

Independent Auditor's Report

Board of Directors Monroeville Finance Authority

We have audited the Cash Basis Balance Sheet, Statement of Income and Expenditures, and Debt Statement – regulatory basis (Schedules) included in the 2017 Annual Report of Municipal Authorities of the Monroeville Finance Authority (Authority), Pennsylvania, a component unit of the Municipality of Monroeville, Pennsylvania.

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 entity'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 of effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedules.

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

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 Authority 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 on the cash basis of accounting and without financial statement 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 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 Authority as of December 31, 2017 and the results of its operations for the year then ended.

Unmodified 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 Authority as of December 31, 2017, and the regulatory results of its operations for the year then ended in accordance with the financial reporting provisions described in the instructions provided by DCED.

Maher Duessel

Pittsburgh, Pennsylvania
April 16, 2018

MONROEVILLE FINANCE AUTHORITY

FINANCING AUTHORITIES BALANCE SHEET - CASH BASIS

FISCAL YEAR ENDING DECEMBER 31, 2017

ASSETS		
CURRENT ASSETS		
Cash	\$ 9,444	
Investments	-	
Accounts receivable	-	
Inventories	-	
Other current assets	-	
TOTAL CURRENT ASSETS		\$ 9,444
RESTRICTED ASSETS/TRUST FUNDS		
		-
LEASE RENTAL PAYMENTS RECEIVABLE		
		-
LOANS TO MUNICIPALITIES RECEIVABLE		
		-
TOTAL ASSETS		\$ 9,444
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ -	
Accrued interest payable	-	
Current portion of long-term debt	-	
Other current liabilities	-	
TOTAL CURRENT LIABILITIES		\$ -
LONG-TERM DEBT - less current portion		
		-
NET POSITION:		
Restricted	-	
Unrestricted	9,444	
TOTAL NET POSITION		\$ 9,444
TOTAL LIABILITIES AND NET POSITION		\$ 9,444

MONROEVILLE FINANCE AUTHORITY

OTHER FINANCING AUTHORITIES

STATEMENT OF INCOME AND EXPENDITURES - CASH BASIS

FISCAL YEAR ENDING DECEMBER 31, 2017

OPERATING REVENUES		
Interest income	\$	-
Lease rental payments		-
Other operating revenues		<u>135,770</u>
 TOTAL OPERATING REVENUES		 <u>\$ 135,770</u>
OPERATING EXPENSES		
Administration - salaries		-
- other costs		-
Other operating expenses		<u>177,000</u>
 TOTAL OPERATING EXPENSES		 <u>177,000</u>
 OPERATING INCOME (LOSS)		 <u>\$ (41,230)</u>
NONOPERATING REVENUES		
Capital grants - State		<u>-</u>
- Federal		<u>-</u>
Proceeds of borrowings		<u>-</u>
Other nonoperating revenues		<u>-</u>
 TOTAL NONOPERATING REVENUES		 <u>-</u>
NONOPERATING EXPENSES		
Debt service payments (Principal and interest)		<u>-</u>
Capital advances to lessees		<u>-</u>
Other nonoperating expenses		<u>-</u>
 TOTAL NONOPERATING EXPENSES		 <u>-</u>
 TOTAL NONOPERATING INCOME (LOSS)		 <u>-</u>
 NET INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS		 <u>(41,230)</u>
 EXTRAORDINARY GAIN (LOSS)		 <u>-</u>
 NET INCOME (LOSS)		 <u>(41,230)</u>
 NET POSITION (beginning of year)		 <u>50,674</u>
 NET POSITION (end of year)		 <u><u>\$ 9,444</u></u>

Type of Facility:

111 Municipal Building	<u> </u>	113 Fire Station	<u> </u>	115 Equipment	<u> </u>	117 Flood Control	<u> </u>
112 Court House	<u> </u>	114 Library	<u> </u>	116 Storm Water	<u> </u>	118 Other	<u> X </u>

MONROEVILLE FINANCE AUTHORITY

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

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

Type Purpose	Bond (B) Note (N)	Issue Date (mm/yy)	Original Amount of Issue	Outstanding Beginning of Year	Principal Incurred This Year	Principal Paid This Year	Outstanding at Year-End	Final Year
12	B	2012	\$ 356,465,000	\$ 331,500,000	\$ -	\$ 7,725,000	\$ 323,775,000	2042
12	B	2013	70,610,000	65,760,000	-	3,340,000	62,420,000	2039
12	B	2014	50,000,000	49,065,000	-	965,000	48,100,000	2045
12	N	2015	71,235,000	69,635,000	-	1,670,000	67,965,000	2040
Total bonds and notes outstanding						<u>\$ 502,260,000</u>		
Capitalized lease obligations						<u>-</u>		
Other debt						<u>-</u>		
TOTAL OUTSTANDING DEBT							<u>\$ 502,260,000</u>	
Minus assets held in debt service funds, bond reserve funds, and bond redemption funds						<u>-</u>		
Minus conduit debt obligations						<u>502,260,000</u>		
CREDITS AGAINST DEBT							<u>502,260,000</u>	
NET DEBT							<u>\$ -</u>	