

Borough of Gettysburg

Financial Statements and Other Information
and Supplementary Information

Year Ended December 31, 2021
with Independent Auditor's Report

MaherDuessel

A horizontal bar is positioned below the company name. The left portion of the bar is black, and the right portion is blue, matching the color of the 'D' in the company name.

BOROUGH OF GETTYSBURG

YEAR ENDED DECEMBER 31, 2021

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BOROUGH OF GETTYSBURG

YEAR ENDED DECEMBER 31, 2021

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Independent Auditor's Report

Borough Council
Borough of Gettysburg

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the Borough of Gettysburg (Borough), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's modified cash basis financial statements as listed in the table of contents.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the discretely presented component unit, Gettysburg Municipal Authority, of the Borough as of December 31, 2021, or the changes in financial position for the year then ended in accordance with the modified cash basis of accounting.

Unmodified Opinions on Governmental Activities, Each Major Fund, the Discretely Presented Component Unit, and the Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the Borough, as of December 31, 2021, and the respective changes in modified cash basis financial position for the year then ended in accordance

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing 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 the Borough and to meet our other ethical

responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matters Giving Rise to Adverse Opinion on Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the Borough's legally separate component unit, General Municipal Authority. The modified cash basis of accounting requires the financial data for the component unit to be reported with the financial data of the Borough's primary government unless the Borough also issues financial statements for the financial reporting entity that include the financial data for its component units. The Borough has not issued such reporting entity financial statements. The effects of not including the Authority on the aggregate discretely presented component units has not been determined.

Basis of Accounting

We draw attention to the Notes of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As described in Note 9 to the financial statements, management has elected to change its basis of accounting from the accrual basis of accounting to the modified cash basis of accounting. This change resulted in a restatement of beginning net position/fund balance in the governmental activities, each major fund, and the aggregate remaining fund information of the Borough. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in the Notes of the financial statements, and for 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 Responsibilities for the Audit of the Financial Statements

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 generally accepted auditing standards 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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 the 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information listed in the table of contents. The other information listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Maher Duessel

Harrisburg, Pennsylvania
June 28, 2022

BOROUGH OF GETTYSBURG

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

DECEMBER 31, 2021

	<u>Governmental Activities</u>	<u>Component Unit</u>
<u>Assets and Deferred Outflows of Resources</u>		
Assets:		
Current assets:		
Cash and cash equivalents	\$ 5,394,717	\$ 512,391
Investments	160,532	-
Total current assets	<u>5,555,249</u>	<u>512,391</u>
Noncurrent assets:		
Prepaid bond insurance	9,960	-
Capital assets not being depreciated:		
Construction in progress	432,076	-
Land	806,165	-
Capital assets net of accumulated depreciation:		
Land improvements	431,456	-
Buildings and improvements	4,122,080	-
Machinery and equipment	580,075	-
Infrastructure	8,143,755	-
Total noncurrent assets	<u>14,525,567</u>	<u>-</u>
Total Assets	<u>20,080,816</u>	<u>512,391</u>
Deferred Outflows of Resources:		
Deferred charges on bond refunding	17,821	-
Total Deferred Outflows of Resources	<u>17,821</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 20,098,637</u>	<u>\$ 512,391</u>

(Continued)

Liabilities and Net Position	<u>Governmental Activities</u>	<u>Component Unit</u>
Liabilities:		
Current liabilities:		
Developers escrow	\$ 137,628	\$ -
Long-term liabilities, due within one year:		
Bonds and notes payable	544,816	-
Total current liabilities	<u>682,444</u>	<u>-</u>
Noncurrent liabilities:		
Long-term liabilities, due in more than one year:		
Bonds and notes payable	4,165,239	-
Total noncurrent liabilities	<u>4,165,239</u>	<u>-</u>
Total Liabilities	<u>4,847,683</u>	<u>-</u>
Net Position:		
Net investment in capital assets	10,208,851	-
Restricted	2,174,117	-
Unrestricted	2,867,986	512,391
Total Net Position	<u>15,250,954</u>	<u>512,391</u>
Total Liabilities and Net Position	<u><u>\$ 20,098,637</u></u>	<u><u>\$ 512,391</u></u>
		(Concluded)

The accompanying notes are an integral part of these financial statements.

BOROUGH OF GETTYSBURG

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Disbursements	Program Receipts			Net (Disbursements) Receipts and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit
Primary government:						
Governmental activities:						
General government	\$ 700,210	\$ 154,164	\$ 37,852	\$ -	\$ (508,194)	\$ -
Public safety	2,424,376	171,910	178,756	-	(2,073,710)	-
Public works	1,734,445	1,396,473	185,181	212,031	59,240	-
Culture and recreation	96,094	-	-	-	(96,094)	-
Community development	90,750	-	3,255	1,500	(85,995)	-
Interest	113,656	-	-	-	(113,656)	-
Total Primary Government	5,159,531	1,722,547	405,044	213,531	(2,818,409)	-
Component unit:						
Gettysburg Borough Storm Water Authority	\$ 177,357	\$ 525,309	\$ -	\$ -	-	\$ 347,952
General receipts:						
Taxes						
Property taxes, levied for general purposes					2,232,075	-
Property taxes, levied for specific purposes					127,934	-
Earned income tax					545,620	-
Real estate transfer tax					155,180	-
Local services tax					249,939	-
Admission tax					112,359	-
Occupational and per capita taxes					39,016	-
Other taxes					2,350	-
Unrestricted investment/interest earnings					30,962	169
Unrestricted grants					191,891	-
Intergovernmental receipts restricted to a specific purpose					1,567,973	-
Miscellaneous income					124,850	-
Sale of assets					6,500	-
Contributions (to) from (component unit) Borough					212,031	(212,031)
Reimbursements from Gettysburg Borough Storm Water Authority					89,182	-
Total general receipts					5,687,862	(211,862)
Change in Net Position					2,869,453	136,090
Net Position						
Beginning of year - restated					12,381,501	376,301
End of year					\$ 15,250,954	\$ 512,391

The accompanying notes are an integral part of these financial statements.

BOROUGH OF GETTYSBURG
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
 DECEMBER 31, 2021

	General Fund	Debt Service Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 2,747,070	\$ 120,104	\$ 1,554,981	\$ 972,562	\$ 5,394,717
Investments	-	160,532	-	-	160,532
Due from other funds	1,500	-	-	14,490	15,990
Total Assets	\$ 2,748,570	\$ 280,636	\$ 1,554,981	\$ 987,052	\$ 5,571,239
Liabilities and Fund Balance					
Liabilities:					
Developers escrow	\$ 137,628	\$ -	\$ -	\$ -	\$ 137,628
Due to other funds	14,490	-	-	1,500	15,990
Total Liabilities	152,118	-	-	1,500	153,618
Fund Balance:					
Restricted	8,652	-	1,554,981	986,002	2,549,635
Committed	-	280,636	-	-	280,636
Assigned	608,355	-	-	-	608,355
Unassigned	1,979,445	-	-	(450)	1,978,995
Total Fund Balance	2,596,452	280,636	1,554,981	985,552	5,417,621
Total Liabilities and Fund Balance	\$ 2,748,570	\$ 280,636	\$ 1,554,981	\$ 987,052	\$ 5,571,239

The accompanying notes are an integral part of these financial statements.

