

**SMITHFIELD TOWNSHIP
MONROE COUNTY, PENNSYLVANIA
FINANCIAL STATEMENTS
DECEMBER 31, 2021**

KirkSumma & Co., LLP

CERTIFIED PUBLIC ACCOUNTANTS

East Stroudsburg | Brodheadsville
www.kirksumma.com

SMITHFIELD TOWNSHIP

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Smithfield Township
East Stroudsburg, Pennsylvania

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Smithfield Township, Monroe County, Pennsylvania as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Smithfield Township, Pennsylvania, as of December 31, 2021, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 Smithfield 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Smithfield Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Smithfield 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 Smithfield 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.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Smithfield Township's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Kirk, Summa & Co. LLP

East Stroudsburg, Pennsylvania
July 29, 2022

SMITHFIELD TOWNSHIP
 MONROE COUNTY, PENNSYLVANIA
 GOVERNMENT-WIDE STATEMENT OF NET POSITION
 DECEMBER 31, 2021

	<u>Governmental Activities</u>	<u>Component Unit Sewer Authority</u>
ASSETS		
Current Assets:		
Cash	\$ 3,697,352	\$ 1,308,757
PLGIT cash	223,232	99
Receivables (net of allowance for doubtful accounts):		
Taxes	55,513	-
Engineer and legal fees	26,765	-
Sewer user fees	-	801,272
Due from Smithfield Sewer Authority- current portion	460,000	-
Due from other governments	136,106	-
Lease deposit receivable	-	650
Prepaid insurance	4,884	8,870
Total Current Assets	<u>4,603,852</u>	<u>2,119,648</u>
Capital Assets:		
Land	130,527	-
Construction in progress	167,844	-
Buildings and contents	6,216,220	-
Land improvements	1,270,500	-
Vehicles	984,994	-
Office equipment	36,937	-
Machinery and equipment	873,619	-
Infrastructure	2,430,804	-
Sewer Authority capital assets	-	17,338,700
	<u>12,111,445</u>	<u>17,338,700</u>
Less: accumulated depreciation	(4,589,364)	(9,141,613)
Total Capital Assets, net	<u>7,522,081</u>	<u>8,197,087</u>
Other Assets:		
Due from Smithfield Sewer Authority, net of current portion	465,000	-
Original issue discount, net	12,255	2,205
Total Other Assets	<u>477,255</u>	<u>2,205</u>
TOTAL ASSETS	<u>\$ 12,603,188</u>	<u>\$ 10,318,940</u>

See accompanying notes to basic financial statements.

SMITHFIELD TOWNSHIP
 MONROE COUNTY, PENNSYLVANIA
 GOVERNMENT-WIDE STATEMENT OF NET POSITION - continued
 DECEMBER 31, 2021

	<u>Governmental Activities</u>	<u>Component Unit Sewer Authority</u>
<u>LIABILITIES AND NET POSITION</u>		
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	\$ 106,928	\$ 59,374
Payroll taxes payable	2,256	-
Accrued wages	6,636	-
Escrow payable	53,689	-
Accrued interest	28,428	8,479
Unearned grant revenue	31,164	-
Current portion of long-term debt	665,000	156,643
Due to Smithfield Township within one year	-	460,000
Unamortized bond premiums	23,738	9,334
Total Current Liabilities	<u>917,839</u>	<u>693,830</u>
Long-term Liabilities:		
Accrued compensated absences	3,007	-
Long-term debt, net of current portion:		
Lease payable	-	20,931
Due to Smithfield Township after one year	-	465,000
Due or payable after one year	1,985,000	2,050,726
Total long-term debt	<u>1,985,000</u>	<u>2,536,657</u>
Total Long-term Liabilities	<u>1,988,007</u>	<u>2,536,657</u>
TOTAL LIABILITIES	<u>2,905,846</u>	<u>3,230,487</u>
<u>NET POSITION</u>		
Invested in capital assets, net of related debt	4,872,081	5,043,787
Restricted	197,794	-
Unrestricted	4,627,467	2,044,666
TOTAL NET POSITION	<u>9,697,342</u>	<u>7,088,453</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 12,603,188</u>	<u>\$ 10,318,940</u>

See accompanying notes to basic financial statements.

