

2021 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

010453 GETTYSBURG BORO, ADAMS COUNTY

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 modified cash basis Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, and Statements of Capital Expenditures and Employee Compensation – regulatory basis, as of and for the year ended December 31, 2021 included in the Annual Audit and Financial Report (Schedules) of the Borough of Gettysburg (Borough).

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the Schedules referred to above present fairly, in all material respects, the regulatory basis financial position of the Borough as of December 31, 2021, and the regulatory results of its operations for the year then ended in accordance with the financial reporting provisions described in the instructions provided by Pennsylvania Department of Community and Economic Development (DCED).

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse and Unmodified Opinions” section of our report, the Schedules referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2021, and the results of its operations for the year then ended.

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.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

To meet the financial reporting requirements of the Commonwealth of Pennsylvania, the Schedules are prepared by the Borough on the basis of the instructions provided by the DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America. These requirements permit the Schedules to be prepared without financial statement disclosures, without cash flows, without component unit financial information, without government-wide financial statements, without Management's Discussion and Analysis, without budgetary comparisons, and without historical pension and post-employment benefit liability information, and require all funds to be aggregated by fund type on the Schedules.

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these Schedules in accordance with the financial reporting provisions as described in the instructions provided by the DCED to meet filing requirements in Pennsylvania, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Schedules 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if 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.

Maher Duessel

Harrisburg, Pennsylvania
June 28, 2022

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Assets and Other Debits											
100-120	Cash and Investments	2,747,070	2,161,696	365,847	280,636						5,555,249
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds		4,819	9,671							14,490
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets								24,228,368		24,228,368
180-189	Other Debits									4,649,357	4,649,357
Total Assets and Other Debits		2,747,070	2,166,515	375,518	280,636				24,228,368	4,649,357	34,447,464

210-229	Payroll Taxes and Other Payroll Withholdings										
200-209, 231-239	All Other Current Liabilities	137,628									137,628
230.00	Due To Other Funds	12,990	1,500								14,490

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	34,447,464
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GETTYSBURG BORO, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

REVENUES

Taxes									
301.00	Real Estate Taxes	2,232,075	127,934						2,360,009
305.00	Occupation Taxes (levied under municipal code)								
308.00	Residence Taxes (levied by cities of the 3rd Class)								
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)								
310.00	Per Capita Taxes	14,995							14,995
310.10	Real Estate Transfer Taxes	155,180							155,180
310.20	Earned Income Taxes / Wage Taxes	545,620							545,620
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)	24,021							24,021
310.50	Local Services Tax **	249,939							249,939
310.60	Amusement / Admission Taxes	112,359							112,359
310.70	Mechanical Device Taxes	2,350							2,350
310.90	Other: _____								
	Other: _____								
Total Taxes		3,336,539	127,934						3,464,473

Licenses and Permits									
320-322	All Other Licenses and Permits	97,976	1,944						99,920
321.80	Cable Television Franchise Fees	77,648							77,648
Total Licenses and Permits		175,624	1,944						177,568

Fines and Forfeits									
330-332	Fines and Forfeits	396,481							396,481
Total Fines and Forfeits		396,481							396,481

GETTYSBURG BORO, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

REVENUES

Interest, Rents and Royalties									
341.00	Interest Earnings	14,562	5,788	5,202	5,410			21	30,983
342.00	Rents and Royalties	39,000							39,000
Total Interest, Rents and Royalties		53,562	5,788	5,202	5,410			21	69,983

Federal									
351.03	Highways and Streets								
351.09	Community Development		1,500						1,500
351.00	All Other Federal Capital and Operating Grants								
352.01	National Forest								
352.00	All Other Federal Shared Revenue and Entitlements		1,568,339						1,568,339
353.00	Federal Payments in Lieu of Taxes								
Total Federal			1,569,839						1,569,839

State									
354.03	Highways and Streets								
354.09	Community Development								
354.15	Recycling / Act 101								
354.00	All Other State Capital and Operating Grants								
355.01	Public Utility Realty Tax (PURTA)	2,846							2,846
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		183,763						183,763
355.04	Alcoholic Beverage Licenses								
355.05	General Municipal Pension System State Aid	191,891							191,891
355.07	Foreign Fire Insurance Tax Distribution	34,021							34,021
355.08	Local Share Assessment/Gaming Proceeds								
355.09	Marcellus Shale Impact Fee Distribution								

GETTYSBURG BORO, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

REVENUES

State									
355.00	All Other State Shared Revenues and Entitlements								
356.00	State Payments in Lieu of Taxes								
Total State		228,758	183,763						412,521

