

2023 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

022764 RESERVE TWP, ALLEGHENY COUNTY

Independent Auditor's Report

**Board of Commissioners
Reserve 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 2023 Annual Audit and Financial Report (Schedules) of Reserve Township (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, 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 27, 2024



BALANCE SHEET

DCED-CLGS-30 (09-09)

RESERVE TWP, ALLEGHENY County BALANCE SHEET December 31, 2023

		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	1,340,971	68,079	9,847		1,380,321		5,053,319			7,852,537
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds	1,412									1,412
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets										
180-189	Other Debits	942								2,388,748	2,389,690
Total Assets and Other Debits		1,343,325	68,079	9,847		1,380,321		5,053,319		2,388,748	10,243,639
Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	1,713									1,713
200-209, 231-239	All Other Current Liabilities	24,108									24,108
230.00	Due To Other Funds					1,412					1,412

RESERVE 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	839,177							839,177
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)	118,235							118,235
310.00	Per Capita Taxes								
310.10	Real Estate Transfer Taxes	45,384							45,384
310.20	Earned Income Taxes / Wage Taxes	546,360							546,360
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	14,461							14,461
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other: Landfill (percent)	7,677							7,677
	Other: _____								
Total Taxes		1,571,294							1,571,294

Licenses and Permits									
320-322	All Other Licenses and Permits	17,310							17,310
321.80	Cable Television Franchise Fees	65,200							65,200
Total Licenses and Permits		82,510							82,510

Fines and Forfeits									
330-332	Fines and Forfeits	11,478							11,478
Total Fines and Forfeits		11,478							11,478

RESERVE 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	57,425	3,885	73	51	52,355		681,508	795,297
342.00	Rents and Royalties								
Total Interest, Rents and Royalties		57,425	3,885	73	51	52,355		681,508	795,297

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	161,760							161,760
355.01	Public Utility Realty Tax (PURTA)	1,423							1,423
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		88,235						88,235
355.04	Alcoholic Beverage Licenses	450							450
355.05	General Municipal Pension System State Aid	111,840							111,840
355.07	Foreign Fire Insurance Tax Distribution	17,365							17,365
355.08	Local Share Assessment/Gaming Proceeds								
355.09	Marcellus Shale Impact Fee Distribution	722							722

RESERVE 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		293,560	88,235						381,795

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								
Total Local Government Units									

Charges for Service									
361.00	General Government	4,036							4,036
362.00	Public Safety	24,557							24,557
363.20	Parking								
363.00	All Other Charges for Highway & Street Services	17,666							17,666
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)					817,358			817,358
364.30	Solid Waste Collection and Disposal Charge (trash)								
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	2,350							2,350
368.00	Airports								

RESERVE 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				723,476			723,476
379.00	All Other Charges for Service			11,502	89,354			100,856
Total Charges for Service		48,609		11,502	1,630,188			1,690,299

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	18,600						18,600
388.00	Fiduciary Fund Pension Contributions						145,969	145,969
389.00	All Other Unclassified Operating Revenues	11,246						11,246
Total Unclassified Operating Revenues		29,846					145,969	175,815

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers	12,293		14,689	11,210			38,192
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

RESERVE 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	39,351							39,351
Total Other Financing Sources		51,644		14,689	11,210				77,543

TOTAL REVENUES

2,146,366	92,120	14,762	22,763	1,682,543		827,477	4,786,031
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EXPENDITURES

General Government									
400.00	Legislative (Governing) Body	29,814							29,814
401.00	Executive (Manager or Mayor)	97,001							97,001
402.00	Auditing Services / Financial Administration	15,550							15,550
403.00	Tax Collection	21,658							21,658
404.00	Solicitor / Legal Services	35,854							35,854
405.00	Secretary / Clerk	36,587							36,587
406.00	Other General Government Administration	19,193							19,193
407.00	IT-Networking Services-Data Processing	17,847							17,847
408.00	Engineering Services	3,969							3,969
409.00	General Government Buildings and Plant	45,656							45,656
Total General Government		323,129							323,129

