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**GORDON BOROUGH
ANNUAL AUDIT
AND
FINANCIAL REPORT
DECEMBER 31, 2013**

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BALANCE SHEET December 31, 2013

		GOVERNMENTAL FUNDS			
		General Fund	Special Revenue	Capital Projects	Debt Service
ASSETS AND OTHER DEBITS					
100-120	Cash and Investments	155,271	138,927		
140-144	Tax Receivable				
121-149	Accounts Receivable (excluding taxes)				
130	Due From Other Funds				
150-159	Other Current Assets				
160-169	Fixed Assets				
180-199	Other Debits				
TOTAL ASSETS AND OTHER DEBITS		\$ 155,271	\$ 138,927	\$ -	\$ -

LIABILITIES AND OTHER CREDITS

210-229	Payroll Taxes and Other Payroll Withholdings				
200-239	All Other Current Liabilities				
230	Due To Other Funds				
260-269	Long Term Liabilities				
240-259	Current Portion Long-Term Debt & Other Credits				
TOTAL LIABILITIES AND OTHER CREDITS		\$ -	\$ -	\$ -	\$ -

FUND AND ACCOUNT GROUP EQUITY

281-284	Contributed Capital				
290	Investment in General Fixed Assets				
270-289	Fund Balance/Retained Earnings 12/31	155,271	138,927		
291-299	Other Equity				
TOTAL FUND AND ACCOUNT GROUP EQUITY		\$ 155,271	\$ 138,927	\$ -	\$ -

BALANCE SHEET December 31, 2013

		ENTERPRISE FUNDS EDUCATION ACCOUNT GROUP TOTAL					
ASSETS AND OTHER DEBITS		Enterprise	Internal Service	Trust & Agency	General Fixed Assets	Gen Long Term Debt	Memorandum Only
100-120	Cash and Investments	412,602					706,800
140-144	Tax Receivable						-
121-149	Accounts Receivable (excluding taxes)						-
^130	Due From Other Funds						-
150-159	Other Current Assets						-
160-169	Fixed Assets						-
180-199	Other Debits						-
TOTAL ASSETS AND OTHER DEBITS		\$ 412,602	\$ -	\$ -	\$ -	\$ -	\$ 706,800

LIABILITIES AND OTHER CREDITS							
210-229	Payroll Taxes and Other Payroll Withholdings						-
200-239	All Other Current Liabilities						-
^230	Due To Other Funds						-
200-269	Long Term Liabilities						-
240-259	Current Portion Long-Term Debt & Other Credits						-
TOTAL LIABILITIES AND OTHER CREDITS		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FUND AND ACCOUNT GROUP EQUITY							
281-284	Contributed Capital						-
^290	Investment in General Fixed Assets						-
270-289	Fund Balance/Retained Earnings 12/31	412,602					706,800
291-299	Other Equity						-
TOTAL FUND AND ACCOUNT GROUP EQUITY		\$ 412,602	\$ -	\$ -	\$ -	\$ -	\$ 706,800

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY

\$ 706,800

STATEMENT OF REVENUES AND EXPENDITURES December 31, 2013

REVENUES		GOVERNMENTAL FUNDS			
		General Fund	Special Revenue	Capital Projects	Debt Service
TAXES					
301.00	Real Estate Taxes	90,311			
305.00	Occupation Taxes/ Levies under Municipal Code				
308.00	Residence Taxes/Levied by Cities 3rd Class				
309.00	Regional Asset District Sales Tax				
310.00	Per Capita Taxes				
310.10	Real Estate Transfer Taxes	2,449			
310.20	Earned Income/Wage Taxes	77,147			
310.30	Business Gross Receipts Tax				
310.40	Occupation Taxes(levied under Act 511)				
310.50	Local Services Tax	4,263			
310.60	Amusement/Admission Taxes				
310.70	Mechanical Device Taxes				
310.90	Other Local Enabling Act/Act 511/Taxes				
TOTAL TAXES		\$ 174,170	\$ -	\$ -	\$ -

