

BOROUGH OF MUNHALL

~~~~~

ANNUAL AUDIT AND FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2021

**BOROUGH OF MUNHALL**

**TABLE OF CONTENTS**

|                                                                                                                                    | <b><u>PAGE</u></b> |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>INDEPENDENT AUDITOR'S REPORT</b> .....                                                                                          | i-iii              |
| <b>BASIC FINANCIAL STATEMENTS:</b>                                                                                                 |                    |
| BALANCE SHEET .....                                                                                                                | 1-2                |
| STATEMENT OF REVENUES AND EXPENDITURES .....                                                                                       | 3-11               |
| DEBT STATEMENT .....                                                                                                               | 12                 |
| STATEMENT OF CAPITAL EXPENDITURES .....                                                                                            | 13                 |
| <b>Notes to Financial Statements</b> .....                                                                                         | 14-29              |
| <b>SUPPLEMENTARY INFORMATION:</b>                                                                                                  |                    |
| DETAIL SCHEDULE OF REVENUES – GENERAL FUND (Modified Cash Basis).....                                                              | 30-31              |
| DETAIL SCHEDULE OF EXPENDITURES – GENERAL FUND (Modified Cash Basis).....                                                          | 32-35              |
| COMBINING BALANCE SHEET – SPECIAL REVENUE FUNDS (Modified Cash Basis).....                                                         | 36                 |
| COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUNDS<br>BALANCES – SPECIAL REVENUE FUNDS (Modified Cash Basis) ..... | 37                 |

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

## **INDEPENDENT AUDITORS' REPORT**

### **Opinion**

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, 2021, and the related notes to the financial statements, which collectively comprise the Borough of Munhall's basic financial statements as listed in the table of contents.

In my opinion, the special purpose financial report referred to above presents fairly, in all material respects, the assets, liabilities and fund equity of the Borough of Munhall as of December 31, 2021, and its revenues, expenditures and other financing sources and uses for the year then ended, in accordance with the financial reporting provisions of the Department of Community and Economic Development (DCED).

### **Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Report section of my report. I am required to be independent of the Borough of Munhall, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Emphasis of Matter – Basis of Accounting**

The special purpose financial report is prepared by the Borough of Munhall in accordance with the financial reporting provisions of the DCED, 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. As a result, the special purpose financial report may not be suitable for another purpose. My opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the special purpose financial report in accordance with the financial reporting provisions of the DCED. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the special purpose financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Special Purpose Financial Report**

My objectives are to obtain reasonable assurance about whether the special purpose financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the special purpose financial report.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout this audit.
- Identify and assess the risks of material misstatement of the special purpose financial report, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and EFiled Notes in the special purpose financial report.
- Obtain an understanding of internal control relevant to the audit 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 of Munhall's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the special purpose financial report.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Munhall's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

**Supplementary Information**

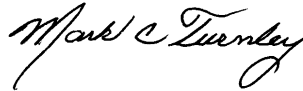
My audit was conducted for the purpose of forming an opinion on the special purpose financial statements that collectively comprise Borough of Munhall's basic financial statements. The supplementary information (Schedules 1-4) is presented for purposes of additional analysis and is not a required part 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 use 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 my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Restriction on Use**

This report is intended solely for the information and use of the Borough's governing body, others within the Borough of Munhall, Allegheny County, and the DCED, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script that reads "Mark C. Turnley".

Mark C. Turnley, CPA

September 26, 2022  
New Brighton, Pennsylvania



# BALANCE SHEET

DCED-CLGS-30 (09-09)

**MUNHALL BORO, ALLEGHENY County**  
**BALANCE SHEET**  
 December 31, 2021

|                                      |                                       | 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 |
| <b>Assets and Other Debits</b>       |                                       |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 100-120                              | Cash and Investments                  | 821,242            | 305,079                                        | 3,219            |              |                   |                  | 25,396,321       |                      |                        | 26,525,861      |
| 140-144                              | Tax Receivable                        |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 121-129, 145-149                     | Accounts Receivable (excluding taxes) |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 130.00                               | Due From Other Funds                  | 122,040            | 23,805                                         |                  |              |                   |                  | 89               |                      |                        | 145,934         |
| 131-139, 150-159                     | Other Current Assets                  |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 160-169                              | Fixed Assets                          |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 180-189                              | Other Debits                          |                    |                                                |                  |              |                   |                  |                  |                      | 8,496,894              | 8,496,894       |
| <b>Total Assets and Other Debits</b> |                                       | 943,282            | 328,884                                        | 3,219            |              |                   |                  | 25,396,410       |                      | 8,496,894              | 35,168,689      |

| <b>Liabilities and Other Credits</b> |                                              |        |        |        |  |  |  |    |  |  |         |
|--------------------------------------|----------------------------------------------|--------|--------|--------|--|--|--|----|--|--|---------|
| 210-229                              | Payroll Taxes and Other Payroll Withholdings | 2,669  |        |        |  |  |  |    |  |  | 2,669   |
| 200-209, 231-239                     | All Other Current Liabilities                |        |        |        |  |  |  |    |  |  |         |
| 230.00                               | Due To Other Funds                           | 23,805 | 52,079 | 69,961 |  |  |  | 89 |  |  | 145,934 |

## MUNHALL BORO, ALLEGHENY County

## BALANCE SHEET

December 31, 2021

|                                            |                                                     | 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 |
| <b>Liabilities and Other Credits</b>       |                                                     |                    |                                                |                  |              |                   |                  |                  |                      |                        |                 |
| 260-269                                    | Long-Term-Liabilities                               |                    |                                                |                  |              |                   |                  |                  |                      | 6,154,558              | 6,154,558       |
| 240-259                                    | Current Portion of Long-Term Debt and Other Credits |                    |                                                |                  |              |                   |                  |                  |                      | 2,342,336              | 2,342,336       |
| <b>Total Liabilities and Other Credits</b> |                                                     | 26,474             | 52,079                                         | 69,961           |              |                   |                  | 89               |                      | 8,496,894              | 8,645,497       |

| <b>Fund and Account Group Equity</b>       |                                           |         |         |         |  |  |  |            |  |  |            |
|--------------------------------------------|-------------------------------------------|---------|---------|---------|--|--|--|------------|--|--|------------|
| 281-284                                    | Contributed Capital                       |         |         |         |  |  |  |            |  |  |            |
| 290.00                                     | Investment in General Fixed Assets        |         |         |         |  |  |  |            |  |  |            |
| 270-289                                    | Fund Balance / Retained Earnings on 12/31 | 916,808 | 276,805 | -66,742 |  |  |  | 25,396,321 |  |  | 26,523,192 |
| 291-299                                    | Other Equity                              |         |         |         |  |  |  |            |  |  |            |
| <b>Total Fund and Account Group Equity</b> |                                           | 916,808 | 276,805 | -66,742 |  |  |  | 25,396,321 |  |  | 26,523,192 |

|                                                            |  |  |  |  |  |  |  |  |  |  |            |
|------------------------------------------------------------|--|--|--|--|--|--|--|--|--|--|------------|
| <b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b> |  |  |  |  |  |  |  |  |  |  | 35,168,689 |
|------------------------------------------------------------|--|--|--|--|--|--|--|--|--|--|------------|

**MUNHALL BORO, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

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

**REVENUES**

**Taxes**

|                    |                                                                          |           |  |  |  |  |  |           |
|--------------------|--------------------------------------------------------------------------|-----------|--|--|--|--|--|-----------|
| 301.00             | Real Estate Taxes                                                        | 4,064,240 |  |  |  |  |  | 4,064,240 |
| 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) | 637,938   |  |  |  |  |  | 637,938   |
| 310.00             | Per Capita Taxes                                                         |           |  |  |  |  |  |           |
| 310.10             | Real Estate Transfer Taxes                                               | 215,543   |  |  |  |  |  | 215,543   |
| 310.20             | Earned Income Taxes / Wage Taxes                                         | 1,219,984 |  |  |  |  |  | 1,219,984 |
| 310.30             | Business Gross Receipts Taxes                                            |           |  |  |  |  |  |           |
| 310.40             | Occupation Taxes (levied under Act 511)                                  |           |  |  |  |  |  |           |
| 310.50             | Local Services Tax **                                                    | 83,596    |  |  |  |  |  | 83,596    |
| 310.60             | Amusement / Admission Taxes                                              |           |  |  |  |  |  |           |
| 310.70             | Mechanical Device Taxes                                                  |           |  |  |  |  |  |           |
| 310.90             | Other: _____                                                             |           |  |  |  |  |  |           |
|                    | Other: _____                                                             |           |  |  |  |  |  |           |
| <b>Total Taxes</b> |                                                                          | 6,221,301 |  |  |  |  |  | 6,221,301 |

**Licenses and Permits**

|                                   |                                 |         |  |  |  |  |  |         |
|-----------------------------------|---------------------------------|---------|--|--|--|--|--|---------|
| 320-322                           | All Other Licenses and Permits  | 115,522 |  |  |  |  |  | 115,522 |
| 321.80                            | Cable Television Franchise Fees | 215,557 |  |  |  |  |  | 215,557 |
| <b>Total Licenses and Permits</b> |                                 | 331,079 |  |  |  |  |  | 331,079 |

**Fines and Forfeits**

|                                 |                    |         |  |  |  |  |  |         |
|---------------------------------|--------------------|---------|--|--|--|--|--|---------|
| 330-332                         | Fines and Forfeits | 447,468 |  |  |  |  |  | 447,468 |
| <b>Total Fines and Forfeits</b> |                    | 447,468 |  |  |  |  |  | 447,468 |



**MUNHALL BORO, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

| Governmental Funds |                                                   |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|---------------------------------------------------|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue<br>(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   | 543    | 224 | 497 |  |  | 3,141,936 | 3,143,200 |
| 342.00                                     | Rents and Royalties | 28,650 |     |     |  |  |           | 28,650    |
| <b>Total Interest, Rents and Royalties</b> |                     | 29,193 | 224 | 497 |  |  | 3,141,936 | 3,171,850 |

| Federal              |                                                   |  |         |  |  |  |  |         |
|----------------------|---------------------------------------------------|--|---------|--|--|--|--|---------|
| 351.03               | Highways and Streets                              |  |         |  |  |  |  |         |
| 351.09               | Community Development                             |  |         |  |  |  |  |         |
| 351.00               | All Other Federal Capital and Operating Grants    |  | 46,222  |  |  |  |  | 46,222  |
| 352.01               | National Forest                                   |  |         |  |  |  |  |         |
| 352.00               | All Other Federal Shared Revenue and Entitlements |  | 575,995 |  |  |  |  | 575,995 |
| 353.00               | Federal Payments in Lieu of Taxes                 |  |         |  |  |  |  |         |
| <b>Total Federal</b> |                                                   |  | 622,217 |  |  |  |  | 622,217 |

| State         |                                                                   |         |         |  |  |  |  |         |