Local Government Units									
357.03	Highways and Streets								
357.00	All Other Local Governmental Units Capital and Operating Grants	144,625	2,655						147,280
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services								
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes	165,723							165,723
Total Local Government Units		310,348	2,655						313,003

Charges for Service									
361.00	General Government	21,474							21,474
362.00	Public Safety	14,193							14,193
363.20	Parking	1,105,175							1,105,175
363.00	All Other Charges for Highway & Street Services	1,418							1,418
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)								
364.30	Solid Waste Collection and Disposal Charge (trash)								
364.60	Host Municipality Benefit Fee for Solid Waste Facility								
364.00	All Other Charges for Sanitation Services								
365.00	Health								
366.00	Human Services								
367.00	Culture and Recreation								
368.00	Airports								

GETTYSBURG BORO, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

REVENUES

Charges for Service									
369.00	Bars								
370.00	Cemeteries								
372.00	Electric System								
373.00	Gas System								
374.00	Housing System								
375.00	Markets								
377.00	Transit Systems								
378.00	Water System								
379.00	All Other Charges for Service								
Total Charges for Service		1,142,260							1,142,260

Unclassified Operating Revenues									
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors	13,946			2,773				16,719
388.00	Fiduciary Fund Pension Contributions								
389.00	All Other Unclassified Operating Revenues	2,037	3,000						5,037
Total Unclassified Operating Revenues		15,983	3,000		2,773				21,756

Other Financing Sources									
391.00	Proceeds of General Fixed Asset Disposition	6,500							6,500
392.00	Interfund Operating Transfers	14,582			534,532				549,114
393.00	Proceeds of General Long-Term Debt								
394.00	Proceeds of Short Term-Debt								

GETTYSBURG BORO, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

REVENUES

Other Financing Sources									
395.00	Refunds of Prior Year Expenditures	218,340	24,250						242,590
Total Other Financing Sources		239,422	24,250		534,532				798,204

TOTAL REVENUES

5,898,977	1,919,173	5,202	542,715			21	8,366,088
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EXPENDITURES

General Government									
400.00	Legislative (Governing) Body	21,169							21,169
401.00	Executive (Manager or Mayor)	182,562							182,562
402.00	Auditing Services / Financial Administration								
403.00	Tax Collection	30,280							30,280
404.00	Solicitor / Legal Services	72,974							72,974
405.00	Secretary / Clerk								
406.00	Other General Government Administration						8,597		8,597
407.00	IT-Networking Services-Data Processing	6,288							6,288
408.00	Engineering Services	18,694							18,694
409.00	General Government Buildings and Plant	238,550	9,889		64				248,503
Total General Government		570,517	9,889		64		8,597		589,067

Public Safety

410.00	Police	1,274,809							1,274,809
411.00	Fire	49,237	203,861						253,098
412.00	Ambulance / Rescue								
413.00	UCC and Code Enforcement	60,798							60,798

GETTYSBURG BORO, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

EXPENDITURES

Public Safety									
414.00	Planning and Zoning	202,118							202,118
415.00	Emergency Management and Communications	389							389
416.00	Militia and Armories								
417.00	Examination of Licensed Occupations								
418.00	Public Scales (weights and measures)								
419.00	Other Public Safety								
Total Public Safety		1,587,351	203,861						1,791,212

Health and Human Services									
420.00-425.00	Health and Human Services								
Total Health and Human Services									

Public Works - Sanitation									
426.00	Recycling Collection and Disposal								
427.00	Solid Waste Collection and Disposal (garbage)								
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection								
Total Public Works - Sanitation									

Public Works - Highways and Streets									
430.00	General Services - Administration	467,428		34,885					502,313
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal		37,804						37,804
433.00	Traffic Control Devices		26,000						26,000
434.00	Street Lighting	91,773	2,726						94,499

GETTYSBURG BORO, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

EXPENDITURES

Public Works - Highways and Streets

435.00	Sidewalks and Crosswalks	94,047							94,047
436.00	Storm Sewers and Drains								
437.00	Repairs of Tools and Machinery								
438.00	Maintenance and Repairs of Roads and Bridges	11,127	1,247						12,374
439.00	Highway Construction and Rebuilding Projects	2,641	77,847	343					80,831
Total Public Works - Highways and Streets		667,016	145,624	35,228					847,868

Other Public Works Enterprises

440.00	Airports								
441.00	Cemeteries								
442.00	Electric System								
443.00	Gas System								
444.00	Markets								
445.00	Parking	260,401							260,401
446.00	Storm Water and Flood Control								
447.00	Transit System								
448.00	Water System								
449.00	Water Transport and Terminals								
Total Other Public Works Enterprises		260,401							260,401

