

**2022 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

671023 MANCHESTER BORO, YORK COUNTY

MANCHESTER BORO, YORK 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		
REVENUES								
Taxes								
301.00	Real Estate Taxes	280,639						280,639
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	6,948						6,948
310.10	Real Estate Transfer Taxes	53,636						53,636
310.20	Earned Income Taxes / Wage Taxes	357,974						357,974
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	58,708						58,708
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
	Total Taxes	757,905						757,905

Licenses and Permits	
320-322	All Other Licenses and Permits
321.80	Cable Television Franchise Fees
	Total Licenses and Permits
	39,163
	39,163

Fines and Forfeits	
330-332	Fines and Forfeits
	Total Fines and Forfeits
	19,565
	19,565

Memorandum Only	
	280,639
	6,948
	53,636
	357,974
	58,708
	757,905

MANCHESTER BORO, YORK County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2022

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

REVENUES

Interest, Rents and Royalties							
341.00	Interest Earnings	1,662	3,595			32	5,289
342.00	Rents and Royalties						
	Total Interest, Rents and Royalties	1,662	3,595			32	5,289

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	143,850					143,850
353.00	Federal Payments in Lieu of Taxes						
	Total Federal	143,850					143,850

State

354.03	Highways and Streets						
354.09	Community Development						
354.15	Recycling / Act 101	5,509					5,509
354.00	All Other State Capital and Operating Grants						
355.01	Public Utility Realty Tax (PURTA)						
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		69,155				69,155
355.04	Alcoholic Beverage Licenses						
355.05	General Municipal Pension System State Aid						
355.07	Foreign Fire Insurance Tax Distribution	13,722					13,722
355.08	Local Share Assessment/Gaming Proceeds						
355.09	Marcellus Shale Impact Fee Distribution						

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		
	19,231	69,155						88,386

REVENUES

State	
355.00	All Other State Shared Revenues and Entitlements
356.00	State Payments in Lieu of Taxes
	Total State
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
362.00	Public Safety
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

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	11,048						11,048
Total Charges for Service								

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							
389.00	All Other Unclassified Operating Revenues							
Total Unclassified Operating Revenues								

Other Financing Sources

391.00	Proceeds of General Fixed Asset Disposition	11,600						11,600
392.00	Interfund Operating Transfers							
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

MANCHESTER BORO, YORK 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		

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	3,302						3,302
	Total Other Financing Sources	14,902						14,902

TOTAL REVENUES	1,007,326	72,750					32	1,080,108
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	9,335						9,335
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	3,600						3,600
403.00	Tax Collection	5,815						5,815
404.00	Solicitor / Legal Services	24,600						24,600
405.00	Secretary / Clerk	26,843						26,843
406.00	Other General Government Administration	10,195						10,195
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	11,468						11,468
409.00	General Government Buildings and Plant	14,086						14,086
	Total General Government	105,942						105,942

Public Safety								
410.00	Police	357,950						357,950
411.00	Fire	60,657						60,657
412.00	Ambulance / Rescue	7,000						7,000
413.00	UCC and Code Enforcement	4,223						4,223

MANCHESTER BORO, YORK 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		
EXPENDITURES								
Public Safety								
414.00	350							350
415.00	807							807
416.00								
417.00								
418.00								
419.00								
	430,987							430,987
Total Public Safety								
Health and Human Services								
420.00-425.00	2,443							2,443
	2,443							2,443
Total Health and Human Services								
Public Works - Sanitation								
426.00								
427.00								
428.00								
429.00								
Total Public Works - Sanitation								
Public Works - Highways and Streets								
430.00	45,718							45,718
431.00								
432.00								
433.00	2,274							2,274
434.00	29,725							29,725
Total Public Works - Highways and Streets								

MANCHESTER BORO, YORK 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		

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	15,738	16,185					31,923
439.00	Highway Construction and Rebuilding Projects	9,343	12,259					21,602
	Total Public Works - Highways and Streets	102,798	28,444					131,242

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	14,507						14,507
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
	Total Other Public Works Enterprises	14,507						14,507

Culture and Recreation								
451.00	Culture-Recreation Administration	6,250						6,250
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	1,764						1,764

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		
	8,014							8,014

EXPENDITURES

Culture and Recreation	
455.00	Shade Trees
456.00	Libraries
457.00	Civil and Military Celebrations
458.00	Senior Citizens' Centers
459.00	All Other Culture and Recreation
	Total Culture and Recreation

