DCED-CLGS-30 (9-09)

Received by DCED:
Approved by DCED:

Department of Community & Economic Development
Governor's Center for Local Government Services
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225
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2018 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

020333 BLAWNOX BORO, ALLEGHENY COUNTY

MaherDuessel

Independent Auditor's Report

Members of Council
Borough of Blawnox

We have audited the Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statements of Capital Expenditures and Employee Compensation – regulatory basis (Schedules) included in the 2018 Annual Audit and Financial Report of the Borough of Blawnox (Borough), Pennsylvania.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Schedules in accordance with the financial reporting provisions as described in the instructions provided by the Commonwealth of Pennsylvania Department of Community and Economic Development (DCED) to meet filing requirements in Pennsylvania. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedules. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the Schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedules.

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

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

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

The effects on the Schedules of the variances between the regulatory basis of accounting described above and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion of U.S. General Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the Schedules referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2018 and the results of its operations for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The Schedules referred to above do not report an amount within the General Fixed Asset Account Group, which is required to be reported to conform to the basis of accounting described above. The amount that should be recorded in the General Fixed Asset Account Group is not known.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the Schedules referred to above present fairly, in all material respects, the regulatory basis financial position of the Borough as of December 31, 2018, and the regulatory results of its operations for the year then ended, in accordance with the financial reporting provisions described in the instructions provided by the DCED.

Maher Duessel

Pittsburgh, Pennsylvania
March 29, 2019

BALANCE SHEET

DCED-CLGS-30 (09-09)

BLAWNOX BORO, ALLEGHENY County

BALANCE SHEET

December 31, 2018

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Assets and Other Debits											
100-120	Cash and Investments	192,315	16	152,650		493,265		3,064,145			3,902,391
140-144	Tax Receivable	88,029									88,029
121-129, 145-149	Accounts Receivable (excluding taxes)	1,420				107,722					109,142
130.00	Due From Other Funds	164,104									164,104
131-139, 150-159	Other Current Assets	7,587									7,587
160-169	Fixed Assets										
180-189	Other Debits									2,683,674	2,683,674
Total Assets and Other Debits		453,455	16	152,650		600,987		3,064,145		2,683,674	6,954,927

		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings										
200-209, 231-239	All Other Current Liabilities	122,498									122,498
230.00	Due To Other Funds			55,096		109,008					164,104

BLAWNOX BORO, ALLEGHENY County

BALANCE SHEET

December 31, 2018

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									2,501,742	2,501,742
240-259	Current Portion of Long-Term Debt and Other Credits	66,836								181,932	248,768
Total Liabilities and Other Credits		189,334		55,096		109,008				2,683,674	3,037,112

Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	264,121	16	97,554		491,979		3,064,145			3,917,815
291-299	Other Equity										
Total Fund and Account Group Equity		264,121	16	97,554		491,979		3,064,145			3,917,815

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	6,954,927

BLAWNOX BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

REVENUES

Code	Item	Governmental Funds: General Fund	Governmental Funds: Special Revenue (Including State Liquid Fuels)	Governmental Funds: Capital Projects	Governmental Funds: Debt Service	Proprietary Funds: Enterprise	Proprietary Funds: Internal Service	Fiduciary Fund: Trust and Agency	Total: Memorandum Only
	Taxes								
301.00	Real Estate Taxes	714,828							714,828
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)	55,077							55,077
310.00	Per Capita Taxes								
310.10	Real Estate Transfer Taxes	22,212							22,212
310.20	Earned Income Taxes / Wage Taxes	188,353							188,353
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	33,893							33,893
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes	14,575							14,575
310.90	Other: _______________								
	Other: _______________								
	Total Taxes	1,028,938							1,028,938
	Licenses and Permits								
320-322	All Other Licenses and Permits	568							568
321.80	Cable Television Franchise Fees	34,180							34,180
	Total Licenses and Permits	34,748							34,748
	Fines and Forfeits								
330-332	Fines and Forfeits	7,443							7,443
	Total Fines and Forfeits	7,443							7,443

BLAWNOX BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

REVENUES

Interest, Rents and Royalties		General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
341.00	Interest Earnings	3,598	133	363		6,625		106,010	116,729
342.00	Rents and Royalties	10,669							10,669
Total Interest, Rents and Royalties		14,267	133	363		6,625		106,010	127,398

Federal		General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
351.03	Highways and Streets								
351.09	Community Development								
351.00	All Other Federal Capital and Operating Grants								
352.01	National Forest								
352.00	All Other Federal Shared Revenue and Entitlements								
353.00	Federal Payments in Lieu of Taxes								
Total Federal									

