

BOROUGH OF HOMESTEAD

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## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**BOROUGH OF HOMESTEAD**  
ALLEGHENY COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORT BY

CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**BOROUGH OF HOMESTEAD**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
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**To the Members of Borough Council  
Borough of Homestead  
Allegheny County, Pennsylvania**

## **INDEPENDENT AUDITORS' REPORT**

### **Report on Financial Statements**

I was engaged to audit the Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statement of Capital Expenditures and Employee Compensation included in the accompanying special purpose Commonwealth of Pennsylvania Annual Audit and Financial Report (special purpose financial report) of the Borough of Homestead, Allegheny County, Pennsylvania as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements.

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

Management is responsible for the preparation and fair presentation of this special purpose financial report in accordance with the accounting practices and procedures prescribed by the Commonwealth of Pennsylvania's Department of Community and Economic Development (DCED), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America; this includes 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. However, because of the matter described in the 'Basis for Disclaimer of Opinion on Regulatory Basis of Accounting' section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

## **Opinion**

### ***Basis for Disclaimer of Opinion on Regulatory Basis of Accounting***

I was not able to obtain sufficient appropriate audit evidence regarding material tax credits due the Borough of Homestead totaling approximately \$124,936.18 as reflected in the Borough's prior year independent audit report as reported by other auditors, and federal tax credits paid to the Borough during calendar year 2019 totaling \$42,841.06.

### ***Disclaimer of Opinion on Regulatory Basis of Accounting***

I do not express an opinion on the accompanying financial statements of the Borough of Homestead. Because of the significance of the matters described in the 'Basis for Disclaimer of Opinion on Regulatory Basis of Accounting' section of this report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

## **Other Matters**

### ***Supplementary Information***

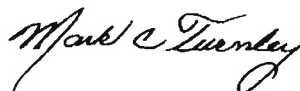
I was engaged to audit the Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statement of Capital Expenditures and Employee Compensation included in the accompanying special purpose Commonwealth of Pennsylvania Annual Audit and Financial Report (special purpose financial report) for the purpose of forming opinions on the Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statement of Capital Expenditures and Employee Compensation that collectively comprise Homestead Borough's basic financial statements. The supplementary information (Schedules 1 and 2) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves.

### ***Report on Other Legal and Regulatory Requirements***

This report is intended solely for the information and use of the governing body and management of the Borough of Homestead and for filing with the various local and state departments or offices and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Mark C. Turnley, CPA

September 25, 2020  
New Brighton, Pennsylvania



# BALANCE SHEET

DCED-CLGS-30 (09-09)

HOMESTEAD BORO, ALLEGHENY County  
**BALANCE SHEET**  
December 31, 2019

|                               | 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 |
| Assets and Other Debits       |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 100-120                       | 2,779,811          | 386,037                                        | 141,511          |              | 1,762,271         |                  | 2,580,055        |                      |                        | 7,649,685       |
| 140-144                       |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 121-129, 145-149              |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 130-00                        | 144,095            | 58,832                                         |                  |              | 1,300             |                  | 29,838           |                      |                        | 234,065         |
| 131-139, 150-159              |                    |                                                |                  |              |                   |                  | 2,583            |                      |                        | 2,583           |
| 160-169                       |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 180-189                       |                    |                                                |                  |              |                   |                  |                  |                      | 1,250,624              | 1,250,624       |
| Total Assets and Other Debits | 2,923,906          | 444,869                                        | 141,511          |              | 1,763,571         |                  | 2,612,476        |                      | 1,250,624              | 9,136,957       |

|                                                      |        |  |         |  |       |  |       |  |  |         |
|------------------------------------------------------|--------|--|---------|--|-------|--|-------|--|--|---------|
| <b>Liabilities and Other Credits</b>                 |        |  |         |  |       |  |       |  |  |         |
| 210-229 Payroll Taxes and Other Payroll Withholdings |        |  |         |  |       |  | 6,415 |  |  | 6,415   |
| 200-209, 231-239 All Other Current Liabilities       |        |  |         |  |       |  | 3,141 |  |  | 3,141   |
| 230-00 Due To Other Funds                            | 89,970 |  | 140,049 |  | 1,775 |  | 2,271 |  |  | 234,065 |

## BALANCE SHEET

December 31, 2019

|                                                             | 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                               |                    |                                                |                  |              |                   |                  |                  |                      | 1,208,889              | 1,208,889       |
| 240-259 Current Portion of Long-Term Debt and Other Credits |                    |                                                |                  |              |                   |                  |                  |                      | 41,735                 | 41,735          |
| <b>Total Liabilities and Other Credits</b>                  | 89,970             |                                                | 140,049          |              | 1,775             |                  | 11,827           |                      | 1,250,624              | 1,494,245       |

|                                                   |           |         |       |  |           |  |           |  |  |           |
|---------------------------------------------------|-----------|---------|-------|--|-----------|--|-----------|--|--|-----------|
| <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 | 2,833,936 | 444,869 | 1,462 |  | 1,761,796 |  | 2,600,649 |  |  | 7,642,712 |
| 291-299 Other Equity                              |           |         |       |  |           |  |           |  |  |           |
| <b>Total Fund and Account Group Equity</b>        | 2,833,936 | 444,869 | 1,462 |  | 1,761,796 |  | 2,600,649 |  |  | 7,642,712 |

|                                                            |  |  |  |  |  |  |  |  |  |           |
|------------------------------------------------------------|--|--|--|--|--|--|--|--|--|-----------|
| <b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b> |  |  |  |  |  |  |  |  |  | 9,136,957 |
|------------------------------------------------------------|--|--|--|--|--|--|--|--|--|-----------|

HOMESTEAD BORO, ALLEGHENY COUNTY  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

|                    |                                                                          | 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 |
| <b>REVENUES</b>    |                                                                          |                    |                                                |                  |              |                   |                  |                  |                 |
| <b>Taxes</b>       |                                                                          |                    |                                                |                  |              |                   |                  |                  |                 |
| 301.00             | Real Estate Taxes                                                        | 2,380,593          | 58,832                                         |                  |              |                   |                  |                  | 2,439,425       |
| 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) | 110,136            |                                                |                  |              |                   |                  |                  | 110,136         |
| 310.00             | Per Capita Taxes                                                         |                    |                                                |                  |              |                   |                  |                  |                 |
| 310.10             | Real Estate Transfer Taxes                                               | 182,347            |                                                |                  |              |                   |                  |                  | 182,347         |
| 310.20             | Earned Income Taxes / Wage Taxes                                         | 211,610            |                                                |                  |              |                   |                  |                  | 211,610         |
| 310.30             | Business Gross Receipts Taxes                                            | 8,732              |                                                |                  |              |                   |                  |                  | 8,732           |
| 310.40             | Occupation Taxes (levied under Act 511)                                  |                    |                                                |                  |              |                   |                  |                  |                 |
| 310.50             | Local Services Tax **                                                    | 127,015            |                                                |                  |              |                   |                  |                  | 127,015         |
| 310.60             | Amusement / Admission Taxes                                              |                    |                                                |                  |              |                   |                  |                  |                 |
| 310.70             | Mechanical Device Taxes                                                  |                    |                                                |                  |              |                   |                  |                  |                 |
| 310.90             | Other: Commercial Parking Privilege Tax, per space (dollars)             | 149,396            |                                                |                  |              |                   |                  |                  | 149,396         |
|                    | Other: _____                                                             |                    |                                                |                  |              |                   |                  |                  |                 |
| <b>Total Taxes</b> |                                                                          | 3,169,829          | 58,832                                         |                  |              |                   |                  |                  | 3,228,661       |

|                                   |                                 |         |  |  |  |  |  |  |         |
|-----------------------------------|---------------------------------|---------|--|--|--|--|--|--|---------|
| <b>Licenses and Permits</b>       |                                 |         |  |  |  |  |  |  |         |
| 320-322                           | All Other Licenses and Permits  | 317,300 |  |  |  |  |  |  | 317,300 |
| 321.80                            | Cable Television Franchise Fees | 44,960  |  |  |  |  |  |  | 44,960  |
| <b>Total Licenses and Permits</b> |                                 | 362,260 |  |  |  |  |  |  | 362,260 |

HOMESTEAD BORO, ALLEGHENY COUNTY  
STATEMENT OF REVENUES AND EXPENDITURES  
December 31, 2019

| 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>Fines and Forfeits</b>       |                    |        |  |  |  |  |  |  |        |
| 330-332                         | Fines and Forfeits | 66,187 |  |  |  |  |  |  | 66,187 |
| <b>Total Fines and Forfeits</b> |                    | 66,187 |  |  |  |  |  |  | 66,187 |

|                                            |                     |        |        |     |  |       |  |         |         |
|--------------------------------------------|---------------------|--------|--------|-----|--|-------|--|---------|---------|
| <b>Interest, Rents and Royalties</b>       |                     |        |        |     |  |       |  |         |         |
| 341.00                                     | Interest Earnings   | 18,943 | 11,653 | 725 |  | 8,642 |  | 280,121 | 320,084 |
| 342.00                                     | Rents and Royalties |        |        |     |  |       |  |         |         |
| <b>Total Interest, Rents and Royalties</b> |                     | 18,943 | 11,653 | 725 |  | 8,642 |  | 280,121 | 320,084 |

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|                      |                                                   |  |  |  |  |  |  |  |  |
|----------------------|---------------------------------------------------|--|--|--|--|--|--|--|--|
| <b>Federal</b>       |                                                   |  |  |  |  |  |  |  |  |
| 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                 |  |  |  |  |  |  |  |  |
| <b>Total Federal</b> |                                                   |  |  |  |  |  |  |  |  |

|              |                                              |       |  |  |  |  |  |  |       |
|--------------|----------------------------------------------|-------|--|--|--|--|--|--|-------|
| <b>State</b> |                                              |       |  |  |  |  |  |  |       |
| 354.03       | Highways and Streets                         | 3,514 |  |  |  |  |  |  | 3,514 |
| 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)            | 1,155 |  |  |  |  |  |  | 1,155 |