Culture and Recreation

451.00	Culture-Recreation Administration								
452.00	Participant Recreation								
453.00	Spectator Recreation								
454.00	Parks	77,662		600					78,262

GETTYSBURG BORO, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

EXPENDITURES

Culture and Recreation									
455.00	Shade Trees	12,486							12,486
456.00	Libraries								
457.00	Civil and Military Celebrations								
458.00	Senior Citizens' Centers								
459.00	All Other Culture and Recreation								
Total Culture and Recreation		90,148		600					90,748

Community Development									
461.00	Conservation of Natural Resources								
462.00	Community Development and Housing		1,500						1,500
463.00	Economic Development		50,000						50,000
464.00	Economic Opportunity								
465-469	All Other Community Development	39,250							39,250
Total Community Development		39,250	51,500						90,750

Debt Service									
471.00	Debt Principal (short-term and long-term)				529,178				529,178
472.00	Debt Interest (short-term and long-term)				109,407				109,407
475.00	Fiscal Agent Fees				1,030				1,030
Total Debt Service					639,615				639,615

Employer Paid Benefits and Withholding Items									
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	100,748							100,748
482.00	Judgments and Losses								
483.00	Pension / Retirement Fund Contributions	317,130							317,130

GETTYSBURG BORO, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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

EXPENDITURES

Employer Paid Benefits and Withholding Items									
484.00	Worker Compensation Insurance	83,343							83,343
487.00	Other Group Insurance Benefits	378,217							378,217
Total Employer Paid Benefits and Withholding Items		879,438							879,438

Insurance									
486.00	Insurance, Casualty, and Surety	172,254							172,254
Total Insurance		172,254							172,254

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

Other Financing Uses									
491.00	Refund of Prior Year Revenues								
492.00	Interfund Operating Transfers	534,532	14,582						549,114
493.00	All Other Financing Uses								
Total Other Financing Uses		534,532	14,582						549,114

TOTAL EXPENDITURES	4,800,907	425,456	35,828	639,679			8,597	5,910,467
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	1,098,070	1,493,717	-30,626	-96,964			-8,576	2,455,621
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GETTYSBURG BORO

December 31, 2021

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
PIB Loan	Note	2016	2026	392,192	223,535		39,178		184,357		184,357
GO Bonds - Borough	Bond	2016	2029	6,965,000	4,955,000		490,000		4,465,000		4,465,000
Revenue Bonds and Notes											
Lease Rental Debt											
Equipment lease	Capital Leases	2018	2022	137,423	55,940		55,940		0		0
Vehicle lease	Capital Leases	2019	2023	70,161	38,791		38,791		0		0
Vehicle lease	Capital Leases	2019	2024	25,099	17,223		17,223		0		0
Vehicle lease	Capital Leases	2019	2024	35,711	26,078		26,078		0		0
Vehicle lease	Capital Leases	2019	2024	37,460	30,195		30,195		0		0
Vehicle lease	Capital Leases	2020	2025	72,113	71,037		71,037		0		0
Vehicle lease	Capital Leases	2020	2024	27,979	22,353		22,353		0		0
Vehicle lease	Capital Leases	2020	2024	38,073	36,866		36,866		0		0
Vehicle lease	Capital Leases	2020	2024	38,688	37,487		37,487		0		0
Vehicle lease	Capital Leases	2020	2024	20,129	18,779		18,779		0		0
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

4,649,357

Capitalized lease obligations

0

Net debt

4,649,357

GETTYSBURG BORO, ADAMS County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2021

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	14,820		14,820
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	62,000		62,000
Recreation			
Sewer			
Solid Waste			
Streets / Highways	171,750	185,603	357,353
Water			
Other: Parking	45,000		45,000
TOTAL CAPITAL EXPENDITURES	293,570	185,603	479,173

EMPLOYEE COMPENSATION

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

1,865,265

Independent Public Accountant/Certified Public Accountant Submission Page
Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: Maher Duessel Appointed Auditor/CPA

December 31, 2021

NOTES / COMMENTS

Beginning, 1/1/21, fund balance was restated for the Borough due to a change in accounting basis (from accrual to modified cash basis of accounting).

Restatement of capital leases on the Debt Statement due to conversion to modified cash basis.

Warnings 29 and 135: The pension plans of the Borough are not reported on the DCED report because they are agent multiple employer plans and the Borough does not hold the assets in a fiduciary capacity. Therefore, no revenue is reported for 388.00 Fiduciary Fund Pension Contributions and no pension expenditures are reported on line 488 in a Fiduciary Fund.