BOROUGH OF GETTYSBURG

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2021

Total Fund Balance - Governmental Funds \$ 5,417,621

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund balance sheet, but are reported in the governmental activities statement of net position.

Cost of assets	\$ 24,228,368	
Accumulated depreciation	<u>(9,712,761)</u>	
		14,515,607

Prepaid bond insurance is expensed in governmental funds when the debt is first issued. The statement of net position reports prepaid bond insurance as an asset.

9,960

Some liabilities are not due and payable in the current period and are, therefore, excluded from the fund balance sheet, but are included in the governmental activities statement of net position. Net pension asset is only recorded in the governmental activities statement of net position.

Bonds and notes payable	(4,649,357)	
Unamortized bond premium	(60,698)	
Deferred charge on bond refunding	<u>17,821</u>	
		<u>(4,692,234)</u>

Total Net Position of Governmental Activities

\$ 15,250,954

The accompanying notes are an integral part of these financial statements.

BOROUGH OF GETTYSBURG

STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2021

	General Fund	Debt Service Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
Receipts:					
Taxes	\$ 3,336,539	\$ -	\$ -	\$ 127,934	\$ 3,464,473
Licenses and permits	175,624	-	-	-	175,624
Fines and forfeits	396,481	-	-	1,944	398,425
Investment/interest earnings	14,562	5,410	1,590	9,400	30,962
Intergovernmental	373,383	-	1,568,339	187,918	2,129,640
Charges for services	1,142,260	-	-	24,250	1,166,510
Donations	13,946	-	-	-	13,946
Miscellaneous	425,100	2,773	-	3,000	430,873
Total revenues	5,877,895	8,183	1,569,929	354,446	7,810,453
Disbursements:					
Current:					
General government	689,097	64	366	9,525	699,052
Public safety	2,245,566	-	-	203,861	2,449,427
Public works	1,201,081	-	-	180,850	1,381,931
Culture and recreation	91,381	-	-	600	91,981
Community development	39,250	-	-	51,500	90,750
Debt service:					
Principal	-	529,178	-	-	529,178
Interest	-	110,437	-	-	110,437
Total expenditures	4,266,375	639,679	366	446,336	5,352,756
Excess (Deficiency) of Receipts Over (Under) Disbursements	1,611,520	(631,496)	1,569,563	(91,890)	2,457,697
Other Financing Sources (Uses):					
Sale of assets	6,500	-	-	-	6,500
Transfers in	14,582	534,532	-	-	549,114
Transfers out	(534,532)	-	(14,582)	-	(549,114)
Total other financing sources (uses)	(513,450)	534,532	(14,582)	-	6,500
Net Change in Fund Balance	1,098,070	(96,964)	1,554,981	(91,890)	2,464,197
Fund Balance:					
Beginning of year - restated	1,498,382	377,600	-	1,077,442	2,953,424
End of year	\$ 2,596,452	\$ 280,636	\$ 1,554,981	\$ 985,552	\$ 5,417,621

The accompanying notes are an integral part of these financial statements.

BOROUGH OF GETTYSBURG

RECONCILIATION OF THE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021

Net Change in Fund Balance - Total Governmental Funds

\$ 2,464,197

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense differs from capital outlays and retirements in the period. Also, capital contributions, and loss on disposal are not reported in the governmental funds.

Depreciation expense	(802,520)	
Loss on disposal	(9,387)	
Capital contribution from Gettysburg Borough Storm Water Authority	212,031	
Capital outlays	<u>479,173</u>	(120,703)

Governmental funds report repayment of bond and note principal as an expenditure. In contrast, the statement of net position treats such repayments as a reduction in long-term liabilities. This is the amount of repayments.

529,178

Governmental funds report prepaid bond insurance and premiums as expenditures and other financing sources (uses). However, in the statement of activities, these costs are amortized over the life of the related bond. This is the amount of amortization expense for prepaid bond insurance and bond premiums.

(3,219)

Change in Net Position - Governmental Activities

\$ 2,869,453

The accompanying notes are an integral part of these financial statements.

BOROUGH OF GETTYSBURG

STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS

DECEMBER 31, 2021

	<u>Private Purpose Trust Fund</u>
<hr/>	
Assets	
<hr/>	
Investments	\$ -
<hr/>	
Net Position	
<hr/>	
Restricted: held in trust for charitable purposes	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

BOROUGH OF GETTYSBURG

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2021

	Private Purpose Trust Fund
Additions:	
<u>Interest, dividends, and other</u>	<u>\$ 21</u>
Total additions	<u>21</u>
Deductions:	
<u>Administrative</u>	<u>8,597</u>
Total deductions	<u>8,597</u>
Change in Plan Net Position	(8,576)
Net Position Held in Trust for Charitable Purposes:	
<u>Beginning of year</u>	<u>8,576</u>
End of year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

1. Summary of Significant Accounting Policies

The Borough of Gettysburg, Pennsylvania, (Borough) operates under a strong council-weak mayor-manager form of government and provides the following services as authorized by the Borough Code: Public Safety – Police and Fire, Highways and Streets, Sanitation, Public Service, Health and Social Services, Culture – Recreation, Public Improvements, Planning and Zoning, and General Administrative Services.

The financial statements of the Borough have been prepared using the modified cash basis of accounting. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The government's more significant accounting policies are described below.

Reporting Entity

The GASB defines the criteria used to determine the composition of the reporting entity. It requires that the reporting entity include (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) organizations that are fiscally dependent on the primary government and a financial benefit or burden exists, and (d) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for the governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation in some manner for the debt of the organization; or (c) is obligated in some manner for the debt of the organization.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government.

Based upon the application of these criteria, the following is a brief review of the potential component unit addressed in defining the government's reporting entity.

The following component unit meets the criteria for a discrete presentation within the reporting entity:

- In November 2018, the Borough approved an ordinance to create and establish the Gettysburg Borough Storm Water Authority (Storm Water Authority), whereby the Storm Water Authority will have such purposes and powers as set forth in the Pennsylvania Municipality Authorities Act including, but not limited to, the administration and assessment of related fees in connection with the construction, operation, maintenance and repairs necessary for the implementation and operation of the Borough's municipal separate storm sewer system. Borough Council appointed the initial five-member Board of the Storm Water Authority when the articles of incorporation were created. Once the initial terms of the Storm Water Authority Board expired, the Storm Water Authority's Board nominates and appoints all new members. The Authority meets the criteria of a discretely presented component unit for 2021 due to the existence of a financial benefit or burden relationship, and the operational responsibility of the Storm Water Authority resting with Borough Management. Separate financial statements were issued by the Storm Water Authority and can be obtained by contacting the Borough office located at 59 East High Street, Gettysburg, PA 17325. The Storm Water Authority operates on the cash basis of accounting.

