

SMITHFIELD TOWNSHIP
FINANCIAL STATEMENTS
DECEMBER 31, 2022

SMITHFIELD TOWNSHIP
Index to Financial Statements
As at December 31, 2022

Independent Auditors' Report

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position Exhibit A

Statement of Activities Exhibit B

Governmental-Type Fund Statements:

Balance Sheets-Governmental Fund Exhibit C

Reconciliation of the Governmental Funds Balance Sheet to
Statement of Net Position Exhibit D

Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds Exhibit E

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Funds to the
Statement of Activities Exhibit F

Notes to Financial Statements

SMITHFIELD TOWNSHIP
Index to Financial Statements
As at December 31, 2022

Required Supplementary Information:

Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – General Fund Schedule 1

Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual – Highway Aid Fund Schedule 2

Schedule of Changes in Net Pension Liability Schedule 3

Schedule of Employer Contributions Schedule 4

Supplementary Information:

Combining Balance Sheets – Other Governmental Funds Schedule 5

Combining Statements of Revenues, Expenditures and Changes in
Fund Balances – Other Governmental Funds Schedule 6



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INDEPENDENT AUDITOR’S REPORT

Board of Supervisors
Smithfield Township
East Stroudsburg, Pennsylvania

Report on the Financial Statements

Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the Township’s basic financial statements, as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
General Fund	Unmodified
Highway Aid Fund	Unmodified
Other Governmental Funds	Unmodified
Component Unit – Smithfield Township Sewer Authority	Unmodified

Unmodified Opinions

In our opinion, based on our audit and the report of other auditors, 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, Monroe County, Pennsylvania, as of and for the year ended December 31,

2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Smithfield Township Sewer Authority, which represent 100 percent of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Smithfield Township Sewer Authority, is based solely on the report of the other auditors.

Adverse Opinion on the Reporting Entity

In our opinion, because of the omission of the information described in the “Basis for Adverse Opinion on Reporting Entity” paragraph, the basic financial statements do not present fairly the financial position of the reporting entity of Smithfield Township as of December 31, 2022 and the changes in its 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 (GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

Basis for Adverse Opinion on the Reporting Entity

The Pension Fund financial statements have not been included in the Township’s financial statements due to the reporting policies of its Pension Administrator, Pennsylvania Municipal Retirement System. Accounting principles generally accepted in the United States of America require that the Pension Fund be presented as a fiduciary fund included in Smithfield Township’s basic financial statements. The amounts that would have been reported in the Pension Fund statement of fiduciary net position and statement of changes in fiduciary net position, have not been determined.

Responsibilities of Management for the Financial Statements

Smithfield Township’s management is responsible for the preparation and fair presentation of these 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 one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires 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 opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparisons in Schedules 1 and 2 and the pension information in schedules 3 and 4 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.

The combining and individual nonmajor fund financial statements 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. Such 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Emphasis of Matter – Basis of Accounting

As discussed in Note 1 to the financial statements, in 2022, the Township adopted new accounting guidance GASB Statement 87, Leases. Our opinion is not modified with respect to this matter.

Emphasis of Matter – Prior Period Adjustment

As discussed in Note 16 to the financial statements, the 2021 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Billy and Company, Inc.

Stroudsburg, PA
February 28, 2024

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SMITHFIELD TOWNSHIP
Government Wide Statement of Net Position
As at December 31, 2022

Exhibit A
Page 1

	Primary Government Governmental Activities	Component Unit Sewer Authority
Assets:		
Current Assets:		
Cash and equivalents	\$3,499,501	\$1,183,048
Restricted cash	188,602	0
Taxes receivable	71,029	0
Other receivables	168,284	650
Lease receivable	30,930	0
Prepaid expenses	33,658	9,376
User and connection fees receivable	0	842,126
Due from Smithfield Sewer Authority	465,000	0
Due from other governments	254,467	100,000
Total Current Assets	4,711,471	2,135,200
Non-current Assets:		
Lease receivable, non-current	266,091	0
Capital Assets, Net of Accumulated Depreciation	9,958,818	7,748,362
Total Non-current Assets	10,224,909	7,748,362
Total Assets	\$14,936,380.00	\$9,883,562.00

The "Notes to Financial Statements" are in integral part of these statements and should be read in conjunction therewith.

SMITHFIELD TOWNSHIP
Government Wide Statement of Net Position
As at December 31, 2022

Exhibit A
Page 2

	Primary Government Governmental Activities	Component Unit Sewer Authority
Liabilities:		
Current Liabilities:		
Accounts payable	\$120,787	\$75,657
Payroll taxes payable	2,856	0
Accrued wages	7,347	0
Escrow payable	47,473	3,153
Accrued interest	22,365	4,263
Current portion of long-term debt	666,372	631,774
Total Current Liabilities	867,200	714,847
Long-term Liabilities:		
Accrued compensated absences	8,714	0
Deferred grant revenue	17,580	0
Due to Smithfield Township	0	465,000
Long-term debt	1,325,420	1,432,788
Total Long-term Liabilities	1,351,714	1,897,788
Total Liabilities	2,218,914	2,612,635
Deferred Inflows of Resources:		
Leased office space	297,021	0
Net Position:		
Net investment in capital assets	7,800,252	5,218,799
Restricted	97,177	0
Unrestricted	4,523,016	2,052,128
Total Net Position	\$12,420,445	\$7,270,927

The "Notes to Financial Statements" are in integral part of these statements and should be read in conjunction therewith.

SMITHFIELD TOWNSHIP
Government Wide Statement of Activities
For the Year Ended December 31, 2022

Exhibit B
Page 1

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental Activities:								
General government	(\$827,119)	\$1,000	\$12,763	\$0	(\$813,356)	\$0	(\$813,356)	\$0
Public safety	(434,387)	143,238	56,379	0	(234,770)	0	(234,770)	0
Public works - sanitation	(291,934)	138,274	4,971	0	(148,689)	0	(148,689)	0
Public works - highways and streets	(865,792)	9,126	332,132	0	(524,534)	0	(524,534)	0
Public works - water system	(2,584)	0	0	0	(2,584)	0	(2,584)	0
Culture and recreation	(47,317)	171	0	137,799	90,653	0	90,653	0
Interest on long-term debt	(44,619)	0	0	0	(44,619)	0	(44,619)	0
Depreciation - unallocated	(558,139)	0	0	0	(558,139)	0	(558,139)	0
Insurance	(58,647)	0	0	0	(58,647)	0	(58,647)	0
Total Governmental Activities	(3,130,538)	291,809	406,245	137,799	(2,294,685)	0	(2,294,685)	0
Business-type Activities:								
Component unit - Sewer	(1,351,861)	1,332,800	0	200,000	0	0	0	180,939
Total Business-type Activities	(1,351,861)	1,332,800	0	200,000	0	0	0	180,939
Total Primary Government	(\$4,482,399)	\$1,624,609	\$406,245	\$337,799	(2,294,685)	0	(2,294,685)	180,939

The "Notes to Financial Statements" are in integral part of these statements and should be read in conjunction therewith.

