

Annual Audit and
Financial Report
(DCED-CLGS-30)

December 31,
2019

Penn Township, York County



INDEPENDENT AUDITOR'S REPORT

Penn Township Board of Commissioners
Penn Township, York County
Hanover, Pennsylvania

President Judge of the Court of the Common Pleas

Secretary of Community and Economic Development

We have audited the accompanying balance sheet – modified cash basis of Penn Township, York County, Pennsylvania, as of December 31, 2019, and the related statement of revenues and expenditures – modified cash basis, debt statement – modified cash basis and statement of capital expenditures – modified cash basis for the year then ended in the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the modified cash basis – financial position of Penn Township, York County, Pennsylvania as of December 31, 2019, and the modified cash basis - revenues, expenditures, and changes in financial position, modified cash basis – debt statement and modified cash basis – capital expenditures for the year then ended in accordance with the modified cash basis of accounting within the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

Emphasis of Matters

The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The accompanying annual financial report was prepared for the purpose of complying with rules and regulations of the Department of Community and Economic Development of the Commonwealth of Pennsylvania, does not include supporting disclosures or government-wide statements and is not intended to be a complete presentation of the Township's assets, liabilities, revenues and expenses. Our opinion is not modified with respect to these matters.

Restriction on Use

This report is intended solely for the information and use of the Board of Commissioners, President Judge of the Court of the Common Pleas, and the Secretary of Community and Economic Development, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Smith & Elliott Keams & Company, LLC". The signature is written in a cursive, flowing style.

Hanover, Pennsylvania
March 18, 2020

**2019 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

671414 PENN TWP, YORK COUNTY

PENN TWP, YORK County

BALANCE SHEET

December 31, 2019

		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										
240-259	Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits		185,139									185,139
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	4,537,288	1,476,935	3,550,467		7,966,692		15,499,175			33,030,557
291-299	Other Equity										
Total Fund and Account Group Equity		4,537,288	1,476,935	3,550,467		7,966,692		15,499,175			33,030,557
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											33,215,696

PENN TWP, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	5,440,585						5,440,585
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							
310.10	Real Estate Transfer Taxes	501,985						501,985
310.20	Earned Income Taxes / Wage Taxes	2,114,387						2,114,387
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	420,646						420,646
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		8,477,603						8,477,603

Licenses and Permits

320-322	All Other Licenses and Permits	9,625						9,625
321.80	Cable Television Franchise Fees	259,942						259,942
Total Licenses and Permits		269,567						269,567

Fines and Forfeits

330-332	Fines and Forfeits	129,308						129,308
Total Fines and Forfeits		129,308						129,308

PENN TWP, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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								
356.00	State Payments in Lieu of Taxes							
355.00	All Other State Shared Revenues and Entitlements	8,470						8,470
Total State		784,904	545,190					1,330,094

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	59,089						59,089
362.00	Public Safety	385,972						385,972
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.)				6,481,915			6,481,915
364.30	Solid Waste Collection and Disposal Charge (trash)	1,034,127						1,034,127
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	8,470						8,470
368.00	Airports							

PENN TWP, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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		1,487,658				6,481,915		7,969,573

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors		64,295	944				65,239
388.00	Fiduciary Fund Pension Contributions						1,007,637	1,007,637
389.00	All Other Unclassified Operating Revenues	111,950			20,009			131,959
Total Unclassified Operating Revenues		111,950	64,295	944	20,009		1,007,637	1,204,835

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	2,898		15,055		18,910		36,863
392.00	Interfund Operating Transfers							
393.00	Proceeds of General Long-Term Debt					9,999,356		9,999,356
394.00	Proceeds of Short Term-Debt							

PENN TWP, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	34,934				1,091		36,025
Total Other Financing Sources		37,832		15,055		10,019,357		10,072,244

