

**2019 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**023303 TARENTUM BORO, ALLEGHENY COUNTY**

**To the Management and Members of the Borough Council  
Borough of Tarentum  
Allegheny County, Pennsylvania**

## **INDEPENDENT AUDITORS' REPORT**

### **Report on Financial Statements**

I have audited the Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statement of Capital Expenditures and Employee Compensation included in the accompanying special purpose Commonwealth of Pennsylvania Annual Audit and Financial Report (special purpose financial report) of Borough of Tarentum, Allegheny County, Pennsylvania as of and for the year ended December 31, 2019.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

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

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

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

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In my opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the Schedules referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Borough of Tarentum as of December 31, 2019, or changes in financial position or cash flows thereof for the year then ended.

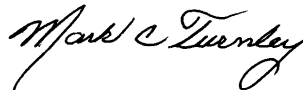
### ***Opinion on Regulatory Basis of Accounting***

In my opinion, the Schedules referred to above present fairly, in all material respects, the assets, liabilities and fund equity of Borough of Tarentum as of December 31, 2019, and its revenues, expenditures and other financing sources and uses for the year then ended, in accordance with the financial reporting provisions prescribed or permitted by the DCED described above.

### ***Report on Other Legal and Regulatory Requirements***

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

Sincerely,



Mark C. Turnley, CPA

June 24, 2020  
New Brighton, Pennsylvania



# BALANCE SHEET

DCED-CLGS-30 (09-09)

**TARENTUM BORO, ALLEGHENY County**  
**BALANCE SHEET**  
 December 31, 2019

		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	229,215	28,012			103,728		3,145,654			3,506,609
140-144	Tax Receivable	596,062									596,062
121-129, 145-149	Accounts Receivable (excluding taxes)	103,128				479,888					583,016
130.00	Due From Other Funds	802,907	2,901			1,365,098					2,170,906
131-139, 150-159	Other Current Assets					21,062					21,062
160-169	Fixed Assets					3,372,320					3,372,320
180-189	Other Debits					1,028,267				407,707	1,435,974
<b>Total Assets and Other Debits</b>		<b>1,731,312</b>	<b>30,913</b>			<b>6,370,363</b>		<b>3,145,654</b>		<b>407,707</b>	<b>11,685,949</b>

<b>Liabilities and Other Credits</b>											
210-229	Payroll Taxes and Other Payroll Withholdings										
200-209, 231-239	All Other Current Liabilities	125,725	32			231,631					357,388
230.00	Due To Other Funds	1,102,313				1,068,593					2,170,906

## TARENTUM BORO, ALLEGHENY County

## BALANCE SHEET

December 31, 2019

		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	512,218				3,971,610				343,716	4,827,544
240-259	Current Portion of Long-Term Debt and Other Credits					240,560				63,991	304,551
<b>Total Liabilities and Other Credits</b>		1,740,256	32			5,512,394				407,707	7,660,389
<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	-8,944	30,881			857,969		3,145,654			4,025,560
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		-8,944	30,881			857,969		3,145,654			4,025,560
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											11,685,949

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

December 31, 2019

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

**REVENUES**

**Taxes**

301.00	Real Estate Taxes	553,745						553,745
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)	154,176						154,176
310.00	Per Capita Taxes	7,498						7,498
310.10	Real Estate Transfer Taxes	23,340						23,340
310.20	Earned Income Taxes / Wage Taxes	345,747						345,747
310.30	Business Gross Receipts Taxes	5,240						5,240
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	56,558						56,558
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes	19,900						19,900
310.90	Other: _____							
	Other: _____							
<b>Total Taxes</b>		1,166,204						1,166,204

**Licenses and Permits**

320-322	All Other Licenses and Permits	8,746						8,746
321.80	Cable Television Franchise Fees	60,749						60,749
<b>Total Licenses and Permits</b>		69,495						69,495

**Fines and Forfeits**

330-332	Fines and Forfeits	32,024						32,024
<b>Total Fines and Forfeits</b>		32,024						32,024



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

December 31, 2019

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

**REVENUES**

**State**

355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
<b>Total State</b>		351,308	148,613					499,921