SMITHFIELD TOWNSHIP
 MONROE COUNTY, PENNSYLVANIA
 BALANCE SHEETS
 GOVERNMENTAL FUNDS
 DECEMBER 31, 2021

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	Highway Fund		
ASSETS				
Cash	\$ 3,676,976	\$ 205,908	\$ 37,700	\$ 3,920,584
Taxes receivable	46,029	-	-	46,029
Professional fee reimbursements receivable	26,765	-	-	26,765
Due from other govts	136,106	-	-	136,106
Due from other funds	283	-	-	283
TOTL ASSETS	\$ 3,886,159	\$ 205,908	\$ 37,700	\$ 4,129,767
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 98,814	\$ 8,114	\$ -	\$ 106,928
Payroll tax liabilities	2,256	-	-	2,256
Accrued wages	6,636	-	-	6,636
Deferred grant revenue	31,164	-	-	31,164
Escrow payable	53,689	-	-	53,689
Due to other funds	-	-	283	283
TOTAL LIABILITIES	192,559	8,114	283	200,956
FUND BALANCES				
Restricted	-	197,794	-	197,794
Assigned	-	-	37,417	37,417
Unassigned	3,693,600	-	-	3,693,600
TOTAL FUND BALANCES	3,693,600	197,794	37,417	3,928,811
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,886,159	\$ 205,908	\$ 37,700	\$ 4,129,767

See accompanying notes to basic financial statements.

SMITHFIELD TOWNSHIP
 MONROE COUNTY, PENNSYLVANIA
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 DECEMBER 31, 2021

Total fund balance - total governmental funds	\$ 3,928,811
Amounts reported for governmental activities in the statement of net assets are different because:	
Real estate taxes receivable that are not reported as current financial resources because they are not deemed collectible within sixty days of the fiscal year end.	9,484
Prepaid insurance is not recorded on the governmental balance sheet because it is not completely expensed within the sixty days using the modified accrual basis of accounting.	4,884
Amounts due from the Smithfield Sewer Authority are not reported as current financial resources and are therefore not deemed collectible under the modified accrual basis of accounting.	925,000
Capital assets and land used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	12,111,445
Accumulated depreciation from capital assets used in governmental activities are not current financial resources and therefore is not reported in the governmental funds balance sheet.	(4,589,364)
Intangible other assets, net of accumulated amortization, used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	(11,483)
Accrued interest is not accrued in governmental-type funds.	(28,428)
Accrued compensated absences payable are not accrued in governmental-type funds.	(3,007)
Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.	
Due or payable within one year	(665,000)
Due or payable after one year	(1,985,000)
Net position of governmental activities	\$ <u>9,697,342</u>

See accompanying notes to basic financial statements.

SMITHFIELD TOWNSHIP
 MONROE COUNTY, PENNSYLVANIA
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	Highway Fund		
Revenues				
Taxes	\$ 1,836,434	\$ -	\$ -	\$ 1,836,434
Licenses, permits and fees	150,906	-	-	150,906
Fines, forfeitures and penalties	1,243	-	-	1,243
Interest	7,841	32	48	7,921
Rental income	39,547	-	-	39,547
Intergovernmental	674,334	322,690	-	997,024
Charges for services	307,547	-	-	307,547
Miscellaneous	20,250	-	-	20,250
Total Revenues	3,038,102	322,722	48	3,360,872
Other Financing Sources				
Transfers from Authority for debt obligations	473,000	-	-	473,000
Total Revenues and Other Financing Sources	3,511,102	322,722	48	3,833,872
Expenditures				
General government	551,864	-	-	551,864
Public safety and protective inspection	270,918	-	-	270,918
Public works - other	125,714	-	-	125,714
Highways and streets	546,837	266,008	-	812,845
Water system	34	-	-	34
Parks and recreation	184,251	-	-	184,251
Conservation of natural resources	8,750	-	-	8,750
Debt service - principal	761,134	-	-	761,134
Debt service - interest	72,192	-	-	72,192
Payroll taxes	48,093	-	-	48,093
Pension	36,905	-	-	36,905
Insurance	80,787	-	-	80,787
Employee benefits	256,727	-	-	256,727
Total Expenditures	2,944,206	266,008	-	3,210,214
NET CHANGE IN FUND BALANCES	566,896	56,714	48	623,658
FUND BALANCES - BEGINNING OF YEAR	3,126,704	141,080	37,369	3,305,153
FUND BALANCES - END OF YEAR	\$ 3,693,600	\$ 197,794	\$ 37,417	\$ 3,928,811

See accompanying notes to basic financial statements.

