

# **Borough of Wilkinsburg**

Financial Statements and  
Required Supplementary and  
Supplementary Information

Year Ended December 31, 2020  
with Independent Auditor's Report

**MaherDuessel**

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# BOROUGH OF WILKINSBURG

YEAR ENDED DECEMBER 31, 2020

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## Independent Auditor's Report

### **Members of Council Borough of Wilkinsburg**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Borough of Wilkinsburg (Borough), Pennsylvania, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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**

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

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

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Borough as of December 31, 2020, and the respective changes in financial position and budgetary comparison schedules for the General Fund and the Sewer Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, pension information, and other postemployment benefit information on pages i through viii, and 48 through 54, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplementary information and other information listed in the table of contents are presented for purposes of additional analysis and are 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 the auditing procedures applied

in the audit of the basic financial statements and certain 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, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Mahe Duessel*

Pittsburgh, Pennsylvania  
June 4, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Borough of Wilkinsburg (Borough), Pennsylvania, we offer readers of the Borough's financial statements this narrative overview and analysis of the financial performance of the Borough for the fiscal year ended December 31, 2020. Please read this Management's Discussion and Analysis in conjunction with the financial statements which follow in order to obtain a thorough understanding of the Borough's financial condition at December 31, 2020.

### **FINANCIAL HIGHLIGHTS**

During 2020, the Borough's Real Estate Taxes revenue - the Borough's largest single revenue source - increased by \$83,837. This was due to an increase in collections and assessed value in the Borough.

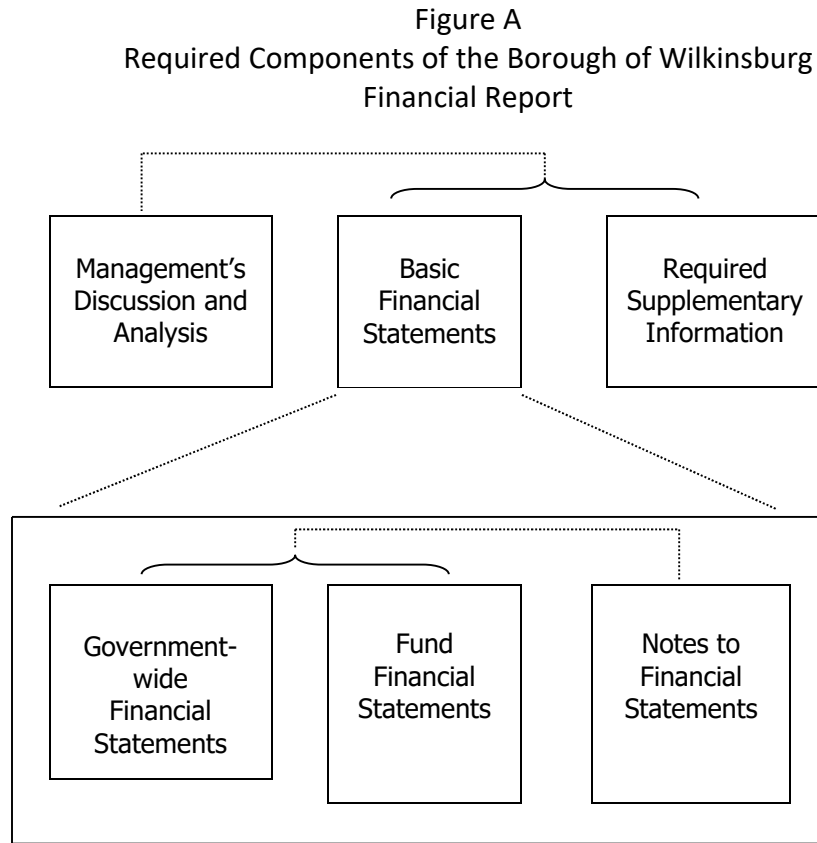
During 2020, the Borough issued Series A and B of 2020 General Obligation Bonds for \$3,145,000 and \$1,730,000, respectively. The bonds were issued to refund the Borough's Series 2015 and Series C of 2011 General Obligation Bonds. The refunding resulted in an economic gain of approximately \$614,000 and cash flow savings of approximately \$628,000.

### **USING THE BASIC FINANCIAL STATEMENTS REPORT**

These basic financial statements consist of the Management's Discussion and Analysis (this section) and a series of government-wide and fund financial statements and notes to those statements. The Statement of Net Position and Statement of Activities, on pages 1 and 2, provide information about the activities of the Borough as a whole and present a longer-term view of the Borough's finances. The fund financial statements, which start on page 3, provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as what remains for future spending. The fund financial statements also look at the Borough's most significant funds, with all other governmental funds presented in total in one column. For the Borough, the General Fund is the most significant fund. The Sewer Fund and Capital Projects Fund, both governmental funds, are also major funds. Lastly, the financial statements include notes to the financial statements beginning on page 11 that explain some of the information in the financial statements and provide more detailed data.



Figure A shows how the required parts of the financial report are arranged and relate to one another.



### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements report information about the Borough as a whole, using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets, deferred outflows, liabilities, and deferred inflows. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide financial statements report the Borough's net position and how it has changed. Net position, the difference between the Borough's assets, deferred outflows, liabilities, and deferred inflows, is one way to measure the Borough's financial health or position and answer the question, "How did we do financially during calendar year 2020?"

Over time, increases or decreases in the Borough's net position are an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the Borough, you need to consider additional non-financial factors, such as changes in the Borough's property tax base and the performance of the community business district.

All of the Borough's activities are considered to be governmental activities.

- Governmental activities – The Borough's basic services are included here, such as operation and maintenance of Borough roads, equipment, streetlights, sewer system, providing police activities, and administration. Property taxes, garbage collection fees, parking permits, grants, and other revenue finance most of these activities.

### **FUND FINANCIAL STATEMENTS**

Fund financial statements, which begin on page 3, provide detailed information about the most significant funds – not the Borough as a whole. Some funds are required by state law and by bond requirements.

Governmental funds – The Borough's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the Borough's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Borough's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reflected on reconciliations on pages 4 and 6.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the Borough. The Borough is the trustee, or fiduciary, for three single-employer pension plans: general employees, police, and firemen. These plans cover essentially all full-time employees. The Borough is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Borough's fiduciary activities are reported in a separate statement of net position – fiduciary funds and a statement of changes in net position – fiduciary funds. These activities are excluded from the Borough's government-wide financial statements because the Borough cannot use these assets to finance its operations.

### **FINANCIAL ANALYSIS OF THE BOROUGH AS A WHOLE**

As noted earlier, net position may serve over time as a useful indicator of a government agency's financial position. In the case of the Borough, assets and deferred outflows exceeded liabilities and deferred inflows by \$3,159,964 at the close of the fiscal year.

A condensed summary of the Borough's net position at December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>	<u>Variance</u>
<b>Assets:</b>			
Current and other assets	\$ 9,786,761	\$ 9,216,324	\$ 570,437
Capital assets, net	9,654,004	8,327,358	1,326,646
<b>Total Assets</b>	<u>19,440,765</u>	<u>17,543,682</u>	<u>1,897,083</u>
<b>Deferred Outflows of Resources:</b>			
Deferred refunding loss	67,315	-	67,315
Related to pensions	574,417	693,289	(118,872)
Related to OPEB	56,186	62,506	(6,320)
<b>Total Deferred Outflows</b>	<u>697,918</u>	<u>755,795</u>	<u>(57,877)</u>
<b>Liabilities:</b>			
Current and other liabilities	2,960,041	3,191,649	(231,608)
Non-current liabilities	12,045,588	13,240,998	(1,195,410)
<b>Total Liabilities</b>	<u>15,005,629</u>	<u>16,432,647</u>	<u>(1,427,018)</u>
<b>Deferred Inflows of Resources:</b>			
Related to pensions	1,513,440	1,636,298	(122,858)
Related to OPEB	459,650	74,381	385,269
<b>Total Deferred Inflows</b>	<u>1,973,090</u>	<u>1,710,679</u>	<u>262,411</u>
<b>Net Position:</b>			
Net investment in capital assets	1,627,732	1,581,456	46,276
Restricted	1,114,261	306,493	807,768
Unrestricted	417,971	(1,731,798)	2,149,769
<b>Total Net Position</b>	<u>\$ 3,159,964</u>	<u>\$ 156,151</u>	<u>\$ 3,003,813</u>

The change in net position is mainly due to an capitalized assets exceeding depreciation expense, bond refunding's and decrease in net pension liabilities.

The balance of unrestricted net position may be used to meet the Borough's ongoing obligations to citizens and creditors.

The results of this year's operations as a whole are reported in the Statement of Activities on page 2. All expenses are reported in the first column. Specific charges, grants, revenues, and subsidies that directly relate to specific expense categories are presented to determine the final amount of the Borough's activities that are supported by other general revenues.

The 2020 financial statements offer a view of the financial condition of the Borough on a consolidated basis. For example, interest income (Statement of Activities, page 2) not only includes interest earnings in the General Fund, but also interest earnings in the Sewer Fund, Capital Projects Fund, and all other Governmental Funds.

A condensed summary of the Borough's change in net position for the fiscal years ended December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>	<u>Variance</u>
Program revenues:			
Charges for services	\$ 5,427,314	\$ 5,530,090	\$ (102,776)
Operating grants and contributions	1,887,517	1,240,027	647,490
Capital grants and contributions	1,371,757	12,269	1,359,488
General revenues:			
Real estate taxes	5,737,881	5,524,137	213,744
Earned income taxes	1,538,287	1,634,170	(95,883)
Other taxes	1,458,423	1,613,414	(154,991)
Interest income	46,420	163,442	(117,022)
Gain/(Loss) on disposal of assets	14,155	-	14,155
Miscellaneous	60,994	85,244	(24,250)
	<u>17,542,748</u>	<u>15,802,793</u>	<u>1,739,955</u>
Program expenses:			
General government	1,676,063	1,782,311	(106,248)
Public safety	6,268,570	6,499,625	(231,055)
Public works	4,760,371	4,689,712	70,659
Sanitation	1,040,981	1,027,477	13,504
Culture and recreation	561,347	746,915	(185,568)
Interest on long-term debt	231,603	282,945	(51,342)
	<u>14,538,935</u>	<u>15,028,985</u>	<u>(490,050)</u>
<b>Change in Net Position</b>	<u>\$ 3,003,813</u>	<u>\$ 773,808</u>	<u>\$ 2,230,005</u>

The dependence upon tax revenues for governmental activities is apparent. The Borough had expenses for governmental activities of approximately \$14.5 million, while program revenues contributed approximately \$8.7 million toward the expenses. This left the Borough with nearly \$5.9 million of expenses required to be covered by tax assessments and other revenues. Approximately, 61 percent of all governmental activities are supported through taxes and other general revenues.

## FINANCIAL ANALYSIS OF THE BOROUGH'S FUNDS

The General Fund, which accounts for the Borough's operations, represents the Borough's most significant major fund. The changes in fund balance for the governmental funds are summarized below for the years ended December 31, 2020 and 2019:

	<b>2020</b>	<b>2019</b>	<b>Variance</b>
General Fund	\$ (419,331)	\$ 802,277	\$ (1,221,608)
Sewer Fund	128,764	19,105	109,659
Capital Projects Fund	(93,413)	(2,047,894)	1,954,481
Other Governmental Funds	922,495	226,876	695,619
<b>Net Change in Fund Balance</b>	<b>\$ 538,515</b>	<b>\$ (999,636)</b>	<b>\$ 1,538,151</b>

The increase in fund balance in the Sewer and Other Governmental Funds reflect excess revenues over expenditures. The decrease in the General Fund is a result of using prior fund balance to balance the budget and the decrease in Capital Projects Fund is a result of spending down of proceeds.

### MAJOR FUND BUDGETING HIGHLIGHTS

The Borough's budget is prepared according to Pennsylvania law. The major funds for the Borough are the General Fund, the Sewer Fund, and the Capital Projects Fund.

During the calendar year, the nine members of the Borough Council (Council) can authorize revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the Borough, if needed. The budgeting systems are designed to tightly control budgets by administrators responsible for their individual budget areas. There was one revision to the Borough's original budget for CARES funding for 2020. Budget performance comparisons for the major funds are provided on pages 7 and 8.

For the General Fund, revenues exceeded budgeted amounts by \$1,277,464. The largest favorable budgetary variance was \$1,550,907 for intergovernmental revenues, for grant reimbursements accrued that were not budgeted for.

Expenditures were budgeted at \$12,762,425, while actual expenditures were \$13,146,620. Expenditures were over budget by \$384,195. Overall, the General Fund outperformed the budget by a positive variance of \$1,403,995.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At December 31, 2020, the Borough had \$33,418,721 invested in a broad range of capital assets, including land, site improvements, buildings, equipment, and vehicles. This amount represents a net increase (including additions and deletions) of \$1,326,646. Please refer to Note 5 of the notes to financial statements for a more detailed discussion of the capital assets.

	<u>2020</u>	<u>2019</u>	<u>Variance</u>
Capital Assets:			
Land	\$ 2,628,302	\$ 2,628,302	\$ -
Construction in progress	819,433	1,319,650	(500,217)
Buildings and improvements	2,467,186	2,467,186	-
Vehicles	1,534,238	1,497,345	36,893
Machinery and equipment	3,092,337	2,952,892	139,445
Infrastructure	<u>22,877,225</u>	<u>20,822,939</u>	<u>2,054,286</u>
 Total Capital Assets	 <u>33,418,721</u>	 <u>31,688,314</u>	 <u>1,730,407</u>
 Less accumulated depreciation for:			
Buildings and improvements	(1,609,900)	(1,545,220)	(64,680)
Vehicles	(1,050,542)	(925,403)	(125,139)
Machinery and equipment	(2,936,233)	(2,924,008)	(12,225)
Infrastructure	<u>(18,168,042)</u>	<u>(17,966,325)</u>	<u>(201,717)</u>
 Total Accumulated Depreciation	 <u>(23,764,717)</u>	 <u>(23,360,956)</u>	 <u>(403,761)</u>
 Net Capital Assets	 <u>\$ 9,654,004</u>	 <u>\$ 8,327,358</u>	 <u>\$ 1,326,646</u>

### Debt Administration

As of December 31, 2020, the Borough had total outstanding bond principal of \$7,965,000. More detailed information about our long-term liabilities is included in Note 7.