SMITHFIELD TOWNSHIP
Government Wide Statement of Activities
For the Year Ended December 31, 2022

Exhibit B
Page 2

	Net (Expenses) Revenues and Changes in Net Assets			Component Unit
	Governmental Activities	Business- type Activities	Total	Sewer Authority
General Revenues:				
Property taxes	843,059	0	843,059	0
Earned income and local services taxes	1,140,822	0	1,140,822	0
Grants and contributions not restricted to specific programs	398,046	0	398,046	0
Franchise taxes	111,758	0	111,758	0
Licenses and permits	79,954	0	79,954	0
Fines	202	0	202	0
Interest and rents	75,547	0	75,547	1,535
Miscellaneous	9,252	0	9,252	0
Total General Revenues	<u>2,658,640</u>	<u>0</u>	<u>2,658,640</u>	<u>1,535</u>
Change in Net Position	<u>363,955</u>	<u>0</u>	<u>363,955</u>	<u>182,474</u>
Net Position at Beginning of Year, as Previously Stated	9,697,342	0	9,697,342	7,088,453
Prior Period Adjustment	<u>2,359,148</u>	<u>0</u>	<u>2,359,148</u>	<u>4,718,296</u>
Net Position at Beginning of Year, as Restated	<u>12,056,490</u>	<u>0</u>	<u>12,056,490</u>	<u>7,088,453</u>
Net Position at End of Year	<u>\$12,420,445</u>	<u>\$0</u>	<u>\$12,420,445</u>	<u>\$7,270,927</u>

The "Notes to Financial Statements" are in integral part of these statements and should be read in conjunction therewith.

SMITHFIELD TOWNSHIP
Balance Sheet
Governmental Funds
As at December 31, 2022

Exhibit C

	General Fund	Highway Aid Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$3,461,471	\$12,675	\$37,988	\$3,512,134
Restricted cash	175,969	0	0	175,969
Taxes receivable	36,913	0	0	36,913
Other accounts receivable	168,284	0	0	168,284
Due from other funds	26,697	0	0	26,697
Due from other governments	254,467	0	0	254,467
Prepaid expenses	28,774	0	0	28,774
Total Assets	<u>\$4,152,575</u>	<u>\$12,675</u>	<u>\$37,988</u>	<u>\$4,203,238</u>
Liabilities:				
Accounts payable	\$120,787	\$0	\$0	\$120,787
Payroll taxes payable	2,856	0	0	2,856
Accrued wages	7,347	0	0	7,347
Escrow payable	47,473	0	0	47,473
Due to governmental-type funds	26,414	0	283	26,697
Deferred grant income	17,580	0	0	17,580
Total Liabilities	<u>222,457</u>	<u>0</u>	<u>283</u>	<u>222,740</u>
Fund Balances:				
Restricted	84,502	12,675	0	97,177
Assigned	0	0	37,705	37,705
Unassigned	3,845,616	0	0	3,845,616
Total Fund Balances	<u>3,930,118</u>	<u>12,675</u>	<u>37,705</u>	<u>3,980,498</u>
Total Liabilities and Fund Balances	<u>\$4,152,575</u>	<u>\$12,675</u>	<u>\$37,988</u>	<u>\$4,203,238</u>

The "Notes to Financial Statements" are in integral part of these statements and should be read in conjunction therewith.

SMITHFIELD TOWNSHIP
 Reconciliation of the Governmental Funds Balance
 Sheet to the Statement of Net Position
 As at December 31, 2022

Exhibit D

Total Fund Balance - Governmental Funds		\$3,980,498
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Real estate taxes receivable in excess of sixty days are reported as receivable on the Statement of Net Position but not on the Governmental Funds Balance Sheet:</p>		
Accounts receivable	38,603	
Allowance for doubtful accounts	<u>(4,487)</u>	34,116
<p>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.</p>		
		465,000
<p>Capital assets and land used in governmental activities are not current financial resources and therefore are not reported in the governmental funds' balance sheet.</p>		
		15,529,269
<p>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.</p>		
		(5,570,451)
<p>Prepaid insurance is not recorded on the governmental funds' balance sheet because it is not completely expensed within sixty days using the modified accrual basis of accounting.</p>		
		4,884
<p>Accrued compensated absences are not accrued in the governmental funds' balance sheet.</p>		
		(8,714)
<p>Accrued interest is not accrued in the governmental funds' balance sheet.</p>		
		(22,365)
<p>Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds' balance sheet.</p>		
Due or payable within one year.		(666,372)
Due or payable after one year.		<u>(1,325,420)</u>
Total Net Position - Governmental Activities		<u><u>\$12,420,445</u></u>

The "Notes to Financial Statements" are in integral part of these statements and should be read in conjunction therewith.

SMITHFIELD TOWNSHIP
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

Exhibit E
Page 1

	General Fund	Highway Aid Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$1,954,762	\$0	0	\$1,954,762
Licenses and permits	120,685	0	0	120,685
Fines and forfeits	202	0	0	202
Interest, rents, and royalties	59,089	2,270	288	61,647
Intergovernmental	630,109	322,211	0	952,320
Charges for services	352,710	0	0	352,710
Unclassified	9,148	0	0	9,148
Total Revenues	3,126,705	324,481	288	3,451,474
Expenditures:				
General government	725,226	0	0	725,226
Public safety	384,615	0	0	384,615
Public works - Sanitation	246,342	0	0	246,342
Public works - Highways and streets	719,450	509,600	0	1,229,050
Public works - other	2,584	0	0	2,584
Culture and recreation	254,057	0	0	254,057
Debt service:				
Principal	665,000	0	0	665,000
Interest	55,373	0	0	55,373
Insurance	58,647	0	0	58,647
Employer paid benefits and withholding items	371,255	0	0	371,255
Unclassified	2,006	0	0	2,006
Total Expenditures	3,484,555	509,600	0	3,994,155
Excess (Deficiency) of Revenues over Expenditures	(357,850)	(185,119)	288	(542,681)

The "Notes to Financial Statements" are in integral part of these statements and should be read in conjunction therewith.