SMITHFIELD TOWNSHIP
 MONROE COUNTY, PENNSYLVANIA
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balances - total governmental funds	\$ 623,658
Amounts reported for governmental activities in the statement of activities are different because:	
Accrual of real estate taxes receivable that are not accrued for the modified accrual basis of accounting.	(5,786)
Accrual of prepaid insurance is not recorded on the governmental funds statements because because it is not expendable within the sixty days required under the modified basis of accounting.	1,450
Government funds report capital outlay as expenditures. However, in the govt-wide statement of activites and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period	82,336
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.	(344,284)
Amortization expense on intangible assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, amortization expense is not reported as expenditure in governmental funds.	1,514
Change in accrued interest that is not accrued for the modified accrual basis of accounting	5,867
The amount of loan repayments from the Smithfield Sewer Authority recorded as revenues under the modified accrual basis of accounting.	(450,000)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences on the treatment of long-term debt and related items:	
Repayment of principal portion of long-term debt.	761,134
Expenditures are recognized in the governmental funds when paid, however, the Statement of Activities is presented on an accrual basis and expenses are reported when incurred. This amount is the net effect of these differences:	
Compensated absences expense	<u>1,554</u>
Change in net assets of governmental activities	<u>\$ 677,443</u>

See accompanying notes to basic financial statements.

SMITHFIELD SEWER AUTHORITY
 MONROE COUNTY, PENNSYLVANIA
 A COMPONENT UNIT OF SMITHFIELD TOWNSHIP
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2021

Cash Flows From Operating Activities		
Cash received from customers		\$ 1,610,064
Cash payments for goods and services		<u>(717,561)</u>
	Net Cash Flows Provided by Operating Activities	<u>892,503</u>
Cash Flows From Non-Capital Financing Activities:		
EDU allocation fee		<u>(147,705)</u>
	Net Cash Flows (Used in) Non-Capital Financing Activities	<u>(147,705)</u>
Cash Flows From Capital and Related Financing Activities:		
Acquisition of capital assets		(14,866)
Repayment of portion of long-term debt		(610,069)
Payment of interest on long-term debt		<u>(53,883)</u>
	Net Cash Flows (Used in) Capital and Related Financing Activities	<u>(678,618)</u>
Cash Flows Provided by Investing Activities:		
Interest earned on cash balances		<u>735</u>
	Net Cash Flows Provided by Investing Activities	<u>735</u>
	NET INCREASE IN CASH	66,915
	CASH - BEGINNING OF YEAR	<u>1,241,941</u>
	CASH - END OF YEAR	<u>\$ 1,308,856</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Operating income		\$ 134,463
<i>Adjustments to reconcile operating income to cash provided by operating activities:</i>		
<i>Items in operating income not affecting cash:</i>		
Depreciation		441,074
Changes in current assets and liabilities:		
Decrease in accounts receivable		327,698
Decrease in prepaid expenses		241
Decrease in unamortized bond discounts		3,781
Increase in accounts payable		5,373
(Decrease) in accrued debt interest		(4,125)
(Decrease) in unamortized bond premiums		<u>(16,002)</u>
	Total Adjustments	<u>758,040</u>
	Net Cash Flows Provided by Operating Activities	<u>\$ 892,503</u>

See accompanying notes to basic financial statements.

**SMITHFIELD TOWNSHIP
MONROE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

Smithfield Township was formed in 1742 and operates as a second-class township in Monroe County, Pennsylvania. It operates using a Board of Supervisors (three) as its governing body.

The Township has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement is effective for periods beginning after December 15, 2011.

B. Financial Reporting Entity

The report includes all of the services provided by the Township to residents and businesses within its boundaries. Township services provided include general administrative services, public safety (fire), highways and streets, planning and zoning, and recreation and community services. The criteria for including organizations as component units within the Township's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Township holds the corporate powers of the organization
- The Township appoints a voting majority of the organization's board
- The Township is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Township
- There is fiscal dependency by the organization on the Township

Based on the aforementioned criteria, the Township has one component unit – Smithfield Sewer Authority. The financial statements of Smithfield Sewer Authority can be reviewed at the Township's municipal building with prior scheduling with the Authority's management.

C. Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the Township. The effect of interfund activity, within the governmental activities columns, has been removed from these statements.

**SMITHFIELD TOWNSHIP
MONROE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. Basis of Presentation – continued

The statement of activities demonstrates the degree to which the direct expenses of given functions or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) operating grants and contributions that are restricted to meeting the operational requirements of a particular function or segment or (3) capital grants and contributions that are restricted to meeting the capital requirement. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column. Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Township has presented the following major governmental funds:

General Fund - The General Fund is the main operating fund of the Township. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid through the General Fund.

