

**2017 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

023573 WEST HOMESTEAD BORO, ALLEGHENY COUNTY

WEST HOMESTEAD BORO, ALLEGHENY County

BALANCE SHEET

December 31, 2017

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									1,391,307	1,391,307
240-259	Current Portion of Long-Term Debt and Other Credits									84,411	84,411
Total Liabilities and Other Credits		59,827				126,576				1,475,718	1,662,121
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	648,015	135,507		26	836,567		3,164,083			4,784,198
291-299	Other Equity										
Total Fund and Account Group Equity		648,015	135,507		26	836,567		3,164,083			4,784,198
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											6,446,319

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Taxes

301.00	Real Estate Taxes	1,182,934	45,176					1,228,110
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)	65,791						65,791
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	19,346						19,346
310.20	Earned Income Taxes / Wage Taxes	176,762						176,762
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	59,125						59,125
310.60	Amusement / Admission Taxes	39,781						39,781
310.70	Mechanical Device Taxes	3,650						3,650
310.90	Other: Parking (dollars)	100,795						100,795
	Other: _____							
Total Taxes		1,648,184	45,176					1,693,360

Licenses and Permits

320-322	All Other Licenses and Permits	26,212						26,212
321.80	Cable Television Franchise Fees	54,809						54,809
Total Licenses and Permits		81,021						81,021

Fines and Forfeits

330-332	Fines and Forfeits	15,306	72,212					87,518
Total Fines and Forfeits		15,306	72,212					87,518

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Interest, Rents and Royalties									
341.00	Interest Earnings	1,963	382			2,640		390,484	395,469
342.00	Rents and Royalties								
Total Interest, Rents and Royalties		1,963	382			2,640		390,484	395,469

Federal									
351.03	Highways and Streets								
351.09	Community Development								
351.00	All Other Federal Capital and Operating Grants	14,372							14,372
352.01	National Forest								
352.00	All Other Federal Shared Revenue and Entitlements								
353.00	Federal Payments in Lieu of Taxes								
Total Federal		14,372							14,372

State									
354.03	Highways and Streets	5,918							5,918
354.09	Community Development								
354.15	Recycling / Act 101								
354.00	All Other State Capital and Operating Grants	43,718							43,718
355.01	Public Utility Realty Tax (PURTA)	1,682							1,682
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		60,866						60,866
355.04	Alcoholic Beverage Licenses	2,600							2,600
355.05	General Municipal Pension System State Aid	37,257							37,257
355.07	Foreign Fire Insurance Tax Distribution	11,477							11,477
355.08	Local Share Assessment/Gaming Proceeds								
355.09	Marcellus Shale Impact Fee Distribution	248							248

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

State								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
Total State		102,900	60,866					163,766

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants							
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services	38,334						38,334
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units		38,334						38,334

Charges for Service								
361.00	General Government	4,426						4,426
362.00	Public Safety	68,467						68,467
363.20	Parking							
363.00	All Other Charges for Highway & Street Services		325					325
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				833,879			833,879
364.30	Solid Waste Collection and Disposal Charge (trash)	117,917						117,917
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	150						150
368.00	Airports							

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service							
Total Charges for Service		190,960	325			833,879		1,025,164

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	12,860						12,860
388.00	Fiduciary Fund Pension Contributions						75,914	75,914
389.00	All Other Unclassified Operating Revenues							
Total Unclassified Operating Revenues		12,860					75,914	88,774

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	48,360						48,360
392.00	Interfund Operating Transfers	45,201						45,201
393.00	Proceeds of General Long-Term Debt					320,315		320,315
394.00	Proceeds of Short Term-Debt							

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures							
Total Other Financing Sources		93,561			320,315			413,876

TOTAL REVENUES

2,199,461	178,961			1,156,834		466,398	4,001,654
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	14,993						14,993
401.00	Executive (Manager or Mayor)	52,841						52,841
402.00	Auditing Services / Financial Administration	7,250						7,250
403.00	Tax Collection	30,829						30,829
404.00	Solicitor / Legal Services	57,126						57,126
405.00	Secretary / Clerk	66,178						66,178
406.00	Other General Government Administration	62,960						62,960
407.00	IT-Networking Services-Data Processing	9,696						9,696
408.00	Engineering Services	31,269						31,269
409.00	General Government Buildings and Plant	25,220						25,220
Total General Government		358,362						358,362

Public Safety

410.00	Police	823,739						823,739
411.00	Fire	139,715						139,715
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	12,909						12,909

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Safety

414.00	Planning and Zoning							
415.00	Emergency Management and Communications	7,700						7,700
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety	11,520						11,520
Total Public Safety		995,583						995,583

Health and Human Services

420.00-425.00	Health and Human Services	1,525						1,525
Total Health and Human Services		1,525						1,525

Public Works - Sanitation

426.00	Recycling Collection and Disposal	238						238
427.00	Solid Waste Collection and Disposal (garbage)	106,539						106,539
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				954,523			954,523
Total Public Works - Sanitation		106,777			954,523			1,061,300

Public Works - Highways and Streets

430.00	General Services - Administration	191,522	386					191,908
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	10,027						10,027
433.00	Traffic Control Devices	4,739						4,739
434.00	Street Lighting	62,947						62,947