SMITHFIELD TOWNSHIP
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

Exhibit E
Page 2

	<u>General Fund</u>	<u>Highway Aid Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other Financing Sources(Uses):				
Transfers from Sewer Authority for debt obligations	473,900	0	0	473,900
Refund of prior year revenues	<u>(470)</u>	<u>0</u>	<u>0</u>	<u>(470)</u>
Total Other Financing Sources and Uses	<u>473,430</u>	<u>0</u>	<u>0</u>	<u>473,430</u>
Net Change in Fund Balances	<u>115,580</u>	<u>(185,119)</u>	<u>288</u>	<u>(69,251)</u>
Fund Balances at Beginning of Year, as Previously Stated	3,693,600	197,794	37,417	3,928,811
Prior Period Adjustment	<u>120,938</u>	<u>0</u>	<u>0</u>	<u>120,938</u>
Fund Balances at Beginning of Year, as Restated	<u>3,814,538</u>	<u>197,794</u>	<u>37,417</u>	<u>4,049,749</u>
Fund Balances at End of Year	<u><u>\$3,930,118</u></u>	<u><u>\$12,675</u></u>	<u><u>\$37,705</u></u>	<u><u>\$3,980,498</u></u>

The "Notes to Financial Statements" are in integral part of these statements and should be read in conjunction therewith.

SMITHFIELD TOWNSHIP
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2022

Exhibit F

Net Change in Fund Balances - Governmental Funds	(\$69,251)
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.	29,119
An allowance for doubtful accounts is recorded on the government-wide statements to estimate the amount of taxes receivable that will not be collected. The change in the allowance is recorded as bad debt expense on the Statement of Activities.	(4,487)
Government funds report capital outlays as expenditures. However, in the government-wide statement of activities 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.	756,666
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 an expenditure in governmental funds.	(558,139)
Change in accrued compensated absences that are not accrued for the modified accrual basis of accounting.	(5,707)
Change in accrued interest and amortization of bond premiums are not recorded for the modified accrual basis of accounting.	10,754
The amount of loan repayments from the Smithfield Sewer Authority recorded as revenues under the modified accrual basis of accounting.	(460,000)
The issuance of long-term debt provides current financial resources to government 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. The following amounts relate to current year transactions:	
Repayment of principal portion of long-term debt.	665,000
Change in Net Position of Governmental Activities	\$363,955

The "Notes to Financial Statements" are in integral part of these statements and should be read in conjunction therewith.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 1: Summary of Significant Accounting Policies:

Smithfield Township was organized in 1742 and operates as a second-class township in Monroe County, Pennsylvania. It operates using a board of supervisors as its governing body.

Reporting Entity

The report includes all of the services provided by the Township to residents and businesses within its boundaries. Township services provided include public safety, highways and streets, planning and zoning, recreation and community services, and general administrative 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, includes whether:

- The organization is legally separate (can sue or 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, Smithfield Township has one component unit – Smithfield Township Sewer Authority. The Township appoints the members of the Authority's governing board.

Basis of Presentation

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

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 1: Summary of Significant Accounting Policies: (Continued)

Basis of Presentation (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. 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. Separate statements are presented for governmental and proprietary activities. 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

Governmental funds are those funds through which most governmental functions are typically financed. The measurement focus of a governmental fund 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.

Liquid Fuels Fund

The Liquid Fuels Fund is a special revenue fund that accounts for state highway funds received and expenditures for qualified highway expenses.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 1: Summary of Significant Accounting Policies: (Continued)

Other Governmental Funds

The Township also reports a parks and recreation fund, fair share road improvement fund, fees in lieu of open space fund, and Rivers Edge Bike Park fund as non-major governmental type funds.

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and which are therefore not available to support Township programs. The reporting focus is on net position and changes in net position. Fiduciary funds are reported using accounting principles similar to proprietary funds. The Township has the following fiduciary fund:

Non-uniform Pension Plan - Accounts for contributions by the Township and its employees to the Township's employee pension plan. Benefit payments and plan administration expenses are paid from this fund.

The Township's fiduciary fund is not presented in the government-wide financial statements. Since by definition these assets are being held for the benefit of third parties, such as pension participants, and cannot be used to address activities or obligations of the government, this fund is not incorporated into the government-wide statements. It is also not presented in the fund financial statements due to the current year financial information not being available in time for audit procedures to be performed.

Component Unit

Smithfield Township Sewer Authority is a component unit of Smithfield Township. The Authority was incorporated under the Municipal Authorities Act by ordinance of the Township and resolution of the Authority in 1988. Since the Township has guaranteed the Authority's debt and appoints its governing board, it is included in the Township's reporting entity.

The Authority was organized to provide sewer service for the residents and businesses located in Smithfield Township. It is empowered to acquire, hold, construct, improve, maintain, operate and lease, as lesser or lessee, sewer system and sewage treatment works. The Authority bills quarterly fees to users based on the number of EDU's allocated to them and assesses a connection fee to new users. The Authority's Board of Directors is appointed by the Smithfield Township Board of Supervisors and is responsible for managing the business of the Authority.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 1: Summary of Significant Accounting Policies: (Continued)

Component Unit (Continued)

The separately issued financial statements for Smithfield Sewer Authority can be reviewed at the Township's municipal building with prior scheduling with the Authority's management.

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, deferred outflows, liabilities, and deferred inflows (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues and deferred inflows) and decreases (expenses and deferred outflows) in net total position. Under the accrual basis of accounting, revenues and deferred inflows are recognized when earned. Expenses and deferred outflows are recognized at the time the liability is incurred. Fiduciary funds associated with the Township are not included in government-wide financial statements because the assets of these funds are held for the benefit of others and are not available for use by the Township.

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 service 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
Notes to Financial Statements
As at December 31, 2022

Note 1: Summary of Significant Accounting Policies: (Continued)

Budgetary Control

The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund and the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Liquid Fuels Fund present comparisons of budgetary data to actual results. The General and Liquid Fuels Funds utilize 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.

Interfund Balances

As of December 31, 2022, the Rivers Edge Bike Park Fund owed \$283 to the General Fund. The Rivers Edge Bike Park Fund borrowed the funds to cover costs relating to the bike park project.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 1: Summary of Significant Accounting Policies: (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Repairs and maintenance costs are recorded as expenses. Renewals and betterments are capitalized. Assets capitalized 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 improvements	15-50 years
Vehicles, machinery and equipment	5 years
Infrastructure	15-50 years

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.

Equity Classification - Government-Wide Financial Statements

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

Net Investment in Capital Assets - 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 improvement of those assets.

Restricted Net Position - Consists of net position 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.

Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 1: Summary of Significant Accounting Policies: (Continued)

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 the Township's 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 - Can only be used for specific purposes pursuant to constraints by formal action of the highest level of decision-making authority. 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 used for a specific purpose. The Township's Assigned Fund Balance is fund balance reporting under the direction of authorized Township Personnel.

Unassigned - Residual classification of the Township's general fund and includes all spendable amounts not contained in the other classifications.

No minimum fund balance policies have been established.

When both restricted and unrestricted resources are available for use in funds other than the General Fund, it is the Township's policy to first use unrestricted resources - committed, and assigned - in order as needed, and then use externally restricted resources. For the General Fund, the Township's policy is to first use externally restricted resources and then use unrestricted resources - committed, assigned, and unassigned - in order as needed.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 1: Summary of Significant Accounting Policies: (Continued)

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.

