

**2013 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**023693 WHITE OAK BORO, ALLEGHENY COUNTY**

## Independent Auditor's Report

Members of Council  
Borough of White Oak

We have audited the Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statements of Capital Expenditures and Employee Compensation – regulatory basis (the Schedules) included in the 2013 Annual Audit and Financial Report of the Borough of White Oak (Borough).

### **Management's Responsibility for the Schedules**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedules. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the Schedules, 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 Schedules 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

To meet the financial reporting requirements of the Commonwealth of Pennsylvania, the Schedules are prepared by the Borough on the basis of the instructions provided by DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America. These requirements permit the Schedules to be prepared without financial statement disclosures, without cash flows, without component unit financial information, without government-wide financial statements, without Management's Discussion and Analysis, without budgetary comparisons and historical pension information, and require all funds to be aggregated by fund type on the Schedules.

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 our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the 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 the Borough as of December 31, 2013 and the results of its operations for the year then ended.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the Schedules referred to above present fairly, in all material respects, the regulatory basis financial position of the Borough as of December 31, 2013, and the regulatory results of its operations for the year then ended in accordance with the financial reporting provisions described in the instructions provided by DCED.

*Mahe Duessel*

Pittsburgh, Pennsylvania  
October 15, 2014



# BALANCE SHEET

DCED-CLGS-30 (09-09)

**WHITE OAK BORO, ALLEGHENY County**  
**BALANCE SHEET**  
 December 31, 2013

		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	1,373,512	47,822	861,606		222,875		6,796,483			9,302,298
140-144	Tax Receivable	541,643									541,643
121-129, 145-149	Accounts Receivable (excluding taxes)	27,150				233,136					260,286
130.00	Due From Other Funds	270,718				60,174		16,699			347,591
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets					429,236			9,222,219		9,651,455
180-189	Other Debits									141,412	141,412
<b>Total Assets and Other Debits</b>		2,213,023	47,822	861,606		945,421		6,813,182	9,222,219	141,412	20,244,685

<b>Liabilities and Other Credits</b>											
210-229	Payroll Taxes and Other Payroll Withholdings										
200-209, 231-239	All Other Current Liabilities	335,858	8,653			41,301					385,812
230.00	Due To Other Funds	76,873				270,718					347,591

## WHITE OAK BORO, ALLEGHENY County

## BALANCE SHEET

December 31, 2013

		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									87,002	87,002
240-259	Current Portion of Long-Term Debt and Other Credits									54,410	54,410
<b>Total Liabilities and Other Credits</b>		412,731	8,653			312,019				141,412	874,815

<b>Fund and Account Group Equity</b>											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets								9,222,219		9,222,219
270-289	Fund Balance / Retained Earnings on 12/31	1,800,292	39,169	861,606		633,402		6,813,182			10,147,651
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		1,800,292	39,169	861,606		633,402		6,813,182	9,222,219		19,369,870

<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>										20,244,685
--	--	--	--	--	--	--	--	--	--	------------

WHITE OAK BORO, ALLEGHENY County  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2013

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

**REVENUES**

**Taxes**

301.00	Real Estate Taxes	1,755,435						1,755,435
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)	179,408						179,408
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	49,980						49,980
310.20	Earned Income Taxes / Wage Taxes	994,738						994,738
310.30	Business Gross Receipts Taxes	273,327						273,327
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	21,731						21,731
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other Local Tax Enabling Act / Act 511 / Taxes							
	Other: _____							
<b>Total Taxes</b>		3,274,619						3,274,619

**Licenses and Permits**

320-322	All Other Licenses and Permits	42,475						42,475
321.80	Cable Television Franchise Fees	157,432						157,432
<b>Total Licenses and Permits</b>		199,907						199,907

**Fines and Forfeits**

330-332	Fines and Forfeits	23,327						23,327
<b>Total Fines and Forfeits</b>		23,327						23,327



WHITE OAK BORO, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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

### REVENUES

State								
355.09	Marcellus Shale Impact Fee Distribution	1,630						1,630
355.00	All Other State Shared Revenues and Entitlements	50						50
356.00	State Payments in Lieu of Taxes							
<b>Total State</b>		182,739	174,710					357,449

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants				655			655
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>					655			655

Charges for Service								
361.00	General Government	11,546						11,546
362.00	Public Safety	19,268						19,268
363.20	Parking							
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)	770						770
364.30	Solid Waste Collection and Disposal Charge (trash)				556,689			556,689
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	325			99,102			99,427



WHITE OAK BORO, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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

### REVENUES

Charges for Service								
368.00	Airports							
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service	22,657						22,657
<b>Total Charges for Service</b>		54,566			655,791			710,357

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	2,017			2,500			4,517
388.00	Fiduciary Fund Pension Contributions					411,160		411,160
389.00	All Other Unclassified Operating Revenues	2,688			3,928			6,616
<b>Total Unclassified Operating Revenues</b>		4,705			6,428	411,160		422,293

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition			3,577				3,577
392.00	Interfund Operating Transfers	3,742,598	14,468	4,058,263				7,815,329
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

