



2023 Municipal Annual Audit & Financial Report

Borough of **WEST MAYFIELD**
BEAVER County

Department of Community & Economic Development
Governor's Center for Local Government Services
Commonwealth Keystone Building
400 North Street, 4th Floor
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INDEPENDENT AUDITOR'S REPORT

To the Borough Council
Borough of West Mayfield
4609 West 8th Avenue
Beaver Falls, PA 15010

Opinions

We have audited the accompanying financial statements of the West Mayfield Borough (the Borough), which comprise the Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statement of Capital Expenditures, and Employee Compensation (the Schedules) – regulatory basis using the modified accrual basis of accounting as accepted by the Pennsylvania Department of Community and Economic Development (DCED) included in the Annual Audit and Financial Report of West Mayfield Borough, Commonwealth of Pennsylvania as of December 31, 2023 and the results of its operations for the year then ended.

Modified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects as discussed in the “Basis for Modified Opinion on Regulatory Basis of Accounting” paragraph, the Schedules referred to above present fairly, in all material respects, the regulatory basis of financial position of each fund of West Mayfield Borough as of December 31, 2023, and the regulatory results of its operations for the year then ended in accordance with the financial reporting provisions of DCED as described in the instructions provided by DCED.

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 section of our report, the Schedules referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the regulatory basis of financial position of West Mayfield Borough as of December 31, 2023, and the regulatory results of operations for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of West Mayfield Borough, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Basis for Modified Opinion on Regulatory Basis of Accounting

Our audit was also limited because we did not audit the Volunteer Fire Department of West Mayfield Borough. Accordingly, we do not express an opinion on the Volunteer Fire Department of West Mayfield Borough, which is a blended component unit of West Mayfield Borough.

Our audit was limited because we were unable to audit the general fixed assets because detailed fixed asset records are not maintained.

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

To meet the financial reporting requirements of DCED, 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, and without budgetary comparisons and historical pension information and require all funds to be aggregated by fund type on the Schedules. The effects on the financial statements of the significant differences between the modified accrual basis of accounting and accounting principles generally accepted in the United States of America are that revenues are recorded when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (60 days). Expenditures are recorded when a liability is incurred with the exception of debt service expenditures, which are recorded only when payment is due.

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.

Responsibilities of Management for the Schedules

Management is responsible for the preparation and fair presentation of these Schedules in accordance with the financial reporting provisions of DCED. 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 Responsibilities for the Audit of the Schedules

Our objectives are to obtain a reasonable assurance about whether the Schedules, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 reasonable user based on the Schedules.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 disclosures in the financial statements.
- 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 West Mayfield Borough'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about West Mayfield Borough's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

J. Martin & Associates, LLC

J. Martin & Associates, LLC
Beaver, PA
April 23, 2024

Balance Sheet December 31, 2023

Assets and Other Debits	Governmental Funds						Fiduciary Funds	Account Groups		Total				
	General Fund	Special Revenue (Including State Liquid Fuels)		Capital Projects		Debt Service		Proprietary Funds			Trust & Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
			80,733	\$	1,689			\$	182,644					
100-120 Cash and Investments	\$ 574,364											\$ 839,430		
140-144 Tax Receivable	14,592											14,592		
121-129														
145-149 Account Receivable (excluding taxes)														
130 Due From Other Funds														
131-139														
150-159 Other Current Assets														
160-169 Fixed Assets														
180-189 Other Debits														
Total Assets and Other Debits	\$ 588,956	\$ 80,733	\$ 1,689	\$ -	\$ -	\$ 182,644	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 854,022		

Liabilities and Other Credits	
210-229 Payroll Taxes and Other Payroll Withholdings	\$ 203
200-209	
231-239 All Other Current Liabilities	19,871
230 Due to Other Funds	
260-269 Long Term-Liabilities	13,779
240-259 Current Portion of Long-Term Debt & Other Credits	
Total Liabilities and Other Credits	\$ 33,853

Fund and Account Group Equity	
281-284 Contributed Capital	\$ -
290 Investment in General Fixed Assets	
270-289 Fund Balance / Retained Earnings on 12/31	555,103
291-299 Other Equity	
Total Fund and Account Group Equity	\$ 555,103

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	\$ 854,022
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Statement of Revenues and Expenditures December 31, 2023

