

Borough Council Borough of Gettysburg

In planning and performing our audit of the 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, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in internal control to be a material weakness:

Improving Financial Reporting

During the audit process, various adjustments were proposed to the Borough's records and approved by management. These adjustments were necessary to convert the Borough trial balances from accrual basis to the modified cash basis of accounting, to correct due to/due from's across the funds, to correct American Rescue Plan Act receipts incorrectly recorded in fund balance, and to record additional capital asset additions that were not originally provided by the Borough. We recommend that the Borough evaluate their current internal controls over financial reporting and identify areas for improvement that are most important for consistent and accurate financial reporting throughout the year.

In addition, we noted the following other matters during our audit:

Reconciling Parking Enforcement Revenue

A report generated from the parking software, which details the total parking fines received, is reconciled to the cashiering report from the accounting system to ensure payments are recorded accurately in both places. However, it was noted that this reconciliation was only periodically performed in 2022. We recommend that the reconciliation process take place on a monthly basis to ensure that amounts processed in the parking enforcement software are properly recorded in the general ledger.

Borough Prepared Capital Asset Documentation

During our testing, it was noted that the Borough prepared capital asset workbook required some adjustments to include construction in progress for the Gettysburg Borough Storm Water Authority, beginning accumulated depreciation, current year depreciation expense, and ending accumulated depreciation. We recommend that the Borough develop a process to update and review the capital asset documents on a more frequent basis throughout the year to ensure completion and accuracy and verify that all formulas and necessary information is properly updated before being provided to the auditors for review.

Reconciling Due to and Due from's

During our testing, it was noted that due to and due from accounts did not reconcile. As such, various adjustments were needed to correct the balances on the trial balance. We recommend that the Borough develop a process to periodically update and review this activity to ensure due to/from balances match across the funds. We also recommend that the Borough utilize the spreadsheet provided by the auditors to assist in this process.

We have already discussed these comments and suggestions with various Borough personnel. We will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Borough Council, and others within the Borough, and is not intended to be, and should not be, used by anyone other than these specified parties.

Maher Duessel

Harrisburg, Pennsylvania
May 31, 2023

Borough Council Borough of Gettysburg

We have audited the modified cash basis financial statements (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), for the year ended December 31, 2022. In addition, 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 (schedules) included in the 2022 Annual Audit and Financial Report (DCED-CLGS-30) of the Borough for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our conversation with you about planning matters on March 2, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities Under Auditing Standards Generally Accepted in the United States of America

As stated in our engagement letter dated January 5, 2023, our responsibility, as described by professional standards, is to express opinions about whether the financial statements and schedules prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting, which is a basis of accounting other than accounting practices and procedures generally accepted in the United States of America, and the accounting practices and procedures prescribed or permitted by the DCED, which is a regulatory basis of accounting. Our audit of the financial statements and schedules does not relieve you or management of your responsibilities.

In addition, our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements and schedules are free of material misstatement. As part of our audit, we considered the internal control of the Borough. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Borough are described in Note 1 to the financial statements, and the schedules follow accounting policies prescribed by the DCED. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the Borough during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements and schedules in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements and schedules prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and schedules and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the Borough's financial statements and schedules were depreciable lives of capital assets, and fair value of investments. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements and schedules taken as a whole.

Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The schedules were prepared without disclosures as permitted by the DCED.

We noted no sensitive disclosures affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The material misstatements detected as a result of audit procedures and corrected by management include adjustments to convert the Borough from the accrual basis to the modified cash basis of accounting, to correct due to/from's across funds, to correct American Rescue Plan Act receipts incorrectly recorded in fund balance and record additional capital asset additions that were not originally provided by the Borough.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements and schedules or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 31, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Borough's financial statements and schedules or a determination of the type of auditor's opinion that may be expressed on those statements or schedules, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Borough's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Audit Findings or Issues

Other Matters

Matters involving internal controls and the Borough's operations are detailed in a separately issued management letter.

