

BOROUGH OF MUNHALL

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**ANNUAL AUDIT AND FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2013**



***Mark C. Turnley***

# **BOROUGH OF MUNHALL**

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ANNUAL AUDIT AND FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2013

**2013 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

022223 MUNHALL BORO, ALLEGHENY COUNTY

Mark C. Turnley

Certified Public Accountant

293 Pinney Street
Rochester, Pennsylvania 15074
(724) 371-0887
FAX (724) 709-8596

**To the Members of Borough Council
Borough of Munhall
Allegheny County, Pennsylvania**

INDEPENDENT AUDITORS' REPORT

Report on Financial Statements

I have audited the Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statement of Capital Expenditures and Employee Compensation included in the accompanying special purpose Commonwealth of Pennsylvania Annual Audit and Financial Report (special purpose financial report) of the Borough of Munhall, Allegheny County, Pennsylvania as of and for the year ended December 31, 2013.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this special purpose financial report in accordance with the accounting practices and procedures prescribed by the Commonwealth of Pennsylvania's Department of Community and Economic Development (DCED), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the 'all other unclassified expenditures' and 'refund of prior year revenue expenditures' amounts totaling \$70,658 and \$50,690 respectively. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

*American Institute of Certified Public Accountants
Pennsylvania Institute of Certified Public Accountants*

Opinions

Basis for Qualified Opinion

The accompanying special purpose financial report was prepared in conformity with the accounting practices and procedures prescribed by the Commonwealth of Pennsylvania's Department of Community and Economic Development (DCED), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accounting practices and procedures of the DCED permit the preparation of the special purpose financial report without financial statement note disclosures, Management's discussion and Analysis, government-wide statements, and budget to actual statements, as required by accounting principles generally accepted in the United States of America. The effects on the special purpose financial report, as a result of the differences between the DCED accounting practices and procedures and accounting principles generally accepted in the United States of America, are not reasonably determinable.

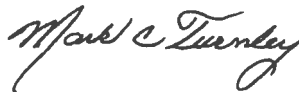
Management of the Borough did not receive a reconciliation of real estate tax collections from the Borough's real estate tax collector as required by Commonwealth of Pennsylvania Act 169. I was not able to obtain sufficient supporting documentation to determine whether real estate tax collections and unpaid real estate tax amounts as of December 31, 2013 were fairly stated. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In my opinion, because of the effects of the matter discussed in the first paragraph under 'Basis for Qualified Opinion', the special purpose financial report referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough, or changes in financial position thereof for the year then ended.

In my opinion, except for the effects of the matter described in the second paragraph under 'Basis for Qualified Opinion', the special purpose financial report referred to above presents fairly, in all material respects, the financial position of the Borough of Munhall's as of December 31, 2013, and the results of its operations for the year then ended in conformity with the accounting practices and procedures prescribed by the Commonwealth of Pennsylvania's Department of Community and Economic Development (DCED).

Sincerely,



Mark C. Turnley, CPA

October 31, 2014
Rochester, Pennsylvania



BALANCE SHEET

DCED-CLGS-30 (09-09)

MUNHALL BORO, ALLEGHENY County
BALANCE SHEET
 December 31, 2013

	Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		Trust and Agency	General Fixed Assets	
Assets and Other Debits										
100-120 Cash and Investments	472,263	152,209	4				13,266,836			13,891,312
140-144 Tax Receivable										
121-129, 145-149 Accounts Receivable (excluding taxes)										
130-00 Due From Other Funds	19,879	1,524					40,072			61,475
131-139, 150-159 Other Current Assets										
160-169 Fixed Assets									368,470	368,470
180-189 Other Debits									368,470	368,470
Total Assets and Other Debits	492,142	153,733	4				13,306,908		368,470	14,321,257
Liabilities and Other Credits										
210-229 Payroll Taxes and Other Payroll Withholdings										
200-209, 231-239 All Other Current Liabilities	699						41,026			41,725
230-00 Due To Other Funds	40,072	21,328					75			61,475

MUNHALL BORO, ALLEGHENY COUNTY
BALANCE SHEET
December 31, 2013

	Governmental Funds					Proprietary Funds		Fid. Fund		Account Groups		Total
	General Fund	Special Revenue (including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only		
Liabilities and Other Credits												
260-269 Long-Term-Liabilities									368,470			368,470
240-259 Current Portion of Long-Term Debt and Other Credits												
Total Liabilities and Other Credits	40,771	21,328					41,101		368,470			471,670
Fund and Account Group Equity												
281-284 Contributed Capital												
290.00 Investment in General Fixed Assets												
270-289 Fund Balance / Retained Earnings on 12/31	451,371	132,405	4				13,265,807					13,849,587
291-299 Other Equity												
Total Fund and Account Group Equity	451,371	132,405	4				13,265,807					13,849,587

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	14,321,257
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MUNHALL BORO, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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

