

**2016 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

021955 MARSHALL TWP, ALLEGHENY COUNTY

Independent Auditor's Report

Board of Supervisors
Marshall Township, Pennsylvania

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 2016 Annual Audit and Financial Report of Marshall 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 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 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 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 without financial statement disclosures, without cash flows, without component unit financial information, without government-wide financial statements,

Board of Supervisors
Marshall Township, Pennsylvania
Independent Auditor's Report

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, 2016 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 Township as of December 31, 2016 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
March 22, 2017

MARSHALL 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
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									6,146,996	6,146,996
240-259	Current Portion of Long-Term Debt and Other Credits	302,067								460,000	762,067
Total Liabilities and Other Credits		1,019,038	103,549	15,105				337,755		6,606,996	8,082,443
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets								14,445,480		14,445,480
270-289	Fund Balance / Retained Earnings on 12/31	4,761,342	1,144,260	1,874,355	315,845			3,433,832			11,529,634
291-299	Other Equity										
Total Fund and Account Group Equity		4,761,342	1,144,260	1,874,355	315,845			3,433,832	14,445,480		25,975,114
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											34,057,557

MARSHALL 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	Trust and Agency	Memorandum Only

REVENUES

Taxes

301.00	Real Estate Taxes	1,612,013	272,186					1,884,199
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)	90,221						90,221
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	728,592						728,592
310.20	Earned Income Taxes / Wage Taxes	2,673,982						2,673,982
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	447,406						447,406
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes	500						500
310.90	Other Local Tax Enabling Act / Act 511 / Taxes							
	Other: _____							
Total Taxes		5,552,714	272,186					5,824,900

Licenses and Permits

320-322	All Other Licenses and Permits	787,583						787,583
321.80	Cable Television Franchise Fees							
Total Licenses and Permits		787,583						787,583

Fines and Forfeits

330-332	Fines and Forfeits	19,170						19,170
Total Fines and Forfeits		19,170						19,170

MARSHALL 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	Trust and Agency	Memorandum Only

REVENUES

Interest, Rents and Royalties									
341.00	Interest Earnings	45,138	3,226	2,829	354			244,871	296,418
342.00	Rents and Royalties								
Total Interest, Rents and Royalties		45,138	3,226	2,829	354			244,871	296,418

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									

State								
354.03	Highways and Streets	44,981						44,981
354.09	Community Development							
354.15	Recycling / Act 101		62,982					62,982
354.00	All Other State Capital and Operating Grants		30,296					30,296
355.01	Public Utility Realty Tax (PURTA)	6,143						6,143
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		281,875					281,875
355.04	Alcoholic Beverage Licenses	2,250						2,250
355.05	General Municipal Pension System State Aid	157,431						157,431
355.07	Foreign Fire Insurance Tax Distribution	76,550						76,550
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution		4,173					4,173

MARSHALL 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	Trust and Agency	Memorandum Only

REVENUES

State								
356.00	State Payments in Lieu of Taxes							
355.00	All Other State Shared Revenues and Entitlements	1,257						1,257
Total State		288,612	379,326					667,938

Local Government Units								
357.03	Highways and Streets			254,569				254,569
357.00	All Other Local Governmental Units Capital and Operating Grants							
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services				297,219			297,219
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units				254,569	297,219			551,788

Charges for Service								
361.00	General Government	1,637						1,637
362.00	Public Safety	88,183						88,183
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	14,170						14,170
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)		7,005					7,005
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services	3,750						3,750
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation		138,917					138,917
368.00	Airports							

MARSHALL 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	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		107,740	145,922					253,662

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	117,210	48,598	613,893			12,820	792,521
388.00	Fiduciary Fund Pension Contributions						164,337	164,337
389.00	All Other Unclassified Operating Revenues	2,022	758	178				2,958
Total Unclassified Operating Revenues		119,232	49,356	614,071			177,157	959,816

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	37,807						37,807
392.00	Interfund Operating Transfers	367,000	170,000	110,837	506,269			1,154,106
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

MARSHALL 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	Trust and Agency	Memorandum Only

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	3,861						3,861
Total Other Financing Sources		408,668	170,000	110,837	506,269			1,195,774
TOTAL REVENUES		7,328,857	1,020,016	982,306	803,842		422,028	10,557,049