Revenues	Governmental Funds					Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Funds)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only	
Taxes									
301.00 Real Estate Taxes	\$ 156,953							\$ 156,953	
305.00 Occupation Taxes (levied under municipal code)									
308.00 Residence Taxes (levied by cities of 3rd class)									
309.00 Regional Asset District Sales Tax (Allegheny County municipalities only)									
310.00 Per Capita Taxes	3,628							3,628	
310.10 Real Estate Transfer Taxes	5,231							5,231	
310.20 Earned Income Taxes/Wage Taxes	155,973							155,973	
310.30 Business Gross Receipts Taxes									
310.40 Occupation Taxes (levied under Act 511)									
310.50 Local Services Tax	1,768							1,768	
310.60 Amusement/Admission Taxes									
310.70 Mechanical Device Taxes									
310.90 Other Local Tax Enabling Act/Acts 11/Taxes									
Total Taxes	\$ 323,553	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 323,553	

Licenses and Permits	
320-322 All Other Licenses and Permits	\$ -
321.80 Cable Television Franchise Fees	11,750
Total Licenses and Permits	\$ 11,750

Fines and Forfeits	
330-332 Fines and Forfeits	\$ 2,261
Total Fines and Forfeits	\$ 2,261

Interest, Rents, and Royalties	
341.00 Interest Earnings	\$ 4,587
342.00 Rents and Royalties	17,460
Total Interest, Rents, and Royalties	\$ 22,047

Statement of Revenues and Expenditures December 31, 2023

Intergovernmental Revenues	Governmental Funds						Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
Federal								
351.03 Highways and Streets								\$ -
351.09 Community Development								-
351.00 All Other Federal Capital and Operating Grants								-
352.01 National Forest								-
352.00 All Other Federal Shared Revenue & Entitlements								-
353.00 Federal Payments in Lieu of Taxes								-
Total Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

State								
354.03 Highways and Streets	\$ -	\$ -						\$ -
354.09 Community Development								-
354.15 Recycling / Act 101								-
354.00 All Other State Capital and Operating Grants								-
355.01 Public Utility Realty Tax (PURTA)	298							298
Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		50,764						50,764
355.02-355.03 Alcoholic Beverage Licenses	200							200
355.05 General Municipal Pension System State Aid								-
355.07 Foreign Fire Insurance Tax Distribution	5,596							5,596
355.08 Local Share Assessment/Gaming Proceeds								-
355.09 Marcellus Shale Impact Fee Distribution	4,477							4,477
355.00 All Other State Shared Revenues and Entitlements								-
356.00 State Payment in Lieu of Taxes								-
Total State	\$ 10,571	\$ 50,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,335

Local Governmental Units								
357.03 Highways and Streets								\$ -
357.00 All Other Local Governmental Units Capital and Operating Grants								-
358.00 Local Government Unit Shared Payments for Contracted Intergovernmental Services								-
359.00 Local Governmental Units and Authorities Payments in Lieu of Taxes								-
Total Local Governmental Units	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOTAL INTERGOVERNMENTAL REVENUES	\$ 10,571	\$ 50,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,335
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Statement of Revenues and Expenditures December 31, 2023

Revenues	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			
Charges for Service											
361.00	-				\$						
362.00	2,410									2,410	
363.20											
363.00											
364.10	3,500										
364.30											
364.60											
364.00											
365.00											
366.00											
367.00											
368.00											
369.00											
370.00											
372.00											
373.00											
374.00											
375.00											
377.00											
378.00											
379.00	650									650	
	\$ 6,560	-	-	-	-	-	-	-	-	-	\$ 124,775
Total Charges for Services											

Unclassified Operating Revenues											
383.00	-										
386.00											
387.00											
388.00											
389.00	1,248										1,248
	\$ 1,248	-	-	-	-	-	-	-	-	-	\$ 1,248
Total Miscellaneous Revenues											

Other Financing Sources											
391.00	1,200										1,200
392.00											
393.00											
394.00											
395.00	523										523
	\$ 1,723	-	-	-	-	-	-	-	-	-	\$ 1,723
Total Other Financing Sources											

\$ 379,713	\$ 51,635	\$ 80	\$ -	\$ -	\$ 119,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 550,731
TOTAL REVENUES											

