

**2021 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

100995 LANCASTER TWP, BUTLER COUNTY

Independent Auditor's Report

**Board of Supervisors
Lancaster 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, 2021 included in the Annual Audit and Financial Report (Schedules) of Lancaster Township (Township).

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, 2021, 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, 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).

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.

Maher Duessel

Pittsburgh, Pennsylvania
March 24, 2022

LANCASTER TWP, BUTLER 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
Liabilities and Other Credits											
260-269	Long-Term-Liabilities	4,457									4,457
240-259	Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits		26,075									26,075
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	451,930	540,698	756,336							1,748,964
291-299	Other Equity										
Total Fund and Account Group Equity		451,930	540,698	756,336							1,748,964
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											1,775,039

LANCASTER TWP, BUTLER 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	270,491	47,633					318,124
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)							
310.00	Per Capita Taxes	8,745						8,745
310.10	Real Estate Transfer Taxes	268,751						268,751
310.20	Earned Income Taxes / Wage Taxes	562,931						562,931
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)	2,042						2,042
310.50	Local Services Tax **	38,340						38,340
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		1,151,300	47,633					1,198,933

Licenses and Permits

320-322	All Other Licenses and Permits	1,865						1,865
321.80	Cable Television Franchise Fees	43,187						43,187
Total Licenses and Permits		45,052						45,052

Fines and Forfeits

330-332	Fines and Forfeits	10,614						10,614
Total Fines and Forfeits		10,614						10,614

LANCASTER TWP, BUTLER 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

Interest, Rents and Royalties								
341.00	Interest Earnings	176	59	1,726				1,961
342.00	Rents and Royalties	7,205						7,205
Total Interest, Rents and Royalties		7,381	59	1,726				9,166

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		145,176					145,176
353.00	Federal Payments in Lieu of Taxes							
Total Federal			145,176					145,176

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)	1,009						1,009
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		169,542					169,542
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	57,011						57,011
355.07	Foreign Fire Insurance Tax Distribution	17,086						17,086
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution			87,478				87,478

LANCASTER TWP, BUTLER 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							
Total State		75,106	169,542	87,478				332,126

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	66,561						66,561
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		66,561						66,561

Charges for Service								
361.00	General Government	16,295						16,295
362.00	Public Safety	49,913						49,913
363.20	Parking							
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)							
364.60	Host Municipality Benefit Fee for Solid Waste Facility	169,870						169,870
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation							
368.00	Airports							

LANCASTER TWP, BUTLER 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							
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		236,078						236,078

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors			124,000				124,000
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	4,423						4,423
Total Unclassified Operating Revenues		4,423		124,000				128,423

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	7,600						7,600
392.00	Interfund Operating Transfers							
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

LANCASTER TWP, BUTLER 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							
Total Other Financing Sources		7,600						7,600
TOTAL REVENUES		1,604,115	362,410	213,204				2,179,729

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	5,156						5,156
401.00	Executive (Manager or Mayor)	33,559						33,559
402.00	Auditing Services / Financial Administration	11,563						11,563
403.00	Tax Collection	13,708						13,708
404.00	Solicitor / Legal Services	26,147						26,147
405.00	Secretary / Clerk	19,016		8,570				27,586
406.00	Other General Government Administration	199,437						199,437
407.00	IT-Networking Services-Data Processing	6,357						6,357
408.00	Engineering Services	26,305						26,305
409.00	General Government Buildings and Plant	35,376						35,376
Total General Government		376,624		8,570				385,194

Public Safety								
410.00	Police	437,541		47,282				484,823
411.00	Fire	37,669	47,633					85,302
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement							

LANCASTER TWP, BUTLER 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	605						605
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		475,815	47,633	47,282				570,730

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)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection	7,200						7,200
Total Public Works - Sanitation		7,200						7,200

Public Works - Highways and Streets

430.00	General Services - Administration	20,925						20,925
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	63,679						63,679
433.00	Traffic Control Devices	2,945						2,945
434.00	Street Lighting							

LANCASTER TWP, BUTLER 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	4,220						4,220
437.00	Repairs of Tools and Machinery	29,144						29,144
438.00	Maintenance and Repairs of Roads and Bridges	205,882	186,079					391,961
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		326,795	186,079					512,874

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							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises								

Culture and Recreation								
451.00	Culture-Recreation Administration	1,002						1,002
452.00	Participant Recreation							
453.00	Spectator Recreation	4,715						4,715
454.00	Parks	2,741						2,741

LANCASTER TWP, BUTLER 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

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries	8,000						8,000
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation			2,500				2,500
Total Culture and Recreation		16,458		2,500				18,958

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)							
472.00	Debt Interest (short-term and long-term)							
475.00	Fiscal Agent Fees							
Total Debt Service								

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	62,118						62,118
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	59,533						59,533

LANCASTER TWP, BUTLER 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	36,748					36,748
487.00	Other Group Insurance Benefits	47,881					47,881
Total Employer Paid Benefits and Withholding Items		206,280					206,280

Insurance							
486.00	Insurance, Casualty, and Surety	60,513					60,513
Total Insurance		60,513					60,513

Unclassified Operating Expenditures							
488.00	Fiduciary Fund Benefits and Refunds Paid						
489.00	All Other Unclassified Expenditures	13,960					13,960
Total Unclassified Operating Expenditures		13,960					13,960

Other Financing Uses							
491.00	Refund of Prior Year Revenues						
492.00	Interfund Operating Transfers						
493.00	All Other Financing Uses						
Total Other Financing Uses							

TOTAL EXPENDITURES		1,483,645	233,712	58,352			1,775,709
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		120,470	128,698	154,852			404,020
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LANCASTER 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
General Obligation Bonds and Notes											
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

0

Capitalized lease obligations

0

Net debt

0

LANCASTER TWP, BUTLER 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	46,051		46,051
Recreation			
Sewer			
Solid Waste			
Streets / Highways	8,570		8,570
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	54,621		54,621

EMPLOYEE COMPENSATION

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

595,447

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, 2021

NOTES / COMMENTS

\$66,561 of CARES revenue is recorded as revenue on line 357.00.

\$145,176 of ARPA revenue is recorded as revenue on line 352.00.