LICENSES AND PERMITS					
320-322	All Other Licenses and Permits	2,060			
321.80	Cable Television Franchise Fees				
TOTAL LICENSES AND PERMITS		\$ 2,060	\$ -	\$ -	\$ -

FINES AND FORFEITS					
330-332	Fines and Forfeits	1,099			
TOTAL FINES AND FORFEITS		\$ 1,099	\$ -	\$ -	\$ -

341.00	Interest Earnings	1,103	691		
342.00	Rents and Royalties	2,160			
TOTAL INTEREST, RENTS AND ROYALTIES		\$ 3,263	\$ 691	\$ -	\$ -

STATEMENT OF REVENUES AND EXPENDITURES December 31, 2013

REVENUES		PROPRIETARY FUNDS	FIDUCIARY FUND	TOTAL	
TAXES		Enterprise	Internal Service	Trust and Agency	Memorandum Only
301.00	Real Estate Taxes				90,311
305.00	Occupation Taxes/ Levies under Municipal Code				-
308.00	Residence Taxes/Levied by Cities 3rd Class				-
309.00	Regional Asset District Sales Tax				-
310.00	Per Capita Taxes				-
310.10	Real Estate Transfer Taxes				2,449
310.20	Earned Income/Wage Taxes				77,147
310.30	Business Gross Receipts Tax				-
310.40	Occupation Taxes(levied under Act 511)				-
310.50	Local Services Tax				4,263
310.60	Amusement/Admission Taxes				-
310.70	Mechanical Device Taxes				-
310.90	Other Local Enabling Act/Act 511/Taxes				-
					-
					-
					-
					-
					-
TOTAL TAXES		\$ -	\$ -	\$ -	\$ 174,170

LICENSES AND PERMITS

320-322	All Other Licenses and Permits				2,060
321.80	Cable Television Franchise Fees				-
TOTAL LICENSES AND PERMITS		\$ -	\$ -	\$ -	\$ 2,060

FINES AND FORFEITS

330-332	Fines and Forfeits				1,099
TOTAL FINES AND FORFEITS		\$ -	\$ -	\$ -	\$ 1,099

INTEREST, RENTS AND ROYALTIES

341.00	Interest Earnings	4,267			6,061
342.00	Rents and Royalties				2,160
TOTAL INTEREST, RENTS AND ROYALTIES		\$ 4,267	\$ -	\$ -	\$ 8,221

STATEMENT OF REVENUES AND EXPENDITURES December 31, 2013

INTERGOVERNMENTAL REVENUES		GOVERNMENTAL FUNDS			
FEDERAL		General Fund	Special Revenue	Capital Projects	Debt Service
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				
TOTAL FEDERAL		\$ -	\$ -	\$ -	\$ -

STATE					
354.03	Highways and Streets				
354.09	Community Development				
354.15	Recycling/Act 101				
354.00	All Other State Capital and Operating Grants				
355.01	Public Utility Realty Tax (PURTA)				
355.02	Motor Vehicle Fuel Tax and State Road Turnback		17,735		
355.04	Alcoholic Beverage Licenses				
355.05	General Municipal Pension System State Aid				
355.07	Foreign Fire Insurance Tax Distribution	3,948			
355.08	Local Share Assessment/Gaming Proceeds				
355.09	Marcellus Shale Impact Fee Distribution				
355.00	All Other State Shared Revenues and Entitlements				
356.00	State Payments in Lieu of Taxes				
TOTAL STATE		\$ 3,948	\$ 17,735	\$ -	\$ -

LOCAL GOVERNMENT UNITS					
357.03	Highways and Streets				
357.00	All Other Local Government Unit Capital and Operating Grants				
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services				
359.00	Local Government Unit and Authorities Payments in Lieu of Taxes				
TOTAL LOCAL GOVERNMENT UNITS		\$ -	\$ -	\$ -	\$ -