Statement of Revenues and Expenditures December 31, 2023

EXPENDITURES	Governmental Funds						Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
General Government								
400.00	\$ 12,415	-						\$ 12,415
401.00	1,330							1,330
402.00	8,970							8,970
403.00	14,096							14,096
404.00	11,843							11,843
405.00	12,500							12,500
406.00	3,593							3,593
407.00								
408.00	21,400							21,400
409.00	13,297							13,297
Total General Government	\$ 99,444	-	-	-	-	-	-	\$ 99,444

Public Safety								
410.00	\$ 68,708							\$ 68,708
411.00	21,735							21,735
412.00	-							-
413.00	-							-
414.00	4,745							4,745
415.00	1,321							1,321
416.00								
417.00								
418.00								
419.00								
Total Public Safety	\$ 96,509	-	-	-	-	-	-	\$ 96,509

Health and Human Services								
420.00-425.00	-							-
Health and Human Services	\$ -	-	-	-	-	-	-	\$ -

Public Works - Sanitation								
426.00	\$ 225							\$ 225
427.00								
428.00								
429.00								
Total Public Works - Sanitation	\$ 225	-	-	-	-	-	-	\$ 225

Statement of Revenues and Expenditures December 31, 2023

EXPENDITURES

	Governmental Funds					Proprietary Funds		Fiduciary Fund Trust and Agency	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Memorandum Only		
Public Works - Highways and Streets									
430.00 General Services- Administration	\$ 63,707	-	-					\$ 63,707	
431.00 Cleaning of Streets and Gutters									
432.00 Winter Maintenance- Snow Removal	393	6,205						6,598	
433.00 Traffic Control Devices	547							547	
434.00 Street Lighting	20,524							20,524	
435.00 Sidewalks and Crosswalks									
436.00 Storm Sewers and Drains	15,441							15,441	
437.00 Repairs of Tools and Machinery	6,466							6,466	
438.00 Maintenance & Repairs of Roads & Bridges	47,965							47,965	
439.00 Highway Construction and Rebuilding Projects		72,986						72,986	
Total Public Works - Highways and Streets	\$ 155,043	\$ 79,191	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234,234	

Other Public Works Enterprises

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	3,800							3,800	
449.00 Water Transport and Terminals									
Total Public Works - Other Services	\$ 3,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,800	

Culture and Recreation

451.00 Culture-Recreation Administration	-							-	
452.00 Participant Recreation									
453.00 Spectator Recreation									
454.00 Parks	20,287							20,287	
455.00 Shade Trees									
456.00 Libraries									
457.00 Civil and Military Celebrations									
458.00 Senior Citizens' Centers									
450.00 All Other Culture and Recreation									
Total Culture and Recreation	\$ 20,287	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,287	

Community Development

461.00 Conservation of Natural Resources									
462.00 Community Development and Housing									
463.00 Economic Development									
464.00 Economic Opportunity									
465.00-469.00 All Other Community Development									
Total Community Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Statement of Revenues and Expenditures December 31, 2023

EXPENDITURES	Governmental Funds						Fiduciary Fund	Total	
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Proprietary Funds				Trust and Agency
					Enterprise	Internal Service			
Debt Service									
471.00 Debt Principal (short-term and long-term)	\$ -							\$ -	
472.00 Debt Interest (short-term and long-term)	-							-	
475.00 Fiscal Agent Fees								-	
Total Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Employer Paid Benefits & Withholding Items

481.00 Employer Paid Withholding Taxes and Unemployment Compensation	\$ 6,815							\$ 6,815
482.00 Judgments and Losses								-
483.00 Pension/Retirement Fund Contributions								-
484.00 Workers Compensation								-
487.00 Other Group Insurance Benefits	-							-
Employer Paid Benefits & Withholding Items	\$ 6,815	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,815

Insurance

486.00 Insurance, Casualty, and Surety	\$ 29,933							\$ 29,933
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Unclassified Operating Expenditures

488.00 Fiduciary Fund Benefits and Refunds Paid								\$ -
489.00 All Other Unclassified Expenditures	-							-
Total Unclassified Operating Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Other Financing Uses

491.00 Refund of Prior Year Revenues								\$ -
492.00 Interfund Operating Transfers								-
493.00 All Other Financing Uses								-
Total Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOTAL EXPENDITURES