|---------------|-------------------------------------------------------------------|---------|---------|--|--|--|--|---------|
| 354.03        | Highways and Streets                                              |         |         |  |  |  |  |         |
| 354.09        | Community Development                                             |         |         |  |  |  |  |         |
| 354.15        | Recycling / Act 101                                               | 212,448 |         |  |  |  |  | 212,448 |
| 354.00        | All Other State Capital and Operating Grants                      | 21,556  | 4,203   |  |  |  |  | 25,759  |
| 355.01        | Public Utility Realty Tax (PURTA)                                 | 5,247   |         |  |  |  |  | 5,247   |
| 355.02-355.03 | Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback |         | 302,437 |  |  |  |  | 302,437 |
| 355.04        | Alcoholic Beverage Licenses                                       |         | 550     |  |  |  |  | 550     |
| 355.05        | General Municipal Pension System State Aid                        | 311,823 |         |  |  |  |  | 311,823 |
| 355.07        | Foreign Fire Insurance Tax Distribution                           | 43,395  |         |  |  |  |  | 43,395  |
| 355.08        | Local Share Assessment/Gaming Proceeds                            |         |         |  |  |  |  |         |
| 355.09        | Marcellus Shale Impact Fee Distribution                           | 1,153   |         |  |  |  |  | 1,153   |

**MUNHALL BORO, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

| Governmental Funds |                                                   |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|---------------------------------------------------|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue<br>(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                  | 7,000   | 800     |  |  |  |  | 7,800   |
| <b>Total State</b> |                                                  | 602,622 | 307,990 |  |  |  |  | 910,612 |

| Local Government Units              |                                                                                 |        |  |  |  |  |  |        |
|-------------------------------------|---------------------------------------------------------------------------------|--------|--|--|--|--|--|--------|
| 357.03                              | Highways and Streets                                                            |        |  |  |  |  |  |        |
| 357.00                              | All Other Local Governmental Units Capital and Operating Grants                 | 10,339 |  |  |  |  |  | 10,339 |
| 358.00                              | Local Government Unit Shared Payments for Contracted Intergovernmental Services |        |  |  |  |  |  |        |
| 359.00                              | Local Governmental Units and Authorities Payments in Lieu of Taxes              |        |  |  |  |  |  |        |
| <b>Total Local Government Units</b> |                                                                                 | 10,339 |  |  |  |  |  | 10,339 |

| Charges for Service |                                                                                                            |         |  |  |  |  |  |         |
|---------------------|------------------------------------------------------------------------------------------------------------|---------|--|--|--|--|--|---------|
| 361.00              | General Government                                                                                         | 45,663  |  |  |  |  |  | 45,663  |
| 362.00              | Public Safety                                                                                              | 195,597 |  |  |  |  |  | 195,597 |
| 363.20              | Parking                                                                                                    | 31,724  |  |  |  |  |  | 31,724  |
| 363.00              | All Other Charges for Highway & Street Services                                                            | 19,222  |  |  |  |  |  | 19,222  |
| 364.10              | Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.) |         |  |  |  |  |  |         |
| 364.30              | Solid Waste Collection and Disposal Charge (trash)                                                         | 960,763 |  |  |  |  |  | 960,763 |
| 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                                                                                     | 300     |  |  |  |  |  | 300     |
| 368.00              | Airports                                                                                                   |         |  |  |  |  |  |         |

**MUNHALL BORO, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

| Governmental Funds |                                                   |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|---------------------------------------------------|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue<br>(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 |           |  |  |  |  |  |           |
| <b>Total Charges for Service</b> |                               | 1,253,269 |  |  |  |  |  | 1,253,269 |

**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             |       |    |  |  | 1,111,532 |  | 1,111,532 |
| 389.00                                       | All Other Unclassified Operating Revenues        | 2,159 | 20 |  |  |           |  | 2,179     |
| <b>Total Unclassified Operating Revenues</b> |                                                  | 2,159 | 20 |  |  | 1,111,532 |  | 1,113,711 |

**Other Financing Sources**

|        |                                             |           |  |         |  |  |  |           |
|--------|---------------------------------------------|-----------|--|---------|--|--|--|-----------|
| 391.00 | Proceeds of General Fixed Asset Disposition | 2,692     |  |         |  |  |  | 2,692     |
| 392.00 | Interfund Operating Transfers               | 425,441   |  |         |  |  |  | 425,441   |
| 393.00 | Proceeds of General Long-Term Debt          | 130,938   |  | 850,000 |  |  |  | 980,938   |
| 394.00 | Proceeds of Short Term-Debt                 | 2,193,789 |  |         |  |  |  | 2,193,789 |

**MUNHALL BORO, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

| Governmental Funds |                                                   |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|---------------------------------------------------|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue<br>(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 | 30,584    |  |         |  |  |  | 30,584    |
| <b>Total Other Financing Sources</b> |                                    | 2,783,444 |  | 850,000 |  |  |  | 3,633,444 |

**TOTAL REVENUES**

|            |         |         |  |  |  |           |            |
|------------|---------|---------|--|--|--|-----------|------------|
| 11,680,874 | 930,451 | 850,497 |  |  |  | 4,253,468 | 17,715,290 |
|------------|---------|---------|--|--|--|-----------|------------|

**EXPENDITURES**

| General Government              |                                              |           |        |           |  |  |  |           |
|---------------------------------|----------------------------------------------|-----------|--------|-----------|--|--|--|-----------|
| 400.00                          | Legislative (Governing) Body                 | 35,661    |        |           |  |  |  | 35,661    |
| 401.00                          | Executive (Manager or Mayor)                 | 97,649    |        |           |  |  |  | 97,649    |
| 402.00                          | Auditing Services / Financial Administration | 72,104    |        |           |  |  |  | 72,104    |
| 403.00                          | Tax Collection                               | 80,216    |        |           |  |  |  | 80,216    |
| 404.00                          | Solicitor / Legal Services                   | 315,191   |        |           |  |  |  | 315,191   |
| 405.00                          | Secretary / Clerk                            | 68,174    |        |           |  |  |  | 68,174    |
| 406.00                          | Other General Government Administration      | 134,165   |        |           |  |  |  | 134,165   |
| 407.00                          | IT-Networking Services-Data Processing       | 37,568    |        |           |  |  |  | 37,568    |
| 408.00                          | Engineering Services                         |           |        |           |  |  |  |           |
| 409.00                          | General Government Buildings and Plant       | 215,991   | 68,717 | 4,887,292 |  |  |  | 5,172,000 |
| <b>Total General Government</b> |                                              | 1,056,719 | 68,717 | 4,887,292 |  |  |  | 6,012,728 |

**Public Safety**

|        |                          |           |         |  |  |  |  |           |
|--------|--------------------------|-----------|---------|--|--|--|--|-----------|
| 410.00 | Police                   | 3,201,421 | 142,183 |  |  |  |  | 3,343,604 |
| 411.00 | Fire                     | 360,661   | 6,234   |  |  |  |  | 366,895   |
| 412.00 | Ambulance / Rescue       |           |         |  |  |  |  |           |
| 413.00 | UCC and Code Enforcement | 73,374    |         |  |  |  |  | 73,374    |

**MUNHALL BORO, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

| Governmental Funds |                                                   |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|---------------------------------------------------|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue<br>(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                     |           |         |  |  |  |  |           |
| <b>Total Public Safety</b> |                                         | 3,635,456 | 148,417 |  |  |  |  | 3,783,873 |

**Health and Human Services**

|                                        |                           |  |  |  |  |  |  |  |
|----------------------------------------|---------------------------|--|--|--|--|--|--|--|
| 420.00-425.00                          | Health and Human Services |  |  |  |  |  |  |  |
| <b>Total Health and Human Services</b> |                           |  |  |  |  |  |  |  |

**Public Works - Sanitation**

|                                        |                                               |         |  |  |  |  |  |         |
|----------------------------------------|-----------------------------------------------|---------|--|--|--|--|--|---------|
| 426.00                                 | Recycling Collection and Disposal             |         |  |  |  |  |  |         |
| 427.00                                 | Solid Waste Collection and Disposal (garbage) | 765,350 |  |  |  |  |  | 765,350 |
| 428.00                                 | Weed Control                                  |         |  |  |  |  |  |         |
| 429.00                                 | Wastewater / Sewage Treatment and Collection  |         |  |  |  |  |  |         |
| <b>Total Public Works - Sanitation</b> |                                               | 765,350 |  |  |  |  |  | 765,350 |

**Public Works - Highways and Streets**

|        |                                   |           |         |  |  |  |  |           |
|--------|-----------------------------------|-----------|---------|--|--|--|--|-----------|
| 430.00 | General Services - Administration | 1,101,155 | 7,684   |  |  |  |  | 1,108,839 |
| 431.00 | Cleaning of Streets and Gutters   | 38,138    |         |  |  |  |  | 38,138    |
| 432.00 | Winter Maintenance – Snow Removal |           | 284,181 |  |  |  |  | 284,181   |
| 433.00 | Traffic Control Devices           | 8,912     |         |  |  |  |  | 8,912     |
| 434.00 | Street Lighting                   | 197,134   |         |  |  |  |  | 197,134   |

**MUNHALL BORO, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

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

**EXPENDITURES**

| <b>Public Works - Highways and Streets</b>       |                                              |           |         |  |  |  |  |           |
|--------------------------------------------------|----------------------------------------------|-----------|---------|--|--|--|--|-----------|
| 435.00                                           | Sidewalks and Crosswalks                     |           |         |  |  |  |  |           |
| 436.00                                           | Storm Sewers and Drains                      |           |         |  |  |  |  |           |
| 437.00                                           | Repairs of Tools and Machinery               |           | 7,451   |  |  |  |  | 7,451     |
| 438.00                                           | Maintenance and Repairs of Roads and Bridges | 275,190   | 68,680  |  |  |  |  | 343,870   |
| 439.00                                           | Highway Construction and Rebuilding Projects |           |         |  |  |  |  |           |
| <b>Total Public Works - Highways and Streets</b> |                                              | 1,620,529 | 367,996 |  |  |  |  | 1,988,525 |

| <b>Other Public Works Enterprises</b>       |                               |  |  |  |  |  |  |  |
|---------------------------------------------|-------------------------------|--|--|--|--|--|--|--|
| 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 |  |  |  |  |  |  |  |
| <b>Total Other Public Works Enterprises</b> |                               |  |  |  |  |  |  |  |

| <b>Culture and Recreation</b> |                                   |        |  |  |  |  |  |        |
|-------------------------------|-----------------------------------|--------|--|--|--|--|--|--------|
| 451.00                        | Culture-Recreation Administration | 6,847  |  |  |  |  |  | 6,847  |
| 452.00                        | Participant Recreation            | 71,173 |  |  |  |  |  | 71,173 |
| 453.00                        | Spectator Recreation              |        |  |  |  |  |  |        |
| 454.00                        | Parks                             |        |  |  |  |  |  |        |

**MUNHALL BORO, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

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

**EXPENDITURES**

| <b>Culture and Recreation</b>       |                                  |         |  |  |  |  |  |         |
|-------------------------------------|----------------------------------|---------|--|--|--|--|--|---------|
| 455.00                              | Shade Trees                      |         |  |  |  |  |  |         |
| 456.00                              | Libraries                        | 245,930 |  |  |  |  |  | 245,930 |
| 457.00                              | Civil and Military Celebrations  |         |  |  |  |  |  |         |
| 458.00                              | Senior Citizens' Centers         |         |  |  |  |  |  |         |
| 459.00                              | All Other Culture and Recreation |         |  |  |  |  |  |         |
| <b>Total Culture and Recreation</b> |                                  | 323,950 |  |  |  |  |  | 323,950 |

| <b>Community Development</b>       |                                   |         |  |  |  |  |  |         |
|------------------------------------|-----------------------------------|---------|--|--|--|--|--|---------|
| 461.00                             | Conservation of Natural Resources |         |  |  |  |  |  |         |
| 462.00                             | Community Development and Housing |         |  |  |  |  |  |         |
| 463.00                             | Economic Development              | 261,375 |  |  |  |  |  | 261,375 |
| 464.00                             | Economic Opportunity              |         |  |  |  |  |  |         |
| 465-469                            | All Other Community Development   |         |  |  |  |  |  |         |
| <b>Total Community Development</b> |                                   | 261,375 |  |  |  |  |  | 261,375 |

