add: Outstanding Deposit		288
Less: Outstanding Checks		<u>(4,822)</u>
Carrying Amount – Bank Balances		1,252,547
Plus: Petty Cash		150
Pooled Cash Equivalents		<u>613,940</u>
Total Cash per Financial Statements	<u>\$</u>	<u>1,866,637</u>

**Investments**

As of December 31, 2019, the Borough had the following investments:

		<u>Fair Value</u>
Northwest Bank – Money Market	<u>\$</u>	<u>423,212</u>

Interest Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Management does monitor rates of returns for investments on a monthly basis.

Credit Risk

The Borough does not have an investment policy that would limit its investment choices to certain credit ratings. As of December 31, 2019, the Borough's investment in PA Local Government Investment Trust was rated AAAM by Standard & Poor's.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. As of December 31, 2019, all of the Borough's investments of \$423,212 were exposed to custodial risk as:

Insured or Registered	\$	--
Uninsured or unregistered with securities held by counterparty's trust department		--
Uninsured or unregistered held by the counterparty or by its trust department not in the Borough's name		<u>423,212</u>
		<u>\$ 423,212</u>

All interest and noninterest bearing demand accounts are aggregated in total by financial institution and are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Time and savings accounts are also insured up to \$250,000 by FDIC.

Concentration of Credit Risk – Deposits and Investments

More than 5% of the Borough's deposits and investments are held at Northwest Bank. Total deposits and investments as of December 31, 2019 were \$2,294,233 of which \$1,630,230 was invested in Northwest Bank. This represents 71.06% of the Borough's deposits and investments. The Borough also held deposits with BB&T Bank totaling \$50,064, which represents 2.18%. The balance of \$613,940 was invested in PA Local Government Investment Trust.

NOTE 3 – ACCOUNTS RECEIVABLE

The Borough of Marietta did not report accounts receivable for sewer and trash collections under the modified cash basis of accounting. The amount of sewer/trash collections outstanding at December 31, 2019 was \$8,934, all of which was estimated to be collectible by management.

NOTE 4 – TRANSFERS

Interfund Transfers:

	<u>Transfer from Other Funds</u>	<u>Transfer to Other Funds</u>
General Fund	\$ --	\$ 5,000
Capital Projects Fund	105,000	--
Sewer Fund	<u>--</u>	<u>100,000</u>
	<u>\$ 105,000</u>	<u>\$ 105,000</u>

The General Fund transferred \$5,000 to the Capital Projects Fund for future capital improvements. The Sewer Fund transferred \$100,000 to the Sewer Improvement Fund for future capital improvements to the sewer system.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**NOTE 5 – LONG-TERM DEBT**

The Borough of Marietta did not report long-term debt on the face of the statements under the modified cash basis of accounting.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Notes from Direct Borrowings and				
Direct Placements	\$ 206,688	\$ --	\$ 50,000	\$ 156,688
Compensated Absences	<u>11,951</u>	<u>        </u>	<u>654</u>	<u>11,297</u>
Total Long-Term Debt	<u>\$ 218,639</u>	<u>\$ --</u>	<u>\$ 50,654</u>	<u>\$ 167,985</u>

The Borough's outstanding notes from direct borrowings and direct placements related to governmental activities of \$156,688 contain a provision that in the event of default, outstanding amounts become immediately due if the Borough is unable to make payment.

Long-term debt consists of the following:

	<u>December 31, 2019</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Series 2012 - General Obligation Note	\$ 156,688	3.3456%	5/15/27

The future annual payments required to amortize all outstanding debt as of December 31, 2019, including total interest payments are as follows:

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2020	\$ 5,576	\$ 39,287	\$ 44,863
2021	4,251	40,613	44,864
2022	2,880	41,983	44,863
2023	<u>1,464</u>	<u>34,805</u>	<u>36,269</u>
	<u>\$ 14,171</u>	<u>\$ 156,688</u>	<u>\$ 170,859</u>

**General Obligation Note – Series of 2012**

In March 2012, the Borough entered into a loan agreement with BB&T (formerly Susquehanna Bank) to finance the Fairview Avenue infrastructure project. The bank agreed to loan the Borough an amount not to exceed \$800,000. The note matures on May 15, 2027 and bears interest of 2.88% through May 15, 2017. After May 15, 2017, the interest rate will reset for each of the next five-year intervals at the then current Federal Home Loan Bank Borrowing Rate plus 280 basis points at a factor of 68% of the Wall Street Journal Prime Rate not to exceed 6.5% for the term of the note.

