

2023 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

022795 RICHLAND TWP, ALLEGHENY COUNTY

Independent Auditor's Report

**Board of Supervisors
Richland Township**

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the Cash Basis 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, 2023 included in the Annual Audit and Financial Report (Schedules) of Richland Township (Township), Pennsylvania.

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, 2023, 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, 2023, 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. 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

Maher Duessel

Pittsburgh, Pennsylvania
March 26, 2024

		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	2,626,750	147,259	2,639,454		4,521,858		4,648,378			14,583,699
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)	737									737
130.00	Due From Other Funds										
131-139, 150-159	Other Current Assets	44,735									44,735
160-169	Fixed Assets										
180-189	Other Debits									24,865,357	24,865,357
Total Assets and Other Debits		2,672,222	147,259	2,639,454		4,521,858		4,648,378		24,865,357	39,494,528

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RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2023

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	2,991,566							2,991,566
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)	246,378							246,378
310.00	Per Capita Taxes								
310.10	Real Estate Transfer Taxes	465,388							465,388
310.20	Earned Income Taxes / Wage Taxes	2,946,002							2,946,002
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	267,845							267,845
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes	22,555							22,555
310.90	Other: _____								
	Other: _____								
Total Taxes		6,939,734							6,939,734

Licenses and Permits									
320-322	All Other Licenses and Permits	126,546							126,546
321.80	Cable Television Franchise Fees	194,858							194,858
Total Licenses and Permits		321,404							321,404

Fines and Forfeits									
330-332	Fines and Forfeits	12,355							12,355
Total Fines and Forfeits		12,355							12,355

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2023

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	123,199	14,819	110,154		167,847		412,574	828,593
342.00	Rents and Royalties								
Total Interest, Rents and Royalties		123,199	14,819	110,154		167,847		412,574	828,593

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								
Total Federal									

State									
354.03	Highways and Streets								
354.09	Community Development								
354.15	Recycling / Act 101								
354.00	All Other State Capital and Operating Grants								
355.01	Public Utility Realty Tax (PURTA)	5,779							5,779
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		427,473						427,473
355.04	Alcoholic Beverage Licenses	4,000							4,000
355.05	General Municipal Pension System State Aid	81,523							81,523
355.07	Foreign Fire Insurance Tax Distribution	84,790							84,790
355.08	Local Share Assessment/Gaming Proceeds								
355.09	Marcellus Shale Impact Fee Distribution	11,409							11,409

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2023

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		187,501	427,473						614,974

Local Government Units									
357.03	Highways and Streets								
357.00	All Other Local Governmental Units Capital and Operating Grants	1,146							1,146
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		1,146							1,146

Charges for Service									
361.00	General Government	35,350							35,350
362.00	Public Safety								
363.20	Parking								
363.00	All Other Charges for Highway & Street Services		3,144						3,144
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)					2,810,157			2,810,157
364.30	Solid Waste Collection and Disposal Charge (trash)	2,154							2,154
364.60	Host Municipality Benefit Fee for Solid Waste Facility								
364.00	All Other Charges for Sanitation Services								
365.00	Health								
366.00	Human Services								
367.00	Culture and Recreation	122,353							122,353
368.00	Airports								

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2023

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							
Total Charges for Service		159,857	3,144			2,810,157		2,973,158

Unclassified Operating Revenues								
383.00	Special Assessments		124,911	57,217				182,128
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	15,000						15,000
388.00	Fiduciary Fund Pension Contributions						218,558	218,558
389.00	All Other Unclassified Operating Revenues	6,561						6,561
Total Unclassified Operating Revenues		21,561	124,911	57,217			218,558	422,247

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	27,550						27,550
392.00	Interfund Operating Transfers			604,498				604,498
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2023

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	19,185				4,602		23,787
Total Other Financing Sources		46,735		604,498		4,602		655,835