HOMESTEAD BORO, ALLEGHENY County  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2019

| Governmental Funds |                                                   |                  |              |            |                  | Proprietary Funds |  | Fiduciary Fund | Total           |
|--------------------|---------------------------------------------------|------------------|--------------|------------|------------------|-------------------|--|----------------|-----------------|
| General Fund       | Special Revenue<br>(Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise | Internal Service | Trust and Agency  |  |                | Memorandum Only |
|                    | 96,137                                            |                  |              |            |                  |                   |  |                | 96,137          |
| 4,100              |                                                   |                  |              |            |                  |                   |  |                | 4,100           |
| 179,217            |                                                   |                  |              |            |                  |                   |  |                | 179,217         |
| 16,142             |                                                   |                  |              |            |                  |                   |  |                | 16,142          |
|                    |                                                   |                  |              |            |                  |                   |  |                |                 |
| 592                |                                                   |                  |              |            |                  |                   |  |                | 592             |
|                    |                                                   |                  |              |            |                  |                   |  |                |                 |
|                    |                                                   |                  |              |            |                  |                   |  |                |                 |
| 204,720            | 96,137                                            |                  |              |            |                  |                   |  |                | 300,857         |

## REVENUES

| State              |                                                                   |
|--------------------|-------------------------------------------------------------------|
| 355.02-355.03      | Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback |
| 355.04             | Alcoholic Beverage Licenses                                       |
| 355.05             | General Municipal Pension System State Aid                        |
| 355.07             | Foreign Fire Insurance Tax Distribution                           |
| 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                                   |
| <b>Total State</b> |                                                                   |

| 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                                                                                         |
| 362.00              | Public Safety                                                                                              |
| 363.20              | Parking                                                                                                    |
| 363.00              | All Other Charges for Highway & Street Services                                                            |
| 364.10              | Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.) |
| 364.30              | Solid Waste Collection and Disposal Charge (trash)                                                         |

## STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

## REVENUES

## Charges for Service

[illegible]

## Unclassified Operating Revenues

[illegible]

HOMESTEAD BORO, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

|                                |                                             | 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 |
| <b>REVENUES</b>                |                                             |                    |                                                |                  |              |                   |                  |                  |                 |
| <b>Other Financing Sources</b> |                                             |                    |                                                |                  |              |                   |                  |                  |                 |
| 391.00                         | Proceeds of General Fixed Asset Disposition | 23,443             |                                                |                  |              |                   |                  |                  | 23,443          |
| 392.00                         | Interfund Operating Transfers               | 1,042,792          |                                                | 1,476,769        |              | 1,012,730         |                  |                  | 3,532,291       |
| 393.00                         | Proceeds of General Long-Term Debt          |                    |                                                |                  |              |                   |                  |                  |                 |
| 394.00                         | Proceeds of Short Term-Debt                 |                    |                                                |                  |              |                   |                  |                  |                 |
| 395.00                         | Refunds of Prior Year Expenditures          | 97,576             |                                                |                  |              |                   |                  |                  | 97,576          |
|                                | <b>Total Other Financing Sources</b>        | 1,163,811          |                                                | 1,476,769        |              | 1,012,730         |                  |                  | 3,653,310       |

|                       |           |         |           |  |           |         |            |
|-----------------------|-----------|---------|-----------|--|-----------|---------|------------|
| <b>TOTAL REVENUES</b> | 5,649,339 | 166,622 | 1,477,494 |  | 2,402,645 | 593,526 | 10,289,626 |
|-----------------------|-----------|---------|-----------|--|-----------|---------|------------|

**EXPENDITURES**

|                           |                                              |         |  |        |  |  |  |  |         |
|---------------------------|----------------------------------------------|---------|--|--------|--|--|--|--|---------|
| <b>General Government</b> |                                              |         |  |        |  |  |  |  |         |
| 400.00                    | Legislative (Governing) Body                 | 24,175  |  |        |  |  |  |  | 24,175  |
| 401.00                    | Executive (Manager or Mayor)                 | 176,758 |  |        |  |  |  |  | 176,758 |
| 402.00                    | Auditing Services / Financial Administration |         |  |        |  |  |  |  |         |
| 403.00                    | Tax Collection                               | 20,473  |  |        |  |  |  |  | 20,473  |
| 404.00                    | Solicitor / Legal Services                   | 39,466  |  |        |  |  |  |  | 39,466  |
| 405.00                    | Secretary / Clerk                            | 51,463  |  |        |  |  |  |  | 51,463  |
| 406.00                    | Other General Government Administration      | 38,172  |  |        |  |  |  |  | 38,172  |
| 407.00                    | IT-Networking Services-Data Processing       | 42,963  |  |        |  |  |  |  | 42,963  |
| 408.00                    | Engineering Services                         | 33,143  |  | 53,442 |  |  |  |  | 86,585  |
| 409.00                    | General Government Buildings and Plant       | 53,295  |  |        |  |  |  |  | 53,295  |
|                           | <b>Total General Government</b>              | 479,908 |  | 53,442 |  |  |  |  | 533,350 |

|                      |        |           |  |        |  |  |  |  |           |
|----------------------|--------|-----------|--|--------|--|--|--|--|-----------|
| <b>Public Safety</b> |        |           |  |        |  |  |  |  |           |
| 410.00               | Police | 1,836,874 |  | 80,348 |  |  |  |  | 1,917,222 |
| 411.00               | Fire   | 80,492    |  |        |  |  |  |  | 80,492    |

HOMESTEAD BORO, ALLEGHENY County  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2019

| Governmental Funds |                                                |                  |              |            |                  | Fiduciary Fund | Total |
|--------------------|------------------------------------------------|------------------|--------------|------------|------------------|----------------|-------|
| General Fund       | Special Revenue (Including State Liquid Fuels) | Capital Projects | Debt Service | Enterprise | Internal Service |                |       |

**EXPENDITURES**

| Public Safety              |                                         |           |         |  |  |  |           |
|----------------------------|-----------------------------------------|-----------|---------|--|--|--|-----------|
| 412.00                     | Ambulance / Rescue                      | 4,284     |         |  |  |  | 4,284     |
| 413.00                     | UCC and Code Enforcement                | 208,351   | 27,306  |  |  |  | 235,657   |
| 414.00                     | Planning and Zoning                     | 1,770     |         |  |  |  | 1,770     |
| 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                     |           |         |  |  |  |           |
| <b>Total Public Safety</b> |                                         | 2,131,771 | 107,654 |  |  |  | 2,239,425 |

| 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) | 247,643   | 247,643   |
| 428.00                                 | Weed Control                                  |           |           |
| 429.00                                 | Wastewater / Sewage Treatment and Collection  | 1,133,360 | 1,133,360 |
| <b>Total Public Works - Sanitation</b> |                                               | 247,643   | 1,381,003 |

| Public Works - Highways and Streets |                                   |         |         |
|-------------------------------------|-----------------------------------|---------|---------|
| 430.00                              | General Services - Administration | 423,389 | 830,254 |
| 431.00                              | Cleaning of Streets and Gutters   | 31,421  | 31,421  |
| 432.00                              | Winter Maintenance - Snow Removal | 13,193  | 13,193  |

HOMESTEAD BORO, ALLEGHENY County  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2019

| 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              |                                              |         |         |  |  |  |     |           |
|--------------------------------------------------|----------------------------------------------|---------|---------|--|--|--|-----|-----------|
| 433.00                                           | Traffic Control Devices                      | 29,557  |         |  |  |  |     | 29,557    |
| 434.00                                           | Street Lighting                              | 116,559 |         |  |  |  |     | 116,559   |
| 435.00                                           | Sidewalks and Crosswalks                     |         |         |  |  |  |     |           |
| 436.00                                           | Storm Sewers and Drains                      |         | 201     |  |  |  | 201 |           |
| 437.00                                           | Repairs of Tools and Machinery               | 11,455  |         |  |  |  |     | 11,455    |
| 438.00                                           | Maintenance and Repairs of Roads and Bridges |         |         |  |  |  |     |           |
| 439.00                                           | Highway Construction and Rebuilding Projects |         | 56,750  |  |  |  |     | 56,750    |
| <b>Total Public Works - Highways and Streets</b> |                                              | 609,050 | 480,340 |  |  |  |     | 1,089,390 |

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| Other Public Works Enterprises              |                               |         |  |  |  |  |  |         |
|---------------------------------------------|-------------------------------|---------|--|--|--|--|--|---------|
| 440.00                                      | Airports                      |         |  |  |  |  |  |         |
| 441.00                                      | Cemeteries                    |         |  |  |  |  |  |         |
| 442.00                                      | Electric System               |         |  |  |  |  |  |         |
| 443.00                                      | Gas System                    |         |  |  |  |  |  |         |
| 444.00                                      | Markets                       |         |  |  |  |  |  |         |
| 445.00                                      | Parking                       | 119,906 |  |  |  |  |  | 119,906 |
| 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> |                               | 119,906 |  |  |  |  |  | 119,906 |

| Culture and Recreation |                                   |        |        |
|------------------------|-----------------------------------|--------|--------|
| 451.00                 | Culture-Recreation Administration | 38,897 | 38,897 |
| 452.00                 | Participant Recreation            |        |        |

HOMESTEAD BORO, ALLEGHENY COUNTY  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2019

| 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              |                                  |         |        |        |  |  |  |         |
|-------------------------------------|----------------------------------|---------|--------|--------|--|--|--|---------|
| 453.00                              | Spectator Recreation             |         |        |        |  |  |  |         |
| 454.00                              | Parks                            |         | 17,250 |        |  |  |  | 17,250  |
| 455.00                              | Shade Trees                      |         |        |        |  |  |  |         |
| 456.00                              | Libraries                        | 61,832  | 58,961 |        |  |  |  | 120,793 |
| 457.00                              | Civil and Military Celebrations  |         |        |        |  |  |  |         |
| 458.00                              | Senior Citizens' Centers         |         |        |        |  |  |  |         |
| 459.00                              | All Other Culture and Recreation |         |        |        |  |  |  |         |
| <b>Total Culture and Recreation</b> |                                  | 100,729 | 58,961 | 17,250 |  |  |  | 176,940 |

