POCONO TOWNSHIP

MUNICIPAL ANNUAL AUDIT
AND FINANCIAL REPORT

AS AT DECEMBER 31, 2009

RILEY
and Company, Inc.

BUSINESS ADVISORS & CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Pocono Township
Tannersville, PA 18372

We have audited the accompanying financial statements of Pocono Township, Pennsylvania, as at and for the year ended December 31, 2009. These financial statements are the responsibility of the management of Pocono Township, Pennsylvania. Our responsibility is to express an opinion on these financial statements 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 are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Pocono Township has prepared these financial statements using accounting practices prescribed or permitted by the Pennsylvania Department of Economic and Community Development, whose practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Pocono Township, as of December 31, 2009, and the changes in financial position, or where applicable, its cash flows for the year ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and equity of Pocono Township, Pennsylvania as of December 31, 2009, and the revenues it received and expenditures it paid for the year then ended, on the basis of accounting described in the third paragraph.

Riley and Company, Inc.

Mt. Pocono, PA 18344
August 24, 2010

DCED-CL[illegible]0 (9-09)
Received by DCED: 01/01/0001

. Department of Community & Economic De[illegible]pment
Governor's Center for Local Government Services
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120-0225
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2009 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

450365 POCONO TWP, MONROE COUNTY

DCED-CLGS-30 (9-09)

BALANCE SHEET

DCED-CLGS-30 (09-09)

POCONO TWP, MONROE County

BALANCE SHEET

December 31, 2009

		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	460,069	65,397	785,826				2,954,092			4,265,384
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds										
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets										
180-189	Other Debits										
Total Assets and Other Debits		460,069	65,397	785,826				2,954,092			4,265,384
Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	143									143
200-209, 231-239	All Other Current Liabilities							145,802			145,802
230.00	Due To Other Funds										

POCONO TWP, MONROE County

BALANCE SHEET

December 31, 2009

		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		143						145,802			145,945
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment In General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	459,926	65,397	785,826				2,808,290			4,119,439
291-299	Other Equity										
Total Fund and Account Group Equity		459,926	65,397	785,826				2,808,290			4,119,439
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											4,265,384

POCONO TWP, MONROE County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2009

REVENUES

		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
Taxes									
301.00	Real Estate Taxes	1,728,168	378,267						2,106,435
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	140,843							140,843
310.20	Earned Income Taxes / Wage Taxes	1,155,012							1,155,012
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	371,107							371,107
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other Local Tax Enabling Act / Act 511 / Taxes								
	Other: _____								
	Total Taxes	3,395,130	378,267						3,773,397
Licenses and Permits									
320-322	All Other Licenses and Permits	333,405							333,405
321.80	Cable Television Franchise Fees								
	Total Licenses and Permits	333,405							333,405
Fines and Forfeits									
330-332	Fines and Forfeits	79,151							79,151
	Total Fines and Forfeits	79,151							79,151

POCONO TWP, MONROE County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2009

REVENUES

		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
Interest, Rents and Royalties									
341.00	Interest Earnings	4,354	638	32,288				275,028	312,308
342.00	Rents and Royalties	24,000							24,000
Total Interest, Rents and Royalties		28,354	638	32,288				275,028	336,308
Federal									
351.03	Highways and Streets								
351.09	Community Development								
351.00	All Other Federal Capital and Operating Grants			163,042					163,042
352.01	National Forest								
352.00	All Other Federal Shared Revenue and Entitlements								
353.00	Federal Payments in Lieu of Taxes								
Total Federal				163,042					163,042
State									
354.03	Highways and Streets								
354.09	Community Development	9,800							9,800
354.15	Recycling / Act 101								
354.00	All Other State Capital and Operating Grants	36,705	19,989	3,850,000					3,906,694
355.01	Public Utility Realty Tax (PURTA)	5,136							5,136
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		295,529						295,529
355.04	Alcoholic Beverage Licenses	2,802							2,802
355.05	General Municipal Pension System State Aid	147,856							147,856
355.00	All Other State Shared Revenues and Entitlements	84,598							84,598

POCONO TWP, MONROE County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2009