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	153,905						153,905
401.00	Executive (Manager or Mayor)	145,222						145,222
402.00	Auditing Services / Financial Administration	107,484						107,484
403.00	Tax Collection	104,508						104,508
404.00	Solicitor / Legal Services	103,709						103,709
405.00	Secretary / Clerk	41,416						41,416
406.00	Other General Government Administration	30,276						30,276
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	184,190						184,190
409.00	General Government Buildings and Plant	48,973						48,973
Total General Government		919,683						919,683

Public Safety								
410.00	Police	1,092,738						1,092,738
411.00	Fire	193,423	272,186					465,609
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	130,673						130,673

MARSHALL 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	Trust and Agency	Memorandum Only

EXPENDITURES

Public Safety

414.00	Planning and Zoning	80,654						80,654
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							
Total Public Safety		1,497,488	272,186					1,769,674

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		46,725					46,725
427.00	Solid Waste Collection and Disposal (garbage)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
Total Public Works - Sanitation			46,725					46,725

Public Works - Highways and Streets

430.00	General Services - Administration	191,364						191,364
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	200,011						200,011
433.00	Traffic Control Devices	22,975		603,725				626,700
434.00	Street Lighting	4,275						4,275

MARSHALL 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	Trust and Agency	Memorandum Only

EXPENDITURES

Public Works - Highways and Streets								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	26,405	334					26,739
437.00	Repairs of Tools and Machinery	110,146						110,146
438.00	Maintenance and Repairs of Roads and Bridges	893,481						893,481
439.00	Highway Construction and Rebuilding Projects	1,062,510						1,062,510
Total Public Works - Highways and Streets		2,511,167	334	603,725				3,115,226

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	2,297						2,297
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises		2,297						2,297

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation		23,043					23,043
454.00	Parks		331,865					331,865

MARSHALL 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	Trust and Agency	Memorandum Only

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries	158,836						158,836
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation		61,166					61,166
Total Culture and Recreation		158,836	416,074					574,910

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)				445,000			445,000
472.00	Debt Interest (short-term and long-term)				167,488			167,488
475.00	Fiscal Agent Fees							
Total Debt Service					612,488			612,488

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	7,679	14,054					21,733
482.00	Judgments and Losses	207						207
483.00	Pension / Retirement Fund Contributions	164,337						164,337

MARSHALL 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	Trust and Agency	Memorandum Only

EXPENDITURES

Employer Paid Benefits and Withholding Items

484.00	Worker Compensation Insurance	59,734						59,734
487.00	Other Group Insurance Benefits	119,625	15,691					135,316
Total Employer Paid Benefits and Withholding Items		351,582	29,745					381,327

Insurance

486.00	Insurance, Casualty, and Surety	287,668						287,668
Total Insurance		287,668						287,668

Unclassified Operating Expenditures

488.00	Fiduciary Fund Benefits and Refunds Paid						72,204	72,204
489.00	All Other Unclassified Expenditures	3,596	2,041	36	1,100		30,761	37,534
Total Unclassified Operating Expenditures		3,596	2,041	36	1,100		102,965	109,738

Other Financing Uses

491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	787,106	250,000	117,000				1,154,106
493.00	All Other Financing Uses							
Total Other Financing Uses		787,106	250,000	117,000				1,154,106

TOTAL EXPENDITURES

		6,519,423	1,017,105	720,761	613,588		102,965	8,973,842
--	--	-----------	-----------	---------	---------	--	---------	-----------

EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES

		809,434	2,911	261,545	190,254		319,063	1,583,207
--	--	---------	-------	---------	---------	--	---------	-----------

MARSHALL TWP
December 31, 2016

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											
General Obligation Bonds, Series of 2012	Bond	2012	2032	4,650,000	4,220,000		210,000		4,010,000	-28,004	3,981,996
General Obligation Bonds, Series A of 2012	Bond	2012	2026	3,320,000	2,860,000		235,000		2,625,000		2,625,000
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	6,606,996
Capitalized lease obligations	0
Net debt	6,606,996

MARSHALL TWP, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2016

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	52,798		52,798
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation	95,951		95,951
Sewer			
Solid Waste			
Streets / Highways	1,031,089	156,072	1,187,161
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	1,179,838	156,072	1,335,910

EMPLOYEE COMPENSATION

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

1,461,600

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, 2016

NOTES / COMMENTS