

**2021 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

450365 POCONO TWP, MONROE COUNTY



Zelenkofske Axlerod 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, 2021, 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, 2021, 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.

830 Sir Thomas Court, Suite 100, Harrisburg, PA 17109
3800 McKnight East Drive, Suite 3805, Pittsburgh, PA 15237
34745 Burbage Road, Frankford, DE 19945

2370 York Road, Suite A-5, Jamison, PA 18929
420 Chinquapin Round Road, Suite 2-i, Annapolis, MD 21401
210 Tollgate Hill Road, Greensburg, PA 15601



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Board of Commissioners
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 to be and should not be used by anyone other than these specified parties.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD, LLC

Jamison, Pennsylvania

October 21, 2022

POCONO TWP, MONROE County

BALANCE SHEET

December 31, 2021

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits		186,992	1,852	154,964		19,605		570,604			934,017
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets									1	1
270-289	Fund Balance / Retained Earnings on 12/31	4,431,653	503,641	1,626,110		3,632,242		9,222,145		-1	19,415,790
291-299	Other Equity										
Total Fund and Account Group Equity		4,431,653	503,641	1,626,110		3,632,242		9,222,145			19,415,791
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											20,349,808

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

REVENUES

Taxes

301.00	Real Estate Taxes	3,005,183	253,105					3,258,288
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	434,181						434,181
310.20	Earned Income Taxes / Wage Taxes	1,752,823						1,752,823
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	431,788						431,788
310.60	Amusement / Admission Taxes	416,780						416,780
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		6,040,755	253,105					6,293,860

Licenses and Permits

320-322	All Other Licenses and Permits	2,500						2,500
321.80	Cable Television Franchise Fees	234,294						234,294
Total Licenses and Permits		236,794						236,794

Fines and Forfeits

330-332	Fines and Forfeits	77,897						77,897
Total Fines and Forfeits		77,897						77,897

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

REVENUES

State								
356.00	State Payments in Lieu of Taxes	432						432
355.00	All Other State Shared Revenues and Entitlements			126,055				126,055
Total State		340,972	437,480	126,055				904,507

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

Charges for Service								
361.00	General Government	31,395						31,395
362.00	Public Safety	508,091			125			508,216
363.20	Parking	14,563						14,563
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				4,219,088			4,219,088
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	22,508						22,508
368.00	Airports							

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

REVENUES

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service					142,402		142,402
Total Charges for Service		576,557				4,219,213	142,402	4,938,172

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors							
388.00	Fiduciary Fund Pension Contributions					347,129		347,129
389.00	All Other Unclassified Operating Revenues	15,963						15,963
Total Unclassified Operating Revenues		15,963				347,129		363,092

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	102,123		64,634				166,757
392.00	Interfund Operating Transfers	74,121		1,386,830				1,460,951
393.00	Proceeds of General Long-Term Debt			487,592		7,207,000		7,694,592
394.00	Proceeds of Short Term-Debt							

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	279,442						279,442
Total Other Financing Sources		455,686		1,939,056		7,207,000		9,601,742

TOTAL REVENUES

7,748,146	1,271,331	2,073,729		11,430,177		1,504,194	24,027,577
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	22,413		1,994				24,407
401.00	Executive (Manager or Mayor)	155,950		118,215				274,165
402.00	Auditing Services / Financial Administration	130,490						130,490
403.00	Tax Collection	43,511						43,511
404.00	Solicitor / Legal Services	41,135		5,562				46,697
405.00	Secretary / Clerk	267,364						267,364
406.00	Other General Government Administration	60,749	132					60,881
407.00	IT-Networking Services-Data Processing	79,520						79,520
408.00	Engineering Services	59,053						59,053
409.00	General Government Buildings and Plant	53,848						53,848
Total General Government		914,033	132	125,771				1,039,936

Public Safety

410.00	Police	3,188,018		301,240				3,489,258
411.00	Fire	67,643	250,152					317,795
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	239,668						239,668

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

EXPENDITURES

Public Safety

414.00	Planning and Zoning	139,389						139,389
415.00	Emergency Management and Communications	3,733						3,733
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		3,638,451	250,152	301,240				4,189,843

