



## Independent Auditors' Report

Board of Commissioners  
Township of North Lebanon, Lebanon County  
Lebanon, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying 2015 Commonwealth of Pennsylvania Municipal Annual Audit and Financial Report (Form DCED-CLGS-30) of the Township of North Lebanon, Lebanon County, Pennsylvania, which is comprised of the financial statements and other financial information (together the financial statements) for the year ended December 31, 2015.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania. 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements 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 are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 include 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 Accounting Principles Generally Accepted in the United States of America**

The financial statements were prepared by the Township of North Lebanon using the accounting practices prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Commonwealth of Pennsylvania.

These practices differ from accounting principles generally accepted in the United States of America as to the lack of disclosure and the exclusion of budget information and Management's Discussion and Analysis. In addition, the format of the Municipal Annual Audit and Financial Report is not consistent with the requirements of Governmental Accounting Standards Board Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **Adverse Opinion on Accounting Principles Generally Accepted in the United States of America**

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America" section, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of North Lebanon, Lebanon County, Pennsylvania, as of December 31, 2015, or the changes in its financial position for the year then ended.

## **Opinion on Regulatory Basis of Accounting**

In our opinion, the 2015 Commonwealth of Pennsylvania Municipal Annual Audit and Financial Report (Form DCED-CLGS-30) referred to above presents fairly, in all material respects, the financial statements shown therein of the Township of North Lebanon, Lebanon County, Pennsylvania, in accordance with the requirements prescribed by the Department of Community and Economic Development, on the basis of accounting described herein.



Camp Hill, Pennsylvania  
March 14, 2016

**2015 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**380485 NORTH LEBANON TWP, LEBANON COUNTY**



## NORTH LEBANON TWP, LEBANON County

## BALANCE SHEET

December 31, 2015

		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
<b>Liabilities and Other Credits</b>											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits										
<b>Total Liabilities and Other Credits</b>		115,606	51,000								166,606
<b>Fund and Account Group Equity</b>											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets								9,287,655		9,287,655
270-289	Fund Balance / Retained Earnings on 12/31	784,274	185,255	732,710				5,722,110			7,424,349
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		784,274	185,255	732,710				5,722,110	9,287,655		16,712,004
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											16,878,610

**NORTH LEBANON TWP, LEBANON County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2015

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	1,371,381						1,371,381
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	158,385						158,385
310.20	Earned Income Taxes / Wage Taxes	1,217,438						1,217,438
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	158,336						158,336
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other Local Tax Enabling Act / Act 511 / Taxes							
	Other: _____							
<b>Total Taxes</b>		2,905,540						2,905,540

**Licenses and Permits**

320-322	All Other Licenses and Permits	11,385						11,385
321.80	Cable Television Franchise Fees	190,950						190,950
<b>Total Licenses and Permits</b>		202,335						202,335

**Fines and Forfeits**

330-332	Fines and Forfeits	95,406						95,406
<b>Total Fines and Forfeits</b>		95,406						95,406

NORTH LEBANON TWP, LEBANON County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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	1,658	2,456	3,989				8,103
342.00	Rents and Royalties	30,570	4,725	3,995				39,290
<b>Total Interest, Rents and Royalties</b>		32,228	7,181	7,984				47,393

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							
<b>Total Federal</b>								

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101		23,549					23,549
354.00	All Other State Capital and Operating Grants	1,000						1,000
355.01	Public Utility Realty Tax (PURTA)	3,105						3,105
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		334,001					334,001
355.04	Alcoholic Beverage Licenses	850						850
355.05	General Municipal Pension System State Aid	133,308						133,308
355.07	Foreign Fire Insurance Tax Distribution	70,259						70,259
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

NORTH LEBANON TWP, LEBANON County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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							
<b>Total State</b>		208,522	357,550					566,072

Local Government Units								
357.03	Highways and Streets	11,429						11,429
357.00	All Other Local Governmental Units Capital and Operating Grants							
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services	77,000						77,000
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
<b>Total Local Government Units</b>		88,429						88,429

Charges for Service								
361.00	General Government	5,292						5,292
362.00	Public Safety	25,007						25,007
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	405	1,684					2,089
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)							
364.60	Host Municipality Benefit Fee for Solid Waste Facility	124,303	36,606					160,909
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation		5,450					5,450
368.00	Airports							

NORTH LEBANON TWP, LEBANON County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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							
<b>Total Charges for Service</b>		155,007	43,740					198,747

**Unclassified Operating Revenues**

383.00	Special Assessments		58,982					58,982
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	6,112						6,112
388.00	Fiduciary Fund Pension Contributions					364,331		364,331
389.00	All Other Unclassified Operating Revenues	21	1,236					1,257
<b>Total Unclassified Operating Revenues</b>		6,133	60,218			364,331		430,682