Supplementary Information

We were engaged to report on the supplementary information, as described in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the other information which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

This information is intended solely for the information and use of Borough Council, and management of the Borough, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maher Duessel

Harrisburg, Pennsylvania
May 31, 2023

Independent Accountant's Report

Borough Council Borough of Gettysburg

We have examined the Borough of Gettysburg's (Borough) compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2022 OMB Compliance Supplement (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended December 31, 2022. Management of the Borough is responsible for the Borough's compliance with the specified requirements. Our responsibility is to express an opinion on the Borough's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the Borough complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Borough complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Borough's compliance with specified requirements.

In our opinion, the Borough complied, in all material respects, with the specified requirements referenced above during the year ended December 31, 2022.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material effect on the Borough's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the Borough's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether the Borough complied, in all material respects with the specified requirements referenced above during the year ended December 31, 2022. Accordingly, this report is not suitable for any other purpose.

Mahe Duessel

Harrisburg, Pennsylvania
May 31, 2023

Borough of Gettysburg

Financial Statements and Other Information
and Supplementary Information

Year Ended December 31, 2022
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, 2022

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BOROUGH OF GETTYSBURG

YEAR ENDED DECEMBER 31, 2022

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Independent Auditor's Report

**Borough Council
Borough of Gettysburg**

Report on the Audit of the Financial Statements

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, 2022, 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.

In our opinion, the 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, 2022, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting as described in the Notes of the Financial Statements.

Basis for 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 audit opinions.

Basis of Accounting

We draw attention to the Note 1 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.

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
May 31, 2023

BOROUGH OF GETTYSBURG

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

DECEMBER 31, 2022

	Governmental Activities	Component Unit
Assets and Deferred Outflows of Resources		
Assets:		
Current assets:		
Cash and cash equivalents	\$ 6,794,363	\$ 365,292
Investments	751,510	-
Total current assets	7,545,873	365,292
Noncurrent assets:		
Prepaid bond insurance	8,690	-
Capital assets not being depreciated:		
Construction in progress	45,864	-
Land	806,165	-
Capital assets net of accumulated depreciation:		
Land improvements	383,572	-
Buildings and improvements	4,121,221	-
Machinery, equipment, and furniture	624,784	-
Infrastructure	9,061,159	-
Total noncurrent assets	15,051,455	-
Total Assets	22,597,328	365,292
Deferred Outflows of Resources:		
Deferred charges on bond refunding	8,124	-
Total Deferred Outflows of Resources	8,124	-
Total Assets and Deferred Outflows of Resources	\$ 22,605,452	\$ 365,292

(Continued)

	Governmental Activities	Component Unit
Liabilities and Net Position		
Liabilities:		
Current liabilities:		
Developers escrow	\$ 137,628	\$ -
Long-term liabilities, due within one year:		
Bonds and notes payable	555,466	-
Total current liabilities	693,094	-
Noncurrent liabilities:		
Long-term liabilities, due in more than one year:		
Bonds and notes payable	3,602,025	-
Total noncurrent liabilities	3,602,025	-
Total Liabilities	4,295,119	-
Net Position:		
Net investment in capital assets	11,976,357	-
Restricted	3,208,422	-
Unrestricted	3,125,554	365,292
Total Net Position	18,310,333	365,292
Total Liabilities and Net Position	\$ 22,605,452	\$ 365,292
		(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, 2022

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	\$ 862,236	\$ 323,352	\$ 276,068	\$ -	\$ (262,816)	\$ -
Public safety	2,810,262	220,793	686,075	922	(1,902,472)	-
Health and human services	825	-	-	-	(825)	-
Public works	2,191,652	1,691,200	358,068	-	(142,384)	-
Culture and recreation	211,980	-	-	-	(211,980)	-
Community development	56,250	-	375	336,604	280,729	-
Interest	102,910	-	-	-	(102,910)	-
Total Primary Government	6,236,115	2,235,345	1,320,586	337,526	(2,342,658)	-
Component unit:						
Gettysburg Borough Storm Water Authority	\$ 184,973	\$ 516,312	\$ 196,817	\$ -	-	\$ 528,156
General receipts:						
Taxes						
Property taxes, levied for general purposes					2,094,793	-
Property taxes, levied for specific purposes					127,729	-
Earned income tax					642,572	-
Real estate transfer tax					208,271	-
Local services tax					270,201	-
Admission tax					158,262	-
Occupational and per capita taxes					32,609	-
Other taxes					3,100	-
Unrestricted investment/interest earnings					28,243	125
Unrestricted grants					196,857	-
Intergovernmental receipts restricted to a specific purpose					818,336	-
Miscellaneous income					-	9,648
Sale of assets					4,290	-
Contributions (to) from (component unit) Borough					685,028	(685,028)
Reimbursements from Gettysburg Borough Storm Water Authority					131,746	-
Total general receipts					5,402,037	(675,255)
Change in Net Position					3,059,379	(147,099)
Net Position						
Beginning of year					15,250,954	512,391
End of year					\$ 18,310,333	\$ 365,292