Highway Fund – The Highway Fund accounts for the Township's Liquid Fuels and Highway allocations for maintenance of Township roadways.

D. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt services expenditures, as well as expenditures related to compensated absences are recorded only when payment has matured and will be payable shortly after year-end.

**SMITHFIELD TOWNSHIP
MONROE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

D. Measurement Focus and Basis of Accounting – continued

The revenues susceptible to accrual are taxes, licenses, charges for services, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial.

E. Budgetary Control

The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results, except for the effect of encumbrances and unrealized investment gains and losses, which are adjusted to the actual results for this comparison.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. At least 30 days prior to budget adoption, the Township prepares a proposed budget for the ensuing year.
2. Notification of the proposed budget and hearings on it are held by the Township prior to adoption.
3. Prior to December 31st, the budget is legally enacted by the Township and the tax levy ordinance is adopted.
4. The Township, during the budget year, is authorized to modify the budget through either budget transfers or supplemental appropriations.
5. The budget lapses at the end of the year.

Prior to December 31st, the budget is legally enacted by the Township and the tax levy ordinance is adopted.

F. Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

G. Capital Assets

Capital assets, which include property, plant, and equipment, and infrastructure assets, are reported in the governmental-type activities columns in the government-wide financial. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets capitalized, not including infrastructure assets, have an original cost of \$1,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and plant	50 years
Machinery and equipment	5 years
Vehicles and transportation equipment	5 years
Infrastructure	15-50 years

SMITHFIELD TOWNSHIP
MONROE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

H. Compensated Absences

The Township's policy for accrual of compensated absences is to allow full-time employees to accrue a maximum of five days of vacation time, which must be used by March 31 of the subsequent year. The value of compensated absences at the end of the year is calculated by multiplying the number of accumulated hours by each employees pay rate as of the end of the year.

I. Equity Classification Government-Wide

Equity is classified as net position and displayed in three components for government-wide presentation:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net position – Consists of amounts with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other amounts that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

J. Equity Classification – Governmental Fund Financial Statements

In the fund financial statements the Township reports fund balance classifications in accordance with the provisions of GASB No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The following are a listing of fund balance categories:

Non-Spendable - Not in spendable form or legally or contractually required to remain intact.

Restricted - Externally imposed by creditors or imposed by law through constitutional provisions or enabling legislation.

Committed – Only can be used for specific purposes pursuant to constraints by formal action of the highest level of decision-making authority. The Township's Committed Fund Balance is fund balance reporting required by the Township Supervisors, either because of a Township Policy or in the Township Policy Manual, or because of motions that passed at Board meetings.

Assigned – Constrained by intent to be or used for specific purpose. The Township's Assigned Fund Balance is fund balance reporting occurring by Township authority under the direction of the Township Business Manager.

Unassigned – Residual in classification for government's general fund and includes all spendable amounts not contained in the other classifications.

For the classification of Governmental Fund balances, the Township considers an expenditure to be made from the most restrictive first when more than one classification is available.

SMITHFIELD TOWNSHIP
MONROE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

L. Cash and Cash Equivalents

The Township considers all cash accounts and highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.

M. Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The GASB has recently issued the following Statements which were adopted by the Township during the year ended December 31, 2021, and the related effects on the financial statement's presentation and disclosures, as applicable:

Statement No.94 "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" – The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs), as well as, provide guidance for accounting and financial reporting for availability payment arrangements (APAs). The provisions of this statement were effective for periods beginning after June 15, 2020 and were implemented by the Township as of January 1, 2021 with no effect on financial statement presentation or disclosure.

Statement No. 96 "*Subscription-Based Information Technology Arrangements*" – The objective of this statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments by (1) defining SBITA, (2) establishing that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability, (3) providing the capitalization criteria for outlays other than subscription payments and (4) requires note disclosures regarding a SBITA. The provisions of this statement are predominantly effective for periods beginning after June 15, 2022 and was early implemented by the Township as of January 1, 2021 with no effect on financial statement presentation or disclosure.

Statement No. 97 "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*" – The objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this statement are predominantly effective for periods beginning after June 15, 2021 and were implemented by the Township as of January 1, 2021 with no effect on financial statement presentation or disclosure.

