

**2017 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**021023 EDGEWOOD BORO, ALLEGHENY COUNTY**

## Independent Auditor's Report

**Members of Council** | We have audited the Modified Cash Balance Sheet, Statement of  
**Borough of Edgewood** | Revenues and Expenditures, Debt Statement, and Statements of  
Capital Expenditures and Employee Compensation – regulatory  
basis (financial statements) included in the 2017 Annual Audit and Financial Report of the  
Borough of Edgewood (Borough).

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions as described in the instructions provided by the Commonwealth of Pennsylvania Department of Community and Economic Development (DCED) to meet filing requirements in Pennsylvania. 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 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 auditor's judgment, including 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.

Members of Council  
Borough of Edgewood  
Independent Auditor’s Report

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**

To meet the financial reporting requirements of the Commonwealth of Pennsylvania, the financial statements are prepared by the Borough on the basis of the instructions provided by DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America. These requirements permit the financial statements to be prepared on the modified cash basis of accounting, without financial statement disclosures, without cash flows, without component unit financial information, without government-wide financial statements, without Management’s Discussion and Analysis, without budgetary comparisons and historical pension information, and require all funds to be aggregated by fund type on the financial statements.

The effects on the financial statements of the variances between the regulatory basis of accounting described above and accounting principles generally accepted in the United States of America, 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.

**Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the Borough as of December 31, 2017, and the regulatory results of its operations for the year then ended in accordance with the financial reporting provisions described in the instructions provided by DCED.

*Maker Duesel*

Pittsburgh, Pennsylvania  
February 28, 2018



## EDGEWOOD 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
<b>Liabilities and Other Credits</b>											
260-269	Long-Term-Liabilities									838,555	838,555
240-259	Current Portion of Long-Term Debt and Other Credits									158,979	158,979
<b>Total Liabilities and Other Credits</b>		55,564								997,534	1,053,098
<b>Fund and Account Group Equity</b>											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	4,098,676	1,528,765					3,299,838			8,927,279
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		4,098,676	1,528,765					3,299,838			8,927,279
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											9,980,377

**EDGEWOOD 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	1,858,336						1,858,336
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)	97,138						97,138
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	81,039						81,039
310.20	Earned Income Taxes / Wage Taxes	760,804						760,804
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	55,799						55,799
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
<b>Total Taxes</b>		2,853,116						2,853,116

**Licenses and Permits**

320-322	All Other Licenses and Permits	4,635						4,635
321.80	Cable Television Franchise Fees	72,720						72,720
<b>Total Licenses and Permits</b>		77,355						77,355

**Fines and Forfeits**

330-332	Fines and Forfeits	67,095						67,095
<b>Total Fines and Forfeits</b>		67,095						67,095

**EDGEWOOD 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**

<b>Interest, Rents and Royalties</b>								
341.00	Interest Earnings	2,365	4,123				401,576	408,064
342.00	Rents and Royalties	14,109						14,109
<b>Total Interest, Rents and Royalties</b>		16,474	4,123				401,576	422,173

<b>Federal</b>								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants	1,313						1,313
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements							
353.00	Federal Payments in Lieu of Taxes							
<b>Total Federal</b>		1,313						1,313

<b>State</b>								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	3,875						3,875
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	2,843						2,843
355.02- 355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		91,547					91,547
355.04	Alcoholic Beverage Licenses	600						600
355.05	General Municipal Pension System State Aid	96,353						96,353
355.07	Foreign Fire Insurance Tax Distribution	19,503						19,503
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution	351						351

**EDGEWOOD 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								
356.00	State Payments in Lieu of Taxes							
355.00	All Other State Shared Revenues and Entitlements	6,762						6,762
<b>Total State</b>		130,287	91,547					221,834

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							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
<b>Total Local Government Units</b>								

Charges for Service								
361.00	General Government	15,585						15,585
362.00	Public Safety	123,244						123,244
363.20	Parking	35,357						35,357
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)	3,737	889,141					892,878
364.30	Solid Waste Collection and Disposal Charge (trash)	1,320						1,320
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	21,447						21,447
368.00	Airports							

**EDGEWOOD 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							
<b>Total Charges for Service</b>		200,690	889,141					1,089,831

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	7,150						7,150
388.00	Fiduciary Fund Pension Contributions					202,679		202,679
389.00	All Other Unclassified Operating Revenues	1,356				391		1,747
<b>Total Unclassified Operating Revenues</b>		8,506				203,070		211,576

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	900,000						900,000
392.00	Interfund Operating Transfers	74,107						74,107
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt	300,000						300,000

**EDGEWOOD 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	84,501						84,501
<b>Total Other Financing Sources</b>		1,358,608						1,358,608
<b>TOTAL REVENUES</b>		4,713,444	984,811				604,646	6,302,901