A summary of the Borough's general obligation bond activity in 2020 was as follows:

Beginning balance, January 1, 2020	\$ 8,370,000
Bond refunding	4,875,000
Repayments	<u>(5,280,000)</u>
 Ending balance, December 31, 2020	 <u>\$ 7,965,000</u>

## NEXT YEAR'S BUDGETS AND RATES

The revenues and expenditures budget for the 2021 year are \$1,003,289 and \$874,992 less than the original budget for 2020.

The comparison of revenues and expenditures categories is as follows:

### BUDGETED REVENUES

	<u>2021</u>
Tax collection and other	\$ 8,462,042
Intergovernmental	424,920
Charges for services	<u>1,942,500</u>
Total	<u>\$ 10,829,462</u>

### BUDGETED EXPENDITURES

	<u>2021</u>
Government activities	\$ 10,652,875
Debt service	751,445
Other	<u>1,212,190</u>
Total	<u>\$ 12,616,510</u>

The 2021 Budget includes approximately \$1.7 million of fund balance used to balance the budget. The Borough has committed itself to financial excellence by increased accuracy and improving residents' response time.

### CONTACTING THE BOROUGH'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Borough's finances and to show the Council's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Carole Salisbury, Director of Finance, Borough of Wilkinsburg, 605 Ross Avenue, Wilkinsburg, PA 15221, 412-244-2960.

# BOROUGH OF WILKINSBURG

## STATEMENT OF NET POSITION

DECEMBER 31, 2020

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 6,913,195
Receivables (net, where applicable of allowance for uncollectibles):	
Taxes	751,134
Fees	875,725
Intergovernmental	1,211,112
Other	31,586
Prepaid assets	1,858
Net pension asset - fire	2,151
Capital assets not being depreciated	3,447,735
Capital assets, net of accumulated depreciation	6,206,269
<b>Total Assets</b>	<b>19,440,765</b>
<b>Deferred Outflows of Resources</b>	
Deferred refunding loss	67,315
Related to pensions	574,417
Related to OPEB	56,186
<b>Total Deferred Outflows of Resources</b>	<b>697,918</b>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and other current liabilities	1,892,094
Accrued interest payable	66,595
Escrow liability	341,868
Unearned revenue	30,926
Current portion, long-term debt	628,558
Noncurrent liabilities:	
OPEB liability	517,566
Bond premium	70,435
Net pension liability - police	2,353,384
Net pension liability - general employees	223,626
Long-term debt	8,880,577
<b>Total Liabilities</b>	<b>15,005,629</b>
<b>Deferred Inflows of Resources</b>	
Related to pensions	1,513,440
Related to OPEB	459,650
<b>Total Deferred Inflows of Resources</b>	<b>1,973,090</b>
<b>Net Position</b>	
Net investment in capital assets	1,627,732
Restricted:	
Capital Projects	145,326
State Highway Aid Fund	443,090
Equitable sharing	525,845
Unrestricted	417,971
<b>Total Net Position</b>	<b>\$ 3,159,964</b>

See accompanying notes to financial statements.



# BOROUGH OF WILKINSBURG

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental activities:					
General government	\$ 1,676,063	\$ 256,489	\$ 305,170	\$ -	\$ (1,114,404)
Public safety	6,268,570	482,638	811,308	-	(4,974,624)
Public works	4,760,371	3,612,029	486,198	671,573	9,429
Sanitation	1,040,981	1,067,645	-	-	26,664
Culture and recreation	561,347	8,513	284,841	700,184	432,191
Interest on long-term debt	231,603	-	-	-	(231,603)
Total governmental activities	\$ 14,538,935	\$ 5,427,314	\$ 1,887,517	\$ 1,371,757	(5,852,347)
General revenues:					
Taxes:					
Real estate taxes					5,737,881
Earned income					1,538,287
Other					1,458,423
Interest income					46,420
Gain on disposal of assets					14,155
Miscellaneous income					60,994
Total general revenues					8,856,160
<b>Change in Net Position</b>					3,003,813
Net Position - Beginning					156,151
Net Position - Ending					\$ 3,159,964

See accompanying notes to financial statements.

# BOROUGH OF WILKINSBURG

## BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2020

	General Fund	Sewer Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 3,741,944	\$ 1,384,139	\$ 644,777	\$ 1,142,335	\$ 6,913,195
Receivables (net, where applicable, of allowance for uncollectibles):					
Taxes	712,110	-	-	39,024	751,134
Municipal service fee	449,328	-	-	-	449,328
Sewer usage fees	-	426,397	-	-	426,397
Intergovernmental	1,211,112	-	-	-	1,211,112
Other	31,586	-	-	-	31,586
Due from other funds	532,803	480,698	33,220	630,918	1,677,639
Prepaid expenditures	-	-	-	1,858	1,858
<b>Total Assets</b>	<b>\$ 6,678,883</b>	<b>\$ 2,291,234</b>	<b>\$ 677,997</b>	<b>\$ 1,814,135</b>	<b>\$ 11,462,249</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 183,996	\$ 1,556,948	\$ -	\$ 25	\$ 1,740,969
Accrued expenditures	124,383	-	-	26,742	151,125
Due to other funds	1,111,616	132	532,671	33,220	1,677,639
Unearned revenue	22,925	-	-	8,001	30,926
Escrow liability	341,868	-	-	-	341,868
<b>Total Liabilities</b>	<b>1,784,788</b>	<b>1,557,080</b>	<b>532,671</b>	<b>67,988</b>	<b>3,942,527</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue - property taxes	600,506	-	-	36,827	637,333
Unavailable revenue - municipal service fee	407,792	-	-	-	407,792
Unavailable revenue - sewer fees	-	85,279	-	-	85,279
<b>Total Deferred Inflows of Resources</b>	<b>1,008,298</b>	<b>85,279</b>	<b>-</b>	<b>36,827</b>	<b>1,130,404</b>
<b>Fund Balance:</b>					
Nonspendable	-	-	-	1,858	1,858
Restricted	-	-	145,326	968,935	1,114,261
Committed	32,068	648,875	-	738,527	1,419,470
Unassigned	3,853,729	-	-	-	3,853,729
<b>Total Fund Balance</b>	<b>3,885,797</b>	<b>648,875</b>	<b>145,326</b>	<b>1,709,320</b>	<b>6,389,318</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 6,678,883</b>	<b>\$ 2,291,234</b>	<b>\$ 677,997</b>	<b>\$ 1,814,135</b>	<b>\$ 11,462,249</b>

See accompanying notes to financial statements.

# BOROUGH OF WILKINSBURG

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2020

<b>Total Fund Balance - Governmental Funds</b>	\$ 6,389,318
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds.	9,654,004
Real estate taxes receivable, earned income taxes receivable, municipal service fee receivable, and sewer user fees receivable will be collected next year but are not available soon enough to pay for the current period's expenditures and, therefore, are unavailable in the funds.	1,130,404
The actuarially accrued net pension liability, and deferred inflows and outflows of resources for pensions are not recorded on the fund financial statements.	(3,513,882)
The actuarially accrued OPEB liability, and deferred inflows and outflows of resources for OPEBs are not recorded on the fund financial statements.	(921,030)
Accrued interest payable is not recognized as a current period expense and, therefore, is not reported as a liability in the funds.	(66,595)
Noncurrent liabilities and deferred refunding loss and bond premiums are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(9,512,255)</u>
<b>Net Position of Governmental Activities</b>	<u><u>\$ 3,159,964</u></u>

See accompanying notes to financial statements.

# BOROUGH OF WILKINSBURG

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2020

	General Fund	Sewer Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes:					
Real estate	\$ 5,299,916	\$ -	\$ -	\$ 382,457	\$ 5,682,373
Earned income	1,538,287	-	-	-	1,538,287
Other	1,458,423	-	-	-	1,458,423
Licenses and permits	244,008	-	-	-	244,008
Fines and forfeits	177,089	-	-	8,513	185,602
Intergovernmental	2,006,607	-	-	1,252,805	3,259,412
Charges for services	1,569,026	3,419,323	-	-	4,988,349
Interest and rent	28,626	7,874	4,334	8,136	48,970
Miscellaneous	61,419	16,290	-	337	78,046
Total revenues	12,383,401	3,443,487	4,334	1,652,248	17,483,470
<b>Expenditures:</b>					
Current:					
General government	1,574,910	-	-	-	1,574,910
Public safety - police	3,793,417	-	-	105,992	3,899,409
Public safety - fire	1,875,827	-	-	-	1,875,827
Public safety - planning and zoning	593,993	-	-	-	593,993
Highways and streets	2,825,324	-	-	47,095	2,872,419
Sanitation	1,040,981	3,129,139	-	-	4,170,120
Culture and recreation	68,184	-	-	432,517	500,701
Insurance	350,216	-	-	-	350,216
Capital outlay	-	-	97,747	-	97,747
Debt service:					
Principal	746,895	-	3,120,000	-	3,866,895
Interest	276,873	-	19,924	-	296,797
Bond issuance costs	-	-	133,543	-	133,543
Total expenditures	13,146,620	3,129,139	3,371,214	585,604	20,232,577
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(763,219)</b>	<b>314,348</b>	<b>(3,366,880)</b>	<b>1,066,644</b>	<b>(2,749,107)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers in	453,516	17,500	-	106,283	577,299
Transfers out	(123,783)	(203,084)	-	(250,432)	(577,299)
Bond proceeds	-	-	4,875,000	-	4,875,000
Payment to refunding bond escrow agent	-	-	(1,679,794)	-	(1,679,794)
Bond premium	-	-	78,261	-	78,261
Sale of capital assets	14,155	-	-	-	14,155
Total other financing sources (uses)	343,888	(185,584)	3,273,467	(144,149)	3,287,622
<b>Net Change in Fund Balance</b>	<b>(419,331)</b>	<b>128,764</b>	<b>(93,413)</b>	<b>922,495</b>	<b>538,515</b>
<b>Fund Balance:</b>					
Beginning of year	4,305,128	520,111	238,739	786,825	5,850,803
End of year	\$ 3,885,797	\$ 648,875	\$ 145,326	\$ 1,709,320	\$ 6,389,318

See accompanying notes to financial statements.

# BOROUGH OF WILKINSBURG

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2020

**Net Change in Fund Balance - Governmental Funds** \$ 538,515

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital assets as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeded depreciation expense in the current period.

	Capital assets	\$ 1,730,407	
	Less: depreciation expense	<u>(403,761)</u>	1,326,646

The issuance of long-term obligations (e.g., bonds, leases, loans) provides current financial resources to governmental funds, while the repayment of the principal on long-term obligations consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

621,525

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Unavailable revenues changed by this amount during the year.

45,123

Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due. Accrued interest changed by this amount during the year.

64,847

In the statement of activities, accumulated employee benefits (pensions, vacation and sick days, and OPEBS) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.

407,157

**Change in Net Position of Governmental Activities** \$ 3,003,813

See accompanying notes to financial statements.

# BOROUGH OF WILKINSBURG

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL GENERAL FUND

YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
<u>Taxes:</u>				
Real estate	\$ 5,273,987	\$ 5,273,987	\$ 5,299,916	\$ 25,929
Earned income	1,628,500	1,628,500	1,538,287	(90,213)
Other	1,525,000	1,525,000	1,458,423	(66,577)
Licenses and permits	251,800	251,800	244,008	(7,792)
Fines and forfeits	176,800	176,800	177,089	289
Intergovernmental	455,700	455,700	2,006,607	1,550,907
Charges for services	1,694,150	1,694,150	1,569,026	(125,124)
Interest and rent	53,000	53,000	28,626	(24,374)
Miscellaneous	47,000	47,000	61,419	14,419
Total revenues	11,105,937	11,105,937	12,383,401	1,277,464
<b>Expenditures:</b>				
<u>Current:</u>				
General government	1,674,870	1,758,790	1,574,910	183,880
Public safety - police	4,013,510	4,104,590	3,793,417	311,173
Public safety - fire	1,875,827	1,875,827	1,875,827	-
Public safety - planning and zoning	987,485	987,485	593,993	393,492
Highways and streets	1,555,777	1,555,777	2,825,324	(1,269,547)
Sanitation	999,595	999,595	1,040,981	(41,386)
Culture and recreation	105,250	105,250	68,184	37,066
Insurance	344,093	344,093	350,216	(6,123)
Debt service:				
Principal	746,895	746,895	746,895	-
Interest	284,123	284,123	276,873	7,250
Total expenditures	12,587,425	12,762,425	13,146,620	(384,195)
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,481,488)</b>	<b>(1,656,488)</b>	<b>(763,219)</b>	<b>893,269</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	459,914	459,914	453,516	(6,398)
Transfers out	(627,752)	(627,752)	(123,783)	503,969
Sale of capital assets	1,000	1,000	14,155	13,155
Net other financing sources (uses)	(166,838)	(166,838)	343,888	510,726
<b>Net Change in Fund Balance</b>	<b>\$ (1,648,326)</b>	<b>\$ (1,823,326)</b>	<b>\$ (419,331)</b>	<b>\$ 1,403,995</b>

See accompanying notes to financial statements.

