

**2018 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

023573 WEST HOMESTEAD BORO, ALLEGHENY COUNTY

WEST HOMESTEAD BORO, ALLEGHENY County

BALANCE SHEET

December 31, 2018

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									1,351,708	1,351,708
240-259	Current Portion of Long-Term Debt and Other Credits									99,937	99,937
Total Liabilities and Other Credits		207,515				358,999				1,451,645	2,018,159
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	1,311,062	200,484		26	704,397		2,968,743			5,184,712
291-299	Other Equity										
Total Fund and Account Group Equity		1,311,062	200,484		26	704,397		2,968,743			5,184,712
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											7,202,871

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

REVENUES

Taxes

301.00	Real Estate Taxes	2,024,619	50,542					2,075,161
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)	73,848						73,848
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	16,378						16,378
310.20	Earned Income Taxes / Wage Taxes	214,414						214,414
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	55,349						55,349
310.60	Amusement / Admission Taxes	46,349						46,349
310.70	Mechanical Device Taxes	3,500						3,500
310.90	Other: Parking (dollars)	121,136						121,136
	Other: _____							
Total Taxes		2,555,593	50,542					2,606,135

Licenses and Permits

320-322	All Other Licenses and Permits	40,115						40,115
321.80	Cable Television Franchise Fees	42,477						42,477
Total Licenses and Permits		82,592						82,592

Fines and Forfeits

330-332	Fines and Forfeits	14,703						14,703
Total Fines and Forfeits		14,703						14,703

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

REVENUES

Interest, Rents and Royalties									
341.00	Interest Earnings	6,846	1,160			6,625		74,835	89,466
342.00	Rents and Royalties								
Total Interest, Rents and Royalties		6,846	1,160			6,625		74,835	89,466

Federal									
351.03	Highways and Streets								
351.09	Community Development								
351.00	All Other Federal Capital and Operating Grants	91,220							91,220
352.01	National Forest								
352.00	All Other Federal Shared Revenue and Entitlements								
353.00	Federal Payments in Lieu of Taxes								
Total Federal		91,220							91,220

State								
354.03	Highways and Streets	6,244						6,244
354.09	Community Development							
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants	21,227						21,227
355.01	Public Utility Realty Tax (PURTA)	1,674						1,674
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		63,817					63,817
355.04	Alcoholic Beverage Licenses	2,800						2,800
355.05	General Municipal Pension System State Aid	39,947						39,947
355.07	Foreign Fire Insurance Tax Distribution	10,484						10,484
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution	375						375

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

REVENUES

State								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
Total State		82,751	63,817					146,568

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	8,396						8,396
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services	25,396						25,396
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units		33,792						33,792

Charges for Service								
361.00	General Government	7,272						7,272
362.00	Public Safety	82,090						82,090
363.20	Parking	1,261						1,261
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				884,612			884,612
364.30	Solid Waste Collection and Disposal Charge (trash)	132,978						132,978
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	1,075						1,075
368.00	Airports							

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

REVENUES

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service							
Total Charges for Service		224,676				884,612		1,109,288

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	31,680						31,680
388.00	Fiduciary Fund Pension Contributions						87,761	87,761
389.00	All Other Unclassified Operating Revenues							
Total Unclassified Operating Revenues		31,680					87,761	119,441

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	3,793						3,793
392.00	Interfund Operating Transfers	50,542						50,542
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt	76,781						76,781

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	2,586						2,586
Total Other Financing Sources		133,702						133,702

TOTAL REVENUES

3,257,555	115,519			891,237		162,596	4,426,907
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	13,280						13,280
401.00	Executive (Manager or Mayor)	71,664						71,664
402.00	Auditing Services / Financial Administration							
403.00	Tax Collection	34,506						34,506
404.00	Solicitor / Legal Services	63,415						63,415
405.00	Secretary / Clerk	67,035						67,035
406.00	Other General Government Administration	75,456						75,456
407.00	IT-Networking Services-Data Processing	4,223						4,223
408.00	Engineering Services	18,333						18,333
409.00	General Government Buildings and Plant	51,624						51,624
Total General Government		399,536						399,536

Public Safety

410.00	Police	1,034,493						1,034,493
411.00	Fire	98,912						98,912
412.00	Ambulance / Rescue	500						500
413.00	UCC and Code Enforcement	30,528						30,528