**EXPENDITURES**

General Government								
400.00	Legislative (Governing) Body	8,131	5,747					13,878
401.00	Executive (Manager or Mayor)	209,219						209,219
402.00	Auditing Services / Financial Administration	13,807						13,807
403.00	Tax Collection	21,649						21,649
404.00	Solicitor / Legal Services	29,898						29,898
405.00	Secretary / Clerk	17,700						17,700
406.00	Other General Government Administration							
407.00	IT-Networking Services-Data Processing	1,028						1,028
408.00	Engineering Services							
409.00	General Government Buildings and Plant	86,850						86,850
<b>Total General Government</b>		388,282	5,747					394,029

Public Safety								
410.00	Police	1,194,248						1,194,248
411.00	Fire	48,083						48,083
412.00	Ambulance / Rescue	52,140						52,140
413.00	UCC and Code Enforcement							

**EDGEWOOD 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	32,510						32,510
415.00	Emergency Management and Communications							
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety	141,541						141,541
<b>Total Public Safety</b>		1,468,522						1,468,522

**Health and Human Services**

420.00-425.00	Health and Human Services							
<b>Total Health and Human Services</b>								

**Public Works - Sanitation**

426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection		705,429					705,429
<b>Total Public Works - Sanitation</b>			705,429					705,429

**Public Works - Highways and Streets**

430.00	General Services - Administration	194,535						194,535
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	16,190						16,190
433.00	Traffic Control Devices	6,315						6,315
434.00	Street Lighting							

**EDGEWOOD 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**

<b>Public Works - Highways and Streets</b>								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	3,276	168,103					171,379
437.00	Repairs of Tools and Machinery	24,171						24,171
438.00	Maintenance and Repairs of Roads and Bridges	277,596						277,596
439.00	Highway Construction and Rebuilding Projects							
<b>Total Public Works - Highways and Streets</b>		522,083	168,103					690,186

<b>Other Public Works Enterprises</b>								
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							
<b>Total Other Public Works Enterprises</b>								

<b>Culture and Recreation</b>								
451.00	Culture-Recreation Administration	7,871						7,871
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	56,907						56,907

EDGEWOOD 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	38,500						38,500
457.00	Civil and Military Celebrations	16,696						16,696
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	1,500						1,500
<b>Total Culture and Recreation</b>		121,474						121,474

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							
<b>Total Community Development</b>								

Debt Service								
471.00	Debt Principal (short-term and long-term)	428,089	25,976					454,065
472.00	Debt Interest (short-term and long-term)	27,538	8,037					35,575
475.00	Fiscal Agent Fees							
<b>Total Debt Service</b>		455,627	34,013					489,640

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses	408						408
483.00	Pension / Retirement Fund Contributions	160,480						160,480

**EDGEWOOD 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**

<b>Employer Paid Benefits and Withholding Items</b>								
484.00	Worker Compensation Insurance	72,089						72,089
487.00	Other Group Insurance Benefits							
<b>Total Employer Paid Benefits and Withholding Items</b>		232,977						232,977

<b>Insurance</b>								
486.00	Insurance, Casualty, and Surety	68,498						68,498
<b>Total Insurance</b>		68,498						68,498

<b>Unclassified Operating Expenditures</b>								
488.00	Fiduciary Fund Benefits and Refunds Paid						147,544	147,544
489.00	All Other Unclassified Expenditures						20,596	20,596
<b>Total Unclassified Operating Expenditures</b>							168,140	168,140

<b>Other Financing Uses</b>								
491.00	Refund of Prior Year Revenues	12,000						12,000
492.00	Interfund Operating Transfers		74,107					74,107
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>		12,000	74,107					86,107

<b>TOTAL EXPENDITURES</b>	3,269,463	987,399					168,140	4,425,002
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	1,443,981	-2,588					436,506	1,877,899
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## EDGEWOOD 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
<b>General Obligation Bonds and Notes</b>											
Fire Truck	Note	2006	2021	289,283	121,070		21,874		99,196		99,196
2013 General Obligation Note	Note	2013	2023	1,000,000	728,216		95,706		632,510		632,510
<b>Revenue Bonds and Notes</b>											
2017 TAN	Note	2017	2017	300,000	0	300,000	300,000		0		0
<b>Lease Rental Debt</b>											
<b>Other</b>											
Pennvest	Note	2004	2025	158,520	71,945		7,667		64,278		64,278
Pennvest	Note	2004	2025	359,880	171,818		18,310		153,508		153,508
PEMA Loan	Note	2007	2022	150,000	58,550		10,508		48,042		48,042

(1) - excludes unamortized premium/discount

**Total bonds and notes outstanding** 997,534

**Capitalized lease obligations** 0

**Net debt** 997,534

**EDGEWOOD BORO, ALLEGHENY County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2017

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government		33,942	33,942
Health			
Housing			
Libraries			
Mass Transit			
Parks	791	18,850	19,641
Police	7,284		7,284
Recreation			
Sewer		89,952	89,952
Solid Waste			
Streets / Highways		277,596	277,596
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	8,075	420,340	428,415

**EMPLOYEE COMPENSATION**

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

1,309,279

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

**SIGNATURE AND VERIFICATION**

Signed:

See Attached Appointed Auditor/CPA

December 31, 2017

**NOTES / COMMENTS**