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

BOROUGH OF GETTYSBURG

BALANCE SHEET - MODIFIED CASH BASIS

GOVERNMENTAL FUNDS

DECEMBER 31, 2022

	General Fund	Debt Service Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 3,017,154	\$ 289,619	\$ 1,637,363	\$ 1,850,227	\$ 6,794,363
Investments	-	-	751,510	-	751,510
Due from other funds	1,500	-	-	17,323	18,823
Total Assets	\$ 3,018,654	\$ 289,619	\$ 2,388,873	\$ 1,867,550	\$ 7,564,696
Liabilities and Fund Balance					
Liabilities:					
Developers escrow	\$ 137,628	\$ -	\$ -	\$ -	\$ 137,628
Due to other funds	17,323	-	-	1,500	18,823
Total Liabilities	154,951	-	-	1,500	156,451
Fund Balance:					
Restricted	27,342	-	2,388,873	1,866,476	4,282,691
Committed	-	289,619	-	-	289,619
Assigned	124,449	-	-	-	124,449
Unassigned	2,711,912	-	-	(426)	2,711,486
Total Fund Balance	2,863,703	289,619	2,388,873	1,866,050	7,408,245
Total Liabilities and Fund Balance	\$ 3,018,654	\$ 289,619	\$ 2,388,873	\$ 1,867,550	\$ 7,564,696

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, 2022

Total Fund Balance - Governmental Funds \$ 7,408,245

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	\$ 25,489,092	
Accumulated depreciation	<u>(10,446,327)</u>	
		15,042,765

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.

8,690

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.

Bonds and notes payable	(4,104,541)	
Unamortized bond premium	(52,950)	
Deferred charge on bond refunding	<u>8,124</u>	
		<u>(4,149,367)</u>

Total Net Position of Governmental Activities

\$ 18,310,333

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, 2022

	General Fund	Debt Service Fund	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
Receipts:					
Taxes	\$ 3,409,808	\$ -	\$ -	\$ 127,729	\$ 3,537,537
Licenses and permits	213,659	-	-	-	213,659
Fines and forfeits	413,523	-	-	3,062	416,585
Investment/interest earnings	15,178	1,527	2,368	9,170	28,243
Intergovernmental	438,298	-	1,568,339	509,730	2,516,367
Charges for services	1,626,753	-	-	20,275	1,647,028
Donations	71,741	-	-	72,000	143,741
Miscellaneous	100,243	2,773	-	-	103,016
Total revenues	6,289,203	4,300	1,570,707	741,966	8,606,176
Disbursements:					
Current:					
General government	851,570	-	-	-	851,570
Public safety	2,698,286	-	-	102,738	2,801,024
Health and human services	825	-	-	-	825
Public works	1,479,702	-	-	578,097	2,057,799
Culture and recreation	100,958	-	-	106,909	207,867
Community development	56,250	-	-	-	56,250
Debt service:					
Principal	-	544,816	-	-	544,816
Interest	-	99,691	-	-	99,691
Total expenditures	5,187,591	644,507	-	787,744	6,619,842
Excess (Deficiency) of Receipts Over (Under) Disbursements	1,101,612	(640,207)	1,570,707	(45,778)	1,986,334
Other Financing Sources (Uses):					
Sale of assets	4,290	-	-	-	4,290
Transfers in	738,593	649,190	-	928,054	2,315,837
Transfers out	(1,577,244)	-	(736,815)	(1,778)	(2,315,837)
Total other financing sources (uses)	(834,361)	649,190	(736,815)	926,276	4,290
Net Change in Fund Balance	267,251	8,983	833,892	880,498	1,990,624
Fund Balance:					
Beginning of year	2,596,452	280,636	1,554,981	985,552	5,417,621
End of year	\$ 2,863,703	\$ 289,619	\$ 2,388,873	\$ 1,866,050	\$ 7,408,245