Statement No. 98 "*The Annual Comprehensive Financial Report*" – The objective of this statement is to establish the term *annual comprehensive financial report* and its acronym ACFR. The new term and acronym will replace instances of *comprehensive annual financial report* and its acronym in GAAP for state and local governments. The provisions of this statement are predominantly effective for periods ending after December 15, 2021 and was early implemented by the Township as of January 1, 2021 with minimal effect on financial statements presentation or disclosure.

**SMITHFIELD TOWNSHIP
MONROE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

N. Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Debt issuance costs, except any portion related to prepaid insurance costs, are reported as debt service expenditures in the period incurred.

O. Unearned Revenues

Revenues that are received but not earned are reported as unearned revenues in the government-wide and fund financial statements. Unearned revenues arise when resources are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition are met, or when the Township has legal claim to the resources, the liability for unearned revenue is removed from the respective financial statements and revenue is recognized.

NOTE 2 – BUDGET BASIS OF ACCOUNTING

Smithfield Township prepares its annual budget on a basis (budget basis), which differs from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the Township's method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund to provide a meaningful comparison of actual results with the budget.

NOTE 3 – DEPOSITS AND INVESTMENTS

At December 31, 2021, the carrying amounts of the Township's deposits were \$3,697,352 and the bank balances were \$3,746,866. The Township's depositories are required to secure deposits of all "public bodies" with a pledge of collateral in accordance with Pennsylvania Pledge Act 72 (72 P.S. section 3836-1et seq.) and therefore the Township does not have any uncollateralized deposits as of December 31, 2021.

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be recovered. The Township's policy for minimizing credit risk for bank balances exceeding the Federal Deposit Insurance Corporation's insured limits relies upon the Pennsylvania Pledge Act 72 (72 P.S. section 3836-1et seq.). The act requires the financial institution to pool collateral for all of its government deposits in addition to having the collateral held by an approved custodian in the institution's name.

The table presented below is designed to disclose the level of custodial credit risk assumed by the Township based on how its deposits were insured or secured with collateral at December 31, 2021. The comparison relates to the primary government only. The categories and related deposits are defined as follows:

**SMITHFIELD TOWNSHIP
MONROE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 – DEPOSITS AND INVESTMENTS - continued

<u>Categories</u>	<u>Deposits held in financial institutions</u>
Category 1 – Insured by Federal Deposit Insurance Corporation (FDIC) or collateralized with securities held by the Township or by its agent in its name.	\$ 513,758
Category 2 – Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name.	-
Category 3 – Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Township's name; or properly collateralized with no written and approved collateral agreement.	<u>3,233,107</u>
TOTAL	<u>\$ 3,746,865</u>

Investments

State laws authorize the Township to invest with the Pennsylvania Local Government Investment Trust (PLGIT), deposits in savings accounts or time deposits of institutions that are insured by the Federal Deposit Insurance Corporation (FDIC), certificates of deposit purchased from institutions insured by the FDIC, and obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America or the Commonwealth of Pennsylvania.

The Township maintains investments with the PLGIT. Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that their objective is to maintain a stable net asset value of \$1 per share, and is rated by a nationally recognized statistical rating organization and is subject to an independent annual audit. The Township treats their PLGIT as cash equivalents on the statement of net position and fund balance statements.

As of December 31, 2021, the Township had the following investments:

<u>Investment</u>	<u>Fair Value</u>
PLGIT Money Market Funds	<u>\$ 223,232</u>
Total Investments	<u>\$ 223,232</u>

NOTE 4 – FUND BALANCE CLASSIFICATIONS

At December 31, 2021 the governmental-type funds reported restricted balance of \$197,794. The State Liquid Fuels (Highway) fund reported restricted fund balance of \$197,794, which is restricted by the Commonwealth of Pennsylvania for construction, reconstruction, maintenance and repair of public roads or streets. Assigned funds of \$37,417 are designated as assigned for expenditures related to that fund.

NOTE 5 – PROPERTY TAXES

Based upon taxable assessed valuation provided by the County (approximately \$681,284,016 in 2021), the Township bills and collects its own property taxes through an appointed tax collector. The Township's tax rate for all purposes for 2021 was 0.616 mills (\$0.616 per \$1,000 of assessed valuations). The schedule for property taxes levied for 2021 is as follows:

March 1	Levy Date
March 1 through April 30	2% Discount Period
May 1 through June 30	Face Payment Period
July 1 through December 31	10% Penalty Period
January 1 (following year)	Lien Date

SMITHFIELD TOWNSHIP
 MONROE COUNTY, PENNSYLVANIA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 6 – CAPITAL ASSETS

A summary of the changes in governmental-type activities fixed assets for the year ended December 31, 2021 is as follows:

