

**2019 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**022315 NORTH FAYETTE TWP, ALLEGHENY COUNTY**

## Independent Auditor's Report

### **Board of Township Supervisors Township of North Fayette**

We have audited the Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statements of Capital Expenditures and Employee Compensation – regulatory basis (Schedules) included in the 2019 Annual Audit and Financial Report of the Township of North Fayette (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 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 the 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, historical pension and other post-employment benefit 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, 2019 and the results of its operations for the year then ended.

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

The Schedules referred to above do not include the General Fixed Asset Account Group, which should be presented. The amount that should be recorded in the General Fixed Asset Account Group is not known.

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

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the Schedules referred to above present fairly, in all material respects, the regulatory basis financial position of the Township as of December 31, 2019, 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 the DCED.

*Maher Duessel*

Pittsburgh, Pennsylvania  
May 18, 2020



# BALANCE SHEET

DCED-CLGS-30 (09-09)

**NORTH FAYETTE TWP, ALLEGHENY County**  
**BALANCE SHEET**  
 December 31, 2019

		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>Assets and Other Debits</b>											
100-120	Cash and Investments	3,580,390	492,255	1,863,430		5,219,483		15,998,127			27,153,685
140-144	Tax Receivable	921,063									921,063
121-129, 145-149	Accounts Receivable (excluding taxes)	458,276	3,000			910,923		285,516			1,657,715
130.00	Due From Other Funds	892,345		6,582		8,627					907,554
131-139, 150-159	Other Current Assets	21,513									21,513
160-169	Fixed Assets					6,593,699					6,593,699
180-189	Other Debits									16,823,838	16,823,838
<b>Total Assets and Other Debits</b>		<b>5,873,587</b>	<b>495,255</b>	<b>1,870,012</b>		<b>12,732,732</b>		<b>16,283,643</b>		<b>16,823,838</b>	<b>54,079,067</b>

<b>Liabilities and Other Credits</b>											
210-229	Payroll Taxes and Other Payroll Withholdings	179,802	718			7,192					187,712
200-209, 231-239	All Other Current Liabilities	1,033,431	26,431	11,390		470,463					1,541,715
230.00	Due To Other Funds	8,616	190,085	402,126		306,727					907,554

## NORTH FAYETTE TWP, ALLEGHENY County

## BALANCE SHEET

December 31, 2019

		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					3,494,545				16,003,393	19,497,938
240-259	Current Portion of Long-Term Debt and Other Credits					260,269				820,445	1,080,714
<b>Total Liabilities and Other Credits</b>		1,221,849	217,234	413,516		4,539,196				16,823,838	23,215,633
<b>Fund and Account Group Equity</b>											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets					4,216,360					4,216,360
270-289	Fund Balance / Retained Earnings on 12/31	4,651,738	278,021	1,456,496		3,977,176		16,283,643			26,647,074
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		4,651,738	278,021	1,456,496		8,193,536		16,283,643			30,863,434
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											54,079,067

**NORTH FAYETTE TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2019

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	4,219,195	207,195					4,426,390
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)	296,526						296,526
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	1,180,880						1,180,880
310.20	Earned Income Taxes / Wage Taxes	3,032,678						3,032,678
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	392,774						392,774
310.60	Amusement / Admission Taxes	6,705						6,705
310.70	Mechanical Device Taxes	14,900						14,900
310.90	Other: _____							
	Other: _____							
<b>Total Taxes</b>		9,143,658	207,195					9,350,853

**Licenses and Permits**

320-322	All Other Licenses and Permits	89,841						89,841
321.80	Cable Television Franchise Fees	350,241						350,241
<b>Total Licenses and Permits</b>		440,082						440,082

**Fines and Forfeits**

330-332	Fines and Forfeits	32,743	27,018					59,761
<b>Total Fines and Forfeits</b>		32,743	27,018					59,761



**NORTH FAYETTE TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2019

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>		591,646	502,305			88,949		1,182,900

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	22,002						22,002
<b>Total Local Government Units</b>		22,002						22,002

Charges for Service								
361.00	General Government	49,793						49,793
362.00	Public Safety	464,267	38,816					503,083
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	71,488						71,488
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				3,013,985			3,013,985
364.30	Solid Waste Collection and Disposal Charge (trash)				1,297,601			1,297,601
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services		144					144
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	563,949	36,675					600,624
368.00	Airports							



**NORTH FAYETTE TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2019

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	5,954						5,954
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>		1,155,451	75,635			4,311,586		5,542,672

Unclassified Operating Revenues								
383.00	Special Assessments		405,978	252,851				658,829
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	1,260	4,765					6,025
388.00	Fiduciary Fund Pension Contributions						889,228	889,228
389.00	All Other Unclassified Operating Revenues	20,831	50			576	48,774	70,231
<b>Total Unclassified Operating Revenues</b>		22,091	410,793	252,851		576	938,002	1,624,313

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	80,522						80,522
392.00	Interfund Operating Transfers	207,195						207,195
393.00	Proceeds of General Long-Term Debt	3,425,000				204		3,425,204
394.00	Proceeds of Short Term-Debt	1,250,000						1,250,000

**NORTH FAYETTE TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2019

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	16,560						16,560
<b>Total Other Financing Sources</b>		4,979,277			204			4,979,481

<b>TOTAL REVENUES</b>	16,449,453	1,237,700	288,703		4,503,545		3,316,508	25,795,909
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**EXPENDITURES**

