

**2021 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**022315 NORTH FAYETTE TWP, ALLEGHENY COUNTY**

## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### **Adverse and Qualified Opinions**

We have audited the Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statements of Capital Expenditures and Employee Compensation – regulatory basis, as of and for the year ended December 31, 2021 included in the 2021 Annual Audit and Financial Report (Schedules) of the Township of North Fayette (Township).

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

In our opinion, except for the effects of the matter described in the “Basis for Adverse and Qualified Opinions” section of our report, the Schedules referred to above present fairly, in all material respects, the regulatory basis financial position of the Township as of December 31, 2021, 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 Pennsylvania Department of Community and Economic Development (DCED).

#### **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 and Qualified Opinions” section of our report, 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, 2021, and the results of its operations for the year then ended.

#### **Basis for Adverse and Qualified Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and qualified audit opinions.

### [Matter Giving Rise to 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, without budgetary comparisons, and without historical pension and post-employment benefit liability 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 and pervasive.

### [Matter Giving Rise to Qualified Opinion on the Regulatory Basis of Accounting](#)

The Schedules do not include the General Fixed Asset Account Group, which is required under the instructions provided by DCED. The amount by which this departure would affect the Schedules has not been determined.

### **Responsibilities of Management for the Financial Statements**

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 DCED to meet filing requirements in Pennsylvania, and 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 Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

*Mahe Duessel*

Pittsburgh, Pennsylvania  
October 3, 2022



# BALANCE SHEET

DCED-CLGS-30 (09-09)

**NORTH FAYETTE TWP, ALLEGHENY County**  
**BALANCE SHEET**  
 December 31, 2021

		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	2,166,027	1,041,839	2,689,528		4,019,744		21,194,804			31,111,942
140-144	Tax Receivable	1,032,316									1,032,316
121-129, 145-149	Accounts Receivable (excluding taxes)	370,172	537,245			705,509		7,183			1,620,109
130.00	Due From Other Funds	893,358		69,003		45,246					1,007,607
131-139, 150-159	Other Current Assets	42,076									42,076
160-169	Fixed Assets					6,732,991					6,732,991
180-189	Other Debits									17,586,746	17,586,746
<b>Total Assets and Other Debits</b>		4,503,949	1,579,084	2,758,531		11,503,490		21,201,987		17,586,746	59,133,787

<b>Liabilities and Other Credits</b>											
210-229	Payroll Taxes and Other Payroll Withholdings	298,225	2,418			13,223					313,866
200-209, 231-239	All Other Current Liabilities	1,460,305	431,199	324,323		558,836					2,774,663
230.00	Due To Other Funds		213,344	487,536		306,727					1,007,607

## NORTH FAYETTE TWP, ALLEGHENY County

## BALANCE SHEET

December 31, 2021

		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					3,401,358				16,977,975	20,379,333
240-259	Current Portion of Long-Term Debt and Other Credits					112,249				608,771	721,020
<b>Total Liabilities and Other Credits</b>		1,758,530	646,961	811,859		4,392,393				17,586,746	25,196,489
<b>Fund and Account Group Equity</b>											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets					3,424,005					3,424,005
270-289	Fund Balance / Retained Earnings on 12/31	2,745,419	932,123	1,946,672		3,687,092		21,201,987			30,513,293
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		2,745,419	932,123	1,946,672		7,111,097		21,201,987			33,937,298
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											59,133,787

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

December 31, 2021

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	3,969,054	390,455					4,359,509
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)	323,958						323,958
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	745,059						745,059
310.20	Earned Income Taxes / Wage Taxes	3,230,770						3,230,770
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	401,166						401,166
310.60	Amusement / Admission Taxes	7,465						7,465
310.70	Mechanical Device Taxes	3,800						3,800
310.90	Other: _____							
	Other: _____							
<b>Total Taxes</b>		8,681,272	390,455					9,071,727

**Licenses and Permits**

320-322	All Other Licenses and Permits	5,684						5,684
321.80	Cable Television Franchise Fees	322,488						322,488
<b>Total Licenses and Permits</b>		328,172						328,172

**Fines and Forfeits**

330-332	Fines and Forfeits	25,505						25,505
<b>Total Fines and Forfeits</b>		25,505						25,505





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

December 31, 2021

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>		739,281	546,621					1,285,902

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	45,000	173,250					218,250
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>		67,002	173,250					240,252

Charges for Service								
361.00	General Government	86,503						86,503
362.00	Public Safety	499,737	49,822					549,559
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	145,435						145,435
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				3,080,381			3,080,381
364.30	Solid Waste Collection and Disposal Charge (trash)				1,169,972			1,169,972
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services	85	2,955					3,040
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	418,763	170,068					588,831
368.00	Airports							

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

December 31, 2021

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>		1,156,477	222,845			4,250,353		5,629,675

**Unclassified Operating Revenues**

383.00	Special Assessments		552,093	43,212				595,305
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors		18,208					18,208
388.00	Fiduciary Fund Pension Contributions					790,051		790,051
389.00	All Other Unclassified Operating Revenues	27,685	5,220	26	143	17,973		51,047
<b>Total Unclassified Operating Revenues</b>		27,685	575,521	43,238	143	808,024		1,454,611

**Other Financing Sources**

391.00	Proceeds of General Fixed Asset Disposition	208,368						208,368
392.00	Interfund Operating Transfers							
393.00	Proceeds of General Long-Term Debt			6,364,927				6,364,927
394.00	Proceeds of Short Term-Debt							

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

December 31, 2021

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	8,950			8,038		16,988
<b>Total Other Financing Sources</b>		217,318		6,364,927	8,038		6,590,283