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, 2022

Net Change in Fund Balance - Total Governmental Funds

\$ 1,990,624

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	\$ (733,566)	
Capital contribution from Gettysburg Borough Storm Water Authority	685,028	
Capital outlays	<u>575,697</u>	527,159

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.

544,816

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.

(3,220)

Change in Net Position - Governmental Activities

\$ 3,059,379

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

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, as accepted by the modified cash basis of accounting. 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, 2022

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. The Storm Water Authority's Board nominates and appoints all new members. The Authority meets the criteria of a discretely presented component unit 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.

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, 2022, the total per capita charge paid by the Borough to GARA was \$123,500. For the year ended December 31, 2022, the total received by the Borough from GARA was \$2,708. Separately published financial statements for GARA are available at the Borough's administrative office.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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.

Related Organizations

Related organizations are not component units, yet there is some form of accountability, other than financial accountability, that exists between the primary government and the related organization because of the appointment authority. The following is a related organization to the Borough:

The Gettysburg Municipal Authority (Authority) is governed by a board appointed by Borough Council; however, no financial benefit or burden relationship exists. The Authority owns the water and sewer plant which services the Borough and neighboring townships, Cumberland and Straban. For the year ended December 31, 2022, the total paid by the Borough to the Authority was \$7,809. For the year ended December 31, 2022, the total received by the Borough from the Authority was \$80,276. Separate financial statements of the Authority are available at the Authority's Administrative office located at 601 East Middle Street, Gettysburg, PA 17325.

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 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:

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

- 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.
- 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:

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

- *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.
- *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 three classifications: pension trust funds, investment 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 and are, therefore, not available to support the Borough's own programs. The Borough has no fiduciary funds.

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

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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.

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.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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.

The Borough's financial statements are 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.
- Accounts payable/receivable 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.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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.

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

BOROUGH OF GETTYSBURG

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YEAR ENDED DECEMBER 31, 2022

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.

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.

BOROUGH OF GETTYSBURG

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YEAR ENDED DECEMBER 31, 2022

- *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, 2022, restricted net position consisted of:

Restricted for:	
Housing and redevelopment	\$ 282,074
Highway Department	477,713
ARPA	2,388,873
Fire Department	32,420
Police Department	27,342
	<u>\$ 3,208,422</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.

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, 2022, the Borough did not have nonspendable fund balance.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

- **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 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

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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.

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, Capital Projects Fund, Debt Service Fund, Capital Reserve Fund, Highway Aid Fund, and the Revolving Loan Fund. The budgets are prepared on the modified cash basis of accounting. All appropriations lapse at year-end.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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.

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.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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.

Grants

The Borough and Storm Water Authority are 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 94 (Public-Private and Public-Public Partnerships), 96 (Information Technology Arrangements), 99 (Omnibus 2022), and 100 (Accounting Changes and Error Corrections). Management has not yet determined the impact of these statements on the financial statements.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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.
- 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.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022, the Borough's book balance was \$7,545,873 and the bank balance was \$7,518,874. Of the bank balance, \$1,633,761 was covered by federal depository insurance and the remaining \$5,885,113 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	\$ 6,794,363
Unrestricted investments	751,510
Total deposits	<u>\$ 7,545,873</u>

Borough Investments

The Borough's investments, with maturity dates greater than three months, are considered investments. As of December 31, 2022, the Borough's book and bank balance of investments in certificate of deposits are in the amount of \$751,510.

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, 2022, the bank

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

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and book balances were \$362,287 and \$365,292, respectively. Of the bank balance, \$250,000 was covered by federal depository insurance and \$112,287 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.