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| Community Development              |                                   |         |         |  |  |  |  |         |
|------------------------------------|-----------------------------------|---------|---------|--|--|--|--|---------|
| 461.00                             | Conservation of Natural Resources |         |         |  |  |  |  |         |
| 462.00                             | Community Development and Housing | 27,929  | 98,564  |  |  |  |  | 126,493 |
| 463.00                             | Economic Development              |         |         |  |  |  |  |         |
| 464.00                             | Economic Opportunity              |         |         |  |  |  |  |         |
| 465-469                            | All Other Community Development   | 288,150 | 399,950 |  |  |  |  | 688,100 |
| <b>Total Community Development</b> |                                   | 316,079 | 498,514 |  |  |  |  | 814,593 |

| Debt Service              |                                           |       |        |  |  |  |  |        |
|---------------------------|-------------------------------------------|-------|--------|--|--|--|--|--------|
| 471.00                    | Debt Principal (short-term and long-term) | 8,065 | 44,420 |  |  |  |  | 52,485 |
| 472.00                    | Debt Interest (short-term and long-term)  | 115   | 46,515 |  |  |  |  | 46,630 |
| 475.00                    | Fiscal Agent Fees                         |       |        |  |  |  |  |        |
| <b>Total Debt Service</b> |                                           | 8,180 | 90,935 |  |  |  |  | 99,115 |

| Employer Paid Benefits and Withholding Items |                                                               |  |  |  |  |  |  |  |
|----------------------------------------------|---------------------------------------------------------------|--|--|--|--|--|--|--|
| 481.00                                       | Employer Paid Withholding Taxes and Unemployment Compensation |  |  |  |  |  |  |  |

HOMESTEAD BORO, ALLEGHENY COUNTY  
STATEMENT OF REVENUES AND EXPENDITURES  
December 31, 2019

| 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              |                                         |         |  |  |  |  |  |         |
|-----------------------------------------------------------|-----------------------------------------|---------|--|--|--|--|--|---------|
| 482.00                                                    | Judgments and Losses                    |         |  |  |  |  |  |         |
| 483.00                                                    | Pension / Retirement Fund Contributions | 239,920 |  |  |  |  |  | 239,920 |
| 484.00                                                    | Worker Compensation Insurance           |         |  |  |  |  |  |         |
| 487.00                                                    | Other Group Insurance Benefits          |         |  |  |  |  |  |         |
| <b>Total Employer Paid Benefits and Withholding Items</b> |                                         | 239,920 |  |  |  |  |  | 239,920 |

| Insurance              |                                 |         |  |  |  |  |  |         |
|------------------------|---------------------------------|---------|--|--|--|--|--|---------|
| 486.00                 | Insurance, Casualty, and Surety | 105,557 |  |  |  |  |  | 105,557 |
| <b>Total Insurance</b> |                                 | 105,557 |  |  |  |  |  | 105,557 |

| Unclassified Operating Expenditures              |                                          |  |  |  |  |         |  |         |
|--------------------------------------------------|------------------------------------------|--|--|--|--|---------|--|---------|
| 488.00                                           | Fiduciary Fund Benefits and Refunds Paid |  |  |  |  | 209,541 |  | 209,541 |
| 489.00                                           | All Other Unclassified Expenditures      |  |  |  |  |         |  |         |
| <b>Total Unclassified Operating Expenditures</b> |                                          |  |  |  |  | 209,541 |  | 209,541 |

| Other Financing Uses              |                               |           |         |  |         |  |  |           |
|-----------------------------------|-------------------------------|-----------|---------|--|---------|--|--|-----------|
| 491.00                            | Refund of Prior Year Revenues | 136,137   |         |  |         |  |  | 136,137   |
| 492.00                            | Interfund Operating Transfers | 2,495,377 | 203,168 |  | 833,746 |  |  | 3,532,291 |
| 493.00                            | All Other Financing Uses      |           |         |  |         |  |  |           |
| <b>Total Other Financing Uses</b> |                               | 2,631,514 | 203,168 |  | 833,746 |  |  | 3,668,428 |

|                           |           |         |           |  |           |         |  |            |
|---------------------------|-----------|---------|-----------|--|-----------|---------|--|------------|
| <b>TOTAL EXPENDITURES</b> | 6,990,257 | 262,129 | 1,248,135 |  | 1,967,106 | 209,541 |  | 10,677,168 |
|---------------------------|-----------|---------|-----------|--|-----------|---------|--|------------|

|                                                     |            |         |         |  |         |         |  |          |
|-----------------------------------------------------|------------|---------|---------|--|---------|---------|--|----------|
| <b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b> | -1,340,918 | -95,507 | 229,359 |  | 435,539 | 383,985 |  | -387,542 |
|-----------------------------------------------------|------------|---------|---------|--|---------|---------|--|----------|

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)<br>Capital Lease (C)<br>Lease Rental (L)<br>Note (N) | Issue Year<br>(yyyy) | Maturity<br>Year<br>(yyyy) | Original<br>Amount of<br>Issue | Outstanding<br>Beginning of<br>Year (1) | Principal<br>Incurred<br>This Year | Principal<br>Paid This<br>Year | Current Year<br>Accretion on<br>Compound Interest<br>Bonds | Outstanding at<br>Year End (1) | Plus (less)<br>Unamortized<br>Premium<br>(Discount) | Total<br>Balance |
|------------------------------------|---------------------------------------------------------------|----------------------|----------------------------|--------------------------------|-----------------------------------------|------------------------------------|--------------------------------|------------------------------------------------------------|--------------------------------|-----------------------------------------------------|------------------|
| General Obligation Bonds and Notes |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
| VLAP General Obligation Note       | Note                                                          | 2006                 | 2021                       | 105,934                        | 18,155                                  |                                    | 8,064                          | 0                                                          | 10,091                         |                                                     | 10,091           |
| USDA Rural Development             | Note                                                          | 2013                 | 2053                       | 250,000                        | 233,081                                 |                                    | 3,353                          |                                                            | 229,728                        |                                                     | 229,728          |
| USDA Rural Development             | Note                                                          | 2013                 | 2053                       | 1,100,000                      | 1,025,560                               |                                    | 14,755                         |                                                            | 1,010,805                      |                                                     | 1,010,805        |
| Revenue Bonds and Notes            |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
| Lease Rental Debt                  |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
| Police Vehicles                    | Capital Leases                                                | 2017                 | 2019                       | 78,071                         | 26,313                                  |                                    | 26,313                         |                                                            | 0                              |                                                     | 0                |
| Other                              |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
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|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
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|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
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|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
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|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
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|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
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|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                    |                                                               |                      |                            | </                             |                                         |                                    |                                |                                                            |                                |                                                     |                  |

HOMESTEAD BORO, ALLEGHENY County

STATEMENT OF CAPITAL EXPENDITURES

December 31, 2019

| Category                          | Capital Purchases | Capital Construction | Total          |
|-----------------------------------|-------------------|----------------------|----------------|
| Community Development             |                   |                      |                |
| Electric                          |                   | 91,066               | 91,066         |
| Fire                              |                   |                      |                |
| Gas System                        |                   |                      |                |
| General Government                |                   |                      |                |
| Health                            |                   |                      |                |
| Housing                           |                   |                      |                |
| Libraries                         |                   |                      |                |
| Mass Transit                      |                   |                      |                |
| Parks                             |                   |                      |                |
| Police                            |                   | 17,250               | 17,250         |
| Recreation                        | 161,950           |                      | 161,950        |
| Sewer                             |                   |                      |                |
| Solid Waste                       |                   |                      |                |
| Streets / Highways                |                   |                      |                |
| Water                             | 14,995            | 477,349              | 492,344        |
| Other: _____                      |                   |                      |                |
| <b>TOTAL CAPITAL EXPENDITURES</b> | <b>176,945</b>    | <b>585,665</b>       | <b>762,610</b> |

EMPLOYEE COMPENSATION

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

1,672,154

**HOMESTEAD BOROUGH**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

Homestead Borough was incorporated under the provisions governing the creation of municipal corporations in the Commonwealth of Pennsylvania. Members of Borough Council are elected by the voting public. These Council members have complete authority over the operations and administration of the Borough's activities. The major functions of the Borough include public safety, maintenance of Borough infrastructure (roads), maintenance of parks and other recreational facilities for use by Borough residents and general administrative functions necessary to facilitate Borough resident needs and responsibilities.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of Homestead Borough consists of all funds, departments, boards and agencies that are not legally separate from the Borough. As defined by generally accepted accounting standards, component units are legally separate entities that are included in the Borough's reporting entity because of the significance of their operating or financial relationships with the Borough. Based on the application of these criteria, Homestead Borough has no component units.

**FINANCIAL STATEMENT PRESENTATION**

The accompanying 2019 Municipal Annual Audit and Financial Report (special purpose financial report) was prepared in conformity with the accounting practices and procedures prescribed by the Commonwealth of Pennsylvania's Department of Community and Economic Development (DCED), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accounting practices and procedures of the DCED permit the preparation of the special purpose financial report without certain financial statement note disclosures, management's discussion and analysis, full-accrual government-wide statements, modified accrual financial statements, and budget to actual statements, as required by accounting principles generally accepted in the United States of America. The effects on the special purpose financial report, as a result of the differences between the DCED accounting practices and procedures and accounting principles generally accepted in the United States of America, are not reasonably determinable. The most significant of the Borough's accounting policies are as follows:

**FUND ACCOUNTING**

The Borough uses funds to report on its financial position and the results of its operations during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Borough functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds utilized by Homestead Borough are classified into three categories: governmental, proprietary, and fiduciary. Fund categories are defined as follows:

**Governmental Funds** – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Borough's governmental funds:

**HOMESTEAD BOROUGH**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**GENERAL FUND** - Established under 'The Borough Code' of the Commonwealth of Pennsylvania and is used for the general operations of the Borough. Income in this fund is derived mainly from assessed revenues such as real estate taxes, local taxes established under Act 511, and other miscellaneous revenues not designated for other restricted fund purposes. These revenues are used for general ongoing government services such as public safety, public works, general administration of the Borough and other miscellaneous operating expenses.

**HIGHWAY AID FUND** (SPECIAL REVENUE) - Established and restricted under Act 655 of the Commonwealth of Pennsylvania. Funding is received from the Commonwealth and is restricted in use for the maintenance, repair and construction of roads, streets and bridges for which the Borough is responsible.

**GRANT FUND** (SPECIAL REVENUE) - Established to account for the proceeds of Commonwealth of Pennsylvania grants earmarked for specific project purposes.

**LIBRARY FUND** (SPECIAL REVENUE) - Established to account for real estate tax millage dedicated for support of the Carnegie Library of Homestead.

**CAPITAL IMPROVEMENT FUND** (CAPITAL PROJECT) - Established to provide funding for capital improvement projects for the Borough of Homestead as deemed appropriate by Council.

**ESCROW FUND** (SPECIAL REVENUE) - Established to account for the proceeds of Act 98 fire insurance proceeds, and other escrow amounts, earmarked for specific properties and purposes.