**TOTAL REVENUES**

11,985,332	1,908,963	6,409,153		4,259,837		3,742,648	28,305,933
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**EXPENDITURES**

General Government							
400.00	Legislative (Governing) Body	37,284	1,103		43,095		81,482
401.00	Executive (Manager or Mayor)	292,596					292,596
402.00	Auditing Services / Financial Administration	182,156	2,134	50	69,011		253,351
403.00	Tax Collection	81,046					81,046
404.00	Solicitor / Legal Services	271,941	6,922	17,701	48,197		344,761
405.00	Secretary / Clerk						
406.00	Other General Government Administration						
407.00	IT-Networking Services-Data Processing	207,660	12,265		30,254		250,179
408.00	Engineering Services	228,830	6,441	68,958	156,080		460,309
409.00	General Government Buildings and Plant	433,251	4,751		45,932		483,934
<b>Total General Government</b>		1,734,764	33,616	86,709	392,569		2,247,658

**Public Safety**

410.00	Police	4,613,633	63,680	5,455			4,682,768
411.00	Fire		406,853				406,853
412.00	Ambulance / Rescue						
413.00	UCC and Code Enforcement	101,483	91		17,518		119,092

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

December 31, 2021

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	201,102	2,604			74,706		278,412
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>		4,916,218	473,228	5,455		92,224		5,487,125

**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)					1,345,347		1,345,347
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection					2,329,565		2,329,565
<b>Total Public Works - Sanitation</b>						3,674,912		3,674,912

**Public Works - Highways and Streets**

430.00	General Services - Administration	1,763,192	29,699	670,927		319,451		2,783,269
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	1,283	295,401					296,684
433.00	Traffic Control Devices	55,564		320,680				376,244
434.00	Street Lighting	13,191	83,051					96,242

NORTH FAYETTE TWP, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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			5,088				5,088
437.00	Repairs of Tools and Machinery	411,679	5,910			36,244		453,833
438.00	Maintenance and Repairs of Roads and Bridges	664,880						664,880
439.00	Highway Construction and Rebuilding Projects							
<b>Total Public Works - Highways and Streets</b>		2,909,789	414,061	996,695		355,695		4,676,240

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		360,691					360,691
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
<b>Total Other Public Works Enterprises</b>			360,691					360,691

Culture and Recreation								
451.00	Culture-Recreation Administration	461,248	27,196			1,335		489,779
452.00	Participant Recreation	618						618
453.00	Spectator Recreation							
454.00	Parks	55,075						55,075

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

December 31, 2021

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	209,606						209,606
457.00	Civil and Military Celebrations	59,428						59,428
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	31,064						31,064
<b>Total Culture and Recreation</b>		817,039	27,196			1,335		845,570

<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)	521,821						521,821
472.00	Debt Interest (short-term and long-term)	424,685		70,705		112,184		607,574
475.00	Fiscal Agent Fees	1,750		13,613				15,363
<b>Total Debt Service</b>		948,256		84,318		112,184		1,144,758

<b>Employer Paid Benefits and Withholding Items</b>								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	18,041	508			1,349		19,898
482.00	Judgments and Losses	2,221						2,221
483.00	Pension / Retirement Fund Contributions	592,254	13,117			26,434		631,805

NORTH FAYETTE TWP, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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	2,651						2,651
<b>Total Employer Paid Benefits and Withholding Items</b>		615,167	13,625			27,783		656,575

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

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						1,058,120	1,058,120
489.00	All Other Unclassified Expenditures	2,190					23,644	25,834
<b>Total Unclassified Operating Expenditures</b>		2,190					1,081,764	1,083,954

Other Financing Uses								
491.00	Refund of Prior Year Revenues	33,613	684					34,297
492.00	Interfund Operating Transfers							
493.00	All Other Financing Uses			5,070,000				5,070,000
<b>Total Other Financing Uses</b>		33,613	684	5,070,000				5,104,297

<b>TOTAL EXPENDITURES</b>	11,977,036	1,323,101	6,243,177		4,656,702		1,081,764	25,281,780
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	8,296	585,862	165,976		-396,865		2,660,884	3,024,153
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## NORTH FAYETTE TWP

December 31, 2021

## 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	112,543		70,444		42,099		42,099
General Obligation Note	Note	2007	2027	1,457,625	224,257		30,079		194,178		194,178
General Obligation Bond	Bond	2016	2031	5,540,000	5,165,000		5,165,000		0		0
General Obligation Bond	Bond	2017	2038	4,875,000	4,740,000		45,000		4,695,000		4,695,000
General Obligation Bond	Bond	2019	2044	6,785,000	6,505,000		285,000		6,220,000		6,220,000
General Obligation Bond	Bond	2020	2045	3,710,000	3,655,000		40,000		3,615,000		3,615,000
General Obligation Bond	Bond	2021	2042	5,710,000	0	5,710,000	65,000		5,645,000		5,645,000
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
Dump Truck Lease	Capital Leases	2015	2020	239,918	12,245		12,245		0		0
Dump Truck Lease	Capital Leases	2019	2025	93,258	66,510		12,275		54,235		54,235
Dump Truck Lease	Capital Leases	2020	2026	171,251	0	128,227	19,418		108,809		108,809
Dump Truck Lease	Capital Leases	2021	2027	702,267	0	702,267	176,235		526,032		526,032
<b>Other</b>											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

20,411,277

Capitalized lease obligations

689,076

Net debt

21,100,353



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

December 31, 2021

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer	175,567	54,320	229,887
Solid Waste			
Streets / Highways	654,927		654,927
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	830,494	54,320	884,814

**EMPLOYEE COMPENSATION**

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

5,697,929

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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, 2021

**NOTES / COMMENTS**