REVENUES

State							
355.09	Marcellus Shale Impact Fee Distribution	462					462
355.00	All Other State Shared Revenues and Entitlements	14,007					14,007
356.00	State Payments in Lieu of Taxes						
	Total State	367,372	214,919				582,291

Local Government Units

357.03	Highways and Streets						
357.00	All Other Local Governmental Units Capital and Operating Grants						
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services						
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes	7,000					7,000
	Total Local Government Units	7,000					7,000

Charges for Service

361.00	General Government	5,940					5,940
362.00	Public Safety	134,317	17,556				151,873
363.20	Parking	34,161					34,161
363.00	All Other Charges for Highway & Street Services	1,185					1,185
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)						
364.30	Solid Waste Collection and Disposal Charge (trash)	610,055					610,055
364.60	Host Municipality Benefit Fee for Solid Waste Facility						
364.00	All Other Charges for Sanitation Services	1,719					1,719
365.00	Health	175					175
366.00	Human Services						
367.00	Culture and Recreation						

MUNHALL BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2013

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

EXPENDITURES

Public Safety		Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary Fund	Total
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
	Total Public Safety	3,172,459						3,172,459

Health and Human Services		Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary Fund	Total
420.00-425.00	Health and Human Services	7,579						7,579
	Total Health and Human Services	7,579						7,579

Public Works - Sanitation		Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary Fund	Total
426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)	441,207						441,207
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
	Total Public Works - Sanitation	441,207						441,207

Public Works - Highways and Streets		Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary Fund	Total
430.00	General Services - Administration	1,073,500						1,073,500
431.00	Cleaning of Streets and Gutters	1,838						1,838
432.00	Winter Maintenance - Snow Removal	213,630						213,630
433.00	Traffic Control Devices	7,942						7,942
434.00	Street Lighting	243,904						243,904
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	18,902						18,902

MUNHALL BORO, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2013

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

EXPENDITURES

Public Works - Highways and Streets									
437.00	Repairs of Tools and Machinery							12,765	12,765
438.00	Maintenance and Repairs of Roads and Bridges							66,065	66,065
439.00	Highway Construction and Rebuilding Projects						133,716		133,716
	Total Public Works - Highways and Streets	1,638,546					133,716		1,772,262

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

Culture and Recreation									
451.00	Culture-Recreation Administration								
452.00	Participant Recreation								
453.00	Spectator Recreation								
454.00	Parks							21,660	21,660
455.00	Shade Trees								
456.00	Libraries							20,000	20,000

MUNHALL BORO, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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

EXPENDITURES

Employer Paid Benefits and Withholding Items							
487.00	Other Group Insurance Benefits	2,064					2,064
	Total Employer Paid Benefits and Withholding Items	1,000,313					1,000,313

Insurance							
486.00	Insurance, Casualty, and Surety	106,286					106,286
	Total Insurance	106,286					106,286

Unclassified Operating Expenditures							
488.00	Fiduciary Fund Benefits and Refunds Paid					655,242	655,242
489.00	All Other Unclassified Expenditures	70,658				65,406	136,064
	Total Unclassified Operating Expenditures	70,658				720,648	791,306

Other Financing Uses							
491.00	Refund of Prior Year Revenues	50,690					50,690
492.00	Interfund Operating Transfers	20,000	23,052				43,052
493.00	All Other Financing Uses						
	Total Other Financing Uses	70,690	23,052				93,742

TOTAL EXPENDITURES	7,295,049	164,621				720,648	8,180,318
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-115,551	107,554				1,959,619	1,951,622
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MUNHALL BORO
December 31, 2013

DEBT STATEMENT

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (YYYY)	Maturity Year (YYYY)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Revenue Bonds and Notes											
AIM Loan	Note	2010	2015	115,000	92,000		46,000		46,000		46,000
Lease Rental Debt											
2008 Garbage Truck	Capital Leases	2008	2013	257,152	56,024		56,024		0		0
2011 Police Cars	Capital Leases	2011	2014	73,516	27,664		25,737		1,927		1,927
2014 Garbage Truck	Capital Leases	2013	2018	176,066	0	176,066	9,011		167,055		167,055
2013 Police Cars	Capital Leases	2013	2016	153,488	0	153,488			153,488		153,488
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

368,470

Capitalized lease obligations

368,470

Net debt

MUNHALL BORO, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2013

Category	Capital Purchases	Capital Construction	Total
Electric			
Fire	18,735		18,735
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	235,427		235,427
Recreation			
Sewer			
Solid Waste	176,066		176,066
Streets / Highways		133,716	133,716
Water			
Other: _____			
Community Development			
TOTAL CAPITAL EXPENDITURES	430,228	133,716	563,944

EMPLOYEE COMPENSATION

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

3,098,716

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

SIGNATURE AND VERIFICATION

Signed: Mark C Turnley Appointed Auditor/CPA

MUNHALL BORO, ALLEGHENY County
December 31, 2013

NOTES / COMMENTS