\$ 412,056	\$ 79,191	\$ -	\$ -	\$ -	\$ 112,458	\$ -	\$ -	\$ 603,705
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES

\$ (32,343)	\$ (27,556)	\$ 80	\$ -	\$ 6,845	\$ -	\$ -	\$ -	\$ (52,974)
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STATEMENT OF CAPITAL EXPENDITURES

Category	Capital Purchases	Capital Construction	Total
Electric	\$ -	\$ -	\$ -
Fire			-
Gas System			-
General Government	3,100	-	3,100
Health			-
Housing			-
Libraries			-
Mass Transit			-
Parks			-
Police			-
Recreation		-	-
Sewer		-	-
Solid Waste			-
Streets/Highways	-	47,965	47,965
Water			-
Other (<i>Please Specify</i>)			-
			-
			-
			-
			-
			-
			-
			-
			-
			-
			-

TOTAL CAPITAL EXPENDITURES	\$ 51,065
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EMPLOYEE COMPENSATION

Employee Compensation:
 Total salaries, wages, commissions, etc. paid this year. \$ 81,335
 (including all employees and elected officials)

Use income from W-3 Statement



To the Borough Council
Borough of West Mayfield
4609 West 8th Avenue
Beaver Falls, PA 15010

In planning and performing our audit of the financial statements of West Mayfield Borough as of and for the year ended December 31, 2023, in accordance with the Department of Community and Economic Development's (DCEd's) prescribed form, we considered West Mayfield Borough's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing our opinion on the effectiveness of West Mayfield Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of West Mayfield Borough's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies; therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

MATERIAL WEAKNESSES

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the following deficiencies in West Mayfield Borough's internal control to be material weaknesses:

2023-1 Limited Staff

We note the following items concerning internal control:

The Organization has a limited staff responsible for or with access to:

- | | |
|-------------------------|---|
| a. receipts | d. account coding |
| b. check writing | e. posting to the general ledger |
| c. bank reconciliations | f. payroll calculations and payroll reports |

The small size of the Borough's office staff limits the extent of separation of duties. If the Council determines that it is not cost beneficial to hire additional staff, we want to make sure that the Council understands the risks that come with having such a small staff. In addition, even if the Council determines that it is not cost beneficial to hire additional staff, we strongly recommend Council evaluate

the current segregation of duties and make the most use out of current employees to achieve the best segregation of duties with such a limited staff. The basic premise in an ideal accounting office is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.

For example, the Financial Secretary opens the mail, records receipts in the general ledger, completes the deposit slip, and makes the deposit at the bank. Also, the Financial Secretary receives all payroll timesheets, examines and enters payroll in the general ledger, generates paychecks, and distributes the paychecks. In an ideal accounting system, the tasks would be separated.

2023-2 Bank Reconciliations

Bank reconciliations are performed by the Financial Secretary. We recommend that the reconciliations be reviewed and signed by a second party as an indication of approval. We also recommend that the reconciliations be signed and dated by employees preparing them. As a prompt to the preparer and reviewer/approver to sign the reconciliation, preprinted reconciliation forms could include a signature block with space for the signatures or a stamp with a signature block could be applied to the reconciliations.

2023-3 Review of Bank Statements

At present, accounting personnel perform bank reconciliations. We recommend that management open the bank statements and review them for any unusual checks or other transactions before giving them to accounting to perform the reconciliation. Management's review of the bank statements will ensure that unusual items are investigated on a timely basis. The Reviewer should sign and date each bank statement indicating their review and approval.

2023-4 Payroll Review

We noted during the audit that the final payroll is not reviewed by a second party prior to posting and the generation of pay checks. We recommend a member of the Borough Council review the payroll detail prior to and after the pay checks have been generated and signed in order to provide dual controls over the payroll function.