	<u>Balance 1/1/21</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Balance 12/31/21</u>
Governmental Activities:				
<i>Assets not being depreciated:</i>				
Land	\$ 130,527	\$ -	\$ -	\$ 130,527
Construction in process	167,844	-	-	167,844
<i>Assets being depreciated:</i>				
Buildings and improvements	6,192,858	23,362	-	6,216,220
Land improvements	1,260,750	9,750	-	1,270,500
Vehicles and transportation equipment	979,994	5,000	-	984,994
Office equipment	38,236	-	1,299	36,937
Machinery and equipment	829,395	44,224	-	873,619
Infrastructure	2,430,804	-	-	2,430,804
Total Capital Assets	<u>12,030,408</u>	<u>82,336</u>	<u>1,299</u>	<u>12,111,445</u>
Less: accumulated Depreciation	<u>4,246,379</u>	<u>344,284</u>	<u>1,299</u>	<u>4,589,364</u>
Governmental activities capital assets, net	<u>\$ 7,784,029</u>	<u>\$ (261,948)</u>	<u>\$ -</u>	<u>\$ 7,522,081</u>

Depreciation expense of \$344,284 in the governmental activities was charged to the general government and administration area expenses because the Township chooses not break down the expenses into functional areas.

NOTE 7 – LONG-TERM DEBT AND LIABILITIES

General Obligation Bond

Series of 2015 - General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the Township. General obligation bonds require the Township to compute, at the time property taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. The Township is in compliance with this requirement. The Township signed a bond purchase agreement on March 24, 2015, to refinance the Series 2010 Bond Issue with the issuance of General Obligation Bonds, Series of 2015 dated April 30, 2015. The original amount of the Series 2015 Bond Issue was \$6,250,000. The Township has an agreement with Smithfield Sewer Authority for the Authority to reimburse the Township annually for both the principal and interest portions of the Authority's debt that was refinanced. The Authority's portion of the remaining \$2,650,000 Series 2015 Bond Issue is \$925,000 at December 31, 2021.

The Township's long-term bond debt activity for the year ended December 31, 2021 is summarized as follows:

	<u>Balance 1/1/21</u>	<u>Retirements/ Payments</u>	<u>Balance 12/31/21</u>	<u>Due Within One Year</u>
Series 2015 Bond Issue	<u>\$ 3,290,000</u>	<u>\$ 640,000</u>	<u>\$ 2,650,000</u>	<u>\$ 665,000</u>
Total Governmental	<u>\$ 3,290,000</u>	<u>\$ 640,000</u>	<u>\$ 2,650,000</u>	<u>\$ 665,000</u>

**SMITHFIELD TOWNSHIP
MONROE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 – LONG-TERM DEBT AND LIABILITIES - continued

The following table lists the maturity repayment requirements and annual interest rates for General Obligation Bonds:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>	<u>Annual Interest %</u>
2022	\$ 665,000	\$ 55,373	\$ 720,373	2.000%
2023	665,000	42,073	707,073	2.000%
2024	205,000	32,911	237,911	2.000%
2025	210,000	27,828	237,828	2.000%
2026	220,000	22,560	242,560	2.000%
2027-2029	685,000	29,943	714,943	2.000%-2.900%
Totals	\$ 2,650,000	\$ 210,688	\$ 2,860,688	

Direct Borrowings and Direct Placements

Business Loan – First National Bank – The Township finalized a loan on September 14, 2020 in the amount of \$125,000 for the purchase of a property at 274 Marshalls Creek, East Stroudsburg, PA. The loan has a term of 5-years, with a fixed interest rate of 2.49%. Payments of \$2,221 are paid monthly. Collateral on the loan is the full faith, credit, and taxing authority of the Township. Covenants on the loan include: books and records are maintained in accordance with GAAP, applied on a consistent basis; maintain required insurances on the property; pay and discharge all taxes when due; and permit lender to inspect the property and examine or audit the books and records of the Township.

In the event of default, all commitments and obligations of the Lender will immediately terminate and all indebtedness will become due and payable, all without notice of any kind to the Township. This loan was paid off early in the current year.

