

**2022 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 Unmodified 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, 2022 included in the 2022 Annual Audit and Financial Report (Schedules) of the Township of North Fayette (Township).

Unmodified 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, 2022, 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 Unmodified 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, 2022, and the results of its operations for the year then ended.

Basis for Adverse and Unmodified 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 unmodified 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.

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.

Maker Duessel

Pittsburgh, Pennsylvania
October 16, 2023



BALANCE SHEET

DCED-CLGS-30 (09-09)

NORTH FAYETTE TWP, ALLEGHENY County
BALANCE SHEET
 December 31, 2022

		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	1,365,982	1,351,279	2,720,295		3,398,576		17,775,513			26,611,645
140-144	Tax Receivable	1,093,973									1,093,973
121-129, 145-149	Accounts Receivable (excluding taxes)	177,279	69,512			772,789		58,546			1,078,126
130.00	Due From Other Funds	883,228		169,003							1,052,231
131-139, 150-159	Other Current Assets	36,247									36,247
160-169	Fixed Assets					6,753,861			18,749,002		25,502,863
180-189	Other Debits									17,562,070	17,562,070
Total Assets and Other Debits		3,556,709	1,420,791	2,889,298		10,925,226		17,834,059	18,749,002	17,562,070	72,937,155

Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	316,955	2,477			12,500					331,932
200-209, 231-239	All Other Current Liabilities	1,395,346	526,596	102,176		745,807					2,769,925
230.00	Due To Other Funds	8,612	240,825	487,555		315,239					1,052,231

NORTH FAYETTE TWP, ALLEGHENY County

BALANCE SHEET

December 31, 2022

		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					3,280,532				16,879,233	20,159,765
240-259	Current Portion of Long-Term Debt and Other Credits					120,826				682,837	803,663
Total Liabilities and Other Credits		1,720,913	769,898	589,731		4,474,904				17,562,070	25,117,516
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets								18,749,002		18,749,002
270-289	Fund Balance / Retained Earnings on 12/31	1,835,796	650,893	2,299,567		6,450,322		17,834,059			29,070,637
291-299	Other Equity										
Total Fund and Account Group Equity		1,835,796	650,893	2,299,567		6,450,322		17,834,059	18,749,002		47,819,639
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											72,937,155

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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	4,126,708	376,209					4,502,917
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)	382,978						382,978
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	712,346						712,346
310.20	Earned Income Taxes / Wage Taxes	3,545,455						3,545,455
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	395,405						395,405
310.60	Amusement / Admission Taxes	5,988						5,988
310.70	Mechanical Device Taxes	3,400						3,400
310.90	Other: _____							
	Other: _____							
Total Taxes		9,172,280	376,209					9,548,489

Licenses and Permits

320-322	All Other Licenses and Permits	5,723						5,723
321.80	Cable Television Franchise Fees	376,016						376,016
Total Licenses and Permits		381,739						381,739

Fines and Forfeits

330-332	Fines and Forfeits	22,595						22,595
Total Fines and Forfeits		22,595						22,595

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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	189	10,083	20,566		17,476		48,314
342.00	Rents and Royalties	26,830						26,830
Total Interest, Rents and Royalties		27,019	10,083	20,566		17,476		75,144

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	727,841						727,841
353.00	Federal Payments in Lieu of Taxes							
Total Federal		727,841						727,841

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants	56,218						56,218
355.01	Public Utility Realty Tax (PURTA)	8,374						8,374
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		512,085					512,085
355.04	Alcoholic Beverage Licenses	7,400						7,400
355.05	General Municipal Pension System State Aid	398,895						398,895
355.07	Foreign Fire Insurance Tax Distribution		108,456					108,456
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution	9,106						9,106

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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							
Total State		479,993	620,541					1,100,534

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	59,201						59,201
Total Local Government Units		59,201						59,201

Charges for Service								
361.00	General Government	185,248	400					185,648
362.00	Public Safety	566,355	31,325					597,680
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	67,812						67,812
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)	360			3,114,380			3,114,740
364.30	Solid Waste Collection and Disposal Charge (trash)				1,343,726			1,343,726
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services	102	12,299					12,401
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	611,669	31,355					643,024
368.00	Airports							

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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

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		1,437,500	75,379			4,458,106		5,970,985

Unclassified Operating Revenues

383.00	Special Assessments		471,407	50,424				521,831
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors		950					950
388.00	Fiduciary Fund Pension Contributions						885,138	885,138
389.00	All Other Unclassified Operating Revenues	8,637	10,124		1,964		12,509	33,234
Total Unclassified Operating Revenues		8,637	482,481	50,424	1,964		897,647	1,441,153

Other Financing Sources

391.00	Proceeds of General Fixed Asset Disposition	58,607						58,607
392.00	Interfund Operating Transfers							
393.00	Proceeds of General Long-Term Debt			5,150,210				5,150,210
394.00	Proceeds of Short Term-Debt							

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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					8,470		8,470
Total Other Financing Sources		58,607		5,150,210		8,470		5,217,287
TOTAL REVENUES		12,375,412	1,564,693	5,221,200		4,486,016	897,647	24,544,968

