

**2017 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

022795 RICHLAND TWP, ALLEGHENY COUNTY

Independent Auditor's Report

Board of Supervisors Richland Township

We have audited the Cash Basis Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statements of Capital Expenditures and Employee Compensation – regulatory basis (Schedules) included in the 2017 Annual Audit and Financial Report of Richland Township (Township), 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 the 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 on the 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 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 Township 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, without financial statement disclosures, without cash flows, 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 Township 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 Township 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 Duesel

Pittsburgh, Pennsylvania
March 21, 2018

RICHLAND TWP, ALLEGHENY County

BALANCE SHEET

December 31, 2017

		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
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									7,793,867	7,793,867
240-259	Current Portion of Long-Term Debt and Other Credits							79,561		835,000	914,561
Total Liabilities and Other Credits		3,348				11,307		79,561		8,628,867	8,723,083
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	560,010	87,836	2,536,695		1,641,167		3,627,079			8,452,787
291-299	Other Equity										
Total Fund and Account Group Equity		560,010	87,836	2,536,695		1,641,167		3,627,079			8,452,787
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											17,175,870

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	2,277,512						2,277,512
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)	175,178						175,178
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	251,432						251,432
310.20	Earned Income Taxes / Wage Taxes	2,265,438						2,265,438
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	247,907						247,907
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes	19,621						19,621
310.90	Other: _____							
	Other: _____							
Total Taxes		5,237,088						5,237,088

Licenses and Permits

320-322	All Other Licenses and Permits	41,173						41,173
321.80	Cable Television Franchise Fees	204,350						204,350
Total Licenses and Permits		245,523						245,523

Fines and Forfeits

330-332	Fines and Forfeits	24,358						24,358
Total Fines and Forfeits		24,358						24,358

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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							
Total State		177,813	413,350					591,163

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							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units								

Charges for Service								
361.00	General Government	24,768						24,768
362.00	Public Safety							
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	5,269	2,145					7,414
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				2,097,149			2,097,149
364.30	Solid Waste Collection and Disposal Charge (trash)	3,215						3,215
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	102,540						102,540
368.00	Airports							

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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								
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							
Total Charges for Service		135,792	2,145			2,097,149		2,235,086

Unclassified Operating Revenues								
383.00	Special Assessments		82,904	28,715				111,619
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	15,000						15,000
388.00	Fiduciary Fund Pension Contributions						167,376	167,376
389.00	All Other Unclassified Operating Revenues	4,354			5,064			9,418
Total Unclassified Operating Revenues		19,354	82,904	28,715	5,064		167,376	303,413

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	11,000				602		11,602
392.00	Interfund Operating Transfers			450,000				450,000
393.00	Proceeds of General Long-Term Debt	6,262,270				2,730		6,265,000
394.00	Proceeds of Short Term-Debt							

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	15,471				2,647	18,118
Total Other Financing Sources		6,288,741		450,000		5,979	6,744,720

TOTAL REVENUES	12,133,410	500,615	502,375		2,124,682		500,804	15,761,886
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EXPENDITURES

General Government							
400.00	Legislative (Governing) Body	25,259					25,259
401.00	Executive (Manager or Mayor)	227,719				2,611	230,330
402.00	Auditing Services / Financial Administration	73,470		100			73,570
403.00	Tax Collection	71,192					71,192
404.00	Solicitor / Legal Services	27,106		489			27,595
405.00	Secretary / Clerk						
406.00	Other General Government Administration						
407.00	IT-Networking Services-Data Processing	33,984					33,984
408.00	Engineering Services	2,002		4,632		3,590	10,224
409.00	General Government Buildings and Plant	104,123					104,123
Total General Government		564,855		5,221		6,201	576,277

Public Safety							
410.00	Police	1,540,956					1,540,956
411.00	Fire	243,957					243,957
412.00	Ambulance / Rescue						
413.00	UCC and Code Enforcement	470					470

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	202,596						202,596
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		82,950					82,950
Total Public Safety		1,987,979	82,950					2,070,929

Health and Human Services

420.00-425.00	Health and Human Services							
Total Health and Human Services								

Public Works - Sanitation

426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)	2,354						2,354
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				1,235,883			1,235,883
Total Public Works - Sanitation		2,354			1,235,883			1,238,237

Public Works - Highways and Streets

430.00	General Services - Administration	352,807	100,738	9,274				462,819
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		348,059					348,059
433.00	Traffic Control Devices	21,113	4,208	135,141				160,462
434.00	Street Lighting	2,804	6,427					9,231

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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 Works - Highways and Streets								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	10,289						10,289
437.00	Repairs of Tools and Machinery	39,238						39,238
438.00	Maintenance and Repairs of Roads and Bridges	133,467						133,467
439.00	Highway Construction and Rebuilding Projects	1,242,091						1,242,091
Total Public Works - Highways and Streets		1,801,809	459,432	144,415				2,405,656

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	99,988						99,988
447.00	Transit System							
448.00	Water System	736						736
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises		100,724						100,724

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	253,459		120,350				373,809

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries	224,629						224,629
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	31,141						31,141
Total Culture and Recreation		509,229		120,350				629,579

Community Development								
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							
Total Community Development								

Debt Service								
471.00	Debt Principal (short-term and long-term)	6,547,686			512,314			7,060,000
472.00	Debt Interest (short-term and long-term)	81,772			172,257			254,029
475.00	Fiscal Agent Fees							
Total Debt Service		6,629,458			684,571			7,314,029

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	76,726						76,726

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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								
484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits				7,902		50	7,952
Total Employer Paid Benefits and Withholding Items		76,726			7,902		50	84,678

Insurance								
486.00	Insurance, Casualty, and Surety							
Total Insurance								

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						66,000	66,000
489.00	All Other Unclassified Expenditures							
Total Unclassified Operating Expenditures							66,000	66,000

Other Financing Uses								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	450,000						450,000
493.00	All Other Financing Uses							
Total Other Financing Uses		450,000						450,000

TOTAL EXPENDITURES	12,123,134	542,382	269,986		1,934,557		66,050	14,936,109
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	10,276	-41,767	232,389		190,125		434,754	825,777
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RICHLAND TWP
December 31, 2017

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
General Obligation Bonds and Notes											
2012 GOB Series B	Bond	2012	2027	2,675,000	2,040,000		2,040,000		0		0
2012 GOB Series A	Bond	2012	2027	4,730,000	4,510,000		4,510,000		0		0
2014 GON	Note	2014	2022	3,690,000	2,820,000		510,000		2,310,000		2,310,000
2017 GOB	Bond	2017	2027	6,265,000	0	6,265,000			6,265,000	53,867	6,318,867
Revenue Bonds and Notes											
Lease Rental Debt											
Water Revenue Note, Series of 2007	Lease Rentals	2007	2027	1,500,000	825,000		81,250		743,750		743,750
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	9,372,617
Capitalized lease obligations	0
Net debt	9,372,617

RICHLAND TWP, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2017

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks		59,402	59,402
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways	100,738	84,185	184,923
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	100,738	143,587	244,325

EMPLOYEE COMPENSATION

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

1,060,826

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

December 31, 2017

NOTES / COMMENTS

The guaranteed debt of the Richland Township Municipal Authority consists of only the portion of debt that is guaranteed by Richland Township. As this debt is not the debt of the Township and the Township is not liable unless the Authority defaults, these are not included on the balance sheet or statement of revenues and expenditures.