The Township's long-term loan debt activity for the year ended December 31, 2021 is summarized as follows:

	<u>Balance 1/1/21</u>	<u>Issues/ Additions</u>	<u>Retirements/ Payments</u>	<u>Balance 12/31/21</u>	<u>Due Within One Year</u>
FNB Loan	\$ 121,134	\$ -	\$ 121,134	\$ -	\$ -
Total Governmental	\$ 121,134	\$ -	\$ 121,134	\$ -	\$ -

**SMITHFIELD TOWNSHIP
MONROE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 7 – LONG-TERM DEBT AND LIABILITIES - continued

Compensated Absences

Compensated Absences represent the estimated liability for employees' accrued vacation and sick leave for which employees are entitled to be paid. The retirement of this liability is paid from the General Fund. Vacation time must be used by the end of June in the following year, sick time may accumulate up to 120 hours.

	<u>Balance 1/1/21</u>	<u>Issues/ Additions</u>	<u>Retirements/ Payments</u>	<u>Balance 12/31/21</u>	<u>Due Within One Year</u>
Compensated absences	\$ 4,561	\$ -	\$ 1,554	\$ 3,007	\$ -
Total Governmental	\$ 4,561	\$ -	\$ 1,554	\$ 3,007	\$ -

NOTE 8 – DUE FROM SMITHFIELD SEWER AUTHORITY

The Township has an agreement with Smithfield Sewer Authority which requires the Authority to fund the portion of the Township's 2015 bond issuance obligations related to the portion of debt that satisfied the Authority's prior bond issuance. The Township's Supervisors agreed in 2004 to issue bonds, with the majority of the proceeds paying the prior obligations of the Authority. When the Township refinanced the 2004 bond the Authority's portion of the bond obligation increased accordingly. The following is a summary of the obligation due to the Township:

	<u>Balance 1/1/21</u>	<u>Additions</u>	<u>Payments/ Reductions</u>	<u>Balance 12/31/21</u>	<u>Due Within One Year</u>
Due from Authority	\$ 1,375,000	\$ -	\$ 450,000	\$ 925,000	\$ 450,000

The following table lists the annual requirements from Smithfield Sewer Authority:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2022	\$ 460,000	\$ 13,900	\$ 473,900
2023	465,000	4,650	469,650
Totals	\$ 925,000	\$ 18,550	\$ 943,550

The Authority also transferred \$23,000 to the Township to cover bond interest requirements for 2021.

**SMITHFIELD TOWNSHIP
MONROE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 – AMORTIZATION OF BOND DISCOUNTS AND PREMIUMS

The Township incurred amortizable discounts and premiums in 2015, related to the issuance of its bonds, which were amortized over the term of the bonds. Resulting from the Bond refinance on March 2, 2010 were new amortizable discounts and premiums.

The following summarizes the amortization of the above discounts and premiums for the year ended December 31, 2021:

	<u>Original Amount</u>	<u>Accumulated Amortization 1/1/21</u>	<u>Amortization Expense 2021</u>	<u>Accumulated Amortization 12/31/21</u>
Original issue discount	\$ 21,816	\$ (7,945)	\$ (1,616)	\$ (9,561)
Original issue premium	(42,259)	15,391	3,130	18,521
Totals	\$ (20,443)	\$ 7,446	\$ 1,514	\$ 8,960

NOTE 10 – NON-UNIFORM PENSION

Plan Description

General: The Smithfield Township pension plan is a single-employer defined contribution pension plan controlled by the provisions of Ordinance 213, dated 11/12/13. The plan participates in the Pennsylvania Municipal Retirement System (PMRS), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans.

Plan Membership

Membership is mandatory for full-time officers and employees of the Township. Credited service begins to accrue as of the enrollment date, which is the date of hire, or upon the expiration of the Member's probationary status, whichever is more recent. A member shall vest upon the completion of one year of credited service.

The plan provides retirement, disability and death benefits to plan members and their beneficiaries equal to a single life annuity starting on the effective date of retirement with a present value equal to the Member's Accumulated Deductions and municipal contributions made on behalf of the Member. Members are eligible for retirement upon the attainment sixty-two (62) years of age.

Contributions

In accordance with the Plan's governing Ordinance or Resolution as applicable, members are not required to contribute to the plan, but may elect to contribute up to 20% of compensation. These contributions are deducted from payroll and treated as taxed at the time they are made to the System, will be tracked separately, and will not be treated as taxable when paid out to the Member.

For 2021, the Township elected to contribute \$1,125 to each member per quarter (\$4,500 annually) and may annually elect to contribute at a higher amount in future years by adopting a resolution and filing a copy of it with the Board. For the year ending December 31, 2021, total pension expense, including the minimum municipal obligation (MMO) is \$36,905.