3. Interfund Receivables and Payables and Transfers

Due from/to other funds consist of the following as of December 31, 2022:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 1,500	\$ 17,323
Nonmajor Governmental Funds:		
Small Communities (CDBG) Fund	-	1,500
Capital Reserve Fund	9,671	-
Fire Tax Fund	7,652	-
	<u>\$ 18,823</u>	<u>\$ 18,823</u>

Interfund transfers were as follows during the year ended December 31, 2022:

Transfer from	Transfer to	Amount
General Fund	Debt Service Fund	\$ 649,190
General Fund	Capital Projects Fund	517,649
General Fund	Capital Reserve Fund	410,405
Fire Tax Fund	General Fund	1,778
ARPA Fund	General Fund	736,815
		<u>\$ 2,315,837</u>

The General Fund transferred money to the Debt Service Fund to pay debt service payments. The General Fund transferred money to the Capital Projects and Capital Reserve Funds to pay for various capital related projects. The Fire Tax Fund and ARPA Fund transferred money to the General Fund to reimburse for payments made on behalf of the funds.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	\$ 432,076	\$ 45,120	\$ 431,332	\$ 45,864
Land	806,165	-	-	806,165
Capital assets being depreciated:				
Land improvements	1,109,807	-	-	1,109,807
Infrastructure	11,520,068	1,521,736	-	13,041,804
Buildings and improvements	8,203,697	-	-	8,203,697
Machinery and equipment	2,122,356	125,200	-	2,247,556
Furniture and fixtures	34,199	-	-	34,199
Total cost	<u>24,228,368</u>	<u>1,692,056</u>	<u>431,332</u>	<u>25,489,092</u>
Less accumulated depreciation:				
Land improvements	(678,351)	(47,884)	-	(726,235)
Infrastructure	(3,376,313)	(604,332)	-	(3,980,645)
Buildings and improvements	(4,081,617)	(859)	-	(4,082,476)
Machinery and equipment	(1,545,714)	(80,218)	-	(1,625,932)
Furniture and fixtures	(30,766)	(273)	-	(31,039)
Total accumulated depreciation	<u>(9,712,761)</u>	<u>(733,566)</u>	<u>-</u>	<u>(10,446,327)</u>
Capital assets, net	<u>\$ 14,515,607</u>	<u>\$ 958,490</u>	<u>\$ 431,332</u>	<u>\$ 15,042,765</u>

Depreciation expense for the year ended December 31, 2022 was charged as follows:

General government	\$ 10,666
Public safety	9,238
Public works	709,549
Culture and recreation	4,113
	<u>\$ 733,566</u>

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

5. Long-Term Liabilities

The changes in long-term liabilities during the year ended December 31, 2022 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and notes payable:					
2015 PIB Loan	\$ 184,357	\$ -	\$ (39,816)	\$ 144,541	\$ 40,466
2016 GO Bond	4,465,000	-	(505,000)	3,960,000	515,000
Bond (Discount)/Premium	60,698	-	(7,748)	52,950	-
Total long-term liabilities - bonds and notes	<u>\$ 4,710,055</u>	<u>\$ -</u>	<u>\$ (552,564)</u>	<u>\$ 4,157,491</u>	<u>\$ 555,466</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%.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022.

	2015 PIB Loan		2016 GO Bond		Governmental Activities Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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	-	-	600,000	37,833	600,000	37,833
2028-2029	-	-	1,195,000	38,703	1,195,000	38,703
	<u>\$ 144,541</u>	<u>\$ 4,735</u>	<u>\$ 3,960,000</u>	<u>\$ 338,468</u>	<u>\$ 4,104,541</u>	<u>\$ 343,203</u>

Interest Expense

For the year ended December 31, 2022, the Borough incurred interest expense of \$94,068.

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.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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

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

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

the participant's normal retirement age. After retirement, benefits, if any, are provided by optional benefit form elected at retirement.

