

**2018 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**022795 RICHLAND TWP, ALLEGHENY COUNTY**

## Independent Auditor's Report

### **Board of Supervisors Richland Township**

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 (Schedules) included in the 2018 Annual Audit and Financial Report of Richland Township (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 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 on the cash basis of accounting, 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 historical pension 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, 2018 and the results of its operations for the year then ended.

**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, 2018, 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 DCED.

*Maheer Duessel*

Pittsburgh, Pennsylvania  
March 22, 2019



## RICHLAND TWP, ALLEGHENY County

## BALANCE SHEET

December 31, 2018

		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									6,933,480	6,933,480
240-259	Current Portion of Long-Term Debt and Other Credits					470		83,682		855,000	939,152
<b>Total Liabilities and Other Credits</b>		4,223				13,940		83,682		7,788,480	7,890,325

<b>Fund and Account Group Equity</b>											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	902,431	33,335	2,040,608		1,912,375		3,170,597			8,059,346
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		902,431	33,335	2,040,608		1,912,375		3,170,597			8,059,346

<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											15,949,671
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**RICHLAND TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2018

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	2,284,212						2,284,212
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)	179,552						179,552
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	319,266						319,266
310.20	Earned Income Taxes / Wage Taxes	2,309,801						2,309,801
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	252,923						252,923
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes	19,790						19,790
310.90	Other: _____							
	Other: _____							
<b>Total Taxes</b>		5,365,544						5,365,544

**Licenses and Permits**

320-322	All Other Licenses and Permits	57,516						57,516
321.80	Cable Television Franchise Fees	211,350						211,350
<b>Total Licenses and Permits</b>		268,866						268,866

**Fines and Forfeits**

330-332	Fines and Forfeits	23,270						23,270
<b>Total Fines and Forfeits</b>		23,270						23,270

RICHLAND TWP, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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	14,806	3,874	48,793		25,765		93,238
342.00	Rents and Royalties							
<b>Total Interest, Rents and Royalties</b>		14,806	3,874	48,793		25,765		93,238

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							
<b>Total Federal</b>								

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	19,890						19,890
354.00	All Other State Capital and Operating Grants	316,849						316,849
355.01	Public Utility Realty Tax (PURTA)	5,177						5,177
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		431,652					431,652
355.04	Alcoholic Beverage Licenses	3,800						3,800
355.05	General Municipal Pension System State Aid	70,266						70,266
355.07	Foreign Fire Insurance Tax Distribution	67,502						67,502
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution	8,312						8,312

**RICHLAND TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2018

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>		491,796	431,652					923,448

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							
<b>Total Local Government Units</b>								

Charges for Service								
361.00	General Government	43,243						43,243
362.00	Public Safety							
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	5,396	2,149					7,545
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				2,122,162			2,122,162
364.30	Solid Waste Collection and Disposal Charge (trash)	3,958						3,958
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	101,129						101,129
368.00	Airports							



**RICHLAND TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2018

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							
<b>Total Charges for Service</b>		153,726	2,149			2,122,162		2,278,037

Unclassified Operating Revenues								
383.00	Special Assessments		68,973	1,917				70,890
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	15,000		2,000				17,000
388.00	Fiduciary Fund Pension Contributions						184,463	184,463
389.00	All Other Unclassified Operating Revenues	13,309			243			13,552
<b>Total Unclassified Operating Revenues</b>		28,309	68,973	3,917	243		184,463	285,905

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	45,600						45,600
392.00	Interfund Operating Transfers			400,000				400,000
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, 2018

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	14,913				4,026		18,939
<b>Total Other Financing Sources</b>		60,513		400,000		4,026		464,539
<b>TOTAL REVENUES</b>		6,406,830	506,648	452,710		2,152,196	184,463	9,702,847

**EXPENDITURES**

General Government								
400.00	Legislative (Governing) Body	33,273						33,273
401.00	Executive (Manager or Mayor)	249,966				2,451		252,417
402.00	Auditing Services / Financial Administration	93,613						93,613
403.00	Tax Collection	73,851	107					73,958
404.00	Solicitor / Legal Services	31,048		1,566		2,727		35,341
405.00	Secretary / Clerk							
406.00	Other General Government Administration							
407.00	IT-Networking Services-Data Processing	24,341						24,341
408.00	Engineering Services	1,933		11,324		7,217		20,474
409.00	General Government Buildings and Plant	105,529		73,769				179,298
<b>Total General Government</b>		613,554	107	86,659		12,395		712,715