| <b>Debt Service</b>       |                                           |           |  |  |  |  |  |           |
|---------------------------|-------------------------------------------|-----------|--|--|--|--|--|-----------|
| 471.00                    | Debt Principal (short-term and long-term) | 1,347,505 |  |  |  |  |  | 1,347,505 |
| 472.00                    | Debt Interest (short-term and long-term)  | 183,857   |  |  |  |  |  | 183,857   |
| 475.00                    | Fiscal Agent Fees                         | 4,697     |  |  |  |  |  | 4,697     |
| <b>Total Debt Service</b> |                                           | 1,536,059 |  |  |  |  |  | 1,536,059 |

| <b>Employer Paid Benefits and Withholding Items</b> |                                                               |         |  |  |  |  |  |         |
|-----------------------------------------------------|---------------------------------------------------------------|---------|--|--|--|--|--|---------|
| 481.00                                              | Employer Paid Withholding Taxes and Unemployment Compensation | 264,511 |  |  |  |  |  | 264,511 |
| 482.00                                              | Judgments and Losses                                          |         |  |  |  |  |  |         |
| 483.00                                              | Pension / Retirement Fund Contributions                       | 972,908 |  |  |  |  |  | 972,908 |

**MUNHALL BORO, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

| Governmental Funds |                                                   |                  |              | Proprietary Funds |                  | Fiduciary Fund   | Total           |
|--------------------|---------------------------------------------------|------------------|--------------|-------------------|------------------|------------------|-----------------|
| General Fund       | Special Revenue<br>(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  | 419,887   |  |  |  |  |  | 419,887   |
| 487.00                                                    | Other Group Insurance Benefits |           |  |  |  |  |  |           |
| <b>Total Employer Paid Benefits and Withholding Items</b> |                                | 1,657,306 |  |  |  |  |  | 1,657,306 |

**Insurance**

|                        |                                 |         |  |  |  |  |  |         |
|------------------------|---------------------------------|---------|--|--|--|--|--|---------|
| 486.00                 | Insurance, Casualty, and Surety | 224,934 |  |  |  |  |  | 224,934 |
| <b>Total Insurance</b> |                                 | 224,934 |  |  |  |  |  | 224,934 |

**Unclassified Operating Expenditures**

|                                                  |                                          |     |  |  |  |  |         |         |
|--------------------------------------------------|------------------------------------------|-----|--|--|--|--|---------|---------|
| 488.00                                           | Fiduciary Fund Benefits and Refunds Paid |     |  |  |  |  | 779,694 | 779,694 |
| 489.00                                           | All Other Unclassified Expenditures      | 100 |  |  |  |  | 109,866 | 109,966 |
| <b>Total Unclassified Operating Expenditures</b> |                                          | 100 |  |  |  |  | 889,560 | 889,660 |

**Other Financing Uses**

|                                   |                               |  |         |  |  |  |  |         |
|-----------------------------------|-------------------------------|--|---------|--|--|--|--|---------|
| 491.00                            | Refund of Prior Year Revenues |  |         |  |  |  |  |         |
| 492.00                            | Interfund Operating Transfers |  | 425,441 |  |  |  |  | 425,441 |
| 493.00                            | All Other Financing Uses      |  |         |  |  |  |  |         |
| <b>Total Other Financing Uses</b> |                               |  | 425,441 |  |  |  |  | 425,441 |

**TOTAL EXPENDITURES**

|  |            |           |           |  |  |  |         |            |
|--|------------|-----------|-----------|--|--|--|---------|------------|
|  | 11,081,778 | 1,010,571 | 4,887,292 |  |  |  | 889,560 | 17,869,201 |
|--|------------|-----------|-----------|--|--|--|---------|------------|

**EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES**

|  |         |         |            |  |  |  |           |          |
|--|---------|---------|------------|--|--|--|-----------|----------|
|  | 599,096 | -80,120 | -4,036,795 |  |  |  | 3,363,908 | -153,911 |
|--|---------|---------|------------|--|--|--|-----------|----------|



**MUNHALL BORO**  
December 31, 2021

**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)<br>Capital Lease (C)<br>Lease Rental (L)<br>Note (N) | Issue Year<br>(yyyy) | Maturity<br>Year<br>(yyyy) | Original<br>Amount of<br>Issue | Outstanding<br>Beginning of<br>Year (1) | Principal<br>Incurred<br>This Year | Principal<br>Paid This<br>Year | Current Year<br>Accretion on<br>Compound Interest<br>Bonds | Outstanding at<br>Year End (1) | Plus (less)<br>Unamortized<br>Premium<br>(Discount) | Total<br>Balance |
|-------------------------------------------|---------------------------------------------------------------|----------------------|----------------------------|--------------------------------|-----------------------------------------|------------------------------------|--------------------------------|------------------------------------------------------------|--------------------------------|-----------------------------------------------------|------------------|
| <b>General Obligation Bonds and Notes</b> |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                           |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
| GOB Series of 2020 A                      | Bond                                                          | 2020                 | 2027                       | 1,265,000                      | 1,130,000                               |                                    | 155,000                        |                                                            | 975,000                        |                                                     | 975,000          |
| GOB Series of 2020 B                      | Bond                                                          | 2020                 | 2049                       | 5,065,000                      | 5,065,000                               |                                    |                                |                                                            | 5,065,000                      |                                                     | 5,065,000        |
| BRIDGE LOAN                               | Note                                                          | 2021                 | 2022                       | 850,000                        | 0                                       | 850,000                            |                                |                                                            | 850,000                        |                                                     | 850,000          |
| <b>Revenue Bonds and Notes</b>            |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                           |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
| <b>Lease Rental Debt</b>                  |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                           |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
| 2 2018 Ford F350 Pickup Trucks            | Capital Leases                                                | 2018                 | 2021                       | 84,455                         | 22,104                                  |                                    | 22,104                         |                                                            | 0                              |                                                     | 0                |
| 2019 International Truck                  | Capital Leases                                                | 2018                 | 2022                       | 184,025                        | 76,940                                  |                                    | 37,562                         |                                                            | 39,378                         |                                                     | 39,378           |
| 2019 Peterbilt Truck                      | Capital Leases                                                | 2019                 | 2023                       | 153,189                        | 95,324                                  |                                    | 30,183                         |                                                            | 65,141                         |                                                     | 65,141           |
| 2 2019 Ford Interceptors                  | Capital Leases                                                | 2019                 | 2021                       | 63,636                         | 21,792                                  |                                    | 21,792                         |                                                            | 0                              |                                                     | 0                |
| FORD F-350 UPFIT                          | Capital Leases                                                | 2018                 | 2021                       | 10,384                         | 2,719                                   |                                    | 2,719                          |                                                            | 0                              |                                                     | 0                |
| 2020 MACK TRUCK                           | Note                                                          | 2020                 | 2025                       | 241,797                        | 202,468                                 |                                    | 38,259                         |                                                            | 164,209                        |                                                     | 164,209          |
| WOOD CHIPPER                              | Note                                                          | 2020                 | 2026                       | 54,000                         | 53,325                                  |                                    | 11,951                         |                                                            | 41,374                         |                                                     | 41,374           |
| OFFICE FURNITURE                          | Capital Leases                                                | 2021                 | 2025                       | 130,938                        | 0                                       | 130,938                            | 27,935                         |                                                            | 103,003                        |                                                     | 103,003          |
| <b>Other</b>                              |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
|                                           |                                                               |                      |                            |                                |                                         |                                    |                                |                                                            |                                |                                                     |                  |
| 2021 TAX ANTICIPATION LOAN                | Note                                                          | 2021                 | 2021                       | 1,000,000                      | 0                                       | 1,000,000                          | 1,000,000                      |                                                            | 0                              |                                                     | 0                |
| 2022 TAX ANTICIPATION LOAN                | Note                                                          | 2021                 | 2022                       | 1,193,788                      | 0                                       | 1,193,788                          |                                |                                                            | 1,193,788                      |                                                     | 1,193,788        |

(1) - excludes unamortized premium/discount

**Total bonds and notes outstanding**

8,496,893

**Capitalized lease obligations**

0

**Net debt**

8,496,893

**MUNHALL BORO, ALLEGHENY County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2021

| Category                          | Capital Purchases | Capital Construction | Total     |
|-----------------------------------|-------------------|----------------------|-----------|
| Community Development             |                   |                      |           |
| Electric                          |                   |                      |           |
| Fire                              |                   |                      |           |
| Gas System                        |                   |                      |           |
| General Government                | 130,938           | 4,887,292            | 5,018,230 |
| Health                            |                   |                      |           |
| Housing                           |                   |                      |           |
| Libraries                         |                   |                      |           |
| Mass Transit                      |                   |                      |           |
| Parks                             |                   |                      |           |
| Police                            | 92,305            |                      | 92,305    |
| Recreation                        |                   |                      |           |
| Sewer                             |                   |                      |           |
| Solid Waste                       | 67,250            |                      | 67,250    |
| Streets / Highways                | 84,500            |                      | 84,500    |
| Water                             |                   |                      |           |
| Other: _____                      |                   |                      |           |
| <b>TOTAL CAPITAL EXPENDITURES</b> | 374,993           | 4,887,292            | 5,262,285 |

**EMPLOYEE COMPENSATION**

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

3,713,565

**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

The Borough of Munhall was incorporated under the provisions governing the creation of municipal corporations in the Commonwealth of Pennsylvania. Members of Borough Council are elected by the voting public. These Council members have complete authority over the operations and administration of the Borough's activities. The major functions of the Borough include public safety, maintenance of Borough infrastructure (roads), maintenance of parks and other recreational facilities for use by Borough residents and general administrative functions necessary to facilitate Borough resident needs and responsibilities.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Borough of Munhall consists of all funds, departments, boards, and agencies that are not legally separate from the Borough. As defined by generally accepted accounting standards, component units are legally separate entities that are included in the Borough's reporting entity because of the significance of their operating or financial relationships with the Borough. Based on the application of these criteria, the Borough of Munhall has no component units.