Public Safety

410.00	Police	687,179							687,179
411.00	Fire	66,023							66,023
412.00	Ambulance / Rescue								
413.00	UCC and Code Enforcement	37,851							37,851

RESERVE 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	5,196							5,196
415.00	Emergency Management and Communications	238							238
416.00	Militia and Armories								
417.00	Examination of Licensed Occupations								
418.00	Public Scales (weights and measures)								
419.00	Other Public Safety	17,528							17,528
Total Public Safety		814,015							814,015

Health and Human Services									
420.00-425.00	Health and Human Services	3,530							3,530
Total Health and Human Services		3,530							3,530

Public Works - Sanitation									
426.00	Recycling Collection and Disposal								
427.00	Solid Waste Collection and Disposal (garbage)								
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection				803,318				803,318
Total Public Works - Sanitation					803,318				803,318

Public Works - Highways and Streets									
430.00	General Services - Administration	180,528							180,528
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal		26,769						26,769
433.00	Traffic Control Devices								
434.00	Street Lighting		38,019						38,019

RESERVE 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	57,375			2,897			60,272
437.00	Repairs of Tools and Machinery	1,886	281					2,167
438.00	Maintenance and Repairs of Roads and Bridges	6,513						6,513
439.00	Highway Construction and Rebuilding Projects	212,040						212,040
Total Public Works - Highways and Streets		458,342	65,069		2,897			526,308

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							
447.00	Transit System							
448.00	Water System				931,340			931,340
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises					931,340			931,340

Culture and Recreation

451.00	Culture-Recreation Administration	5,848						5,848
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	189						189

RESERVE 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								
457.00	Civil and Military Celebrations								
458.00	Senior Citizens' Centers								
459.00	All Other Culture and Recreation								
Total Culture and Recreation		6,037							6,037

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)	111,121		12,246	26,552				149,919
472.00	Debt Interest (short-term and long-term)	64,644		2,443	2,886				69,973
475.00	Fiscal Agent Fees								
Total Debt Service		175,765		14,689	29,438				219,892

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	102,006							102,006

RESERVE 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	57,110							57,110
487.00	Other Group Insurance Benefits	11,212							11,212
Total Employer Paid Benefits and Withholding Items		170,328							170,328

Insurance									
486.00	Insurance, Casualty, and Surety	53,928							53,928
Total Insurance		53,928							53,928

Unclassified Operating Expenditures									
488.00	Fiduciary Fund Benefits and Refunds Paid							206,934	206,934
489.00	All Other Unclassified Expenditures	58	104			321		41,914	42,397
Total Unclassified Operating Expenditures		58	104			321		248,848	249,331

Other Financing Uses									
491.00	Refund of Prior Year Revenues								
492.00	Interfund Operating Transfers				12,293	25,899			38,192
493.00	All Other Financing Uses								
Total Other Financing Uses					12,293	25,899			38,192

TOTAL EXPENDITURES	2,005,132	65,173	14,689	41,731	1,763,775			248,848	4,139,348
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	141,234	26,947	73	-18,968	-81,232			578,629	646,683
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RESERVE 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											
General Obligation Note	Note	2021	2041	2,545,000	2,426,439		99,827		2,326,612		2,326,612
Revenue Bonds and Notes											
PennVest Guaranteed Revenue Note	Note	2006	2027	246,084	62,010		12,246		49,764		49,764
Penn Vest Guaranteed Revenue Note	Note	2002	2023	394,028	26,552		26,552		0		0
Lease Rental Debt											
Other											
First Commonwealth Bank	Note	2010	2025	150,000	23,666		11,294		12,372		12,372

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding 2,388,748

Capitalized lease obligations 0

Net debt 2,388,748

RESERVE TWP, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2023

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water		138,810	138,810
Other: _____			
TOTAL CAPITAL EXPENDITURES		138,810	138,810

EMPLOYEE COMPENSATION

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

885,866

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