State		General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
354.03	Highways and Streets								
354.09	Community Development								
354.15	Recycling / Act 101								
354.00	All Other State Capital and Operating Grants	70,080							70,080
355.01	Public Utility Realty Tax (PURTA)	1,041							1,041
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		41,913						41,913
355.04	Alcoholic Beverage Licenses	700							700
355.05	General Municipal Pension System State Aid	10,763							10,763
355.07	Foreign Fire Insurance Tax Distribution	6,890							6,890
355.08	Local Share Assessment/Gaming Proceeds								
355.09	Marcellus Shale Impact Fee Distribution	235							235

BLAWNOX BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

REVENUES

Code	Description	Governmental Funds: General Fund	Governmental Funds: Special Revenue (Including State Liquid Fuels)	Governmental Funds: Capital Projects	Governmental Funds: Debt Service	Proprietary Funds: Enterprise	Proprietary Funds: Internal Service	Fiduciary Fund: Trust and Agency	Total: Memorandum Only
	State								
355.00	All Other State Shared Revenues and Entitlements								
356.00	State Payments in Lieu of Taxes								
	Total State	89,709	41,913						131,622
	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	6,272							6,272
	Total Local Government Units	6,272							6,272
	Charges for Service								
361.00	General Government	7,560							7,560
362.00	Public Safety	5,018							5,018
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.)					469,061			469,061
364.30	Solid Waste Collection and Disposal Charge (trash)					148,404			148,404
364.60	Host Municipality Benefit Fee for Solid Waste Facility								
364.00	All Other Charges for Sanitation Services								
365.00	Health								
366.00	Human Services								
367.00	Culture and Recreation	1,300							1,300
368.00	Airports								

BLAWNOX BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

REVENUES

		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
	Charges for Service								
369.00	Bars								
370.00	Cemeteries								
372.00	Electric System								
373.00	Gas System								
374.00	Housing System								
375.00	Markets								
377.00	Transit Systems								
378.00	Water System					255,124			255,124
379.00	All Other Charges for Service								
	Total Charges for Service	13,878				872,589			886,467
	Unclassified Operating Revenues								
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors	300							300
388.00	Fiduciary Fund Pension Contributions							23,532	23,532
389.00	All Other Unclassified Operating Revenues	1,808							1,808
	Total Unclassified Operating Revenues	2,108						23,532	25,640
	Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition								
392.00	Interfund Operating Transfers	272,724							272,724
393.00	Proceeds of General Long-Term Debt	39,156							39,156
394.00	Proceeds of Short Term-Debt	149,500							149,500

BLAWNOX BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

		Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only
REVENUES									
Other Financing Sources									
395.00	Refunds of Prior Year Expenditures	22,311							22,311
Total Other Financing Sources		483,691							483,691
TOTAL REVENUES		1,681,054	42,046	363		879,214		129,542	2,732,219
EXPENDITURES									
General Government									
400.00	Legislative (Governing) Body	1,584							1,584
401.00	Executive (Manager or Mayor)	85,286				63			85,349
402.00	Auditing Services / Financial Administration	27,164				427			27,591
403.00	Tax Collection	8,235							8,235
404.00	Solicitor / Legal Services	24,280							24,280
405.00	Secretary / Clerk	25,401							25,401
406.00	Other General Government Administration								
407.00	IT-Networking Services-Data Processing	74,788				1,950			76,738
408.00	Engineering Services	54,626							54,626
409.00	General Government Buildings and Plant	69,144		9,888					79,032
Total General Government		370,508		9,888		2,440			382,836
Public Safety									
410.00	Police	390,877							390,877
411.00	Fire	42,815							42,815
412.00	Ambulance / Rescue								
413.00	UCC and Code Enforcement	34,823							34,823

BLAWNOX BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

EXPENDITURES

		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
Public Safety									
414.00	Planning and Zoning								
415.00	Emergency Management and Communications	2,015							2,015
416.00	Militia and Armories								
417.00	Examination of Licensed Occupations								
418.00	Public Scales (weights and measures)								
419.00	Other Public Safety								
Total Public Safety		470,530							470,530
Health and Human Services									
420.00-425.00	Health and Human Services								
Total Health and Human Services									
Public Works - Sanitation									
426.00	Recycling Collection and Disposal								
427.00	Solid Waste Collection and Disposal (garbage)					115,996			115,996
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection					259,288			259,288
Total Public Works - Sanitation						375,284			375,284
Public Works - Highways and Streets									
430.00	General Services - Administration	229,759				7,924			237,683
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal	11,111							11,111
433.00	Traffic Control Devices	468							468
434.00	Street Lighting	21,149							21,149