**FINANCIAL STATEMENT PRESENTATION**

The accompanying 2021 Municipal Annual Audit and Financial Report (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 certain financial statement note disclosures, management's discussion and analysis, full-accrual government-wide statements, modified accrual financial 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. The most significant of the Borough's accounting policies are as follows:

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. The financial statements of the Borough of Munhall are presented on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). Under the modified cash method, revenue is recognized at the time cash is received rather than when earned, and expenses are recognized when paid rather than when obligations are incurred. Additionally, the basis of accounting has been modified from the cash basis of accounting to present liabilities related to certain payroll liabilities, interfund obligations, and unrealized gains and losses on investments for the Borough's fiduciary funds.

**FUND ACCOUNTING**

The Borough uses funds to report on its financial position and the results of its operations during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Borough functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds utilized by the Borough of Munhall are classified into two categories: governmental and fiduciary. Fund categories are defined as follows:

**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**Governmental Funds** – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Borough's governmental funds:

**GENERAL FUND** - Established under 'The Borough Code' of the Commonwealth of Pennsylvania and is used for the general operations of the Borough. Income in this fund is derived mainly from assessed revenues such as real estate taxes, local taxes established under Act 511, and other miscellaneous revenues not designated for other restricted fund purposes. These revenues are used for general ongoing government services such as public safety, public works, general administration of the Borough and other miscellaneous operating expenses.

**HIGHWAY AID FUND (SPECIAL REVENUE)** - Established and restricted under Act 655 of the Commonwealth of Pennsylvania. Funding is received from the Commonwealth and is restricted in use for the maintenance, repair and construction of roads, streets, and bridges for which the Borough is responsible.

**AMERICAN RESCUE PLAN FUND (SPECIAL REVENUE)** – Established to account for funds received and utilized in connection with the American Rescue Plan. Funding is received from the Commonwealth of Pennsylvania and is restricted in use in accordance with guidelines set forth in the American Rescue Plan.

**FIRE EQUIPMENT MAINTENANCE FUND (SPECIAL REVENUE)** - Established to account for the proceeds of grants from the Department of Community and Economic Development (DCED) or other funding sources earmarked for the purpose of acquiring and/or maintaining fire related equipment utilized in connection with the Borough's public safety operations.

**PROJECT LIFESAVERS FUND (SPECIAL REVENUE)** - Established in 2013 to account for public donations earmarked to assist the Borough's public safety operations with tracking the whereabouts of special needs individuals for their protection and overall safety.

**POLICE DEA FUND (SPECIAL REVENUE)** - Established to account for funds received by the Borough's police department from the Department of Justice for allowable public safety related expenditures as outlined in an Equitable Sharing Agreement between the Borough and Department of Justice.

**MUNICIPAL CAPITAL FUND (CAPITAL PROJECT FUND)** – Established to account for proceeds from the Borough's General Obligation Bonds, Series 2020 A and B issue for capital projects.

**Fiduciary Funds** – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Borough under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Borough's own programs. Custodial funds report fiduciary activities that not held in a Trust or equivalent arrangement that meets specific criteria. The Borough has three pension trust funds - police and non-uniform defined benefit pension plans, and a non-uniform defined contribution plan.

**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ACCOUNT GROUP**

In addition to the aforementioned funds, the Borough maintains one account group: General Long-Term Debt Account Group. The account group is used to account for long-term liabilities to be financed by governmental funds. This account group reports only the unmatured principal of the debt issued.

**BUDGETS**

In December of 2020, Borough of Munhall adopted its 2021 annual budget for its General Fund totaling \$9,371,645 in accordance with the provisions of the Commonwealth of Pennsylvania Borough Code. The budget is prepared utilizing the cash basis of accounting. Budgetary transfers among various expenditure line items are performed as necessary and as approved by Borough Council. General Fund expenditures exceeded budgeted appropriations for the 2021 calendar year. All appropriations lapse at the end of each calendar year.

The Borough uses the following procedures in establishing this budgetary data:

- a. In accordance with the Borough Code, beginning at least 30 days prior to the adoption of the budget, which shall not be later than December 31, a proposed budget for the ensuing year shall be prepared. The proposed budget shall be kept on file with the Borough and made available for public inspection for a period of ten days. Notice that the proposed budget is available for inspection is published in a newspaper of general circulation. After expiration of the ten days, Council makes such revisions in the budget as deemed advisable and shall adopt the budget by motion.
- b. Transfers of budget amounts are authorized between departments within any fund. However, any revisions that alter the total appropriations of any fund must be approved by the Council.

**CASH AND INVESTMENTS**

Cash and investments for the Borough's governmental funds include amounts in demand deposit accounts. The Borough's fiduciary fund investments include amounts invested with PNC Institutional Investments and Nationwide (mutual funds and government-backed securities). Investments are recorded at fair value. Provisions of the Borough Code authorize the following investments:

- I. U.S. Treasury Bills.
- II. Short-term obligations of the United States Government of its agencies or instrumentalities
- III. Deposits in savings accounts, time deposits and share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC), Federal Savings and Loan Insurance Corporation and National Credit Union Share Insurance Fund.
- IV. Obligations of the United States of America, the Commonwealth of Pennsylvania, or any political subdivision of the Commonwealth of Pennsylvania, or any of their agencies or instrumentalities backed by the full faith and credit of the governmental units.

**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**CASH AND INVESTMENTS (Continued)**

- V. Shares of an investment company registered under the Investment Company Act of 1940 and registered under the Securities Act of 1933.
- VI. Any investment authorized by 20 Pa. C.S. Ch. 73 relating to fiduciaries investments.

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as 'due from/to other funds' on the balance sheet.

**CAPITAL ASSETS AND DEPRECIATION**

The historical cost of fixed assets purchased by the Borough of Munhall is not accumulated, maintained, and depreciated. Accordingly, the Borough does not maintain a General Fixed Asset Account Group.

**PROPERTY AND EARNED INCOME TAX REVENUE**

Property tax and earned income tax revenues are recognized based on the amounts levied to the extent collected during the year. Interest and penalty charges accrued on unpaid taxes are recognized as revenue when received.

**TOTAL COLUMNS**

Total columns in the 2021 Municipal Annual Audit and Financial Report are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**ADOPTION OF GASB PRONOUNCEMENTS**

The requirements of the following GASB Statements were adopted for the Borough's 2021 financial statements. Except where noted, the adoption of this pronouncement did not have a significant impact on the Borough's financial statements.

**GASB Statement No. 89**, *'Accounting for Interest Cost Incurred before the end of a Construction Period'*. The primary objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and, (b) to simplify accounting for certain interest costs.

**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**ADOPTION OF GASB PRONOUNCEMENTS (Continued)**

**GASB Statement No. 92, 'Omnibus 2020'.** The primary objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of GASB Statement Nos. 73, 74, 84, and 87. In addition the Statement addresses various topics and includes specific provisions concerning the following:

- Measurement of liabilities (and assets, if any) related to asset retirement obligations (ARO) in a government acquisition – effective December 31, 2022.
- Reporting by entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature – effective December 31, 2022
- Terminology used to refer to derivative instruments

**GASB Statement No. 93, 'Replacement of Interbank Offered Rates'.** The primary objectives of this Statement are to address the accounting and financial reporting implications that result from the replacement of an interbank offering rate (IBOR).

**PENDING GASB PRONOUNCEMENTS**

**GASB Statement No. 87, 'Leases'.** The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The provisions of this Statement are effective for the Borough's December 31, 2022 financial statements.

**GASB Statement No. 91, 'Conduit Debt Obligations'.** The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement are effective for the Borough's December 31, 2022 financial statements.

**GASB Statement No. 94, 'Public-Private and Public-Public Partnerships and Availability Payment Arrangements'.** The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs), and provide guidance for accounting and financial reporting for availability payment arrangements (APAs). The provisions of this Statement are effective for the Borough's December 31, 2023 financial statements.

**GASB Statement No. 96, 'Subscription-Based Information Technology Arrangements (SBITA)'.** The primary objectives of this Statement are as follows:

- Defines a SBITA
- Establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability
- Provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA
- Requires note disclosures regarding a SBITA

The provisions of this Statement are effective for the Borough's December 31, 2023 financial statements.

**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS (Continued)**

**GASB Statement No. 97**, *'Certain Component Unit Criteria and Accounting and Financial Report for Internal Revenue Code Section 457 Deferred Compensation Plans'*. The primary objectives of this Statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this Statement are effective for the Borough's December 31, 2022 financial statements.

**GASB Statement No. 98**, *'The Annual Comprehensive Financial Report'*. The statement establishes the term *annual comprehensive financial report* and its acronym *ACFS*. The new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. The provisions of this Statement are effective for the Borough's December 31, 2022 financial statements.

The effects of implementing these Statements on the Borough's financial statements have not yet been determined.

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS:**

At December 31, 2021, Borough of Munhall had the following carrying values on its cash and cash equivalent accounts:

|                       | <b>Bank Balance</b> | <b>(Memo Only)<br/>Book Balance</b> |
|-----------------------|---------------------|-------------------------------------|
| General Fund          | \$ 1,097,060        | \$ 821,242                          |
| Special Revenue Funds | 305,079             | 305,079                             |
| Capital Funds         | 3,219               | 3,219                               |
| <b>Total</b>          | <b>\$ 1,405,358</b> | <b>\$ 1,129,540</b>                 |

The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government account \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.



**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**Custodial Credit Risk:**

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 separate policy for custodial credit risk in addition to the requirements of the Borough Code. As of December 31, 2021, \$1,155,358 of the Borough's bank balance total with its depository is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Borough's name. In accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, the aforementioned deposits, in excess of \$250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

**INVESTMENTS:**

The fair value and maturity term of the Borough's investments as of December 31, 2021, is as follows:

|                               | <b>No Stated<br/>Maturity</b> |
|-------------------------------|-------------------------------|
| <b>Fiduciary Funds:</b>       |                               |
| Mutual/Money Market Funds     | \$ 314,952                    |
| ETF - Fixed Income Securities | 801,169                       |
| ETF - Equity Securities       | 10,127,742                    |
| Mutual Funds - Fixed Income   | 7,121,168                     |
| Mutual Funds - Equity         | 6,621,359                     |
| Mutual Funds - Nationwide     | 396,319                       |
|                               | \$ 25,382,709                 |
| Deposits in Transit           | 13,612                        |
|                               | <b>\$ 25,396,321</b>          |

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that in the event of failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Borough's fiduciary fund investments in fixed income and equity securities, and mutual funds, are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The Borough does not have a specific policy that would limit its investment choices to those with certain credit ratings.

**Credit Risk:**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Borough has no formal investment policy for credit risk. The Plan is authorized to invest in legal investments permitted under the Pennsylvania Fiduciaries Investment Act. The Plan does have an investment policy with PNC Advisors specific to the allocation of investments.

**Interest Rate Risk:**

The Borough does not have a formal investment policy that limits investment maturities, other than a 60% limit on fixed income securities, as a means of managing its exposure to fair value losses arising from increasing interest rates.