General Government								
400.00	Legislative (Governing) Body	34,617	3,673			120,261		158,551
401.00	Executive (Manager or Mayor)	227,960						227,960
402.00	Auditing Services / Financial Administration	153,056	2,560	200		126,766		282,582
403.00	Tax Collection	83,723						83,723
404.00	Solicitor / Legal Services	169,785	12,885			51,610		234,280
405.00	Secretary / Clerk							
406.00	Other General Government Administration							
407.00	IT-Networking Services-Data Processing	116,134	1,373			18,288		135,795
408.00	Engineering Services	107,352	20,916	13,300		75,135		216,703
409.00	General Government Buildings and Plant	518,382	5,510	11,390		157,804		693,086
<b>Total General Government</b>		1,411,009	46,917	24,890		549,864		2,032,680

Public Safety								
410.00	Police	4,134,438	50,206					4,184,644
411.00	Fire	288,919						288,919
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	189,131	108			12,573		201,812

**NORTH FAYETTE TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2019

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	144,196				13,472		157,668
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							
<b>Total Public Safety</b>		4,756,684	50,314			26,045		4,833,043

**Health and Human Services**

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

**Public Works - Sanitation**

426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)		47,553	118,027		1,069,388		1,234,968
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection	74				2,272,526		2,272,600
<b>Total Public Works - Sanitation</b>		74	47,553	118,027		3,341,914		3,507,568

**Public Works - Highways and Streets**

430.00	General Services - Administration	1,349,127				200,754		1,549,881
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	769	379,674					380,443
433.00	Traffic Control Devices	40,651						40,651
434.00	Street Lighting	6,357	84,436					90,793

**NORTH FAYETTE TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2019

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>Public Works - Highways and Streets</b>								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains		17,808					17,808
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges	48,220						48,220
439.00	Highway Construction and Rebuilding Projects							
<b>Total Public Works - Highways and Streets</b>		1,445,124	481,918			200,754		2,127,796

<b>Other Public Works Enterprises</b>								
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		182,490					182,490
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
<b>Total Other Public Works Enterprises</b>			182,490					182,490

<b>Culture and Recreation</b>								
451.00	Culture-Recreation Administration	551,941	31,886					583,827
452.00	Participant Recreation	92,295		26,030				118,325
453.00	Spectator Recreation	5,451						5,451
454.00	Parks	254,793	1,799					256,592

**NORTH FAYETTE TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2019

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>Culture and Recreation</b>								
455.00	Shade Trees							
456.00	Libraries	214,610						214,610
457.00	Civil and Military Celebrations	90,869	2,050					92,919
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	82,030						82,030
<b>Total Culture and Recreation</b>		1,291,989	35,735	26,030				1,353,754

<b>Community Development</b>								
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>								

<b>Debt Service</b>								
471.00	Debt Principal (short-term and long-term)	5,082,267				236,089		5,318,356
472.00	Debt Interest (short-term and long-term)	364,590				219,570		584,160
475.00	Fiscal Agent Fees	5,450						5,450
<b>Total Debt Service</b>		5,452,307				455,659		5,907,966

<b>Employer Paid Benefits and Withholding Items</b>								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	16,958	308			2,594		19,860
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	674,520	4,367			46,397		725,284

**NORTH FAYETTE TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2019

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	419						419
<b>Total Employer Paid Benefits and Withholding Items</b>		691,897	4,675			48,991		745,563

<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						1,267,603	1,267,603
489.00	All Other Unclassified Expenditures	14,161					22,759	36,920
<b>Total Unclassified Operating Expenditures</b>		14,161					1,290,362	1,304,523

<b>Other Financing Uses</b>								
491.00	Refund of Prior Year Revenues	21,643						21,643
492.00	Interfund Operating Transfers		207,195					207,195
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>		21,643	207,195					228,838

<b>TOTAL EXPENDITURES</b>	15,084,888	1,056,797	168,947			4,623,227		1,290,362	22,224,221
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	1,364,565	180,903	119,756			-119,682		2,026,146	3,571,688
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## NORTH FAYETTE TWP

December 31, 2019

## 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
<b>General Obligation Bonds and Notes</b>											
Pennvest	Note	2001	2021	1,413,600	245,943		65,478		180,465		180,465
General Obligation Note	Note	2007	2027	1,457,625	282,641		28,900		253,741		253,741
General Obligation Bond	Bond	2014	2044	8,025,000	6,905,000		6,905,000		0		0
General Obligation Bond	Bond	2015	2045	3,035,000	2,975,000		15,000		2,960,000		2,960,000
General Obligation Bond	Bond	2016	2031	5,540,000	5,360,000		100,000		5,260,000		5,260,000
General Obligation Bond	Bond	2017	2038	4,875,000	4,820,000		40,000		4,780,000		4,780,000
General Obligation Bond	Bond	2019	2044	6,785,000	0	6,785,000	10,000		6,775,000		6,775,000
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
Equipment Lease	Capital Leases	2014	2019	236,645	41,676		41,676		0		0
John Deer Backhoe	Capital Leases	2015	2020	163,500	68,145		33,516		34,629		34,629
Dump Truck Lease	Capital Leases	2015	2020	239,918	82,803		40,645		42,158		42,158
Garbage Truck Lease	Capital Leases	2015	2020	491,568	186,616		100,833		85,783		85,783
Garbage Truck Lease	Capital Leases	2017	2022	252,883	168,404		39,838		128,566		128,566
DUMP Truck Lease	Capital Leases	2019	2025	93,258	0	93,258	14,948		78,310		78,310
<b>Other</b>											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

20,209,206

Capitalized lease obligations

369,446

Net debt

20,578,652

**NORTH FAYETTE TWP, ALLEGHENY County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2019

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer		910,389	910,389
Solid Waste			
Streets / Highways		58,055	58,055
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>		968,444	968,444

**EMPLOYEE COMPENSATION**

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

5,481,349



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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:

See Attached Appointed Auditor/CPA

December 31, 2019

**NOTES / COMMENTS**