

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

December 31,
2023

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

Opinion

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, 2023, 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, 2023, 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 27, 2024

**2023 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

671414 PENN TWP, YORK COUNTY

PENN TWP, YORK 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
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		69,415									69,415
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	7,525,595	1,332,073	3,755,925		5,601,925		19,492,569			37,708,087
291-299	Other Equity										
Total Fund and Account Group Equity		7,525,595	1,332,073	3,755,925		5,601,925		19,492,569			37,708,087
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											37,777,502

PENN TWP, YORK 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	5,857,027						5,857,027
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	591,224						591,224
310.20	Earned Income Taxes / Wage Taxes	2,795,897						2,795,897
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	462,492						462,492
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		9,706,640						9,706,640

Licenses and Permits

320-322	All Other Licenses and Permits	25,555						25,555
321.80	Cable Television Franchise Fees	278,771						278,771
Total Licenses and Permits		304,326						304,326

Fines and Forfeits

330-332	Fines and Forfeits	103,014						103,014
Total Fines and Forfeits		103,014						103,014

PENN TWP, YORK 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								
356.00	State Payments in Lieu of Taxes							
355.00	All Other State Shared Revenues and Entitlements	7,215						7,215
Total State		761,656	543,788	28,500				1,333,944

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	57,250						57,250
362.00	Public Safety	801,539						801,539
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.)				5,627,756			5,627,756
364.30	Solid Waste Collection and Disposal Charge (trash)	1,628,760						1,628,760
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	11,080						11,080
368.00	Airports							

PENN TWP, YORK 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							
379.00	All Other Charges for Service							
Total Charges for Service		2,498,629				5,627,756		8,126,385

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors		47,595	12,500				60,095
388.00	Fiduciary Fund Pension Contributions						661,910	661,910
389.00	All Other Unclassified Operating Revenues	92,101			10,055			102,156
Total Unclassified Operating Revenues		92,101	47,595	12,500	10,055		661,910	824,161

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	465						465
392.00	Interfund Operating Transfers		29,579					29,579
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, 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	25,821	857					26,678
Total Other Financing Sources		26,286	30,436					56,722

TOTAL REVENUES

14,141,663	659,936	155,139		5,873,135		2,842,747	23,672,620
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	21,832						21,832
401.00	Executive (Manager or Mayor)	408,238						408,238
402.00	Auditing Services / Financial Administration	10,937						10,937
403.00	Tax Collection	12,888						12,888
404.00	Solicitor / Legal Services	36,930						36,930
405.00	Secretary / Clerk							
406.00	Other General Government Administration	1,500						1,500
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	219,201						219,201
409.00	General Government Buildings and Plant	65,060						65,060
Total General Government		776,586						776,586

Public Safety

410.00	Police	4,422,735		6,202				4,428,937
411.00	Fire	3,298,337						3,298,337
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	355,939						355,939

PENN TWP, YORK 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	207,296						207,296
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							
Total Public Safety		8,289,307		6,202				8,295,509

Health and Human Services

420.00-425.00	Health and Human Services	15,393						15,393
Total Health and Human Services		15,393						15,393

Public Works - Sanitation

426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)	1,603,816						1,603,816
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection	114,979			4,918,802			5,033,781
Total Public Works - Sanitation		1,718,795			4,918,802			6,637,597

Public Works - Highways and Streets

430.00	General Services - Administration	1,206,135						1,206,135
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		3,912					3,912
433.00	Traffic Control Devices		35,597					35,597
434.00	Street Lighting	8,935	91,850					100,785

PENN TWP, YORK 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	282,776						282,776
437.00	Repairs of Tools and Machinery	87,047						87,047
438.00	Maintenance and Repairs of Roads and Bridges	698,885						698,885
439.00	Highway Construction and Rebuilding Projects	7,474	250,592					258,066
Total Public Works - Highways and Streets		2,291,252	381,951					2,673,203

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	24,849						24,849
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises		24,849						24,849

Culture and Recreation								
451.00	Culture-Recreation Administration	199,759						199,759
452.00	Participant Recreation		21,369					21,369
453.00	Spectator Recreation							
454.00	Parks							

PENN TWP, YORK 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	50,000						50,000
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		249,759	21,369					271,128

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)	426,675			965,000			1,391,675
472.00	Debt Interest (short-term and long-term)	32,258			232,700			264,958
475.00	Fiscal Agent Fees							
Total Debt Service		458,933			1,197,700			1,656,633

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, 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							
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						601,894	601,894
489.00	All Other Unclassified Expenditures						37,147	37,147
Total Unclassified Operating Expenditures							639,041	639,041

Other Financing Uses								
491.00	Refund of Prior Year Revenues	6,749						6,749
492.00	Interfund Operating Transfers		29,579					29,579
493.00	All Other Financing Uses							
Total Other Financing Uses		6,749	29,579					36,328

TOTAL EXPENDITURES	13,831,623	403,320	35,781		6,116,502		639,041	21,026,267
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	310,040	256,616	119,358		-243,367		2,203,706	2,646,353
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PENN 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											
Construction Fund Loan 2014	Note	2014	2024	2,000,000	333,846		224,601		109,245		109,245
GOB Series 2017	Bond	2017	2027	2,000,000	1,051,638		202,074		849,564		849,564
GOB Series 2019	Bond	2019	2030	9,595,000	8,570,000		965,000		7,605,000		7,605,000
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	8,563,809
Capitalized lease obligations	0
Net debt	8,563,809

PENN TWP, YORK County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2023

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	6,632		6,632
Health			
Housing			
Libraries			
Mass Transit			
Parks		77,466	77,466
Police	223,681		223,681
Recreation			
Sewer	188,251	1,152,421	1,340,672
Solid Waste			
Streets / Highways	290,395	1,242,131	1,532,526
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	708,959	2,472,018	3,180,977

EMPLOYEE COMPENSATION

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

5,946,000

PENN TOWNSHIP, YORK COUNTY
Notes to Financial Statements
December 31, 2023

NOTE 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.

NOTE 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.

NOTE 3 EMPLOYER PAID TAXES

The Township does not split out the employer paid taxes from the other payroll taxes into account 481.00. These amounts are included with the other expenditure accounts on the DCED report.