**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS (Continued)**

**Concentration of Credit Risk:**

The Borough places no limit on the amount it may invest in any one issuer.

**Fair Value Measurements:**

The Borough of Munhall's fiduciary fund investments are reported at fair value within the fair value Hierarchy established by generally accepted accounting principles. This hierarchy *provides a* framework for measuring fair value which establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

**Level 1** – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes

**Level 2** – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data

**Level 3** – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

The following schedule presents the Investments of the Borough by level within the fair value hierarchy:

|                               | Value<br>at 12/31/21 | Fair Value Measurements |             |             |
|-------------------------------|----------------------|-------------------------|-------------|-------------|
|                               |                      | Level 1                 | Level 2     | Level 3     |
| Mutual Funds                  | \$ 314,952           | \$ 314,952              | \$ -        | \$ -        |
| ETF - Fixed Income Securities | 801,169              | 801,169                 | -           | -           |
| ETF - Equity Securities       | 10,127,742           | 10,127,742              | -           | -           |
| Mutual Funds - Fixed Income   | 7,121,168            | 7,121,168               | -           | -           |
| Mutual Funds - Equity         | 6,621,359            | 6,621,359               | -           | -           |
| Mutual Funds - Nationwide     | 396,319              | 396,319                 | -           | -           |
|                               | <b>\$ 25,382,709</b> | <b>\$ 25,382,709</b>    | <b>\$ -</b> | <b>\$ -</b> |

**NOTE 3 - PROPERTY TAXES**

Borough of Munhall levies property taxes April 1 of each calendar year. The calendar dates for payment of these taxes are as follows:

**PAYMENT PERIOD**

|                        |                   |
|------------------------|-------------------|
| April 1 – May 31, 2021 | (Discount period) |
| June 1 – July 31, 2021 | (Face period)     |
| August 1 and after     | (Penalty period)  |

**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 3 - PROPERTY TAXES (Continued)**

Taxpayers are entitled to a 2% discount if taxes are paid prior to June 1st. Collections after July 31st are assessed a 10% penalty. Unpaid taxes are remitted to the Borough's delinquent real estate tax collector. The tax millage assessment for the 2021 calendar year is 10.75 mills on the assessed value of land and buildings, which represents \$10.75 of revenue for every \$1,000 of assessed value.

**NOTE 4 – INTER-FUND RECEIVABLES/PAYABLES**

Inter-fund receivables and payables as reflected on the balance sheets are as follows:

|                                   | <b>RECEIVABLE</b> | <b>PAYABLE</b>    |
|-----------------------------------|-------------------|-------------------|
| General Fund                      | \$ 122,040        | \$ 23,805         |
| American Rescue Plan Fund         | 23,805            | -                 |
| Fire Maintenance & Equipment Fund | -                 | 32,982            |
| Liquid Fuels Fund                 | -                 | 17,660            |
| Police DEA Fund                   | -                 | 1,387             |
| Project Lifesaver Fund            | -                 | 50                |
| Municipal Capital Fund            | -                 | 69,961            |
| Police Pension                    | 89                | -                 |
| Non-Uniform Pension               | -                 | 89                |
|                                   | <b>\$ 145,934</b> | <b>\$ 145,934</b> |

These inter-fund obligations represent reimbursements due between funds of the Borough for deposits received and operating costs paid by certain funds on behalf of other funds.

**NOTE 5 – GENERAL OBLIGATION BONDS**

In February of 2020, The Borough of Munhall issued General Obligation Bonds – (Federally Taxable) Series A of 2020 totaling \$1,265,000 and General Obligation Bonds (Term Bonds) – Series B of 2020 totaling \$5,065,000 for the purpose of **1)** funding capital improvements to and renovation of the municipal building, for use by the Borough and Turtle Creek Valley Mental Health/Mental Retardation, Inc. (a non-profit corporation) and **2)** to pay the costs of issuing the Bonds. The bonds were issued in denominations of \$5,000 with interest payable semi-annually on June 1 and December 1 at rates ranging between 1.85% and 2.875%. The Series A bonds are not subject to optional redemption prior to maturity. The Series B Term Bonds are subject to optional redemption as more fully detailed in the Official Statement of Issue. The Series A and B bonds are scheduled to mature on December 1, 2027, and December 31, 2049, respectively.

**DEFAULT PROVISIONS ON BONDS**

The bonds are general obligations of the Borough. The Bonds are secured by the full faith, credit, and taxing power of the Borough. All taxable real estate in the Borough is subject to ad valorem taxation without limitation as to rate or amount to pay debt service on the bonds. The Pennsylvania Local Government Debt Act prescribes certain remedies to the registered owners of the bonds in the event of default. If the Borough fails to make adequate provision in its budget, for any year, the sum payable on the bonds, or fails to appropriate or pay the monies necessary in such year for the payment of maturing principal and interest on the bonds, the registered owners may bring suit in the Court of Common Pleas of Allegheny County directing the Borough to make such obligated payments.

**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 5 – GENERAL OBLIGATION BONDS (Continued)**

**DEFAULT PROVISIONS ON BONDS (Continued)**

If the default continues for a period of thirty days, any registered owner has the right to recover the amount due in an action in assumpsit in the Court of Common Pleas of Allegheny County. In lieu of the aforementioned remedies, if the Borough fails to comply with any provision of either the bonds or ordinance, the bond holders of 25% in aggregate principal amount of the bonds outstanding may appoint a trustee to represent the bond holders to commence a lawsuit to enforce the rights of all registered bondholders. The bonds carry a commitment from Build America Mutual Assurance Company under which an insurance policy will be issued at the time of delivery of the bonds, which policy assure the payment of the principal and interest to the registered owners of the Bonds.

A schedule of the December 31, 2021, debt service requirement on the general obligation bonds is as follows:

| <b>Year End<br/>31-Dec</b> | <b>2020 A<br/>Principal</b> | <b>2020 A<br/>Interest</b> | <b>2020 B<br/>Principal</b> | <b>2020 B<br/>Interest</b> | <b>Total</b>               |
|----------------------------|-----------------------------|----------------------------|-----------------------------|----------------------------|----------------------------|
| 2022                       | \$ 155,000                  | \$ 20,985                  | \$ -                        | \$ 124,944                 | \$ 300,929                 |
| 2023                       | 160,000                     | 17,963                     | -                           | 124,944                    | 302,907                    |
| 2024                       | 165,000                     | 14,762                     | -                           | 124,944                    | 304,706                    |
| 2025                       | 165,000                     | 11,298                     | -                           | 124,944                    | 301,242                    |
| 2026                       | 170,000                     | 770                        | -                           | 124,944                    | 295,714                    |
| 2027-2031                  | 160,000                     | 3,840                      | 570,000                     | 601,519                    | 1,335,359                  |
| 2032-2036                  | -                           | -                          | 995,000                     | 507,044                    | 1,502,044                  |
| 2037-2041                  | -                           | -                          | 1,105,000                   | 386,275                    | 1,491,275                  |
| 2041-2046                  | -                           | -                          | 1,260,000                   | 299,700                    | 1,559,700                  |
| 2047-2049                  | -                           | -                          | 1,135,000                   | 50,169                     | 1,185,169                  |
|                            | <b><u>\$ 975,000</u></b>    | <b><u>\$ 69,618</u></b>    | <b><u>\$ 5,065,000</u></b>  | <b><u>\$ 2,469,427</u></b> | <b><u>\$ 8,579,045</u></b> |

**NOTE 6 – DIRECT BORROWINGS – LEASE PURCHASE OBLIGATIONS**

In June of 2018, the Borough of Munhall entered into a lease agreement (#3353761) with KS State Bank for the purchase of a 2019 International 7600 truck totaling \$184,025. The terms of the lease call for five (5) annual payments of \$41,283 commencing in December of 2018 at an interest rate of approximately 4.84% scheduled to expire in December of 2022. The remaining principal balance due on the lease as of December 31, 2021, is \$39,378.

In January of 2019, the Borough of Munhall entered into a lease agreement (#3354764) with KS State Bank for the purchase of a 2019 Peterbilt Truck totaling \$153,189. The terms of the lease call for five (5) annual payments of \$35,123 commencing in October of 2019 at an interest rate of approximately 5.183% scheduled to expire in October of 2023. The remaining principal balance due on the lease as of December 31, 2021, is \$65,141.

**DEFAULT PROVISION – KS STATE BANK**

In the event of default of the lease purchase obligation by and between the Borough and KS State Bank, all commitments and obligations of KS State Bank will become immediately due and payable. KS State Bank may require the Borough to redeliver any or all equipment within 15 days after the event of default. In addition, KS State Bank shall have all rights and remedies provided within the lease purchase agreement or available at law, in equity, or otherwise.

**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 6 – DIRECT BORROWINGS – LEASE PURCHASE OBLIGATIONS (Continued)**

In October of 2021, the Borough of Munhall entered into a lease agreement (#98996371-1) with PNC Equipment Finance for the purchase of a furniture for the new building totaling \$130,938. The terms of the lease call for five (5) annual payments of \$28,371 commencing in November of 2021 at an interest rate of approximately 4% scheduled to expire in November of 2025. The remaining principal balance due on the lease as of December 31, 2021, is \$103,003.

**DEFAULT PROVISION – PNC EQUIPMENT FINANCE**

In the event of default of the lease purchase obligation by and between the Borough and PNC Equipment Finance, all commitments and obligations of PNC Equipment Finance will become immediately due and payable. PNC Equipment Finance may require the Borough to redeliver any or all equipment after the event of default. In addition, PNC Equipment Finance shall have all rights and remedies provided within the lease purchase agreement or available at law, in equity, or otherwise.

A schedule of the future minimum lease payments on the above lease obligations are as follows:

| <b><u>YEAR ENDED</u></b> | <b><u>KS STATE #3353761</u></b> | <b><u>KS STATE #3354764</u></b> | <b><u>PNC #98996371-1</u></b> | <b><u>INTEREST</u></b>  | <b><u>TOTAL</u></b>      |
|--------------------------|---------------------------------|---------------------------------|-------------------------------|-------------------------|--------------------------|
| 2022                     | \$ 39,378                       | \$ 31,747                       | \$ 24,251                     | \$ 7,496                | \$ 102,872               |
| 2023                     |                                 | 33,393                          | 25,222                        | 4,880                   | 63,495                   |
| 2024                     |                                 |                                 | \$ 26,230                     | \$ 2,141                | 28,371                   |
| 2025                     |                                 |                                 | 27,300                        | 1,071                   | 28,371                   |
|                          | <b><u>\$ 39,378</u></b>         | <b><u>\$ 65,140</u></b>         | <b><u>\$ 103,003</u></b>      | <b><u>\$ 15,588</u></b> | <b><u>\$ 223,109</u></b> |

**NOTE 7 – DIRECT BORROWINGS – NOTES PAYABLE**

On February 11, 2020, the Borough issued a promissory note to First National Bank in the amount of \$241,796.50 for the purchase of a 2020 Mack truck. The terms of the note call for six (6) payments of \$44,178.55 at an annual interest rate of 2.89%. The note is scheduled to mature on October 31, 2025. The note is secured by the 2020 Mack truck.