**Local Government Units**

357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants							
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services	8,766						8,766
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes	5,696						5,696
<b>Total Local Government Units</b>		14,462						14,462

**Charges for Service**

361.00	General Government	6,180	7,422					13,602
362.00	Public Safety	33,336						33,336
363.20	Parking	16,905						16,905
363.00	All Other Charges for Highway & Street Services	11,215						11,215
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)	473,685						473,685
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	345	3,932					4,277
368.00	Airports							



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

December 31, 2019

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

**REVENUES**

**Charges for Service**

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System				4,167,938			4,167,938
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System				1,269,248			1,269,248
379.00	All Other Charges for Service	130,986						130,986
<b>Total Charges for Service</b>		672,652	11,354		5,437,186			6,121,192

**Unclassified Operating Revenues**

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	10,051	1,257					11,308
388.00	Fiduciary Fund Pension Contributions						91,556	91,556
389.00	All Other Unclassified Operating Revenues	5,261						5,261
<b>Total Unclassified Operating Revenues</b>		15,312	1,257				91,556	108,125

**Other Financing Sources**

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	20,405				60,650		81,055
392.00	Interfund Operating Transfers	766,830	9,000			172,779		948,609
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

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

December 31, 2019

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

**REVENUES**

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures							
<b>Total Other Financing Sources</b>		787,235	9,000			233,429		1,029,664

**TOTAL REVENUES**

3,195,557	170,787			5,686,670		641,283	9,694,297
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**EXPENDITURES**

General Government								
400.00	Legislative (Governing) Body	10,841						10,841
401.00	Executive (Manager or Mayor)	32,240						32,240
402.00	Auditing Services / Financial Administration	4,827						4,827
403.00	Tax Collection	23,936						23,936
404.00	Solicitor / Legal Services	12,466						12,466
405.00	Secretary / Clerk	72,303						72,303
406.00	Other General Government Administration	2,570						2,570
407.00	IT-Networking Services-Data Processing	52						52
408.00	Engineering Services							
409.00	General Government Buildings and Plant	8,570						8,570
<b>Total General Government</b>		167,805						167,805

**Public Safety**

410.00	Police	1,163,745						1,163,745
411.00	Fire	109,806						109,806
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	79,313						79,313

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

December 31, 2019

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

**EXPENDITURES**

**Public Safety**

414.00	Planning and Zoning	59,071						59,071
415.00	Emergency Management and Communications	2,550						2,550
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety	25,924						25,924
<b>Total Public Safety</b>		1,440,409						1,440,409

**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)	391,779						391,779
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
<b>Total Public Works - Sanitation</b>		391,779						391,779

**Public Works - Highways and Streets**

430.00	General Services - Administration	597,948						597,948
431.00	Cleaning of Streets and Gutters	14,170						14,170
432.00	Winter Maintenance – Snow Removal	28,133	30,058					58,191
433.00	Traffic Control Devices	2,238						2,238
434.00	Street Lighting							

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

December 31, 2019

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

**EXPENDITURES**

<b>Public Works - Highways and Streets</b>								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	51,879						51,879
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges	7,361	29,777					37,138
439.00	Highway Construction and Rebuilding Projects							
<b>Total Public Works - Highways and Streets</b>		701,729	59,835					761,564

<b>Other Public Works Enterprises</b>								
440.00	Airports							
441.00	Cemeteries							
442.00	Electric System				3,189,504			3,189,504
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				1,344,022			1,344,022
449.00	Water Transport and Terminals							
<b>Total Other Public Works Enterprises</b>					4,533,526			4,533,526

<b>Culture and Recreation</b>								
451.00	Culture-Recreation Administration	2,620						2,620
452.00	Participant Recreation	147,532						147,532
453.00	Spectator Recreation							
454.00	Parks	33,036						33,036

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

December 31, 2019

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

**EXPENDITURES**

<b>Culture and Recreation</b>								
455.00	Shade Trees							
456.00	Libraries	8,000						8,000
457.00	Civil and Military Celebrations	2,759						2,759
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation		20,947					20,947
<b>Total Culture and Recreation</b>		193,947	20,947					214,894

<b>Community Development</b>								
461.00	Conservation of Natural Resources	24,982						24,982
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development	575						575
<b>Total Community Development</b>		25,557						25,557