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)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection			231,425	1,805,985			2,037,410
Total Public Works - Sanitation				231,425	1,805,985			2,037,410

Public Works - Highways and Streets

430.00	General Services - Administration	1,178,420		370,976				1,549,396
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	82,612						82,612
433.00	Traffic Control Devices	18,041						18,041
434.00	Street Lighting							

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

EXPENDITURES

Public Works - Highways and Streets								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains							
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges	96,733		912,392				1,009,125
439.00	Highway Construction and Rebuilding Projects		437,521					437,521
Total Public Works - Highways and Streets		1,375,806	437,521	1,283,368				3,096,695

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	655						655
453.00	Spectator Recreation							
454.00	Parks	130,070		263,021				393,091

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries							
457.00	Civil and Military Celebrations	4,472						4,472
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	46,623				142,402		189,025
Total Culture and Recreation		181,820		263,021			142,402	587,243

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development	135,630						135,630
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development		135,630						135,630

Debt Service								
471.00	Debt Principal (short-term and long-term)			273,844		9,070,419		9,344,263
472.00	Debt Interest (short-term and long-term)			17,326		231,928		249,254
475.00	Fiscal Agent Fees					58,445		58,445
Total Debt Service				291,170		9,360,792		9,651,962

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	211,173						211,173
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions							

POCONO TWP, MONROE County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

EXPENDITURES

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items		211,173						211,173

Insurance								
486.00	Insurance, Casualty, and Surety	129,112			14,999			144,111
Total Insurance		129,112			14,999			144,111

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						225,460	225,460
489.00	All Other Unclassified Expenditures						41,124	41,124
Total Unclassified Operating Expenditures							266,584	266,584

Other Financing Uses								
491.00	Refund of Prior Year Revenues	13,846						13,846
492.00	Interfund Operating Transfers	1,035,366	80,247		345,338			1,460,951
493.00	All Other Financing Uses							
Total Other Financing Uses		1,049,212	80,247		345,338			1,474,797

TOTAL EXPENDITURES	7,635,237	768,052	2,495,995		11,527,114		408,986	22,835,384
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	112,909	503,279	-422,266		-96,937		1,095,208	1,192,193
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POCONO TWP
December 31, 2021

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
PennVest Loan	Note	2012	2034	8,300,000	5,737,503		391,419		5,346,084		5,346,084
Revenue Bonds and Notes											
Guar Sewer Rev Series B 2015	Note	2015	2035	4,350,000	1,530,000		1,530,000		0		0
Guar Sewer Rev Series B 2014	Note	2014	2035	4,351,000	3,574,000		3,574,000		0		0
Guar Sewer Rev Series 2018 Note	Note	2018	2035	4,593,000	2,937,000		2,937,000		0		0
Guar Sewer Rev Series 2021	Note	2021	2035	7,207,000	0	7,207,000	638,000		6,569,000		6,569,000
Lease Rental Debt											
2019 Peterbilt Single Axle	Capital Leases	2018	2022	124,000	50,841		24,843		25,998		25,998
2019 Peterbilt Tandem Axle	Capital Leases	2018	2022	124,000	50,841		24,843		25,998		25,998
2020 Truck Leases	Capital Leases	2020	2024	428,242	329,358		92,529		236,829		236,829
2021 Bucket Truck	Capital Leases	2021	2025	135,184	0	135,184	28,875		106,309		106,309
2021 Boom Mower	Capital Leases	2021	2025	142,954	0	142,954	30,535		112,419		112,419
2021 Police Interceptor	Capital Leases	2021	2023	52,965	0	52,965	18,302		34,663		34,663
2021 Police Interceptor (3)	Capital Leases	2021	2023	156,489	0	156,489	53,917		102,572		102,572
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

11,915,084

Capitalized lease obligations

644,788

Net debt

12,559,872

POCONO TWP, MONROE County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2021

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	209,454		209,454
Recreation			
Sewer			
Solid Waste			
Streets / Highways	278,138	671,426	949,564
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	487,592	671,426	1,159,018

EMPLOYEE COMPENSATION

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

2,952,168

Independent Public Accountant/Certified Public Accountant Submission Page
Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: Zelenkofske Axelrod LLC Appointed Auditor/CPA

December 31, 2021

NOTES / COMMENTS