

**2018 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

022223 MUNHALL BORO, ALLEGHENY COUNTY

**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, 2018.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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 audit opinion.

Opinions

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

The Schedules are prepared by the Borough of Munhall on the basis of the financial reporting provisions prescribed or permitted by the DCED in the instructions to the Annual Audit and Financial Report to demonstrate compliance with the DCED's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the DCED. These requirements permit the Schedules to be prepared on the cash basis of accounting without the presentation of the management's discussion and analysis, the government-wide financial statements, budget and actual information and financial statements disclosures.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the Schedules referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Munhall as of December 31, 2018, or changes in financial position or cash flows thereof for the year then ended.

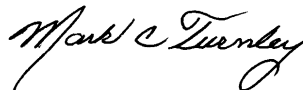
Opinion on Regulatory Basis of Accounting

In my opinion, the Schedules referred to above present fairly, in all material respects, the assets, liabilities and fund equity of the Borough of Munhall as of December 31, 2018, and its revenues, expenditures and other financing sources and uses for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by the DCED described above.

Report on Other Legal and Regulatory Requirements

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

Sincerely,



Mark C. Turnley, CPA

November 27, 2019
New Brighton, Pennsylvania

MUNHALL BORO, ALLEGHENY County

BALANCE SHEET

December 31, 2018

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									102,832	102,832
240-259	Current Portion of Long-Term Debt and Other Credits									180,093	180,093
Total Liabilities and Other Credits		1,384	33,032					67,519		282,925	384,860
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	1,390,796	310,133					16,622,576			18,323,505
291-299	Other Equity										
Total Fund and Account Group Equity		1,390,796	310,133					16,622,576			18,323,505
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											18,708,365

MUNHALL BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

REVENUES

Taxes

301.00	Real Estate Taxes	4,950,916						4,950,916
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)	546,849						546,849
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	138,140						138,140
310.20	Earned Income Taxes / Wage Taxes	1,166,212						1,166,212
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	91,876						91,876
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes	3,500						3,500
310.90	Other: _____							
	Other: _____							
Total Taxes		6,897,493						6,897,493

Licenses and Permits

320-322	All Other Licenses and Permits	40,708						40,708
321.80	Cable Television Franchise Fees	235,458						235,458
Total Licenses and Permits		276,166						276,166

Fines and Forfeits

330-332	Fines and Forfeits	371,747						371,747
Total Fines and Forfeits		371,747						371,747

MUNHALL BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

REVENUES

Interest, Rents and Royalties								
341.00	Interest Earnings	12,721	2,555				843,346	858,622
342.00	Rents and Royalties	39,786						39,786
Total Interest, Rents and Royalties		52,507	2,555				843,346	898,408

Federal								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants							
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements		167,118					167,118
353.00	Federal Payments in Lieu of Taxes							
Total Federal			167,118					167,118

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	1,260						1,260
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)							
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		324,223					324,223
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	318,538						318,538
355.07	Foreign Fire Insurance Tax Distribution	44,764						44,764
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution	1,820						1,820

MUNHALL BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

REVENUES

State								
356.00	State Payments in Lieu of Taxes							
355.00	All Other State Shared Revenues and Entitlements	99,891						99,891
Total State		466,273	324,223					790,496

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	10,706						10,706
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		17,706						17,706

Charges for Service								
361.00	General Government	76,750						76,750
362.00	Public Safety	162,583						162,583
363.20	Parking	40,775						40,775
363.00	All Other Charges for Highway & Street Services	8,053						8,053
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)	874,399						874,399
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation							
368.00	Airports							

MUNHALL BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

REVENUES

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service							
Total Charges for Service		1,162,560						1,162,560

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors							
388.00	Fiduciary Fund Pension Contributions					533,624		533,624
389.00	All Other Unclassified Operating Revenues	17,393	4,254					21,647
Total Unclassified Operating Revenues		17,393	4,254			533,624		555,271

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	2,225						2,225
392.00	Interfund Operating Transfers	404,321	19,278					423,599
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

MUNHALL BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	75,185						75,185
Total Other Financing Sources		481,731	19,278					501,009
TOTAL REVENUES		9,743,576	517,428				1,376,970	11,637,974