**Compensated Absences**

Sick Leave and Vacation – Full time employees reaching ten years of service will be compensated one-half, up to a maximum of 480 cumulative hours upon terminating in good standing. Full-time employees may carry up to 40 hours of vacation time to the subsequent year and will be compensated upon termination from the Borough. As of December 31, 2019, the balance was \$11,297.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

NOTE 6 – FUND BALANCE

Restricted Fund Balance

The Borough's restricted fund balances are amounts restricted by outside parties. As of December 31, 2019, the Borough's restricted fund balance was \$1,149,096; which consisted of \$118,274 restricted for use by the Commonwealth of Pennsylvania for Highway Aid purposes, \$44,082 restricted for Fire Tax Protection purposes and \$986,740 set aside for future capital projects.

Committed Fund Balance

As of December 31, 2019, the Borough's committed fund balance was \$123,000, which consisted of the following:

Contracted Services - Sidewalks	\$ 20,000
Flap Valve Project	68,000
G-3 Grant Engineer Design	10,000
DCNR Grant Match	<u>25,000</u>
	<u>\$ 123,000</u>

Assigned Fund Balance

As of December 31, 2019, the Borough's assigned fund balance was \$36,147, which consisted of the following:

Snow Reserve	\$ 9,568
Northwest River Trail	282
Lawn Mower	15,000
Compensated Absences	<u>11,297</u>
	<u>\$ 36,147</u>

NOTE 7 – PROPERTY TAXES

The Borough of Marietta did not report taxes receivable or deferred taxes under the modified cash basis of accounting. The amount of real estate taxes outstanding at December 31, 2019 was \$64,934, all of which was estimated to be collectible by management.

Based on assessments provided by the County, the Borough levies property taxes. The taxes are collected by the Borough. The property tax for the year ended December 31, 2019 was 5.15 mills (\$5.15 per \$1,000 of assessed valuation) for general purposes. The property tax for the year ended December 31, 2019 for fire tax protection services was .75 mills (\$0.75 per \$1,000 of assessed valuation). A 2% discount is given on taxes paid prior to May 1, the face amount is payable May 1 – June 30 and a 10% penalty is assessed on payments received after June 30. Unpaid taxes as of December 31<sup>st</sup> are submitted to the tax claim bureau for collection on January 15<sup>th</sup> of the year following assessment.

NOTE 8 – NONUNIFORMED PENSION TRUST FUND

The Borough of Marietta established a nonuniformed pension trust plan effective January 1, 1987. The plan is a defined contribution money purchase pension plan through Principal Mutual Life Insurance Company and covers nonuniformed employees who are 21 years or older and have one year of eligible service. The employee's benefits become 20% vested with 2 years of eligible service and increase 20% per year, until the employee has 6 years of eligible service, at which time the benefits are 100% vested. The normal retirement requirement is attained at age 65. Contributions are made by the Borough for eligible employees in an amount equal to 18% of their annual pay. The contribution for the year ended December 31, 2019 was calculated using annual wages of \$188,852.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

NOTE 9 – THE MARIETTA-DONEGAL JOINT AUTHORITY

The Marietta-Donegal Joint Authority owns and operates the sewage treatment plant that serves Marietta Borough and East Donegal Township. The Borough makes payments to the Joint Authority for sewage treatment based on a rate of \$68.50 per unit. The total rent paid from the Sewer Fund for the year ended December 31, 2019 was \$406,013.

NOTE 10 – SUSQUEHANNA REGIONAL POLICE DEPARTMENT

On July 1, 1996, the Borough of Marietta, Conoy Township, and East Donegal Township created the Susquehanna Regional Police Department. Each municipality agreed to contribute assets of their individual police forces. Each municipality also agreed to contractual terms to an ongoing financial responsibility to fund the operations based on formulas established in the contracts. Each municipality also appoints one of the current government officials to the governing board of the regional police force. The Susquehanna Regional Police Department is a separate legal entity. For the year ended December 31, 2019, the Borough paid \$411,204 to the Susquehanna Regional Police Department.