The Gettysburg Municipal Authority (Authority) is governed by a board appointed by Borough Council. The Authority owns the water and sewer plant which services the Borough and neighboring townships, Cumberland and Straban. Separate financial statements of the Authority are available at the Authority's Administrative office located at 601 East Middle Street, Gettysburg, PA 17325. However, the Authority operates on the accrual basis of accounting, which is a different basis of accounting than the Borough. Due to this change in accounting, the Authority is omitted from the Borough's 2021 financial statements as discretely presented component unit. Separate financial statements were issued by the Authority and can

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

be obtained by contacting the Borough office located at 59 East High Street, Gettysburg, PA 17325.

The Authority meets the criteria of a discretely presented component, however, due to the Borough's change in basis of accounting from accrual to modified cash, the Authority is no longer included in the Borough's financial statements. The Authority operates on the accrual basis of accounting. Due to the change in reporting entity, the Component Unit Net Position was restated by (\$41,350,669) on the Statement of Activities to remove the Authority.

In addition, the Storm Water Authority was excluded from the Borough's December 31, 2020 financial statements, due to a different basis of accounting. The Storm Water Authority operated on the cash basis of accounting which the Borough operated on the accrual basis of accounting. However, the Storm Water Authority is included in the December 31, 2021 Borough financial statements due to similar basis of accounting. As a result, the beginning of year Component Unit Net Position was restated in the statement of activities to include the Storm Water Authority, in the amount of \$376,301.

Joint Ventures

Gettysburg Area Recreational Authority

On January 28, 2014, the Borough entered into a cooperative agreement with the Township of Cumberland to create the Gettysburg Area Recreation Authority (GARA) for the purpose of providing and managing recreation programs to the citizens of the Borough and the Township. For the year ended December 31, 2021, the total per capita charge paid by the Borough to GARA was \$72,664. Separately published financial statements for GARA are available at the Borough's administrative office.

The Borough entered into a lease with GARA for 52 acres of land, as well as the Charlie Sterner Recreation Building, storage buildings, sports fields, recreation equipment, and improvements, trails, pavilions, playgrounds and amphitheater located on the premises, for a ten-year term beginning on January 1, 2014 with automatic renewal. Amounts paid by GARA as required under the Lease Agreement, such as payment for utilities and services, are considered as payment of rent.

Fund Accounting

The accounts of the Borough are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

set of self-balancing accounts that comprise its assets, liabilities, fund balance/net position, receipts, and disbursements. The various funds of the primary government are segregated into the categories of governmental and fiduciary.

Governmental Funds

Governmental Funds are those through which most governmental functions of the Borough are financed. A fund is considered major if it is the primary operating fund of the Borough or meets the following criteria:

- Total assets, liabilities, receipts, or disbursements of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- Total assets, liabilities, receipts, or disbursements of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Borough reports the following major governmental funds:

- General Fund – This fund is the general operating fund of the Borough. This fund is used to account for all financial transactions except those accounted for in another fund. This is a budgeted fund, and any unassigned fund balance is considered as resources available for use.
- Debt Service Fund – is used to hold funds necessary to make required annual debt payments of the Borough.
- American Rescue Plan Act Fund (ARPA) – is used to account for the proceeds from the U.S. Department of the Treasury’s American Rescue Plan Act. Cash disbursements are legally restricted in accordance with the U.S. Department of the Treasury regulations.

The Borough reports the following non-major governmental funds:

- Capital Reserve Fund – This fund is used to account for street cutting permit fees that are restricted to pay for future capital improvements.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

- Capital Projects Fund – This fund is used to account for financial resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets (other than those financed by enterprise funds).
- Special Revenue Funds – These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The Borough has the following Special Revenue Funds:
 - *Highway Aid Fund* – is used to account for the proceeds and disposition of state liquid fuels entitlements that are legally restricted to expenditures for specific purposes, primarily building and maintaining local roads and bridges.
 - *Company K Fund* – is used to account for the proceeds and disposition of funds donated to the Borough that are restricted for the perpetual care and maintenance of the Company K Memorial Monument. As of December 31, 2021, these funds were transferred to the Adams County Community Foundation to be held in perpetuity as an endowment fund.
 - *Fire Tax Fund* – is used to account for real estate taxes assessed for providing fire protection services within the Borough.
 - *Small Communities Program Fund* – is used to account for the proceeds and disposition of various federal and state grants that are restricted by grant agreements to expenditures for community development projects.
 - *Revolving Loan Fund* – is used to track funds available to provide low interest rate loans to local businesses to help build up the local community and support growth in the area.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the Borough under a trust agreement for individuals, private organizations, or other governments

BOROUGH OF GETTYSBURG

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and are, therefore, not available to support the Borough's own programs. The Borough has no investment trust funds, custodial funds, or pension trust funds.

The Borough maintains a private purpose trust fund, the Eichelberger-Stahle Trust Fund, which accounts for a charity fund in which yearly proceeds are to be distributed to the deserving poor of the Borough. As of December 31, 2021, these funds were transferred to the Adams County Community Foundation to be held in perpetuity as an endowment fund.

Basis of Presentation

Government-wide Financial Statements

The statements of net position and activities display information about the Borough as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The Borough's public safety, health and human services, public works (including highways and parking facilities), culture and recreation, community development, and general administrative services are classified as governmental activities. The statements distinguish between these activities of the Borough that are governmental and the discretely presented component unit.

The government-wide financial statements are prepared using the economic resources measurement focus, within the limitation of the modified cash basis of accounting. This is the same approach used in the preparation of the fiduciary fund financial statements, but differs from the manner in which governmental fund financials are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and statements for governmental funds.

The government-wide statement of activities presents a comparison between direct disbursements and program receipts for each function or program of the Borough's governmental activities. Direct disbursements are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program receipts include charges paid by the recipient for the goods or services offered by the program and grants and contributions that are restricted to meeting the operation or capital requirements of a particular program. Receipts which are not classified as program receipts are presented as general receipts of the Borough, with certain limited exceptions. The comparison of direct disbursements and program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the Borough.

BOROUGH OF GETTYSBURG

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Fund Financial Statements

Fund financial statements report detailed information about the Borough. The focus of the governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The major fund concept does not apply to fiduciary funds and they are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus, within the limitations of the modified cash basis of accounting. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of receipts, disbursements, and changes in fund balance, which reports on the sources (i.e., receipts and other financing sources) and uses (i.e., disbursements and other financing uses) of current financial resources.

All fiduciary fund types are accounted for on a flow of economic resources measurement focus, within the limitations of the modified cash basis of accounting. With this measurement focus, all cash and investments are included on the statement of net position. The statement of receipts, disbursements, and changes in net position and statement of changes in fiduciary net position present increases (i.e., receipts) and decreases (i.e., disbursements) in net position, within the limitations of the modified cash basis of accounting.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured within the various financial statements. The basis of accounting indicates the timing of transactions or events for recognition in the financial reports.

As of December 31, 2021, the Boroughs is presented using a modified cash basis of accounting. Consequently, receipts are recognized when received rather than when earned, and disbursements are recognized when paid rather than when the obligation is incurred, except that:

- Investment assets are recorded at fair value and changes in fair value are recognized as a component of receipts.
- Escrow deposits are treated as liabilities.

BOROUGH OF GETTYSBURG

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- Accounts payable between funds are recorded as “due to/due from” on the fund financial statements.
- Capital assets are reported as assets and depreciated over the assets’ useful life, if applicable, in the government-wide financial statements.
- Capital related debt is reported as a liability in the government-wide financial statements.

Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

If the Borough utilized the basis of accounting recognized as generally accepted, the fund financial statements for the governmental funds would use the modified accrual basis of accounting, while the fund financial statements for the fiduciary funds, as well as the government-wide financial statements, would use the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less.

Investments

All certificate of deposits with original maturities of more than three months are considered investments. Investments are stated at fair value. The Borough categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

Capital Assets

General capital assets are those assets that generally result from disbursements in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the governmental fund balance sheet.

BOROUGH OF GETTYSBURG

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All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition on the date donated. Acquisition value is the price that the Borough would have paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Capital assets with a value of \$1,000 or more are capitalized by the Borough. Infrastructure acquired after January 1, 2003 (in accordance with GASB provisions) is capitalized and depreciated over its estimated useful life. When an asset is disposed of, cost and related accumulated depreciation are removed and any gain or loss arising from its disposal is credited or charged to operations.

Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	20 years
Infrastructure	20 years
Buildings and improvements	20 - 40 years
Machinery and equipment	5 - 15 years
Furniture and fixtures	5 years

Collections include historical treasures that are not depreciated. The collections are being held for public exhibition, protected, kept unencumbered, cared for and preserved, and, therefore, are not depreciated.

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses) until then. The Borough has items that qualify for reporting in this category, including a deferred charge on bond refunding, which results from the difference in the carrying value of refunding debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the old or new debt.

BOROUGH OF GETTYSBURG

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YEAR ENDED DECEMBER 31, 2021

Net Position

In the government-wide financial statements, net position is classified in the following categories:

- *Net Investment in Capital Assets* – This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings attributable to the acquisition, construction, or improvement of those capital assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of debt is included in the same net position component as the unspent proceeds.

Deferred outflows of resources attributable to acquisition, construction, or improvement of capital assets or related debt are also included in this component of net position.

- *Restricted* – This component of net position consists of restricted assets and deferred outflows of resources reduced by liabilities. These restrictions could include constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. As of December 31, 2021, restricted net position consisted of:

Restricted for:	
Housing and redevelopment	\$ 256,986
Highway Department	344,291
ARPA	1,554,981
Fire Department	9,207
Police Department	8,652
	<u>\$ 2,174,117</u>

- *Unrestricted* – This component of net position is the net amounts of assets, deferred outflows of resources, and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position.

BOROUGH OF GETTYSBURG

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YEAR ENDED DECEMBER 31, 2021

Net Position Flow Assumption

Sometimes the Borough will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted and unrestricted, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Borough's policy to consider restricted to have been depleted before unrestricted is applied.

Fund Balance – Governmental Funds

Governmental funds classify fund balance based on the relative strength of the spending constraints placed on the purpose for which resources can be used. The classifications are as follows:

- **Nonspendable** – This classification includes amounts that cannot be spent because they are either (1) not in spendable form; or (2) legally or contractually required to be maintained intact. This classification includes items such as prepaid amounts, inventories, and the long-term portion of loans and notes receivable. At December 31, 2021, the Borough did not have nonspendable fund balance.
- **Restricted** – This classification includes amounts where the constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payment and includes a legally enforceable requirement on the use of these funds.
- **Committed** – This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Borough's highest level of decision-making authority. This formal action is in the form of a resolution which is made by the Borough Council. Once an amount is committed, it cannot be used for any other purpose unless changed by the same type of formal action used to initially constrain the funds.
- **Assigned** – This classification includes spendable amounts that are reported in governmental funds other than in the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose. The intent of an assigned fund balance should be expressed by either the

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Borough Council, or a subordinate high-level body, such as the finance committee, borough manager, or finance director that is authorized to assign amounts to be used for specific purposes. The assignment of fund balance cannot result in a negative unassigned fund balance.

- Unassigned – This classification represents the portion of a spendable fund balance that has not been categorized as restricted, committed, or assigned. The General Fund is the only fund which would include a positive unassigned fund balance as all other fund types must categorize amounts within other classifications. A negative unassigned fund balance may occur in any fund when there is an over expenditure of restricted or committed fund balance. In this case, any assigned fund balance (and unassigned fund balance in the General Fund) would be eliminated prior to reporting a negative unassigned fund balance.

Fund Balance Flow Assumption

Sometimes the Borough will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. Based on the Borough's fund balance policy, funds are considered spent in the following order: restricted, committed, assigned, and unassigned.

Minimum Fund Balance Policy

The Borough has established a fund balance policy to maintain a minimum fund balance in the General Fund at December 31 of eighteen percent (18%) of budgeted General Fund revenues for that fiscal year, with the target being no less than twenty-five percent (25%) of budgeted general fund revenues. In any year in which the December 31 fund balance falls below 18%, the fund balance shall be budgeted to replenish the target no later than the second budget adopted by the Borough Council following the shortfall through any combination of expenditure cuts or decreases and/or through tax increases or any other revenue increases.

The Borough has established a policy to set aside fund balance in the Debt Service Fund at December 31 an amount that is equivalent to a minimum of fifty percent (50%) of the budgeted debt payments for that fiscal year.

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Interfund Activity

Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Advances between funds which are not expected to be repaid are accounted for as transfers. Interfund balances and transactions are eliminated in the government-wide financial statements.

Exchange transactions, if any, between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources (uses) in governmental funds.

Budgets and Budgetary Accounting

Annual operating budgets are adopted for the General Fund, Fire Tax Fund, Small Communities Program Fund, Company K Memorial Fund, Capital Projects Fund, Debt Service Fund, Capital Reserve Fund, Highway Aid Fund, Revolving Loan Fund, and the Eichelberger-Stahle Charitable Trust Fund. The budgets are prepared on the modified cash basis of accounting. All appropriations lapse at year-end.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires the use of estimates and assumptions regarding certain types of assets, liabilities, receipts, and disbursements. Accordingly, actual results could differ from those estimates.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities columns in the statement of net position. Bond premium and discounts are deferred and amortized to interest expense over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Deferred charges on bond refunding are shown as deferred outflows of resources. Bond issuance costs related to insurance premiums are reported as assets and amortized to expense over the term of the related debt. Other bond issuance costs are expensed as incurred.

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YEAR ENDED DECEMBER 31, 2021

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses (if resulting from a disparity in interest rates) or as debt service (if resulting from underwriter's fees). Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service disbursements.

Pension Plans

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchases with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of participants and their beneficiaries. The assets will not be diverted to any other purpose. The Borough has a duty of due care that would be required of an ordinary prudent investor.

The Borough has established two defined benefit pension plans for the benefit of substantially all full-time employees, the police plan and non-uniformed plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. See Note 6 for additional information on these pension plans.

Other Post-Employment Benefits (OPEB)

The Borough offers retirees the option to stay on the Borough's insurance plan, but retirees who elect to participate are required to pay 110% of the premium. The 110% is comprised of the full premium, plus a 10% administrative fee. The Borough assumes no liability or cost related to the retirees participating in the plan.