**Proprietary Funds** - used to account for activities similar to those found in the private sector, where the determination of net income is necessary and useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies within the Borough (internal service funds). The Borough's Sewer Fund was established to account for user fees charged to Borough customers for providing wastewater treatment services and other services related to the operations of the Borough's sanitary sewer system.

**Fiduciary Funds** - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Borough under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Borough's own programs. Agency funds are custodial in nature and do not involve measuring income or any other results from operations. The Borough maintains an aggregated municipal pension fund to account for the financial results of the Borough's police and non-uniform personnel pension trust funds. In addition, the Borough maintains two agency funds, one for payroll fund activities, and an escrow fund earmarked for specific properties and purposes.

**ACCOUNT GROUP**

In addition to the aforementioned funds, the Borough maintains one account group: General Long-Term Debt Account Group. The account group is used to account for long-term liabilities to be financed by governmental funds. This account group reports only the unmatured principal of the debt issued.

**HOMESTEAD BOROUGH**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF ACCOUNTING**

Homestead Borough utilizes the modified cash basis of accounting. Under this method revenues are recorded when cash is received rather than earned. Expenditures are recorded when the disbursement is made rather than when the obligation is incurred. Additionally, the basis of accounting has been modified from the cash basis of accounting to present liabilities related to payroll, interfund advances as well as unrealized gains and losses on investments. These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

**BUDGETS**

In December of 2018, Homestead Borough adopted its 2019 annual budget for its General Fund totaling \$4,422,913 in accordance with the provisions of the Commonwealth of Pennsylvania Borough Code. The budget is prepared utilizing the cash basis of accounting. Budgetary transfers among various expenditure line items are performed as necessary and as approved by Borough Council. Actual expenditures exceeded budgetary appropriations for calendar year 2019. All appropriations lapse at the end of each calendar year.

The Borough uses the following procedures in establishing this budgetary data:

- a. In accordance with the Borough Code, beginning at least 30 days prior to the adoption of the budget, which shall not be later than December 31, a proposed budget for the ensuing year shall be prepared. The proposed budget shall be kept on file with the Borough and made available for public inspection for a period of ten days. Notice that the proposed budget is available for inspection is published in a newspaper of general circulation. After expiration of the ten days, Council makes such revisions in the budget as deemed advisable and shall adopt the budget by motion.
- b. Transfers of budget amounts are authorized between departments within any fund. However, any revisions that alter the total appropriations of any fund must be approved by the Council.

**CASH AND INVESTMENTS**

Cash includes amounts in demand deposit accounts and all highly liquid short-term investments with original maturity terms of less than three month. Provisions of Section 1705 of the Commonwealth's Borough Code authorize the following investments:

- I. Obligations of (a) the United States of American or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or (c) of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

**HOMESTEAD BOROUGH**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**CASH AND INVESTMENTS (Continued)**

- II. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral, as provided by law, is pledged by the depository.
- III. U.S. government obligations, short-term commercial paper issued by a public corporation, and banker's acceptances.
- IV. Pension fund investments are governed by Title 20 of the Pennsylvania Consolidated Statutes, Chapter 73 Municipalities Investments, Section 7302.

Governmental investments are funds pooled for investment purposes with the Pennsylvania Local Government Investment Trust (PLGIT). Fiduciary fund type investments include mutual funds, and fixed and variable annuity contracts, invested by the Borough's designated asset managers. PLGIT investments are recorded at amortized cost which approximates fair value. Short-term pension investments are recorded at cost which approximates fair value. Pension securities on a national or international exchange are valued at the last reported sales price at current exchange rates. Pension investments that do not have an established market are reported at estimated fair value. Pension investments in unallocated insurance contracts are valued at contract value.

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as 'due from/to other funds' on the balance sheet.

**CAPITAL ASSETS AND DEPRECIATION**

The historical cost of fixed assets purchased by the Homestead Borough is not accumulated, maintained and depreciated. Accordingly, the Borough does not maintain a General Fixed Asset Account Group.

**PROPERTY AND EARNED INCOME TAX REVENUE**

Property tax and earned income tax revenues are recognized based on the amounts levied to the extent collected during the year. Interest and penalty charges accrued on unpaid taxes are recognized as revenue when received.

**TOTAL COLUMNS**

Total columns in the 2019 Municipal Annual Audit and Financial Report are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**HOMESTEAD BOROUGH**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ADOPTION OF GASB PRONOUNCEMENTS**

The requirements of the following GASB Statements were adopted for the Borough's 2019 financial statements. Except where noted, the adoption of these pronouncements did not have a significant impact on the Borough's financial statements.

GASB Statement No. 88, '*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*'. The primary objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt (See Note 5).

**PENDING GASB PRONOUNCEMENTS**

GASB Statement No. 83, '*Certain Asset Retirement Obligations*'. The primary objective of this Statement is to provide financial statement users with information about 'asset retirement obligations (ARO) that were not addressed in GASB Standards by establishing uniform accounting and financial reporting requirements for these obligations. The provisions of this Statement are effective for the Borough's December 31, 2020 financial statements.

GASB Statement No. 84, '*Fiduciary Activities*'. The primary objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. The provisions of this Statement are effective for the Borough's December 31, 2020 financial statements.

GASB Statement No. 87, '*Leases*'. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The provisions of this Statement are effective for the Borough's December 31, 2022 financial statements.

GASB Statement No. 89, '*Accounting for Interest Cost Incurred before the end of a Construction Period*'. The primary objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and, (b) to simplify accounting for certain interest costs. The provisions of this Statement are effective for the Borough's December 31, 2021 financial statements.

GASB Statement No. 90, '*Majority Equity Interests (an amendment of GASB Statements No. 14 and No. 61)*'. The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. The provisions of this Statement are effective for the Borough's December 31, 2020 financial statements.

GASB Statement No. 91, '*Conduit Debt Obligations*'. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement are effective for the Borough's December 31, 2022 financial statements.

**HOMESTEAD BOROUGH**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS (Continued)**

GASB Statement No. 92, '*Omnibus 2020*'. The primary objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of GASB Statement Nos. 73, 74, 84, and 87. In addition the Statement addresses various topics and includes specific provisions concerning the following:

- Measurement of liabilities (and assets, if any) related to asset retirement obligations (ARO) in a government acquisition
- Reporting by entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The provisions of this Statements are effective for the Borough's December 31, 2021 and December 31, 2022 financial statements.

GASB Statement No. 93, '*Replacement of Interbank Offered Rates*'. The primary objectives of this Statement are to address the accounting and financial reporting implications that result from the replacement of an interbank offering rate (IBOR). The provisions of this Statement are effective for the Borough's December 31, 2022 financial statements.

GASB Statement No. 94, '*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*'. The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs), and provide guidance for accounting and financial reporting for availability payment arrangements (APAs). The provisions of this Statement are effective for the Borough's December 31, 2023 financial statements.

The implementation dates of the aforementioned pending GASB Statements have been updated to include the delayed implementation dates as set forth in recently issued (May 2020) GASB Statement No. 95. The effects of implementing these Statements on the Borough's financial statements have not yet been determined.

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS:**

At December 31, 2019, Homestead Borough had the following carrying values on its cash and cash equivalent accounts:

|                    | <b>Bank Balance</b> | <b>(Memo Only)<br/>Book Balance</b> |
|--------------------|---------------------|-------------------------------------|
| Governmental Funds | \$ 2,997,281        | \$ 2,922,383                        |
| Enterprise Funds   | 2,014,352           | 1,762,271                           |
| Fiduciary Funds    | 22,551              | 16,849                              |
| <b>Total</b>       | <b>\$ 5,034,184</b> | <b>\$ 4,701,503</b>                 |

**HOMESTEAD BOROUGH**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2019**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**CASH DEPOSITS (Continued)**

The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government account \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

**Custodial Credit Risk:**

Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough does not have a separate policy for custodial credit risk in addition to the requirements of the Borough Code. As of December 31, 2019, \$4,784,185 of the Borough's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Borough's name. In accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, the aforementioned deposits, in excess of \$250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

**INVESTMENTS:**

The fair value and maturity term of the Borough's investments as of December 31, 2019 is as follows:

|                            | <u>Fair Value</u>   | <u>No Stated<br/>Maturity</u> |
|----------------------------|---------------------|-------------------------------|
| <b>Governmental Funds:</b> |                     |                               |
| PLGIT                      | \$ 384,976          | \$ 384,976                    |
| <b>Fiduciary Funds:</b>    |                     |                               |
| Mutual Funds               | \$ 64,412           | \$ 64,412                     |
| Annuities                  | 2,498,794           | 2,498,794                     |
|                            | <u>\$ 2,563,206</u> | <u>\$ 2,563,206</u>           |

The purpose of the Pennsylvania Local Government Investment Trust (PLGIT) is to enable governmental units to pool their available funds for investments authorized under the Intergovernmental Cooperation Act of 1972. The funds operate in a manner consistent with the SEC's Rule 2(a)7 of the Investment Company Act of 1940. The funds use amortized cost to report net position to compute share prices. These funds maintain net asset values of \$1 per share. Accordingly, the fair value of the position in these funds is the same as the value of these shares.

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that in the event of failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Borough fiduciary fund investments in mutual funds, and governmental fund investments in PLGIT, are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The Borough does not have a specific policy that would limit its investment choices to those with certain credit ratings. As of December 31, 2019, the pension plan's bank balance of \$64,412 was exposed to custodial risk.

**HOMESTEAD BOROUGH**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2019**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS (Continued)**

**Investment Concentration:**

At December 31, 2019, the following are investments (other than those issued or guaranteed by the U.S. Government) in any one organization, that represent 5% or more of the pension fund's net assets:

|                                       |            |
|---------------------------------------|------------|
| MassMutual Odyssey Fixed Annuity      | \$ 508,428 |
| MassMutual Evolution Variable Annuity | 1,461,140  |
| MassMutual Transitions Select Annuity | 498,982    |

**Interest Rate Risk:**

The Borough has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk:**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Borough has no formal investment policy, in addition to the requirements of the Borough Code and the Intergovernmental Cooperation Act, that limits its investment choices based on credit ratings by nationally recognized rating organizations. As of December 31, 2019, PLGIT was rated AAAM by the Standards & Poors nationally recognized statistical rating organization.