BLAWNOX BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

EXPENDITURES

		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
Public Works - Highways and Streets									
435.00	Sidewalks and Crosswalks								
436.00	Storm Sewers and Drains								
437.00	Repairs of Tools and Machinery								
438.00	Maintenance and Repairs of Roads and Bridges								
439.00	Highway Construction and Rebuilding Projects			271					271
Total Public Works - Highways and Streets		262,487		271		7,924			270,682
Other Public Works Enterprises									
440.00	Airports								
441.00	Cemeteries								
442.00	Electric System								
443.00	Gas System								
444.00	Markets								
445.00	Parking								
446.00	Storm Water and Flood Control								
447.00	Transit System								
448.00	Water System					193,205			193,205
449.00	Water Transport and Terminals								
Total Other Public Works Enterprises						193,205			193,205
Culture and Recreation									
451.00	Culture-Recreation Administration								
452.00	Participant Recreation								
453.00	Spectator Recreation								
454.00	Parks	10,433							10,433

BLAWNOX BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

EXPENDITURES

		Governmental Funds: General Fund	Governmental Funds: Special Revenue (Including State Liquid Fuels)	Governmental Funds: Capital Projects	Governmental Funds: Debt Service	Proprietary Funds: Enterprise	Proprietary Funds: Internal Service	Fiduciary Fund: Trust and Agency	Total: Memorandum Only
Culture and Recreation									
455.00	Shade Trees	127							127
456.00	Libraries								
457.00	Civil and Military Celebrations	2,930							2,930
458.00	Senior Citizens' Centers								
459.00	All Other Culture and Recreation								
Total Culture and Recreation		13,490							13,490
Community Development									
461.00	Conservation of Natural Resources								
462.00	Community Development and Housing								
463.00	Economic Development								
464.00	Economic Opportunity								
465-469	All Other Community Development								
Total Community Development									
Debt Service									
471.00	Debt Principal (short-term and long-term)	244,800							244,800
472.00	Debt Interest (short-term and long-term)	81,598							81,598
475.00	Fiscal Agent Fees								
Total Debt Service		326,398							326,398
Employer Paid Benefits and Withholding Items									
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	27,204							27,204
482.00	Judgments and Losses							15,890	15,890
483.00	Pension / Retirement Fund Contributions	12,799							12,799

BLAWNOX BORO, ALLEGHENY County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

EXPENDITURES

		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
Employer Paid Benefits and Withholding Items									
484.00	Worker Compensation Insurance	23,984							23,984
487.00	Other Group Insurance Benefits	101,577							101,577
Total Employer Paid Benefits and Withholding Items		165,564						15,890	181,454
Insurance									
486.00	Insurance, Casualty, and Surety	12,861							12,861
Total Insurance		12,861							12,861
Unclassified Operating Expenditures									
488.00	Fiduciary Fund Benefits and Refunds Paid								
489.00	All Other Unclassified Expenditures	1,114						2,022	3,136
Total Unclassified Operating Expenditures		1,114						2,022	3,136
Other Financing Uses									
491.00	Refund of Prior Year Revenues	109							109
492.00	Interfund Operating Transfers		44,775		12,949	215,000			272,724
493.00	All Other Financing Uses								
Total Other Financing Uses		109	44,775		12,949	215,000			272,833
TOTAL EXPENDITURES		1,623,061	44,775	10,159	12,949	793,853		17,912	2,502,709
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		57,993	-2,729	-9,796	-12,949	85,361		111,630	229,510

BLAWNOX BORO

December 31, 2018

DEBT STATEMENT

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
GENERAL OBLIGATION NOTE	Note	2016	2040	2,734,800	2,664,800		95,300		2,569,500		2,569,500
Revenue Bonds and Notes											
NORTHWEST SAVINGS BANK LOAN	Note	2014	2019	120,334	89,496		11,202		78,294		78,294
Lease Rental Debt											
Plow Truck	Capital Leases	2017	2020	23,230	23,230		7,387		15,843		15,843
Police vehicle	Capital Leases	2018	2020	39,156	0	39,156	19,119		20,037		20,037
Other											
Tax Anticipation Note	Note	2018	2018	149,500	0	149,500	149,500		0		0

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	2,647,794
Capitalized lease obligations	35,880
Net debt	2,683,674

BLAWNOX BORO, ALLEGHENY County

STATEMENT OF CAPITAL EXPENDITURES

December 31, 2018

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government		9,888	9,888
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	39,156		39,156
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water	29,008		29,008
Other: _______________			
TOTAL CAPITAL EXPENDITURES	68,164	9,888	78,052

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials) 608,869

Independent Public Accountant/Certified Public Accountant Submission Page

Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: See Attached Appointed Auditor/CPA

DCED-CLGS-30 (9-09)

December 31, 2018

NOTES / COMMENTS