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	31,555	1,655			61,868		95,078
401.00	Executive (Manager or Mayor)	419,287						419,287
402.00	Auditing Services / Financial Administration	164,394	5,143	50		51,576		221,163
403.00	Tax Collection	77,792						77,792
404.00	Solicitor / Legal Services	258,292	4,405	13,500		45,527		321,724
405.00	Secretary / Clerk							
406.00	Other General Government Administration							
407.00	IT-Networking Services-Data Processing	322,971	11,171			33,390		367,532
408.00	Engineering Services	183,517	26,534	16,788		191,700		418,539
409.00	General Government Buildings and Plant	440,481	2,818			34,976		478,275
Total General Government		1,898,289	51,726	30,338		419,037		2,399,390

Public Safety								
410.00	Police	4,702,404	47,104					4,749,508
411.00	Fire		442,333					442,333
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	126,923	615			21,013		148,551

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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	302,729	2,854			91,143		396,726
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		5,132,056	492,906			112,156		5,737,118

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)					1,434,381		1,434,381
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection					2,649,436		2,649,436
Total Public Works - Sanitation						4,083,817		4,083,817

Public Works - Highways and Streets

430.00	General Services - Administration	1,617,986	18,913			318,712		1,955,611
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		415,636					415,636
433.00	Traffic Control Devices	108,935						108,935
434.00	Street Lighting	3,984	80,388					84,372

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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			1,261				1,261
437.00	Repairs of Tools and Machinery	519,262	7,572		37,342			564,176
438.00	Maintenance and Repairs of Roads and Bridges	1,236,590	120,677					1,357,267
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		3,486,757	643,186	1,261	356,054			4,487,258

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		597,504					597,504
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises			597,504					597,504

Culture and Recreation								
451.00	Culture-Recreation Administration	588,729	35,030					623,759
452.00	Participant Recreation	4,202						4,202
453.00	Spectator Recreation							
454.00	Parks	46,318						46,318

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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	222,207						222,207
457.00	Civil and Military Celebrations	81,942	2,070					84,012
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	53,139						53,139
Total Culture and Recreation		996,537	37,100					1,033,637

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)	543,350						543,350
472.00	Debt Interest (short-term and long-term)	493,317			117,742			611,059
475.00	Fiscal Agent Fees		112,859					112,859
Total Debt Service		1,036,667	112,859		117,742			1,267,268

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	34,140	797		2,139			37,076
482.00	Judgments and Losses						3,344,211	3,344,211
483.00	Pension / Retirement Fund Contributions	697,114	22,704		45,408			765,226

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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							
Total Employer Paid Benefits and Withholding Items		731,254	23,501			47,547		3,344,211
								4,146,513

Insurance								
486.00	Insurance, Casualty, and Surety							
Total Insurance								

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid							905,637
489.00	All Other Unclassified Expenditures					10,438		15,727
Total Unclassified Operating Expenditures						10,438		921,364
								931,802

Other Financing Uses								
491.00	Refund of Prior Year Revenues	3,475						
492.00	Interfund Operating Transfers							
493.00	All Other Financing Uses			4,723,847				
Total Other Financing Uses		3,475		4,723,847				
								4,727,322

TOTAL EXPENDITURES	13,285,035	1,845,923	4,868,305		5,146,791			4,265,575	29,411,629
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-909,623	-281,230	352,895		-660,775			-3,367,928	-4,866,661
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NORTH FAYETTE TWP

December 31, 2022

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	42,099		42,099		0		0
General Obligation Note	Note	2007	2027	1,457,625	194,178		33,326		160,852		160,852
General Obligation Bond	Bond	2017	2038	4,875,000	4,695,000		4,695,000		0		0
General Obligation Bond	Bond	2019	2044	6,785,000	6,220,000		335,000		5,885,000		5,885,000
General Obligation Bond	Bond	2020	2045	3,710,000	3,615,000		40,000		3,575,000		3,575,000
General Obligation Bond	Bond	2021	2042	5,710,000	5,645,000		120,000		5,525,000		5,525,000
General Obligation Bond	Bond	2022	2038	5,145,000	0	5,145,000	70,000		5,075,000		5,075,000
Revenue Bonds and Notes											
Lease Rental Debt											
DUMP Truck Lease	Capital Leases	2019	2025	93,258	54,235		12,768		41,467		41,467
Dump Truck Lease	Capital Leases	2020	2026	171,251	108,809		20,161		88,648		88,648
Dump Truck Lease	Capital Leases	2021	2027	702,267	526,032		80,600		445,432		445,432
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

20,220,852

Capitalized lease obligations

575,547

Net debt

20,796,399

NORTH FAYETTE TWP, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2022

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	137,000		137,000
Recreation			
Sewer	296,419		296,419
Solid Waste			
Streets / Highways			
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	433,419		433,419

EMPLOYEE COMPENSATION

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

5,947,575

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

SIGNATURE AND VERIFICATION

Signed: Maher Duessel Appointed Auditor/CPA

December 31, 2022

NOTES / COMMENTS