**Other Financing Sources**

391.00	Proceeds of General Fixed Asset Disposition	21,329		9,510				30,839
392.00	Interfund Operating Transfers			392,344				392,344
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

NORTH LEBANON TWP, LEBANON County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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	1,246						1,246
<b>Total Other Financing Sources</b>		22,575		401,854				424,429

### TOTAL REVENUES

3,716,175	468,689	409,838				364,331	4,959,033
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### EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	65,270						65,270
401.00	Executive (Manager or Mayor)	311,829						311,829
402.00	Auditing Services / Financial Administration	15,208						15,208
403.00	Tax Collection	3,525						3,525
404.00	Solicitor / Legal Services	35,707						35,707
405.00	Secretary / Clerk							
406.00	Other General Government Administration							
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services							
409.00	General Government Buildings and Plant	65,559		6,443				72,002
<b>Total General Government</b>		497,098		6,443				503,541

### Public Safety

410.00	Police	1,793,211		37,835				1,831,046
411.00	Fire	259,912						259,912
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement							

NORTH LEBANON TWP, LEBANON County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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	12,510						12,510
415.00	Emergency Management and Communications	14,588						14,588
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
<b>Total Public Safety</b>		2,080,221		37,835				2,118,056

#### Health and Human Services

420.00-425.00	Health and Human Services	1,681						1,681
<b>Total Health and Human Services</b>		1,681						1,681

#### Public Works - Sanitation

426.00	Recycling Collection and Disposal		361,158					361,158
427.00	Solid Waste Collection and Disposal (garbage)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
<b>Total Public Works - Sanitation</b>			361,158					361,158

#### Public Works - Highways and Streets

430.00	General Services - Administration	438,133	50,765	256,620				745,518
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		32,106					32,106
433.00	Traffic Control Devices	7,544	6,253					13,797
434.00	Street Lighting	991	52,084					53,075

NORTH LEBANON TWP, LEBANON County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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	15,049	27,417					42,466
437.00	Repairs of Tools and Machinery	84,934						84,934
438.00	Maintenance and Repairs of Roads and Bridges		7,700					7,700
439.00	Highway Construction and Rebuilding Projects	11,429	636,115					647,544
<b>Total Public Works - Highways and Streets</b>		558,080	812,440	256,620				1,627,140

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			32,753				32,753
447.00	Transit System							
448.00	Water System	89,707						89,707
449.00	Water Transport and Terminals							
<b>Total Other Public Works Enterprises</b>		89,707		32,753				122,460

Culture and Recreation								
451.00	Culture-Recreation Administration	123,621		37,540				161,161
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks							

NORTH LEBANON TWP, LEBANON County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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	6,000						6,000
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
<b>Total Culture and Recreation</b>		129,621		37,540				167,161

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							
<b>Total Community Development</b>								

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							
<b>Total Debt Service</b>								

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses						61,768	61,768
483.00	Pension / Retirement Fund Contributions							

NORTH LEBANON TWP, LEBANON County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

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**

<b>Employer Paid Benefits and Withholding Items</b>								
484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits							
<b>Total Employer Paid Benefits and Withholding Items</b>							61,768	61,768

<b>Insurance</b>								
486.00	Insurance, Casualty, and Surety							
<b>Total Insurance</b>								

<b>Unclassified Operating Expenditures</b>								
488.00	Fiduciary Fund Benefits and Refunds Paid						205,669	205,669
489.00	All Other Unclassified Expenditures							
<b>Total Unclassified Operating Expenditures</b>							205,669	205,669

<b>Other Financing Uses</b>								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	392,344						392,344
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>		392,344						392,344

<b>TOTAL EXPENDITURES</b>	3,748,752	1,173,598	371,191				267,437	5,560,978
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	-32,577	-704,909	38,647				96,894	-601,945
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## NORTH LEBANON TWP

December 31, 2015

## 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											
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

0

Capitalized lease obligations

0

Net debt

0

**NORTH LEBANON TWP, LEBANON County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2015

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	34,216	10,088	44,304
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	39,404		39,404
Recreation	37,330		37,330
Sewer			
Solid Waste			
Streets / Highways	306,970		306,970
Water			
Other: Recycling Collection and Dispo	329,996		329,996
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>747,916</b>	<b>10,088</b>	<b>758,004</b>

**EMPLOYEE COMPENSATION**

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

1,862,396

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**Independent Public Accountant/Certified Public Accountant Submission Page**  
**Opinion page was provided in lieu of signature page.**

**SIGNATURE AND VERIFICATION**

Signed: Brown Schultz Sheridan & Fritz Appointed Auditor/CPA

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December 31, 2015

**NOTES / COMMENTS**