New Pronouncements – GASB Statement No. 87

Effective January 1, 2022, the Township adopted the new lease accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities. See Note 7 for additional information on how the pronouncement affects the Township's financial statements.

Component Unit – Summary of Significant Accounting Policies

Smithfield Township Sewer Authority

Cash, Cash Equivalents, and Investments

For purposes of reporting cash flows, the Authority considers all cash accounts which are not subject to withdrawal restrictions or penalties, and all highly-liquid debt investments purchased with a maturity of three months or less to be cash and cash equivalents.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 1: Summary of Significant Accounting Policies: (Continued):

Capital Assets

Capital assets include property, plant and equipment. All capital and intangible assets are valued at historical cost. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Assets capitalized have an original cost of \$5,000 or more and a useful life of over one year. Depreciation and amortization have been calculated on each class of asset using the straight-line method. Estimated useful lives are as follows:

Treatment plan and expansion	40 years
Pumping stations	40 years
Sewer and force mains	5-10 years
Furniture and fixtures	7 years

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Authority's policy to first use restricted resources and then use unrestricted resources, as needed.

Allowance for Uncollectible Accounts

Revenue receivables are reflected net of allowance for doubtful accounts. As of December 31, 2022, the amount of the allowance is calculated at 50% of amounts delinquent one year or more.

Operating and Nonoperating Items

Operating revenues and expenses of the Authority consist of charges for services (including usage charges and service connection fees) and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as nonoperating.

Note 2: Budget Basis of Accounting:

Smithfield Township prepares its annual budget on a basis of accounting (budget basis) which differs from generally accepted accounting principles (GAAP basis). Budget 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 and Highway Aid Fund to provide a comparison of actual results with the budget.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 2: Budget Basis of Accounting: (Continued)

The annual budget is prepared and adopted by the Township's Supervisors. Subsequent amendments are also prepared and adopted by the Township's Supervisors. Unexpended appropriations lapse at year end. Encumbrances are not included as expenditures. During the current year, the budget was amended in a legally permissible manner.

The Township's financial statements for the year ended December 31, 2022 present its legally adopted budget for the General Fund. The Township included a portion of the prior year's fund balance represented by unappropriated liquid assets remaining in the fund as budgeted revenue in the succeeding year. The results of operations on a GAAP basis do not recognize the fund balance allocation as revenue as it represents prior period's excess of revenues over expenditures. The Township legally adopted the General Fund budget for 2022.

The Budget has been adopted on the activity basis; expenditures at this level in excess of amounts budgeted are a violation of the Pennsylvania's Second Class Township Code. Comparison of actual results of operations to the budget of the General Fund as adopted by the Township's Supervisors is included as required supplementary information to the basic financial statements.

There were no significant expenditures in excess of budgeted amounts in the General Fund or Liquid Fuels Fund for the year ended December 31, 2022.

Note 3: Deposits and Investments:

Deposits

The Township is permitted to invest funds in U.S. Treasury Bills, short-term obligations of the United States Government or its agencies or instrumentalities, 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, obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by full faith and credit of the political subdivision, certificates of deposit, secured purchase agreements, authorized Investment Trust Companies and time or share accounts of institutions insured or secured by the FDIC to the extent such certificates are insured by a proper bond or collateral in accordance with the law.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 3: Deposits and Investments: (Continued)

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 limit relies upon the Pennsylvania Pledge Act 72 (732 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. At year-end, deposits in excess of FDIC coverage totaled \$3,119,322.

PLGIT

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. At December 31, 2022, total funds held by PLGIT were \$30,208.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 3: Deposits and Investments: (Continued)

Component Unit

Smithfield Township Sewer Authority

The Authority can invest its general funds as provided by the Municipal Authorities Act. Authorized types of investments include:

- a) U.S. Treasury bills.
- b) Obligations of the United States of America, the Commonwealth of Pennsylvania, or any of their agencies or instrumentalities, which are secured by the full faith and credit of such entity.
- c) Checking or savings accounts, certificates of deposit, or share accounts, provided such amounts are insured and any deposits in excess of such insurance are collateralized by the depository.
- d) Shares of a registered investment company, provided that investments of that company are in authorized investments as noted above.

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be recovered. The Authority'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 3836-1§1 §fill.). 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. At year-end, deposits in excess of FDIC coverage totaled \$897,270.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 4: Property Taxes:

Based upon assessed valuation provided by the County (\$676,894,760 in 2022), the Township's property taxes are collected by through an elected tax collector. The schedule for property taxes levied for 2022 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

The Township's tax rate for all purposes for 2022 was 0.80 mills (\$0.80 per \$1,000 of assessed valuation).

At December 31, 2022 taxes receivable on the government-wide financial statements were as follows:

Taxes Receivable	\$75,516
Less: Allowance for Uncollectible Accounts	<u>(4,487)</u>
Taxes Receivable Net of Allowance of Uncollectible Accounts	<u><u>\$71,029</u></u>

Note 5: Accounts Receivable:

Component Unit

Smithfield Township Sewer Authority

User fees and lien accounts receivable are reflected on the financial statements on a full accrual basis and are adjusted for uncollectible provisions. Although management believes all receivables will eventually be collected, the provision for determining an allowance is to compute one-half of all delinquent accounts over one year past due. Receivables as of December 31, 2022 for the Authority, including applicable allowances for uncollectible accounts are as follows:

Gross Receivables	\$1,107,951
Less: Allowance for Uncollectible Accounts	<u>(265,825)</u>
Net Receivables	<u><u>\$842,126</u></u>

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 6: Due from Smithfield Township 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:

	Balance 1/1/22	Additions	Repayments	Balance 12/31/22	Due Within One Year
Due from Authority	\$925,000	\$0	(\$460,000)	\$465,000	\$465,000

Note 7: Lease Receivable:

On February 3, 2021, the Township entered into a 10-year lease with the County of Monroe for use of office space at the Smithfield Township Municipal Center. The lease agreement qualifies as other than short-term leases under GASB 87 and, therefore, a lease receivable and corresponding deferred inflow of resources has been recorded on the government-wide statement of net position at the present value of the future minimum lease payments as of the date of its inception. The lease requires monthly payments ranging from \$3,183 in Year 1 to \$3,948 in Year 10. The lease receivable is measured at a discount rate of 3.25%. While this rate is not stated in the lease agreement, it was estimated based on the borrowing rate of the County at the time of the lease's inception. For the year ended December 31, 2022, the total lease revenue recognized by the Township was \$40,125, including interest income of \$10,183.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 8: Changes in Capital Assets:

A summary of the changes in governmental activities fixed assets are as follows:

	<u>Balance</u> <u>1/1/22</u>	<u>Plus</u> <u>Additions</u>	<u>Less</u> <u>Disposals</u>	<u>Balance</u> <u>12/31/22</u>
Non-Depreciable Capital Assets:				
Land	\$2,301,508	\$0	\$0	\$2,301,508
Construction in progress	296,087	203,522	(289,061)	210,548
Capital Assets Being Depreciated:				
Buildings	5,832,574	4,135	0	5,836,709
Infrastructure	3,085,445	431,242	0	3,516,687
Vehicles	1,163,528	101,488	0	1,265,016
Machinery and equipment	779,201	4,498	0	783,699
Office equipment	28,760	11,781	0	40,541
Park improvements	<u>1,285,500</u>	<u>289,061</u>	<u>0</u>	<u>1,574,561</u>
Total Capital Assets	14,772,603	1,045,727	(289,061)	15,529,269
Less: Accumulated Depreciation	<u>(5,012,312)</u>	<u>(558,139)</u>	<u>0</u>	<u>(5,570,451)</u>
Net Capital Assets	<u>\$9,760,291</u>	<u>\$487,588</u>	<u>(\$289,061)</u>	<u>\$9,958,818</u>

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 8: Changes in Capital Assets: (Continued)

Component Unit

Smithfield Township Sewer Authority

All capital items are carried at cost. A summary of proprietary fund-type property, plant and equipment at December 31, 2022 are as follows:

	<u>Balance</u> <u>1/1/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/22</u>
Non-Depreciable Capital Assets:				
Land	\$275,729	\$0	\$0	\$275,729
Depreciable Capital Assets:				
Drainage system	103,181	0	0	103,181
Sewer line extension	1,988,895	0	0	1,988,895
Stormwater project	3,196,490	0	0	3,196,490
Treatment plant and expansion	3,796,489	0	0	3,796,489
Pumping stations	740,863	0	0	740,863
Sewer and force mains	7,192,997	0	0	7,192,997
Vehicles	33,149	0	0	33,149
Furniture and fixtures	10,907	0	0	10,907
	<u>17,062,971</u>	<u>0</u>	<u>0</u>	<u>17,062,971</u>
Total Depreciable Capital Assets				
Less: Accumulated Depreciation	<u>(9,141,613)</u>	<u>(448,725)</u>	<u>0</u>	<u>(9,590,338)</u>
Net Depreciable Capital Assets	<u>7,921,358</u>	<u>(448,725)</u>	<u>0</u>	<u>7,472,633</u>
Net Capital Assets	<u>\$8,197,087</u>	<u>(\$448,725)</u>	<u>\$0</u>	<u>\$7,748,362</u>

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 9: Long Term Debt:

Governmental activities' long-term liability balances and activity for the year ended December 31, 2022 were:

	<u>Balance 1/1/22</u>	<u>Issues/ Additions</u>	<u>Repayments/ Retirements</u>	<u>Balance 12/31/22</u>	<u>Due Within One Year</u>
Series 2015 GOB	\$2,650,000	\$0	(\$665,000)	\$1,985,000	\$665,000
Plus: Net Premium to be Amortized	<u>11,483</u>	<u>0</u>	<u>(4,691)</u>	<u>6,792</u>	<u>1,372</u>
Total Bonds Payable	<u>\$2,661,483</u>	<u>\$0</u>	<u>(\$669,691)</u>	<u>\$1,991,792</u>	<u>\$666,372</u>

Outstanding debt obligations are as follows:

General Obligation Note – Series A of 2015

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. Principal payments are due semi-annually from June 15, 2015 through January 15, 2029. Interest on the note ranges from 0.25% to 4.0% depending on the scheduled maturity date of individual bonds.

Annual debt service requirements are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
Bonds:			
2023	\$665,000	\$42,073	\$707,073
2024	0	32,911	32,911
2025	0	27,828	27,828
2026	635,000	22,561	657,561
2027	0	16,603	16,603
2028 - 2029	<u>685,000</u>	<u>13,340</u>	<u>698,340</u>
Total	<u>\$1,985,000</u>	<u>\$155,316</u>	<u>\$2,140,316</u>

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 9: Long Term Debt: (Continued)

Component Unit

Smithfield Township Sewer Authority

Revenue Bond with Smithfield Township

The Authority retired its 1993 Revenue Bonds by means of a 2004 Bond Issuance by Smithfield Township. The Township issued the bonds and loaned the funds to the Authority in order to obtain a favorable interest rate. The Authority signed an agreement with the Township to be responsible for the annual principal payments and the semi-annual interest payments. The Township refinanced these bonds in 2010, and again in 2015 with gross proceeds of \$6,250,000. The bond matures July 15, 2023.

Truck Loan

The Authority entered into a loan agreement with Bob Fisher Chevrolet, Inc. dated March 18, 2020 in the amount of \$33,149. The loan is for financing the acquisition of a 2020 Chevrolet Silverado pickup truck. Principal and interest (at 5.43%) are payable in 60 monthly installments of \$630.

Penn Works Loan

During 2017, the Authority received the final disbursement of \$1,916,265 on the \$3,000,000 Penn Works DCED Loan through Pocono Mountains Industrial Park Authority, payable to the Commonwealth of Pennsylvania, to finance a storm water project. The loan is payable in monthly installments of \$16,643 over a 20-year amortization at an interest rate of 2.0%.

Changes in long-term debt obligations for the year ended December 31, 2022, are as follows:

	Balance <u>1/1/22</u>	<u>Additions</u>	<u>Repayments</u>	Balance <u>12/31/22</u>	Due Within <u>One Year</u>
Bond payable to Smithfield Township	\$925,000	\$0	(\$460,000)	\$465,000	\$465,000
PennWorks loan	2,207,369	0	(157,126)	2,050,243	159,804
Truck loan	20,931	0	(6,612)	14,319	6,970
Plus: Unamortized net premium	<u>7,129</u>	<u>0</u>	<u>(7,129)</u>	<u>0</u>	<u>0</u>
Total Long-term Debt	<u>\$3,160,429</u>	<u>\$0</u>	<u>(\$630,867)</u>	<u>\$2,529,562</u>	<u>\$631,774</u>

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 9: Long Term Debt: (Continued)

Maturities of long-term debt at December 31, 2022 are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$631,774	\$45,153	\$676,927
2024	170,379	36,900	207,279
2025	166,321	33,396	199,717
2026	169,678	30,039	199,717
2027	173,102	26,615	199,717
2028-2032	919,353	79,229	998,582
2033-2034	298,955	5,412	304,367
Total	<u>\$2,529,562</u>	<u>\$256,744</u>	<u>\$2,786,306</u>

Note 10: Pension Plan:

Plan Description

General

The Smithfield Township pension plan is a single-employer cash balance defined benefit pension plan controlled by the provisions of Ordinance No. 213 dated 11/12/13. The Plan is governed by the Township's Board of Supervisors. The Township Supervisors may amend plan provisions and are responsible for the management of plan assets.

