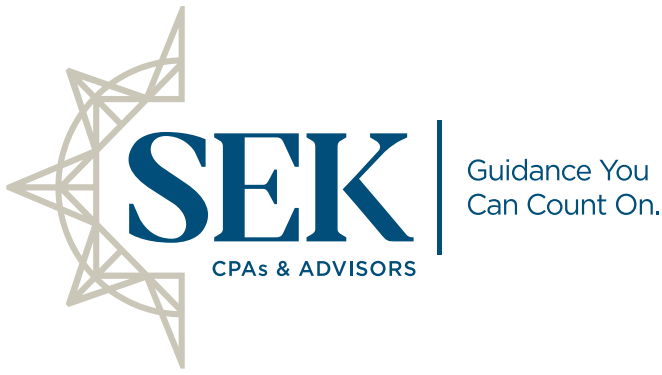


Annual Audit and  
Financial Report  
(DCED-CLGS-30)

December 31,  
2021

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# 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 the Department of Community and Economic Development

We have audited the accompanying modified cash basis financial statements of Penn Township, York County, Pennsylvania, which comprise the balance sheet as of December 31, 2021, and the related statement of revenues and expenditures, debt statement and statement of capital expenditures for the year then ended, and the related notes to the financial statements in the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

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, 2021, and the changes in the modified cash basis financial position and related debt statement and statement of capital expenditures for the year then ended, in accordance with the financial reporting provisions of the modified cash basis of accounting within the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania described in Note 1.

### ***Basis for Opinion***

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 Penn Township, York County, Pennsylvania 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 audit opinion.

### ***Emphasis of Matter - Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting within the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting within the financial reporting provisions of the Department of Community and Economic Development of the Commonwealth of Pennsylvania described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for 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 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 opinion. 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 Penn 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 Penn 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.

***Restriction on Use***

This report is intended solely for the information and use of the Township Commissioners, management of Penn Township's, President Judge of the Court of Common Pleas, and the Secretary of the Department of Community and Economic Development of the Commonwealth of Pennsylvania and is not intended to be and should not be used by anyone other than those specified parties.

*Smith & Elliott Reams Company, LLC*

Hanover, Pennsylvania

March 8, 2022

**2021 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**671414 PENN TWP, YORK COUNTY**



## PENN TWP, YORK 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
<b>Liabilities and Other Credits</b>											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits										
<b>Total Liabilities and Other Credits</b>		67,467									67,467
<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	5,887,568	1,484,657	3,607,133		8,944,137		20,263,225			40,186,720
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		5,887,568	1,484,657	3,607,133		8,944,137		20,263,225			40,186,720
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											40,254,187

PENN TWP, YORK 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	5,674,519						5,674,519
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	699,085						699,085
310.20	Earned Income Taxes / Wage Taxes	2,336,165						2,336,165
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	436,490						436,490
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
<b>Total Taxes</b>		9,146,259						9,146,259

**Licenses and Permits**

320-322	All Other Licenses and Permits	6,850						6,850
321.80	Cable Television Franchise Fees	277,338						277,338
<b>Total Licenses and Permits</b>		284,188						284,188

**Fines and Forfeits**

330-332	Fines and Forfeits	104,914						104,914
<b>Total Fines and Forfeits</b>		104,914						104,914



PENN TWP, YORK 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	816	206				2,011,001	2,012,023
342.00	Rents and Royalties	487,488						487,488
<b>Total Interest, Rents and Royalties</b>		488,304	206				2,011,001	2,499,511

Federal								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants				8,355			8,355
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements	869,958						869,958
353.00	Federal Payments in Lieu of Taxes							
<b>Total Federal</b>		869,958			8,355			878,313

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	146,613						146,613
354.00	All Other State Capital and Operating Grants	14,372		286,227				300,599
355.01	Public Utility Realty Tax (PURTA)	8,504						8,504
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		494,784					494,784
355.04	Alcoholic Beverage Licenses	300						300
355.05	General Municipal Pension System State Aid	542,093						542,093
355.07	Foreign Fire Insurance Tax Distribution	54,145						54,145
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

PENN TWP, YORK 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								
356.00	State Payments in Lieu of Taxes							
355.00	All Other State Shared Revenues and Entitlements	6,876						6,876
<b>Total State</b>		772,903	494,784	286,227				1,553,914

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	84,402						84,402
362.00	Public Safety	577,716						577,716
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.)				5,483,953			5,483,953
364.30	Solid Waste Collection and Disposal Charge (trash)	1,216,720						1,216,720
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	4,255						4,255
368.00	Airports							

PENN TWP, YORK 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							
<b>Total Charges for Service</b>		1,883,093			5,483,953			7,367,046

**Unclassified Operating Revenues**

383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors		83,650	124				83,774
388.00	Fiduciary Fund Pension Contributions					1,051,049		1,051,049
389.00	All Other Unclassified Operating Revenues	94,658			16,882			111,540
<b>Total Unclassified Operating Revenues</b>		94,658	83,650	124	16,882	1,051,049		1,246,363

**Other Financing Sources**

391.00	Proceeds of General Fixed Asset Disposition	1,360						1,360
392.00	Interfund Operating Transfers							
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

