



Annual Audit and Financial Report

City of: _____, _____ County

Borough of: HONESDALE, WAYNE County

Township of: _____, _____ County

Municipality of: _____, _____ County

for the year 20 01



Return to:

PA Department of Community and Economic Development
Governor's Center for Local Government Services
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, Pennsylvania 17120-0225

Commonwealth of Pennsylvania
Mark S. Schweiker, Governor

PA Dept. of Community & Economic Development
Samuel A. McCullough, Secretary
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Balance Sheet December 31st, 2001

Assets and Other Debits		Governmental Funds			
		<i>General Fund</i>	<i>Special Revenue (Including State Liquid Fuels)</i>	<i>Capital Projects</i>	<i>Debt Service</i>
100-120	Cash and Investments	51,393	48,960		12,242
140-144	Tax Receivable				
121-147	Accounts Receivable (excluding taxes)				
148-159	Other Current Assets				
160-169	Fixed Assets				
180-199	Other Debits				
Total Assets and Other Debits		51,393	48,960		12,242

Liabilities and Other Credits					
210-229	Payroll Taxes & Other Payroll Withholdings				
200-259	All Other Current Liabilities				
260-269	Long Term Liabilities				
269.99	Other Credits				
Total Liabilities					

Fund and Account Group Equity					
281-284	Contributed Capital				
290	Investment in General Fixed Assets				
271-289	Fund Balance/Retained Earnings 12/31	51,393	48,960		12,242
Total Fund and Account Group Equity		51,393	48,960		12,242

Balance Sheet December 31st, 2001

Proprietary Funds		Fiduciary Funds	Account Groups		Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>General Fixed Assets</i>	<i>General Long Term Debt</i>	<i>Memorandum Only</i>
150,303		2,185,558			2,448,456
1,333,790			1,950,130		3,283,920
				209,559	209,559
1,484,093		2,185,558	1,950,130	209,559	5,941,935

TOTAL ASSETS	\$ 5,941,935
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		14,951			14,951
792,663				209,559	1,002,222
792,663		14,951		209,559	1,017,173

TOTAL LIABILITIES	\$ 1,017,173
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			1,950,130		1,950,130
691,430		2,170,607			2,974,632
691,430		2,170,607	1,950,130		4,924,762

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	\$ 5,941,935
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Statement of Revenues and Expenditures

REVENUES		Governmental Funds		
Taxes		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects
301.00	Real Estate Taxes	600,140		
305.00	Occupation Taxes/Levied Under Municipal Code			
308.00	Residence Taxes/Levied By Cities of the 3 rd Class			
310.00	Per Capita Taxes	13,125		
310.10	Real Estate Transfer Taxes	41,968		
310.20	Earned Income Taxes/Wage Taxes			
310.30	Mercantile Taxes			
310.40	Occupation Taxes/Act 511			
310.50	Occupation Privilege Taxes	45,228		
310.60	Amusement/Admission Taxes			
310.70	Mechanical Device Taxes			
310.80	Business Privilege Taxes			
310.90	Other Local Tax Enabling Act/Act 511/Taxes <i>(Please List)</i>			
Total Taxes		700,461		

Licenses and Permits				
320.00	All Other Licenses and Permits	5,415		
321.80	Cable Television Franchise Fees			
Total Licenses and Permits		5,415		

Fines and Forfeits				
330.00	Fines and Forfeits	61,901		

Interest, Rents, and Royalties				
341.00	Interest Earnings	5,509	1,082	
342.00	Rents and Royalties			
Total Interest, Rents and Royalties		5,509	1,082	

Statement of Revenues and Expenditures

	Proprietary Funds		Fiduciary Fund Type	Total
	<i>Debt Service</i>	<i>Enterprise</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
65,737			6,574	672,451
				13,125
				41,968
				45,228
65,737			6,574	772,772

				5,415
				5,415

				61,901
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516	8,614		72,237	87,958
516	8,614		72,237	87,958

Statement of Revenues and Expenditures

INTERGOVERNMENTAL REVENUES		Governmental Funds		
Federal		<i>General Fund</i>	<i>Special Revenue (Including State Liquid Fuels)</i>	<i>Capital Projects</i>
351.03	Highways and Streets			
351.09	Community Development			
351.99	All Other Federal Grants		61,700	
352.08	National Forest Products			
352.99	All Other Federal Shared Revenue and Entitlements			
353.00	Federal Payments in Lieu of Taxes			
Total Federal			61,700	

State				
354.03	Highways and Streets			
354.09	Community Development			
355.01	Public Utility Realty Tax	1,521		
355.02	Motor Vehicle Fuel Tax	2,041	82,354	
355.06	General Municipal Pension System State Aid			
355.08	Alcoholic Beverage Taxes/Beverage Licenses	1,550		
355.09	Recycling/Act 101	6,909		
355.99	All Other Shared Revenues and Entitlements		11,684	
356.00	State Payments in Lieu of Taxes			
Total State		12,021	94,038	

Local Governmental Units				
357.03	Highways and Streets			
357.99	All Other Local Governmental Unit Grants	1,600		
359.00	Local Governmental Unit Payments in Lieu of Taxes	2,500		
Total Local Government Units		4,100		