Compensated Absences

As a result of the use of the modified cash basis of accounting, liabilities related to accrued compensated absences are not recorded in the financial statements. Disbursements related to compensated absences are recorded when paid. The amount of accrued compensated

BOROUGH OF GETTYSBURG

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YEAR ENDED DECEMBER 31, 2021

absences accumulated, unpaid leave and compensatory time, along with the related employer costs that would be due to employees upon termination, is reported as a commitment in Note 8.

Grants

The Borough is party to various grants with federal, state, and county agencies. Grant receipts are subject to review by the funding agency and may result in disallowance in future periods.

Pending Pronouncements

GASB has issued statements that will become effective in future years including Statement Nos. 87 (Leases), 96 (Information Technology Arrangements), and 97 (Deferred Compensation Plans). Management has not yet determined the impact of these statements on the financial statements.

2. Cash and Investments

Borough Deposits

The Commonwealth of Pennsylvania's "Borough Code" and Act 10 of 2016 define allowable investments for Borough funds as follows:

- United States Treasury bills.
- Short-term obligations of the United States Government or its agencies or instrumentalities.
- Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.
- Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the respective government entity.

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- Shares of an investment company registered under the Investment Company Act of 1940.
- Obligations, participations, or other instruments of any federal agency, instrumentality, or United States government-sponsored enterprise if the debt obligations are rated at least "A" or its equivalent.
- Commercial paper issued by corporations or other business entities organized in accordance with federal or state law, with a maturity not to exceed 270 days.
- Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the banker's acceptances do not exceed 180 days.
- Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three months or less. All certificate of deposits under this description are considered level 1 investments.

The deposit and investment policy of the Borough adheres to state statutes and prudent business practice.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned to it. The Borough does not have a written policy for custodial credit risk. At December 31, 2021, the Borough's book balance was \$5,394,717 and the bank balance was \$5,598,638. Of the bank balance, \$2,067,533 was covered by federal depository insurance and the remaining \$3,531,105 was collateralized under Act No. 72 (Act) of the 1971 Session of the Pennsylvania General Assembly, in which financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined by the Act, to cover all public funds deposited in excess of federal depository insurance limits.

Deposits:		
Governmental activities:		
Unrestricted cash and cash equivalents	\$	3,577,184
Unrestricted investments		<u>1,817,533</u>
Total deposits	\$	<u><u>5,394,717</u></u>

BOROUGH OF GETTYSBURG

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Borough Investments

The Borough's investments, with maturity dates greater than three months, are considered investments. As of December 31, 2021, the Borough's book and bank balance of investments in certificate of deposits are in the amount of \$160,532.

Storm Water Authority Deposits

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types, in addition to deposits in institutions insured by the Federal Deposit Insurance Corporation. The Storm Water Authority may invest in any of the following: United States Treasury Bills; other short-term United States government obligations; short-term commercial paper issued by a public corporation; banker's acceptances; insured or collateralized time deposits; and certificates of deposit.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Storm Water Authority's deposits may not be returned to it. The Storm Water Authority does not have a formal deposit policy for custodial credit risk. As of December 31, 2021, the bank and book balances were \$524,713 and \$512,391, respectively. Of the bank balance, \$250,000 was covered by federal depository insurance and \$274,713 was collateralized under Act No. 72 (Act) of the 1971 Session of the Pennsylvania General Assembly, in which financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined in the Act, to cover all public funds deposited in excess of federal depository insurance limits.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

3. Interfund Receivables and Payables and Transfers

Due from/to other funds consist of the following as of December 31, 2021:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 1,500	\$ 14,490
Nonmajor Governmental Funds:		
Small Communities (CDBG) Fund	-	1,500
Capital Reserve Fund	9,671	-
Fire Tax Fund	4,819	-
	<u>\$ 15,990</u>	<u>\$ 15,990</u>

Interfund transfers were as follows during the year ended December 31, 2021:

Transfer from	Transfer to	Amount
General Fund	Debt Service Fund	\$ 534,532
ARPA Fund	General Fund	14,582
		<u>\$ 549,114</u>

The General Fund transferred money to the Debt Service Fund to pay debt service payments. The ARPA Fund transferred money to the General Fund to reimburse for payments made on behalf of the fund.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

4. Capital Assets

Capital asset activity for the Borough's governmental activities consists of the following as of and for the year ended December 31, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 34,442	\$ 397,634	\$ -	\$ 432,076
Collections	14,150	-	14,150	-
Land	806,165	-	-	806,165
Capital assets being depreciated:				
Land improvements	1,109,807	-	-	1,109,807
Infrastructure	16,053,840	-	4,533,772	11,520,068
Buildings and improvements	8,203,697	-	-	8,203,697
Machinery and equipment	2,654,212	290,325	822,181	2,122,356
Furniture and fixtures	58,449	3,245	27,495	34,199
Total cost	<u>28,934,762</u>	<u>691,204</u>	<u>5,397,598</u>	<u>24,228,368</u>
Less accumulated depreciation:				
Land improvements	(630,467)	(47,884)	-	(678,351)
Infrastructure	(7,332,654)	(577,432)	(4,533,773)	(3,376,313)
Buildings and improvements	(4,080,758)	(859)	-	(4,081,617)
Machinery and equipment	(1,841,619)	(176,289)	(472,194)	(1,545,714)
Furniture and fixtures	<u>(58,205)</u>	<u>(56)</u>	<u>(27,495)</u>	<u>(30,766)</u>
Total accumulated depreciation	<u>(13,943,703)</u>	<u>(802,520)</u>	<u>(5,033,462)</u>	<u>(9,712,761)</u>
Capital assets, net	<u>\$ 14,991,059</u>	<u>\$ (111,316)</u>	<u>\$ 364,136</u>	<u>\$ 14,515,607</u>

Depreciation expense for the year ended December 31, 2021 was charged as follows:

General government	\$ 6,591
Public safety	36,949
Public works	754,867
Culture and recreation	4,113
	<u>\$ 802,520</u>

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

5. Long-Term Liabilities

The changes in long-term liabilities during the year ended December 31, 2021 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and notes payable:					
2015 PIB Loan	\$ 223,535	\$ -	\$ (39,178)	\$ 184,357	\$ 39,816
2016 GO Bond	4,955,000	-	(490,000)	4,465,000	505,000
Bond (Discount)/Premium	68,446	-	(7,748)	60,698	-
Total long-term liabilities - bonds and notes	<u>\$ 5,246,981</u>	<u>\$ -</u>	<u>\$ (536,926)</u>	<u>\$ 4,710,055</u>	<u>\$ 544,816</u>

Bonds and Notes Payable

PIB Loan of 2015 (Private Placement)

The Borough obtained a note in the principal amount of \$392,192 to fund replacing metal storm water pipes and resurfacing East Middle Street. This note was drawn down in February 2016. Semiannual installments of \$21,325 are due February 1 and August 1, with a fixed interest rate of 1.625%.

In the event of any default, the unpaid principal balance plus any accrued interest plus any other sums payable under this agreement shall become due and payable immediately, as defined in the loan agreement.