**Fair Value Measurements:**

The Borough's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. Generally accepted accounting standards *provide a* framework for measuring fair value which establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

- **Level 1** – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes
- **Level 2** – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data
- **Level 3** – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

The Borough's pension investments are considered a 'Level 2' in the fair value hierarchy. Investments held in external investment pools such as PLGIT are not subject to the provisions of fair value measurements as they are recorded at amortized cost.

**HOMESTEAD BOROUGH**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2019**

**NOTE 5 – DEBT OBLIGATIONS (DIRECT BORROWINGS)**

**GENERAL OBLIGATION NOTES – USDA RURAL DEVELOPMENT**

In August 2013, Homestead Borough issued two General Obligation Notes to the United States Department of Agriculture, Rural Housing Service in the amounts of \$1,100,00 and \$250,000, respectively, for the purpose of 1) reimbursing costs incurred for the construction of the new municipal building and 2) to pay all costs and expenses indicated to the issuance and sale of the bonds. Interest rates are 3.5 for the bonds. In the event of a default, the government at its option may declare all or any part of the debt immediately due and payable. A summary of the remaining debt service requirements on this note obligation as of December 31, 2019 is as follows:

| <b>Year End<br/>June 30,</b> | <b>\$1,100,000<br/>Principal</b> | <b>\$250,000<br/>Principal</b> | <b>Total Interest</b> | <b>Total</b>        |
|------------------------------|----------------------------------|--------------------------------|-----------------------|---------------------|
| 2020                         | \$ 27,500                        | \$ 6,250                       | \$ 42,019             | \$ 75,769           |
| 2021                         | 27,500                           | 6,250                          | 40,861                | 74,611              |
| 2022                         | 27,500                           | 6,250                          | 39,703                | 73,453              |
| 2023                         | 27,500                           | 6,250                          | 38,546                | 72,296              |
| 2024                         | 27,500                           | 6,250                          | 37,388                | 71,138              |
| 2025-2029                    | 137,500                          | 31,250                         | 169,570               | 338,320             |
| 2030-2034                    | 137,500                          | 31,250                         | 140,620               | 309,370             |
| 2035-2039                    | 137,500                          | 31,250                         | 111,670               | 280,420             |
| 2040-2044                    | 137,500                          | 31,250                         | 82,720                | 251,470             |
| 2045-2049                    | 137,500                          | 31,250                         | 53,770                | 222,520             |
| 2050-2054                    | 137,500                          | 31,250                         | 24,820                | 193,570             |
| 2055-2056                    | 48,305                           | 10,978                         | 2,648                 | 61,931              |
|                              | <b>\$ 1,010,805</b>              | <b>\$ 229,728</b>              | <b>\$ 784,335</b>     | <b>\$ 2,024,868</b> |

**PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY LOAN**

In April of 2016, Homestead Borough issued a general obligation loan to the Authority for Improvements in Municipalities (AIM) in the amount of \$105,934 for construction of the fire department building. The terms of this loan call for 180 monthly payments of \$682 plus interest at the rate of 2%. In the event of a default as defined in the original loan agreement, the Commonwealth of PA may declare the debt immediately due and payable. A summary of the remaining debt service requirements on this note obligation as of December 31, 2019 is as follows:

| <b>Year End<br/>June 30,</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b>     |
|------------------------------|------------------|-----------------|------------------|
| 2020                         | \$ 7,985         | \$ 195          | \$ 8,180         |
| 2021                         | 2,106            | 17              | 2,123            |
|                              | <b>\$ 10,091</b> | <b>\$ 212</b>   | <b>\$ 10,303</b> |

**HOMESTEAD BOROUGH**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2019**

**NOTE 5 – DEBT OBLIGATIONS (DIRECT BORROWINGS) (Continued)**

The following represents the changes in the Borough's direct borrowing debt obligations for the 2019 calendar year:

|        | Balance<br>1/1/19   | Additions   | Deletions          | Balance<br>12/31/19 | Due Within<br>One Year |
|--------|---------------------|-------------|--------------------|---------------------|------------------------|
| Notes  | \$ 1,276,796        | -           | \$ (26,172)        | \$ 1,250,624        | \$ 41,735              |
| Leases | 26,313              | -           | (26,313)           | -                   | -                      |
|        | <u>\$ 1,303,109</u> | <u>\$ -</u> | <u>\$ (52,485)</u> | <u>\$ 1,250,624</u> | <u>\$ 41,735</u>       |

**NOTE 6 - BOROUGH PENSION PLAN**

**PLAN DESCRIPTIONS**

Homestead Borough administers an aggregated municipal pension plan for its Non-uniformed and Police Pension Plans, which are single-employer defined benefits plans. The Non-uniformed plan is controlled by the provisions of Ordinance No. 917, as amended. The Police Pension Plan is controlled by the provisions of Ordinance No. 883, as amended, adopted pursuant to Act 600. The plan is governed by the Borough Council which is responsible for the management of plan assets. The Borough Council has delegated the authority to manage certain plan assets to Mass Mutual Investor Services. A separate financial statement for the Plan is prepared by Feaster Pension Consulting and may be obtained from the Borough.

**PLAN MEMBERSHIP**

Plan membership as of December 31, 2019 was comprised of:

|                                                                         | Police           | Non<br>Uniformed |
|-------------------------------------------------------------------------|------------------|------------------|
| Active employees                                                        | 13               | 12               |
| Retirees and beneficiaries currently receiving benefits                 | 11               | 4                |
| Terminated employees entitled to benefits<br>but not yet receiving them | 1                | -                |
| <b>Total</b>                                                            | <u><b>25</b></u> | <u><b>16</b></u> |

**PLAN PROVISIONS**

A summary of the plan's provisions are as follows:

**PARTICIPANTS** - All eligible full-time police and non-uniformed employees of the Borough

**ELIGIBILITY** - Police – Age 50 and 25 Years of Service; early retirement is available upon 20 Years of Service.

General Employees – Age 65 and 20 years of Service; early retirement is Age 60 and the completion of 10 Years of Service.

**HOMESTEAD BOROUGH**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2019**

**NOTE 6 - BOROUGH PENSION PLAN (Continued)**

**PLAN PROVISIONS (Continued)**

**BENEFITS** -

Police – 50% of the Final Average Salary (last 36 months of pay). For the three members who had been auxiliary police officers, benefit will be offset by 50% of Social Security Benefit. For police officers retiring on or after January 1, 2016, only 50% of overtime pay, detail pay, holiday and court pay shall be used in the pension calculation. Upon the death of a member, the surviving spouse will receive a 50% lifetime continuance of the pension. If there is no spouse, the pension is payable to the children under the age of 18 (age 23 if attending college).

General Employees – 45% of the Final Average Salary (last 36 months of pay). If participant retired in 1992 or 1993, the benefit was 50% of Final Average Salary. If a participant reaches 65 with 20 Years of service by 12/31/2016, the benefit will also be 50% of Final Salary.

**VESTING** -

Police – 100% after 12 years of service

General Employees – 10 years but not more than 15: 25%, 15 years but not more than 20: 50%, 20 years but not more than 25: 75%, and 25 years or more: 100%

**FUNDING** -

Employee contributions are currently 5%. Borough contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program. The Borough contributed \$239,974 to the plans in 2019.

**FUNDING REQUIREMENTS**

On December 18, 1984, act 205 was passed into law, and is known as the "Municipal Pension Plan Funding Standard and Recovery Act." The act mandates actuarial funding standards, establishes a recovery program for financially distressed pension plans and provides for the distribution of the tax on the premiums of foreign fire insurance companies.

The act requires minimum funding standards based on the most recent actuarial valuation report, including normal cost and administrative expense requirements and an amortization contribution of the unfunded actuarial accrued liability. For financially distressed pension plans, the act provides for delayed implementation of this funding standard over either 10 or 15 years. In addition, supplemental state aid is available to all eligible municipalities and will be paid from the supplemental state assistance account.

In addition to member contributions, the pension plan may also receive an annual allocation from the General Municipal Pension System State Aid Program. The entire proceeds of the insurance premium tax on foreign casualty insurance companies and any investment income earned on those proceeds, and the portion of the proceeds of the insurance premium tax on foreign fire insurance companies which represents the amount of the distributions applicable to paid firefighters, and any investment income earned on the amount of those distributions are specifically designated for municipal pension plans. Any remaining obligation with respect to the pension plan shall be paid by the municipality.

**HOMESTEAD BOROUGH**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2019**

**NOTE 6 - BOROUGH PENSION PLAN (Continued)**

The plan's investment income was used to fund administrative costs. There are no long-term contracts for contributions as of December 31, 2019. In addition, there are no assets legally reserved for purposes other than the payment of plan member benefits.

**NOTE 7 – RISK MANAGEMENT**

Homestead Borough is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks, if applicable, have not exceeded commercial insurance coverage for the past three years.

**NOTE 8 - CONTINGENT LIABILITIES**

**LEGAL MATTERS**

Homestead Borough, in the normal course of operations, is party to various legal matters normally associated with municipalities such as real estate tax assessment appeals, personnel wage and benefits, and other miscellaneous legal matters. A complaint has been filed against the Borough by a former employee over the circumstances surrounding employment termination. It is anticipated that this claim will involve amounts significantly in excess of \$5,000. It is not reasonably determinable as of the date of this report as to the merits of this claim, and as to whether this claim will result in an adverse result against the Borough.

**FEDERAL AND STATE FUNDING**

Homestead Borough's state and federally funded programs, including its pension plan, liquid fuels funds, and USDA Rural Development Loans are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The Borough is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**NOTE 9 – PRIOR PERIOD ADJUSTMENTS**

Prior period adjustments totaling \$131,270 were made to decrease the January 1, 2019 fund balances of the Borough's General and Capital Project Funds combined. These adjustments were necessary to adjust outstanding vendor debt obligations to actual as of that date. In addition, a \$68,505 prior period adjustment of \$68,505 was made to the January 1, 2019 fund balance of the Borough's Trust and Agency Funds (Payroll Fund) to adjust payroll tax liability obligations to actual as of that date.