2023-5 Preparation of Financial Statements

During the audit, the Borough did not present financial statements reported in compliance with accounting principles generally accepted in the United States of America. The Borough's annual financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Borough relies on J. Martin and Associates, LLC, as its auditors, to prepare its annual financial statements in order to conform to accounting principles generally accepted in the United States of America. We realize that additional staffing costs would be needed to acquire the internal expertise to perform this function, which could significantly outweigh the benefits derived. We, as your auditors, can propose adjustments and assist the Borough in assembling or drafting of the financial statements; however, we cannot establish or maintain the Borough's controls over preventing or detecting material misstatements in the preparation of financial statements. We proposed, and you approved, seven adjusting journal entries to properly report on the modified accrual basis of accounting. All of the journal entries were presented to the Borough along with the letter of representation, in which you took responsibility and approved each of these entries.

2023-6 Purchase Order System

The purpose of a purchase order system is to control spending of Borough resources and to help ensure that the Borough pays only for items that are actually received. The system should provide for approval of purchases, including establishment of reasonable limitations on approval authority of specific individuals. For example, under the system, purchases of items in excess of a specified dollar limit might require Council action; items purchased relatively infrequently, such as insurance policies and long-term service contracts, would be approved by certain officers; and materials or subcontractor arrangements would be approved by department heads. A purchase order is usually in writing and is a legal document indicating an offer to buy. For most routine items, a purchase order is used to indicate the offer. A purchase order would be issued to a vendor for a specified item at a certain price to be delivered at or by a designated time. Prices and other terms would be included on purchase orders for use in job cost control and in the payment process. Purchase orders should flow into the job cost system to aid the Borough in monitoring amounts ordered and paid in comparison to the job estimate. Purchase orders should be matched to vendor invoices to assure that only agreed upon prices are paid.

2023-7 SAS 99

Statement on Auditing Standards No. 99, *Consideration of Fraud in a Financial Statement Audit*, is effective for audits of financial statements for periods beginning on or after December 15, 2002. As part of this new statement, it is our job to ensure that clients have adopted programs and controls that are established to mitigate specific fraud risks the entity has identified or that otherwise help to prevent, deter, and detect fraud and how management monitors those programs and controls. The Borough has not adopted a specific policy established to mitigate specific fraud risks the entity has identified or that otherwise help to prevent, deter, and detect fraud. We recommend the Borough adopt a policy that specifically addresses the aforementioned items.

2023-8 Reconciliation of Revenues

We recommend that someone other than those processing revenues reconcile, on a monthly basis, the real estate collector DCED reports, wage tax collector reports, and issued permit applications against actual receipts recorded.

SIGNIFICANT DEFICIENCIES

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance. We consider the following deficiencies in West Mayfield Borough's internal control to be significant deficiencies:

2023-9 Policies/Procedures Manual

We noted no policies or procedures manual maintained by the Borough. We recommend that a Policies/Procedures manual be compiled for future use. The following is a list of items which should be contained in the manual:

- a. Formal policies for budgeting, purchasing, and investing;
- b. Job descriptions for all Borough employees;
- c. Accounting procedures detailing the accounting/bookkeeping function;
- d. Related party transactions/conflict of interest;
- e. Personnel access to data, assets, and computer programs; and

- f. Policies and procedures to help identify property that may pose an environmental risk.

2023-10 Beaver Falls Municipal Authority

As a way to ensure that the Borough is being billed the proper amount, we recommend that the Borough request a copy of each annual audit of the Beaver Falls Municipal Authority (BFMA). In doing so, the Borough can review any comments made by BFMA's auditor regarding their meter-reading, billing, or collection process that may indicate weak internal controls.

RESTRICTIONS ON USE

This communication is intended solely for the information and use of management, Borough Council, and others within the Borough and is not intended to be, and should not be, used by anyone other than these specified parties.

J. Martin & Associates, LLC

J. Martin & Associates, LLC
Beaver, PA 15009
April 23, 2024



To the Borough Council
Borough of West Mayfield
4609 West 8th Avenue
Beaver Falls, PA 15010

We have audited the financial statements, prepared in the Department of Community and Economic Development's (DCEd's) prescribed form, of West Mayfield Borough, Commonwealth of Pennsylvania, as of and for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. No new accounting policies were adopted, and the application of existing policies was not changed during 2023. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no material estimates noted during 2023.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 23, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

Restrictions on Use

This information is intended solely for the use of Borough Council and the management of West Mayfield Borough and is not intended to be, and should not be, used by anyone other than these specified parties.

J. Martin & Associates, LLC

J. Martin & Associates, LLC
Beaver, PA 15009
April 23, 2024