**SMITHFIELD TOWNSHIP
MONROE COUNTY, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Grants and Cost-Reimbursable Contracts

The Township participates in state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Township is potentially liable for any disbursements that may be disallowed, pursuant to the terms of these grant programs. To date, the Township has not been notified of any significant unallowable costs relating to its grants or contracts. In the opinion of management, the expenditures that have been made for grants and contracts were made in accordance with the provisions of such grants and contracts. Any adjustments for unallowable costs, if any, that would result from audits will not have a material effect on the Township's financial statements.

NOTE 12 – RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all areas for which the Township retains risk of loss. There were no reductions in insurance coverages for the 2021 year. No settlements have exceeded insurance coverage for the prior three years.

NOTE 13 – SUBSEQUENT EVENTS

In preparing these financial statements, the Township's management has evaluated events and transactions subsequent to December 31, 2021 through July 29, 2022, the date these financial statements were available to be issued. Based on the definitions and requirements of the Subsequent Events Topics of the FASB Accounting Standards Codification, the Township's management has identified the following subsequent event requiring recognition or disclosure in the financial statements:

American Rescue Plan – On March 11, 2021, President Biden signed the American Rescue Plan legislation, which includes \$350 billion in aid for state and local governments. Smithfield Township received \$791,089.90 in federal funding as a result of this legislation. The funding is being distributed in two equal payments, the first being received June 11, 2021, with the remaining in June 2022. The aid may only be spent on certain allowable uses including lost revenue due to the COVID-19 pandemic, negative economic impacts of the pandemic and investments in water, sewer, or broadband infrastructure. All funding from the American Rescue Plan must be spent or obligated by December 31, 2024 and is subject to oversight by various federal agencies.

The Township made a one-time election to claim the standard allowance of \$10 million for lost revenue, which is the Treasury's allowed exemption to apply all the ARPA funds to lost revenue which allows a broader use for these funds in the Final Ruling, therefore classifying them as unrestricted in the fund financial statements. The Board of Supervisors is in an ongoing process to decide the optimal allocation of these funds.

REQUIRED SUPPLEMENTARY INFORMATION

SMITHFIELD TOWNSHIP
 MONROE COUNTY, PENNSYLVANIA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,789,250	\$ 1,789,250	\$ 1,836,434	\$ 47,184
Licenses, permits and fees	152,420	152,420	150,906	(1,514)
Fines, forfeitures and penalties	950	950	1,243	293
Interest	8,900	8,900	7,841	(1,059)
Rental income	36,000	36,000	39,547	3,547
Intergovernmental	523,920	523,920	674,334	150,414
Charges for services	323,328	323,328	307,547	(15,781)
Miscellaneous	43,070	43,070	20,250	(22,820)
Total Revenues	2,877,838	2,877,838	3,038,102	160,264
Other Financing Sources				
Transfers from Authority for debt	473,000	473,000	473,000	-
Total Other Financing Sources	473,000	473,000	473,000	-
Total Revenues and Other Financing Sources	3,350,838	3,350,838	3,511,102	160,264
	3,512,081			
Expenditures				
General government	514,720	514,720	551,864	(37,144)
Public safety and protective inspection	272,152	272,152	270,918	1,234
Public works - other	125,176	125,176	125,714	(538)
Highways and streets	521,575	521,575	546,837	(25,262)
Water system	50	50	34	16
Parks and recreation	179,533	179,533	184,251	(4,718)
Conservation of natural resources	8,750	8,750	8,750	-
Debt service - principal	807,110	807,110	761,134	45,976
Debt service - interest	32,452	32,452	72,192	(39,740)
Payroll taxes	54,407	54,407	48,093	6,314
Pension	36,368	36,368	36,905	(537)
Insurance	145,607	145,607	80,787	64,820
Employee benefits	193,834	193,834	256,727	(62,893)
Total Expenditures	2,891,734	2,891,734	2,944,206	(52,472)
Other Financing Uses				
Interfund operating transfers out	459,980	459,980	-	459,980
Total Other Financing Uses	459,980	459,980	-	459,980
Total Expenditures and Other Financing Uses	3,351,714	3,351,714	2,944,206	407,508
Excess of Revenues Over (Under) Expenditures	(876)	(876)	566,896	\$ 567,772
FUND BALANCE - BEGINNING OF YEAR	161,243	161,243	3,126,704	
FUND BALANCE - END OF YEAR	\$ 160,367	\$ 160,367	\$ 3,693,600	