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)
472.00	Debt Interest (short-term and long-term)
475.00	Fiscal Agent Fees
	Total Debt Service

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

9,452

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		

EXPENDITURES

Employer Paid Benefits and Withholding Items

484.00	Worker Compensation Insurance	21,686						21,686
487.00	Other Group Insurance Benefits							
	Total Employer Paid Benefits and Withholding Items	31,138						31,138

Insurance

486.00	Insurance, Casualty, and Surety	22,615						22,615
	Total Insurance	22,615						22,615

Unclassified Operating Expenditures

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

Other Financing Uses

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

TOTAL EXPENDITURES

718,444	28,444							746,888
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES

288,882	44,306						32	333,220
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MANCHESTER BORO

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											
Revenue Bonds and Notes											
Lease Rental Debt											
TRUCK LEASE	Capital Leases	2021	2026	107,048	67,048	13,409	53,639		53,639		53,639
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

53,639

Capitalized lease obligations

0

Net debt

53,639

**MANCHESTER BORO, YORK 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			
Recreation			
Sewer			
Solid Waste			
Streets / Highways		21,601	21,601
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES		21,601	21,601

EMPLOYEE COMPENSATION

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

95,279

BOROUGH OF MANCHESTER

FINANCIAL STATEMENTS

DECEMBER 31, 2022

BOROUGH OF MANCHESTER
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INDEPENDENT AUDITORS' REPORT

To the Members of Borough Council
Manchester Borough
Manchester, Pennsylvania

Opinions

We have audited the financial statements of the governmental activities of Manchester Borough, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Manchester Borough as of and for the year ending December 31, 2022, and the respective changes in financial position in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with audit 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 Manchester Borough to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

As described in Note 1, the Borough's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when obligations are incurred. Accordingly, the accompanying financial statements are not intended to present fairly, the financial position and results of operations in conformity with generally accepted accounting principles.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the 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.

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 Manchester Borough's ability to continue as a going concern for the year ended December 31, 2022.

Auditor Responsibility

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 individually or in aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS we;

Exercise professional judgement and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatements 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 Manchester Borough'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Manchester Borough'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.

Kochenour, Earnest, Smyser, & Burg

Certified Public Accountants

York, Pennsylvania
August 8, 2023

BOROUGH OF MANCHESTER
GOVERNMENT-ENTITY WIDE PRESENTATION
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS
DECEMBER 31, 2022

	<u>Governmental Funds</u>
<u>ASSETS</u>	
Cash and Temporary Investments (Note 2)	\$ 1,388,050
TOTAL ASSETS	\$ <u>1,388,050</u>
<u>LIABILITIES</u>	
Accrued Payroll Taxes	\$ 2,959
NESD Escrow	0
Lease Payable	<u>53,639</u>
TOTAL LIABILITIES	56,598
<u>FUND BALANCES</u>	
Unrestricted Fund Balances	<u>1,331,452</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>1,388,050</u>

See Notes to Financial Statement and Accountants Report

BOROUGH OF MANCHESTER
GOVERNMENT-ENTITY WIDE PRESENTATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS
DECEMBER 31, 2022

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expenditures) Revenue and Changes in Fund Balance
			Operating Grants and Contributions	Governmental Activities	
Governmental Activities:					
General Government	\$ 105,942	\$ 11,048	\$ 149,359	\$ 54,465	
Public Safety	430,987	58,728	13,722	(358,537)	
Health and Welfare	2,443	0	0	(2,443)	
Construction - Police Building	0	0	0	0	
Sanitation	0	0	0	0	
Highways	145,749	0	69,155	(76,594)	
Culture - Recreation	8,014	0	0	(8,014)	
Debt Service	0	0	0	0	
Miscellaneous	53,753	0	0	(53,753)	
Total Governmental Activities:	746,888	69,776	232,236	(444,876)	

General Revenues:	
Property Taxes Levied for General Purposes	280,639
Income Taxes Levied for General Purposes	357,974
Other Taxes Levied for General Purposes	119,292
Investment Earnings	5,289
Miscellaneous	14,902
Total General Revenues	778,096
Change in Fund Balance	333,220
Fund Balances - Beginning	998,232
Fund Balances - Ending	\$ 1,331,452

See Notes to Financial Statement and Accountants Report

BOROUGH OF MANCHESTER
FUND FINANCIAL STATEMENT PRESENTATION
COMBINED STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCES - ALL FUNDS - CASH BASIS
DECEMBER 31, 2022

