

**2020 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 2020 Municipal 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, 2020 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, 2020, 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
April 12, 2021



BALANCE SHEET

DCED-CLGS-30 (09-09)

NORTH FAYETTE TWP, ALLEGHENY County
BALANCE SHEET
 December 31, 2020

		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	2,229,650	722,483	2,271,262		3,941,304		18,522,094			27,686,793
140-144	Tax Receivable	1,004,159									1,004,159
121-129, 145-149	Accounts Receivable (excluding taxes)	156,944	131,292			1,163,494		19,009			1,470,739
130.00	Due From Other Funds	887,659									887,659
131-139, 150-159	Other Current Assets	33,913									33,913
160-169	Fixed Assets					6,774,429					6,774,429
180-189	Other Debits		966			3,422				17,018,194	17,022,582
Total Assets and Other Debits		4,312,325	854,741	2,271,262		11,882,649		18,541,103		17,018,194	54,880,274

Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	237,668	3,020			14,130					254,818
200-209, 231-239	All Other Current Liabilities	1,337,534	311,328	3,030		692,205					2,344,097
230.00	Due To Other Funds		194,132	487,536		205,991					887,659

NORTH FAYETTE TWP, ALLEGHENY County

BALANCE SHEET

December 31, 2020

		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					3,382,099				16,508,595	19,890,694
240-259	Current Portion of Long-Term Debt and Other Credits					80,262				509,599	589,861
Total Liabilities and Other Credits		1,575,202	508,480	490,566		4,374,687				17,018,194	23,967,129
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets					3,312,068					3,312,068
270-289	Fund Balance / Retained Earnings on 12/31	2,737,123	346,261	1,780,696		4,195,894		18,541,103			27,601,077
291-299	Other Equity										
Total Fund and Account Group Equity		2,737,123	346,261	1,780,696		7,507,962		18,541,103			30,913,145
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											54,880,274

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	22,002						22,002
Total State		457,594	585,842			40,344		1,083,780

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	150,000						150,000
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		150,000						150,000

Charges for Service								
361.00	General Government	66,336						66,336
362.00	Public Safety	344,051	44,359					388,410
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	7,639						7,639
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				3,329,105			3,329,105
364.30	Solid Waste Collection and Disposal Charge (trash)				1,291,525			1,291,525
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services		1,244					1,244
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	138,822	43,339					182,161
368.00	Airports							

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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							
Total Charges for Service		562,802	88,942			4,620,630		5,272,374

Unclassified Operating Revenues								
383.00	Special Assessments		395,285	302,316				697,601
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors		3,509					3,509
388.00	Fiduciary Fund Pension Contributions						919,932	919,932
389.00	All Other Unclassified Operating Revenues	58,916			7,137		38,151	104,204
Total Unclassified Operating Revenues		58,916	398,794	302,316		7,137	958,083	1,725,246

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	33,996	10,500			45,896		90,392
392.00	Interfund Operating Transfers	8	5,000					5,008
393.00	Proceeds of General Long-Term Debt			3,711,071				3,711,071
394.00	Proceeds of Short Term-Debt							

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	17,591		1,350		5,679	24,620
Total Other Financing Sources		51,595	15,500	3,712,421		51,575	3,831,091

TOTAL REVENUES

9,901,211	1,459,046	4,023,026		4,741,153		2,745,343	22,869,779
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EXPENDITURES

General Government							
400.00	Legislative (Governing) Body	33,454	906			39,210	73,570
401.00	Executive (Manager or Mayor)	290,393					290,393
402.00	Auditing Services / Financial Administration	189,003	5,049	150		105,746	299,948
403.00	Tax Collection	68,309					68,309
404.00	Solicitor / Legal Services	217,659	22,447	4,480		63,821	308,407
405.00	Secretary / Clerk						
406.00	Other General Government Administration						
407.00	IT-Networking Services-Data Processing	125,917	1,419			18,196	145,532
408.00	Engineering Services	195,429		43,331		108,184	346,944
409.00	General Government Buildings and Plant	654,643	8,693	39,605		95,625	798,566
Total General Government		1,774,807	38,514	87,566		430,782	2,331,669

Public Safety

410.00	Police	4,471,368	53,485				4,524,853
411.00	Fire		442,970				442,970
412.00	Ambulance / Rescue						
413.00	UCC and Code Enforcement	126,010	2,109			21,859	149,978

