

**2021 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

461233 SCHWENKSVILLE BORO, MONTGOMERY COUNTY

December 31, 2021

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	419,555
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SCHWENKSVILLE BORO, MONTGOMERY 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	350,564	22,455						373,019
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	56,583							56,583
310.20	Earned Income Taxes / Wage Taxes	169,535							169,535
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **								
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other: _____								
	Other: _____								
Total Taxes		576,682	22,455						599,137

Licenses and Permits									
320-322	All Other Licenses and Permits	46,450							46,450
321.80	Cable Television Franchise Fees	32,383							32,383
Total Licenses and Permits		78,833							78,833

Fines and Forfeits									
330-332	Fines and Forfeits	4,376							4,376
Total Fines and Forfeits		4,376							4,376

SCHWENKSVILLE BORO, MONTGOMERY County
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December 31, 2021

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REVENUES

Interest, Rents and Royalties								
341.00	Interest Earnings	46	159	29				234
342.00	Rents and Royalties							
Total Interest, Rents and Royalties		46	159	29				234

Federal								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants		72,169					72,169
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements							
353.00	Federal Payments in Lieu of Taxes							
Total Federal			72,169					72,169

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	5,349						5,349
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	502						502
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		33,351					33,351
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid							
355.07	Foreign Fire Insurance Tax Distribution	6,321						6,321
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

SCHWENKSVILLE BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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REVENUES

State									
355.00	All Other State Shared Revenues and Entitlements								
356.00	State Payments in Lieu of Taxes								
Total State		12,172	33,351						45,523

Local Government Units									
357.03	Highways and Streets			2,134					2,134
357.00	All Other Local Governmental Units Capital and Operating Grants	1,517		104,415					105,932
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		1,517		106,549					108,066

Charges for Service									
361.00	General Government								
362.00	Public Safety	237							237
363.20	Parking								
363.00	All Other Charges for Highway & Street Services								
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)								
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								
368.00	Airports								

SCHWENKSVILLE BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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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								
Total Charges for Service		237							237

Unclassified Operating Revenues									
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors			4,800					4,800
388.00	Fiduciary Fund Pension Contributions								
389.00	All Other Unclassified Operating Revenues	729							729
Total Unclassified Operating Revenues		729		4,800					5,529

Other Financing Sources									
391.00	Proceeds of General Fixed Asset Disposition								
392.00	Interfund Operating Transfers			66,257					66,257
393.00	Proceeds of General Long-Term Debt								
394.00	Proceeds of Short Term-Debt			212,734					212,734

SCHWENKSVILLE BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

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REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures							
Total Other Financing Sources				278,991				278,991

TOTAL REVENUES

674,592	128,134	390,369					1,193,095
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	6,787						6,787
401.00	Executive (Manager or Mayor)	83,269						83,269
402.00	Auditing Services / Financial Administration			23,000				23,000
403.00	Tax Collection	15,670						15,670
404.00	Solicitor / Legal Services	64,014						64,014
405.00	Secretary / Clerk	43,988						43,988
406.00	Other General Government Administration	28,896		20,154				49,050
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	24,788		53,889				78,677
409.00	General Government Buildings and Plant	17,392	386	243,123				260,901
Total General Government		284,804	386	340,166				625,356

Public Safety

410.00	Police							
411.00	Fire	12,568	17,573					30,141
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	82,641						82,641

SCHWENKSVILLE BORO, MONTGOMERY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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EXPENDITURES

Public Safety									
414.00	Planning and Zoning								
415.00	Emergency Management and Communications								
416.00	Militia and Armories								
417.00	Examination of Licensed Occupations								
418.00	Public Scales (weights and measures)								
419.00	Other Public Safety	461							461
Total Public Safety		95,670	17,573						113,243

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)	1,765							1,765
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection								
Total Public Works - Sanitation		1,765							1,765

Public Works - Highways and Streets									
430.00	General Services - Administration								
431.00	Cleaning of Streets and Gutters	5,026							5,026
432.00	Winter Maintenance – Snow Removal	21,520							21,520
433.00	Traffic Control Devices	1,600							1,600
434.00	Street Lighting	1,084							1,084

SCHWENKSVILLE BORO, MONTGOMERY 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	6,345						6,345
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges	87,243	45,980	55,780				189,003
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		122,818	45,980	55,780				224,578

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							
453.00	Spectator Recreation							
454.00	Parks			11,967				11,967

SCHWENKSVILLE BORO, MONTGOMERY 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		4,882					4,882
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation			4,882	11,967				16,849

Community Development

461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development			45,383				45,383
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development				45,383				45,383

Debt Service

471.00	Debt Principal (short-term and long-term)	39,201						39,201
472.00	Debt Interest (short-term and long-term)	24,668						24,668
475.00	Fiscal Agent Fees							
Total Debt Service		63,869						63,869

Employer Paid Benefits and Withholding Items

481.00	Employer Paid Withholding Taxes and Unemployment Compensation	10,369						10,369
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions							

SCHWENKSVILLE BORO, MONTGOMERY 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	1,020						1,020
487.00	Other Group Insurance Benefits	12,674						12,674
Total Employer Paid Benefits and Withholding Items		24,063						24,063