On November 12, 2020, the Borough issued a promissory note to First National Bank in the amount of \$54,000 for the purchase of a woodchipper. The terms of the note call for seventy two (72) payments of \$821.21 at an annual interest rate of 2.99%. The note is scheduled to mature on November 12, 2026. The note is secured by the woodchipper.

**DEFAULT PROVISIONS – FIRST NATIONAL BANK**

In the event of default on any of the promissory note agreements by and between the Borough and First National Bank (FNB), all commitments and obligations of FNB under this agreement or any other agreement will terminate, and at First National Banks' option, all indebtedness will become immediately payable and due. In addition, FNB shall have all rights and remedies provided within the note documents or available at law, in equity, or otherwise. These rights and remedies shall be cumulative and may be exercised singularly or concurrently.

**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 7 – DIRECT BORROWINGS – NOTES PAYABLE (Continued)**

A summary of the remaining debt service obligations on the note obligations at December 31, 2021, is as follows:

| <b>YEAR<br/>ENDED</b> | <b>MACK<br/>TRUCK</b>    | <b>WOOD<br/>CHIPPER</b> | <b>INTEREST</b>         | <b>TOTAL</b>             |
|-----------------------|--------------------------|-------------------------|-------------------------|--------------------------|
| 2022                  | \$ 39,434                | \$ 8,738                | \$ 5,863                | \$ 54,035                |
| 2023                  | 40,573                   | 9,002                   | 4,459                   | 54,034                   |
| 2024                  | 41,745                   | 9,275                   | 3,013                   | 54,033                   |
| 2025                  | 42,457                   | 9,556                   | 2,018                   | 54,031                   |
| 2026                  | -                        | 4,803                   | 41                      | 4,844                    |
|                       | <b><u>\$ 164,209</u></b> | <b><u>\$ 41,374</u></b> | <b><u>\$ 15,394</u></b> | <b><u>\$ 220,977</u></b> |

**NOTE 8 – SHORT TERM DEBT OBLIGATIONS**

In July of 2021, The Borough of Munhall issued General Obligation Note Series of 2021 totaling \$850,000 to Brentwood Bank at an interest rate of 1.5% for the purpose of 1) funding capital projects deemed necessary by Borough Council and 2) the payment of costs of issuance of the Note. The Note is

In January of 2021, the Borough of Munhall issued a \$1,000,000 Tax and Revenue Anticipation Note to Brentwood Bank at an interest rate of 2.25%. The note was repaid in 2021.

In December of 2021, the Borough of Munhall issued a \$1,193,788 Tax and Revenue Anticipation Note to Brentwood Bank at an interest rate of 1.6%. The note is scheduled to mature on December 31, 2022.

**NOTE 9 – CHANGES IN SHORT AND LONG-TERM DEBT**

The following represents the changes in the Borough's long-term obligations during the 2021 calendar year:

|                           | <b>Balance<br/>1/1/21</b>  | <b>Additions</b>           | <b>Deletions</b>           | <b>Balance<br/>12/31/21</b> | <b>Due Within<br/>One Year</b> |
|---------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|--------------------------------|
| Bonds                     | \$ 6,195,000               | \$ -                       | \$ (155,000)               | \$ 6,040,000                | \$ 155,000                     |
| <b>Direct Borrowings:</b> |                            |                            |                            |                             |                                |
| Leases                    | 218,879                    | 130,938                    | (142,296)                  | 207,521                     | 95,376                         |
| Notes                     | 255,793                    | 2,043,788                  | (50,209)                   | 2,249,372                   | 2,091,960                      |
|                           | <b><u>\$ 6,669,672</u></b> | <b><u>\$ 2,174,726</u></b> | <b><u>\$ (347,505)</u></b> | <b><u>\$ 8,496,893</u></b>  | <b><u>\$ 2,342,336</u></b>     |

**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 11 - BOROUGH PENSION PLANS**

The following is a summary of the Borough's Police, and Non-Uniform pension plans:

**POLICE PENSION PLAN** - Borough of Munhall's police pension plan is a single-employer defined benefit pension plan. The Plan was established by Ordinance No. 1181, effective December 31, 1968. The Plan was amended and restated by Ordinance No. 1582, effective January 1, 2016. The Plan is governed by Borough Council for the Borough of Munhall which may amend Plan provisions, and which is responsible for the management of Plan assets. Council has delegated the authority to manage certain Plan assets to PNC Institutional Investments.

Plan membership as of January 1, 2019, was comprised of:

|                                                                         |                  |
|-------------------------------------------------------------------------|------------------|
| Active employees                                                        | 22               |
| Retirees and beneficiaries currently receiving benefits                 | 13               |
| Terminated employees entitled to benefits<br>but not yet receiving them | -                |
|                                                                         | <u>1</u>         |
| Total                                                                   | <u><u>36</u></u> |

A summary of the plan's provisions are as follows:

- PARTICIPANTS** - All permanent members of the Borough of Munhall police department.
- ELIGIBILITY** - All participants are eligible for retirement benefits provided that they have completed 25 years of aggregate service as a full-time Borough employee and have attained the age of 50. Participants are eligible for early retirement after 20 years of service.
- BENEFITS** - A monthly benefit equal to 50% of final monthly average salary averaged over last 36 months of employment plus a service increment equal to \$100 for completion of 26 or more years of service. Death benefits are provided before retirement eligibility equal to a refund of participant contributions plus interest. After retirement eligibility, death benefits for the participant's spouse are equal to 50% of the pension the participant was receiving or entitled to receive.
- VESTING** - Participants are entitled to a vested deferred benefit after 12 years of service.
- FUNDING** - Employee contributions are 5% of wages. Borough contributions are determined by the Actuary. Annual contributions are received from the Commonwealth as provided by Act 205, the General Municipal Pension System State Aid Program. The Borough contributed \$706,799 to the plan in 2021.

**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 10 - BOROUGH PENSION PLANS (Continued)**

**NON-UNIFORM PENSION PLAN** - Borough of Munhall's non-uniform pension plan is a single-employer defined benefit pension plan. The Plan was established July 1, 1963. The Plan was amended and restated by Ordinance No. 1568, effective January 1, 2013. Effective January 1, 2012, the Plan is closed to new union participants. The Plan is governed by Borough Council for the Borough of Munhall which may amend Plan provisions, and which is responsible for the management of Plan assets. Council has delegated the authority to manage certain Plan assets to PNC Institutional Investments.

Plan membership as of January 1, 2019, was comprised of:

|                                                                         |    |
|-------------------------------------------------------------------------|----|
| Active employees                                                        | 12 |
| Retirees and beneficiaries currently receiving benefits                 | 17 |
| Terminated employees entitled to benefits<br>but not yet receiving them | 3  |
| Total                                                                   | 32 |

The summary of the plan's provisions are as follows:

- PARTICIPANTS** - All full-time employees of the Borough of Munhall, excluding the police department.
- ELIGIBILITY** - Normal retirement age is 65. Participants are eligible for early retirement benefits provided that they have completed 20 years of aggregate service as a Borough employee and have attained the age of 60.
- BENEFITS** - Equal to 1.9% of average monthly compensation over the final 60 months of employment multiplied by years of service. Death benefits are provided depending on years of service.
- VESTING** - Participants are 100% vested after 10 years of service.
- FUNDING** - Employee contributions are 2% of wages. Borough contributions are to be determined by the actuary. The Borough contributed \$225,308 to the plan in 2021.

**FUNDING REQUIREMENTS**

Act 205 (as amended) requires that annual contributions be based upon the Minimum Municipal Obligation (MMO), which is based on the Plan's biennial actuarial valuation. The MMO includes the normal cost, estimated administrative expenses and an amortization contribution of the unfunded actuarial accrued liability, less estimated member contributions, and a credit equal to 10% of the excess (if any) of the actuarial value of assets over the actuarial accrued liability. The State provides an allocation of funds (General Municipal Pension System State Aid Program) which must be used for pension funding. Any financial requirement established by the MMO which exceeds State and member contributions must be funded by the employer.

The plan's investment income was used to fund administrative costs. There are no long-term-term contracts for contributions as of December 31, 2021. In addition, there are no assets legally reserved for purposes other than the payment of plan member benefit.



**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 10 - BOROUGH PENSION PLANS (Continued)**

**DEFINED CONTRIBUTION PENSION PLAN** – The Borough of Munhall provides eligible employees of the Borough a defined contribution (money purchase) pension plan. Plan assets are maintained by Empower Retirement. Currently, participant contributions are equal to 2% of compensation with a matching contribution from the Borough of Munhall of 10%. Total contributions to the plan for calendar year 2021 totaled \$53,650. Plan assets totaled \$396,319 as of December 31, 2021.

**NOTE 11 – RISK MANAGEMENT**

Borough of Munhall is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks, if applicable, have not exceeded commercial insurance coverage for the past three years.

**NOTE 12 - CONTINGENT LIABILITIES**

**LEGAL MATTERS**

The Borough of Munhall, in the normal course of operations, is party to various legal matters normally associated with municipalities such as real estate tax assessment appeals, personnel wage and benefits, and other miscellaneous legal matters. The Borough is unaware of any pending claims or litigations that would be material to the financial position of the Borough of Munhall.

**FEDERAL AND STATE FUNDING**

The Borough of Munhall's state and federally funded programs, including its pension funds, are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The Borough is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any other material items of noncompliance which would result in additional interest and penalty costs.

**PANDEMIC IMPACT**

The impact of the coronavirus (COVID-19) is on-going and varies from region to region and from day to day, and any significant additional spreading of the virus could adversely affect the Borough of Munhall's operations and finances. The outbreak of the COVID-19 virus is likely to have a negative impact in 2022 on the global and local economy and, might impact the Borough of Munhall's financial results in 2022 and beyond. Given the dynamic nature of this pandemic, however, the extent to which the COVID-19 virus impacts the Borough of Munhall's results will depend on future developments, which remain highly uncertain and cannot be predicted at this time.

**BOROUGH OF MUNHALL**  
**NOTES TO SPECIAL PURPOSE FINANCIAL REPORT**  
**DECEMBER 31, 2021**

**NOTE 13 – SUBSEQUENT EVENTS**

Management has determined that there are no other events subsequent to December 31, 2021, through the September 26, 2022 date of the 'Independent Auditor's Report' date, which is the date the financial statements were available to be issued, that require disclosure in the financial statements.