# BOROUGH OF WILKINSBURG

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL SEWER FUND

YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Charges for services	\$ 3,517,540	\$ 3,517,540	\$ 3,419,323	\$ (98,217)
Interest and rent	15,000	15,000	7,874	(7,126)
Miscellaneous	16,000	16,000	16,290	290
Total revenues	3,548,540	3,548,540	3,443,487	(105,053)
<b>Expenditures:</b>				
Sanitation	3,362,956	3,362,956	3,129,139	233,817
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>185,584</b>	<b>185,584</b>	<b>314,348</b>	<b>128,764</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	17,500	17,500	17,500	-
Transfers out	(203,084)	(203,084)	(203,084)	-
Net other financing sources (uses)	(185,584)	(185,584)	(185,584)	-
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 128,764</b>	<b>\$ 128,764</b>

See accompanying notes to financial statements.

# BOROUGH OF WILKINSBURG

## STATEMENT OF NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2020

<u>Assets</u>	<u>Pension Trust Funds</u>
Cash and cash equivalents	\$ 326,331
Investments at fair value:	
Fixed income:	
U.S. government obligations	3,966,425
Corporate obligations	3,526,749
Municipal bonds	27,680
Registered investment company	2,427,451
Common stocks	8,320,559
Foreign stocks	50,606
Accrued income receivable	39,827
<b>Total Assets</b>	<u>18,685,628</u>
<b>Liabilities</b>	<u>-</u>
<b>Net Position Restricted for Pension Benefits</b>	<u>\$ 18,685,628</u>

See accompanying notes to financial statements.



# BOROUGH OF WILKINSBURG

## STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2020

	<u>Pension Trust Funds</u>
<b>Additions:</b>	
Contributions:	
Employer (including state aid)	\$ 507,444
Employee	146,196
Total contributions	<u>653,640</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	1,205,423
Interest and dividends	366,111
Total investment earnings	1,571,534
Less investment expense	<u>59,494</u>
Net investment earnings	<u>1,512,040</u>
Total additions	<u>2,165,680</u>
<b>Deductions:</b>	
Benefits	1,353,508
Administrative expense	34,835
Total deductions	<u>1,388,343</u>
<b>Change in Net Position</b>	777,337
Net position - beginning	<u>17,908,291</u>
Net position - ending	<u><u>\$ 18,685,628</u></u>

See accompanying notes to financial statements.

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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### 1. Reporting Entity

The Borough of Wilkinsburg, Pennsylvania (Borough) was incorporated October 5, 1887. The Borough is governed by an elected council/manager form of government and provides the following services: police protection; fire protection; public works; code enforcement; library services; and general administrative services.

During 2011, the Borough entered into an Intergovernmental Cooperation Agreement with the City of Pittsburgh (City) for the City to provide fire services for the Borough. As of January 1, 2016, a new five-year agreement was entered into through December 31, 2020. As of January 1, 2021, the agreement has been extended through December 31, 2023. See Note 9 for further details.

Management has evaluated all potential component units and has determined the Borough has no discretely presented component units that will be included. Consistent with applicable guidance, the criteria used by the Borough to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given situation, the Borough reviews the applicability of the following criteria:

1. Organizations that make up the legal Borough entity.
  2. Legally separate organizations if Council appoints a voting majority of the organization's governing body and the Borough is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Borough.
    - a. Impose its Will - If the Borough can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.
    - b. Financial Benefit or Burden - Exists if the Borough (1) is entitled to the organization's resources, (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization, or (3) is obligated in some manner for the debt of the organization.
  3. Organizations that are fiscally dependent on the Borough. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the Borough.
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# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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4. In management's judgment, exclusion of the component unit would render the financial statements misleading.

Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. The Library Fund was reviewed and determined to be a blended component unit of the Borough and is included in other governmental funds.

## 2. Summary of Significant Accounting Policies

### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Borough. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are

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# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within a current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Borough considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to pensions, other post-employment benefit, compensated absences and claims and judgments, are recorded only when payment is due.

Deferred inflows of resources reported on the governmental funds balance sheet arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenue arises when resources are received by the Borough before it has legal claim to them, as when intergovernmental funds are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Borough has a legal claim to the resources, the unavailable revenue is removed as a deferred inflow of resources or unearned revenue is removed as a liability and the revenue is recognized.

The accounts of the Borough are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund balance, revenues, and expenditures or expenses, as appropriate.

The Borough reports the following major governmental funds:

The *General Fund* is the Borough’s primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

The *Sewer Fund* is used to account for sewer service charges assessed to properties in the Borough. By agreement, the Allegheny County Sanitary Authority (ALCOSAN) provides treatment services. All funds generated, net of the ALCOSAN share of the charges, must be used for sanitary sewer maintenance and reconstruction.

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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The *Capital Projects Fund* accounts for the purchase of capital assets and use of related bond proceeds.

Additionally, the Borough reports the following other governmental funds:

The *State Highway Aid Fund* accounts for the Borough's allocation of liquid fuels tax from the Commonwealth of Pennsylvania, of which a portion is transferred to the General Fund as a reimbursement for amounts expended on snow and ice removal, street signs and markings, street lighting, storm sewers and drains, and certain capital purchases.

The *Storefront Improvement Grant Program Fund* accounts for grants to businesses to help revitalize storefront property.

The *Library Fund* accounts for the financial activity of the Borough's library.

The *Equitable Sharing Fund* accounts for the funds received from the sharing of the proceeds of liquidated seized assets from asset forfeiture.

### Fiduciary Funds

Fiduciary funds are used to account for assets held in a trustee capacity. The Borough reports the following fiduciary funds:

The *Pension Trust Funds* are used to account for assets held by the Borough in a trustee capacity. The Borough maintains three pension plans: the general employees, police, and firemen.

### Budgetary Information

Annual appropriated budgets were adopted for 2020 for the General Fund, Sewer Fund, State Highway Aid Fund, and Library Fund on a basis consistent with accounting principles generally accepted in the United States of America.

The Borough uses the following procedures in establishing the budgetary data reflected in the financial statements:

- a. By the thirtieth day prior to the beginning of the fiscal year, the manager submits a budget to Council.

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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- b. A notice that the proposed budget is available for inspection shall be published by the Borough secretary in a newspaper of general circulation in the Borough for a minimum of ten days prior to adoption.
- c. The annual budget must be adopted by December 31 of the preceding fiscal year.

All transfers between appropriations must be approved by a Council ordinance. In addition, Council must approve all supplemental and emergency appropriations. No such appropriations were made in the current year. Amounts shown in the financial statements represent the final budget. Every unexpended or unencumbered appropriation lapses at the end of the fiscal year. Within the budgeted funds, the manager is authorized to transfer budgeted amounts between departments, provided that such transfers do not alter total expenditures approved by Council or exceed available resources. Therefore, the measurement level of control over expenditures in these funds is the surplus or deficit of the fund as a whole.

The General Fund expenditures exceeded budget in highways and streets, sanitation and insurance. The excess was covered by the excess of intergovernmental revenues over budget and budgeted fund balance.

### Deposits and Investments

The Borough's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value.

### Fair Value Measurements

The Borough categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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### Interfund Receivables, Payables, and Transfers

Interfund accounts receivable are considered to be available, expendable resources, and are reported as assets in the "due from other funds" account. Interfund accounts payable are considered to be committed expendable resources and are reported as liabilities in the "due to other funds" accounts. Transactions between funds that are not expected to be repaid are accounted for as transfers.

### Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities' column in the government-wide financial statements. Capital assets are defined by the Borough as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the Borough are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25
Building improvements	10-20
Infrastructure	20-30
Vehicles	5-15
Machinery, equipment, and fixtures	5-20

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# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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### Compensated Absences

A liability for compensated absences is determined by the vacation and sick day payments that would be made if employees were to leave or retire from the Borough. Compensated absences accrue when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is used to liquidate the liability for compensated absences.

Employees earn vacation, based upon their anniversary date for use during the subsequent calendar year. The number of days earned each month varies depending upon length of service and union contracts. For the General, Police, and SEIU employees, vacation time is not earned and awarded until January 1<sup>st</sup> of the subsequent year. Administrative employees may have accrued vacation time owed, as they run by contract year.

### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds.

### Deferred Outflows and Inflows of Resources Related to Pensions and OPEB

In conjunction with pension and Other Postemployment Benefits (OPEB) accounting requirements, the net difference between projected and actual investment earnings, changes in assumptions and the difference between expected and actual experience are recorded as a deferred outflow or inflow of resources related to pensions and OPEB on the government-wide financial statements. These amounts are determined based on the actuarial valuations performed for the Borough. Note 9 presents additional information about the Pension Plans. Note 8 presents additional information about the OPEB Plan.

### Net Position

The government-wide financial statements are required to report three components of net position:

- Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition,



# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.

- Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. The Borough has restricted net position relating to the State Highway Aid Fund, Capital Projects Fund and the Equitable Sharing Fund at December 31, 2020.
- Unrestricted – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

### Fund Balance

In the fund financial statements, governmental funds report fund balance in categories based on the level of restriction placed upon the funds. These levels are as follows:

- Nonspendable – This category represents funds that are not in spendable form and includes prepaid expenditures.
  - Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties. This category includes funds that are legally restricted for capital projects, equitable sharing, and state highway aid expenditures.
  - Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the Members of Council (Council). Such commitment is made via Council resolution and must be
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# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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made prior to the end of the fiscal year. Removal of this commitment requires a Council resolution. This category includes funds committed for the employer contributions to the Borough's pension plans in excess of state pension aid, Sewer Fund related costs and Library operations.

- Assigned – This category represents intentions of the Borough to use the funds for specific purposes. The Authority to make assignments of fund balance is delegated to the Borough Manager. Assignments of fund balance shall be made only by the Borough Manager and shall remain in place until the Borough Manager releases the assignment. The Borough currently does not have any funds in this category.
- Unassigned – This category represents all other funds not otherwise defined.

The Borough's policy is to use funds in the order of the most restrictive to the least restrictive.

### Estimates

The preparation of the financial statements in conformity with accounting standards generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ than those estimates.

### Adoption of Accounting Standards

The following Governmental Accounting Standards Board (GASB) statements were adopted for the year ended December 31, 2020: Statement No. 97 (Deferred Compensation Plans) paragraphs 4 and 5. The statement had no significant impact on the Borough's financial statements for the year ended December 31, 2020.

### Pending Accounting Standards

GASB has issued several statements that will become effective in future years, including Statement Nos. 87 (Leases), 89 (Interest Costs before the End of a Construction Period), 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 93 (Replacement of Interbank Offered Rates), 94 (Public-Private and Public-Public Partnerships and Availability Payment Arrangements), 96 (Information Technology Arrangements), and 97 (Deferred Compensation Plans except paragraph 4 and 5). Management has not yet determined the impact of these statements on the Borough's financial statements.

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# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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### 3. Deposits and Investments

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, insured or collateralized time deposits, and certificates of deposit.

The statutes also allow the pooling of governmental funds for investment purposes. The deposit and investment policy of the Borough adheres to state statutes. Governmental funds are either maintained in demand deposits and certificates of deposit or invested with the Pennsylvania Local Government Investment Trust (PLGIT). There were no deposit or investment transactions during the year that were in violation of either the state statutes or the Borough's policy.

#### Governmental Funds

*Custodial Credit Risk – Deposits.* 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 formal deposit policy for custodial credit risk.

As of December 31, 2020, \$4,761,509 of the Borough's bank balance of \$5,015,444 was exposed to custodial credit risk; however, the funds are collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits had carrying amounts of \$4,996,321 as of December 31, 2020.

#### Investments

The Borough's investments in PLGIT cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form. The fair value of the Borough's position in the external investment pool is the same as the value of the pool shares. All investments in an external investment pool that is not SEC-registered are subject to oversight by the Commonwealth of Pennsylvania. PLGIT's annual report is available on their website.

The Borough can withdraw funds from the external investment pools. However, there are certain limitations placed on these withdrawals. For PLGIT-Class accounts, there is a one-day holding period. For PLGIT/Arm accounts, there is a minimum investment period of one day. For PLGIT/Prime accounts, there is a one-day holding period and a penalty for more

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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than two withdrawals in a calendar month. PLGIT uses amortized cost to report net assets to compute share prices. It is PLGIT's policy to maintain a net asset value of \$1 per share. Accordingly, the fair value of the position of PLGIT is the same as the value of PLGIT shares.

The fair value bank balance of the PLGIT investments is \$2,088,912 at December 31, 2020. Outstanding amounts were drawn against this amount that resulted in a carrying amount of \$1,916,624. These investments are considered to be a cash equivalent for presentation on the statement of net position and governmental funds balance sheet.

The following is a description of the Borough's investment risks:

*Custodial Credit Risk* - For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are in the possession of an outside entity. The Borough does not have a formal investment policy for custodial credit risk.

*Interest Rate Risk* - The Borough does not have a 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* - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Borough has no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of December 31, 2020, the Borough's investments in PLGIT are rated AAAM by Standard & Poor's.

Total cash and cash equivalents at December 31, 2020 consist of the following:

PLGIT	\$ 1,916,624
Deposits	4,996,321
Petty cash	<u>250</u>
Total cash and cash equivalents per financial statements	<u>\$ 6,913,195</u>

### Pension Trust Funds

The Pension Trust Funds are used to account for assets held by the Borough in a trustee capacity for future payment of retirement benefits to employees or former employees. The Pension Trust Funds have an adopted investment policy.