PENN TWP, YORK 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	65,688				38,404		104,092
<b>Total Other Financing Sources</b>		67,048				38,404		105,452

### TOTAL REVENUES

13,711,325	578,640	286,351		5,547,594		3,062,050	23,185,960
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### EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	21,832						21,832
401.00	Executive (Manager or Mayor)	351,462						351,462
402.00	Auditing Services / Financial Administration	8,250						8,250
403.00	Tax Collection	12,475						12,475
404.00	Solicitor / Legal Services	23,206						23,206
405.00	Secretary / Clerk							
406.00	Other General Government Administration							
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	229,207						229,207
409.00	General Government Buildings and Plant	30,675						30,675
<b>Total General Government</b>		677,107						677,107

### Public Safety

410.00	Police	4,564,018		1,330				4,565,348
411.00	Fire	2,961,412						2,961,412
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	261,656						261,656

PENN TWP, YORK 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	252,725						252,725
415.00	Emergency Management and Communications	5,000						5,000
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
<b>Total Public Safety</b>		8,044,811		1,330				8,046,141

#### Health and Human Services

420.00-425.00	Health and Human Services	18,205						18,205
<b>Total Health and Human Services</b>		18,205						18,205

#### Public Works - Sanitation

426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)	1,118,595						1,118,595
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				3,762,964			3,762,964
<b>Total Public Works - Sanitation</b>		1,118,595			3,762,964			4,881,559

#### Public Works - Highways and Streets

430.00	General Services - Administration	919,149						919,149
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		43,304					43,304
433.00	Traffic Control Devices		16,210					16,210
434.00	Street Lighting	15,624	79,011					94,635

PENN TWP, YORK 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	569,873						569,873
437.00	Repairs of Tools and Machinery	89,697						89,697
438.00	Maintenance and Repairs of Roads and Bridges	111,291						111,291
439.00	Highway Construction and Rebuilding Projects	12,293	418,956					431,249
<b>Total Public Works - Highways and Streets</b>		<b>1,717,927</b>	<b>557,481</b>					<b>2,275,408</b>

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	158,852						158,852
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
<b>Total Other Public Works Enterprises</b>		<b>158,852</b>						<b>158,852</b>

Culture and Recreation								
451.00	Culture-Recreation Administration	77,819						77,819
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks							

PENN TWP, YORK 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**

<b>Culture and Recreation</b>								
455.00	Shade Trees							
456.00	Libraries	50,000						50,000
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
<b>Total Culture and Recreation</b>		127,819						127,819

<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)	403,501			900,000			1,303,501
472.00	Debt Interest (short-term and long-term)	55,432			306,553			361,985
475.00	Fiscal Agent Fees							
<b>Total Debt Service</b>		458,933			1,206,553			1,665,486

<b>Employer Paid Benefits and Withholding Items</b>								
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, 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							
487.00	Other Group Insurance Benefits							
<b>Total Employer Paid Benefits and Withholding Items</b>								

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

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						562,939	562,939
489.00	All Other Unclassified Expenditures						31,834	31,834
<b>Total Unclassified Operating Expenditures</b>							594,773	594,773

Other Financing Uses								
491.00	Refund of Prior Year Revenues	37,541						37,541
492.00	Interfund Operating Transfers							
493.00	All Other Financing Uses			773	6,068			6,841
<b>Total Other Financing Uses</b>		37,541		773	6,068			44,382

<b>TOTAL EXPENDITURES</b>	12,359,790	557,481	2,103		4,975,585		594,773	18,489,732
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	1,351,535	21,159	284,248		572,009		2,467,277	4,696,228
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**PENN 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
<b>General Obligation Bonds and Notes</b>											
GOB Series 2009	Bond	2009	2022	18,190,000	965,000		885,000		80,000		80,000
Construction Fund Loan 2014	Note	2014	2024	2,000,000	763,852		211,865		551,987		551,987
GOB Series 2017	Bond	2017	2027	2,000,000	1,440,058		191,636		1,248,422		1,248,422
GOB Series 2019	Bond	2019	2030	9,595,000	9,440,000		15,000		9,425,000		9,425,000
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
<b>Other</b>											

(1) - excludes unamortized premium/discount

<b>Total bonds and notes outstanding</b>	11,305,409
<b>Capitalized lease obligations</b>	0
<b>Net debt</b>	11,305,409

**PENN TWP, YORK County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2021

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	625		625
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	99,191		99,191
Recreation			
Sewer	52,166	257,617	309,783
Solid Waste			
Streets / Highways		1,089,596	1,089,596
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	151,982	1,347,213	1,499,195

**EMPLOYEE COMPENSATION**

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

5,560,024

**PENN TOWNSHIP, YORK COUNTY**  
**Notes to Financial Statements**  
**December 31, 2021**

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***COMMENTS***

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**1. Basis of Accounting**

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 the rules and regulations of the Department of Community and Economic Development of the Commonwealth of Pennsylvania, does not include supporting disclosures, government-wide statements, or cash flow statements, if applicable, and is not intended to be a complete presentation of Penn Township, York County, Pennsylvania's assets, liabilities, revenues and expenses.

**2. 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.