WHITE OAK BORO, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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	89,766						89,766
<b>Total Other Financing Sources</b>		3,832,364	14,468	4,061,840				7,908,672

<b>TOTAL REVENUES</b>	7,594,482	189,318	4,062,880		673,305		868,631	13,388,616
-----------------------	-----------	---------	-----------	--	---------	--	---------	------------

### EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	89,568						89,568
401.00	Executive (Manager or Mayor)	164,907						164,907
402.00	Auditing Services / Financial Administration	77,159						77,159
403.00	Tax Collection	37,659						37,659
404.00	Solicitor / Legal Services	20,385						20,385
405.00	Secretary / Clerk	52,969						52,969
406.00	Other General Government Administration							
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services							
409.00	General Government Buildings and Plant	81,632		15,753				97,385
<b>Total General Government</b>		524,279		15,753				540,032

Public Safety								
410.00	Police	1,544,696		7,826				1,552,522
411.00	Fire	65,082						65,082
412.00	Ambulance / Rescue	43,449						43,449
413.00	UCC and Code Enforcement	3,805						3,805
414.00	Planning and Zoning	93,335						93,335
415.00	Emergency Management and Communications	244						244

WHITE OAK BORO, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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

### EXPENDITURES

Public Safety								
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety	40,305						40,305
<b>Total Public Safety</b>		1,790,916		7,826				1,798,742

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)				558,567			558,567
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
<b>Total Public Works - Sanitation</b>					558,567			558,567

Public Works - Highways and Streets								
430.00	General Services - Administration	609,066		45,137				654,203
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		60,917					60,917
433.00	Traffic Control Devices		9,927					9,927
434.00	Street Lighting		96,055					96,055
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains							

WHITE OAK BORO, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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>								
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges	12,136						12,136
439.00	Highway Construction and Rebuilding Projects							
<b>Total Public Works - Highways and Streets</b>		621,202	166,899	45,137				833,238

<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	37,134			12,788			49,922
452.00	Participant Recreation				159,541			159,541
453.00	Spectator Recreation							
454.00	Parks							
455.00	Shade Trees							
456.00	Libraries	27,294						27,294

WHITE OAK BORO, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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>								
457.00	Civil and Military Celebrations	18,124						18,124
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
<b>Total Culture and Recreation</b>		82,552			172,329			254,881

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

<b>Debt Service</b>								
471.00	Debt Principal (short-term and long-term)	10,385		3,716,828				3,727,213
472.00	Debt Interest (short-term and long-term)	1,198		97,763				98,961
475.00	Fiscal Agent Fees							
<b>Total Debt Service</b>		11,583		3,814,591				3,826,174

<b>Employer Paid Benefits and Withholding Items</b>								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	43,852						43,852
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	132,068						132,068
484.00	Worker Compensation Insurance							

WHITE OAK BORO, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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

**EXPENDITURES**

Employer Paid Benefits and Withholding Items								
487.00	Other Group Insurance Benefits							
<b>Total Employer Paid Benefits and Withholding Items</b>		175,920						175,920

Insurance								
486.00	Insurance, Casualty, and Surety	836						836
<b>Total Insurance</b>		836						836

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						552,718	552,718
489.00	All Other Unclassified Expenditures	680					31,335	32,015
<b>Total Unclassified Operating Expenditures</b>		680					584,053	584,733

Other Financing Uses								
491.00	Refund of Prior Year Revenues	16,188				809		16,997
492.00	Interfund Operating Transfers	3,884,113	3,440,584	490,632				7,815,329
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>		3,900,301	3,440,584	490,632		809		7,832,326

<b>TOTAL EXPENDITURES</b>	7,108,269	3,607,483	4,373,939		731,705		584,053	16,405,449
---------------------------	-----------	-----------	-----------	--	---------	--	---------	------------

<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	486,213	-3,418,165	-311,059		-58,400		284,578	-3,016,833
---	---------	------------	----------	--	---------	--	---------	------------

## WHITE OAK BORO

December 31, 2013

## 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>											
General Obligation Note	Note	2003	2018	150,000	63,811		10,385		53,426		53,426
AIM Loan	Note	2010	2015	108,666	66,248		21,728		44,520		44,520
PIB GON	Note	2010	2020	4,520,046	3,673,366		3,673,366		0		0
PIB Loan	Note	2010	2015	108,666	65,200		21,734		43,466		43,466
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
<b>Other</b>											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

141,412

Capitalized lease obligations

Net debt

141,412

**WHITE OAK BORO, ALLEGHENY County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2013

Category	Capital Purchases	Capital Construction	Total
Electric			
Fire			
Gas System			
General Government	29,777		29,777
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste	19,168		19,168
Streets / Highways	34,724		34,724
Water			
Other: _____			
Community Development			
<b>TOTAL CAPITAL EXPENDITURES</b>	83,669		83,669

**EMPLOYEE COMPENSATION**

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

1,598,567



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

**SIGNATURE AND VERIFICATION**

Signed:

See Attached Appointed Auditor/CPA

**WHITE OAK BORO, ALLEGHENY County**  
**December 31, 2013**

**NOTES / COMMENTS**