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	\$ 166,356	\$ 85,937
Contributions made - employer & state	(166,356)	(85,937)
Amount under (over) required contribution	\$ -	\$ -

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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%

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

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022:

Asset Class	Target Allocation
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%
	<u>100.00%</u>

Expected real rate of return – 4.7%, which excludes an inflation expectation of 2.5%.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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 2022. 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.

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 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

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

statements. The aggregate amount of future payments required on leases at December 31, 2022 is as follows:

2023	\$	98,787
2024		78,585
2025		49,348
2026		13,500
		<hr/>
	\$	<u>240,220</u>

Various contracts were entered into, in the amount of \$868,950. The amount outstanding and unpaid on these contracts at December 31, 2022 was \$380,134.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

9. 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	\$ -	\$ -	\$ -	\$ 282,074
Future capital expenditures	-	-	-	1,074,269
Highway department	-	-	-	477,713
ARPA	-	-	2,388,873	-
Police department	27,342	-	-	-
Fire department	-	-	-	32,420
Total restricted	27,342	-	2,388,873	1,866,476
Committed for:				
Debt service payments	-	289,619	-	-
Assigned for:				
Technology upgrades	3,500	-	-	-
Debt service payments	120,949	-	-	-
Total assigned	124,449	-	-	-
Unassigned	2,711,912	-	-	(426)
Total fund balances	\$ 2,863,703	\$ 289,619	\$ 2,388,873	\$ 1,866,050

10. 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 as defined therein. The contract with the insurance carrier includes a \$25,000 maximum loss

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022, the Borough paid \$6,591 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:

	2022	2021
Borough funding	\$ 319,061	\$ 329,502
Reinsurance reimbursements	1,336	5,580
Claims paid	(289,737)	(341,095)
Anticipated cross recovery	(6,591)	-
Available for benefits	<u>\$ 24,069</u>	<u>\$ (6,013)</u>

11. 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, 2022, \$131,746 was paid to the Borough related to such services.

BOROUGH OF GETTYSBURG

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

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, 2022 totaled \$685,028.

12. Legal Matters

Borough and Storm Water Authority

During the normal course of performing its duties to the public which it serves, the Borough and the Storm Water Authority are 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 Borough and the Storm Water Authority's financial position.

OTHER INFORMATION

BOROUGH OF GETTYSBURG

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS GENERAL FUND

YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Receipts:				
Taxes	\$ 2,997,801	\$ 2,997,801	\$ 3,409,808	\$ 412,007
Licenses and permits	87,645	121,515	213,659	92,144
Fines and forfeits	307,156	307,156	413,523	106,367
Interest earnings	7,800	7,800	15,178	7,378
Intergovernmental	391,225	391,225	438,298	47,073
Charges for services	1,277,780	1,277,780	1,626,753	348,973
Donations	5,350	5,350	71,741	66,391
Miscellaneous	47,618	47,618	100,243	52,625
Total receipts	5,122,375	5,156,245	6,289,203	1,132,958
Disbursements:				
Current:				
General government	826,363	830,363	851,570	(21,207)
Public safety	2,442,343	2,442,343	2,698,286	(255,943)
Health and human services	6,315	6,315	825	5,490
Public works	1,375,692	1,375,692	1,479,702	(104,010)
Culture and recreation	104,776	104,776	100,958	3,818
Community development	56,250	56,250	56,250	-
Total disbursements	4,811,739	4,815,739	5,187,591	(371,852)
Excess of Receipts Over Disbursements	310,636	340,506	1,101,612	761,106
Other Financing Sources (Uses):				
Sale of assets	-	-	4,290	4,290
Transfers in	-	-	738,593	738,593
Transfers out	(1,763,208)	(1,763,208)	(1,577,244)	185,964
Total other financing sources (uses)	(1,763,208)	(1,763,208)	(834,361)	928,847
Net Change in Fund Balance	<u>\$ (1,452,572)</u>	<u>\$ (1,422,702)</u>	<u>\$ 267,251</u>	<u>\$ 1,689,953</u>

See accompanying notes to budgetary comparison schedule.