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# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

As of December 31, 2020, the Borough had the following cash and investments in its pension trust funds:

<b>Cash or Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (In Years)</b>			
		<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>6-10 Years</b>	<b>More than 10 Years</b>
Fixed income obligations	\$ 7,520,854	\$ 382,222	\$ 2,817,045	\$ 2,243,644	\$ 2,077,943
Common Stocks:					
Basic materials	342,691				
Consumer goods	401,669				
Financial	911,913				
Healthcare	780,342				
Industrial goods	946,598				
Services	1,407,064				
Technology	3,317,625				
Communications	115,879				
Utilities	96,778				
Total Common Stocks	8,320,559				
Foreign Stocks:					
Consumer discretionary	50,606				
Cash and cash equivalents	326,331				
Registered investment company	2,427,451				
Total cash, cash equivalents, and investments reported on the statement of net position - fiduciary funds	\$ 18,645,801				

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The Borough's pension trust funds categorize its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The pension trust funds have the following recurring fair value measurements at December 31, 2020:

<u>Investments by Fair Value Level</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed income:				
Corporate bonds, municipal bonds, and mutual funds	\$ 7,520,854	\$ 2,193,841	\$ 5,327,013	\$ -
Common Stocks:				
Basic materials	342,691	342,691	-	-
Consumer goods	401,669	401,669	-	-
Financial	911,913	911,913	-	-
Healthcare	780,342	780,342	-	-
Industrial goods	946,598	946,598	-	-
Services	1,407,064	1,407,064	-	-
Technology	3,317,625	3,317,625	-	-
Communications	115,879	115,879	-	-
Utilities	96,778	96,778	-	-
Total equities	8,320,559	8,320,559	-	-
Foreign stocks - Consumer discretionary	50,606	50,606	-	-
Registered investment companies	2,427,451	-	2,427,451	-
Total Investments	18,319,470	10,565,006	7,754,464	-
Cash and cash equivalents:				
Money market funds	326,331			
Total Cash, Cash Equivalents, and Investments				
Reported in Combined Statement of Net Position	\$ 18,645,801			

The fixed income investments valued using a matrix pricing model or third-party pricing services using observable market data are included in Level 2. Registered investment company investments are valued using third party pricing services using observable market data are included in Level 2.

Pension Trust Funds' investments in money markets and mutual funds are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. Investments in common stock are not subject to the disclosure requirements of GASB Statement No. 40, "Deposit and Investment Risk Disclosures."

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The following is a description of the Pension Trust Funds' deposit and investment risks:  
*Credit Risk* - The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Pension Trust Funds' formal investment policy does not limit their investment choices based on credit ratings by nationally recognized statistical rating organizations.

As of December 31, 2020, the Borough had the following credit quality distribution for fixed income investments with credit exposure:

<u>Rating (1)</u>	<u>Fair Value</u>	<u>Percentage of Total Fixed Income Investments with Credit Exposure</u>
AAA	\$ 2,505,276	33.3%
AA1	249,741	3.3%
AA2	218,265	2.9%
AA3	287,029	3.8%
A1	413,297	5.5%
A2	552,465	7.3%
A3	492,053	6.5%
BAA1	493,564	6.6%
BAA2	229,562	3.1%
BAA3	49,238	0.7%
Not rated	2,030,365	27.0%
Total fixed income investments	<u>\$ 7,520,854</u>	<u>100.0%</u>

(1) - Based on Moody's

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the value of investments. Through its investment policy, the Pension Trust Funds manage their exposure to interest rate risk by utilizing certain criteria in selecting particular investment funds.

*Concentration of Credit Risk* - The Borough's investment policy limits investments in real estate to 5% and outstanding voting securities of any one issuer or company to 10%. At December 31, 2020, the Pension Trust Funds had no investments in one issuer that exceeded 5%.

*Foreign Currency Risk* – Foreign currency risk is the risk that potential risk of loss from changes in exchange rates can be significant. The Borough's investment policy limits their international equities to ten percent.

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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### 4. Real Estate Taxes

The Borough is permitted by the Borough Code of the State of Pennsylvania to levy property taxes as considered necessary. The tax rate for the year ended December 31, 2020 was \$14.00 per \$1,000 of assessed valuation. Total assessed value was \$424,903,766. Property liens on delinquent taxpayers do not attach on a specified schedule. Prior year delinquent taxes have been liened through the 2020 tax year. The property tax calendar for 2020 was as follows:

Millage rate adopted	January 2020
Bills dated	February 1, 2020
Two percent discount period ended	March 31, 2020
Penalty period started	June 1, 2020
Property taxes not paid declared delinquent	December 31, 2020

The individual components of the 2020 tax levy was as follows:

General purposes	10.12 mills
Debt service	2.94 mills
Library	<u>0.94 mills</u>
Total	<u><u>14.00 mills</u></u>

The Borough, in accordance with accounting principles generally accepted in the United States of America, recognized the delinquent and unpaid taxes receivable reduced by an allowance for uncollectible taxes as determined by management.

The real estate taxes receivable balance included in taxes receivable at December 31, 2020 is as follows:

	Gross Real Estate Taxes Receivable	Uncollectible Real Estate Taxes	Net Estimate to be Collected
General purposes and debt service	\$ 6,980,266	\$ 6,352,384	\$ 627,882
Library	<u>433,839</u>	<u>394,815</u>	<u>39,024</u>
	<u><u>\$ 7,414,105</u></u>	<u><u>\$ 6,747,199</u></u>	<u><u>\$ 666,906</u></u>

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# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

### 5. Capital Assets

A summary of changes in capital assets during 2020 is as follows:

	Balance at January 1, 2020	Additions/ Transfers	Deletions/ Transfers	Balance at December 31, 2020
<b>Governmental activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Land	\$ 2,628,302	\$ -	\$ -	\$ 2,628,302
Construction in progress	1,319,650	545,253	(1,045,470)	819,433
Total capital assets, not being depreciated	3,947,952	545,253	(1,045,470)	3,447,735
<b>Capital assets, being depreciated:</b>				
Buildings and improvements	2,467,186	-	-	2,467,186
Vehicles	1,497,345	36,893	-	1,534,238
Machinery and equipment	2,952,892	139,445	-	3,092,337
Infrastructure	20,822,939	2,054,286	-	22,877,225
Total capital assets, being depreciated	27,740,362	2,230,624	-	29,970,986
<b>Less: accumulated depreciation for:</b>				
Buildings and improvements	(1,545,220)	(64,680)	-	(1,609,900)
Vehicles	(925,403)	(125,139)	-	(1,050,542)
Machinery and equipment	(2,924,008)	(12,225)	-	(2,936,233)
Infrastructure	(17,966,325)	(201,717)	-	(18,168,042)
Total accumulated depreciation	(23,360,956)	(403,761)	-	(23,764,717)
Total capital assets, being depreciated, net	4,379,406	\$ 1,826,863	\$ -	6,206,269
Governmental activities capital assets, net	\$ 8,327,358			\$ 9,654,004

Depreciation expense was charged to functions/programs of the Borough as follows:

<b>Governmental activities:</b>	
General government	\$ 55,085
Public safety	72,382
Public works and sanitation	215,855
Culture and recreation	60,439
Total depreciation expense - governmental activities	\$ 403,761

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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### 6. Interfund Receivables, Payables, and Transfers

Interfund receivables, payables, and transfers at December 31, 2020 are summarized below:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General	\$ 532,803	\$ 1,111,616
Sewer	480,698	132
Capital Projects	33,220	532,671
Other Governmental Funds	<u>630,918</u>	<u>33,220</u>
Total	<u>\$ 1,677,639</u>	<u>\$ 1,677,639</u>
	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General	\$ 453,516	\$ 123,783
Sewer	17,500	203,084
Other Governmental Funds	<u>106,283</u>	<u>250,432</u>
	<u>\$ 577,299</u>	<u>\$ 577,299</u>

The due to the General Fund is for reimbursement of expenditures incurred on behalf of the other funds. The due to the Sewer Fund is primarily for revenues received by the General Fund on behalf of the Sewer Fund and the borrowing of funds by the General Fund. The due to the Capital Projects Fund is for reimbursement of expenditures incurred on behalf of other funds. The due to other governmental funds is for excess of real estate tax revenues over expenditures in the library fund and the funds due to the equitable sharing fund.

The transfers into the General Fund and the Sewer Fund were to reimburse for expenditures incurred. The transfers in and out of the other governmental funds were for equitable sharing funds received by the General Fund and expenditures incurred on behalf of other funds, respectively.

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

### 7. Long-Term Debt

Long-term liability activity for the year ended December 31, 2020 was as follows:

	Amounts Payable as of			Amounts Payable as of		Due Within
	January 1, 2020	Increases	Decreases	December 31, 2020	One Year	
<u>Governmental activities:</u>						
G.O. Bonds	\$ 8,370,000	\$ 4,875,000	\$ (5,280,000)	\$ 7,965,000	\$ 400,000	
PIB Loan - direct borrowing	1,625,367	-	(191,895)	1,433,472	195,013	
Capital leases - direct borrowing	85,902	-	(27,750)	58,152	28,625	
Compensated absences	57,530	6,664	(11,683)	52,511	4,920	
Governmental activity						
Long-term liabilities	<u>\$ 10,138,799</u>	<u>\$ 4,881,664</u>	<u>\$ (5,511,328)</u>	<u>\$ 9,509,135</u>	<u>\$ 628,558</u>	

#### General Obligation Bonds, Series of 2016

During 2016, the Borough issued \$4,550,000 Series of 2015 General Obligation Bonds to currently refund the Borough's outstanding Series A and Series B of 2011 General Obligation Bonds. Interest is payable semiannually on January 15 and July 15 through maturity at rates ranging from 0.78% to 2.375%. The Bonds mature on July 15 in various years starting in 2017 through 2028.

#### General Obligation Bonds, Series of 2020

During 2020, the Borough issued \$3,145,000 Series A of 2020 General Obligation Bonds (Series A Bonds) and \$1,730,000 Series B of 2020 General Obligation Bonds (Series B Bonds). The Series A Bonds were issues to currently refund the Borough's outstanding Series 2015 General Obligation Bonds. The Series B Bonds were issued to advance refund the Borough's outstanding Series C 2011 General Obligation Bonds. Interest is payable semiannually on January 15 and July 15 through maturity at rates ranging from 1.00% to 2.00%. The Bonds mature on July 15 in various years through 2033. The refunding resulted in an economic gain of approximately \$614,000 and cash flow savings of approximately \$628,000.

The source of repayment for the General Obligation Bonds is a designated portion of the real estate tax levy and other general governmental revenues.

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

Annual debt service requirements on the General Obligation Bonds of the Borough are as follows:

	Governmental Activities	
	Principal	Interest
2021	\$ 400,000	\$ 130,888
2022	410,000	141,956
2023	435,000	135,831
2024	630,000	129,021
2025	635,000	118,207
2026-2030	3,385,000	408,995
2031-2033	2,070,000	80,900
Total	<u>\$ 7,965,000</u>	<u>\$ 1,145,798</u>

### PIB Loan – Direct Borrowing

During March 2017, the Borough entered into an Infrastructure Bank Loan Agreement with the Commonwealth of Pennsylvania Department of Transportation (PIB Loan) to perform street resurfacing on fifty-nine public streets at various locations throughout the Borough. The PIB Loan amount is not to exceed \$2,000,000 and will be repaid over a period not to exceed ten years at an interest rate of 1.625%. Payments are to be made in ten consecutive annual payments beginning on May 1, 2018 through May 1, 2027. In the event of any default on the loan, the unpaid principal balance plus accrued interest and any other amounts payable under the agreement become due and payable immediately.

The future annual payments required on the PIB Loan as of December 31, 2020 are as follows:

	Principal	Interest	Total
2021	\$ 195,013	\$ 23,294	\$ 218,307
2022	198,182	20,125	218,307
2023	201,403	16,905	218,308
2024	204,675	13,632	218,307
2025	208,001	10,306	218,307
2026-2027	426,198	10,416	436,614
	<u>\$ 1,433,472</u>	<u>\$ 94,678</u>	<u>\$ 1,528,150</u>

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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### Capital Lease – Direct Borrowing

In 2015, the Borough entered into a capital lease for the purchase of a new street sweeper. The lease payments for the street sweeper are due annually beginning in July 2016 through July 2022. The lease bears interest at a rate of 3.525%. In the event of default on the lease, the lessor at its sole option may declare all payments under the lease to be due and/or with five days' written notice retake possession of the equipment under the lease or require return of the equipment.

The future annual payments required on the capital lease as of December 31, 2020 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 28,625	\$ 1,832	\$ 30,457
2022	29,527	930	30,457
	<u>\$ 58,152</u>	<u>\$ 2,762</u>	<u>\$ 60,914</u>

## 8. Other Postemployment Benefits (OPEBs)

### Plan Description

In addition to the pension benefits described in Note 9, the Borough provides and administers varying levels of medical insurance coverage to police, fire, and non-uniform retirees of the Borough.

The benefit limits and employee and employer contributions are established through employee union contracts. The plan is not accounted for as a Trust Fund, an irrevocable trust has not been established, the plan does not issue a separate report, and activity of the plan is reported in the General Fund.

At December 31, 2020, participants in the plan were as follows:

Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>37</u>
Total plan members	<u>41</u>

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# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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Details of the benefits provided are as follows:

### Fire Eligibility Requirements

Each retired fire fighter who retired after January 1, 1996, shall be provided with Select Blue insurance coverage for himself, at the Borough's expense, until he becomes eligible for Medicare. Except as hereinafter provided, any retiree who is eligible for health insurance through the employer of the retiree or retiree's spouse shall not be provided with the aforementioned insurance coverage. In the event that a retiree is eligible for health insurance through the retiree's employer or through the retiree's spouse's health insurance plan and the retiree is required to make a contribution towards such insurance, the Borough shall pay the retiree the amount of the contribution, up to a maximum of Three Hundred Dollars (\$300.00) per month. In the event that the bargaining unit member, who retired after January 1, 1996, desires to include his spouse in his or her medical coverage, the Borough shall pay a maximum total amount of Three Hundred Dollars (\$300) per month towards the premium for the coverage of the retiree and the spouse. As discussed in Note 1, the Borough entered into an Intergovernmental Cooperation Agreement for Fire Protection Services from the City of Pittsburgh so there are no current fire fighters, only retirees.