NOTE 11 – CONTINGENCIES

Grant Programs

The Borough participates in various federal and state funded grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the Borough is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. The Borough's management is not aware of any material items of noncompliance, which would result in the disallowance of program expenditures.

NOTE 12 – RISK MANAGEMENT

The Borough is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Borough has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous years. During the year ended December 31, 2019 and the two previous fiscal years, no settlements exceeded insurance coverage.

NOTE 13 – SUBSEQUENT EVENTS

In January 2020, the Borough awarded a bid to Land Studies in the amount of \$40,000 for G-3 engineering design.

In March 2020, the Borough awarded a big to Farhat Excavating, LLC in the amount of \$384,750 for a Flapper Valve Project. The Borough received a \$400,000 grant for this project.

NOTE 14 – COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact financial position. Other financial impact could occur though such potential impact is unknown at this time.

**OTHER INFORMATION**  
**OF**  
**BOROUGH OF MARIETTA**  
**MARIETTA, PENNSYLVANIA**  
**DECEMBER 31, 2019**

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL – MODIFIED CASH BASIS – GENERAL FUND  
YEAR ENDED DECEMBER 31, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		<b>(Negative)</b>
<b>REVENUES</b>				
Real Estate Taxes and Penalties	\$ 638,000	\$ 638,000	\$ 635,300	\$ (2,700)
Other Taxes	301,826	301,826	361,940	60,114
Licenses and Permits	40,000	40,000	44,787	4,787
Fines and Forfeits	2,670	2,670	3,319	649
Interest, Rents and Royalties	700	700	13,823	13,123
Intergovernmental Revenue	26,800	71,560	72,709	1,149
Charges for Services	220,515	220,515	251,591	31,076
Contributions	2,826	2,826	23,010	20,184
Miscellaneous Revenue	500	500	4,240	3,740
<b>TOTAL REVENUES</b>	1,233,837	1,278,597	1,410,719	132,122
<b>EXPENDITURES</b>				
General Government				
Administrative	95,141	95,141	101,387	(6,246)
Tax Collection	480	480	595	(115)
Municipal Buildings	17,500	17,500	19,474	(1,974)
Public Safety				
Police	426,679	426,679	425,431	1,248
Fire Protection	18,114	18,114	12,239	5,875
Hydrant Rentals and Fire Relief	33,100	33,100	35,820	(2,720)
Emergency Management	1,900	1,900	1,524	376
Housing and Zoning	82,051	82,051	89,532	(7,481)
Sanitation				
Solid Waste Collection and Disposal	180,168	180,168	172,479	7,689
Weed Control	500	500	857	(357)
Highways and Streets	231,164	246,164	210,954	35,210
Culture and Recreation	50,240	63,631	73,138	(9,507)
Debt Service	60,000	60,000	55,350	4,650
Employee Benefits, Insurance and Other Insurance	32,300	32,300	36,290	(3,990)
<b>TOTAL EXPENDITURES</b>	1,229,337	1,257,728	1,235,070	22,658
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	4,500	20,869	175,649	154,780
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer Out	(5,000)	(5,000)	(5,000)	--
Refund of Prior Year Expenditures	500	500	7,308	6,808
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(4,500)	(4,500)	2,308	6,808
<b>Changes in Fund Balances</b>	--	16,369	177,957	161,588
<b>Fund Balances – January 1, 2019</b>	803,946	803,946	803,946	--
<b>Fund Balances – December 31, 2019</b>	<u>\$ 803,946</u>	<u>\$ 820,315</u>	<u>\$ 981,903</u>	<u>\$ 161,588</u>

See accompanying independent auditor's report.