BOROUGH OF GETTYSBURG

NOTES TO OTHER INFORMATION BUDGETARY COMPARISON SCHEDULE

YEAR ENDED DECEMBER 31, 2022

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	\$ 830,363	\$ 851,570
Public safety	2,442,343	2,698,286
Public works	1,375,692	1,479,702

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, 2022

	Highway Aid Fund	Capital Reserve Fund	Fire Tax Fund	Capital Projects Fund	Small Communities Program Fund	Revolving Loan Fund	Total Other Governmental Funds
Assets							
Cash and cash equivalents	\$ 477,713	\$ 553,814	\$ 24,768	\$ 510,784	\$ 1,074	\$ 282,074	\$ 1,850,227
Due from other funds	-	9,671	7,652	-	-	-	17,323
Total Assets	<u>\$ 477,713</u>	<u>\$ 563,485</u>	<u>\$ 32,420</u>	<u>\$ 510,784</u>	<u>\$ 1,074</u>	<u>\$ 282,074</u>	<u>\$ 1,867,550</u>
Liabilities and Fund Balance							
Liabilities:							
Due to other funds	\$ -	\$ -	\$ -	\$ -	1,500	\$ -	\$ 1,500
Total Liabilities	-	-	-	-	1,500	-	1,500
Fund Balance:							
Unassigned	-	-	-	-	(426)	-	(426)
Restricted	477,713	563,485	32,420	510,784	-	282,074	1,866,476
Total Fund Balance	477,713	563,485	32,420	510,784	(426)	282,074	1,866,050
Total Liabilities and Fund Balance	<u>\$ 477,713</u>	<u>\$ 563,485</u>	<u>\$ 32,420</u>	<u>\$ 510,784</u>	<u>\$ 1,074</u>	<u>\$ 282,074</u>	<u>\$ 1,867,550</u>

BOROUGH OF GETTYSBURG

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

YEAR ENDED DECEMBER 31, 2022

	Highway Aid Fund	Capital Reserve Fund	Fire Tax Fund	Capital Projects Fund	Small Communities Program Fund	Revolving Loan Fund	Total Other Governmental Funds
Receipts:							
Taxes	\$ -	\$ -	\$ 127,729	\$ -	\$ -	\$ -	\$ 127,729
Investment/interest earnings	2,933	2,003	-	2,459	24	1,751	9,170
Intergovernmental	173,126	-	-	-	336,604	-	509,730
Fines	-	-	-	-	-	3,062	3,062
Charges for services	-	-	-	-	-	20,275	20,275
Donations	-	-	-	72,000	-	-	72,000
Total revenues	176,059	2,003	127,729	74,459	336,628	25,088	741,966
Disbursements:							
Current:							
Public safety	-	-	102,738	-	-	-	102,738
Public works	42,637	29,580	-	169,276	336,604	-	578,097
Culture and recreation	-	-	-	106,909	-	-	106,909
Total expenditures	42,637	29,580	102,738	276,185	336,604	-	787,744
Excess (Deficiency) of Receipts Over (Under) Disbursements	133,422	(27,577)	24,991	(201,726)	24	25,088	(45,778)
Other Financing Sources (Uses):							
Transfers in	-	410,405	-	517,649	-	-	928,054
Transfers out	-	-	(1,778)	-	-	-	(1,778)
Total other financing sources (uses)	-	410,405	(1,778)	517,649	-	-	926,276
Net Change in Fund Balance	133,422	382,828	23,213	315,923	24	25,088	880,498
Fund Balance:							
Beginning of year	344,291	180,657	9,207	194,861	(450)	256,986	985,552
End of year	\$ 477,713	\$ 563,485	\$ 32,420	\$ 510,784	\$ (426)	\$ 282,074	\$ 1,866,050

2022 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, 2022 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, 2022, 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, 2022, 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.

