

2022 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

450365 POCONO TWP, MONROE COUNTY



Zelenkofske Axelrod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

Independent Auditor's Report

Board of Commissioners
Pocono Township
Tannersville, Pennsylvania

Report on the Financial Statements

Opinion

We have audited the accompanying modified-cash basis Municipal Annual Audit and Financial Report, Form DCED CLGS-30 (the "financial statements"), of Pocono Township ("the Township"), as of and for the year ended December 31, 2022, which comprise the balance sheet, statement of revenues and expenditures, debt statement, and statement of capital expenditures and employee compensation.

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheet of the Township as of December 31, 2022, and the statement of revenues and expenditures, debt statement, and the statement of capital expenditures and employee compensation for the year then ended, in accordance with the financial reporting provisions of the Commonwealth of Pennsylvania, Department of Community and Economic Development ("DCED") on the modified-cash basis of accounting.

Basis for Opinion

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 the 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 opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to the basis of accounting described under Management's Responsibility for the Financial Statement section. The financial statements were prepared by the Township in accordance with the accounting practices prescribed or permitted by DCED on the modified-cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Township's management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting practices prescribed or permitted by DCED, this includes determining that the modified-cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. The cash basis of accounting is modified to record taxes receivable and current liabilities. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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420 Chinquapin Round Road, Suite 2-i, Annapolis, MD 21401
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Pocono Township

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 the 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the 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 the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Restriction on Use

This report is intended solely for the information and use of the Township and for filing with DCED and is not intended be and should not be used by anyone other than these specified parties.

ZELENKOFSCHE AXELROD, LLC

Jamison, Pennsylvania

October XX, 2023



BALANCE SHEET

DCED-CLGS-30 (09-09)

POCONO TWP, MONROE County BALANCE SHEET December 31, 2022

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Assets and Other Debits											
100-120	Cash and Investments	3,775,877	910,736	2,528,267		3,931,653		8,506,830			19,653,363
140-144	Tax Receivable	161,944									161,944
121-129, 145-149	Accounts Receivable (excluding taxes)	98,165	3,583			143,089					244,837
130.00	Due From Other Funds	733									733
131-139, 150-159	Other Current Assets	240,849				19,969		2,019			262,837
160-169	Fixed Assets										
180-189	Other Debits										
Total Assets and Other Debits		4,277,568	914,319	2,528,267		4,094,711		8,508,849			20,323,714
Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	19,887									19,887
200-209, 231-239	All Other Current Liabilities	231,622		512,346		36,635		714,453			1,495,056
230.00	Due To Other Funds		733								733

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Taxes									
301.00	Real Estate Taxes	3,315,809	252,681						3,568,490
305.00	Occupation Taxes (levied under municipal code)								
308.00	Residence Taxes (levied by cities of the 3rd Class)								
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)								
310.00	Per Capita Taxes								
310.10	Real Estate Transfer Taxes	509,483							509,483
310.20	Earned Income Taxes / Wage Taxes	1,866,645							1,866,645
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	450,598							450,598
310.60	Amusement / Admission Taxes	764,546							764,546
310.70	Mechanical Device Taxes								
310.90	Other: _____								
	Other: _____								
Total Taxes		6,907,081	252,681						7,159,762

Licenses and Permits									
320-322	All Other Licenses and Permits	600							600
321.80	Cable Television Franchise Fees	174,046							174,046
Total Licenses and Permits		174,646							174,646

Fines and Forfeits									
330-332	Fines and Forfeits	85,910							85,910
Total Fines and Forfeits		85,910							85,910

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Interest, Rents and Royalties								
341.00	Interest Earnings	7,647	1,825	9,990		7,193		26,655
342.00	Rents and Royalties							
Total Interest, Rents and Royalties		7,647	1,825	9,990		7,193		26,655

Federal								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants							
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements		582,173					582,173
353.00	Federal Payments in Lieu of Taxes							
Total Federal			582,173					582,173

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants	6,027		167,229				173,256
355.01	Public Utility Realty Tax (PURTA)	5,869						5,869
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		432,471					432,471
355.04	Alcoholic Beverage Licenses	1,200						1,200
355.05	General Municipal Pension System State Aid	250,572						250,572
355.07	Foreign Fire Insurance Tax Distribution	82,585						82,585
355.08	Local Share Assessment/Gaming Proceeds			200,000				200,000
355.09	Marcellus Shale Impact Fee Distribution							