REVENUES

		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
State									
356.00	State Payments in Lieu of Taxes	424							424
Total State		287,321	315,518	3,850,000					4,452,839
Local Government Units									
357.03	Highways and Streets								
357.00	All Other Local Governmental Units Capital and Operating Grants			297,490					297,490
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				297,490					297,490
Charges for Service									
361.00	General Government								
362.00	Public Safety	66,242							66,242
363.20	Parking								
363.00	All Other Charges for Highway & Streets 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								
369.00	Bars								

POCONO TWP, MONROE County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2009

		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									
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	66,242							66,242
Unclassified Operating Revenues									
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors	102	13,451						13,553
388.00	Fiduciary Fund Pension Contributions							223,076	223,076
389.00	All Other Unclassified Operating Revenues	22,454						14,443	36,897
	Total Unclassified Operating Revenues	22,556	13,451					237,519	273,526
Other Financing Sources									
391.00	Proceeds of General Fixed Asset Disposition								
392.00	Interfund Operating Transfers	426,500	31,875	89,194				5,802	553,371
393.00	Proceeds of General Long-Term Debt								
394.00	Proceeds of Short Term-Debt			8,408,204					8,408,204

POCONO TWP, MONROE County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2009

		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	61,249		37,563					98,812
Total Other Financing Sources		487,749	31,875	8,534,961				5,802	9,060,387
TOTAL REVENUES		4,699,908	739,749	12,877,781				518,349	18,835,787
EXPENDITURES									
General Government									
400.00	Legislative (Governing) Body	10,500							10,500
401.00	Executive (Manager or Mayor)								
402.00	Auditing Services / Financial Administration	12,894							12,894
403.00	Tax Collection	99,651							99,651
404.00	Solicitor / Legal Services	37,761						3,192	40,953
405.00	Secretary / Clerk	141,926							141,926
406.00	Other General Government Administration	123,260							123,260
407.00	IT-Networking Services-Data Processing								
408.00	Engineering Services	38,551						8,551	47,102
409.00	General Government Buildings and Plant	52,099							52,099
Total General Government		516,642						11,743	528,385
Public Safety									
410.00	Police	1,596,108							1,596,108
411.00	Fire	84,598	180,000						264,598
412.00	Ambulance / Rescue	50,000	70,000						120,000
413.00	UCC and Code Enforcement	237,456							237,456
414.00	Planning and Zoning	128,495							128,495
415.00	Emergency Management and Communications								

POCONO TWP, MONROE County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2009

EXPENDITURES

		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
Public Safety									
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		2,096,657	250,000						2,346,657
Health and Human Services									
420.00-425.00	Health and Human Services	3,038							3,038
Total Health and Human Services		3,038							3,038
Public Works - Sanitation									
426.00	Recycling Collection and Disposal								
427.00	Solid Waste Collection and Disposal (garbage)	21,132							21,132
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection	100		6,929,778					6,929,878
Total Public Works - Sanitation		21,232		6,929,778					6,951,010
Public Works - Highways and Streets									
430.00	General Services - Administration	534,196		27,731					561,927
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal	88,858	32,067						120,925
433.00	Traffic Control Devices	24,906	32,467						57,373
434.00	Street Lighting								
435.00	Sidewalks and Crosswalks								
436.00	Storm Sewers and Drains								

POCONO TWP, MONROE County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2009

	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								
437.00 Repairs of Tools and Machinery								69,013
438.00 Maintenance and Repairs of Roads and Bridges	30,567	38,446						257,181
439.00 Highway Construction and Rebuilding Projects	57,181	200,000						1,066,419
Total Public Works - Highways and Streets	735,708	302,980	27,731					
Other Public Works Enterprises								
440.00 Airports								
441.00 Cemeteries								
442.00 Electric System								
443.00 Gas System								
444.00 Markets								
445.00 Parking								6,363
446.00 Storm Water and Flood Control	6,363							
447.00 Transit System								
448.00 Water System								
449.00 Water Transport and Terminals								6,363
Total Other Public Works Enterprises	6,363							
Culture and Recreation								196,376
451.00 Culture-Recreation Administration	50,972	145,404						
452.00 Participant Recreation								
453.00 Spectator Recreation								
454.00 Parks								
455.00 Shade Trees								
456.00 Libraries								

