

**2022 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

023063 SHARPSBURG BORO, ALLEGHENY COUNTY



BALANCE SHEET

DCED-CLGS-30 (09-09)

SHARPSBURG BORO, ALLEGHENY COUNTY BALANCE SHEET December 31, 2022

	Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		General Fixed Assets	General Long Term Debt	
Assets and Other Debits										
100-120 Cash and Investments	432,408	31,993			612,290		2,163,821			3,240,512
140-144 Tax Receivable										
121-129, 145-149 Accounts Receivable (excluding taxes)										
130.00 Due From Other Funds	364,947									364,947
131-139, 150-159 Other Current Assets							722			722
160-169 Fixed Assets										
180-189 Other Debits										
Total Assets and Other Debits	797,355	31,993			612,290		2,164,543			3,606,181
Liabilities and Other Credits										
210-229 Payroll Taxes and Other Payroll Withholdings										
200-209, 231-239 All Other Current Liabilities	40,544				1,000					41,544
230.00 Due To Other Funds					362,297		2,650			364,947

SHARPSBURG BORO, ALLEGHENY COUNTY

BALANCE SHEET

December 31, 2022

	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
Liabilities and Other Credits										
260-269 Long-Term-Liabilities										
240-259 Current Portion of Long-Term Debt and Other Credits	272,276									272,276
Total Liabilities and Other Credits	312,820				363,297	2,650				678,767
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	484,535	31,993			248,993	2,161,893				2,927,414
291-299 Other Equity										
Total Fund and Account Group Equity	484,535	31,993			248,993	2,161,893				2,927,414

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY

	3,606,181
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SHARPSBURG BORO, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2022

General Fund	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service			
222	21	5		273		41,418		41,939
7,660								7,660
7,882	21	5		273		41,418		49,599

REVENUES

Interest, Rents and Royalties								
341.00	Interest Earnings	222	21	5		273	41,418	41,939
342.00	Rents and Royalties	7,660						7,660
	Total Interest, Rents and Royalties	7,882	21	5		273	41,418	49,599
Federal								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants	64,665						64,665
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements							
353.00	Federal Payments in Lieu of Taxes							
	Total Federal	64,665						64,665

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants	331,730		50,000				381,730
355.01	Public Utility Realty Tax (PURTA)	1,598						1,598
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		79,555					79,555
355.04	Alcoholic Beverage Licenses	2,450						2,450
355.05	General Municipal Pension System State Aid	69,904						69,904
355.07	Foreign Fire Insurance Tax Distribution	15,329						15,329
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution	551						551

SHARPSBURG BORO, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
Total State	421,562	79,555	50,000					551,117

REVENUES

State	
355.00	All Other State Shared Revenues and Entitlements
356.00	State Payments in Lieu of Taxes
	Total State

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
	Total Local Government Units

Charges for Service								
361.00	General Government	4,205						4,205
362.00	Public Safety	73,077						73,077
363.20	Parking	10,711						10,711
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)			831,913				831,913
364.30	Solid Waste Collection and Disposal Charge (trash)			276,174				276,174
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services			1,268				1,268
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation							
368.00	Airports							

SHARPSBURG BORO, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
395.00	43,375							43,375
Total Other Financing Sources	178,275	7,521						185,796

REVENUES

Other Financing Sources		TOTAL REVENUES	
Refunds of Prior Year Expenditures	43,375	2,914,042	4,310,196
Total Other Financing Sources	178,275	1,109,628	149,174
		79,826	57,526

EXPENDITURES

General Government		TOTAL REVENUES	
400.00	Legislative (Governing) Body	22,971	46,844
401.00	Executive (Manager or Mayor)	652	1,304
402.00	Auditing Services / Financial Administration	7,025	32,782
403.00	Tax Collection	33,926	33,926
404.00	Solicitor / Legal Services	9,367	18,311
405.00	Secretary / Clerk	32,925	65,175
406.00	Other General Government Administration	107,645	177,625
407.00	IT-Networking Services-Data Processing	2,718	3,102
408.00	Engineering Services	134,213	134,213
409.00	General Government Buildings and Plant	19,016	39,990
Total General Government		370,458	553,272
		175	182,639
		69,960	69,960
		32,075	32,075
		8,944	8,944
			23,873
			652
			25,757

Public Safety

410.00	Police	989,660	989,660
411.00	Fire	129,425	129,425
412.00	Ambulance / Rescue	10,000	10,000
413.00	UCC and Code Enforcement	74,498	74,498

SHARPSBURG BORO, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2022

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
	889							889
	50,365							50,365
	1,254,837							1,254,837

EXPENDITURES

Public Safety	
414.00	Planning and Zoning
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
	Total Public Safety

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)
428.00	Weed Control
429.00	Wastewater / Sewage Treatment and Collection
	Total Public Works - Sanitation

Public Works - Highways and Streets	
430.00	General Services - Administration
431.00	Cleaning of Streets and Gutters
432.00	Winter Maintenance - Snow Removal
433.00	Traffic Control Devices
434.00	Street Lighting

	1,525			267,822				269,347
				560,221				560,221
	1,525			828,043				829,568
	429,137							429,137
	3,550							3,550
	889	22,707						23,596
	5,488							5,488
	31,608	36,810						68,418

SHARPSBURG BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2022

	Governmental Funds					Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service			
Total Public Works - Highways and Streets	470,672	59,517			33,458				563,647