STATEMENT OF REVENUES AND EXPENDITURES December 31, 2013

INTERGOVERNMENTAL REVENUES		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
FEDERAL		Enterprise	Internal Service	Trust and Agency	Memorandum Only
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				-
TOTAL FEDERAL		\$ -	\$ -	\$ -	\$ -

STATE					
354.03	Highways and Streets				-
354.09	Community Development				-
354.15	Recycling/Act 101				-
354.00	All Other State Capital and Operating Grants				-
355.01	Public Utility Realty Tax (PURTA)				-
355.02	Motor Vehicle Fuel Tax and State Road Turnback				17,735
355.04	Alcoholic Beverage Licenses				-
355.05	General Municipal Pension System State Aid				-
355.07	Foreign Fire Insurance Tax Distribution				3,948
355.08	Local Share Assessment/Gaming Proceeds				-
355.09	Marcellus Shale Impact Fee Distribution				-
355.00	All Other State Shared Revenues and Entitlements				-
356.00	State Payments in Lieu of Taxes				-
TOTAL STATE		\$ -	\$ -	\$ -	\$ 21,683

LOCAL GOVERNMENT UNITS					
357.03	Highways and Streets				-
357.00	All Other Local Government Unit Capital and Operating Grants				-
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services				-
359.00	Local Government Unit and Authorities Payments in Lieu of Taxes				-
TOTAL LOCAL GOVERNMENT UNITS		\$ -	\$ -	\$ -	\$ -

TOTAL INTERGOVERNMENTAL REVENUES	\$ 21,683
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STATEMENT OF REVENUES AND EXPENDITURES December 31, 2013

REVENUES		GOVERNMENTAL FUNDS			
		General Fund	Special Revenue	Capital Projects	Debt Service
CHARGES FOR SERVICES					
361.00	General Government				
362.00	Public Safety				
363.20	Parking				
363.00	All Other Charges for Highways & Street Service				
364.10	Wastewater/Sewage Charges				
364.30	Solid Waste Collection & Disposal Charge (trash)				
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				
368.00	Airports				
369.00	Bars				
370.00	Cemeteries				
372.00	Electric System				
373.00	Gas System				
374.00	Housing System				
375.00	Markets				
377.00	Transit Systems				
378.00	Water System				
379.00	All Other Charges for Service				
TOTAL CHARGES FOR SERVICES		\$ -	\$ -	\$ -	\$ -

UNCLASSIFIED OPERATING REVENUES

383.00	Assessments				
386.00	Escheats (sale of personal property)				
387.00	Contributions and Donations from Private Sectors	5,747			
388.00	Fiduciary Fund Pension Contributions				
389.00	All Other Unclassified Operating Revenues	150			
TOTAL UNCLASSIFIED OPERATING REVENUES		\$ 5,897	\$ -	\$ -	\$ -

OTHER FINANCING SOURCES

391.00	Proceeds of General Fixed Asset Disposition				
392.00	Interfund Operating Transfers				
393.00	Proceeds of General Long-Term Debt				
394.00	Proceeds of Short-Term Debt				
395.00	Refunds of Prior Year Expenditures	2,893			
TOTAL OTHER FINANCING SOURCES		\$ 2,893	\$ -	\$ -	\$ -

TOTAL REVENUES		\$ 193,330	\$ 18,426	\$ -	\$ -
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STATEMENT OF REVENUES AND EXPENDITURES December 31, 2013