POCONO TWP, MONROE County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2009

		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									
457.00	Civil and Military Celebrations								
458.00	Senior Citizens' Centers								
459.00	All Other Culture and Recreation								
	Total Culture and Recreation	50,972	145,404						196,376
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								
	Total Community Development								
Debt Service									
471.00	Debt Principal (short-term and long-term)	223,249		5,851,663					6,074,912
472.00	Debt Interest (short-term and long-term)	37,209		58,379					95,588
475.00	Fiscal Agent Fees								
	Total Debt Service	260,458		5,910,042					6,170,500
Employer Paid Benefits and Withholding Items									
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	166,847	4,615						171,462
482.00	Judgments and Losses								
483.00	Pension / Retirement Fund Contributions	161,808							161,808
484.00	Worker Compensation Insurance	66,001							66,001

POCONO TWP, MONROE County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2009

		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									
487.00	Other Group Insurance Benefits	499,181							499,181
Total Employer Paid Benefits and Withholding Items		893,837	4,615						898,452
Insurance									
486.00	Insurance, Casualty, and Surety	78,707							78,707
Total Insurance		78,707							78,707
Unclassified Operating Expenditures									
488.00	Fiduciary Fund Benefits and Refunds Paid							17,844	17,844
489.00	All Other Unclassified Expenditures	3,877						24,572	28,449
Total Unclassified Operating Expenditures		3,877						42,416	46,293
Other Financing Uses									
491.00	Refund of Prior Year Revenues								
492.00	Interfund Operating Transfers	37,677		515,694					553,371
493.00	All Other Financing Uses								
Total Other Financing Uses		37,677		515,694					553,371
TOTAL EXPENDITURES		4,705,168	702,999	13,383,245				54,159	18,845,571
EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		-5,260	36,750	-505,464				464,190	-9,784

POCONO TWP

December 31, 2009

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											
PNC Bank	Note	2000	2009	92,000	4,117		4,117		0		0
PNC Bank	Note	2002	2012	118,750	47,012		11,817		35,195		35,195
M&T Line of Credit - Sewer	Note	2005	2020	2,000,000	782,910	2,115,579	2,898,489		0		0
Pocono Community Bank Line of Credit	Note	2008	2020	2,500,000	50,000	4,742,545	2,953,174		1,839,371		1,839,371
PennStar Line of Credit	Note	2009	2013	1,500,000	0	1,500,000			1,500,000		1,500,000
Pocono Community Bank	Note	2009	2020	50,000	0	50,000			50,000		50,000
PNC Bank	Note	2006	2016	805,000	621,373		76,013		545,360		545,360
PNC Bank	Note	2008	2020	180,000	166,680		23,803		142,877		142,877
Revenue Bonds and Notes											
Lease Rental Debt											
Bank Capital Services-2008 Chipper	Lease Rentals	2008	2010	31,938	20,712		11,226		9,486		9,486
Laurel Capital - Pocono Peterbilt	Lease Rentals	2005	2009	104,262	22,762		22,762		0		0
PNC Leasing - 2006 Peterbilt	Lease Rentals	2005	2010	112,192	41,603		23,386		18,217		18,217
PNC Leasing	Lease Rentals	2006	2011	113,889	69,435		22,726		46,709		46,709
PNC Equipment Financing	Lease Rentals	2007	2012	101,400	73,211		19,817		53,394		53,394
PNC Equipment Financing	Lease Rentals	2009	2014	178,743	0	178,743			178,743		178,743
Copier lease	Lease Rentals	2008	2009	9,275	6,221		6,221		0		0
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	4,419,352
Capitalized lease obligations	0
Net debt	4,419,352

POCONO TWP, MONROE County

STATEMENT OF CAPITAL EXPENDITURES

December 31, 2009

Category	Capital Purchases	Capital Construction	Total
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	44,843		44,843
Recreation		55,808	55,808
Sewer		6,929,778	6,929,778
Solid Waste			
Streets / Highways			
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	44,843	6,985,586	7,030,429

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)	2,110,016