EXPENDITURES

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
Total Public Works - Highways and Streets	
Other Public Works Enterprises	
440.00	Airports
441.00	Cemeteries
442.00	Electric System
443.00	Gas System
444.00	Markets
445.00	Parking
446.00	Storm Water and Flood Control
447.00	Transit System
448.00	Water System
449.00	Water Transport and Terminals
Total Other Public Works Enterprises	

451.00	Culture-Recreation Administration	12,408							12,408
452.00	Participant Recreation								
453.00	Spectator Recreation								
454.00	Parks			70,092					70,092

SHARPSBURG BORO, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
	32,208							32,208
	392,667							392,667
	437,283		70,092					507,375

EXPENDITURES

Culture and Recreation	
455.00	Shade Trees
456.00	Libraries
457.00	Civil and Military Celebrations
458.00	Senior Citizens' Centers
459.00	All Other Culture and Recreation
	Total Culture and Recreation
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)
472.00	Debt Interest (short-term and long-term)
475.00	Fiscal Agent Fees
	Total Debt Service

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

SHARPSBURG BORO, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2022

	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	
EXPENDITURES								
Employer Paid Benefits and Withholding Items								
484.00								
487.00	46,763							46,763
Total Employer Paid Benefits and Withholding Items	46,763						329,701	376,464
Insurance								
486.00	28,246				28,244			56,490
	28,246				28,244			56,490
Total Insurance								
Unclassified Operating Expenditures								
488.00							164,479	164,479
489.00							18,913	18,913
Total Unclassified Operating Expenditures							183,392	183,392
Other Financing Uses								
491.00	5,537							5,537
492.00	7,521							7,521
493.00								
Total Other Financing Uses	13,058							13,058
TOTAL EXPENDITURES	2,797,432	59,692	70,092		1,123,331		513,093	4,563,640
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES								
	116,610	20,134	-12,566		-13,703		-363,919	-253,444

SHARPSBURG BORO

December 31, 2022

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Revenue Bonds and Notes											
Note Payable Northwest Savings Bank	Note	2017	2027	920,000	533,873		92,054		441,819		441,819
Lease Rental Debt											
KS STATE BANK LEASE	Capital Leases	2018	2022	48,952	10,455		10,455		0		0
KS STATE BANK LEASE	Capital Leases	2018	2022	39,896	8,619		8,619		0		0
FORD MOTOR CREDIT LEASE	Capital Leases	2020	2024	40,022	23,740		7,629		16,111		16,111
FORD MOTOR CREDIT LEASE	Capital Leases	2020	2025	85,930	66,567		66,567		0		0
Other											
Total bonds and notes outstanding											
Capitalized lease obligations											
Net debt											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding 457,930

Capitalized lease obligations 0

Net debt 457,930

SHARPSBURG BORO, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2022

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire	57,923		57,923
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks		448,768	448,768
Police	5,453		5,453
Recreation			
Sewer			
Solid Waste			
Streets / Highways	64,665		64,665
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	128,041	448,768	576,809

EMPLOYEE COMPENSATION

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

1,080,127

Independent Public Accountant/Certified Public Accountant Submission Page

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SIGNATURE AND VERIFICATION

Signed: Peter J. Vancheri Appointed Auditor/CPA

December 31, 2022

NOTES / COMMENTS

The total ARPA Funds received in 2022 was \$173,646. \$64,665 was recognized as revenue in 2022, the balance of the funds not expended as of December 31, 2022 of \$272,276 is reported on the balance sheet as deferred revenue in account 240-259.

The beginning fund balance of the general fund, special revenue fund and enterprise funds has been changed from the prior years audit report due to reporting in 2022 on the modified cash basis of accounting and also to correct errors noted in the prior report.

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Independent Auditor's Report

Members of Council
Sharpsburg Borough
Pittsburgh, Pennsylvania

Opinion

We have audited the accompanying Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, Statement of Capital Expenditures, and Other Information (the Schedules) included in the Annual Audit and Financial Report of Sharpsburg Borough, Allegheny County, Pennsylvania, as of and for the year ended December 31, 2022.

In our opinion, (except for the effects of not reporting the nonuniform pension funds and the general fixed assets account group as described below) the Schedules referred to above present fairly, in all material respects, the assets, liabilities and fund equity of Sharpsburg Borough as of December 31, 2022, and its revenues, expenditures and other financing sources and uses for the year then ended, in accordance with the financial report provisions prescribed or permitted by the Pennsylvania Department of Community and Economic Development (DCED).

Basis for Modification

The Schedules do not include the nonuniform pension funds administered by Pennsylvania Municipal Retirement System and also do not include the general fixed assets of Sharpsburg Borough. The accounting practices and procedures prescribed and permitted by DCED require that the pension funds and general fixed asset account group be reported in the Schedules. The amount by which this departure would affect the assets, liabilities and fund balance, is not reasonably determinable.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sharpsburg Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to the following which describes the basis of accounting. The Schedules are prepared by Sharpsburg Borough on the basis of the financial reporting provisions prescribed or permitted by the DCED in the instructions to the Annual Audit and Financial Report to demonstrate compliance with the DCED's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the DCED. These requirements permit the Schedules to be prepared on the cash basis of accounting without the presentation of the management's discussion and analysis, the government-wide financial statements, budget and actual information and financial statement disclosures. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these Schedules in accordance with the financial reporting provisions prescribed or permitted by the DCED as described above. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Sharpsburg Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sharpsburg Borough's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Restriction on Use

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

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
July 21, 2023