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Works - Highways and Streets								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains				22,285			22,285
437.00	Repairs of Tools and Machinery	6,579						6,579
438.00	Maintenance and Repairs of Roads and Bridges	288						288
439.00	Highway Construction and Rebuilding Projects	34,600	60,362					94,962
Total Public Works - Highways and Streets		310,702	60,748		22,285			393,735

Other Public Works Enterprises								
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 Other Public Works Enterprises								

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	124,681						124,681

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries	26,773						26,773
457.00	Civil and Military Celebrations	1,732						1,732
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		153,186						153,186

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing	53,636						53,636
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development		53,636						53,636

Debt Service								
471.00	Debt Principal (short-term and long-term)	15,636			69,707			85,343
472.00	Debt Interest (short-term and long-term)	2,167			12,496			14,663
475.00	Fiscal Agent Fees							
Total Debt Service		17,803			82,203			100,006

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	75,914						75,914

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance	45,111						45,111
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items		121,025						121,025

Insurance								
486.00	Insurance, Casualty, and Surety	56,880						56,880
Total Insurance		56,880						56,880

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						77,246	77,246
489.00	All Other Unclassified Expenditures						26,778	26,778
Total Unclassified Operating Expenditures							104,024	104,024

Other Financing Uses								
491.00	Refund of Prior Year Revenues	72					2,557	2,629
492.00	Interfund Operating Transfers		45,176		25			45,201
493.00	All Other Financing Uses							
Total Other Financing Uses		72	45,176		25		2,557	47,830

TOTAL EXPENDITURES	2,175,551	105,924		25	1,059,011		106,581	3,447,092
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	23,910	73,037		-25	97,823		359,817	554,562
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WEST HOMESTEAD BORO

December 31, 2017

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Revenue Bonds and Notes											
Penn Vest Guaranteed Revnue Bond	Bond	2013	2044	3,100,000	1,175,124	320,315	69,707		1,425,732		1,425,732
Lease Rental Debt											
Ford F-650	Capital Leases	2016	2020	83,424	65,622		15,636		49,986		49,986
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	1,475,718
Capitalized lease obligations	0
Net debt	1,475,718

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2017

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire	2,321		2,321
Gas System			
General Government	6,531		6,531
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	11,160		11,160
Recreation			
Sewer		356,351	356,351
Solid Waste			
Streets / Highways	2,156	56,285	58,441
Water			
Other: EMS	1,925		1,925
TOTAL CAPITAL EXPENDITURES	24,093	412,636	436,729

EMPLOYEE COMPENSATION

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

954,744

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

SIGNATURE AND VERIFICATION

Signed: Edward S. Gardner Appointed Auditor/CPA

December 31, 2017

NOTES / COMMENTS



CASE | SABATINI October 23, 2018

PROFESSIONAL ACCOUNTING,
CONSULTING & BUSINESS
ADVISORY SERVICES

Mayor and Members of Council
Borough of West Homestead
West Homestead, Pennsylvania

Independent Auditors' Report

We have audited the accompanying Balance Sheet and Statement of Revenues and Expenditures included in the Annual Audit and Financial Report of the Borough of West Homestead, as of and for the year ended December 31, 2017.

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Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed by the Pennsylvania Department of Community and Economic Development to demonstrate compliance with Pennsylvania Department of Community and Economic Development's regulatory basis of accounting. 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.

Auditors' Responsibility

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 from 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 auditors' 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.

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

To meet the financial reporting requirements of the Commonwealth of Pennsylvania, the financial statements are prepared by the Borough on the basis of accounting prescribed by the Pennsylvania Department of Community and Economic Development, which is a basis of

accounting other than accounting principles generally accepted in the United States. This basis of accounting permit the financial statements to be prepared without financial statement disclosures, without government-wide financial statements, without Management's Discussion and Analysis, without budgetary comparisons, and require all funds to be aggregated by fund type on the financial statements.

The effects on the financial statements of the various differences between the basis of accounting prescribed by the Pennsylvania Department of Community and Development and U.S. generally accepted accounting principles, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" 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 as of December 31, 2017, and the results of its operations for the year then ended.

Basis for Qualified Opinion on Basis of Accounting Prescribed by the Pennsylvania Department of Community and Economic Development

The Borough does not include the general fixed assets account group, which should be included in order to conform to the basis of accounting prescribed by the Pennsylvania Department of Community and Economic Development. The amount that should be recorded in the general fixed assets account group is not known.

Qualified Opinion on Basis of Accounting Prescribed by the Pennsylvania Department of Community and Economic Development

In our opinion, except for the omission of the information discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Borough of West Homestead as of December 31, 2017, and its results of operations for the year then ended on the basis of accounting prescribed by the Pennsylvania Department of Community and Economic Development.

Basis of Accounting

The Borough prepares its financial statements on the basis of accounting prescribed by the Pennsylvania Department of Community and Economic Development, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Accounting principles generally accepted in the United States of America set minimum requirements for the components of the basic financial statements and required supplemental information that should be presented by local governments. The basis of accounting prescribed by the Pennsylvania Department of Community and Economic Development does not include all of these components such as the government-wide financial statements, note disclosures, and the required supplemental information.



Certified Public Accountants
Pittsburgh, Pennsylvania