### Police Eligibility Requirements

Effective January 1, 1990, the payment by the Borough for post-retirement medical insurance for police officers shall be eliminated, except as provided in this Paragraph. Any full-time officer who retires on or before December 31, 1996 shall be entitled to receive medical insurance for the retiree and spouse, for a period of three (3) years from the date of retirement. Any retiree who is eligible for medical insurance through the employer of the retiree or the retiree's spouse shall not be provided with said medical insurance during the three (3) year period.

After this three (3) year period, the Borough shall pay the difference between Six Hundred Dollars (\$600) per month and any increase in pension benefits resulting from the Act 600 COLA. In no event, shall the Borough pay more than Three Hundred Fifty (\$350) per month for this purpose. In addition, for certain retirees, there are special arrangements that were made between the Borough and the retiree.

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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### Non-Uniform Eligibility Requirements

The Borough will provide and pay for hospitalization for retirees (employee only) until age 65 or eligibility for Medicare, whichever comes first, based on the following. The Borough's maximum monthly contribution shall be \$20.00 per full year of continuous service. Said amount shall be frozen at the time of retirement. The retiree must submit any difference to the Borough, in advance, in order to maintain this coverage.

### Funding Policy

These benefits are expensed when incurred and are financed on a pay-as-you-go basis. For the year ended December 31, 2020, the Borough incurred \$26,075 in contribution expense.

### OPEB Liability

At December 31, 2020, the Borough reported an OPEB liability of \$517,566.

### Changes in the OPEB Liability

The changes in the OPEB liability of the Borough's Plan for the year ended December 31, 2020 were as follows:

OPEB Liability at December 31, 2019	\$	936,913
Changes for the year:		
Service cost		3,750
Interest		25,417
Differences between expected and actual		(422,439)
Changes of assumptions		-
Contributions - employer		(26,075)
Contributions - employee		-
Net investment income		-
Benefit payments, including refunds		-
Administrative expense		-
Other changes		-
Net changes		<u>(419,347)</u>
OPEB Liability at December 31, 2020	\$	<u>517,566</u>

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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### Actuarial Assumptions

The OPEB liability was determined by an actuarial valuation performed on January 1, 2020, and rolled forward to December 31, 2020, using the following actuarial assumptions, applied to all periods in the measurement:

- actuarial cost method – entry age normal
- Medical inflation rate of 7% in the first year, decreasing by .5% per year, to an ultimate rate of 5%
- Inflation – 3%
- Wage inflation – 3.5%
- Salary increases – 4.00%
- Long-term investment rate of return – 2.12% (12/31/2020 Bond Buyer Municipal Bond index AA)
- Retirement Age – 62 and 25 years of service
- The RP 2000 Mortality Table (Blue Collar) with Scale BB

### Changes in Actuarial Assumptions

The long-term investment rate of return was changed from 2.74% to 2.12% for the January 1, 2020 valuation date.

*Sensitivity of the OPEB Liability to Changes in the Discount Rate* – The following presents the OPEB liability of the Plan calculated using the discount rates described above, as well as what the Plan’s OPEB liabilities would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
OPEB liability	\$ 572,509	\$ 517,566	\$ 470,773



# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

*Sensitivity of the Borough's OPEB Liability to Changes in the Healthcare Cost Trend Rates* - The following presents the Borough's OPEB liability calculated using current healthcare cost trend rates as well as what the Borough's OPEB liability would be if it were calculated using a healthcare cost trend rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease	Current	1% Increase
OPEB liability	\$ 466,153	\$ 517,566	\$ 577,723

### OPEB Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to OPEBS

For the year ended December 31, 2020, the Borough recognized OPEB expense of \$71,918.

At December 31, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

<u>Deferred Outflow of Resources:</u>		
Differences between expected and actual experience		\$ 56,186
Changes in assumption		-
Total deferred outflows of resources		\$ 56,186
 <u>Deferred Inflows of Resources:</u>		
Differences between expected and actual experience		\$ 459,650
Changes in assumption		-
Total deferred inflows of resources		\$ 459,650

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending December 31,	
2021	\$ (30,850)
2022	(30,850)
2023	(30,850)
2024	(30,850)
2025	(30,850)
Thereafter	(249,214)
	\$ (403,464)

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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### 9. Pension Plans

#### Plan Description

The Borough administers three single-employer defined benefit pension plans (plans): General Employees, Police, and Firemen. These plans cover substantially all full-time employees. The Plans are governed by the Borough's Council. All plans provide retirement benefits to plan members; the police plan also provides for a death benefit for surviving spouses. Plan provisions are established by municipal ordinance with the authority for municipal contributions required by Act 205 of the Commonwealth of Pennsylvania (Act). The activity of the Plans is reported as the Pension Trust Funds in the accompanying financial statements. The plans do not issue separate reports.

As discussed in Note 1, the Borough entered into an Intergovernmental Cooperation Agreement for Fire Protection Services with the City. The Firemen plan will remain in effect for the Borough to account for obligations to existing retirees, beneficiaries, vested terminated and disabled participants.

At December 31, 2020 (January 1, 2019 valuation date), participants in the plans were as follows:

	<u>General Employees</u>	<u>Police</u>	<u>Firemen</u>
Inactive plan members or beneficiaries currently receiving benefits	20	32	13
Inactive plan members entitled to but not yet receiving benefits	3	4	-
Active plan members	<u>36</u>	<u>22</u>	<u>-</u>
Total plan members	<u><u>59</u></u>	<u><u>58</u></u>	<u><u>13</u></u>

#### Summary of Significant Accounting Policies

Financial information of the Borough's plans is presented on the accrual basis of accounting. Employer contributions to each plan are recognized when due as required by the Act. Benefits and refunds are recognized when due and payable in accordance with the terms of the individual plan. Investments of the plans are reported at fair value. Short-term investments are reported at market value. Securities traded on national exchanges are valued at the last reported sales price.

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# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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### Benefits Provided – General Employees Plan

Participants in the General Employees Plan are 100% vested after 10 years of service. The General Employees Plan provides the following benefits:

*Retirement Benefit* - A participant is entitled to begin receiving retirement benefits after attaining age 65 or attaining age 60 with the completion of 25 years of service. The scheduled retirement benefit is \$46 times years of service. Payment is made as a life annuity with 120 months guaranteed.

*Disability Benefit* - If a participant becomes totally and permanently disabled in a service-related incident, and has completed at least one year of service, the participant is entitled to receive a monthly disability benefit. The scheduled benefit is an amount equal to the participants accrued benefit as of the disability retirement date. Payments will continue until the earliest of recovery, death, or normal retirement. Non-service-related benefit is the same as service-related disability with one year of service requirement and qualification of Social Security disability benefits.

*Death Benefit* - If a participant's death occurs before retirement eligibility, the participant's estate receives a refund of contributions made by the participant, plus interest. If a participant's death occurs after the participant has qualified for retirement and the participant is survived by an eligible spouse or beneficiary, payment shall be determined pursuant to the form of benefit payment the participant selected at the time of retirement. In addition, a lump sum payment of \$10,000 shall be paid to the participant's beneficiary.

*Cost-of-Living Adjustments* – The plan provisions do not provide any postretirement adjustments.

### Benefits Provided – Police Plan

Participants in the Police Plan are 100% vested after 12 years of service. The Police Plan provides the following benefits:

*Retirement Benefit* - A participant is entitled to begin receiving retirement benefits after completing 25 years of service and attaining age 55. The scheduled monthly retirement benefit is 50% of the participant's final average earnings plus service increment (for those hired prior to January 1, 2004). Final average earnings are equal to the average of the last 36 months (last 60 months if hired after January 1, 2004) of employment. Service increment is equal to \$100 per month upon completion of twenty-six years of service.

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# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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*Disability Benefit* - If a participant becomes totally and permanently disabled as a result of accident or sickness occurring in the line of duty, the participant is entitled to receive a monthly disability benefit. The scheduled benefit is 50% of the participant's average monthly salary for those with 10 years of service. For those with less than 10 years of service, benefit is reduced 5% for each year of service less than 10 years. Payments will continue until the earliest of recovery, death, or normal retirement.

*Death Benefit* - If a participant's death occurs before retirement eligibility, the participant's estate receives a refund of contributions made by the participant, plus interest. If a participant's death occurs in the line of duty and the participant is survived by an eligible spouse, the spouse will receive 50% of the amount the participant was receiving or was eligible to receive for life pursuant to Act 30.

*Cost-of-Living Adjustments* – Benefit terms provide for annual cost-of-living adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustments are equal to the percentage change in the Consumer Price Index during the last year. Total of all increases must not exceed 30% of the original benefit, nor can the benefit ever exceed 75% of the final average monthly compensation used to compute the original benefit. For those hired after January 1, 2004, no cost-of-living adjustment is provided.

### Benefits Provided – Firemen Plan

Participants in the Firemen Plan are 100% vested after 12 years of service. The Firemen Plan provides the following benefits:

*Retirement Benefit* - A participant is entitled to begin receiving retirement benefits after completing 20 years of service and attaining age 52. The scheduled monthly retirement benefit is \$65 times years of service. Payment is a life annuity with 120 months guaranteed. In addition, a \$240 monthly supplement is paid until the participant begins receiving Social Security benefits.

*Disability Benefit* - If a participant becomes totally and permanently disabled in a service-related incident, and has completed at least one year of service, the participant is entitled to receive a monthly disability benefit. The scheduled benefit is an amount equal to the participants' accrued benefit as of the disability retirement date plus \$240 supplement until Social Security Benefits are received. Payments will continue until the earliest of recovery, death, or normal retirement. Non-service-related benefit is the same as service-related

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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disability with one year of service requirement and qualification of Social Security disability benefits.

*Cost-of-Living Adjustments* – Benefit terms provide for annual cost-of-living adjustments to each member’s retirement allowance on January 1 of each year. The annual adjustments are equal to the percentage change in the Consumer Price Index during the last year with a maximum of 3%. Total of all increases must not exceed 10% of the original benefit.

### Contributions and Funding Policy

The Act requires that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO). The MMO calculation is based upon the actuarial valuation. Employees are not required to contribute under the Act; such contributions are subject to collective bargaining. The Commonwealth of Pennsylvania allocates certain funds to assist in pension funding. Any financial requirement established by the MMO that exceeds the Commonwealth of Pennsylvania allocation must be funded by the Borough (and could include employee contributions).

Under the terms of the plans, general employees contribute \$10.40 per week, with interest credited from mid-point of calendar year at 2.5% and police employees contribute 6.5% of their earnings every two weeks, with interest credited from mid-point of calendar year at 2.5%. Covered payroll was \$1,650,000 and \$1,869,000 for the general employees and police plans, respectively.

The Borough contributed the funds necessary to meet the MMO obligations for the general employees, police, and firemen plans in the amount of \$143,604, \$363,840, and \$0, respectively. The firemen plan actuarial value of assets exceeded the actuarial present value of future benefits and therefore no MMO was required. The Borough has recognized revenue from state aid of \$398,830 in the General Fund and contributed \$507,444 to the pension funds.

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

### Net Pension Liability (Asset)

The components of the net pension liability (asset) of the Plans at December 31, 2020 were as follows:

	General Employees	Police	Firemen
Total pension liability	\$ 3,341,064	\$ 15,841,697	\$ 2,077,726
Plan fiduciary net position	(3,117,438)	(13,488,313)	(2,079,877)
Net pension liability (asset)	\$ 223,626	\$ 2,353,384	\$ (2,151)
Plan fiduciary net position as a percentage of the total pension liability	93.31%	85.14%	100.10%

### Changes in the Net Pension Liability (Asset)

The changes in the net pension liability of the Borough's Plans for the year ended December 31, 2020 were as follows:

#### General Employees

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2019	\$ 3,367,695	\$ 3,021,194	\$ 346,501
Changes for the year:			
Service cost	54,264	-	54,264
Interest	228,635	-	228,635
Differences between expected and actual	(12,828)	-	(12,828)
Changes of assumptions	-	-	-
Contributions - employer	-	143,604	(143,604)
Contributions - employee	-	16,370	(16,370)
Net investment income	-	255,677	(255,677)
Benefit payments, including refunds	(290,021)	(290,021)	-
Administrative expense	-	(22,705)	22,705
Other changes	(6,681)	(6,681)	-
Net changes	(26,631)	96,244	(122,875)
Balances at December 31, 2020	\$ 3,341,064	\$ 3,117,438	\$ 223,626

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

### Police

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2019	\$ 15,264,929	\$ 12,701,696	\$ 2,563,233
Changes for the year:			
Service cost	300,387	-	300,387
Interest	1,062,726	-	1,062,726
Differences between expected and actual	(3,041)	-	(3,041)
Changes of assumptions	-	-	-
Contributions - employer	-	363,841	(363,841)
Contributions - employee	-	135,457	(135,457)
Net investment income	-	1,124,861	(1,124,861)
Benefit payments, including refunds	(783,011)	(783,011)	-
Administrative expense	-	(54,238)	54,238
Other changes	(293)	(293)	-
Net changes	576,768	786,617	(209,849)
Balances at December 31, 2020	\$ 15,841,697	\$ 13,488,313	\$ 2,353,384

### Firemen

	Increases / Decreases		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2019	\$ 2,220,920	\$ 2,185,401	\$ 35,519
Changes for the year:			
Service cost	-	-	-
Interest	124,881	-	124,881
Differences between expected and actual	11,058	-	11,058
Changes of assumptions	-	-	-
Contributions - employer	-	-	-
Net investment income	-	190,995	(190,995)
Benefit payments, including refunds	(279,133)	(279,133)	-
Administrative expense	-	(17,386)	17,386
Other changes	-	-	-
Net changes	(143,194)	(105,524)	(37,670)
Balances at December 31, 2020	\$ 2,077,726	\$ 2,079,877	\$ (2,151)

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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*Actuarial Assumptions* - The total pension liability was determined by an actuarial valuation performed on January 1, 2019, and rolled forward to December 31, 2020, using the following actuarial assumptions, applied to all periods in the measurement:

	<u>General Employees</u>	<u>Police</u>	<u>Firemen</u>
Actuarial assumptions:			
Investment rate of return	7.00%	7.00%	6.00%
Projected salary increases	N/A	4.00%	N/A
Underlying inflation rate	3.00%	3.00%	3.00%

RP-2000 Mortality Table (Blue Collar), with Scale AA

*Changes in Actuarial Assumptions* – Based upon an actuarial valuation performed as of January 1, 2019, the investment rate of return on the General Employees Plan was lowered to 7.00%. This assumption change increased the total pension liability by \$131,211.