REVENUES		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
		Enterprise	Internal Service	Trust and Agency	Memorandum Only
CHARGES FOR SERVICES					
361.00	General Government				-
362.00	Public Safety				-
363.20	Parking				-
363.99	All Other Charges for Highways & Street Service				-
364.10	Wastewater/Sewage Charges	140,585			140,585
364.30	Solid Waste Collection & Disposal Charge (trash)				-
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				-
368.00	Airports				-
369.00	Bars				-
370.00	Cemeteries				-
372.00	Electric System				-
373.00	Gas System				-
374.00	Housing System				-
375.00	Markets				-
377.00	Transit Systems				-
378.00	Water System				-
379.00	All Other Charges for Service				-
TOTAL CHARGES FOR SERVICES		\$ 140,585	\$ -	\$ -	\$ 140,585
UNCLASSIFIED OPERATING REVENUES					
383.00	Assessments				-
386.00	Escheats (sale of personal property)				-
387.00	Contributions and Donations from Private Sectors				5,747
388.00	Fiduciary Fund Pension Contributions				-
389.00	All Other Unclassified Operating Revenues				150
TOTAL UNCLASSIFIED OPERATING REVENUES		\$ -	\$ -	\$ -	\$ 5,897
OTHER FINANCING SOURCES					
391.00	Proceeds of General Fixed Asset Disposition				-
392.00	Interfund Operating Transfers	4,431			4,431
393.00	Proceeds of General Long-Term Debt	670,000			670,000
394.00	Proceeds of Short-Term Debt				-
395.00	Refunds of Prior Year Expenditures				2,893
TOTAL OTHER FINANCING SOURCES		\$ 674,431	\$ -	\$ -	\$ 677,324
TOTAL REVENUES		\$ 819,283	\$ -	\$ -	\$ 1,031,039

STATEMENT OF REVENUES AND EXPENDITURES December 31, 2013

EXPENDITURES		GOVERNMENTAL FUNDS			
		General Fund	Special Revenue	Capital Projects	Debt Service
GENERAL GOVERNMENT					
400.00	Legislative (Governing) Body				
401.00	Executive (Manager or Mayor)	600			
402.00	Auditing Services/Financial Administration	2,500			
403.00	Tax Collection	5,544			
404.00	Solicitor/Legal Services	4,175			
405.00	Secretary/Clerk	21,520			
406.00	Other General Government Administration	11,257			
407.00	IT Network Services-Data Processing				
408.00	Engineering Services	14,655			
409.00	General Government Buildings and Plant	15,213			
TOTAL GENERAL GOVERNMENT		\$ 75,464	\$ -	\$ -	\$ -

PUBLIC SAFETY					
410.00	Police	30,250			
411.00	Fire	16,964			
412.00	Ambulance/Rescue				
413.00	UCC and Code Enforcement	749			
414.00	Planning and Zoning				
415.00	Emergency Management & Communications				
416.00	Militia and Armories				
417.00	Examination of Licensed Occupations				
418.00	Public Scales(weights and measures)				
419.00	Other Public Safety				
TOTAL PUBLIC SAFETY		\$ 47,963	\$ -	\$ -	\$ -

HEALTH AND HUMAN SERVICES

420-425	Health and Human Services				
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PUBLIC WORKS - SANITATION

426.00	Recycling Collection and Disposal				
427.00	Solid Waste Collection and Disposal	5,198			
428.00	Weed Control				
429.00	Wastewater/Sewage Collection and Treatment				
TOTAL PUBLIC WORKS - SANITATION		\$ 5,198	\$ -	\$ -	\$ -

STATEMENT OF REVENUES AND EXPENDITURES December 31, 2013

EXPENDITURES	PROPRIETARY FUNDS		FIDUCIARY FUNDS	TOTAL
	Enterprise	Internal Service	Trust and Agency	Memorandum Only
GENERAL GOVERNMENT				
400.00	Legislative/Governing Body			-
401.00	Executive/Manager or Mayor			600
402.00	Auditing Services/Financial Administration			2,500
403.00	Tax Collection			5,544
404.00	Solicitor/Legal Services	3,484		7,659
405.00	Secretary/Clerk			21,520
406.00	Other General Government Administration	1,301		12,558
407.00	IT Network Services-Data Processing			-
408.00	Engineering Services			14,655
409.00	General Government Buildings and Plant			15,213
TOTAL GENERAL GOVERNMENT		\$ 4,785	\$ -	\$ -
				\$ 80,249

PUBLIC SAFETY

410.00	Police				30,250
411.00	Fire				16,964
412.00	Ambulance/Rescue				-
413.00	UCC and Code Enforcement				749
414.00	Planning and Zoning				-
415.00	Emergency Management & Communications				-
416.00	Militia and Armories				-
417.00	Examination of Licensed Occupations				-
418.00	Public Scales(weights and measures)				-
419.00	Other Public Safety				-
TOTAL PUBLIC SAFETY		\$ -	\$ -	\$ -	\$ 47,963