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	111,860						111,860
401.00	Executive (Manager or Mayor)	124,357						124,357
402.00	Auditing Services / Financial Administration	6,000						6,000
403.00	Tax Collection	106,583						106,583
404.00	Solicitor / Legal Services	325,347						325,347
405.00	Secretary / Clerk	59,003						59,003
406.00	Other General Government Administration	80,540						80,540
407.00	IT-Networking Services-Data Processing	38,964						38,964
408.00	Engineering Services	83,025						83,025
409.00	General Government Buildings and Plant	40,708						40,708
Total General Government		976,387						976,387

Public Safety								
410.00	Police	2,935,561	110,144					3,045,705
411.00	Fire	420,220	1,059					421,279
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	63,678						63,678

MUNHALL BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

EXPENDITURES

Public Safety								
414.00	Planning and Zoning							
415.00	Emergency Management and Communications							
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
Total Public Safety		3,419,459	111,203					3,530,662

Health and Human Services								
420.00-425.00	Health and Human Services							
Total Health and Human Services								

Public Works - Sanitation								
426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)	845,408						845,408
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
Total Public Works - Sanitation		845,408						845,408

Public Works - Highways and Streets								
430.00	General Services - Administration	1,065,826						1,065,826
431.00	Cleaning of Streets and Gutters	372,065						372,065
432.00	Winter Maintenance – Snow Removal							
433.00	Traffic Control Devices	7,887						7,887
434.00	Street Lighting	190,501						190,501

MUNHALL BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

EXPENDITURES

Public Works - Highways and Streets								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains							
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges	578,625						578,625
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		2,214,904						2,214,904

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	28,298						28,298
452.00	Participant Recreation	40,044						40,044
453.00	Spectator Recreation							
454.00	Parks							

MUNHALL BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries	123,596						123,596
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	2,500						2,500
Total Culture and Recreation		194,438						194,438

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development								

Debt Service								
471.00	Debt Principal (short-term and long-term)	247,399						247,399
472.00	Debt Interest (short-term and long-term)	18,767						18,767
475.00	Fiscal Agent Fees							
Total Debt Service		266,166						266,166

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	263,634						263,634
482.00	Judgments and Losses						1,664,139	1,664,139
483.00	Pension / Retirement Fund Contributions	479,761						479,761

MUNHALL BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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

EXPENDITURES

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance	433,917						433,917
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items		1,177,312					1,664,139	2,841,451

Insurance								
486.00	Insurance, Casualty, and Surety	104,093						104,093
Total Insurance		104,093						104,093

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						705,894	705,894
489.00	All Other Unclassified Expenditures						84,397	84,397
Total Unclassified Operating Expenditures							790,291	790,291

Other Financing Uses								
491.00	Refund of Prior Year Revenues	168,334					67,307	235,641
492.00	Interfund Operating Transfers	19,278	404,321					423,599
493.00	All Other Financing Uses							
Total Other Financing Uses		187,612	404,321				67,307	659,240

TOTAL EXPENDITURES		9,385,779	515,524				2,521,737	12,423,040
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		357,797	1,904				-1,144,767	-785,066
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MUNHALL BORO
December 31, 2018

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Revenue Bonds and Notes											
Lease Rental Debt											
2014 Garbage Truck	Capital Leases	2013	2018	176,066	18,453		18,453		0		0
2014 Computer & Communications Equipment	Capital Leases	2014	2018	99,586	20,842		20,842		0		0
2015 International 5-ton Dump	Capital Leases	2014	2019	143,856	59,409		59,409		0		0
2 2017 Police Cars 1 Ford F350	Capital Leases	2016	2019	129,034	43,875		43,875		0		0
2017 Ford Interceptor & Chevy Tahoe	Capital Leases	2017	2021	93,438	69,190		21,950		47,240		47,240
2017 Ford F-550	Capital Leases	2017	2020	74,737	50,076		24,465		25,611		25,611
2 2018 Ford F350 Pickup Trucks	Capital Leases	2018	2021	84,455	0	84,455	21,325		63,130		63,130
2019 International Truck	Capital Leases	2018	2022	184,025	0	184,025	37,080		146,945		146,945
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	282,926
Capitalized lease obligations	0
Net debt	282,926

MUNHALL BORO, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2018

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste	184,025		184,025
Streets / Highways	84,455		84,455
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	268,480		268,480

EMPLOYEE COMPENSATION

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

3,412,281

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

December 31, 2018

NOTES / COMMENTS