Based upon an actuarial valuation performed as of January 1, 2019, the investment rate of return and the projected salary increases on the Police Plan were lowered to 7.00% and 4.00%, respectively. This assumption change increased the total pension liability by \$691,239.

*Investment Policy* – The Plans’ policies in regard to the allocation of invested assets is established and may be amended by Council by a majority vote of its members. It is the policy of Council to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

*Long-Term Expected Rate of Return* – The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.



# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plans' target asset allocation as of December 31, 2020:

Asset Class	Target Allocation			Long-Term Expected Real Rate of Return		
	General Employees	Police	Firemen	General Employees	Police	Firemen
Equity	50% - 70%	50% - 70%	25% - 45%	6.75%	6.75%	6.75%
Fixed income	30% - 50%	30% - 50%	55% - 75%	1.75%	1.75%	1.75%
Cash	0% - 20%	0% - 20%	0% - 20%	0.80%	0.80%	0.80%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>			

*Rate of Return* – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2020, the annual money-weighted rate of return on the General Employees, Police, and Firemen Plan investments, net of investment expense, was 8.85%, 9.09%, and 9.45%, respectively.

*Concentrations* – The General Employees, Police, and Firemen Plans did not have any investments in any one issuer in excess of 5% of the respective Plan's fiduciary net position at December 31, 2020.

*Discount Rate* – The discount rate used to measure the total pension liability for the General Employees Plan and Police Plan was 7.0%. The discount rate used to measure the total pension liability for the Firemen Plan was 6.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Borough's contributions will be made based on the yearly MMO calculation. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate* – The following presents the net pension liability (asset) of the Plans calculated using the discount rates described above, as well as what the Plan’s net pension liabilities (assets) would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
General Employees	\$ 511,732	\$ 223,626	\$ 25,266
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Police	\$ 4,186,280	\$ 2,353,384	\$ 1,227,380
	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Firemen	\$ 132,950	\$ (2,151)	\$ (122,228)

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

### Pension Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2020, the Borough recognized pension expense of \$248,349. At December 31, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees	Police	Firemen
<u>Deferred Outflow of Resources:</u>			
Differences between expected and actual experience	\$ -	\$ 2,293	\$ -
Changes in assumption	108,940	463,184	-
Net difference between projected and actual earnings on pension plan investments	-	-	-
Total deferred outflows of resources	\$ 108,940	\$ 465,477	\$ -
	General Employees	Police	Firemen
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 180,160	\$ 526,541	\$ -
Changes in assumption	-	-	-
Net difference between projected and actual earnings on pension plan investments	128,056	566,245	112,438
Total deferred inflows of resources	\$ 308,216	\$ 1,092,786	\$ 112,438

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending December 31,</u>	
2021	\$ (336,350)
2022	(58,110)
2023	(467,316)
2024	(77,247)
	\$ (939,023)

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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### 10. Deferred Compensation Plan

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation plan, available to all full-time employees, permits them to defer a portion of their salary until future years. Participation in the deferred compensation plan is optional. The deferred compensation plan funds are typically not available to employees until termination, retirement, death, or unforeseeable emergency. Active employees are allowed to one loan per calendar, but not have more than 5 outstanding at one time. At December 31, 2020, all amounts of compensation deferred under the deferred compensation plan were held in individual trusts solely for the benefit of the participants. Investments are managed by the deferred compensation plan's trustee under several investment options selected by the participant. Employee contributions to the deferred compensation plan for the year ended December 31, 2020 were \$31,919. The Borough also contributes to the deferred compensation plan for employees based upon a contracted percentage. The Borough's contributions to the deferred compensation plan during the year ended December 31, 2020 were \$14,493. The deferred compensation plan is not required to be included in the Borough's financial statements.

### 11. Contingencies and Commitments

The Borough receives funding from various grantors, which is subject to compliance audits by the grantor agencies. The Borough is potentially liable for noncompliance with the terms of various laws and regulations related to the grant funding. No liability has been recorded, as such amounts, if any, are not known.

Various claims and lawsuits are pending against the Borough. The ultimate outcome of these claims and lawsuits cannot presently be determined and, accordingly, no provision for amounts arising from settlements has been made in these financial statements. In the opinion of management and legal counsel, the effect on the financial statements of potential losses on any claim and/or lawsuit should not be material.

The following information is based upon the 2013 Feasibility Studies completed for the Borough's sewersheds and is subject to change based upon the expected issuance of new Consent Orders. The Borough, along with other Nine Mile Run Communities (Communities), is a party to a Consent Order, which requires the Borough to engage in several environmental activities involving its sanitary sewer system that include, but are not limited to, identifying illegal connections in the Borough, televising sanitary sewer lines, and

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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installing flow meters to determine flow to meet certain established standards with respect to sanitary sewer flows. At the present time, the Borough has completed their work with regard to compliance with the Consent Order. While the penalties are significant in the event of non-compliance, at the present time, there is no reason to believe that the Borough will be subject to any civil or criminal penalties for non-compliance. During June 2013, all of the Communities were asked to consider the adoption of a Memorandum of Understanding concerning the upcoming work required for each watershed to which they drain. The Borough adopted a Memorandum of Understanding during 2013. The Borough is located within two sewersheds, M-47 Nine Mile Run and T-04 Falls Run. The Borough's share of the project costs under the 2013 Feasibility Study was estimated to be 27.5% or approximately \$7,450,000 for the M-47 and 6.1 % or approximately \$20,000 for the T-04. This is subject to change based on the expected issuance of new consent orders which are in progress.

### **12. Risk of Loss**

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There were no significant reductions in insurance coverage from coverage in the prior years.

### **13. Tax Abatements**

The Borough offers temporary exemption from real property taxation for business improvements on deteriorated business property that results in tax assessment increase. The Borough has approved a joint committee to approve or disapprove applications for the exemption. The tax exemption is for 100% in year one, decrease by 10% each year for 10 years. After the 10<sup>th</sup> year, the exemption shall terminate.

During 2020, the Borough's real estate tax abatements were \$1,700,270 of assessed value and \$23,804 of taxable revenues at face.

# BOROUGH OF WILKINSBURG

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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### **14. Risks and Uncertainties**

In early 2020, an outbreak of a novel strain of coronavirus was identified and infections have been found in a number of countries around the world, including the United States. The coronavirus and its associated impacts on supply chains, travel, employee productivity, and other economic activities has had, and may continue to have, a material effect on financial markets and economic activity. The extent of the impact of the coronavirus on the Borough's operational and financial performance is currently uncertain and cannot be predicted.

During 2020 the Borough received \$175,000 in CARES funding from Allegheny County.

During 2021 the Borough will receive approximately \$1.5 million in funding from the American Rescue Plan.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**BOROUGH OF WILKINSBURG**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION -  
PENSION PLAN

SCHEDULE OF CHANGES IN THE BOROUGH'S NET  
PENSION LIABILITY AND RELATED RATIOS

GENERAL EMPLOYEES' PLAN

YEARS ENDED DECEMBER 31

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability:</b>							
Service cost	\$ 54,264	\$ 56,729	\$ 50,199	\$ 52,446	\$ 51,612	\$ 53,793	\$ 48,279
Interest	228,635	245,411	244,601	246,290	253,692	239,427	241,680
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(12,828)	(161,995)	(33,490)	(129,734)	(36,257)	80,935	(51,779)
Changes of assumptions	-	131,211	-	66,587	-	65,844	-
Benefit payments, including refunds of member contributions	(290,021)	(259,620)	(254,480)	(257,232)	(261,678)	(245,833)	(219,655)
Other changes	(6,681)	3,975	1,670	(1,368)	7,063	(604)	-
<b>Net Changes in Total Pension Liability</b>	<b>(26,631)</b>	<b>15,711</b>	<b>8,500</b>	<b>(23,011)</b>	<b>14,432</b>	<b>193,562</b>	<b>18,525</b>
<b>Total Pension Liability - Beginning</b>	<b>3,367,695</b>	<b>3,351,984</b>	<b>3,343,484</b>	<b>3,366,495</b>	<b>3,352,063</b>	<b>3,158,501</b>	<b>3,139,976</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 3,341,064</b>	<b>\$ 3,367,695</b>	<b>\$ 3,351,984</b>	<b>\$ 3,343,484</b>	<b>\$ 3,366,495</b>	<b>\$ 3,352,063</b>	<b>\$ 3,158,501</b>
<b>Plan Fiduciary Net Position:</b>							
Contributions - employer	\$ 143,604	\$ 145,925	\$ 142,218	\$ 134,817	\$ 144,078	\$ 153,739	\$ 131,084
Contributions - member	16,370	18,886	19,219	17,514	16,286	17,264	22,285
Net investment income	255,677	523,735	(155,604)	366,150	164,703	(23,941)	167,886
Benefit payments, including refunds of member contributions	(290,021)	(259,620)	(254,480)	(257,232)	(254,595)	(245,833)	(215,176)
Administrative expense	(22,705)	(22,760)	(17,196)	(8,225)	(12,165)	(7,075)	(2,975)
Other	(6,681)	3,975	1,670	(1,368)	-	(4,285)	43
<b>Net Change in Plan Fiduciary Net Position</b>	<b>96,244</b>	<b>410,141</b>	<b>(264,173)</b>	<b>251,656</b>	<b>58,307</b>	<b>(110,131)</b>	<b>103,147</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>3,021,194</b>	<b>2,611,053</b>	<b>2,875,226</b>	<b>2,623,570</b>	<b>2,565,263</b>	<b>2,675,394</b>	<b>2,572,247</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 3,117,438</b>	<b>\$ 3,021,194</b>	<b>\$ 2,611,053</b>	<b>\$ 2,875,226</b>	<b>\$ 2,623,570</b>	<b>\$ 2,565,263</b>	<b>\$ 2,675,394</b>
<b>Net Pension Liability - Ending (a-b)</b>	<b>\$ 223,626</b>	<b>\$ 346,501</b>	<b>\$ 740,931</b>	<b>\$ 468,258</b>	<b>\$ 742,925</b>	<b>\$ 786,800</b>	<b>\$ 483,107</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>93.31%</b>	<b>89.71%</b>	<b>77.90%</b>	<b>85.99%</b>	<b>77.93%</b>	<b>76.53%</b>	<b>84.70%</b>
<b>Covered Payroll</b>	<b>\$ 1,451,435</b>	<b>\$ 1,613,291</b>	<b>\$ 1,384,751</b>	<b>\$ 1,344,418</b>	<b>\$ 1,241,603</b>	<b>\$ 1,223,117</b>	<b>\$ 1,428,121</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>15.41%</b>	<b>21.48%</b>	<b>53.51%</b>	<b>34.83%</b>	<b>59.84%</b>	<b>64.33%</b>	<b>33.83%</b>

Note - Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary schedules.



**BOROUGH OF WILKINSBURG**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION -  
PENSION PLAN

SCHEDULE OF CHANGES IN THE BOROUGH'S NET  
PENSION LIABILITY AND RELATED RATIOS

POLICE PLAN

YEARS ENDED DECEMBER 31

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability:</b>							
Service cost	\$ 300,387	\$ 295,222	\$ 264,067	\$ 257,473	\$ 259,674	\$ 251,826	\$ 250,870
Interest	1,062,726	1,093,454	1,052,751	1,048,163	1,042,425	1,000,645	972,437
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(3,041)	(672,451)	7,710	(758,904)	54,263	(213,513)	24,691
Changes of assumptions	-	691,239	-	314,963	-	293,517	-
Benefit payments, including refunds of member contributions	(783,011)	(837,415)	(788,538)	(825,691)	(832,914)	(775,807)	(769,528)
Other changes	(293)	(7,034)	14,116	(12,138)	2,251	(5,182)	-
<b>Net Changes in Total Pension Liability</b>	<b>576,768</b>	<b>563,015</b>	<b>550,106</b>	<b>23,866</b>	<b>525,699</b>	<b>551,486</b>	<b>478,470</b>
<b>Total Pension Liability - Beginning</b>	<b>15,264,929</b>	<b>14,701,914</b>	<b>14,151,808</b>	<b>14,127,942</b>	<b>13,602,243</b>	<b>13,050,757</b>	<b>12,572,287</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 15,841,697</b>	<b>\$ 15,264,929</b>	<b>\$ 14,701,914</b>	<b>\$ 14,151,808</b>	<b>\$ 14,127,942</b>	<b>\$ 13,602,243</b>	<b>\$ 13,050,757</b>
<b>Plan Fiduciary Net Position:</b>							
Contributions - employer	\$ 363,841	\$ 301,621	\$ 310,661	\$ 312,828	\$ 292,583	\$ 318,088	\$ 220,806
Contributions - member	135,457	124,674	127,069	117,739	124,562	114,626	118,139
Net investment income	1,124,861	2,182,136	(631,852)	1,563,368	685,209	(94,574)	701,510
Benefit payments, including refunds of member contributions	(783,011)	(837,415)	(788,538)	(825,691)	(823,810)	(775,807)	(784,004)
Administrative expense	(54,238)	(68,681)	(59,151)	(62,390)	(36,308)	(6,275)	(3,682)
Other	(293)	(7,034)	14,116	(12,138)	-	(6,634)	520
<b>Net Change in Plan Fiduciary Net Position</b>	<b>786,617</b>	<b>1,695,301</b>	<b>(1,027,695)</b>	<b>1,093,716</b>	<b>242,236</b>	<b>(450,576)</b>	<b>253,289</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>12,701,696</b>	<b>11,006,395</b>	<b>12,034,090</b>	<b>10,940,374</b>	<b>10,698,138</b>	<b>11,148,714</b>	<b>10,895,425</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 13,488,313</b>	<b>\$ 12,701,696</b>	<b>\$ 11,006,395</b>	<b>\$ 12,034,090</b>	<b>\$ 10,940,374</b>	<b>\$ 10,698,138</b>	<b>\$ 11,148,714</b>
<b>Net Pension Liability - Ending (a-b)</b>	<b>\$ 2,353,384</b>	<b>\$ 2,563,233</b>	<b>\$ 3,695,519</b>	<b>\$ 2,117,718</b>	<b>\$ 3,187,568</b>	<b>\$ 2,904,105</b>	<b>\$ 1,902,043</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>85.14%</b>	<b>83.21%</b>	<b>74.86%</b>	<b>85.04%</b>	<b>77.44%</b>	<b>78.65%</b>	<b>85.43%</b>
<b>Covered Payroll</b>	<b>\$ 1,869,684</b>	<b>\$ 1,869,684</b>	<b>\$ 1,923,813</b>	<b>\$ 1,880,023</b>	<b>\$ 1,954,180</b>	<b>\$ 1,842,793</b>	<b>\$ 1,748,848</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>125.87%</b>	<b>137.09%</b>	<b>192.09%</b>	<b>112.64%</b>	<b>163.12%</b>	<b>157.59%</b>	<b>108.76%</b>

Note - Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary schedules.

