

**2016 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

021535 HARMAR TWP, ALLEGHENY COUNTY



BALANCE SHEET

DCED-CLGS-30 (09-09)

HARMAR TWP, ALLEGHENY COUNTY
BALANCE SHEET
 December 31, 2016

	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		
Assets and Other Debits													
100-120 Cash and Investments	1,245,895	1,050,240	741,662				2,374,126						5,411,923
140-144 Tax Receivable													
121-129, 145-149 Accounts Receivable (excluding taxes)													
130.00 Due From Other Funds	11,185												11,185
131-139, 150-159 Other Current Assets													
160-169 Fixed Assets													
180-189 Other Debits													
Total Assets and Other Debits	1,257,080	1,050,240	741,662				2,374,126						5,423,108

Liabilities and Other Credits	
210-229 Payroll Taxes and Other Payroll Withholdings	3,410
200-209, 231-239 All Other Current Liabilities	100
230.00 Due To Other Funds	11,185
	144,582
	3,410
	144,682
	11,185

HARMAR TWP, ALLEGHENY COUNTY

BALANCE SHEET

December 31, 2016

	Governmental Funds				Proprietary Funds		Fid. Fund		Account Groups		Total
	General Fund	Special Revenue (Including State Liquid Funds)	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											
240-259 Current Portion of Long-Term Debt and Other Credits											
Total Liabilities and Other Credits	3,510		11,185				144,582				159,277

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	1,253,570
291-299 Other Equity	
Total Fund and Account Group Equity	1,253,570

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	5,423,108
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HARMAR TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		
1,348,943								1,348,943
51,268								51,268
259,882								259,882
390,708								390,708
339,081								339,081
16,575								16,575
2,406,457								2,406,457

REVENUES

Taxes	
301.00	Real Estate Taxes
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)
310.00	Per Capita Taxes
310.10	Real Estate Transfer Taxes
310.20	Earned Income Taxes / Wage Taxes
310.30	Business Gross Receipts Taxes
310.40	Occupation Taxes (levied under Act 511)
310.50	Local Services Tax **
310.60	Amusement / Admission Taxes
310.70	Mechanical Device Taxes
310.90	Other Local Tax Enabling Act / Act 511 / Taxes
	Other: _____
Total Taxes	

Licenses and Permits	
320-322	All Other Licenses and Permits
321.80	Cable Television Franchise Fees
Total Licenses and Permits	

Fines and Forfeits	
330-332	Fines and Forfeits
Total Fines and Forfeits	

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
Interest, Rents and Royalties									
341.00	Interest Earnings	1,167	2,792	2,030				157,651	163,640
342.00	Rents and Royalties								
Total Interest, Rents and Royalties		1,167	2,792	2,030				157,651	163,640

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 and Entitlements
353.00	Federal Payments in Lieu of Taxes
Total Federal	
	751

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)
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback
355.04	Alcoholic Beverage Licenses
355.05	General Municipal Pension System State Aid
355.07	Foreign Fire Insurance Tax Distribution
355.08	Local Share Assessment/Gaming Proceeds
355.09	Marcellus Shale Impact Fee Distribution
	2,414
	89,276
	3,600
	91,868
	26,390
	1,373

HARMAR TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2016

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		
State										
356.00	State Payments in Lieu of Taxes									
355.00	All Other State Shared Revenues and Entitlements	150								150
	Total State	125,795	89,276							215,071

		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	26,391	26,391
362.00	Public Safety	127,225	127,225
363.20	Parking		
363.00	All Other Charges for Highway & Street Services	24,288	24,288
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)	517,093	517,093
364.30	Solid Waste Collection and Disposal Charge (trash)		
364.60	Host Municipality Benefit Fee for Solid Waste Facility		
364.00	All Other Charges for Sanitation Services	333	333
365.00	Health		
366.00	Human Services		
367.00	Culture and Recreation		
366.00	Airports		

HARMAR TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2016

	Governmental Funds					Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise		

REVENUES

Charges for Service									Total
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	178,237	517,093						695,330