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

EXPENDITURES

Public Safety

414.00	Planning and Zoning							
415.00	Emergency Management and Communications	8,149						8,149
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety	10,291						10,291
Total Public Safety		1,182,873						1,182,873

Health and Human Services

420.00-425.00	Health and Human Services	1,700						1,700
Total Health and Human Services		1,700						1,700

Public Works - Sanitation

426.00	Recycling Collection and Disposal	282						282
427.00	Solid Waste Collection and Disposal (garbage)	125,265						125,265
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection	30,964			941,203			972,167
Total Public Works - Sanitation		156,511			941,203			1,097,714

Public Works - Highways and Streets

430.00	General Services - Administration	188,328						188,328
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	19,391						19,391
433.00	Traffic Control Devices	5,171						5,171
434.00	Street Lighting	59,557						59,557

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

EXPENDITURES

Public Works - Highways and Streets								
435.00	Sidewalks and Crosswalks	133,015						133,015
436.00	Storm Sewers and Drains							
437.00	Repairs of Tools and Machinery	19,358						19,358
438.00	Maintenance and Repairs of Roads and Bridges	690						690
439.00	Highway Construction and Rebuilding Projects	83,298						83,298
Total Public Works - Highways and Streets		508,808						508,808

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	53,138						53,138

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries	26,274						26,274
457.00	Civil and Military Celebrations	1,627						1,627
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		81,039						81,039

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing	359						359
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development		359						359

Debt Service								
471.00	Debt Principal (short-term and long-term)	32,595			68,259			100,854
472.00	Debt Interest (short-term and long-term)	1,650			13,945			15,595
475.00	Fiscal Agent Fees							
Total Debt Service		34,245			82,204			116,449

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses						254,730	254,730
483.00	Pension / Retirement Fund Contributions	87,761						87,761

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

EXPENDITURES

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance	81,656						81,656
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items		169,417					254,730	424,147

Insurance								
486.00	Insurance, Casualty, and Surety	58,781						58,781
Total Insurance		58,781						58,781

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						69,194	69,194
489.00	All Other Unclassified Expenditures						34,012	34,012
Total Unclassified Operating Expenditures							103,206	103,206

Other Financing Uses								
491.00	Refund of Prior Year Revenues	1,239						1,239
492.00	Interfund Operating Transfers		50,542					50,542
493.00	All Other Financing Uses							
Total Other Financing Uses		1,239	50,542					51,781

TOTAL EXPENDITURES	2,594,508	50,542			1,023,407		357,936	4,026,393
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	663,047	64,977			-132,170		-195,340	400,514
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WEST HOMESTEAD BORO

December 31, 2018

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Revenue Bonds and Notes											
Penn Vest Guaranteed Revenue Bond	Bond	2013	2044	3,100,000	1,425,732	0	68,259		1,357,473		1,357,473
Lease Rental Debt											
Ford F-650	Capital Leases	2016	2020	83,424	49,986	0	16,152		33,834		33,834
2018 Ford Interceptor	Capital Leases	2018	2022	39,380	0	39,380	8,516		30,864		30,864
2018 Ford F-250	Capital Leases	2018	2022	37,401	0	37,401	7,927		29,474		29,474
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding 1,451,645

Capitalized lease obligations 0

Net debt 1,451,645

WEST HOMESTEAD BORO, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2018

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire	930		930
Gas System			
General Government	738		738
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	108,572		108,572
Recreation	5,667		5,667
Sewer		83,025	83,025
Solid Waste			
Streets / Highways	55,434	131,812	187,246
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	171,341	214,837	386,178

EMPLOYEE COMPENSATION

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

1,084,926

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, 2018

NOTES / COMMENTS

NOTE A – REAL ESTATE TAXES

During the year ended December 31, 2018, the Borough of West Homestead's pledge of incremental real estate taxes on properties in the Waterfront terminated with the final payment on the associated bonds issued by the Redevelopment Authority of Allegheny County to support the development of the Waterfront shopping district. In addition, the Borough received a proportionate share of funds remaining from the fund dedicated to the payment of the bonds after the final payment of the same of approximately \$310,000.



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, 2018.

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

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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, 2018, 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, 2018, 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