**HOMESTEAD BOROUGH**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2019**

**NOTE 10 – SUBSEQUENT EVENTS**

In early 2020, a new strain of the coronavirus (COVID-19) spread through China as well as other countries including the United States. The impact of the virus varies from region to region and from day to day, and any significant additional spreading of the virus could adversely affect the Borough of Homestead business. The outbreak of the COVID-19 virus is likely to have a further negative impact in 2020 on the global and local economy and, in the future, might impact the Borough of Homestead financial results in 2020 and beyond. Given the dynamic nature of this outbreak, however, the extent to which the COVID-19 virus impacts the Borough of Homestead results will depend on future developments, which remain highly uncertain and cannot be predicted at this time

Management has determined that there are no other events subsequent to December 31, 2019 through the September 25, 2020 date of the 'Independent Auditor's Report' date, which is the date the financial statements were available to be issued, that require disclosure in the financial statements.

***SUPPLEMENTARY***  
***INFORMATION***

**BOROUGH OF HOMESTEAD**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL REVENUES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|                                    | <b>BUDGET</b>       | <b>ACTUAL</b>       | <b>OVER<br/>(UNDER)<br/>BUDGET</b> |
|------------------------------------|---------------------|---------------------|------------------------------------|
| <b>TAXES:</b>                      |                     |                     |                                    |
| Real Estate Taxes - Current        | \$ 2,100,000        | \$ 2,154,428        | \$ 54,428                          |
| Real Estate Taxes - Library tax    | -                   | 78,202              | 78,202                             |
| Regional Asset Distribution        | 80,000              | 110,136             | 30,136                             |
| Real Estate Taxes - prior year tif | -                   | -                   | -                                  |
| Real Estate Taxes - Prior Year     | 25,000              | 17,711              | (7,289)                            |
| Real Estate Taxes - Liened         | 50,000              | 130,251             | 80,251                             |
| Real Estate Transfer Tax           | 64,000              | 182,347             | 118,347                            |
| Earned Income Tax - Current        | 180,000             | 211,326             | 31,326                             |
| Earned Income Tax - Delinquent     | 100                 | 284                 | 184                                |
| Mercantile Fee                     | 10,000              | 8,732               | (1,268)                            |
| LST Current                        | 132,000             | 127,015             | (4,985)                            |
| Parking Privilege Tax              | 146,500             | 149,397             | 2,897                              |
| <b>TOTAL TAXES</b>                 | <b>\$ 2,787,600</b> | <b>\$ 3,169,829</b> | <b>\$ 382,229</b>                  |
| <b>LICENSES AND PERMITS:</b>       |                     |                     |                                    |
| Licensed Mechanical Device         | \$ 32,000           | \$ 28,759           | \$ (3,241)                         |
| Building Permits                   | 65,000              | 122,851             | 57,851                             |
| 3rd Party Review/Inspections       | 30,000              | 50,586              | 20,586                             |
| Use and Occupancy Permits          | 7,000               | 9,420               | 2,420                              |
| Rental Licenses                    | 32,500              | 20,834              | (11,666)                           |
| Zoning Certificates                | 1,500               | 2,138               | 638                                |
| Rental Inspection Certificates     | 1,500               | 780                 | (720)                              |
| Solicitor/Peddler Permit           | 800                 | 800                 | -                                  |
| Business Privilege License         | 24,000              | 37,498              | 13,498                             |
| UCC Fees                           | 400                 | 684                 | 284                                |
| Special Events Permit              | 2,100               | 1,950               | (150)                              |
| Cable Television Franchise         | 70,000              | 44,960              | (25,040)                           |
| Curb Cut/Sidewalk Permit           | 1,000               | 1,278               | 278                                |
| Street Opening Permit              | 10,000              | 32,500              | 22,500                             |
| Dumpster Permits                   | 500                 | 677                 | 177                                |
| Alarm Permits/Charges              | 4,500               | 6,545               | 2,045                              |
| <b>TOTAL LICENSES AND PERMITS</b>  | <b>\$ 282,800</b>   | <b>\$ 362,260</b>   | <b>\$ 79,460</b>                   |
| <b>FINES AND FORFEITURES:</b>      |                     |                     |                                    |
| Violation of Ordinance Fee         | \$ 8,000            | \$ 8,752            | \$ 752                             |
| Vehicle Code Violations            | 20,000              | 18,108              | (1,892)                            |
| Commercial Vehicle Inspections     | 2,500               | 889                 | (1,611)                            |
| Violations of Ordinances - Police  | 20,000              | 15,534              | (4,466)                            |
| Parking Tickets/Fine               | 25,000              | 22,904              | (2,096)                            |
| <b>TOTAL FINES AND FORFEITURES</b> | <b>\$ 75,500</b>    | <b>\$ 66,187</b>    | <b>\$ (9,313)</b>                  |
| <b>INTEREST:</b>                   |                     |                     |                                    |
| Interest Earnings                  | \$ 2,500            | \$ 18,943           | \$ 16,443                          |
| <b>TOTAL INTEREST</b>              | <b>\$ 2,500</b>     | <b>\$ 18,943</b>    | <b>\$ 16,443</b>                   |

The accompanying notes are an integral part of these special purpose financial statements

**BOROUGH OF HOMESTEAD**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL REVENUES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|                                                       | BUDGET              | ACTUAL              | OVER<br>(UNDER)<br>BUDGET |
|-------------------------------------------------------|---------------------|---------------------|---------------------------|
| <b>INTERGOVERNMENTAL:</b>                             |                     |                     |                           |
| Highways and Streets                                  | \$ 1,200            | \$ 3,514            | \$ 2,314                  |
| Marcellus Shale Project                               | -                   | 592                 | 592                       |
| Public Utility Realty Tax                             | 1,500               | 1,155               | (345)                     |
| Alcoholic Beverage License                            | 4,100               | 4,100               | -                         |
| General Municipal Pension                             | 149,000             | 179,217             | 30,217                    |
| Foreign Fire Insurance                                | 15,500              | 16,142              | 642                       |
| Payment in Lieu of Taxes                              | 90,000              | 14,766              | (75,234)                  |
| <b>TOTAL INTERGOVERNMENTAL</b>                        | <b>\$ 261,300</b>   | <b>\$ 219,486</b>   | <b>\$ (41,814)</b>        |
| <b>CHARGES FOR SERVICES:</b>                          |                     |                     |                           |
| Lien Letters                                          | \$ 5,500            | \$ 5,080            | \$ (420)                  |
| Subdivision and Land Develop Fee                      | 2,000               | 6,000               | 4,000                     |
| Library Tax - Prior Year                              | -                   | 44                  | 44                        |
| Hearing Fees                                          | 3,000               | 2,200               | (800)                     |
| Sale of Copies                                        | 50                  | 59                  | 9                         |
| Credit Card Fees                                      | 550                 | (552)               | (1,102)                   |
| Scanning/Document Imaging Fee                         | 8,000               | 12,485              | 4,485                     |
| General Government                                    | 1,000               | 10,000              | 9,000                     |
| DYE Tests                                             | -                   | 200                 | 200                       |
| Security Bond Cash                                    | -                   | 999                 | 999                       |
| Public Safety                                         | 31,000              | 54,525              | 23,525                    |
| Police Sale of Copies                                 | 2,000               | 2,085               | 85                        |
| Reimbursement For Crossing Guards                     | 30,000              | 27,337              | (2,663)                   |
| Special Detail Reimbursement                          | 90,000              | 181,430             | 91,430                    |
| Parking Meters                                        | 65,000              | 51,860              | (13,140)                  |
| Meter Feeder                                          | 20,000              | 14,266              | (5,734)                   |
| Parking Permits                                       | 56,000              | 59,137              | 3,137                     |
| Sewer Tap-In Fees                                     | -                   | 50,000              | 50,000                    |
| Health/Safety Fee (Garbage)                           | -                   | 168,124             | 168,124                   |
| Community Day Fees/Contribution                       | 5,000               | 3,544               | (1,456)                   |
| <b>TOTAL CHARGES FOR SERVICES</b>                     | <b>\$ 319,100</b>   | <b>\$ 648,823</b>   | <b>\$ 329,723</b>         |
| <b>OTHER FINANCING SOURCES:</b>                       |                     |                     |                           |
| Sale of Property                                      | 1,000               | 23,443              | \$ 22,443                 |
| Operating Transfer In                                 | 15,000              | 203,168             | 188,168                   |
| Transfer From Sewer Fund                              | 795,000             | 839,624             | 44,624                    |
| Refund-Prior Year Expenses                            | 10,000              | 72,272              | 62,272                    |
| Miscellaneous                                         | 15,000              | 25,304              | 10,304                    |
| <b>TOTAL OTHER FINANCING SOURCES</b>                  | <b>836,000</b>      | <b>1,163,811</b>    | <b>327,811</b>            |
| <b>TOTAL REVENUES AND<br/>OTHER FINANCIAL SOURCES</b> | <b>\$ 4,564,800</b> | <b>\$ 5,649,339</b> | <b>\$ 1,084,539</b>       |

The accompanying notes are an integral part of these special purpose financial statements