Unclassified Operating Revenues									Total
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors		2,500						2,500
388.00	Fiduciary Fund Pension Contributions						246,743		246,743
389.00	All Other Unclassified Operating Revenues	17							17
	Total Unclassified Operating Revenues	17	2,500				246,743		249,260

Other Financing Sources									Total
391.00	Proceeds of General Fixed Asset Disposition								
392.00	Interfund Operating Transfers								
393.00	Proceeds of General Long-Term Debt								
394.00	Proceeds of Short-Term-Debt								
	Total Other Financing Sources		8,093						8,093

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

	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	
	9,502							9,502
	18,516	58,417						76,933
	8,742							8,742
	34,366		162					34,528
Total Public Works - Highways and Streets	508,776	157,659	6,637					673,072

EXPENDITURES

Public Works - Highways and Streets	
435.00	Sidewalks and Crosswalks
436.00	Storm Sewers and Drains
437.00	Repairs of Tools and Machinery
438.00	Maintenance and Repairs of Roads and Bridges
439.00	Highway Construction and Rebuilding Projects
	Total Public Works - Highways and Streets

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
449.00	Water Transport and Terminals
	Total Other Public Works Enterprises

Culture and Recreation	
451.00	Culture-Recreation Administration
452.00	Participant Recreation
453.00	Spectator Recreation
454.00	Parks
	Total Culture and Recreation

44,714

20,567

65,281

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2016

	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	
	3,500								3,500
	709								709
	24,776		44,714						69,490

EXPENDITURES

Culture and Recreation	
455.00	Shade Trees
456.00	Libraries
457.00	Civil and Military Celebrations
458.00	Senior Citizens' Centers
459.00	All Other Culture and Recreation
	Total Culture and Recreation

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)
472.00	Debt Interest (short-term and long-term)
475.00	Fiscal Agent Fees
	Total Debt Service

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

HARMAR TWP, ALLEGHENY COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2016

	Governmental Funds					Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise		

EXPENDITURES

Employer Paid Benefits and Withholding Items		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary Fund	Total
484.00	Worker Compensation Insurance								
487.00	Other Group Insurance Benefits	10,905							10,905
	Total Employer Paid Benefits and Withholding Items	211,467						1,555	213,022

Insurance		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary Fund	Total
486.00	Insurance, Casualty, and Surety	36,928							36,928
	Total Insurance	36,928							36,928

Unclassified Operating Expenditures		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary Fund	Total
488.00	Fiduciary Fund Benefits and Refunds Paid							194,487	194,487
489.00	All Other Unclassified Expenditures							1,876	1,876
	Total Unclassified Operating Expenditures							196,363	196,363

Other Financing Uses		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary Fund	Total
491.00	Refund of Prior Year Revenues	31,203							31,203
492.00	Interfund Operating Transfers								
493.00	All Other Financing Uses								
	Total Other Financing Uses	31,203							31,203

TOTAL EXPENDITURES		2,310,395	584,487	113,508				197,948	3,206,338
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		538,656	45,965	-111,478				206,446	679,589
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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											
Police Cars - 1st Commonwealth Bank	Note	2013	2017	90,000	19,842		19,842		0		0
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

Capitalized lease obligations

Net debt

0

0

0

HARMAR TWP, ALLEGHENY COUNTY
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2016

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	4,755		4,755
Health			
Housing			
Libraries			
Mass Transit			
Parks	17,968		17,968
Police	49,065		49,065
Recreation			
Sewer	10,376		10,376
Solid Waste			
Streets / Highways	67,569	44,499	112,068
Water			
Other:			
TOTAL CAPITAL EXPENDITURES	149,723	44,499	194,222

EMPLOYEE COMPENSATION

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

1,116,637

ELECTED CONTROLLER'S/AUDITOR'S CERTIFIED OPINION

To the: Governing Body of the Municipality
 President Judge of the Court of Common Pleas
 Secretary of the Department of Community & Economic Development

I/We, the undersigned, the duly elected (or appointed replacement), qualified, and Acting Controller/Auditors of the HARMAR TWP have audited, adjusted and settled the various funds and account groups of the HARMAR TWP for the year ended December 31, 2016. My/Our audit, adjustment and settlement was made in accordance with law rather than with generally accepted auditing standards

(PLEASE CROSS OUT ONLY IF ON MODIFIED ACCRUAL/ACCRUAL BASIS)
 This municipality's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations of this municipality in conformity with generally accepted accounting principles.