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

State								
356.00	State Payments in Lieu of Taxes	432						432
355.00	All Other State Shared Revenues and Entitlements			1,193				1,193
Total State		346,685	432,471	368,422				1,147,578

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants			138,481				138,481
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units				138,481				138,481

Charges for Service								
361.00	General Government	38,141						38,141
362.00	Public Safety	809,964						809,964
363.20	Parking	12,609						12,609
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				4,777,843			4,777,843
364.30	Solid Waste Collection and Disposal Charge (trash)							
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	29,212						29,212
368.00	Airports							

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service					427,814		427,814
Total Charges for Service		889,926			4,777,843	427,814		6,095,583

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	52,355						52,355
388.00	Fiduciary Fund Pension Contributions					388,491		388,491
389.00	All Other Unclassified Operating Revenues							
Total Unclassified Operating Revenues		52,355				388,491		440,846

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	23,320						23,320
392.00	Interfund Operating Transfers	26,232		2,947,515				2,973,747
393.00	Proceeds of General Long-Term Debt			381,458				381,458
394.00	Proceeds of Short Term-Debt							

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	177,384						177,384
Total Other Financing Sources		226,936		3,328,973				3,555,909

TOTAL REVENUES

8,691,186	1,269,150	3,845,866		4,785,036		816,305	19,407,543
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	26,325		4,082				30,407
401.00	Executive (Manager or Mayor)	165,983		383,746				549,729
402.00	Auditing Services / Financial Administration	131,302						131,302
403.00	Tax Collection	53,859						53,859
404.00	Solicitor / Legal Services	52,609						52,609
405.00	Secretary / Clerk	279,511						279,511
406.00	Other General Government Administration	37,771	40					37,811
407.00	IT-Networking Services-Data Processing	88,423						88,423
408.00	Engineering Services	65,464						65,464
409.00	General Government Buildings and Plant	60,980						60,980
Total General Government		962,227	40	387,828				1,350,095

Public Safety

410.00	Police	3,381,080		135,486				3,516,566
411.00	Fire	92,677	251,693					344,370
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	447,718						447,718

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Safety

414.00	Planning and Zoning	147,790						147,790
415.00	Emergency Management and Communications	3,766						3,766
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
Total Public Safety		4,073,031	251,693	135,486				4,460,210

Health and Human Services

420.00-425.00	Health and Human Services							
Total Health and Human Services								

Public Works - Sanitation

426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)	34,180						34,180
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection			903,808	1,591,091			2,494,899
Total Public Works - Sanitation		34,180		903,808	1,591,091			2,529,079

Public Works - Highways and Streets

430.00	General Services - Administration	1,234,014		481,675				1,715,689
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	90,583						90,583
433.00	Traffic Control Devices	20,313						20,313
434.00	Street Lighting							

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Works - Highways and Streets

435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains							
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges	42,106		733,906				776,012
439.00	Highway Construction and Rebuilding Projects		432,471					432,471
Total Public Works - Highways and Streets		1,387,016	432,471	1,215,581				3,035,068

Other Public Works Enterprises

440.00	Airports							
441.00	Cemeteries							
442.00	Electric System							
443.00	Gas System							
444.00	Markets							
445.00	Parking							
446.00	Storm Water and Flood Control							
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises								

Culture and Recreation

451.00	Culture-Recreation Administration							
452.00	Participant Recreation	946						946
453.00	Spectator Recreation							
454.00	Parks	160,381		415,761				576,142

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries							
457.00	Civil and Military Celebrations	6,461						6,461
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation					427,814		427,814
Total Culture and Recreation		167,788		415,761			427,814	1,011,363

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development	152,521						152,521
Total Community Development		152,521						152,521

Debt Service								
471.00	Debt Principal (short-term and long-term)			374,801		1,638,370		2,013,171
472.00	Debt Interest (short-term and long-term)			22,790		165,359		188,149
475.00	Fiscal Agent Fees							
Total Debt Service				397,591		1,803,729		2,201,320