**BOROUGH OF HOMESTEAD**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|                                   | BUDGET            | ACTUAL            | OVER<br>(UNDER)<br>BUDGET |
|-----------------------------------|-------------------|-------------------|---------------------------|
| <b>GENERAL GOVERNMENT:</b>        |                   |                   |                           |
| <b>ADMINISTRATION:</b>            |                   |                   |                           |
| Salary of Council                 | \$ 11,000         | \$ 10,475         | \$ (525)                  |
| Salary of Mayor                   | 2,100             | 2,100             | -                         |
| Life Insurance                    | 1,005             | 541               | (464)                     |
| FICA                              | 813               | 780               | (33)                      |
| Medicare                          | 190               | 182               | (8)                       |
| Telephone                         | 200               | 568               | 368                       |
| Conferences/Dues                  | 5,000             | 8,791             | 3,791                     |
| Miscellaneous                     | 100               | 738               | 638                       |
| Salary of Manager                 | 60,000            | 59,891            | (109)                     |
| Wages of Administrative Assistant | 40,790            | 46,239            | 5,449                     |
| Finance Director                  | -                 | 39,404            | 39,404                    |
| Wages of Administrative Clerk     | 13,500            | 5,224             | (8,276)                   |
| Health Insurance                  | 56,000            | 56,366            | 366                       |
| Life Insurance                    | 1,600             | 1,200             | (400)                     |
| FICA                              | 10,200            | 9,358             | (842)                     |
| Unemployment Compensation         | 6,000             | 2,073             | (3,927)                   |
| Medicare                          | 2,500             | 2,189             | (311)                     |
| Workers Compensation              | 1,000             | 6,277             | 5,277                     |
| Office Supplies                   | 2,500             | 3,344             | 844                       |
| Office/Computer Equipment         | 3,000             | 7,870             | 4,870                     |
| Computer Software Support         | 15,000            | 33,872            | 18,872                    |
| Website                           | 1,000             | 1,221             | 221                       |
| Telephone/Cell Phone              | 5,400             | 6,190             | 790                       |
| Postage                           | 4,000             | 4,322             | 322                       |
| Advertising                       | 5,000             | 12,627            | 7,627                     |
| Printing                          | 1,000             | 405               | (595)                     |
| Bonds                             | 1,500             | 1,858             | 358                       |
| Training/Dues/Conferences/Travel  | 5,000             | 8,487             | 3,487                     |
| Miscellaneous                     | 1,000             | 773               | (227)                     |
| Auditing Services                 | 15,000            | -                 | (15,000)                  |
| Bank Fees                         | 100               | 40                | (60)                      |
| Credit Card Fees                  | -                 | 126               | 126                       |
| Legal Services                    | 30,000            | 22,486            | (7,514)                   |
| Retainer                          | 18,000            | 16,500            | (1,500)                   |
| Civil Service Legal               | 1,500             | 480               | (1,020)                   |
| Engineering Services              | 35,000            | 33,143            | (1,857)                   |
| <b>TOTAL ADMINISTRATION</b>       | <b>\$ 355,998</b> | <b>\$ 406,140</b> | <b>\$ 50,142</b>          |
| <b>TAX COLLECTION:</b>            |                   |                   |                           |
| Salary/Community Tax Collector    | \$ 11,000         | \$ 11,372         | \$ 372                    |
| FICA                              | 692               | 705               | 13                        |
| Medicare                          | 162               | 165               | 3                         |
| Office Supplies                   | 100               | 874               | 774                       |
| Postage                           | 100               | 100               | -                         |
| Printing                          | 400               | 1,649             | 1,249                     |
| Bond                              | -                 | 1,619             | 1,619                     |
| Dues/Seminars                     | 200               | 3,656             | 3,456                     |
| Miscellaneous                     | 25                | 333               | 308                       |
| <b>TOTAL TAX COLLECTION</b>       | <b>\$ 12,679</b>  | <b>\$ 20,473</b>  | <b>\$ 7,794</b>           |

The accompanying notes are an integral part of these special purpose financial statements

**BOROUGH OF HOMESTEAD**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|                                   | BUDGET              | ACTUAL              | OVER<br>(UNDER)<br>BUDGET |
|-----------------------------------|---------------------|---------------------|---------------------------|
| <b>TOWNSHIP BUILDING:</b>         |                     |                     |                           |
| Electric                          | \$ 5,000            | \$ 2,404            | \$ (2,596)                |
| Gas                               | 4,000               | 3,153               | (847)                     |
| Water/Sewage                      | 3,000               | 4,173               | 1,173                     |
| General Government Buildings      | 35,000              | 43,565              | 8,565                     |
| <b>TOTAL TOWNSHIP BUILDING</b>    | <b>\$ 47,000</b>    | <b>\$ 53,295</b>    | <b>\$ 6,295</b>           |
| <b>TOTAL GENERAL GOVERNMENT</b>   | <b>\$ 415,677</b>   | <b>\$ 479,908</b>   | <b>\$ 64,231</b>          |
| <b>PUBLIC SAFETY:</b>             |                     |                     |                           |
| <b>POLICE PROTECTION:</b>         |                     |                     |                           |
| Wages - Chief                     | \$ 93,568           | \$ 95,920           | \$ 2,352                  |
| Wages - Sergeants/Corporals       | 196,539             | 195,113             | (1,426)                   |
| Wages - Full Time Officers        | 536,890             | 477,640             | (59,250)                  |
| Wages - Part Time Officers        | 111,355             | 96,334              | (15,021)                  |
| Wages - Officer In Charge         | 5,000               | 4,970               | (30)                      |
| Wages - Special Duty              | 60,840              | 65,396              | 4,556                     |
| Wages - SRO                       | -                   | 24,198              | 24,198                    |
| Wages - Full Time Clerical        | 34,150              | 34,110              | (40)                      |
| Wages - School Crossing Guards    | 40,924              | 37,341              | (3,583)                   |
| Wages - Custodial                 | 5,366               | 5,583               | 217                       |
| Health Insurance                  | 222,000             | 259,745             | 37,745                    |
| Life Insurance                    | 4,645               | 5,176               | 531                       |
| FICA                              | 62,300              | 70,883              | 8,583                     |
| Unemployment Compensation         | 9,000               | 6,654               | (2,346)                   |
| Medicare                          | 15,000              | 16,578              | 1,578                     |
| Workers Compensation              | 175,000             | 119,385             | (55,615)                  |
| Longevity                         | 4,300               | 4,300               | -                         |
| Overtime                          | 18,190              | 56,195              | 38,005                    |
| Court                             | 44,555              | 27,940              | (16,615)                  |
| Holidays                          | 30,100              | 34,618              | 4,518                     |
| Uniform Allowance                 | 5,850               | 9,079               | 3,229                     |
| Office Supplies                   | 6,000               | 4,375               | (1,625)                   |
| Office Equipment                  | 4,000               | 5,725               | 1,725                     |
| Gasoline                          | 28,840              | 27,785              | (1,055)                   |
| Ammunition/Taser                  | 2,000               | 1,033               | (967)                     |
| Animal Control                    | 2,000               | 1,740               | (260)                     |
| K-9                               | 4,000               | 4,333               | 333                       |
| Telephone/Cell                    | 13,000              | 11,482              | (1,518)                   |
| Postage                           | 500                 | 59                  | (441)                     |
| Prisoner Holding                  | 30,000              | 35,000              | 5,000                     |
| Police Professional Liability     | 13,005              | -                   | (13,005)                  |
| Radio Repairs                     | 2,500               | 2,559               | 59                        |
| Dues/Memberships                  | 2,500               | 2,841               | 341                       |
| Training                          | 3,000               | 1,775               | (1,225)                   |
| Vehicle Maintenance               | 15,000              | 22,651              | 7,651                     |
| Machinery & Equipment             | 2,500               | 60,496              | 57,996                    |
| Miscellaneous                     | 1,500               | 1,442               | (58)                      |
| Tupper, Police Software Equipment | 8,000               | 6,420               | (1,580)                   |
| <b>TOTAL POLICE PROTECTION</b>    | <b>\$ 1,813,917</b> | <b>\$ 1,836,874</b> | <b>\$ 22,957</b>          |

The accompanying notes are an integral part of these special purpose financial statements

**BOROUGH OF HOMESTEAD**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|                                   | BUDGET              | ACTUAL              | OVER<br>(UNDER)<br>BUDGET |
|-----------------------------------|---------------------|---------------------|---------------------------|
| <b>FIRE PROTECTION:</b>           |                     |                     |                           |
| Workers Compensation              | \$ 10,000           | \$ 11,461           | \$ 1,461                  |
| Office Supplies                   | 100                 | 212                 | 112                       |
| Gasoline                          | 3,000               | 3,366               | 366                       |
| Equipment Purchase                | 200                 | -                   | (200)                     |
| Transportation Reimbursement      | -                   | 8,108               | 8,108                     |
| Telephone/Cell                    | 1,600               | 2,555               | 955                       |
| Radio Equipment/Repair            | 2,500               | 215                 | (2,285)                   |
| Electricity                       | 3,000               | 3,248               | 248                       |
| Gas                               | 3,000               | 2,186               | (814)                     |
| Hydrant Service                   | 25,000              | 20,679              | (4,321)                   |
| Water/Sewer                       | 800                 | 3,112               | 2,312                     |
| Building Repair/Maintenance       | 2,500               | 3,602               | 1,102                     |
| Equipment Repair                  | 7,000               | 3,046               | (3,954)                   |
| Vehicle Repair/Maintenance        | 15,000              | 2,560               | (12,440)                  |
| Foreign Fire Insurance            | 15,500              | 16,142              | 642                       |
| <b>TOTAL FIRE PROTECTION</b>      | <b>\$ 89,200</b>    | <b>\$ 80,492</b>    | <b>\$ (8,708)</b>         |
| <b>AMBULANCE / RESCUE:</b>        |                     |                     |                           |
| Office Supplies                   | \$ 25               | \$ 40               | \$ 15                     |
| Office/Computer Equipment         | -                   | 294                 | 294                       |
| Emergency Notification            | 3,950               | 3,950               | -                         |
| <b>TOTAL AMBULANCE / RESCUE</b>   | <b>\$ 3,975</b>     | <b>\$ 4,284</b>     | <b>\$ 309</b>             |
| <b>CODE ENFORCEMENT:</b>          |                     |                     |                           |
| BCO/Zoning Officer                | \$ 53,820           | \$ 53,792           | \$ (28)                   |
| 3rd Party Review/Inspections      | 20,000              | 47,907              | 27,907                    |
| Code Enforcement Officer          | 30,160              | 31,713              | 1,553                     |
| Health Insurance                  | 33,000              | 32,671              | (329)                     |
| Life Insurance                    | 425                 | 650                 | 225                       |
| FICA                              | 5,200               | 5,301               | 101                       |
| Unemployment Compensation         | 1,075               | 586                 | (489)                     |
| Medicare                          | 2,000               | 1,240               | (760)                     |
| Workers Compensation              | 600                 | 6,307               | 5,707                     |
| Uniforms                          | 800                 | 935                 | 135                       |
| Office Supplies                   | 1,200               | 511                 | (689)                     |
| Gasoline/Tolls                    | 3,000               | 2,270               | (730)                     |
| Demolition & Property Maintenance | 20,000              | 16,365              | (3,635)                   |
| Telephone/Cell/Aircards           | 1,100               | 1,054               | (46)                      |
| Printing                          | 100                 | 530                 | 430                       |
| Dues/Books/Ecode                  | 2,500               | 2,648               | 148                       |
| Training                          | 4,600               | 3,018               | (1,582)                   |
| Code Vehicle Maintenance          | -                   | 143                 | 143                       |
| UCC Fees                          | 500                 | 710                 | 210                       |
| <b>TOTAL CODE ENFORCEMENT</b>     | <b>\$ 180,080</b>   | <b>\$ 208,351</b>   | <b>\$ 28,271</b>          |
| <b>PLANNING AND ZONING:</b>       |                     |                     |                           |
| Stenographic Services             | \$ 450              | \$ 425              | \$ (25)                   |
| Legal Services - ZHB              | 1,000               | 1,000               | -                         |
| Advertising - ZHB                 | 750                 | 345                 | (405)                     |
| Advertising - HARB                | 300                 | -                   | (300)                     |
| <b>TOTAL PLANNING AND ZONING</b>  | <b>\$ 2,500</b>     | <b>\$ 1,770</b>     | <b>\$ (730)</b>           |
| <b>TOTAL PUBLIC SAFETY</b>        | <b>\$ 2,089,672</b> | <b>\$ 2,131,771</b> | <b>\$ 42,099</b>          |