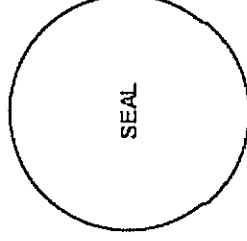
These financial statements do not include all of the disclosures required by generally accepted accounting principles.

In my/our opinion, the aforementioned financial statements present the financial position of the various funds and account groups of the municipality of HARMAR TWP for the year ended December 31, 2016, and the results of operations of such funds in accordance with the law.

SIGNATURE AND VERIFICATION

Signed:

Subscribed and sworn to before me this 1 day of January, 1.



Signed: _____
 Witness (Controller)/Auditor (Auditors)

December 31, 2016

NOTES / COMMENTS

MERGE & HILL, P.C. Certified Public Accountants

135 East Sixth Avenue~Tarentum, PA 15084-1507~Phone: 724/224-2002~Fax: 724/224-8620

INDEPENDENT AUDITOR'S REPORT

To: Township of Harmar Supervisors
Township of Harmar, Allegheny County

We have audited the accompanying financial statements of the general fund, special revenue funds, capital projects fund, and the trust and agency funds, included in the Department of Community and Economic Development's (DCED) prescribed form of the Township of Harmar, Allegheny County, as of and for the year ended December 31, 2016, which collectively comprise the basic financial statements as shown in the DCED prescribed form.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements included in DCED's prescribed form in accordance with the cash basis of accounting, which is permitted, by the Pennsylvania Department of Community and Economic Development, Governor's Center for Local Government Services as described in section entitled "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles". This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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

Our responsibility is to express an opinion on these financial statements included in DCED's prescribed form 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 financial statements included in DCED's prescribed form 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 Township'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 Township'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 financial statements.

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

As described below, the Township prepared these financial statements included in DCED's prescribed form using the cash basis of accounting that is permitted by the Pennsylvania Department of Community and Economic Development, Governor's Center for Local Government Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the cash basis of accounting and accounting principles generally accepted in the United States of America are that revenues are recorded when received rather than earned and expenditures are recognized when paid rather than when incurred. Fixed assets, improvements and infrastructure assets are not capitalized instead; capital acquisitions and construction are reflected as expenditures. Accounts payable, accrued expenses and long-term debt are not recognized as liabilities under the cash basis. When the proceeds of the debt are received, they are recorded as revenue and other financing sources. As the debt and expenses are paid, the principal payments are recorded as expenditures. These effects on the financial statements of the variances between the cash basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Also, management of the Township of Harmar, Allegheny County has not presented a management's discussion and analysis and budget versus actual report that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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 financial statements 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 of Harmar, Allegheny County as of December 31, 2016, or the changes in its financial position for the year then ended.

Unmodified Opinion on Cash Basis of Accounting used to prepare the DCED prescribed form

In our opinion, the financial statements included in the prescribed form referred to above present fairly, in all material respects, the respective assets, liabilities, and fund balances of the general fund, special revenue funds, capital projects fund, and the trust and agency funds of the Township of Harmar, Allegheny County, as of December 31, 2016 and its revenues and expenditures for the year then ended, on the basis of accounting described in the fourth paragraph above.

Other-Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The DCED required accompanying financial information listed as "Debt Statement, Statement of Capital Expenditures, and Employee Compensation Schedule" is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Meyer & Hill, P.C.

Tarentum, Pennsylvania

May 15, 2017