	<u>Governmental</u>	<u>Special Revenue Funds</u>			<u>Trust and Agency</u>	
<u>Fund</u>	<u>Type</u>	<u>Reserve</u>	<u>State</u>	<u>Borough</u>	<u>Memorandum</u>	<u>Total</u>
<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Liquid</u>	<u>Retirement</u>	<u>Only</u>	<u>Only</u>
<u>General</u>	<u>General</u>	<u>Fuels</u>	<u>Fund</u>	<u>Fund</u>	<u>Only</u>	<u>Only</u>
Cash and Temporary Investments (Note 2)	\$ 1,151,732	\$ 47,293	\$ 186,752	\$ 2,273	\$ 1,388,050	
TOTAL ASSETS	\$ 1,151,732	\$ 47,293	\$ 186,752	\$ 2,273	\$ 1,388,050	
LIABILITIES						
Accrued Payroll Taxes	\$ 2,959	\$ 0	\$ 0	\$ 0	\$ 2,959	
NESD Escrow	0	0	0	0	0	
Lease Payable	0	0	53,639	0	53,639	
TOTAL LIABILITIES	2,959	0	53,639	0	56,598	
FUND BALANCES	1,148,773	47,293	133,113	2,273	1,331,452	
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,151,732	\$ 47,293	\$ 186,752	\$ 2,273	\$ 1,388,050	

See Notes to Financial Statement and Accountants Report

BOROUGH OF MANCHESTER
FUND FINANCIAL STATEMENT PRESENTATION
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ALL FUNDS - CASH BASIS
DECEMBER 31, 2022

	Governmental Fund Type	Special Revenue Funds			Trust and Agency		Total Memorandum Only
		General Fund	Reserve Fund	Liquid Fuels Fund	Borough Retirement Fund		
REVENUES							
Taxes	757,905 \$	0 \$	0 \$	0 \$	0 \$	0 \$	757,905
Licenses and Permits	39,163	0	0	0	0	0	39,163
Fines and Forfeits	19,565	0	0	0	0	0	19,565
Interest	1,662	673	2,922	32	0	0	5,289
Intergovernmental Revenue	163,081	0	69,155	0	0	0	232,236
Charges for Service	11,048	0	0	0	0	0	11,048
Miscellaneous	14,902	0	0	0	0	0	14,902
TOTAL REVENUE	1,007,326	673	72,077	32	0	0	1,080,108
EXPENSES							
General Government	105,942	0	0	0	0	0	105,942
Public Safety	430,987	0	0	0	0	0	430,987
Health and Welfare	2,443	0	0	0	0	0	2,443
Construction - Police Building	0	0	0	0	0	0	0
Sanitation	0	0	0	0	0	0	0
Highways	117,305	0	28,444	0	0	0	145,749
Culture - Recreation	8,014	0	0	0	0	0	8,014
Debt Service	0	0	0	0	0	0	0
Miscellaneous	53,753	0	0	0	0	0	53,753
TOTAL EXPENSES	718,444	0	28,444	0	0	0	746,888
EXCESS OF REVENUES OVER(UNDER) EXPENSES	288,882	673	43,633	32	0	0	333,220
FUND BALANCES - BEGINNING	859,891	46,620	89,480	2,241	0	0	998,232
FUND BALANCES - ENDING	1,148,773 \$	47,293 \$	133,113 \$	2,273 \$	0	0	1,331,452

See Notes to Financial Statement and Accountants Report

BOROUGH OF MANCHESTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

PRINCIPLES DETERMINING SCOPE OF REPORTING ENTITY

The financial statements of the Borough of Manchester consist of all the funds of the Borough of Manchester. The financial report includes the accounts of all the Borough's operations and includes all the entities which are considered controlled by or dependent on the Borough. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

GOVERNMENT-ENTITY WIDE FINANCIAL STATEMENTS

The Statement of Assets, Liabilities and Fund Balances and the Statement of Revenues, Expenditures, and Changes in Fund Balance display financial information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, charges for services and other revenues. The various governmental funds listed below are all combined together for the Government-Entity Wide financial statement presentation. We have added these two financial statements due to recent accounting changes.