General Obligation Bonds – Series of 2016

On June 27, 2016, the Borough issued \$8,305,000 of General Obligation Bonds. The purpose of the issuance is to (1) refund the General Obligation Bonds – Series of 2010; and (2) provide financing to acquire various capital assets and construct various capital projects. The portion of the bonds used to refund the 2010 bonds was \$4,305,000 (\$2,965,000 Borough, \$1,340,000 Authority). The portion of the issuance that is to be used to acquire or construct capital items was \$4,000,000. Part of the issuance refunded the Authority's portion of the 2010 bonds and, thus, a portion of this issuance will be repaid by the Authority. For the Borough's portion, annual principal installments varying from \$405,000 to \$980,000 are due through November 15, 2029. The interest rate varies from 2.00% to 3.00%.

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In the event of any default, such defaulted payment shall be payable to the person in whose name the 2016 Bonds are registered at the close of business on a special record date, as defined in the bond documents.

The following is a schedule by years and in the aggregate of future minimum debt principal and interest payments as of December 31, 2021.

	2015 PIB Loan		2016 GO Bond		Governmental Activities Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 39,816	\$ 2,835	\$ 505,000	\$ 91,324	\$ 544,816	\$ 94,159
2023	40,466	2,185	515,000	81,133	555,466	83,318
2024	41,126	1,525	525,000	70,833	566,126	72,358
2025	41,797	854	535,000	60,333	576,797	61,187
2026	21,152	171	590,000	49,633	611,152	49,804
2027-2029	-	-	1,795,000	76,535	1,795,000	76,535
	<u>\$ 184,357</u>	<u>\$ 7,570</u>	<u>\$ 4,465,000</u>	<u>\$ 429,791</u>	<u>\$ 4,649,357</u>	<u>\$ 437,361</u>

Interest Expense

For the year ended December 31, 2021, the Borough incurred interest expense of \$105,333.

6. Pension Plans

Plan Descriptions

The Borough contributes to two defined benefit pension plans: The Police Pension Plan and Non-Uniformed Pension Plan. The plans are administered by the Municipal Retirement Trust (MRT). MRT is a multiple-employer trust that pools the investments of all participants. Separate accounts are maintained for each employer and this is considered an agent multiple-employer plan. MRT issues financial statements, which may be obtained by writing to Municipal Retirement Trust, 2941 North Front Street, Harrisburg, PA 17110.

The plans are governed by Borough Council. The Borough Council has delegated the authority to manage plan assets to MRT.

The Borough does not issue stand-alone financial reports for the police and non-uniformed pension plans.

BOROUGH OF GETTYSBURG

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Police Pension Plan Description – The Plan covers all full-time members of the police force. The plan provides retirement benefits as well as death benefits. If a participant is eligible for retirement, a death benefit is payable. Employees are entitled to an annual cost-of-living increase.

Non-Uniformed Pension Plan Description – The Plan covers all full-time non-uniformed employees as of the first day of a participant's employment. The plan provides retirements, disability, and death benefits to plan members and their beneficiaries.

Benefits Provided

Police Pension Plan Benefits

Vesting – Members are 100% vested after 12 years of service.

Retirement benefit – 50% of final 36-month average compensation plus 2% of the retirement benefit otherwise payable for each year of service over 25 years. The maximum increment is \$100 per month.

Survivor benefit – If the member is retired or eligible for retirement, the benefit is 50% of the pension. If an active member is killed in service, a monthly pension of 100% of the member's monthly salary at the time of death.

Disability benefit service related – 50% of the member's monthly salary at the date of disability less Social Security disability benefit for the same injury.

Non-Uniformed Pension Plan Benefits

Vesting – Members are 40% vested after four years of service and 10% additionally for each year thereafter. Members are fully vested after 10 years of service.

Retirement benefit – 1.25% of average monthly compensation over the highest five consecutive plan years, multiplied by years of credited service.

Survivor benefit – Before retirement, the survivor portion of the immediate benefit, which is the actuarial equivalent of the vested portion of the 50% joint and survivor deferred to the participant's normal retirement age. After retirement, benefits, if any, are provided by optional benefit form elected at retirement.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

If the member is retired or eligible for retirement, the benefit is 50% of the pension. If an active member is killed in service, a monthly pension of 100% of the member's monthly salary at the time of death.

Disability benefit service and non-service related – A monthly benefit equal to the accrued benefit at disablement, reduced for early commencement.

Contribution Requirements for Both Plans

Act 205 of 1984, the Municipal Pension Plan Fund Standard and Recovery Act (Act 205), initiated actuarial funding requirements for municipal pension plans. Under Act 205 provisions, a municipal budget must provide for the full payment of the minimum municipal obligation (MMO) to each employee pension fund of the municipality. Act 189 of 1990 amended Act 205 and redefined the calculation used to determine the MMO to employee pension funds. The MMO is now defined as the total financial requirements to the pension fund, less funding adjustments and estimated member contributions.

The Commonwealth of Pennsylvania allocated General Municipal Pension System State Aid to individual municipalities under Act 205 of the Pennsylvania legislature. The monies received must be contributed to the pension plans within a certain period of time. Any funding requirements in excess of state aid must be paid by the municipality in accordance with Act 205. The annual required contributions and contributions made were as follows:

	Police	Non-Uniformed
Annual required contribution	\$ 195,754	\$ 121,376
Contributions made - employer	(90,214)	(35,025)
Contributions made - state	(105,540)	(86,351)
Amount under (over) required contribution	\$ -	\$ -

Funding Status and Schedule of Funding Progress

Police

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2021	\$ 5,608,643	\$ 5,163,301	\$ (445,342)	108.6%	\$ 840,421	-53.0%

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Non-Uniformed

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2021	\$ 3,812,817	\$ 3,576,983	\$ (235,834)	106.6%	\$ 867,938	-27.2%

Actuarial Assumptions

The total pension liability was determined as part of an actuarial valuation at January 1, 2021. This report was based upon the actuarial assumptions as described below:

Police

- Investment return – 7.00%
- Salary increases – 11.0%, 10.0%, 10.0% and 9.0% in the first four years of service; and 4.25% per annum thereafter
- Mortality rates were based on the PUBS-2010 Mortality Table
- Asset smoothing - none

Non-Uniformed

- Investment return – 7.00%
- Salary increases – 4.25%
- Mortality rates were based on the PUBG-2010 Mortality Tables
- Asset smoothing - none

Changes in Actuarial Assumptions

Police

There were a number of actuarial assumption changes in the January 1, 2021 actuarial valuation from the January 1, 2019 actuarial valuation. The mortality table changed from RP-2000 projected to 2017 using Scale AA to PubS-2010. The asset method changed from 5 year smoothing to market value. The interest rate changed from 7.25% to 7.00%.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Non-Uniformed

There were a number of actuarial assumption changes in the January 1, 2021 actuarial valuation from the January 1, 2019 actuarial valuation. The mortality table changed from RP-2000 projected to 2017 using Scale AA to PubG-2010. The asset method changed from 5 year smoothing to market value. The interest rate changed from 7.25% to 7.00%.

Investment Policy

The Plans' investment policy has been delegated to the MRT in regard to the allocation of invested plan assets. The investment policy is established and may be amended by the MRT Board of Trustees. The MRT provides two investment options – the Balanced Fund and the Fixed Income Fund. The investment objective of the Balanced Fund is long-term growth and income expected to earn returns comprised of long-term capital appreciation and substantial current income. The objective of the investment strategy is to reduce risk while maximizing returns through the prudent diversification of the portfolio in order to maintain a fully funded status and meet the benefit and expense obligations when due. The Plan's formal Investment Policy Statement which is revised periodically provides more comprehensive details on investment strategy and authorized investments.

