

**2014 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

020843 DORMONT BORO, ALLEGHENY COUNTY

Independent Auditor's Report

Members of Council
Borough of Dormont

We have audited the Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statements of Capital Expenditures and Employee Compensation – regulatory basis (financial statements) included in the 2014 Annual Audit and Financial Report of the Borough of Dormont (Borough), Pennsylvania.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion 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 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.

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

To meet the financial reporting requirements of the Commonwealth of Pennsylvania, the financial statements are prepared by the Borough on the basis of the instructions provided by DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America. These requirements permit the financial statements to be prepared without financial statement disclosures, without government-wide financial statements, without Management's Discussion and Analysis, without

budgetary comparisons and historical pension information, and require all funds to be aggregated by fund type on the financial statements.

The effects on the financial statements 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 our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2014, and the results of its operations for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis financial position of the Borough as of December 31, 2014 and the regulatory results of its operations for the year then ended in accordance with the financial reporting provisions described in the instructions provided by DCED.

Maher Duessel

Pittsburgh, Pennsylvania
March 27, 2015

DORMONT BORO, ALLEGHENY County

BALANCE SHEET

December 31, 2014

		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									1,378,967	1,378,967
240-259	Current Portion of Long-Term Debt and Other Credits									756,682	756,682
Total Liabilities and Other Credits		824,236	438,510	183,219						2,135,649	3,581,614

Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets								12,999,702		12,999,702
270-289	Fund Balance / Retained Earnings on 12/31	682,174	3,450,176					12,872,142			17,004,492
291-299	Other Equity										
Total Fund and Account Group Equity		682,174	3,450,176					12,872,142	12,999,702		30,004,194

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY										33,585,808
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DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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	976	1,672	10			797,028	799,686
342.00	Rents and Royalties	325,823						325,823
Total Interest, Rents and Royalties		326,799	1,672	10			797,028	1,125,509

Federal								
351.03	Highways and Streets	6,206						6,206
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants							
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements							
353.00	Federal Payments in Lieu of Taxes							
Total Federal		6,206						6,206

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101							
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		159,488					159,488
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	173,671						173,671
355.07	Foreign Fire Insurance Tax Distribution	36,130						36,130
355.08	Local Share Assessment/Gaming Proceeds							

DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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								
355.09	Marcellus Shale Impact Fee Distribution	424						424
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
Total State		210,225	159,488					369,713

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

Charges for Service								
361.00	General Government	32,605						32,605
362.00	Public Safety	204,512						204,512
363.20	Parking	408,777						408,777
363.00	All Other Charges for Highway & Street Services	31,120						31,120
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)		1,872,649					1,872,649
364.30	Solid Waste Collection and Disposal Charge (trash)	576,520						576,520
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services	2,433						2,433
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	168,791						168,791

DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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								
368.00	Airports							
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		1,424,758	1,872,649					3,297,407

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					430,739		430,739
389.00	All Other Unclassified Operating Revenues	59,936						59,936
Total Unclassified Operating Revenues		59,936				430,739		490,675

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers	1,482,534	5,157	844,680				2,332,371
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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	95,381						95,381
Total Other Financing Sources		1,577,915	5,157	844,680				2,427,752

TOTAL REVENUES	7,733,765	2,625,572	844,690	888,998			1,227,767	13,320,792
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	24,205						24,205
401.00	Executive (Manager or Mayor)	248,325						248,325
402.00	Auditing Services / Financial Administration	75,316						75,316
403.00	Tax Collection	110,881						110,881
404.00	Solicitor / Legal Services	79,954						79,954
405.00	Secretary / Clerk							
406.00	Other General Government Administration							
407.00	IT-Networking Services-Data Processing	132,906						132,906
408.00	Engineering Services	96,788						96,788
409.00	General Government Buildings and Plant	252,824		162,865				415,689
Total General Government		1,021,199		162,865				1,184,064

Public Safety								
410.00	Police	1,608,734						1,608,734
411.00	Fire	462,486						462,486
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	94,814						94,814
414.00	Planning and Zoning	24,065						24,065
415.00	Emergency Management and Communications							

DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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								
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		2,190,099						2,190,099

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)	639,687						639,687
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection		1,240,009					1,240,009
Total Public Works - Sanitation		639,687	1,240,009					1,879,696

Public Works - Highways and Streets								
430.00	General Services - Administration	560,431						560,431
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		52,775					52,775
433.00	Traffic Control Devices	625						625
434.00	Street Lighting	85,627						85,627
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	4,260						4,260

DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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								
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges			639,024				639,024
439.00	Highway Construction and Rebuilding Projects		61,704	13,000				74,704
Total Public Works - Highways and Streets		650,943	114,479	652,024				1,417,446

Other Public Works Enterprises								
440.00	Airports							
441.00	Cemeteries							
442.00	Electric System							
443.00	Gas System							
444.00	Markets							
445.00	Parking	131,388						131,388
446.00	Storm Water and Flood Control							
447.00	Transit System	19,911						19,911
448.00	Water System							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises		151,299						151,299

Culture and Recreation								
451.00	Culture-Recreation Administration	66,518						66,518
452.00	Participant Recreation	198,804		4,850				203,654
453.00	Spectator Recreation							
454.00	Parks	186,834						186,834
455.00	Shade Trees	19,690						19,690
456.00	Libraries	96,220						96,220

DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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								
457.00	Civil and Military Celebrations	21,187						21,187
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		589,253		4,850				594,103

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)	819,036						819,036
472.00	Debt Interest (short-term and long-term)	8,748						8,748
475.00	Fiscal Agent Fees							
Total Debt Service		827,784						827,784

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	154,568						154,568
482.00	Judgments and Losses	71,268						71,268
483.00	Pension / Retirement Fund Contributions	283,653						283,653
484.00	Worker Compensation Insurance	173,688						173,688

DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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								
487.00	Other Group Insurance Benefits	671,667						671,667
Total Employer Paid Benefits and Withholding Items		1,354,844						1,354,844

Insurance								
486.00	Insurance, Casualty, and Surety	136,040						136,040
Total Insurance		136,040						136,040

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						546,946	546,946
489.00	All Other Unclassified Expenditures						88,225	88,225
Total Unclassified Operating Expenditures							635,171	635,171

Other Financing Uses								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	720,337	723,036		888,998			2,332,371
493.00	All Other Financing Uses	11,875						11,875
Total Other Financing Uses		732,212	723,036		888,998			2,344,246

TOTAL EXPENDITURES	8,293,360	2,077,524	819,739	888,998			635,171	12,714,792
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-559,595	548,048	24,951				592,596	606,000
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DORMONT BORO

December 31, 2014

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											
GOBs - capital Appreciation	Bond	1997	2018	2,041,634	2,508,099		700,000	147,982	1,956,081		1,956,081
General Obligation Note	Note	2006	2015	524,191	81,635		75,204		6,431		6,431
General Obligation Note	Note	2011	2026	620,000	206,975		41,333		165,642		165,642
Revenue Bonds and Notes											
Lease Rental Debt											
Other											
AIM Loan	Note	2013	2017	12,493	9,994		2,499		7,495		7,495

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

2,135,649

Capitalized lease obligations

0

Net debt

2,135,649

DORMONT BORO, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2014

Category	Capital Purchases	Capital Construction	Total
Electric			
Fire			
Gas System			
General Government	56,253		56,253
Health			
Housing			
Libraries			
Mass Transit			
Parks	20,843		20,843
Police	35,505		35,505
Recreation			
Sewer			
Solid Waste			
Streets / Highways	59,048	271,662	330,710
Water			
Other: Parking	43,375		43,375
Community Development			
TOTAL CAPITAL EXPENDITURES	215,024	271,662	486,686

EMPLOYEE COMPENSATION

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

2,827,838

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

SIGNATURE AND VERIFICATION

Signed:

See Attached Appointed Auditor/CPA

DORMONT BORO, ALLEGHENY County
December 31, 2014

NOTES / COMMENTS