## BOROUGH OF WILKINSBURG

### SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN

#### SCHEDULE OF CHANGES IN THE BOROUGH'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

##### FIREMEN PLAN

YEARS ENDED DECEMBER 31

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability:</b>							
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	124,881	129,425	137,894	140,886	148,705	148,551	154,565
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	11,058	70,202	(7,607)	89,957	1,105	124,227	3,949
Changes of assumptions	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(279,133)	(271,585)	(271,291)	(290,075)	(270,211)	(270,210)	(269,781)
Other	-	(618)	617	-	-	-	-
<b>Net Changes in Total Pension Liability</b>	<b>(143,194)</b>	<b>(72,576)</b>	<b>(140,387)</b>	<b>(59,232)</b>	<b>(120,401)</b>	<b>2,568</b>	<b>(111,267)</b>
<b>Total Pension Liability - Beginning</b>	<b>2,220,920</b>	<b>2,293,496</b>	<b>2,433,883</b>	<b>2,493,115</b>	<b>2,613,516</b>	<b>2,610,948</b>	<b>2,722,215</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 2,077,726</b>	<b>\$ 2,220,920</b>	<b>\$ 2,293,496</b>	<b>\$ 2,433,883</b>	<b>\$ 2,493,115</b>	<b>\$ 2,613,516</b>	<b>\$ 2,610,948</b>
<b>Plan Fiduciary Net Position:</b>							
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - member	-	-	-	-	-	-	-
Net investment income	190,995	322,398	(62,752)	234,170	123,135	1,720	187,296
Benefit payments, including refunds of member contributions	(279,133)	(271,585)	(271,291)	(290,075)	(270,211)	(270,210)	(269,781)
Administrative expense	(17,386)	(15,500)	(15,274)	(6,824)	(9,785)	(4,876)	(3,575)
Other	-	(618)	617	-	-	-	108
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(105,524)</b>	<b>34,695</b>	<b>(348,700)</b>	<b>(62,729)</b>	<b>(156,861)</b>	<b>(273,366)</b>	<b>(85,952)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>2,185,401</b>	<b>2,150,706</b>	<b>2,499,406</b>	<b>2,562,135</b>	<b>2,718,996</b>	<b>2,992,362</b>	<b>3,078,314</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 2,079,877</b>	<b>\$ 2,185,401</b>	<b>\$ 2,150,706</b>	<b>\$ 2,499,406</b>	<b>\$ 2,562,135</b>	<b>\$ 2,718,996</b>	<b>\$ 2,992,362</b>
<b>Net Pension Liability (Asset) - Ending (a-b)</b>	<b>\$ (2,151)</b>	<b>\$ 35,519</b>	<b>\$ 142,790</b>	<b>\$ (65,523)</b>	<b>\$ (69,020)</b>	<b>\$ (105,480)</b>	<b>\$ (381,414)</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>100.10%</b>	<b>98.40%</b>	<b>93.77%</b>	<b>102.69%</b>	<b>102.77%</b>	<b>104.04%</b>	<b>114.61%</b>
<b>Covered Payroll</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

Note - Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary schedules.

**BOROUGH OF WILKINSBURG**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION -  
PENSION PLAN

SCHEDULES OF THE BOROUGH'S CONTRIBUTIONS  
AND INVESTMENT RETURNS

YEARS ENDED DECEMBER 31

	2020	2019	2018	2017	2016	2015	2014
<b>GENERAL EMPLOYEES' PLAN:</b>							
<u>Schedule of Borough Contributions</u>							
Contribution required under Act 205	\$ 143,604	\$ 145,925	\$ 142,218	\$ 134,817	\$ 144,078	\$ 153,739	\$ 131,084
Contributions in relation to the actuarially determined contribution	<u>143,604</u>	<u>145,925</u>	<u>142,218</u>	<u>134,817</u>	<u>144,078</u>	<u>153,739</u>	<u>131,084</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 1,451,435</u>	<u>\$ 1,613,291</u>	<u>\$ 1,384,751</u>	<u>\$ 1,344,418</u>	<u>\$ 1,241,603</u>	<u>\$ 1,223,117</u>	<u>\$ 1,428,121</u>
Contributions as a percentage of covered payroll	9.89%	9.05%	10.27%	10.03%	11.60%	12.57%	9.18%
<u>Investment Returns</u>							
Annual money-weighted rate of return, net of investment expense	8.85%	20.84%	-5.56%	15.02%	7.44%	-0.93%	6.82%
<b>POLICE PLAN:</b>							
<u>Schedule of Borough Contributions</u>							
Contribution required under Act 205	\$ 363,840	\$ 301,621	\$ 310,661	\$ 312,828	\$ 292,583	\$ 318,088	\$ 220,806
Contributions in relation to the actuarially determined contribution	<u>363,840</u>	<u>301,621</u>	<u>310,661</u>	<u>312,828</u>	<u>292,583</u>	<u>318,088</u>	<u>220,806</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 1,869,684</u>	<u>\$ 1,869,684</u>	<u>\$ 1,923,813</u>	<u>\$ 1,880,023</u>	<u>\$ 1,954,180</u>	<u>\$ 1,842,793</u>	<u>\$ 1,748,848</u>
Contributions as a percentage of covered payroll	19.46%	16.13%	16.15%	16.64%	14.97%	17.26%	12.63%
<u>Investment Returns</u>							
Annual money-weighted rate of return, net of investment expense	9.09%	20.38%	14.69%	14.69%	7.23%	-1.35%	6.64%
<b>FIREMEN PLAN:</b>							
<u>Schedule of Borough Contributions</u>							
Contribution required under Act 205	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Investment Returns</u>							
Annual money-weighted rate of return, net of investment expense	9.45%	16.06%	-2.57%	10.21%	4.37%	-1.59%	6.42%

Note - Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary schedules.

# BOROUGH OF WILKINSBURG

## SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN

### SCHEDULE OF CHANGES IN THE BOROUGH'S OPEB LIABILITY

YEARS ENDED DECEMBER 31

	2020	2019	2018
<b>Total OPEB Liability:</b>			
Service cost	\$ 3,750	\$ 4,101	\$ 5,343
Interest	25,417	34,554	31,794
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(422,439)	68,826	(89,845)
Changes of assumptions	-	-	-
Employer contributions	(26,075)	(18,502)	(36,506)
Benefit payments, including refunds of member contributions	-	-	-
Other changes	-	-	-
<b>Net Changes in Total OPEB Liability</b>	(419,347)	88,979	(89,214)
<b>Total OPEB Liability - Beginning</b>	936,913	847,934	937,148
<b>Total OPEB Liability - Ending</b>	\$ 517,566	\$ 936,913	\$ 847,934

Note - Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary schedules.

# BOROUGH OF WILKINSBURG

## NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2020

### 1. Pension Information

The information presented in the required supplementary pension schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the 1/1/2019 actuarial valuations which were the valuations used for the contributions and contribution rate information presented for 2020 is as follows:

	General Employees	Police	Firemen
Actuarial valuation date	1/1/2019	1/1/2019	1/1/2019
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed
Asset valuation method	PMRS Asset Method	PMRS Asset Method	PMRS Asset Method
Remaining amortization period	3 Years	9 Years	-
Actuarial assumptions:			
Investment rate of return	7.00%	7.00%	6.00%
Projected salary increases	N/A	4.00%	N/A
Inflation	3.00%	3.00%	3.00%
	RP-2000	RP-2000	RP-2000
	Mortality Table (Blue Collar)	Mortality Table (Blue Collar)	Mortality Table (Blue Collar)
Mortality	with Scale AA	with Scale AA	with Scale AA

N/A = not applicable

#### Changes in Assumptions

Based upon an actuarial valuation performed as of January 1, 2019, the investment rate of return on the General Employees Plan was lowered to 7.00%. This assumption change increased the total pension liability by \$131,211.

# BOROUGH OF WILKINSBURG

## NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2020

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Based upon an actuarial valuation performed as of January 1, 2017, the investment rate of return on the General Employees Plan was lowered to 7.50%. This assumption change increased the total pension liability by \$66,587. Based upon an actuarial valuation performed as of January 1, 2017, the investment rate of return and the projected salary increases on the Police Plan were lowered to 7.50% and 4.50%, respectively. This assumption change increased the total pension liability by \$314,963.

Based upon an actuarial valuation performed as of January 1, 2015, the investment rate of return on the General Employees Plan was lowered to 7.75%. This assumption change increased the total pension liability by approximately \$104,000.

Based upon an actuarial valuation performed as of January 1, 2019, the investment rate of return and the projected salary increases on the Police Plan were lowered to 7.00% and 4.00%, respectively. This assumption change increased the total pension liability by \$691,239.

Based upon an actuarial valuation performed as of January 1, 2015, the investment rate of return and the projected salary increases on the Police Plan were lowered to 7.75% and 4.75%, respectively. This assumption change increased the total pension liability by approximately \$453,000.

The January 1, 2015 and 2017 actuarial valuation for the Firemen Pension Plan did not recognize any assumption changes.

### Changes in Benefits Terms

No changes in benefits were noted.

## **2. OPEB Information**

### Changes in Assumptions

None.

### Changes in Benefit Terms

None.

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## **SUPPLEMENTARY INFORMATION**

# BOROUGH OF WILKINSBURG

## OTHER GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

DECEMBER 31, 2020

Assets	Special Revenue Funds				Total Other Governmental Funds
	State Highway Aid	Storefront Improvement Grant Program	Library	Equitable Sharing	
Cash and cash equivalents	\$ 443,090	\$ -	\$ 666,432	\$ 32,813	\$ 1,142,335
Receivables (net, where applicable, of allowance for uncollectibles):					
Taxes	-	-	39,024	-	39,024
Rehabilitation and revolving loans	-	-	-	-	-
Other	-	-	-	-	-
Due from other funds	-	-	137,886	493,032	630,918
Prepaid expenditures	-	-	1,858	-	1,858
<b>Total Assets</b>	<b>\$ 443,090</b>	<b>\$ -</b>	<b>\$ 845,200</b>	<b>\$ 525,845</b>	<b>\$ 1,814,135</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 25	\$ -	\$ 25
Accrued expenditures	-	-	26,742	-	26,742
Due to other funds	-	-	33,220	-	33,220
Unearned revenue	-	-	8,001	-	8,001
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>67,988</b>	<b>-</b>	<b>67,988</b>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	-	-	36,827	-	36,827
Fund Balance:					
Nonspendable	-	-	1,858	-	1,858
Restricted	443,090	-	-	525,845	968,935
Committed	-	-	738,527	-	738,527
Unassigned	-	-	-	-	-
<b>Total Fund Balance</b>	<b>443,090</b>	<b>-</b>	<b>740,385</b>	<b>525,845</b>	<b>1,709,320</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 443,090</b>	<b>\$ -</b>	<b>\$ 845,200</b>	<b>\$ 525,845</b>	<b>\$ 1,814,135</b>



# BOROUGH OF WILKINSBURG

## OTHER GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE YEAR ENDED DECEMBER 31, 2020

	Special Revenue Funds				Total Other Governmental Funds
	State Highway Aid	Storefront Improvement Grant Program	Library	Equitable Sharing	
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ 382,457	\$ -	\$ 382,457
Fines and forfeits	-	-	8,513	-	8,513
Intergovernmental	442,956	-	284,504	525,345	1,252,805
Charges for services	-	-	-	-	-
Interest and rent	3,156	71	4,700	209	8,136
Miscellaneous	-	-	337	-	337
Total revenues	446,112	71	680,511	525,554	1,652,248
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety - police	-	-	-	105,992	105,992
Public safety - fire	-	-	-	-	-
Highways and streets	47,095	-	-	-	47,095
Culture and recreation	-	12,059	420,458	-	432,517
Total expenditures	47,095	12,059	420,458	105,992	585,604
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	399,017	(11,988)	260,053	419,562	1,066,644
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	106,283	106,283
Transfers out	(250,259)	(173)	-	-	(250,432)
Total other financing sources (uses)	(250,259)	(173)	-	106,283	(144,149)
<b>Net Change in Fund Balance</b>	148,758	(12,161)	260,053	525,845	922,495
<b>Fund Balance:</b>					
Beginning of year	294,332	12,161	480,332	-	786,825
End of year	\$ 443,090	\$ -	\$ 740,385	\$ 525,845	\$ 1,709,320