FUND FINANCIAL STATEMENTS

The accounts of the Borough are organized on the basis of funds and accounting groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The Combined Statement of Assets, Liabilities and Fund Balances - All Funds - Cash Basis and the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Funds - Cash Basis are the respective fund financial statements

The various funds are grouped in the Fund Financial Statements in the broad fund categories as follows:

GOVERNMENT FUNDS PRESENTED IN THE FUND FINANCIAL STATEMENTS

GENERAL FUND: The General Fund is the general operating fund of the Borough. It is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS: The Special Revenue Funds account for revenues derived from specific taxes or other earmarked revenue sources. The State Liquid Fuels Highway Aid Fund is a special revenue fund used to account for revenue from the Commonwealth of Pennsylvania for the maintenance and construction of highways and streets. The Reserve Fund is a Special Revenue Fund.

BOROUGH OF MANCHESTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIDUCIARY FUND TYPE

TRUST AND AGENCY FUND: An Agency Fund is used to account for assets held by the Borough as an agent for other funds and/or other governments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The Volunteer Fire Relief is an Agency Fund. An Expendable Trust Fund is accounted for in essentially the same manner as a governmental fund. The Borough's Retirement Fund is an Expendable Trust Fund.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Assets and liabilities, and revenues and expenditures of all funds are recorded using the cash basis of accounting. All revenues are recorded when received and all expenditures are recorded when disbursed, which is the basic means of complying with the budget. The financial statements do not purport to present financial position, results of operations and changes in financial position as would result if the accrual or modified accrual basis of accounting were used.

BUDGETS

In accordance with the laws of the Commonwealth, the annual budget was presented to the Borough of Manchester Council on November 8, 2021 and was published, or otherwise made available for public inspection. The budget was adopted on December 29, 2021 and a certification filed with the Secretary of Community Affairs for The Commonwealth of Pennsylvania, as of that date.

All unused Budget Appropriations lapse at year-end.

GENERAL FIXED ASSETS AND GENERAL LONG-TERM DEBT

Acquisitions of property and equipment are not recorded in a general fixed assets group of accounts, but are included as expenditures in the year of acquisition. Therefore, no depreciation expense is recorded.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group, not in the governmental funds. The account group is not a fund. It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

REAL ESTATE TAXES

The real estate tax rate for the year 2022 was 2.90 mills. A two percent (2%) discount is allowed if paid within two months after the date of the tax notice. Four months after the date of the tax notice, a penalty of ten percent (10%) is charged. Taxes not paid by January 15, of the following year are liened with the York County Tax Claim Bureau.

Real estate taxes are included in revenue during the year of collection. The real estate tax rate was approved by the Borough Council on December 29, 2021 at 2.90 mills.

BOROUGH OF MANCHESTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

TOTAL MEMORANDUM ONLY COLUMNS

The memorandum only totals are presented only for informational purposes and the totals do not present consolidated financial information.

NOTE 2 - CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments consist of the following as of December 31, 2022:

<u>General Fund</u>	<u>Book</u>	<u>Bank</u>
Cash - Checking - M & T	\$ 378,894	\$ 383,985
Pennsylvania Local Government Investment Trust	12,794	12,794
Members First Money Market	454,591	454,591
American Rescue Plan - M & T	287,424	287,424
Recreation Account - PLGIT	18,029	18,029
Petty Cash	0	0
	<u>1,151,732</u>	<u>1,156,823</u>
 <u>Reserve Fund</u>		
Pennsylvania Local Government Investment Trust	<u>47,293</u>	<u>47,293</u>
 <u>State Liquid Fuel Fund</u>		
Pennsylvania Local Government Investment Trust	<u>186,752</u>	<u>186,752</u>
 <u>Retirement Fund</u>		
Pennsylvania Local Government Investment Trust	<u>2,273</u>	<u>2,273</u>
 TOTAL CASH AND TEMPORARY INVESTMENTS	<u>\$ 1,388,050</u>	<u>\$ 1,393,141</u>

As of December 31, 2022 the carrying amount of deposits is \$1,388,050 and the bank balance is \$1,393,141. All deposits are fully insured by FDIC, FSLIC or collateralized in accordance with Act 72.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2022, \$893,141 of the Borough's bank balance of \$1,393,141 was exposed to custodial credit risk as:

Uninsured and Uncollateralized	\$ 0
Collateralized with securities held by the pledging financial institution	893,141
Uninsured and collateral held by the pledging bank's trust department not in the Borough's name	0
	<u>\$ 893,141</u>

Reconciliation to Financial Statements:

Collateralized with securities held by the pledging financial institution	\$ 893,141
Plus: Insured Amount	500,000
Less: Outstanding Checks	(5,091)
Carrying Amount - Bank Balances	<u>1,388,050</u>
Plus: Petty Cash	0
 Total Cash per Financial Statements	<u>\$1,388,050</u>

BOROUGH OF MANCHESTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2 - CASH AND TEMPORARY INVESTMENTS (CONTINUED)

Cash Summary per Respective Funds:

Statement of Net Assets - Cash - Governmental Funds	\$ 1,388,050
Total Cash per Financial Statements	<u><u>\$ 1,388,050</u></u>

NOTE 3 - OBLIGATIONS & CONTINGENCIES

The Borough is subject to various claims and legal proceedings covering matters that arise in the ordinary course of its municipal activities. Each of these matters is subject to uncertainties, and some or these matters may be resolved unfavorably to the Borough. Management believes that any liability that may ultimately result from the resolution of these matters would not have a material adverse effect on the financial position of the Borough.

NOTE 4 - SUBSEQUENT EVENTS

Management of the Borough has evaluated subsequent events through the date of the audit report. No subsequent events were noted.

BOROUGH OF MANCHESTER
COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGE
IN FUND BALANCES - BUDGET VERSUS ACTUAL
DECEMBER 31, 2022

	Governmental Fund Type			Special Revenue		
	General Fund			Liquid Fuels Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$ 681,901	\$ 757,905	\$ 76,004	\$ 0	\$ 0	\$ 0
Licenses and Permits	40,500	39,163	(1,337)	0	0	0
Fines and Forfeits	17,000	19,565	2,565	0	0	0
Interest	380	1,662	1,282	585	2,922	2,337
Intergovernmental Revenue	5,900	163,081	157,181	68,137	69,155	1,018
Charges for Service	10,000	11,048	1,048	0	0	0
Miscellaneous	20,000	14,902	(5,098)	0	0	0
TOTAL REVENUE	775,681	1,007,326	231,645	68,722	72,077	3,355
EXPENSES						
General Government	126,950	105,942	21,008	0	0	0
Public Safety	408,750	430,987	(22,237)	0	0	0
Health and Welfare	2,500	2,443	57	0	0	0
Sanitation	0	0	0	0	0	0
Highways	151,800	117,305	34,495	72,402	28,444	43,958
Culture - Recreation	25,600	8,014	17,586	0	0	0
Debt Service	0	0	0	0	0	0
Miscellaneous	59,700	53,753	5,947	0	0	0
TOTAL EXPENSES	775,300	718,444	56,856	72,402	28,444	43,958
EXCESS OF REVENUES OVER(UNDER) EXPENSES	\$ 381	288,882	\$ 288,501	\$ (3,680)	43,633	\$ 47,313
FUND BALANCE - BEGINNING		859,891			89,480	
FUND BALANCE - ENDING		\$ 1,148,773			\$ 133,113	

See Notes to Financial Statement and Accountants Report

In accordance with the provisions of the Borough Code, Act No. 581 of February 1, 1966, Manchester Borough presents herewith a concise financial statement of its affairs for the year ended December 31, 2022.

MANCHESTER BOROUGH
MANCHESTER, PENNSYLVANIA
FINANCIAL STATEMENT FOR 2022

GENERAL FUND

BALANCE - JANUARY 1, 2022	\$ 859,891
<u>RECEIPTS</u>	
Taxes	757,905
Licenses and Permits	39,163
Fines and Forfeits	19,565
Interest	1,662
Intergovernmental Revenue	163,081
Charges for Service	11,048
Miscellaneous	14,902
TOTAL RECEIPTS AND BALANCE	<u>1,867,217</u>
<u>EXPENSES</u>	
General Government	105,942
Public Safety	430,987
Sanitation	2,443
Highways	117,305
Culture - Recreation	8,014
Debt Service	0
Miscellaneous	53,753
TOTAL EXPENDITURES	<u>718,444</u>
BALANCE - DECEMBER 31, 2022	\$ <u><u>1,148,773</u></u>

STATE LIQUID FUELS FUND

BALANCE - JANUARY 1, 2022	\$ 89,480
RECEIPTS	<u>72,077</u>
TOTAL RECEIPTS AND BALANCE	161,557
EXPENDITURES	<u>28,444</u>
BALANCE - DECEMBER 31, 2022	\$ <u><u>133,113</u></u>