The Balanced Fund's investment policy establishes the following target allocation across asset classes as of December 31, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>
US Large Cap Growth	12.00%
US Large Cap Value	12.00%
US Large Cap Core	13.00%
US Small & Mid Cap Equity	8.00%
International Equity	15.00%
Fixed Income	33.00%
Private Real Estate	7.00%

Expected real rate of return – 4.2%, which excludes an inflation expectation of 2.5%

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

7. Risk Management

Borough

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough purchases commercial insurance coverage for these types of losses, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage during the past three years. In addition, the Borough provides unemployment compensation coverage through a risk pool sponsored by the Pennsylvania State Association of Boroughs (PSAB).

Storm Water Authority

The Storm Water Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; inquiries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. There were no significant reductions in insurance coverage in 2021. Settlement amounts have not exceeded insurance coverage for the current year.

8. Commitments and Contingencies

Borough

The Borough is subject to real estate tax assessment appeals on an ongoing basis. If tax appeals are successful, the result is a loss of tax revenue to the Borough. It is anticipated that any material loss of tax revenue on individual tax appeals will be offset with additional revenues from other properties or other sources of revenue and would not create a financial hardship to the Borough.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

As a result of the Borough's use of the modified cash basis of accounting, accrued liabilities related to compensated absences and any employer-related costs earned and unpaid, are not reflected in the financial statements. The compensated absence commitment is summarized as follows as of December 31, 2021:

Vacation leave	\$	34,617
Sick leave		508,381
Vision - police		15,530
Vision - non-uniformed		7,994
Total	\$	<u>566,522</u>

The Borough has various operating leases with vendors. As a result of the Borough's use of the modified cash basis of accounting, operating leases are not reflected in the financial statements. The aggregate amount of future payments required on leases at December 31, 2021 is as follows:

2022	\$	143,841
2023		95,396
2024		75,194
2025		45,956
2026		13,500
	\$	<u>373,887</u>

In September 2021, the Authority entered into a contract for the South Street Site Lighting Project with Wyelectric, LLC., in the amount of \$128,910. The amount outstanding and unpaid on this contract at December 31, 2021 was \$126,102.

Storm Water Authority

In October 2021, the Storm Water Authority entered into a contract for the Culp's Run Stream Restoration Project with Land Studies, in the amount of \$600,000. In February 2022, the contact was amended to a contract price of \$717,421. The amount outstanding on this contract at December 31, 2021 was \$600,000.

In August 2021, the Storm Water Authority entered into a contract for the South Streets Storm Sewer Improvements Project with Clear View Excavation, Inc., in the amount of \$128,412. The amount outstanding on this contract at December 31, 2021 was \$128,412.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

9. Change in Basis of Accounting

During the year ended December 31, 2021, the Borough changed from the accrual basis of accounting to the modified cash basis of accounting. Due the change in accounting basis, beginning net position and fund balance were restated as follows:

		<u>Governmental Activities</u>		
	Net position- as originally reported	\$ 12,747,637		
	Adjustment	<u>(366,136)</u>		
	Net position - as restated	<u>\$ 12,381,501</u>		
			<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>
	Fund balance - as originally reported	\$ 1,963,499	\$ 376,820	\$ 1,073,371
	Adjustment	<u>(465,117)</u>	<u>780</u>	<u>4,071</u>
	Fund balance - as restated	<u>\$ 1,498,382</u>	<u>\$ 377,600</u>	<u>\$ 1,077,442</u>

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

10. Governmental Funds – Fund Balance

The following table provides details of the fund balance classifications which are aggregated on the governmental funds balance sheet:

	General Fund	Debt Service Fund	American Rescue Plan Act Fund	Other Governmental Funds
Fund Balances:				
Restricted for:				
Housing and redevelopment	\$ -	\$ -	\$ -	\$ 256,986
Future capital expenditures	-	-	-	375,518
Highway department	-	-	-	344,291
ARPA	-	-	1,554,981	-
Police department	8,652	-	-	-
Fire department	-	-	-	9,207
Total restricted	<u>8,652</u>	<u>-</u>	<u>1,554,981</u>	<u>986,002</u>
Committed for:				
Debt service payments	<u>-</u>	<u>280,636</u>	<u>-</u>	<u>-</u>
Assigned for:				
Technology upgrades	3,500	-	-	-
Debt service payments	<u>604,855</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assigned	<u>608,355</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>1,979,445</u>	<u>-</u>	<u>-</u>	<u>(450)</u>
Total fund balances	<u>\$ 2,596,452</u>	<u>\$ 280,636</u>	<u>\$ 1,554,981</u>	<u>\$ 985,552</u>

11. Insurance

During the year ended December 31, 2019, the Borough entered into an intergovernmental cooperation agreement with other local municipalities for the purpose of selecting and contracting with a common insurance carrier to realize certain economies of scale in providing for the various types of insurance required to be maintained by the Borough. The agreement has a perpetual duration and shall continue until terminated pursuant to terms and conditions

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

as defined therein. The contract with the insurance carrier includes a \$25,000 maximum loss per occurrence per policy year. The Borough pays premiums for reinsurance, as there is an overall plan loss limitation, which is recalculated annually. The Borough is responsible for its share of cross recovery of all municipalities. During the year ended December 31, 2021, the Borough paid \$0 towards cross recovery.

During the year ended December 31, 2019, the Borough began participating in the Pennsylvania Municipal Health Insurance Cooperative (PMHIC). The PMHIC is a public entity risk pool established by certain units of local government in Pennsylvania to provide health and welfare plan benefits directly to eligible employees, their families, and dependents.

The PMHIC receives, processes, and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. The department does not exercise any control of the activities of the PMHIC beyond its representation on the Board of Directors.

The following is a reconciliation of changes in estimated claims for health and welfare plan costs for the year ended December 31:

	<u>2021</u>	<u>2020</u>
Borough funding	\$ 329,502	\$ 366,281
Reinsurance reimbursements	5,580	223,784
Claims paid	(341,095)	(616,831)
Specific/projected reimbursements	-	-
Anticipated cross recovery	-	-
Available for benefits	<u>\$ (6,013)</u>	<u>\$ (26,766)</u>

12. Related Party Transactions

The Borough entered into a management agreement effective February 11, 2019 with the Storm Water Authority. The Borough provides financial, engineering, administrative, and construction services to the Storm Water Authority in order to maintain compliance with the federally mandated storm water management requirements. The Storm Water Authority makes periodic payments to the Borough upon receipt of an itemized invoice for services rendered. During the year ended December 31, 2021, \$89,182 was paid to the Borough related to such services.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Additionally, the Storm Water Authority incurred expenses related to the Borough's storm water improvement projects. Work is performed on behalf of the Borough and any costs incurred related to these projects are capitalized on the Borough's financial statements. The total capital improvement for the year ended December 31, 2021 totaled \$212,031.

