

**2015 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 2015 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, 2015, and the results of its operations for the year then ended.

Unmodified 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, 2015 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.

Maker Duessel

Pittsburgh, Pennsylvania
March 22, 2016

DORMONT BORO, ALLEGHENY County

BALANCE SHEET

December 31, 2015

		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									775,842	775,842
240-259	Current Portion of Long-Term Debt and Other Credits									714,834	714,834
Total Liabilities and Other Credits		934,519	476,004							1,490,676	2,901,199
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets								12,326,132		12,326,132
270-289	Fund Balance / Retained Earnings on 12/31	988,209	3,661,410	1,107				12,476,528			17,127,254
291-299	Other Equity										
Total Fund and Account Group Equity		988,209	3,661,410	1,107				12,476,528	12,326,132		29,453,386
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											32,354,585

DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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	1,922,508	591,075		895,679			3,409,262
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)	418,307						418,307
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	126,997						126,997
310.20	Earned Income Taxes / Wage Taxes	1,069,756						1,069,756
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	56,226						56,226
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other Local Tax Enabling Act / Act 511 / Taxes							
	Other: _____							
Total Taxes		3,593,794	591,075		895,679			5,080,548

Licenses and Permits

320-322	All Other Licenses and Permits	41,409						41,409
321.80	Cable Television Franchise Fees	163,052						163,052
Total Licenses and Permits		204,461						204,461

Fines and Forfeits

330-332	Fines and Forfeits	104,099						104,099
Total Fines and Forfeits		104,099						104,099

DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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	379	1,212	3			311,745	313,339
342.00	Rents and Royalties	324,543						324,543
Total Interest, Rents and Royalties		324,922	1,212	3			311,745	637,882

Federal								
351.03	Highways and Streets	16,131						16,131
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		16,131						16,131

State								
354.03	Highways and Streets							
354.09	Community Development	144,415						144,415
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	5,501						5,501
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		175,709					175,709
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	192,721						192,721
355.07	Foreign Fire Insurance Tax Distribution	37,037						37,037
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution	790						790

DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
Total State		380,464	175,709					556,173

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	31,227						31,227
362.00	Public Safety	230,543						230,543
363.20	Parking	422,735						422,735
363.00	All Other Charges for Highway & Street Services	2,930						2,930
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)		1,895,044					1,895,044
364.30	Solid Waste Collection and Disposal Charge (trash)	677,674						677,674
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services	2,359						2,359
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	237,717						237,717
368.00	Airports							

DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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		1,605,185	1,895,044					3,500,229

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					460,393		460,393
389.00	All Other Unclassified Operating Revenues	37,149						37,149
Total Unclassified Operating Revenues		37,149				460,393		497,542

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers	1,757,947		20,320				1,778,267
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, 2015

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	107,347						107,347
Total Other Financing Sources		1,865,294		20,320				1,885,614

TOTAL REVENUES

8,131,499	2,663,040	20,323	895,679			772,138	12,482,679
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	32,393						32,393
401.00	Executive (Manager or Mayor)	227,338						227,338
402.00	Auditing Services / Financial Administration	70,506						70,506
403.00	Tax Collection	51,835						51,835
404.00	Solicitor / Legal Services	133,662						133,662
405.00	Secretary / Clerk							
406.00	Other General Government Administration							
407.00	IT-Networking Services-Data Processing	121,183						121,183
408.00	Engineering Services	105,424						105,424
409.00	General Government Buildings and Plant	205,410		9,854				215,264
Total General Government		947,751		9,854				957,605

Public Safety

410.00	Police	1,666,973						1,666,973
411.00	Fire	462,638						462,638
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	105,738						105,738

DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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	7,664						7,664
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		2,243,013						2,243,013

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)	641,576						641,576
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection		1,474,730					1,474,730
Total Public Works - Sanitation		641,576	1,474,730					2,116,306

Public Works - Highways and Streets

430.00	General Services - Administration	724,115						724,115
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	14,110	63,763					77,873
433.00	Traffic Control Devices	528						528
434.00	Street Lighting	60,125						60,125

DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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	67,423						67,423
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges			9,362				9,362
439.00	Highway Construction and Rebuilding Projects		30,725					30,725
Total Public Works - Highways and Streets		866,301	94,488	9,362				970,151

Other Public Works Enterprises								
440.00	Airports							
441.00	Cemeteries							
442.00	Electric System							
443.00	Gas System							
444.00	Markets							
445.00	Parking	79,543						79,543
446.00	Storm Water and Flood Control							
447.00	Transit System	27,689						27,689
448.00	Water System							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises		107,232						107,232

Culture and Recreation								
451.00	Culture-Recreation Administration	68,829						68,829
452.00	Participant Recreation	225,982						225,982
453.00	Spectator Recreation							
454.00	Parks	182,226						182,226

DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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	10,962						10,962
456.00	Libraries	88,818						88,818
457.00	Civil and Military Celebrations	47,718						47,718
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		624,535						624,535

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	187,040						187,040
Total Community Development		187,040						187,040

Debt Service								
471.00	Debt Principal (short-term and long-term)	752,761						752,761
472.00	Debt Interest (short-term and long-term)	2,618						2,618
475.00	Fiscal Agent Fees							
Total Debt Service		755,379						755,379

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	141,311						141,311
482.00	Judgments and Losses	26,577					551,098	577,675
483.00	Pension / Retirement Fund Contributions	308,906						308,906

DORMONT BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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	204,917						204,917
487.00	Other Group Insurance Benefits	614,910						614,910
Total Employer Paid Benefits and Withholding Items		1,296,621					551,098	1,847,719

Insurance								
486.00	Insurance, Casualty, and Surety	148,439						148,439
Total Insurance		148,439						148,439

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						529,199	529,199
489.00	All Other Unclassified Expenditures	7,565					87,455	95,020
Total Unclassified Operating Expenditures		7,565					616,654	624,219

Other Financing Uses								
491.00	Refund of Prior Year Revenues	12						12
492.00	Interfund Operating Transfers		882,588		895,679			1,778,267
493.00	All Other Financing Uses							
Total Other Financing Uses		12	882,588		895,679			1,778,279

TOTAL EXPENDITURES	7,825,464	2,451,806	19,216	895,679			1,167,752	12,359,917
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	306,035	211,234	1,107				-395,614	122,762
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DORMONT BORO
December 31, 2015

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	1,956,081		700,000	107,788	1,363,869		1,363,869
General Obligation Note	Note	2006	2015	524,191	6,431		6,431		0		0
General Obligation Note	Note	2011	2026	620,000	165,642		43,831		121,811		121,811
Revenue Bonds and Notes											
Lease Rental Debt											
Other											
AIM Loan	Note	2013	2017	12,493	7,495		2,499		4,996		4,996

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	1,490,676
Capitalized lease obligations	0
Net debt	1,490,676

DORMONT BORO, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2015

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	62,282		62,282
Health			
Housing			
Libraries			
Mass Transit			
Parks	7,235		7,235
Police			
Recreation			
Sewer	100,212		100,212
Solid Waste			
Streets / Highways			
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	169,729		169,729

EMPLOYEE COMPENSATION

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

2,883,374

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

December 31, 2015

NOTES / COMMENTS