HEALTH AND HUMAN SERVICES

420-425	Health and Human Services				-
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PUBLIC WORKS - SANITATION

426.00	Recycling Collection and Disposal				-
427.00	Solid Waste Collection and Disposal				5,198
428.00	Weed Control				-
429.00	Wastewater/Sewage Collection and Treatment	75,623			75,623
TOTAL PUBLIC WORKS - SANITATION		\$ 75,623	\$ -	\$ -	\$ 80,821

STATEMENT OF REVENUES AND EXPENDITURES December 31, 2013

EXPENDITURES

GOVERNMENTAL FUNDS

General Fund

Special Revenue

Capital
Projects

Debt Service

PUBLIC WORKS - HIGHWAYS AND STREETS

430.00	General Services - Administration				
431.00	Cleaning of Streets and Gutters				
432.00	Winter Maintenance - Snow Removal		1,400		
433.00	Traffic Control Devices				
434.00	Street Lighting	10,327			
435.00	Sidewalks and Crosswalks				
436.00	Storm Sewers and Drains				
437.00	Repairs of Tools and Machinery				
438.00	Maintenance & Repairs of Roads & Bridges	1,740	130		
439.00	Highway Construction and Rebuilding Projects		17,939		
TOTAL PUBLIC WORKS - HIGHWAYS AND STREETS		\$ 12,067	\$ 19,469	\$ -	\$ -

PUBLIC WORKS - OTHER SERVICES

440.00	Airports				
441.00	Cemeteries				
442.00	Electric System				
443.00	Gas System				
444.00	Markets				
445.00	Parking				
446.00	Storm Water and Flood Control				
447.00	Transit System				
448.00	Water System				
449.00	Water Transport and Terminals				
TOTAL PUBLIC WORKS - OTHER SERVICES		\$ -	\$ -	\$ -	\$ -

CULTURE AND RECREATION

451.00	Culture-Recreation-Administration				
452.00	Participant Recreation				
453.00	Spectator Recreation				
454.00	Parks	654			
455.00	Shade Trees				
456.00	Libraries	25			
457.00	Civil and Military Celebrations				
458.00	Senior Citizen Centers				
459.00	All Other Culture and Recreation				
TOTAL CULTURE AND RECREATION		\$ 679	\$ -	\$ -	\$ -

COMMUNITY DEVELOPMENT

461.00	Conservation of Natural Resources				
462.00	Community Development and Housing				
463.00	Economic Development				
464.00	Economic Opportunity				
465-469	All Other Community Development				
TOTAL COMMUNITY DEVELOPMENT		\$ -	\$ -	\$ -	\$ -

STATEMENT OF REVENUES AND EXPENDITURES December 31, 2013

EXPENDITURES		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
		Enterprise	Internal Service	Trust and Agency	Memorandum Only
PUBLIC WORKS - HIGHWAYS AND STREETS					
430.00	General Services - Administration				-
431.00	Cleaning of Streets and Gutters				-
432.00	Winter Maintenance - Snow Removal				1,400
433.00	Traffic Control Devices				-
434.00	Street Lighting				10,327
435.00	Sidewalks and Crosswalks				-
436.00	Storm Sewers and Drains				-
437.00	Repairs of Tools and Machinery				-
438.00	Maintenance & Repairs of Roads & Bridges				1,870
439.00	Highway Construction and Rebuilding Projects				17,939
TOTAL PUBLIC WORKS - HIGHWAYS AND STREETS		\$ -	\$ -	\$ -	\$ 31,536

PUBLIC WORKS - OTHER SERVICES

440.00	Airports				-
441.00	Cemeteries				-
442.00	Electric System				-
443.00	Gas System				-
444.00	Markets				-
445.00	Parking				-
446.00	Storm Water and Flood Control				-
447.00	Transit System				-
448.00	Water System				-
449.00	Water Transport and Terminals				-
TOTAL PUBLIC WORKS - OTHER SERVICES		\$ -	\$ -	\$ -	\$ -