13. Legal Matters

Borough

The Borough is currently involved in legal matters. At this point, it is not possible to determine the outcome of these issues, but it is the opinion of management that it will have no material effect on the Borough's financial statements.

Storm Water Authority

During the normal course of performing its duties to the public which it serves, the Storm Water Authority is subject to potential lawsuits and complaints. In the opinion of management, there were no claims that management feels the ultimate outcome would have a material adverse effect on the Storm Water Authority's financial position.

14. Subsequent Events

In 2022, the Borough entered into various construction projects in the amount of \$370,156.

OTHER INFORMATION

BOROUGH OF GETTYSBURG

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS GENERAL FUND

YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Receipts:				
Taxes	\$3,050,762	\$ 3,050,762	\$ 3,336,539	\$ 285,777
Licenses and permits	114,545	114,545	175,624	61,079
Fines and forfeits	256,237	256,237	396,481	140,244
Interest earnings	7,300	7,300	14,562	7,262
Intergovernmental	290,447	290,447	373,383	82,936
Charges for services	761,100	761,100	1,142,260	381,160
Donations	2,550	2,550	13,946	11,396
Miscellaneous	152,043	152,043	425,100	273,057
Total receipts	<u>4,634,984</u>	<u>4,634,984</u>	<u>5,877,895</u>	<u>1,242,911</u>
Disbursements:				
Current:				
General government	671,430	670,242	689,097	(18,855)
Public safety	2,124,578	2,124,578	2,245,566	(120,988)
Health and welfare	315	315	-	315
Public works	1,166,971	1,166,971	1,201,081	(34,110)
Culture and recreation	95,408	95,408	91,381	4,027
Community development	39,000	39,000	39,250	(250)
Total disbursements	<u>4,097,702</u>	<u>4,096,514</u>	<u>4,266,375</u>	<u>(169,861)</u>
Excess of Receipts Over Disbursements	<u>537,282</u>	<u>538,470</u>	<u>1,611,520</u>	<u>1,073,050</u>
Other Financing Sources (Uses):				
Sale of assets	-	-	6,500	6,500
Transfers in	-	-	14,582	14,582
Transfers out	(534,532)	(534,532)	(534,532)	-
Total other financing sources (uses)	<u>(534,532)</u>	<u>(534,532)</u>	<u>(513,450)</u>	<u>21,082</u>
Net Change in Fund Balance	<u>\$ 2,750</u>	<u>\$ 3,938</u>	<u>\$ 1,098,070</u>	<u>\$ 1,094,132</u>

See accompanying notes to budgetary comparison schedule.

BOROUGH OF GETTYSBURG

NOTES TO OTHER INFORMATION BUDGETARY COMPARISON SCHEDULE

YEAR ENDED DECEMBER 31, 2021

1. Budgetary Basis of Accounting

The Borough of Gettysburg (Borough) prepares its budget for the General Fund on the modified cash basis of accounting. This basis is consistent with the basis of accounting used in presenting the General Fund in the basic financial statements.

2. Stewardship, Compliance, and Accountability

Excess of Expenditures Over Appropriations

	<u>Appropriation</u>	<u>Expenditures</u>
General government	\$ 670,242	\$ 689,097
Public safety	2,124,578	2,245,566
Public works	1,166,971	1,201,081
Community development	39,000	39,250

Funds sufficient to provide for the excess expenditures were made available from other functions within the fund, other financing sources, and fund balance.

SUPPLEMENTARY INFORMATION

BOROUGH OF GETTYSBURG

COMBINING BALANCE SHEET - MODIFIED CASH BASIS OTHER GOVERNMENTAL FUNDS (NONMAJOR)

DECEMBER 31, 2021

	Highway Aid Fund	Capital Reserve Fund	Company K Fund	Fire Tax Fund	Capital Projects Fund	Small Communities Program Fund	Revolving Loan Fund	Total Other Governmental Funds
Assets								
Cash and cash equivalents	\$ 344,291	\$ 170,986	\$ -	\$ 4,388	\$ 194,861	\$ 1,050	\$ 256,986	\$ 972,562
Due from other funds	-	9,671	-	4,819	-	-	-	14,490
Total Assets	\$ 344,291	\$ 180,657	\$ -	\$ 9,207	\$ 194,861	\$ 1,050	\$ 256,986	\$ 987,052
Liabilities and Fund Balance								
Liabilities:								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	1,500	\$ -	\$ 1,500
Total Liabilities	-	-	-	-	-	1,500	-	1,500
Fund Balance:								
Unassigned	-	-	-	-	-	(450)	-	(450)
Restricted	344,291	180,657	-	9,207	194,861	-	256,986	986,002
Total Fund Balance	344,291	180,657	-	9,207	194,861	(450)	256,986	985,552
Total Liabilities and Fund Balance	\$ 344,291	\$ 180,657	\$ -	\$ 9,207	\$ 194,861	\$ 1,050	\$ 256,986	\$ 987,052

BOROUGH OF GETTYSBURG

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS OTHER GOVERNMENTAL FUNDS (NONMAJOR)

YEAR ENDED DECEMBER 31, 2021

	Highway Aid Fund	Capital Reserve Fund	Company K Fund	Fire Tax Fund	Capital Projects Fund	Small Communities Program Fund	Revolving Loan Fund	Total Other Governmental Funds
Receipts:								
Taxes	\$ -	\$ -	\$ -	\$ 127,934	\$ -	\$ -	\$ -	\$ 127,934
Investment/interest earnings	2,479	3,939	-	-	1,263	7	1,712	9,400
Intergovernmental	183,763	-	-	-	-	1,500	2,655	187,918
Fines	-	-	-	-	-	-	1,944	1,944
Charges for Services	-	-	-	-	-	-	24,250	24,250
Miscellaneous	3,000	-	-	-	-	-	-	3,000
Total revenues	<u>189,242</u>	<u>3,939</u>	<u>-</u>	<u>127,934</u>	<u>1,263</u>	<u>1,507</u>	<u>30,561</u>	<u>354,446</u>
Disbursements:								
Current:								
General government	-	-	-	-	2	1,500	8,023	9,525
Public safety	-	-	-	203,861	-	-	-	203,861
Public works	145,624	34,883	-	-	343	-	-	180,850
Culture and recreation	-	-	-	-	600	-	-	600
Community development	-	-	-	-	-	1,500	50,000	51,500
Total expenditures	<u>145,624</u>	<u>34,883</u>	<u>-</u>	<u>203,861</u>	<u>945</u>	<u>3,000</u>	<u>58,023</u>	<u>446,336</u>
Excess (Deficiency) of Receipts Over (Under) Disbursements	<u>43,618</u>	<u>(30,944)</u>	<u>-</u>	<u>(75,927)</u>	<u>318</u>	<u>(1,493)</u>	<u>(27,462)</u>	<u>(91,890)</u>
Fund Balance:								
Beginning of year - restated	300,673	211,601	-	85,134	194,543	1,043	284,448	1,077,442
End of year	<u>\$ 344,291</u>	<u>\$ 180,657</u>	<u>\$ -</u>	<u>\$ 9,207</u>	<u>\$ 194,861</u>	<u>\$ (450)</u>	<u>\$ 256,986</u>	<u>\$ 985,552</u>