The accompanying notes are an integral part of these special purpose financial statements

**BOROUGH OF HOMESTEAD**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|                                         | <u>BUDGET</u>     | <u>ACTUAL</u>     | <u>OVER<br/>(UNDER)<br/>BUDGET</u> |
|-----------------------------------------|-------------------|-------------------|------------------------------------|
| <b>PUBLIC WORKS:</b>                    |                   |                   |                                    |
| <b>HEALTH AND SANITATION:</b>           |                   |                   |                                    |
| Solid Waste Collection                  | \$ 210,000        | \$ 247,643        | \$ 37,643                          |
| <b>TOTAL HEALTH AND SANITATION</b>      | <b>\$ 210,000</b> | <b>\$ 247,643</b> | <b>\$ 37,643</b>                   |
| <b>HIGHWAYS AND STREETS:</b>            |                   |                   |                                    |
| Wages - Foreman                         | \$ 43,972         | \$ 44,095         | \$ 123                             |
| Wages - Laborer                         | 121,000           | 146,605           | 25,605                             |
| Wages - Part-Time                       | 20,000            | -                 | (20,000)                           |
| Wages - Seasonal Part-Time              | 3,500             | 15,759            | 12,259                             |
| Health Insurance                        | 86,000            | 99,727            | 13,727                             |
| Life Insurance                          | 1,600             | 1,381             | (219)                              |
| FICA                                    | 11,700            | 13,457            | 1,757                              |
| Unemployment Compensation               | 2,400             | 1,700             | (700)                              |
| Medicare                                | 2,500             | 3,147             | 647                                |
| Workers Compensation                    | 26,000            | 28,655            | 2,655                              |
| Longevity                               | 250               | -                 | (250)                              |
| Overtime                                | 7,500             | 10,584            | 3,084                              |
| Uniforms                                | 4,500             | 7,067             | 2,567                              |
| Gasoline                                | 13,000            | 9,813             | (3,187)                            |
| Supplies                                | 5,500             | 4,414             | (1,086)                            |
| Road Improvement/Street Sweeping        | 20,000            | 31,421            | 11,421                             |
| Street Signs                            | 6,500             | 11,139            | 4,639                              |
| Equipment Purchase                      | 2,500             | 3,001             | 501                                |
| Contracted Services                     | 15,000            | 8,400             | (6,600)                            |
| Telephone/Cell                          | 2,000             | 2,394             | 394                                |
| Electricity                             | 2,000             | 2,055             | 55                                 |
| Gas                                     | 5,000             | 3,500             | (1,500)                            |
| Comcast TV Public Works                 | -                 | 943               | 943                                |
| Water/Sewer                             | 450               | 854               | 404                                |
| Building & Equipment Repair/Maintenance | 6,000             | 460               | (5,540)                            |
| Equipment Rental                        | 500               | 435               | (65)                               |
| Memberships, Dues, Seminars             | 200               | 472               | 272                                |
| Vehicle Repair/Maintenance              | 8,000             | 11,456            | 3,456                              |
| Salt/Anti-Skid Material                 | 25,000            | 13,193            | (11,807)                           |
| Traffic Signal Maintenance              | 4,000             | 10,185            | 6,185                              |
| Traffic Signal Electric                 | 1,000             | 8,233             | 7,233                              |
| Street Light Repairs                    | 15,000            | 9,233             | (5,767)                            |
| Street Light Electric                   | 100,000           | 105,272           | 5,272                              |
| <b>TOTAL HIGHWAY AND STREETS</b>        | <b>\$ 562,572</b> | <b>\$ 609,050</b> | <b>\$ 46,478</b>                   |

The accompanying notes are an integral part of these special purpose financial statements

**BOROUGH OF HOMESTEAD**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|                                     | BUDGET            | ACTUAL            | OVER<br>(UNDER)<br>BUDGET |
|-------------------------------------|-------------------|-------------------|---------------------------|
| <b>PARKING:</b>                     |                   |                   |                           |
| Wages - FT Parking Reader           | \$ 57,117         | \$ 48,912         | \$ (8,205)                |
| Wages - PT Parking Reader           | 4,175             | -                 | (4,175)                   |
| Health Insurance                    | 45,000            | 35,292            | (9,708)                   |
| Life Insurance                      | 325               | 596               | 271                       |
| FICA                                | 2,800             | 3,082             | 282                       |
| Unemployment Compensation           | 1,000             | 654               | (346)                     |
| Medicare                            | 1,200             | 721               | (479)                     |
| Workers Compensation                | 23,000            | 19,504            | (3,496)                   |
| Longevity                           | 125               | 125               | -                         |
| Uniforms                            | 600               | 523               | (77)                      |
| Office Supplies                     | 500               | 109               | (391)                     |
| Office/Computer Equipment           | 250               | 26                | (224)                     |
| Gasoline                            | 500               | 569               | 69                        |
| Signs                               | 2,500             | 504               | (1,996)                   |
| Repair of Equipment                 | 3,000             | 2,268             | (732)                     |
| Telephone/Cell Phone                | 850               | 709               | (141)                     |
| Postage                             | 100               | 100               | -                         |
| Printing                            | 300               | 6,141             | 5,841                     |
| Dues/Seminars/Conferences           | 250               | -                 | (250)                     |
| Vehicle Repair/Maintenance          | 500               | 75                | (425)                     |
| Miscellaneous                       | 100               | (4)               | (104)                     |
| <b>TOTAL PARKING</b>                | <b>\$ 144,192</b> | <b>\$ 119,906</b> | <b>\$ (24,286)</b>        |
| <b>TOTAL PUBLIC WORKS</b>           | <b>\$ 916,764</b> | <b>\$ 976,599</b> | <b>\$ 59,835</b>          |
| <b>CULTURE AND RECREATION:</b>      |                   |                   |                           |
| <b>PARKS AND RECREATION:</b>        |                   |                   |                           |
| Community Anniversary               | \$ 6,500          | \$ 9,428          | \$ 2,928                  |
| Miscellaneous                       | 1,000             | 66                | (934)                     |
| Programs                            | -                 | 83                | 83                        |
| Equipment/Supplies                  | 1,500             | 20,671            | 19,171                    |
| Electric                            | 2,000             | 1,084             | (916)                     |
| Gas                                 | 150               | 4,618             | 4,468                     |
| Water                               | 650               | 2,947             | 2,297                     |
| <b>TOTAL PARKS AND RECREATION</b>   | <b>\$ 11,800</b>  | <b>\$ 38,897</b>  | <b>\$ 27,097</b>          |
| <b>LIBRARY:</b>                     |                   |                   |                           |
| Library Tax Payment                 | \$ 70,000         | \$ 58,832         | \$ (11,168)               |
| Maps Donation                       | 3,000             | 3,000             | -                         |
| <b>TOTAL LIBRARY</b>                | <b>73,000</b>     | <b>61,832</b>     | <b>(11,168)</b>           |
| <b>TOTAL CULTURE AND RECREATION</b> | <b>\$ 84,800</b>  | <b>\$ 100,729</b> | <b>\$ 15,929</b>          |
| <b>COMMUNITY DEVELOPMENT:</b>       |                   |                   |                           |
| Community Development               | \$ 30,000         | \$ 27,929         | \$ (2,071)                |
| Waterfront Shared Maintenance       | -                 | 288,150           | 288,150                   |
| <b>TOTAL COMMUNITY DEVELOPMENT</b>  | <b>\$ 30,000</b>  | <b>\$ 316,079</b> | <b>\$ 286,079</b>         |
| <b>DEBT SERVICE:</b>                |                   |                   |                           |
| Debt Service - General Obligation   | \$ 7,000          | \$ 8,065          | \$ 1,065                  |
| Interest on Loans                   | -                 | 115               | 115                       |
| <b>TOTAL DEBT SERVICE</b>           | <b>\$ 7,000</b>   | <b>\$ 8,180</b>   | <b>\$ 1,180</b>           |

The accompanying notes are an integral part of these special purpose financial statements

**BOROUGH OF HOMESTEAD**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|                                              | BUDGET              | ACTUAL              | OVER<br>(UNDER)<br>BUDGET |
|----------------------------------------------|---------------------|---------------------|---------------------------|
| <b>INSURANCE AND EMPLOYEE BENEFITS</b>       |                     |                     |                           |
| Pension Contribution                         | \$ 240,000          | \$ 239,920          | \$ (80)                   |
| Insurance - General Liability                | 64,000              | 9,572               | (54,428)                  |
| Insurance - Public Off Liability             | 7,250               | 95,945              | 88,695                    |
| Employee Benefits - Life In Retiree          | 50                  | 40                  | (10)                      |
| <b>TOTAL INSURANCE AND EMPLOYEE BENEFITS</b> | <b>\$ 311,300</b>   | <b>\$ 345,477</b>   | <b>\$ 34,177</b>          |
| <b>OTHER FINANCING USES:</b>                 |                     |                     |                           |
| Operating Transfers Out                      | \$ 32,700           | \$ 780,711          | \$ 748,011                |
| Transfer to Sewer Fund                       | 200,000             | 1,018,609           | 818,609                   |
| Transfer to Capital Improvement Fund         | 300,000             | 696,057             | 396,057                   |
| Reserve For Contingency                      | 15,000              | 15,720              | 720                       |
| Tax Refunds                                  | 20,000              | 32,053              | 12,053                    |
| Refund of Prior Year Receipts                | -                   | 88,364              | 88,364                    |
| <b>TOTAL OTHER FINANCING USES</b>            | <b>\$ 567,700</b>   | <b>\$ 2,631,514</b> | <b>\$ 2,063,814</b>       |
| <b>TOTAL DISBURSEMENTS</b>                   | <b>\$ 4,422,913</b> | <b>\$ 6,990,257</b> | <b>\$ 2,567,344</b>       |