CULTURE AND RECREATION

451.00	Culture-Recreation-Administration				-
452.00	Participant Recreation				-
453.00	Spectator Recreation				-
454.00	Parks				654
455.00	Shade Trees				-
456.00	Libraries				25
457.00	Civil and Military Celebrations				-
458.00	Senior Citizen Centers				-
459.00	All Other Culture and Recreation				-
TOTAL CULTURE AND RECREATION		\$ -	\$ -	\$ -	\$ 679

COMMUNITY DEVELOPMENT

461.00	Conservation of Natural Resources				-
462.00	Community Development and Housing				-
463.00	Economic Development				-
464.00	Economic Opportunity				-
465-469	All Other Community Development				-
TOTAL COMMUNITY DEVELOPMENT		\$ -	\$ -	\$ -	\$ -

STATEMENT OF REVENUES AND EXPENDITURES December 31, 2013

EXPENDITURES

GOVERNMENTAL FUNDS

General Fund	Special Revenue	Capital Projects	Debt Service
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DEBT SERVICE

471.00	Debt Principal (short-term and long-term)	5,872			
472.00	Debt Interest (short-term and long-term)	3,761			
475.00	Fiscal Agent Fees				
TOTAL DEBT SERVICE		\$ 9,633	\$ -	\$ -	\$ -

EMPLOYER PAID BENEFITS & WITHHOLDING ITEMS

481.00	Employer Paid Withholding Taxes & Unemployment Compensation	2,941			
482.00	Judgements and Losses				
483.00	Pension/Retirement Fund Contributions				
484.00	Worker Compensation Insurance	7,877			
487.00	Group Insurance and Other Benefits	2,037			
EMPLOYER PAID BENEFITS & WITHHOLDING ITEMS		\$ 12,855	\$ -	\$ -	\$ -

INSURANCE

486.00	Insurance, Casualty and Surety	6,875			
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UNCLASSIFIED OPERATING EXPENDITURES

488.00	Fiduciary Fund Benefits and Refunds Paid				
489.00	All Other Unclassified Expenditures				
TOTAL UNCLASSIFIED OPERATING EXPENDITURES		\$ -	\$ -	\$ -	\$ -

OTHER FINANCING USES

491.00	Refund of Prior Years Revenues				
492.00	Interfund Operating Transfers	4,431			
493.00	All Other Financing Uses				
TOTAL OTHER FINANCING USES		\$ 4,431	\$ -	\$ -	\$ -

TOTAL EXPENDITURES	\$ 175,165	\$ 19,469	\$ -	\$ -
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	\$ 18,165	\$ (1,043)	\$ -	\$ -
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STATEMENT OF REVENUES AND EXPENDITURES December 31, 2013

EXPENDITURES	PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust and Agency	Memorandum Only
DEBT SERVICE				
471.00 Debt Principal (short-term and long-term)	665,085			670,957
472.00 Debt Interest (short-term and long-term)	32,241			36,002
475.00 Fiscal Agent Fees	24,100			24,100
TOTAL DEBT SERVICE	\$ 721,426	\$ -	\$ -	\$ 731,059

EMPLOYER PAID BENEFITS & WITHHOLDING ITEMS

481.00 Employer Paid Withholding Taxes & Unemployment Compensation	1,288			4,229
482.00 Judgements and Losses	200			200
483.00 Pension/Retirement Fund Contributions				-
484.00 Worker Compensation Insurance				7,877
487.00 Group Insurance and Other Benefits				2,037
EMPLOYER PAID BENEFITS & WITHHOLDING ITEMS	\$ 1,488	\$ -	\$ -	\$ 14,343

INSURANCE

486.00 Insurance, Casualty and Surety				6,875
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UNCLASSIFIED OPERATING EXPENDITURES