***SUPPLEMENTARY***  
***INFORMATION***

**BOROUGH OF MUNHALL**  
**SCHEDULE OF GENERAL FUND REVENUES (MODIFIED CASH BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                          | <b>ACTUAL</b>       |
|------------------------------------------|---------------------|
| <b><u>TAXES:</u></b>                     |                     |
| Real estate - current                    | \$ 3,702,099        |
| Real estate - prior                      | 159,670             |
| Liened taxes - real estate               | 202,471             |
| Earned income tax                        | 1,219,984           |
| Deed transfer                            | 215,543             |
| LST Taxes                                | 83,596              |
| County sales tax                         | 637,938             |
| <b>TOTAL TAXES</b>                       | <b>\$ 6,221,301</b> |
| <br><b><u>LICENSES AND PERMITS:</u></b>  |                     |
| Building permits                         | \$ 27,742           |
| Rental occupancy permits                 | 27,320              |
| Comcast/Verizon franchise fee            | 215,557             |
| T-Mobile Tower Fees                      | 14,400              |
| Mechanical Devices                       | 13,500              |
| Street opening permits                   | 32,560              |
| <b>TOTAL LICENSES AND PERMITS</b>        | <b>\$ 331,079</b>   |
| <br><b><u>FINES AND FORFEITURES:</u></b> |                     |
| Magistrate/court fees                    | \$ 26,319           |
| Complaints in Civil Action               | 421,149             |
| <b>TOTAL FINES AND FORFEITURES</b>       | <b>\$ 447,468</b>   |
| <br><b><u>INTEREST AND RENTS:</u></b>    |                     |
| Interest                                 | \$ 543              |
| Rental fees/West field                   | 28,650              |
| <b>TOTAL INTEREST AND RENTS</b>          | <b>\$ 29,193</b>    |
| <br><b><u>INTERGOVERNMENTAL:</u></b>     |                     |
| PURTA                                    | \$ 5,247            |
| Municipal pension state aid              | 311,823             |
| Fire relief fund                         | 43,395              |
| Act 13 Shale Impact Fee                  | 1,153               |
| Donation in lieu of taxes                | 7,000               |
| Recycling Performance Grant              | 212,448             |
| State Grants                             | 21,556              |
| Local Grants                             | 10,339              |
| <b>TOTAL INTERGOVERNMENTAL</b>           | <b>\$ 612,961</b>   |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF MUNHALL**  
**SCHEDULE OF GENERAL FUND REVENUES (MODIFIED CASH BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                                       | <b>ACTUAL</b>        |
|-------------------------------------------------------|----------------------|
| <b><u>DEPARTMENTAL EARNINGS:</u></b>                  |                      |
| Insurance reimbursement                               | \$ 35,731            |
| No Lien Letters                                       | 9,932                |
| Police services                                       | 48,047               |
| DUI Task Force                                        | 920                  |
| Extra duty/police                                     | 2,025                |
| School resource officer                               | 85,398               |
| School guards payroll                                 | 59,207               |
| Parking Space Fee                                     | 31,285               |
| Parking Meters                                        | 439                  |
| PennDot Winter Traffic                                | 19,222               |
| Solid waste collections                               | 818,188              |
| Delinquent solid waste                                | 41,138               |
| Commercial solid waste fee                            | 50,235               |
| Waste/Recycling                                       | 49,681               |
| Dumpster Permits                                      | 1,521                |
| Community Days                                        | 300                  |
| <b>TOTAL DEPARTMENTAL EARNINGS</b>                    | <b>\$ 1,253,269</b>  |
| <b><u>MISCELLANEOUS REVENUES:</u></b>                 |                      |
| Miscellaneous revenue                                 | \$ 2,159             |
| <b>TOTAL MISCELLANEOUS REVENUES</b>                   | <b>\$ 2,159</b>      |
| <b><u>OTHER FINANCING SOURCES:</u></b>                |                      |
| Proceeds of fixed asset disposal                      | \$ 2,692             |
| Tax Anticipation Note                                 | 2,193,789            |
| Loan Proceeds                                         | 130,938              |
| Refund of Prior Year Expenses                         | 30,584               |
| Interfund Transfer                                    | 425,441              |
| <b>TOTAL OTHER FINANCING SOURCES</b>                  | <b>\$ 2,783,444</b>  |
| <b>TOTAL REVENUES AND<br/>OTHER FINANCING SOURCES</b> | <b>\$ 11,680,874</b> |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF MUNHALL**  
**SCHEDULE OF GENERAL FUND EXPENDITURES (MODIFIED CASH BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                                               | <u>ACTUAL</u>            |
|---------------------------------------------------------------|--------------------------|
| <b><u>GENERAL GOVERNMENT:</u></b>                             |                          |
| <b><u>LEGISLATIVE:</u></b>                                    |                          |
| Salary/Council                                                | \$ 16,801                |
| Administrative Training                                       | 1,762                    |
| Dues                                                          | 17,098                   |
| <b>TOTAL LEGISLATIVE</b>                                      | <b><u>\$ 35,661</u></b>  |
| <br><b><u>EXECUTIVE:</u></b>                                  |                          |
| Salary/mayor                                                  | \$ 3,000                 |
| Salary/manager                                                | 93,437                   |
| Mayor/Council Benefits                                        | 1,212                    |
| <b>TOTAL EXECUTIVE</b>                                        | <b><u>\$ 97,649</u></b>  |
| <br><b><u>AUDITING SERVICES/FINANCIAL ADMINISTRATION:</u></b> |                          |
| Professional Expenses                                         | \$ 71,484                |
| Bond/manager                                                  | 620                      |
| <b>TOTAL AUDITING SERVICES/FINANCIAL ADMINISTRATION</b>       | <b><u>\$ 72,104</u></b>  |
| <br><b><u>TAX COLLECTION:</u></b>                             |                          |
| Tax Collector Salary                                          | \$ 60,376                |
| Tax Collector Expenses                                        | 3,532                    |
| Property Tax Refunds                                          | 16,308                   |
| <b>TOTAL TAX COLLECTION</b>                                   | <b><u>\$ 80,216</u></b>  |
| <br><b><u>LEGAL:</u></b>                                      |                          |
| Municipal legal expense                                       | \$ 68,024                |
| Legal tax services                                            | 247,167                  |
| <b>TOTAL LEGAL</b>                                            | <b><u>\$ 315,191</u></b> |
| <br><b><u>SECRETARY/CLERK:</u></b>                            |                          |
| Office Secretary                                              | \$ 57,079                |
| Payroll                                                       | 11,095                   |
| <b>TOTAL SECRETARY/CLERK</b>                                  | <b><u>\$ 68,174</u></b>  |
| <br><b><u>OTHER GENERAL GOVERNMENT ADMINISTRATION:</u></b>    |                          |
| Administrative Salaries                                       | \$ 38,500                |
| Administrative Benefits                                       | 41,618                   |
| Unemployment                                                  | 26,599                   |
| Office supplies                                               | 9,343                    |
| General expenses                                              | 6,287                    |
| Purchase Power/Pitney Bowes                                   | 1,922                    |
| Minor Equipment Purchase                                      | 742                      |
| Advertising                                                   | 6,973                    |
| Conferences and Meetings                                      | 2,181                    |
| <b>TOTAL OTHER GENERAL GOVERNMENT ADMINISTRATION</b>          | <b><u>\$ 134,165</u></b> |
| <br><b><u>DATA PROCESSING:</u></b>                            |                          |
| Copy Machine Lease                                            | \$ 384                   |
| IT Services                                                   | 5,730                    |
| Bookkeeping system                                            | 31,454                   |
| <b>TOTAL DATA PROCESSING</b>                                  | <b><u>\$ 37,568</u></b>  |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF MUNHALL**  
**SCHEDULE OF GENERAL FUND EXPENDITURES (MODIFIED CASH BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                               | <b>ACTUAL</b>       |
|-----------------------------------------------|---------------------|
| <b><u>GENERAL GOVERNMENT: (CONTINUED)</u></b> |                     |
| <b><u>MUNICIPAL BUILDING:</u></b>             |                     |
| Building Maintenance                          | \$ 2,475            |
| New Building Equipment                        | 131,812             |
| Borough Building Construction                 | 200                 |
| Willis Center Professional Expenses           | 14,998              |
| 1800 Utilities                                | 26,789              |
| Utilities                                     | 39,717              |
| <b>TOTAL MUNICIPAL BUILDING</b>               | <b>\$ 215,991</b>   |
| <b>TOTAL GENERAL GOVERNMENT</b>               | <b>\$ 1,056,719</b> |
| <br><b><u>PUBLIC SAFETY:</u></b>              |                     |
| <b><u>POLICE:</u></b>                         |                     |
| Police Salaries                               | \$ 2,131,363        |
| Police Benefits                               | 570,785             |
| Longevity pay                                 | 51,589              |
| Holiday pay                                   | 138,007             |
| Animal Control                                | 3,120               |
| Office Supplies                               | 17,042              |
| Police Cars                                   | 53,413              |
| General expenses                              | 26,135              |
| First vehicle maintenance                     | 69,035              |
| Minor equipment purchases                     | 2,508               |
| Police Utilities                              | 48,324              |
| Association                                   | 455                 |
| Police Conferences and Meetings               | 105                 |
| Training expenses                             | 7,603               |
| Crime Watch                                   | 1,412               |
| School Crossing Guard Salaries                | 80,188              |
| School Crossing Guard Expenses                | 337                 |
| <b>TOTAL POLICE</b>                           | <b>\$ 3,201,421</b> |
| <br><b><u>FIRE PROTECTION:</u></b>            |                     |
| Vision/Physical Exam                          | \$ 1,253            |
| Materials/Supplies                            | 523                 |
| Gasoline, Oil, Diesel Fuel                    | 17,928              |
| General Expenses                              | 5,406               |
| Fire Prevention                               | 90                  |
| Fire Vehicles Services                        | 35,563              |
| Fire Station #1 Utilities/Maint.              | 9,277               |
| Fire Station #2 Utilities/Maint.              | 10,904              |
| Fire Station #4 Utilities/Maint.              | 11,467              |
| Fire Station #5 Utilities/Maint.              | 16,355              |
| Utilities / Maintenance                       | 53,283              |
| Communication Equipment                       | 22,271              |
| Truck Fund                                    | 104,489             |
| Firemen's State Workmers Comp                 | 28,457              |
| Firemen Relief Funds                          | 43,395              |
| <b>TOTAL FIRE PROTECTION</b>                  | <b>\$ 360,661</b>   |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF MUNHALL**  
**SCHEDULE OF GENERAL FUND EXPENDITURES (MODIFIED CASH BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                          | <b>ACTUAL</b>       |
|------------------------------------------|---------------------|
| <b><u>PUBLIC SAFETY: (CONTINUED)</u></b> |                     |
| <b><u>CODE ENFORCEMENT:</u></b>          |                     |
| Code Enforcement Salaries                | \$ 66,859           |
| Code Enforcement Benefits                | 4,744               |
| Code Enforcement Expenses                | 1,771               |
| <b>TOTAL CODE ENFORCEMENT</b>            | <b>\$ 73,374</b>    |
| <b>TOTAL PUBLIC SAFETY</b>               | <b>\$ 3,635,456</b> |
| <br><b><u>PUBLIC WORKS:</u></b>          |                     |
| <b><u>HEALTH AND SANITATION:</u></b>     |                     |
| Sanitation Salaries                      | \$ 267,422          |
| Sanitation Benefits                      | 109,138             |
| TV Recycling                             | 3,972               |
| General Expenses                         | 726                 |
| Sanitation Vehicle Expenses              | 151,584             |
| Landfill Fees                            | 232,508             |
| <b>TOTAL HEALTH AND SANITATION</b>       | <b>\$ 765,350</b>   |
| <br><b><u>HIGHWAYS AND STREETS:</u></b>  |                     |
| PW Salaries                              | \$ 684,393          |
| PW Benefits                              | 228,617             |
| General Expense                          | 76,892              |
| PA One Call                              | 332                 |