**Public Safety**

410.00	Police	1,500,858						1,500,858
411.00	Fire	236,696						236,696
412.00	Ambulance / Rescue	48						48
413.00	UCC and Code Enforcement	33,025						33,025

**RICHLAND TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2018

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	166,956						166,956
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	191,849	82,950					274,799
<b>Total Public Safety</b>		2,129,432	82,950					2,212,382

**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)	3,714						3,714
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				1,186,583			1,186,583
<b>Total Public Works - Sanitation</b>		3,714			1,186,583			1,190,297

**Public Works - Highways and Streets**

430.00	General Services - Administration	413,464	84,000	79,259				576,723
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		387,945					387,945
433.00	Traffic Control Devices	35,101	4,196					39,297
434.00	Street Lighting	6,317	1,951					8,268

RICHLAND TWP, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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	12,079						12,079
437.00	Repairs of Tools and Machinery	32,781						32,781
438.00	Maintenance and Repairs of Roads and Bridges	98,981						98,981
439.00	Highway Construction and Rebuilding Projects	1,165,607		540,429				1,706,036
<b>Total Public Works - Highways and Streets</b>		1,764,330	478,092	619,688				2,862,110

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	87,705						87,705
447.00	Transit System							
448.00	Water System	609						609
449.00	Water Transport and Terminals							
<b>Total Other Public Works Enterprises</b>		88,314						88,314

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	360,962		242,450				603,412

**RICHLAND TWP, ALLEGHENY County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2018

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	228,053						228,053
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	37,407						37,407
<b>Total Culture and Recreation</b>		626,422		242,450				868,872

<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)	273,870				561,130		835,000
472.00	Debt Interest (short-term and long-term)	85,429				113,680		199,109
475.00	Fiscal Agent Fees							
<b>Total Debt Service</b>		359,299				674,810		1,034,109

<b>Employer Paid Benefits and Withholding Items</b>								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses						270,785	270,785
483.00	Pension / Retirement Fund Contributions	79,344						79,344

RICHLAND TWP, ALLEGHENY County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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				7,200		124	7,324
<b>Total Employer Paid Benefits and Withholding Items</b>		79,344			7,200		270,909	357,453

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

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						370,036	370,036
489.00	All Other Unclassified Expenditures							
<b>Total Unclassified Operating Expenditures</b>							370,036	370,036

Other Financing Uses								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	400,000						400,000
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>		400,000						400,000

<b>TOTAL EXPENDITURES</b>	6,064,409	561,149	948,797		1,880,988		640,945	10,096,288
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	342,421	-54,501	-496,087		271,208		-456,482	-393,441
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**RICHLAND TWP**  
December 31, 2018

**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>											
2014 GON	Note	2014	2022	3,690,000	2,310,000		525,000		1,785,000		1,785,000
2017 GOB	Bond	2017	2027	6,265,000	6,265,000		310,000		5,955,000	48,480	6,003,480
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
Water Revenue Note, Series of 2007	Lease Rentals	2007	2027	1,500,000	743,750		81,250		662,500		662,500
<b>Other</b>											

(1) - excludes unamortized premium/discount

<b>Total bonds and notes outstanding</b>	8,450,980
<b>Capitalized lease obligations</b>	0
<b>Net debt</b>	8,450,980

**RICHLAND TWP, ALLEGHENY County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2018

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks	37,701	547,486	585,187
Police			
Recreation			
Sewer	10,978		10,978
Solid Waste			
Streets / Highways	84,000	540,429	624,429
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	132,679	1,087,915	1,220,594

**EMPLOYEE COMPENSATION**

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

1,113,867



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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, 2018

**NOTES / COMMENTS**

The guaranteed debt of the Richland Township Municipal Authority consists of only the portion of debt that is guaranteed by Richland Township. As this debt is not the debt of the Township and the Township is not liable unless the Authority defaults, these are not included on the balance sheet or statement of revenues and expenditures.