



POCOPSON TOWNSHIP

**ANNUAL AUDIT
AND
FINANCIAL REPORT**

DECEMBER 31, 2020



Department of Community & Economic Development
Governor's Center for Local Government Services
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2020 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

City of: _____ County: _____

Borough of: _____ County: _____

Township of: **Pocopson** County: **Chester**

Municipality of: _____ County: _____



INDEPENDENT AUDITOR'S REPORT

March 31, 2021

To the Board of Supervisors
Pocopson Township
Pocopson, Pennsylvania

Report on the Financial Statements

We have audited the accompanying annual audit and financial report ("financial statements") of Pocopson Township, Pocopson, Pennsylvania, which comprise the balance sheet for each fund type as of December 31, 2020, and the related statement of revenues and expenditures for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Department of Community and Economic Development ("DCED") of the Commonwealth of Pennsylvania to demonstrate compliance with the DCED's regulatory basis of accounting and budget laws. 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 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 from 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 entity'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 entity's

To the Board of Supervisors
Pocopson Township

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 Accounting Principles Generally Accepted in the United States of America

As referenced in the second paragraph of this report, the financial statements are prepared by Pocopson Township, Pocopson, Pennsylvania, on the basis of accounting practices prescribed or permitted by the DCED to demonstrate compliance with the DCED's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in the last paragraph and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America" 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 Pocopson Township, Pocopson, Pennsylvania, as of December 31, 2020, or changes in financial position for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheet of each of the fund types of Pocopson Township, Pocopson, Pennsylvania, as of December 31, 2020, and the revenues it received and the expenditures it paid for the year then ended, in accordance with the financial reporting provisions of the DCED as described below.

Basis of Accounting

We draw attention to the basis of accounting, as referenced in the second paragraph of this report. The financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by the DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to demonstrate compliance with the DCED's regulatory basis of accounting and budget laws. As permitted by the DCED, Pocopson Township, Pocopson, Pennsylvania, prepares its financial statements on the cash basis of accounting; consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when a liability is incurred. Additionally, in accordance with the prescribed accounting practices permitted by the DCED, the Township does not include footnote disclosures. Our opinion is not modified with respect to this matter.

Barbacane, Thornton & Company LLP
BARBACANE, THORNTON & COMPANY LLP