

Springettsbury Township Development Authority A Component Unit of Springettsbury Township

Annual Report And Independent Auditors' Report

December 31, 2018

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**Gold underlines represent hyperlinks*

INDEPENDENT AUDITORS' REPORT

Board of Supervisors and Authority Members
Springettsbury Township

We have audited the accompanying Commonwealth of Pennsylvania's Annual Report (Form DCED-CLGS-04) of Springettsbury Township Development Authority, a component unit of Springettsbury Township as of, and for the year ended, December 31, 2018.

Management's Responsibility for the Commonwealth of Pennsylvania's Annual Report (Form DCED-CLGS-04)

Management is responsible for the preparation and fair presentation of this financial report in accordance with the financial reporting provisions prescribed by the Commonwealth of Pennsylvania's Department of Community and Economic Development and the related accounting practices permitted by the Commonwealth of Pennsylvania's Department of Community and Economic Development. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial report based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT - continued

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

Springettsbury Township Development Authority has prepared this financial report in accordance with the financial reporting provisions of the Commonwealth of Pennsylvania's Department of Community and Economic Development, which is a reporting format other than that required by accounting principles generally accepted in the United States of America, to comply with the requirements of the Commonwealth of Pennsylvania's Department of Community and Economic Development. The effects on the financial report of the variances between the financial reporting provisions prescribed by the Commonwealth of Pennsylvania's Department of Community and Economic Development and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial report referred to in the first paragraph presents fairly, in all material respects, the financial position of Springettsbury Township Development Authority, as of December 31, 2018 and the respective changes in financial position for the year then ended, in conformity with the financial reporting provisions prescribed by the Commonwealth of Pennsylvania's Department of Community and Economic Development in accordance with permitted accounting practices as described below.

Basis of Accounting

Springettsbury Township Development Authority's policy is to prepare its financial report on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned or awarded and expenses are recognized when the liability is incurred.

Stambaugh Ness, Inc.

York, Pennsylvania
June 14, 2019

SPRINGETTSBURY TOWNSHIP DEVELOPMENT AUTHORITY
OPERATING AUTHORITIES' BALANCE SHEET
FISCAL YEAR ENDING DEC 2018

| | | |
|---------------------------------------|-----------|------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 75,331 | |
| Investment | - | |
| Accounts receivable | - | |
| Inventories | - | |
| Other current assets | - | |
| TOTAL CURRENT ASSETS | | 75,331 |
| RESTRICTED ASSETS/TRUST FUNDS | | - |
| DEFERRED CHARGES | | - |
| FIXED ASSETS | | |
| Property, plant & equipment, at cost | - | |
| Less accumulated depreciation | - | |
| Construction work-in-progress | - | |
| Other fixed assets | - | |
| NET FIXED ASSETS | | - |
| TOTAL ASSETS | | <u>\$ 75,331</u> |
| | | |
| LIABILITIES AND FUND EQUITY | | |
| Accounts payable | \$ 153 | |
| Accrued payroll & withholdings | - | |
| Accrued interest payable | - | |
| Current portion of long-term debt | - | |
| Other current liabilities | 2,856 | |
| TOTAL CURRENT LIABILITIES | | 3,009 |
| LONG-TERM DEBT - less current portion | | - |
| TOTAL LIABILITIES | | <u>3,009</u> |
| | | |
| FUND EQUITY | | |
| CONTRIBUTED CAPITAL | | |
| Government grants | - | |
| Other contributions | - | |
| TOTAL CONTRIBUTED CAPITAL | | - |
| RETAINED EARNINGS | | |
| Reserved | - | |
| Unreserved | 72,322 | |
| TOTAL RETAINED EARNINGS | | 72,322 |
| TOTAL FUND EQUITY | | <u>72,322</u> |
| TOTAL LIABILITIES & FUND EQUITY | | <u>\$ 75,331</u> |

SPRINGETTSBURY TOWNSHIP DEVELOPMENT AUTHORITY
OPERATING AUTHORITIES'
STATEMENT OF INCOME AND EXPENDITURES

OPERATING REVENUES

| | | | |
|--------------------------------------|-------|--------------|--|
| Sale of services/user charges | \$ - | | |
| Operating Grants - State | - | | |
| - Federal | - | | |
| Local government operating subsidies | - | | |
| Interest income | 1,237 | | |
| Other operating revenues | - | | |
| TOTAL OPERATING REVENUES | | <u>1,237</u> | |

OPERATING EXPENSES

| | | | |
|---------------------------------|-------|--------------|----------------|
| Cost of sales and services | - | | |
| Administration - Salaries | - | | |
| - Other Costs | - | | |
| Depreciation | - | | |
| Other operating expenses | 3,009 | | |
| TOTAL OPERATING EXPENSES | | <u>3,009</u> | |
| OPERATING INCOME (LOSS) | | | <u>(1,772)</u> |

NONOPERATING REVENUES

| | | | |
|------------------------------------|---|----------|--|
| Capital Grants - State | - | | |
| - Federal | - | | |
| Proceeds of sale of fixed assets | - | | |
| Proceeds of borrowings | - | | |
| Other nonoperating revenues | - | | |
| TOTAL NONOPERATING REVENUES | | <u>-</u> | |

NONOPERATING EXPENSES

| | | | |
|--|---|----------|----------|
| Debt service payments (interest only) | - | | |
| Constructions/extension of system | - | | |
| Major equipment purchased | - | | |
| Other nonoperating expenses | - | | |
| TOTAL NONOPERATING EXPENSES | | <u>-</u> | |
| TOTAL NONOPERATING REVENUE (LOSS) | | | <u>-</u> |

NET INCOME BEFORE EXTRAORDINARY ITEMS

(1,772)

EXTRAORDINARY GAIN (LOSS)

-

NET INCOME

(1,772)

RETAINED EARNINGS (beginning of year)

74,094

RETAINED EARNINGS (end of year)

\$ 72,322