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	204,714						204,714
482.00	Judgments and Losses						1,520,337	1,520,337
483.00	Pension / Retirement Fund Contributions							

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items		204,714					1,520,337	1,725,051

Insurance								
486.00	Insurance, Casualty, and Surety	131,842			20,764			152,606
Total Insurance		131,842			20,764			152,606

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						257,534	257,534
489.00	All Other Unclassified Expenditures	35			4,999		38,369	43,403
Total Unclassified Operating Expenditures		35			4,999		295,903	300,937

Other Financing Uses								
491.00	Refund of Prior Year Revenues	1,680						1,680
492.00	Interfund Operating Transfers	1,981,746	175,001		817,000			2,973,747
493.00	All Other Financing Uses							
Total Other Financing Uses		1,983,426	175,001		817,000			2,975,427

TOTAL EXPENDITURES	9,096,780	859,205	3,456,055		4,237,583		2,244,054	19,893,677
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-405,594	409,945	389,811		547,453		-1,427,749	-486,134
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POCONO TWP
December 31, 2022

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
PennVest Loan	Note	2012	2034	8,300,000	5,346,084		397,370		4,948,714		4,948,714
Revenue Bonds and Notes											
Guar Sewer Rev Series 2021	Note	2021	2035	7,207,000	6,569,000		1,241,000		5,328,000		5,328,000
Lease Rental Debt											
2019 Peterbilt Single Axle	Capital Leases	2018	2022	124,000	25,998		25,998		0		0
2019 Peterbilt Tandem Axle	Capital Leases	2018	2022	124,000	25,998		25,998		0		0
2020 Truck Leases	Capital Leases	2020	2024	428,242	236,829		96,548		140,281		140,281
2021 Bucket Truck	Capital Leases	2021	2025	135,184	106,309		25,259		81,050		81,050
2021 Boom Mower	Capital Leases	2021	2025	142,954	112,419		27,611		84,808		84,808
2021 Police Interceptor	Capital Leases	2021	2023	52,965	34,663		17,016		17,647		17,647
2021 Police Interceptor (3)	Capital Leases	2021	2023	156,489	102,572		50,428		52,144		52,144
2022 Police Interceptor (2)	Capital Leases	2022	2024	109,722	0	109,722	38,040		71,682		71,682
2022 Western Star	Capital Leases	2022	2026	209,500	0	209,500	46,437		163,063		163,063
2022 F-350	Capital Leases	2022	2024	62,236	0	62,236	21,646		40,590		40,590
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

10,276,714

Capitalized lease obligations

651,265

Net debt

10,927,979

POCONO TWP, MONROE County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2022

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	109,722		109,722
Recreation			
Sewer			
Solid Waste			
Streets / Highways	271,736		271,736
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	381,458		381,458

EMPLOYEE COMPENSATION

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

3,149,010

ELECTED CONTROLLER'S/AUDITOR'S CERTIFIED OPINION

To the:

Governing Body of the Municipality

President Judge of the Court of Common Pleas

Secretary of the Department of Community & Economic Development

I/We, the undersigned, the duly elected (or appointed replacement), qualified, and Acting Controller/Auditors of the POCONO TWP have audited, adjusted and settled the various funds and account groups of the POCONO TWP for the year ended December 31, 2022. My/Our audit, adjustment and settlement was made in accordance with law rather than with generally accepted auditing standards

(PLEASE CROSS OUT ONLY IF ON MODIFIED ACCRUAL/ACCRUAL BASIS)

This municipality's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations of this municipality in conformity with generally accepted accounting principles.

These financial statements do not include all of the disclosures required by generally accepted accounting principles.

In my/our opinion, the aforementioned financial statements present the financial position of the various funds and account groups of the municipality of POCONO TWP for the year ended December 31, 2022, and the results of operations of such funds in accordance with the law.

SIGNATURE AND VERIFICATION

Signed:

Subscribed and sworn to before me this 1 day of January, 1.

SEAL

Signed:

Witness (Controller)/Auditor (Auditors)

December 31, 2022

NOTES / COMMENTS

Enterprise fund beginning net position was restated by (\$121,618.)

DRAFT