Under generally accepted accounting principles for governments, the Plan should be included in the Township's basic financial statements as a Pension Trust. However due to the lack of timely financial information from Pennsylvania Municipal Retirement System (PMRS), the Plan is not presented in these financial statements.

Stand-alone financial statements are not publicly available.

The plan participates in 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. PMRS issues a separate Comprehensive Annual Financial Report (CAFR). The CAFR is available on the PMRS Website. A copy can be obtained by contacting the PMRS accounting office.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 10: Pension Plan:

Plan Membership

Membership of the plan consisted of the following at January 1, 2021:

Active plan members	9
Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	<u>1</u>
Total	<u>13</u>

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 of sixty-two (62) years of age.

Benefit Provisions

The plan provides retirement, disability and death benefits to plan members and their beneficiaries.

Normal retirement age is 62. No early retirement.

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.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 10: Pension Plan: (Continued)

For 2022, 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, 2022, total pension expense, including the minimum municipal obligation (MMO) is \$39,926.

The payroll for Township employees covered by the Non-Uniformed Employees' Pension Plan for the year ended December 31, 2022 was \$564,747.

Act 205

Act 205 of 1984, Municipal Pension Plan Funding Standard and Recovery Act, initiated actuarial funding requirements for municipal pension plans. Under Act 205 provisions, a municipal budget must provide for full payment of the Minimum Municipal Obligation (MMO) to each employee pension fund of the municipality.

Basis of Accounting

The plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due, in accordance with Act 205, as amended. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. The plan's assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by Statements No.3 of the Government Accounting Standards Board for aggregate PMRS investments are included in PMRS's separately issued CAFR.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 10: Pension Plan: (Continued)

As allowed under GASB 68, the Plan reports its Net Pension Liability and changes to the liability on a one-year delay, which would be the year ended December 31, 2021. The analysis below reports changes to the Net Pension Liability for the year ended December 31, 2021, which is the most recent year that pension information is available from PMRS.

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at 12/31/20	<u>\$717,144</u>	<u>\$808,459</u>	<u>(\$91,315)</u>
Service Cost	70,392	0	70,392
Interest Cost	38,189	0	38,189
Changes of Benefits	0	0	0
Difference Between Expected and Actual Experience	0	0	0
Contributions - Employer	0	36,585	(36,585)
Contributions - PMRS assessment	0	300	(300)
Contributions - Employee	0	33,807	(33,807)
PMRS Investment Income	0	38,686	(38,686)
Market Value Investment Income*	0	84,357	(84,357)
Benefit Payments	(28,051)	(28,051)	0
PMRS Administrative Expense	0	(300)	300
Additional Administrative Expense	0	(2,191)	2,191
Net Changes	<u>80,530</u>	<u>163,193</u>	<u>(82,663)</u>
Balances at 12/31/21	<u><u>\$797,674</u></u>	<u><u>\$971,652</u></u>	<u><u>(\$173,978)</u></u>

*Reflects the net investment income of \$70,783 and the income due to the difference between expected and actual asset values of \$13,574, which includes the impact from allocation of assets in support of the underlying retiree liabilities.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 10: Pension Plan: (Continued)

Net Pension Liability

Although the beginning and end of year TPLs are based upon the same actuarial valuation dates, there may be a difference between expected and actual experience reported this year due to actual cash flows during the year. The beginning of year TPL is based upon the January 1, 2021 actuarial valuation, with liabilities measured at December 31, 2020. The end of year TPL is based upon the same actuarial valuation with liabilities rolled forward to December 31, 2021 based on actual cash flows during the year.

Discount Rate

As of December 31, 2021, the discount rate used to measure the total pension liability was 5.25%. The plan's fiduciary net position was assumed to be available to make all projected benefit payments of current plan members based on the assumption that all MMO payments as determined and required under Act 205 will be paid accordingly. Therefore, the municipal long-term expected rate of return for municipal and member accounts was applied to discount all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate of 5.25%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>(4.25%)</u>	<u>(5.25%)</u>	<u>(6.25%)</u>
Plan's Net Pension Liability	<u>(\$49,290)</u>	<u>(\$173,978)</u>	<u>(\$291,466)</u>

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 10: Pension Plan: (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Nominal Rate of Return</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity (large, capitalized firms)	24.5%	7.49%	4.99%
Domestic Equity (small, capitalized firms)	8.0%	8.18%	5.68%
International Equity (developed markets)	14.5%	8.07%	5.57%
International Equity (emerging markets)	3.0%	8.21%	5.71%
Global Equities	5.0%	7.28%	4.78%
Real Estate	10.0%	7.40%	4.90%
Timber	5.0%	6.17%	3.67%
Fixed Income (Core Investment Grade)	24.0%	4.32%	1.82%
Fixed Income (Opportunistic Credit)	5.0%	7.88%	5.38%
Cash	<u>1.0%</u>	<u>1.18%</u>	<u>-1.32%</u>
Total Portfolio	<u>100.00%</u>	<u>7.42%</u>	<u>4.92%</u>

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 10: Pension Plan: (Continued)

Actuarial Methods and Significant Assumptions

Additional information as of the latest actuarial valuation date follows:

Actuarial Valuation Date	January 1, 2021
Actuarial Cost Method	Entry Age, Normal
Amortization Method	Level Dollar Closed
Asset Valuation Method	Fair value
Actuarial Assumptions:	
Investment Rate of Return	5.25%
Projected Salary Increases*	Inflation at 2.80% and age-related scale for merit/seniority

The impact of investment gains or losses for expensing is recognized over a period of five years. The impact of experience gains or losses and assumption changes on the total pension liability are recognized in the pension expense over the average expected remaining service life of all active and inactive members of the Plan, as provided below.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$12,255	\$0
Changes in assumptions	0	8,951
Difference between projected and actual investment earnings	<u>112,579</u>	<u>0</u>
Total	<u>\$124,834</u>	<u>\$8,951</u>

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 10: Pension Plan: (Continued)

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year ended December 31:

2022	(\$29,733)
2023	(42,083)
2024	(25,903)
2025	(17,540)
2026	<u>(624)</u>
	<u><u>(\$115,883)</u></u>

Note 11: Risk Management:

The Township is exposed to various risks of loss related to theft of, damage to, or destruction of assets, errors and omissions; injuries to employees; employees' health and life; and natural disasters.

The Township manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk of Loss Retained</u>
Torts, errors, and omissions	Purchased commercial insurance	Limited
Workers compensation, health and life	Purchased commercial insurance	Limited
Physical property loss and natural disasters	Purchased commercial insurance	Limited

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 12: Litigation:

The Township is a party to various legal proceedings. These financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. While the outcome of the any legal proceeding is difficult to predict, due to the insurance coverage maintained by the Township and the State statute relating to judgments, the Township believes that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the Township.