Insurance

486.00	Insurance, Casualty, and Surety	30,324						30,324
Total Insurance		30,324						30,324

Unclassified Operating Expenditures

488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures		81					81
Total Unclassified Operating Expenditures			81					81

Other Financing Uses

491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	66,257						66,257
493.00	All Other Financing Uses							
Total Other Financing Uses		66,257						66,257

TOTAL EXPENDITURES

689,570	68,902	453,296					1,211,768
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES

-14,978	59,232	-62,927					-18,673
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SCHWENKSVILLE BORO

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	Bond	2004	2024	80,000	15,654		5,059		10,595		10,595
Delaware Valley Regional Authority	Note	2011	2021	102,000	12,000		12,000		0		0
Univest National Bank and Trust	Note	2017	2037	49,774	42,614		1,861		40,753		40,753
USDA	Note	2020	2055	1,049,890	1,049,890		20,281		1,029,609		1,029,609
Revenue Bonds and Notes											
Lease Rental Debt											
Other											
REVOLVING LINE OF CREDIT - BUILDING FLOOD IMPROVEMENTS	Note	2021	2046	212,734	0	212,734			212,734		212,734

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

1,293,691

Capitalized lease obligations

0

Net debt

1,293,691

SCHWENKSVILLE BORO, MONTGOMERY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2021

Category	Capital Purchases	Capital Construction	Total
Community Development		45,383	45,383
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways	34,051	55,780	89,831
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	34,051	101,163	135,214

EMPLOYEE COMPENSATION

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

135,810

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 SCHWENKSVILLE BORO have audited, adjusted and settled the various funds and account groups of the SCHWENKSVILLE BORO for the year ended December 31, 2021. 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.

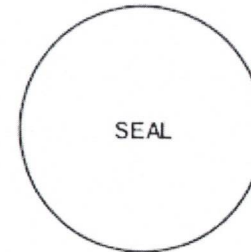
These financial statements do not include all of the disclosures required by generally accepted accounting principles.

In my/our opinion, the aforementioned financial statements present the financial position of the various funds and account groups of the municipality of SCHWENKSVILLE BORO for the year ended December 31, 2021, 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.



Signed: _____
Witness (Controller)/Auditor (Auditors)

December 31, 2021

NOTES / COMMENTS



Lopez, Teodosio & Larkin, LLC

Certified Public Accountants

413 Executive Drive • Langhorne, PA 19047

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INDEPENDENT AUDITORS' REPORT

Borough Council
Borough of Schwenksville
Schwenksville, Pennsylvania

We have audited the accompanying financial statements of the general fund, special revenue funds, capital project funds, and trust and agency funds included in the Department of Community and Economic Development's (DCED) prescribed form of the **Borough of Schwenksville**, Commonwealth of Pennsylvania, as of and for the year ended December 31, 2021, which collectively comprise the basic financial statements as shown in the DCED prescribed form.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements included in DCED's prescribed form in accordance with the modified cash basis of accounting, which is permitted, by the Pennsylvania Department of Community and Economic Development, Governor's Center for Local Government Services as described in section entitled "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles". This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements included in DCED's prescribed form 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 statements included in DCED's prescribed form are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough's preparation and fair presentation of the financial statements 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 Borough'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 statements.

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

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

As described below, the Borough prepared these financial statements included in DCED's prescribed form using the modified cash basis of accounting that is permitted by the Pennsylvania Department of Community and Economic Development, Governor's Center for Local Government Services, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

The effects on the financial statements of the variances between the modified cash basis of accounting and accounting principles generally accepted in the United States of America are that revenues are recorded when received rather than earned with the exception of tax receivables and expenditures are recognized when paid rather than when incurred with the exception of accounts payable. Fixed assets, improvements and infrastructure assets are not capitalized; instead capital acquisitions and construction are reflected as expenditures. The long-term debt is not recognized as liabilities under the modified cash basis. When the proceeds of the debt are received, they are recorded as revenues and other financing sources. As the debt and expenses are paid, the principal payments are recorded as expenditures.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "*Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles*" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the **Borough of Schwenksville**, Commonwealth of Pennsylvania, as of December 31, 2021, or the changes in its financial position for the year then ended.

Opinion on Modified Cash Basis of Accounting Used to Prepare the DCED Prescribed Form

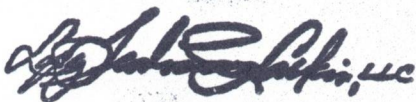
In our opinion, the financial statements included in the prescribed form referred to above present fairly, in all material respects, the respective assets, liabilities, and fund balances of the general fund, special revenue funds, capital project funds, and trust and agency funds of the **Borough of Schwenksville**, Commonwealth of Pennsylvania, as of December 31, 2021, and its revenues and expenditures for the year then ended, on the basis described in the fourth paragraph above.

Other-Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The DCED required accompanying financial information listed as "Debt Statement, Statement of Capital Expenditures, and Employee Compensation Schedule" is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Restriction on Use

This report is intended solely for the information and use of the governing body and management of the **Borough of Schwenksville**, Commonwealth of Pennsylvania, and for filing with the Pennsylvania Department of Community and Economic Development and the Montgomery County Prothonotary and is not intended to be and should not be used by anyone other than these specified parties.



LOPEZ, TEODOSIO & LARKIN, LLC
Langhorne, Pennsylvania

March 8, 2022