<b>Debt Service</b>								
471.00	Debt Principal (short-term and long-term)	23,909	59,580					83,489
472.00	Debt Interest (short-term and long-term)	478	7,877		179,292			187,647
475.00	Fiscal Agent Fees							
<b>Total Debt Service</b>		24,387	67,457		179,292			271,136

<b>Employer Paid Benefits and Withholding Items</b>								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	138,502						138,502

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

December 31, 2019

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

**EXPENDITURES**

<b>Employer Paid Benefits and Withholding Items</b>								
484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits	35,602						35,602
<b>Total Employer Paid Benefits and Withholding Items</b>		174,104						174,104

<b>Insurance</b>								
486.00	Insurance, Casualty, and Surety	56,821						56,821
<b>Total Insurance</b>		56,821						56,821

<b>Unclassified Operating Expenditures</b>								
488.00	Fiduciary Fund Benefits and Refunds Paid						56,885	56,885
489.00	All Other Unclassified Expenditures	1,373					19,025	20,398
<b>Total Unclassified Operating Expenditures</b>		1,373					75,910	77,283

<b>Other Financing Uses</b>								
491.00	Refund of Prior Year Revenues	8,266						8,266
492.00	Interfund Operating Transfers	9,000			939,609			948,609
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>		17,266			939,609			956,875

<b>TOTAL EXPENDITURES</b>	3,195,177	148,239			5,652,427		75,910	9,071,753
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	380	22,548			34,243		565,373	622,544
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## TARENTUM BORO

December 31, 2019

## DEBT STATEMENT

## OUTSTANDING BONDS AND NOTES

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
<b>General Obligation Bonds and Notes</b>											
Bonds, Series 2011	Bond	2011	2041	4,045,000	1,305,000		85,000		1,220,000		1,220,000
Bonds, Series 2016	Bond	2016	2041	2,730,000	2,665,000		20,000		2,645,000		2,645,000
Note, Comm of PA	Note	2017	2027	453,700	411,789		42,644		369,145		369,145
<b>Revenue Bonds and Notes</b>											
Police Radio System-FNB	Note	2016	2021	28,677	13,430		4,868		8,562		8,562
F-550 Cab Truck	Note	2016	2019	66,505	16,936		16,936		0		0
<b>Lease Rental Debt</b>											
Lease Purchase	Capital Leases	2011	2022	1,220,493	478,482		131,312		347,170		347,170
GE CAPITAL LEASE AGREEMENT	Capital Leases	2012	2019	248,236	15,021		15,021		0		0
FIRE TRUCK LEASE	Capital Leases	2012	2019	354,255	19,041		19,041		0		0
FORD F-250 LEASE	Capital Leases	2019	2021	30,000	0	30,000	0	0	30,000		30,000
<b>Other</b>											

(1) - excludes unamortized premium/discount

**Total bonds and notes outstanding** 4,619,877

**Capitalized lease obligations** 0

**Net debt** 4,619,877

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

December 31, 2019

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric		193,024	193,024
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks		145,172	145,172
Police	89,657		89,657
Recreation			
Sewer			
Solid Waste			
Streets / Highways		38,034	38,034
Water	57,561	226,151	283,712
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	147,218	602,381	749,599

**EMPLOYEE COMPENSATION**

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

1,711,815



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

**SIGNATURE AND VERIFICATION**

Signed:                      Mark C Turnley Appointed Auditor/CPA

December 31, 2019

**NOTES / COMMENTS**

The January 1, 2019 fund balance of the Borough of Tarentum's Proprietary Funds was reduced by \$35,052 to reflect a prior period adjustment as a result of an updated calculation of accrued compensated absences liability (unused sick and vacation days). Accordingly, the 2018 DCED report fund balance of the Proprietary Fund totaling \$858,778 was reduced to \$823,726.

The total amount of debt principal payments as showing on the debt statement totaling \$334,822 includes \$83,489 paid from the Borough's governmental funds, and \$251,333 paid from the Borough's proprietary funds. The debt service principal line (471) does not include the proprietary fund amount of \$251,333 as this amount reduces the long-term liabilities on the balance sheet of the proprietary funds rather than shown as an expense of that fund.