

Salford Township Finance Committee  
Minutes  
November 9, 2009

Meeting Location: Salford Township Municipal Building  
Members present: James Styer, Karen Jett, Harold Schell  
Township personnel: Karen Landis  
Others present: Dennis Bergey, CPA

A regular meeting of the Salford Township Finance Committee was held on November 9<sup>th</sup> at 7.00 pm EST at the Salford Township Municipal Building.

1. The Committee unanimously agreed to adopt the agenda as presented by the Chairperson.
2. The Committee met with Dennis Bergey, CPA , the Salford Township auditor, to review with him the differences between Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards. The following difference were noted:
  - a. Financial statements are for a one year time frame (budget period)
  - b. Reporting Capital Asset activity in Governmental Funds:
    - i. Do not capitalize assets- budget for the purchase
    - ii. Debt is considered a financing source not a liability
  - c. Sewer fund is to be maintained as an “enterprise fund” or a proprietary or fiduciary fund where:
    - i. Assets are capitalized
    - ii. Debt is considered a liability
    - iii. A separate checking account is maintained.
  - d. For governmental accounting purposes the General Fund is maintained on a cash basis but is reported at year end on a modified accrual basis.
3. The Finance Committee reviewed with Dennis Bergey, the audit letter and the recommendations set forth in the letter and reviewed with him the schedule the committee set up to address the recommendations as well as an update on what has already been accomplished.
4. Upon motion duly made, seconded and unanimously carried, the following recommendation were adopted:

**RESOLVED**, the Salford Township Finance Committee recommends to the Salford Township Board of Supervisors that the Township:

1. Set up a budgetary reserve in the annual budget.

2. Maintain the General Fund on a cash basis, and use modified accrual reporting at year end for governmental reporting purposes.
3. Monthly financial reports should be Consolidated Financial Reports, showing the General Fund, Liquid Fuels Fund and Sewer Fund. Included with the report should be an addendum listing of all Township liabilities.

**RESOLVED**, the Salford Township Finance Committee recommends that Karen Landis:

1. Set up the Liquid Fuels fund on a quick books database
  2. Set up a separate Sewer Fund checking account
  3. Issue the appropriate 1099 forms to vendors.
5. The Finance Committee discussed the need for a budget process for the Salford Township 2011 budget. The following timetable was established by the Finance Committee:
- a. Formulate process- July/August
  - b. Begin budget process – September
  - c. Finalize budget – October
6. The Finance Committee discussed the need for a 2010 Budget, since none was approved at the November 5, 2009 Board of Supervisors Meeting. The committee unanimously decided to offer its assistance to the Supervisors in the formulation of the budget. The chairperson was asked to convey this to each of the supervisors and to schedule a time when this could be done.
7. Public Comment- none
8. The next scheduled meeting is Monday, December 7<sup>th</sup>, 2009 at the Township Building.

There being no further business to come before the meeting, the meeting was adjourned.

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Harold W. Schell, Secretary