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	186,750	4,397			71,170		262,317
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		4,784,128	502,961			93,029		5,380,118

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)		9,558			1,511,844		1,521,402
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection					2,891,800		2,891,800
Total Public Works - Sanitation			9,558			4,403,644		4,413,202

Public Works - Highways and Streets

430.00	General Services - Administration	1,997,067				351,614		2,348,681
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	301	491,900					492,201
433.00	Traffic Control Devices	56,999						56,999
434.00	Street Lighting	11,329	77,083					88,412

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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							
437.00	Repairs of Tools and Machinery	1,097						1,097
438.00	Maintenance and Repairs of Roads and Bridges	660,946	29,179					690,125
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		2,727,739	598,162			351,614		3,677,515

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		191,711					191,711
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises			191,711					191,711

Culture and Recreation								
451.00	Culture-Recreation Administration	413,971	34,273					448,244
452.00	Participant Recreation	72,517						72,517
453.00	Spectator Recreation	800						800
454.00	Parks	74,591		479,000				553,591

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	208,606						208,606
457.00	Civil and Military Celebrations	2,059						2,059
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	51,766						51,766
Total Culture and Recreation		824,310	34,273	479,000				1,337,583

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)	393,767		2,960,000				3,353,767
472.00	Debt Interest (short-term and long-term)	525,339		82,209	117,903			725,451
475.00	Fiscal Agent Fees	6,100		90,043				96,143
Total Debt Service		925,206		3,132,252	117,903			4,175,361

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	15,197	893		1,202			17,292
482.00	Judgments and Losses	2,725						2,725
483.00	Pension / Retirement Fund Contributions	719,683	13,384		28,553			761,620

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	1,160						1,160
Total Employer Paid Benefits and Withholding Items		738,765	14,277			29,755		782,797

Insurance								
486.00	Insurance, Casualty, and Surety							
Total Insurance								

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						472,941	472,941
489.00	All Other Unclassified Expenditures	748	1,350				14,942	17,040
Total Unclassified Operating Expenditures		748	1,350				487,883	489,981

Other Financing Uses								
491.00	Refund of Prior Year Revenues	35,123						35,123
492.00	Interfund Operating Transfers	5,000		8				5,008
493.00	All Other Financing Uses							
Total Other Financing Uses		40,123		8				40,131

TOTAL EXPENDITURES	11,815,826	1,390,806	3,698,826		5,426,727		487,883	22,820,068
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-1,914,615	68,240	324,200		-685,574		2,257,460	49,711
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NORTH FAYETTE TWP

December 31, 2020

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											
Pennvest	Note	2001	2021	1,413,600	180,465		67,922		112,543		112,543
General Obligation Note	Note	2007	2027	1,457,625	253,741		29,484		224,257		224,257
General Obligation Bond	Bond	2015	2045	3,035,000	2,960,000		2,960,000		0		0
General Obligation Bond	Bond	2016	2031	5,540,000	5,260,000		95,000		5,165,000		5,165,000
General Obligation Bond	Bond	2017	2038	4,875,000	4,780,000		40,000		4,740,000		4,740,000
General Obligation Bond	Bond	2019	2044	6,785,000	6,775,000		270,000		6,505,000		6,505,000
General Obligation Bond	Bond	2020	2045	3,710,000	0	3,710,000	55,000		3,655,000		3,655,000
Revenue Bonds and Notes											
Lease Rental Debt											
John Deer Backhoe	Capital Leases	2015	2020	163,500	34,629		34,629		0		0
Dump Truck Lease	Capital Leases	2015	2020	239,918	42,158		29,913		12,245		12,245
Garbage Truck Lease	Capital Leases	2015	2020	491,568	85,783		85,783		0		0
Garbage Truck Lease	Capital Leases	2017	2022	252,883	128,566		128,566		0		0
DUMP Truck Lease	Capital Leases	2019	2025	93,258	78,310		11,800		66,510		66,510
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

20,401,800

Capitalized lease obligations

78,755

Net debt

20,480,555

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2020

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks		479,000	479,000
Police			
Recreation			
Sewer		902,455	902,455
Solid Waste			
Streets / Highways	98,252		98,252
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	98,252	1,381,455	1,479,707

EMPLOYEE COMPENSATION

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

5,352,243

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, 2020

NOTES / COMMENTS

\$150,000 of CARES revenue is recorded as revenue on line 357.00.