Note 13: Joint Ventures:

In December 2013, Smithfield Township entered into an Intermunicipal Agreement with Middle Smithfield Township and Lehman Township establishing the Oak Grove Multi-Municipal Compost Processing Program (OGMMCPP). OGMMCPP was created to operate an intermunicipal compost processing facility located within Middle Smithfield Township. Based on the Township's population per the 2010 United States Census, Smithfield Township is responsible for 22% of the operating costs of the program. Total contributions made to OGMMCPP in 2022 were \$11,220. Middle Smithfield Township, as lead municipality, has assumed responsibility of the day-to-day operations of the compost processing facility. Per the Intermunicipal Agreement, the OGMMCPP's financial statements are audited annually. The audited financial statements are available for review at the Middle Smithfield Township Municipal Building.

Note 14: American Rescue Plan:

During 2021, the Township was awarded funds through the American Rescue Plan Act of 2021. The purpose of this grant was to assist government entities with COVID-19 response and to replace revenues lost during the pandemic. The Township was entitled to \$791,090, half of which (\$395,545) was received during 2021. The second half was received during 2022, along with an additional allocation of \$2,501. The Township made a one-time election to claim the standard allowance 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.

Note 15: Subsequent Events:

Management has evaluated subsequent events through February 28, 2024, the date the financial statements were available to be issued.

SMITHFIELD TOWNSHIP
Notes to Financial Statements
As at December 31, 2022

Note 16: Prior Period Adjustments:

Prior period adjustments have been made to the books and records of the Township. On the General Fund, an adjustment was made to record the 2021 cable TV franchise fee as 2021 revenue and accounts receivable. The effect on the General Fund was to increase the beginning fund balance by \$120,938.

On the government-wide financial statements, adjustments were made to correct the capital asset and accumulated depreciation balances as of December 31, 2021. The net effect of the adjustments to capital assets and accumulated depreciation was an increase in beginning net position of \$2,238,210. The entry made on the General Fund also affects the government-wide financial statements, so the total prior period adjustment posted to the government-wide financial statements resulted in an increase in net position of \$2,359,148.

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Smithfield Township
Required Supplementary Information
As at December 31, 2022

SMITHFIELD TOWNSHIP
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2022

Schedule 1
Page 1

	Cash Basis Budgeted Amounts		Modified Accrual	Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$1,797,500	\$1,871,775	\$1,954,762	\$82,987
Licenses and permits	116,750	129,925	120,685	(9,240)
Fines and forfeits	1,150	150	202	52
Interest, rents, and royalties	52,625	56,825	59,089	2,264
Intergovernmental	625,437	570,344	630,109	59,765
Charges for services	349,600	304,957	352,710	47,753
Other	6,250	9,140	9,148	8
Total Revenues	2,949,312	2,943,116	3,126,705	183,589
Expenditures:				
General government	653,703	717,480	725,226	(7,746)
Public safety	283,186	341,037	384,615	(43,578)
Health and human services	100	25	0	25
Public works - sanitation	110,060	146,220	246,342	(100,122)
Public works - highways and streets	538,605	711,062	719,450	(8,388)
Public works - other	800	2,600	2,584	16
Culture and recreation	645,799	279,900	254,057	25,843
Debt service	744,398	720,372	720,373	(1)
Insurance	54,011	97,100	58,647	38,453
Employee benefits and taxes	383,322	389,500	371,255	18,245
Unclassified	0	0	2,006	(2,006)
Total Expenditures	3,413,984	3,405,296	3,484,555	(79,259)
Excess (Deficiency) of Revenues over Expenditures	(464,672)	(462,180)	(357,850)	104,330

SMITHFIELD TOWNSHIP
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2022

Schedule 1
Page 2

	Cash Basis Budgeted Amounts		Modified Accrual	Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Other Funding Sources (Uses):				
Transfer from Sewer Authority for debt obligation	473,000	473,900	473,900	0
Refund of prior year revenues	<u>(2,500)</u>	<u>(500)</u>	<u>(470)</u>	<u>30</u>
Total Other Financing Sources and Uses	<u>470,500</u>	<u>473,400</u>	<u>473,430</u>	<u>30</u>
Net Change in Fund Balance	<u>\$5,828</u>	<u>\$11,220</u>	115,580	<u>\$104,360</u>
Net Position at Beginning of Year			<u>3,814,538</u>	
Net Position at End of Year			<u>\$3,930,118</u>	

SMITHFIELD TOWNSHIP
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Highway Aid Fund
For the Year Ended December 31, 2022

Schedule 2

	Cash Basis Budgeted Amounts		Modifed Accrual	Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$310,852	\$313,085	\$322,211	\$9,126
Interest, rents, and royalties	<u>1,000</u>	<u>2,160</u>	<u>2,270</u>	<u>110</u>
Total Revenues	311,852	315,245	324,481	9,236
Expenditures:				
Public works - highways and streets	<u>513,852</u>	<u>506,503</u>	<u>509,600</u>	<u>(3,097)</u>
Excess (Deficiency) of Revenues over Expenditures	(202,000)	(191,258)	(185,119)	12,333
Other Funding Sources:				
Fund balance to be used	<u>202,000</u>	<u>191,258</u>	<u>0</u>	<u>(191,258)</u>
Net Change in Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>(\$185,119)</u>	<u>(\$178,925)</u>
Net Position at Beginning of Year			<u>197,794</u>	
Net Position at End of Year			<u>\$12,675</u>	

SMITHFIELD TOWNSHIP
Schedule of Changes in Net Pension Liability
For the Year Ended December 31, 2022

Schedule 3
Page 1

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:								
Service Cost	\$70,392	\$63,590	\$49,658	\$38,722	\$38,716	\$37,030	\$35,841	\$22,728
Interest	38,189	34,513	40,334	26,808	24,604	25,057	21,848	5,694
Changes of Benefit Terms	0	0	0	5,352	0	0	0	0
Differences Between Expected and Actual Experience	0	(16,801)	0	(388)	0	(134)	(1)	0
Changes of Assumptions	0	12,531	0		0	0	0	0
Transfers								356,082
Benefit Payments, Including Refunds of Member Contributions	(28,051)	(28,841)	(3,298)	(872)	(71,629)	0	0	0
Net Change in Total Pension Liability	80,530	64,992	86,694	69,622	(8,309)	61,953	57,688	384,504
Total Pension Liability - Beginning	717,144	652,152	565,458	495,836	504,145	442,192	384,504	0
Total Pension Liability - End	<u>\$797,674</u>	<u>\$717,144</u>	<u>\$652,152</u>	<u>\$565,458</u>	<u>\$495,836</u>	<u>\$504,145</u>	<u>\$442,192</u>	<u>\$384,504</u>

SMITHFIELD TOWNSHIP
Schedule of Changes in Net Pension Liability
For the Year Ended December 31, 2022