TOTAL REVENUES

11,831,450	628,689	77,485		16,879,009		3,398,694	32,815,327
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	22,943						22,943
401.00	Executive (Manager or Mayor)	336,138						336,138
402.00	Auditing Services / Financial Administration	11,850						11,850
403.00	Tax Collection	12,554						12,554
404.00	Solicitor / Legal Services	13,728						13,728
405.00	Secretary / Clerk							
406.00	Other General Government Administration	3,150						3,150
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	210,633						210,633
409.00	General Government Buildings and Plant	30,125						30,125
Total General Government		641,121						641,121

Public Safety

410.00	Police	4,170,319		9,838				4,180,157
411.00	Fire	2,848,756						2,848,756
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	243,182						243,182

PENN TWP, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	198,293						198,293
415.00	Emergency Management and Communications	2,307						2,307
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		7,462,857		9,838				7,472,695

Health and Human Services								
420.00-425.00	Health and Human Services	11,270						11,270
Total Health and Human Services		11,270						11,270

Public Works - Sanitation								
426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)	1,012,149						1,012,149
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection			1,448,145	5,017,961			6,466,106
Total Public Works - Sanitation		1,012,149		1,448,145	5,017,961			7,478,255

Public Works - Highways and Streets								
430.00	General Services - Administration	1,116,782		212,804				1,329,586
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		75,388					75,388
433.00	Traffic Control Devices		26,203					26,203
434.00	Street Lighting	46,314	70,721					117,035

PENN TWP, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	163,044						163,044
437.00	Repairs of Tools and Machinery	97,642						97,642
438.00	Maintenance and Repairs of Roads and Bridges	43,296	18,222					61,518
439.00	Highway Construction and Rebuilding Projects	12,336	438,496					450,832
Total Public Works - Highways and Streets		1,479,414	629,030	212,804				2,321,248

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	141,366						141,366
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises		141,366						141,366

Culture and Recreation								
451.00	Culture-Recreation Administration	69,304						69,304
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks							

PENN TWP, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	85,000						85,000
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		154,304						154,304

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)	381,727				10,435,000		10,816,727
472.00	Debt Interest (short-term and long-term)	77,207				949,524		1,026,731
475.00	Fiscal Agent Fees							
Total Debt Service		458,934				11,384,524		11,843,458

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							

PENN TWP, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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								

Insurance								
486.00	Insurance, Casualty, and Surety							
Total Insurance								

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						549,912	549,912
489.00	All Other Unclassified Expenditures	930					43,823	44,753
Total Unclassified Operating Expenditures		930					593,735	594,665

Other Financing Uses								
491.00	Refund of Prior Year Revenues	72,143				241		72,384
492.00	Interfund Operating Transfers							
493.00	All Other Financing Uses							
Total Other Financing Uses		72,143				241		72,384

TOTAL EXPENDITURES	11,434,488	629,030	1,670,787		16,402,726		593,735	30,730,766
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	396,962	-341	-1,593,302		476,283		2,804,959	2,084,561
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PENN TWP
December 31, 2019

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											
GOB Series 2009	Bond	2009	2022	18,190,000	12,260,000		10,435,000		1,825,000		1,825,000
Construction Fund Loan 2014	Note	2014	2024	2,000,000	1,169,472		199,850		969,622		969,622
GOB Series 2017	Bond	2017	2027	2,000,000	1,808,550		181,877		1,626,673		1,626,673
GOB Series 2019	Bond	2019	2030	9,595,000	0	9,595,000			9,595,000		9,595,000
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	14,016,295
Capitalized lease obligations	0
Net debt	14,016,295

PENN TWP, YORK County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2019

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire	61,364	1,068	62,432
Gas System			
General Government	11,565		11,565
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	126,737	20,826	147,563
Recreation			
Sewer		3,193,288	3,193,288
Solid Waste			
Streets / Highways	317,294	882,089	1,199,383
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	516,960	4,097,271	4,614,231

EMPLOYEE COMPENSATION

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

5,132,970

PENN TOWNSHIP, YORK COUNTY
Notes to Financial Statements
December 31, 2019

COMMENTS

Defined Contribution Plan

The Township's defined contribution pension plan is not reported as a Fiduciary Fund of the Township for reporting on the DCED report, due to the fact that the Township does not hold the assets in a fiduciary capacity.