488.00 Fiduciary Fund Benefits and Refunds Paid				-
489.00 All Other Unclassified Expenditures				-
TOTAL UNCLASSIFIED OPERATING EXPENDITURES	\$ -	\$ -	\$ -	\$ -

OTHER FINANCING USES

491.00 Refund of Prior Years Revenues				-
492.00 Interfund Operating Transfers				4,431
493.00 All Other Financing Uses				-
TOTAL OTHER FINANCING USES	\$ -	\$ -	\$ -	\$ 4,431

TOTAL EXPENDITURES	\$ 803,322	\$ -	\$ -	\$ 997,956
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	\$ 15,961	\$ -	\$ -	\$ 33,083
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[illegible]

EMPLOYEE COMPENSATION	
Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)	\$ 40,359

LETTICH AND ZIPAY
CERTIFIED PUBLIC ACCOUNTANTS
2500 WEST END AVENUE, SUITE 10
POTTSVILLE, PA 17901
570-622-8761

NORMAN R. LETTICH, CPA
ELIZABETH C. ZIPAY, CPA

MEMBERS:
AMERICAN INSTITUTE OF CPAs
PENNSYLVANIA INSTITUTE OF CPAs

INDEPENDENT AUDITOR'S REPORT

Borough Council
Borough of Gordon
Commonwealth of Pennsylvania

We have audited the accompanying financial statements of the general fund and special revenue funds, included in the Department of Community and Economic Development's (DCED) prescribed form of the Borough of Gordon, Commonwealth of Pennsylvania, as of and for the year ended December 31, 2013, which collectively comprise the basic financial statements as shown in the DCED prescribed form.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements included in DCED's prescribed form in accordance with the cash basis of accounting, which is permitted, by the Pennsylvania Department of Community and Economic Development, Governor's Center for Local Government Services as described in section entitled "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles". This includes determining that the 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 an opinion on these financial statements included in DCED's prescribed form 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 included in the DCED's prescribed form 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 Borough's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we express no such opinion. An audit also includes

evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made, by management, as well as evaluating the overall presentation of the financial statements.

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

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

As described below, the Borough prepared these financial statements included in DCED's prescribed form using the cash basis of accounting that is permitted by the Pennsylvania Department of Community and Economic Development, Governor's Center for Local Government Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the cash basis of accounting and accounting principles generally accepted in the United States of America are that revenues are recorded when received rather than earned and expenditures are recognized when paid rather than when incurred. Fixed assets, improvements, and infrastructure assets are not capitalized instead; capital acquisitions and construction are reflected as expenditures. Accounts payable, accrued expenses, and long-term debt are not recognized as liabilities under the cash basis. When the proceeds of the debt are received, they are recorded as revenues and other financing sources. As the debt and expenses are paid, the principal payments are recorded as expenditures.

Also, management of the Borough of Gordon, Commonwealth of Pennsylvania has not presented a management's discussion and analysis and budget versus actual report that accounting principles generally accepted in the United States 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.

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" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Gordon, Commonwealth of Pennsylvania as of December 31, 2013, or the changes in its financial position for the year then ended.

Opinion on Cash Basis of Accounting used to prepare the DCED prescribed form

In our opinion, the financial statements included in the prescribed form referred to above present fairly, in all material respects, the respective assets, liabilities, and fund balances of the general fund and special revenue funds of the Borough of Gordon, Commonwealth of Pennsylvania, as of December 31, 2013 and its revenues and expenditures for the year then ended, on the basis of accounting described in the fourth paragraph above.

Other-Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The DCED required accompanying financial information listed as "Debt Statement, Statement of Capital Expenditures, and Employee Compensation Schedule" is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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.

Restriction on Use

This report is intended solely for the information and use of the governing body and management of the Borough of Gordon, Commonwealth of Pennsylvania, and for filing with the Pennsylvania Department of Community and Economic Development and the Schuylkill County Clerk of Courts and is not intended to be and should not be used by anyone other than these specified parties.


Lettich and Zipay
Certified Public Accountants

March 24, 2015