Schedule 3
Page 2

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Plan Fiduciary Net Position:								
Contributions - Employer	\$36,585	\$33,634	\$28,150	\$23,514	\$25,725	\$23,343	\$24,002	\$10,889
Contributions - PMRS								
Assessment	300	20	200	20	0	0	0	0
Contributions - Employee	33,807	29,956	21,508	14,731	15,466	13,030	11,841	11,979
PMRS Investment Income	38,686	35,456	41,142	28,422	25,438	25,876	22,539	5,988
Market Value Investment								
Income	84,357	41,797	80,918	(61,756)	55,215	7,773	(25,434)	(5,242)
Transfers	0	0	0	0	0	0	0	356,082
Benefit Payments, Including								
Refunds of Member								
Contributions	(28,051)	(28,841)	(3,298)	(872)	(71,629)	0	0	0
PMRS Administrative								
Expense	(300)	(260)	(200)	(200)	(160)	(160)	(160)	(140)
Additional Administrative								
Expense	(2,191)	(1,545)	(1,422)	(1,268)	(1,170)	(1,268)	(940)	(230)
Net Change in Plan Fiduciary								
Net Position	163,193	110,217	166,998	2,591	48,885	68,594	31,848	379,326
Plan Net Position - Beginning	808,459	698,242	531,244	528,653	479,768	411,174	379,326	0
Plan Net Position - Ending	<u>\$971,652</u>	<u>\$808,459</u>	<u>\$698,242</u>	<u>\$531,244</u>	<u>\$528,653</u>	<u>\$479,768</u>	<u>\$411,174</u>	<u>\$379,326</u>

SMITHFIELD TOWNSHIP
Schedule of Changes in Net Pension Liability
For the Year Ended December 31, 2022

Schedule 3
Page 3

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Municipality's Net Pension Liability/(Asset)	<u>(\$173,978)</u>	<u>(\$91,315)</u>	<u>(\$46,090)</u>	<u>\$34,214</u>	<u>(\$32,817)</u>	<u>\$24,377</u>	<u>\$31,018</u>	<u>\$5,178</u>
Municipality's Net Position as a Percentage of the Total Pension Liability/(Asset)	<u>121.8%</u>	<u>112.7%</u>	<u>107.1%</u>	<u>93.9%</u>	<u>106.6%</u>	<u>95.2%</u>	<u>93.0%</u>	<u>98.7%</u>
Covered Employee Payroll	<u>\$428,258</u>	<u>\$400,184</u>	<u>\$413,629</u>	<u>\$380,661</u>	<u>\$359,483</u>	<u>\$318,217</u>	<u>\$325,306</u>	<u>\$300,786</u>
Municipality's Net Pension Liability/(Asset) as a Percentage of Covered Employee Payroll	<u>-40.6%</u>	<u>-22.8%</u>	<u>-11.1%</u>	<u>9.0%</u>	<u>-9.1%</u>	<u>7.7%</u>	<u>9.5%</u>	<u>1.7%</u>

Note to Schedule:

Ultimately this schedule will present information for ten years. However, until ten years of information is compiled, information is presented for as many years as available.

SMITHFIELD TOWNSHIP
Schedule of Employer Contributions
For the Year Ended December 31, 2022

Schedule 4

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contributions	\$36,885	\$33,894	\$28,350	\$24,191	\$23,410	\$24,160	\$24,160	\$10,889
Actual Contributions in Relation to the Actuarially Determined Contribution	36,885	33,654	28,350	23,534	25,725	23,343	24,002	10,889
Contribution (Excess)Deficiency	\$0	\$240	\$0	\$657	(\$2,315)	\$817	\$158	\$0
Covered Employee Payroll	\$428,258	\$400,184	\$413,629	\$380,661	\$359,483	\$318,217	\$325,306	\$300,786
Contributions as a Percentage of Covered Employee Payroll	8.61%	8.41%	6.85%	6.18%	7.16%	7.34%	7.38%	3.62%

Ultimately this schedule will present information for ten years. However, until ten years of information is compiled, information is presented for as many years as available.

Valuation Date	1/1/2021
Actuarial Cost Method	Entry Age
Amortization Period	Level dollar based upon the amortization periods in Act 205
Asset Valuation Method	Based upon the municipal reserves
Discount Rate	5.25%
Inflation	2.20%
Salary increases	Age related scale with merit and inflation component
COLA increases	2.2% for those eligible for a COLA
Pre-Retirement Mortality	Males - PUB-2010 General Employees male table, Females - PUB-2010 General Employees female table
Post-Retirement Mortality	Males - RP2006 annuitant male table, Females - RP2006 annuitant female table

Smithfield Township
Supplementary Information
As at December 31, 2022

SMITHFIELD TOWNSHIP
 Balance Sheet
 Combining Balance Sheet – Other Governmental Funds
 As at December 31, 2022

Schedule 5

	Park and Recreation Fund	Fairshare Road Improvement Fund	Fees in Lieu of Open Space Fund	Rivers Edge Bike Park Fund	Total Other Governmental Funds
Assets:					
Cash and cash equivalents	\$10,015	\$10,997	\$6,578	\$10,398	\$37,988
Restricted cash	0	0	0	0	0
Due from other governmental funds	0	0	0	0	0
Total Assets	\$10,015	\$10,997	\$6,578	\$10,398	\$37,988
Liabilities					
Due to other governmental funds	\$0	\$0	\$0	\$283	\$283
Fund Balances:					
Restricted	10,015	10,997	6,578	10,115	\$37,705
Total Liabilities and Fund Balances	\$10,015	\$10,997	\$6,578	\$10,398	\$37,988

SMITHFIELD TOWNSHIP
Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended December 31, 2022

Schedule 6

	Park and Recreation Fund	Fairshare Road Improvement Fund	Fees in Lieu of Open Space Fund	Rivers Edge Bike Park Fund	Total Other Governmental Funds
Revenues:					
Taxes	\$0	\$0	\$0	\$0	\$0
Interest, rents, and royalties	7	156	94	31	288
Intergovernmental	0	0	0	0	0
Charges for services	0	0	0	0	0
Total Revenues	<u>7</u>	<u>156</u>	<u>94</u>	<u>31</u>	<u>288</u>
Expenditures:					
General government	0	0	0	0	0
Unclassified	0	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	<u>7</u>	<u>156</u>	<u>94</u>	<u>31</u>	<u>288</u>
Net Change in Fund Balances	7	156	94	31	288
Fund Balances at Beginning of Year	<u>10,008</u>	<u>10,841</u>	<u>6,484</u>	<u>10,084</u>	<u>37,417</u>
Fund Balances at End of Year	<u><u>\$10,015</u></u>	<u><u>\$10,997</u></u>	<u><u>\$6,578</u></u>	<u><u>\$10,115</u></u>	<u><u>\$37,705</u></u>