| First Vehicle                            | 69,320              |
| Minor Equipment Purchases                | 23,743              |
| PW Utilities Expense                     | 17,858              |
| Rock Salt                                | 38,138              |
| Traffic Signals                          | 8,912               |
| Street Lights                            | 197,134             |
| PW Vehicle Purchase / Expense            | 85,223              |
| DCED Grant (Basins)                      | 22,522              |
| Paving / Road Repair / Road Mtc.         | 167,445             |
| <b>TOTAL HIGHWAYS AND STREETS</b>        | <b>\$ 1,620,529</b> |
| <b>TOTAL PUBLIC WORKS</b>                | <b>\$ 2,385,879</b> |
| <br><b><u>RECREATION:</u></b>            |                     |
| Material and Supplies                    | \$ 4,700            |
| Holiday Décor/Dinner                     | 2,147               |
| Field Maintenance                        | 43,191              |
| West Field Maintenance                   | 6,034               |
| West Field Utilities                     | 21,948              |
| Library Donation                         | 245,930             |
| <b>TOTAL RECREATION</b>                  | <b>\$ 323,950</b>   |
| <br><b><u>COMMUNITY DEVELOPMENT:</u></b> |                     |
| Waterfront Maintenance Fund              | \$ 261,375          |
| <b>TOTAL COMMUNITY DEVELOPMENT</b>       | <b>\$ 261,375</b>   |

The accompanying notes are an integral part of these financial statements



**BOROUGH OF MUNHALL**  
**SCHEDULE OF GENERAL FUND EXPENDITURES (MODIFIED CASH BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                                          | <b><u>ACTUAL</u></b>        |
|----------------------------------------------------------|-----------------------------|
| <b><u>DEBT SERVICE:</u></b>                              |                             |
| KS Bank Principal - Interceptor, Tahoe                   | \$ 21,793                   |
| KS Bank Principal - 2 2018 Ford F-350 Trucks             | 22,104                      |
| KS Bank Principal - Ford F-350 Upfit                     | 2,719                       |
| KS Bank Principal - 2019 International Truck             | 37,562                      |
| KS Bank Principal - 2019 Peterbilt Dump Truck            | 30,184                      |
| First National Bank Principal - 2020 Mack Truck          | 38,259                      |
| First National Bank Principal - Wood Chipper             | 11,951                      |
| PNC Equipment Finance - New Building Furniture Principal | 27,935                      |
| GOB Series of 2020 A Principal                           | 155,000                     |
| Tax Anticipation Note Principal                          | 1,000,000                   |
| Lease Interest                                           | 19,020                      |
| GOB Interest - Series of 2020 A                          | 23,930                      |
| GOB Interest - Series of 2020 B                          | 124,944                     |
| Tax Anticipation Note Interest                           | 12,830                      |
| Bridge Loan Interest                                     | 3,131                       |
| Tax Anticipation Note Fees                               | 3,512                       |
| Bond Closing Costs                                       | 1,185                       |
| <b>TOTAL DEBT SERVICE</b>                                | <b><u>\$ 1,536,059</u></b>  |
| <b><u>EMPLOYER BENEFITS AND INSURANCE:</u></b>           |                             |
| Social Security/Medicare                                 | \$ 264,400                  |
| Unemployment                                             | 111                         |
| Pension                                                  | 972,908                     |
| Workmen Comp Insurance                                   | 419,887                     |
| Casualty Insurance                                       | 216,189                     |
| Optimus Risk Mgt                                         | 8,745                       |
| <b>TOTAL EMPLOYER BENEFITS AND INSURANCE</b>             | <b><u>\$ 1,882,240</u></b>  |
| <b><u>MISCELLANEOUS:</u></b>                             |                             |
| Miscellaneous                                            | \$ 100                      |
| <b>TOTAL MISCELLANEOUS</b>                               | <b><u>\$ 100</u></b>        |
| <b>TOTAL EXPENDITURES</b>                                | <b><u>\$ 11,081,778</u></b> |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF MUNHALL**  
**COMBINING BALANCE SHEET (MODIFIED CASH BASIS)**  
**SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2021**

**SCHEDULE 3**

|                                                | <b>HIGHWAY<br/>AID<br/>FUND</b> | <b>ARPA<br/>FUND</b> | <b>FIRE<br/>EQUIPMENT<br/>MAINTENANCE<br/>FUND</b> | <b>PROJECT<br/>LIFESAVERS<br/>FUND</b> | <b>POLICE<br/>DEA<br/>FUND</b> | <b>TOTAL<br/>SPECIAL<br/>REVENUE<br/>FUNDS</b> |
|------------------------------------------------|---------------------------------|----------------------|----------------------------------------------------|----------------------------------------|--------------------------------|------------------------------------------------|
| <b>ASSETS:</b>                                 |                                 |                      |                                                    |                                        |                                |                                                |
| Cash and Investments                           | \$ 307                          | \$ 1,962             | \$ 4,690                                           | \$ 22,915                              | \$ 275,205                     | \$ 305,079                                     |
| Due From Other Funds                           | -                               | 23,805               | -                                                  | -                                      | -                              | 23,805                                         |
| <b>TOTAL ASSETS</b>                            | <b>\$ 307</b>                   | <b>\$ 25,767</b>     | <b>\$ 4,690</b>                                    | <b>\$ 22,915</b>                       | <b>\$ 275,205</b>              | <b>\$ 328,884</b>                              |
| <br><b>LIABILITIES AND FUND BALANCES:</b>      |                                 |                      |                                                    |                                        |                                |                                                |
| <b>LIABILITIES:</b>                            |                                 |                      |                                                    |                                        |                                |                                                |
| Due to Other Funds                             | \$ 17,660                       | \$ -                 | \$ 32,982                                          | \$ 50                                  | \$ 1,387                       | \$ 52,079                                      |
| <b>TOTAL LIABILITIES</b>                       | <b>\$ 17,660</b>                | <b>\$ -</b>          | <b>\$ 32,982</b>                                   | <b>\$ 50</b>                           | <b>\$ 1,387</b>                | <b>\$ 52,079</b>                               |
| <br><b>FUND BALANCES:</b>                      |                                 |                      |                                                    |                                        |                                |                                                |
| Restricted                                     | \$ -                            | \$ 25,767            | \$ -                                               | \$ 22,865                              | \$ 273,818                     | \$ 322,450                                     |
| Unassigned (Deficit)                           | (17,353)                        | -                    | (28,292)                                           | -                                      | -                              | (45,645)                                       |
| <b>TOTAL FUND BALANCES (Deficit)</b>           | <b>\$ (17,353)</b>              | <b>\$ 25,767</b>     | <b>\$ (28,292)</b>                                 | <b>\$ 22,865</b>                       | <b>\$ 273,818</b>              | <b>\$ 276,805</b>                              |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b>\$ 307</b>                   | <b>\$ 25,767</b>     | <b>\$ 4,690</b>                                    | <b>\$ 22,915</b>                       | <b>\$ 275,205</b>              | <b>\$ 328,884</b>                              |

The accompanying notes are an integral part of these financial statements

**BOROUGH OF MUNHALL**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (MODIFIED CASH BASIS)**  
**SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                                               | <b>HIGHWAY<br/>AID<br/>FUND</b> | <b>ARPA<br/>FUND</b> | <b>FIRE<br/>EQUIPMENT<br/>MAINTENANCE<br/>FUND</b> | <b>PROJECT<br/>LIFESAVERS<br/>FUND</b> | <b>POLICE<br/>DEA<br/>FUND</b> | <b>TOTAL<br/>SPECIAL<br/>REVENUE<br/>FUNDS</b> |
|---------------------------------------------------------------|---------------------------------|----------------------|----------------------------------------------------|----------------------------------------|--------------------------------|------------------------------------------------|
| <b><u>REVENUES</u></b>                                        |                                 |                      |                                                    |                                        |                                |                                                |
| Intergovernmental                                             | \$ 302,437                      | \$ 575,995           | \$ 800                                             | \$ -                                   | \$ 50,975                      | \$ 930,207                                     |
| Interest Earnings                                             | 1                               | 83                   | 3                                                  | 10                                     | 127                            | 224                                            |
| Miscellaneous                                                 | -                               | -                    | 20                                                 | -                                      | -                              | 20                                             |
| <b>Total Revenue</b>                                          | <b>\$ 302,438</b>               | <b>\$ 576,078</b>    | <b>\$ 823</b>                                      | <b>\$ 10</b>                           | <b>\$ 51,102</b>               | <b>\$ 930,451</b>                              |
| <b><u>EXPENDITURES</u></b>                                    |                                 |                      |                                                    |                                        |                                |                                                |
| General Government                                            | \$ -                            | \$ 68,717            | \$ -                                               | \$ -                                   | \$ -                           | \$ 68,717                                      |
| Public Safety                                                 | -                               | 6,234                | -                                                  | -                                      | 142,183                        | 148,417                                        |
| Public Works                                                  | 318,077                         | 49,919               | -                                                  | -                                      | -                              | 367,996                                        |
| <b>Total Expenditures</b>                                     | <b>\$ 318,077</b>               | <b>\$ 124,870</b>    | <b>\$ -</b>                                        | <b>\$ -</b>                            | <b>\$ 142,183</b>              | <b>\$ 585,130</b>                              |
| <b>Excess ( Deficiency) of Revenues<br/>over Expenditures</b> | <b>\$ (15,639)</b>              | <b>\$ 451,208</b>    | <b>\$ 823</b>                                      | <b>\$ 10</b>                           | <b>\$ (91,081)</b>             | <b>\$ 345,321</b>                              |
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>                  |                                 |                      |                                                    |                                        |                                |                                                |
| Interfund Transfers                                           | \$ -                            | \$ (425,441)         | \$ -                                               | \$ -                                   | \$ -                           | \$ (425,441)                                   |
| <b>Total Other Financing Sources (Uses)</b>                   | <b>\$ -</b>                     | <b>\$ (425,441)</b>  | <b>\$ -</b>                                        | <b>\$ -</b>                            | <b>\$ -</b>                    | <b>\$ (425,441)</b>                            |
| <b>NET CHANGE IN FUND BALANCES</b>                            | <b>\$ (15,639)</b>              | <b>\$ 25,767</b>     | <b>\$ 823</b>                                      | <b>\$ 10</b>                           | <b>\$ (91,081)</b>             | <b>\$ (80,120)</b>                             |
| FUND BALANCE - JANUARY 1, 2021 (Deficit)                      | (1,714)                         | -                    | (29,115)                                           | 22,855                                 | 364,899                        | 356,925                                        |
| <b>FUND BALANCE - DECEMBER 31, 2021 (Deficit)</b>             | <b>\$ (17,353)</b>              | <b>\$ 25,767</b>     | <b>\$ (28,292)</b>                                 | <b>\$ 22,865</b>                       | <b>\$ 273,818</b>              | <b>\$ 276,805</b>                              |

The accompanying notes are an integral part of these financial statements