**SUPPLEMENTARY INFORMATION**

**OF**

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**DECEMBER 31, 2019**

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**COMBINING BALANCE SHEET – MODIFIED CASH BASIS  
CAPITAL PROJECTS FUND  
DECEMBER 31, 2019**

	<b>Flood Control Project Fund</b>	<b>Sewer Improvement Fund</b>	<b>Capital Reserve Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 445,542	\$ --	\$ 127,836	\$ 573,378
Investments	--	413,362	--	413,362
<b>TOTAL ASSETS</b>	<b>\$ 445,542</b>	<b>\$ 413,362</b>	<b>\$ 127,836</b>	<b>\$ 986,740</b>
<b>LIABILITIES</b>				
	\$ --	\$ --	\$ --	\$ --
<b>FUND BALANCES</b>				
Restricted	445,542	413,362	127,836	986,740
<b>TOTAL FUND BALANCES</b>	<b>445,542</b>	<b>413,362</b>	<b>127,836</b>	<b>986,740</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 445,542</b>	<b>\$ 413,362</b>	<b>\$ 127,836</b>	<b>\$ 986,740</b>

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
MODIFIED CASH BASIS – CAPITAL PROJECTS FUNDS  
YEAR ENDED DECEMBER 31, 2019**

	<b>Flood Control Project Fund</b>	<b>Sewer Improvement Fund</b>	<b>Capital Reserve Fund</b>	<b>Total</b>
<b>REVENUES</b>				
Interest, Rents and Royalties	\$ 1,317	\$ 4,691	\$ 1,471	\$ 7,479
Intergovernmental Revenue	400,000	183,708	--	583,708
<b>TOTAL REVENUES</b>	<b>401,317</b>	<b>188,399</b>	<b>1,471</b>	<b>591,187</b>
<b>EXPENDITURES</b>				
Sanitation	--	225,914	--	225,914
<b>TOTAL EXPENDITURES</b>	<b>--</b>	<b>225,914</b>	<b>--</b>	<b>225,914</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>401,317</b>	<b>(37,515)</b>	<b>1,471</b>	<b>365,273</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	--	100,000	5,000	105,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>--</b>	<b>100,000</b>	<b>5,000</b>	<b>105,000</b>
<b>Changes in Fund Balances</b>	<b>401,317</b>	<b>62,485</b>	<b>6,471</b>	<b>470,273</b>
<b>Fund Balances – January 1, 2019</b>	<b>44,225</b>	<b>350,877</b>	<b>121,365</b>	<b>516,467</b>
<b>Fund Balances – December 31, 2019</b>	<b>\$ 445,542</b>	<b>\$ 413,362</b>	<b>\$ 127,836</b>	<b>\$ 986,740</b>

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**COMBINING BALANCE SHEET – MODIFIED CASH BASIS  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2019**

	<u>State Liquid Fuels Fund</u>	<u>Fire Protection Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 118,274	\$ 44,082	\$ 162,356
<b>TOTAL ASSETS</b>	<u>\$ 118,274</u>	<u>\$ 44,082</u>	<u>\$ 162,356</u>
<b>LIABILITIES</b>	\$ --	\$ --	\$ --
<b>FUND BALANCES</b>			
Restricted	<u>118,274</u>	<u>44,082</u>	<u>162,356</u>
<b>TOTAL FUND BALANCES</b>	<u>118,274</u>	<u>44,082</u>	<u>162,356</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 118,274</u>	<u>\$ 44,082</u>	<u>\$ 162,356</u>

See accompanying independent auditor's report.

**BOROUGH OF MARIETTA  
MARIETTA, PENNSYLVANIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –  
MODIFIED CASH BASIS – NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2019**

	<u>State Liquid Fuels Fund</u>	<u>Fire Protection Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Real Estate Taxes and Penalties	\$ --	\$ 91,136	\$ 91,136
Interest, Rents and Royalties	1,463	279	1,742
Intergovernmental Revenue	<u>93,236</u>	<u>--</u>	<u>93,236</u>
<b>TOTAL REVENUES</b>	<u>94,699</u>	<u>91,415</u>	<u>186,114</u>
<b>EXPENDITURES</b>			
Public Safety	--	60,168	60,168
Highways and Streets	<u>31,593</u>	<u>--</u>	<u>31,593</u>
<b>TOTAL EXPENDITURES</b>	<u>31,593</u>	<u>60,168</u>	<u>91,761</u>
<b>Changes in Fund Balances</b>	63,106	31,247	94,353
<b>Fund Balances – January 1, 2019</b>	<u>55,168</u>	<u>12,835</u>	<u>68,003</u>
<b>Fund Balances – December 31, 2019</b>	<u>\$ 118,274</u>	<u>\$ 44,082</u>	<u>\$ 162,356</u>

See accompanying independent auditor's report.