## BOROUGH OF WILKINSBURG

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL STATE HIGHWAY AID FUND

YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Intergovernmental	\$ 434,085	\$ 434,085	\$ 442,956	\$ 8,871
Interest and rent	7,500	7,500	3,156	(4,344)
Total revenues	441,585	441,585	446,112	4,527
<b>Expenditures:</b>				
Highways and streets	343,824	343,824	47,095	296,729
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	97,761	97,761	399,017	301,256
<b>Other Financing Sources (Uses):</b>				
Transfers out	(256,830)	(256,830)	(250,259)	6,571
Net other financing sources (uses)	(256,830)	(256,830)	(250,259)	6,571
<b>Net Change in Fund Balance</b>	\$ (159,069)	\$ (159,069)	\$ 148,758	\$ 307,827

# BOROUGH OF WILKINSBURG

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL LIBRARY FUND

YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Taxes	\$ 353,070	\$ 353,070	\$ 382,457	\$ 29,387
Fines and forfeits	5,000	5,000	8,513	3,513
Intergovernmental	281,721	329,779	284,504	(45,275)
Charges for service	12,200	12,200	-	(12,200)
Interest and rent	10,000	10,000	4,700	(5,300)
Miscellaneous	-	-	337	337
Total revenues	<u>661,991</u>	<u>710,049</u>	<u>680,511</u>	<u>(29,538)</u>
<b>Expenditures:</b>				
Culture and recreation:				
Salaries	314,015	314,015	214,232	99,783
Longevity	1,050	1,050	300	750
Vacation buy-back	-	-	-	-
Social Security - FICA	19,534	19,534	13,062	6,472
Social Security - Medicare	4,569	4,569	3,095	1,474
Unemployment	3,900	3,900	-	3,900
Hospitalization	85,531	85,531	41,130	44,401
Health insurance reimbursement	20,000	20,000	7,644	12,356
Deferred compensation	1,904	1,904	1,723	181
Office supplies	6,000	6,000	3,856	2,144
Postage	300	300	115	185
Training/testing	500	500	638	(138)
Printing	400	400	750	(350)
Publications	91,700	91,700	64,818	26,882
Telephone	2,680	2,680	2,041	639
Advertising	200	200	151	49
Contracted services	54,035	54,035	44,343	9,692
Eastridge utilities	10,000	10,000	6,247	3,753
Dues and memberships	252	252	-	252
Meetings/conferences	2,800	2,800	391	2,409
Minor equipment	925	925	311	614
Miscellaneous expenditures	-	-	1,635	(1,635)
Grants and special projects	-	48,058	13,976	34,082
Total expenditures	<u>620,295</u>	<u>668,353</u>	<u>420,458</u>	<u>247,895</u>
<b>Net Change in Fund Balance</b>	<u>\$ 41,696</u>	<u>\$ 41,696</u>	<u>\$ 260,053</u>	<u>\$ 218,357</u>

# BOROUGH OF WILKINSBURG

## COMBINING STATEMENT OF NET POSITION ALL PENSION TRUST FUNDS

DECEMBER 31, 2020

	General Employees	Police	Firemen	Total Pension Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 36,961	\$ 230,563	\$ 58,807	\$ 326,331
Investments at fair value:				
Fixed income:				
U.S. government obligations	619,162	2,678,587	668,676	3,966,425
Corporate obligations	549,963	2,358,694	618,092	3,526,749
Municipal bonds	6,920	13,840	6,920	27,680
Registered investment company	443,718	1,842,922	140,811	2,427,451
Common stocks	1,445,546	6,298,573	576,440	8,320,559
Foreign stocks	8,901	38,145	3,560	50,606
Accrued income receivable	6,267	26,989	6,571	39,827
<b>Total Assets</b>	<b>3,117,438</b>	<b>13,488,313</b>	<b>2,079,877</b>	<b>18,685,628</b>
<b>Liabilities</b>				
	-	-	-	-
<b>Net Position Restricted for Pension Benefits</b>	<b>\$ 3,117,438</b>	<b>\$ 13,488,313</b>	<b>\$ 2,079,877</b>	<b>\$ 18,685,628</b>

# BOROUGH OF WILKINSBURG

## COMBINING STATEMENT OF CHANGES IN NET POSITION ALL PENSION TRUST FUNDS

YEAR ENDED DECEMBER 31, 2020

	General Employees	Police	Firemen	Total
<b>Additions:</b>				
Contributions:				
Employer (including state aid)	\$ 143,604	\$ 363,840	\$ -	\$ 507,444
Employee	15,850	130,346	-	146,196
Total contributions	<u>159,454</u>	<u>494,186</u>	<u>-</u>	<u>653,640</u>
Investment earnings:				
Net increase (decrease) in fair value of investments	186,428	875,657	143,338	1,205,423
Interest and dividends	<u>61,180</u>	<u>257,273</u>	<u>47,658</u>	<u>366,111</u>
Total investment earnings	247,608	1,132,930	190,996	1,571,534
Less investment expense	<u>9,775</u>	<u>41,758</u>	<u>7,961</u>	<u>59,494</u>
Net investment earnings	<u>237,833</u>	<u>1,091,172</u>	<u>183,035</u>	<u>1,512,040</u>
Total additions	<u>397,287</u>	<u>1,585,358</u>	<u>183,035</u>	<u>2,165,680</u>
<b>Deductions:</b>				
Benefits	288,113	786,261	279,134	1,353,508
Administrative expense	<u>12,930</u>	<u>12,480</u>	<u>9,425</u>	<u>34,835</u>
Total deductions	<u>301,043</u>	<u>798,741</u>	<u>288,559</u>	<u>1,388,343</u>
<b>Change in Net Position</b>	96,244	786,617	(105,524)	777,337
Net position - beginning	<u>3,021,194</u>	<u>12,701,696</u>	<u>2,185,401</u>	<u>17,908,291</u>
Net position - ending	<u>\$ 3,117,438</u>	<u>\$ 13,488,313</u>	<u>\$ 2,079,877</u>	<u>\$ 18,685,628</u>

## **OTHER INFORMATION**

# BOROUGH OF WILKINSBURG

## OTHER INFORMATION

### FUND BALANCE GENERAL FUND 2011-2020

<u>Fiscal Year</u>	<u>Total</u>
2020	\$ 3,885,797
2019	4,305,128
2018	3,502,851
2017	2,753,518
2016	1,361,805
2015	1,175,566
2014	791,996
2013	1,220,913
2012	1,300,493
2011	1,327,697

# BOROUGH OF WILKINSBURG

## OTHER INFORMATION

### GENERAL GOVERNMENTAL REVENUES BY SOURCE ALL GOVERNMENTAL FUND TYPES 2011-2020

<u>Fiscal Year</u>	<u>Total</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Fines and Forfeits</u>	<u>Intergovernmental</u>	<u>Charges for Services</u>	<u>Interest and Rent</u>	<u>Miscellaneous</u>
2011	\$ 12,090,957	\$ 6,667,073	\$ 301,866	\$ 201,795	\$ 1,456,446	\$ 3,329,232	\$ 42,100	\$ 92,445
2012	12,410,733	7,068,149	301,488	175,677	1,438,821	3,349,355	41,399	35,844
2013	12,814,621	7,772,952	305,078	181,000	1,007,227	3,464,530	50,486	33,348
2014	13,405,527	7,925,897	301,813	161,465	1,011,473	3,665,385	25,388	314,106
2015	13,875,736	8,237,580	305,423	238,136	983,043	4,041,794	4,747	65,013
2016	14,324,687	8,495,991	305,162	166,567	1,090,961	4,136,570	18,581	110,855
2017	15,558,268	8,547,451	306,101	185,121	1,550,994	4,707,706	47,061	213,834
2018	15,306,820	8,555,684	274,311	164,143	1,198,997	4,831,529	109,525	172,631
2019	15,875,683	8,846,120	259,087	192,949	1,253,196	5,076,745	163,442	84,144
2020	17,483,470	8,679,083	244,008	185,602	3,259,412	4,988,349	48,970	78,046



# BOROUGH OF WILKINSBURG

## OTHER INFORMATION

### GENERAL GOVERNMENTAL EXPENDITURES BY SOURCE ALL GOVERNMENTAL FUND TYPES 2011-2020

<u>Fiscal Year</u>	<u>Total</u>	<u>General Government</u>	<u>Public Safety Police</u>	<u>Public Safety Fire</u>	<u>Planning and Zoning</u>	<u>Highways and Streets</u>	<u>Sanitation</u>	<u>Culture and Recreation</u>	<u>Other</u>	<u>Capital Outlay</u>	<u>Debt Service</u>
2011	\$ 14,838,863	\$ 1,569,317	\$ 3,081,726	\$ 4,503,832	\$ 347,638	\$ 1,204,911	\$ 2,768,953	\$ 644,721	\$ 183,084	\$ 62,987	\$ 471,694
2012	14,265,923	1,467,029	3,327,334	1,551,249	411,105	1,367,370	3,011,071	615,503	224,822	1,701,485	588,955
2013	13,584,707	1,696,095	3,313,396	1,638,896	549,304	1,324,441	2,937,065	629,369	177,940	668,839	649,362
2014	14,124,928	1,593,687	3,418,509	1,600,848	585,854	1,622,538	3,199,720	859,076	193,652	401,521	649,523
2015	13,991,801	1,696,236	3,272,601	1,648,352	452,495	1,450,821	3,426,817	711,978	234,392	357,371	740,738
2016	14,209,927	1,952,695	3,349,843	1,648,352	569,706	1,323,433	3,489,351	557,339	346,636	113,288	859,284
2017	16,071,304	1,473,098	3,222,275	1,648,352	582,481	1,563,937	3,708,215	688,373	351,840	2,137,918	694,815
2018	15,283,787	1,530,952	3,252,447	1,648,352	680,096	1,572,054	3,915,358	647,998	311,213	789,318	935,999
2019	16,875,899	1,586,028	3,265,630	1,769,348	779,119	1,425,725	4,088,242	688,759	295,537	2,039,177	938,334
2020	20,232,577	1,574,910	3,899,409	1,875,827	593,993	2,872,419	4,170,120	500,701	350,216	97,747	4,297,235

# BOROUGH OF WILKINSBURG

## OTHER INFORMATION

### TAX REVENUES BY SOURCE 2011-2020

<u>Fiscal Year</u>	<u>Total Taxes</u>	<u>Real Estate Taxes</u>	<u>Earned Income Taxes</u>	<u>Local Services Taxes</u>	<u>Real Estate Transfer Tax</u>	<u>Business Privilege Tax</u>	<u>RAD Tax</u>
2011	\$ 6,667,073	\$ 4,431,633	\$ 822,381	\$ 154,663	\$ 76,859	\$ 307,939	\$ 873,598
2012	7,068,149	4,371,276	1,202,656	128,593	60,714	419,765	885,145
2013	7,772,952	5,181,536	1,193,304	145,645	115,313	314,933	822,221
2014	7,925,897	5,140,525	1,290,535	143,945	175,503	349,363	826,026
2015	8,237,580	5,370,622	1,344,780	142,886	89,727	431,964	857,601
2016	8,495,991	5,475,209	1,473,232	153,192	138,096	363,272	892,990
2017	8,547,451	5,537,422	1,527,775	150,010	138,984	278,328	914,932
2018	8,555,684	5,488,502	1,563,475	156,003	115,083	259,315	973,306
2019	8,846,120	5,598,536	1,634,170	153,036	218,732	207,843	1,033,803
2020	8,679,083	5,682,373	1,538,287	139,382	161,987	189,599	967,455

# BOROUGH OF WILKINSBURG

## OTHER INFORMATION

### MILLAGE RATE HISTORY 2001-2020

<u>Year</u>	<u>County</u>	<u>Municipal</u>	<u>School</u>	<u>Total</u>
2020	4.730	14.000	29.500	48.230
2019	4.730	14.000	29.500	48.230
2018	4.730	14.000	29.500	48.230
2017	4.730	14.000	32.630	51.360
2016	4.730	14.000	32.630	51.360
2015	4.730	14.000	32.630	51.360
2014	4.730	14.000	32.630	51.360
2013	4.730	14.000	32.630	51.360
2012	5.690	14.000	36.672	56.362
2011	4.690	14.000	35.000	53.690
2010	4.690	14.000	35.000	53.690
2009	4.690	14.000	35.000	53.690
2008	4.690	14.000	35.000	53.690
2007	4.690	14.000	35.000	53.690
2006	4.690	14.000	35.000	53.690
2005	4.690	14.000	35.000	53.690
2004	4.690	14.000	32.000	50.690
2003	4.690	10.000	32.000	46.690
2002	4.690	9.913	32.000	46.603
2001	4.720	8.913	33.500	47.133

# BOROUGH OF WILKINSBURG

## OTHER INFORMATION

### TEN LARGEST TAXPAYERS

	<u>Taxpayer</u>	<u>Lot &amp; Block</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
1	Doc Lifecare Pittsburgh PA	175-K-250	\$ 10,000,000	2.16
2	Bryn Mawr Properties	298-N-100	\$ 5,845,100	1.27
3	Baldev Sharma Grantor Trust Ajay Sharma - Trustee	232-S-285	\$ 4,373,100	0.95
4	WT Pittsburgh LLC	176-D-225	\$ 4,051,400	0.88
5	Douglas Plaza Holdings, LLC	296-P-115	\$ 3,500,000	0.76
6	Television City Inc.	233-S-250	\$ 3,468,000	0.75
7	Brittany Property LP	297-N-010	\$ 2,708,000	0.59
8	909 West Street SNF Realty LLC	297-N-10	\$ 2,213,900	0.48
9	Affiliated Service Station Inc.	233-D-060	\$ 1,982,700	0.43
10	331 Penn Wilks Associates LP	175-L-110	\$ 1,901,100	0.41