Charges for Service				
361.00	General Government	2,358		
362.00	Public Safety	35,950		
363.20	Parking/Parking Meters, Permits	91,194		
363.99	All Other Charges for Highway & Streets Services	9,737		
364.10	Wastewater/Sewage			
364.30	Solid Waste Collection/Trash			
364.60	Host Municipality Fee for Solid Waste Facility			
364.99	Other Charges for Sanitation Services			
365.00	Health			
367.00	Culture and Recreation	29,109		
378.00	Water System			
379.00	Other Charges for Service			
Total Charges for Service		168,348		

Statement of Revenues and Expenditures

	Proprietary Funds		Fiduciary Fund Type	Total
	<i>Debt Service</i>	<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>
				61,700
				61,700

				1,521
				84,395
			16,415	16,415
				1,550
				6,909
				11,684
			16,415	122,474

				1,600
				2,500
				4,100

Total Intergovernmental Revenues	\$ 188,274
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				2,358
				35,950
				91,194
				9,737
	738,889			738,889
				29,109
	738,889			907,237

Statement of Revenues and Expenditures

Miscellaneous Revenues		Governmental Funds		
		<i>General Fund</i>	<i>Special Revenue (Including State Liquid Fuels)</i>	<i>Capital Projects</i>
383.00	Special Assessments			
387.00	Contributions and Donations from Private Sectors			
389.00	All Other Miscellaneous Revenues	1,674		
Total Miscellaneous Revenues		1,674		

Other Financing Sources				
391.00	Proceeds of General Fixed Asset Distribution	406		
392.00	Interfund Operating Transfers	105,000		
393.00	Proceeds of General Long Term Debt			
394.00	Proceeds of Tax and Revenue Anticipation Notes	250,000		
395.00	Refunds of Prior Year Expenditures	765		
Total Other Financing Sources		356,171		

TOTAL REVENUES	1,315,600	156,820	
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EXPENDITURES				
General Government				
400.00	Legislative/Governing Body	19,794		
401.00	Executive/Manager or Mayor			
402.00	Auditing Services/Bookkeeping Services			
403.00	Tax Collection	17,020		
404.00	Solicitor/Legal Services	4,644		
405.00	Secretary/Clerk	77,658		
406.00	Other General Government Administration			
408.00	Engineering Services			
409.00	General Government Buildings and Plant	28,342		
Total General Government		147,458		

Statement of Revenues and Expenditures

	Proprietary Funds		Fiduciary Fund Type	Total
	<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
<i>Debt Service</i>				
			13,875	15,549
			13,875	15,549

				406
	300			105,300
				250,000
				765
	300			356,471

66,253	747,803		109,101	2,395,577
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				19,794
				17,020
				4,644
				77,658
				28,342
				147,458

Statement of Revenues and Expenditures

Public Safety		Governmental Funds		
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects
410.00	Police	538,348	33,679	
411.00	Fire	35,285		
412.00	Ambulance/Rescue	2,488		
413.00	Protective Inspection			
414.00	Planning and Zoning	15,940		
415.00	Emergency Management			
419.00	Other Public Safety			
Total Public Safety		592,061	33,679	

Health and Human Services				
420.00	Health and Human Services			

Public Works - Sanitation				
426.00	Recycling Collection and Disposal	17,492		
427.00	Solid Waste Collection and Disposal			
429.00	Wastewater/Sewage Collection and Treatment			
Total Public Works – Sanitation		17,492		

Public Works – Highways and Streets				
430.00	General Services	208,905	21,963	
431.00	Cleaning of Streets			
432.00	Winter Maintenance		15,215	
433.00	Traffic Control Devices			
434.00	Street Lighting	50,384		
435.00	Sidewalks and Crosswalks			
436.00	Storm Sewers and Drains			
437.00	Repairs of Tools and Machinery	40,879		
438.00	Road and Bridge Maintenance		2,283	
439.00	Construction and Rebuilding Projects		42,625	
Total Public Works – Highways and Streets		300,168	82,086	

Statement of Revenues and Expenditures

	Proprietary Funds		Fiduciary Fund Type	Total
	<i>Debt Service</i>	<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>
				572,027
				35,285
				2,488
				15,940
				625,740

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				17,492
	490,854			490,854
	142,624			142,624
	633,478			650,970

				230,868
				15,215
				50,384
				40,879
				2,283
				42,625
				382,254

Statement of Revenues and Expenditures

Other Public Works Enterprises		Governmental Funds		
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects
440.00	Airports			
441.00	Cemeteries			
442.00	Electric System			
443.00	Gas System			
444.00	Markets			
445.00	Parking Facilities	17,456		
446.00	Storm Water and Flood Control			
447.00	Transit System			
448.00	Water System			
449.00	Water Transport and Terminals			
	Other Public Works and Enterprises			
Total Other Public Works Enterprises		17,456		

Culture and Recreation				
451.00	Recreation	51,276		
454.00	Parks	36,109		
455.00	Shade Trees			
456.00	Libraries			
458.00	Senior Citizen Centers			
459.00	Other Culture and Recreation	600		
Total Culture and Recreation		87,985		