TOTAL REVENUES

7,813,492	570,347	771,869		2,982,606		631,132	12,769,446
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	26,917						26,917
401.00	Executive (Manager or Mayor)	384,228				2,018		386,246
402.00	Auditing Services / Financial Administration	139,181						139,181
403.00	Tax Collection	85,027						85,027
404.00	Solicitor / Legal Services	49,807		1,948				51,755
405.00	Secretary / Clerk							
406.00	Other General Government Administration							
407.00	IT-Networking Services-Data Processing	65,899						65,899
408.00	Engineering Services	1,996		19,494				21,490
409.00	General Government Buildings and Plant	115,033		7,659				122,692
Total General Government		868,088		29,101		2,018		899,207

Public Safety

410.00	Police	2,040,348						2,040,348
411.00	Fire	280,269						280,269
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	106,363						106,363

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2023

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	181,453							181,453
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		121,110						121,110
Total Public Safety		2,608,433	121,110						2,729,543

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)	2,581							2,581
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection					1,352,911			1,352,911
Total Public Works - Sanitation		2,581				1,352,911			1,355,492

Public Works - Highways and Streets									
430.00	General Services - Administration	475,373	53,250	152,651					681,274
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal		337,756						337,756
433.00	Traffic Control Devices	17,381	6,330	21,442					45,153
434.00	Street Lighting	7,292	2,662						9,954

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2023

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	3,008						3,008
437.00	Repairs of Tools and Machinery	40,570						40,570
438.00	Maintenance and Repairs of Roads and Bridges	155,103						155,103
439.00	Highway Construction and Rebuilding Projects	1,503,380						1,503,380
Total Public Works - Highways and Streets		2,202,107	399,998	174,093				2,776,198

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	34,076						34,076
447.00	Transit System							
448.00	Water System	1,053						1,053
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises		35,129						35,129

Culture and Recreation

451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	448,112		628,260				1,076,372

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2023

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	239,350							239,350
457.00	Civil and Military Celebrations								
458.00	Senior Citizens' Centers								
459.00	All Other Culture and Recreation	32,829							32,829
Total Culture and Recreation		720,291		628,260					1,348,551

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)	365,860				574,140			940,000
472.00	Debt Interest (short-term and long-term)	73,474				679,498			752,972
475.00	Fiscal Agent Fees								
Total Debt Service		439,334				1,253,638			1,692,972

Employer Paid Benefits and Withholding Items									
481.00	Employer Paid Withholding Taxes and Unemployment Compensation								
482.00	Judgments and Losses								
483.00	Pension / Retirement Fund Contributions	94,341							94,341

RICHLAND TWP, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2023

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				8,316		222	8,538
Total Employer Paid Benefits and Withholding Items		94,341			8,316		222	102,879

Insurance								
486.00	Insurance, Casualty, and Surety							
Total Insurance								

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						16,804	16,804
489.00	All Other Unclassified Expenditures	7,142						7,142
Total Unclassified Operating Expenditures		7,142					16,804	23,946

Other Financing Uses								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	525,000		79,498				604,498
493.00	All Other Financing Uses							
Total Other Financing Uses		525,000		79,498				604,498

TOTAL EXPENDITURES	7,502,446	521,108	910,952		2,616,883		17,026	11,568,415
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	311,046	49,239	-139,083		365,723		614,106	1,201,031
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RICHLAND TWP
December 31, 2023

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											
2017 GOB	Bond	2017	2027	6,265,000	4,205,000		935,000		3,270,000	21,545	3,291,545
2021 GOB	Bond	2021	2041	19,715,000	19,715,000		5,000		19,710,000	1,863,812	21,573,812
Revenue Bonds and Notes											
Lease Rental Debt											
Water Revenue Note, Series of 2007	Lease Rentals	2007	2027	1,500,000	368,750		181,011		187,739		187,739
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding 25,053,096

Capitalized lease obligations 0

Net debt 25,053,096

RICHLAND TWP, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2023

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	217,914		217,914
Health			
Housing			
Libraries			
Mass Transit			
Parks		334,256	334,256
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways		45,254	45,254
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	217,914	379,510	597,424

EMPLOYEE COMPENSATION

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

1,395,340

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, 2023

NOTES / COMMENTS