Community Development				
461.00	Conservation of Natural Resources			
462.00	Community Development and Housing			
465.00	Economic Development and Assistance			
466.00	Economic Opportunity			
468.00	Other Community Development			
Total Community Development				

Statement of Revenues and Expenditures

	Proprietary Funds		Fiduciary Fund Type	Total
	<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
<i>Debt Service</i>				
				17,456
				17,456

				51,276
				36,109
				600
				87,985

Statement of Revenues and Expenditures

Debt Service		Governmental Funds		
		General Fund	<i>Special Revenue (Including State Liquid Fuels)</i>	Capital Projects
471.00	Debt Principal			
472.00	Debt Interest			
473.00	Tax Anticipation Note/Principal	150,000		
474.00	Tax Anticipation Note/Interest	4,720		
475.00	Fiscal Agent Fees			
Total Debt Service		154,720		

Miscellaneous Expenditures				
481.00	Intergovernmental Expenditures		659	
482.00	Judgments and Losses	11,446		
483.00	Pension/Retirement Fund Contributions			
484.00	Workers Compensation			
485.00	Unemployment Compensation			
486.00	Insurance Premiums	13,050		
487.00	Employee Benefits Not Allocated to Specific Functions			
489.00	Other Miscellaneous Expenditures	845	5	
Total Miscellaneous Expenditures		25,341	664	

Other Financing Uses				
491.00	Refund of Prior Year Revenues			
492.00	Interfund Operating Transfers		29,300	
493.00	Other Financing Uses			
Total Other Financing Uses			29,300	

TOTAL EXPENDITURES	1,342,681	145,729	
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	(27,081)	11,091	
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Statement of Revenues and Expenditures

	Proprietary Funds		Fiduciary Fund Type	Total
	<i>Debt Service</i>	<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>
34,497				34,497
6,751	36,238			42,989
25,000				175,000
				4,720
66,248	36,238			257,206

				659
				11,446
			23,263	23,363
				13,050
			152,497	153,347
			175,860	201,865

	76,000			105,300
			96,109	96,109
	76,000		96,109	201,409

66,248	745,716		271,969	2,572,343
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5	2,087		(162,868)	(176,766)
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DEBT STATEMENT

↓ List Each Issue or Loan ↓	Year of Issue	Original Amount of Issue	Outstanding January 1 st or Issued During Year	Principal Paid During Year	Principal Outstanding December 31 st
General Obligation Bonds and Notes					
General Obligation Note	1995	325,000	152,268	34,497	117,771
Revenue Bonds and Notes					
Lease Rental Debt					
Tax and Revenue Anticipation Notes					
Tax Anticipation Note	2001	250,000	250,000	175,000	75,000
Other					
Pennvest Loan	1991	1,996,917	932,337	139,674	792,663
Lease/Purchase Agreement	2000	32,683	27,587	10,799	16,788

TOTAL DEBT AND REVENUE ANTICIPATION NOTES	1,002,222
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STATEMENT OF CAPITAL EXPENDITURES

Category	Capital Purchases	Capital Construction	Total
Electric			
Fire			
Gas System			
General Government	4,567		4,567
Health			
Housing			
Libraries			
Mass Transit			
Parks	13,170		13,170
Police			
Sewer	12,800		12,800
Solid Waste			
Streets/Highways	8,369	42,624	50,993
Water			
Other (Please specify)			

TOTAL CAPITAL EXPENDITURES	81,530
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TAX RATES, CENSUS AND OTHER INFORMATION

Assessed Value of Real Estate as of December 31st \$ 13,944,660

Tax Rate:

General Purposes	<u>30</u>	Mills
Debt Purposes	<u>5</u>	Mills
All Other Purposes	<u>13</u>	Mills
Total	<u>48</u>	Mills

Employee Compensation:

Total salaries, wages, commissions, etc. paid this year. \$ 753,310
 (including all employees and elected officials)

*USE INCOME FROM W-3 STATEMENT

INDEPENDENT AUDITORS' REPORT

To the Borough Council
of the Borough of Honesdale,
Wayne County, Pennsylvania:

We have audited the accompanying financial statements – cash basis of the Borough of Honesdale, Wayne County, Pennsylvania (the "Borough") as of and for the year ended December 31, 2001, as listed in the table of contents. These financial statements are the responsibility of the Borough's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

As also discussed in Note 1 to the financial statements, the Borough has stated certain general fixed assets at values other than cost, which is a departure from the cash basis of accounting. The effect of stating general fixed assets at values other than cost or estimated cost is not reasonably determinable.

In our opinion, except for the effects of not stating general fixed assets at cost or estimated cost as described in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of the Borough of Honesdale, Wayne County, Pennsylvania as of December 31, 2001, and the revenues it received and expenditures it paid for the year then ended, on the basis of accounting described in Note 1.

As discussed in Note 10 to the financial statements, the Borough changed its method of reporting investments of the Pension Trust Fund in 2001. As also described in Note 10, the Borough recorded fixed assets and debt in its Enterprise Fund in 2001.

Carente Randolph, P.C.

Honesdale, Pennsylvania
March 15, 2002