Maheer Duessel

Harrisburg, Pennsylvania
May 31, 2023

		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	3,017,154	3,174,502	1,064,598	289,619						7,545,873
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds	1,500	6,152	9,671							17,323
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets								25,489,092		25,489,092
180-189	Other Debits									4,104,541	4,104,541
Total Assets and Other Debits		3,018,654	3,180,654	1,074,269	289,619				25,489,092	4,104,541	37,156,829

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TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	37,156,829
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GETTYSBURG BORO, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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

REVENUES

Taxes									
301.00	Real Estate Taxes	2,094,793	127,729						2,222,522
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	13,496							13,496
310.10	Real Estate Transfer Taxes	208,271							208,271
310.20	Earned Income Taxes / Wage Taxes	642,572							642,572
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)	19,113							19,113
310.50	Local Services Tax **	270,201							270,201
310.60	Amusement / Admission Taxes	158,262							158,262
310.70	Mechanical Device Taxes	3,100							3,100
310.90	Other: _____								
	Other: _____								
Total Taxes		3,409,808	127,729						3,537,537

Licenses and Permits									
320-322	All Other Licenses and Permits	134,397	3,062						137,459
321.80	Cable Television Franchise Fees	79,262							79,262
Total Licenses and Permits		213,659	3,062						216,721

Fines and Forfeits									
330-332	Fines and Forfeits	413,523							413,523
Total Fines and Forfeits		413,523							413,523

GETTYSBURG BORO, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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

REVENUES

Interest, Rents and Royalties									
341.00	Interest Earnings	15,178	7,076	4,462	1,527				28,243
342.00	Rents and Royalties	39,000							39,000
Total Interest, Rents and Royalties		54,178	7,076	4,462	1,527				67,243

Federal									
351.03	Highways and Streets								
351.09	Community Development		336,604						336,604
351.00	All Other Federal Capital and Operating Grants	922							922
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		922	1,904,943						1,905,865

State									
354.03	Highways and Streets								
354.09	Community Development								
354.15	Recycling / Act 101	9,999							9,999
354.00	All Other State Capital and Operating Grants								
355.01	Public Utility Realty Tax (PURTA)	3,225							3,225
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		173,126						173,126
355.04	Alcoholic Beverage Licenses	5,300							5,300
355.05	General Municipal Pension System State Aid	196,857							196,857
355.07	Foreign Fire Insurance Tax Distribution	39,892							39,892
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, 2022

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

REVENUES

State									
355.00	All Other State Shared Revenues and Entitlements								
356.00	State Payments in Lieu of Taxes								
Total State		255,273	173,126						428,399

Local Government Units									
357.03	Highways and Streets								
357.00	All Other Local Governmental Units Capital and Operating Grants	182,103							182,103
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services								
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes	25,186							25,186
Total Local Government Units		207,289							207,289

Charges for Service									
361.00	General Government	208,342							208,342
362.00	Public Safety	24,827							24,827
363.20	Parking	1,376,827							1,376,827
363.00	All Other Charges for Highway & Street Services	16,757							16,757
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, 2022

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

REVENUES

Charges for Service									
369.00	Bars								
370.00	Cemeteries								
372.00	Electric System								
373.00	Gas System								
374.00	Housing System								
375.00	Markets								
377.00	Transit Systems								
378.00	Water System								
379.00	All Other Charges for Service								
Total Charges for Service		1,626,753							1,626,753

Unclassified Operating Revenues									
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors	71,741		72,000	2,773				146,514
388.00	Fiduciary Fund Pension Contributions								
389.00	All Other Unclassified Operating Revenues	1,719							1,719
Total Unclassified Operating Revenues		73,460		72,000	2,773				148,233

Other Financing Sources									
391.00	Proceeds of General Fixed Asset Disposition	4,290							4,290
392.00	Interfund Operating Transfers	736,815		928,054	649,190				2,314,059
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, 2022

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

REVENUES

Other Financing Sources									
395.00	Refunds of Prior Year Expenditures	34,338	20,275						54,613
Total Other Financing Sources		775,443	20,275	928,054	649,190				2,372,962

TOTAL REVENUES

7,030,308	2,236,211	1,004,516	653,490				10,924,525
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EXPENDITURES

General Government									
400.00	Legislative (Governing) Body	13,857							13,857
401.00	Executive (Manager or Mayor)	252,988							252,988
402.00	Auditing Services / Financial Administration								
403.00	Tax Collection	38,621							38,621
404.00	Solicitor / Legal Services	84,055							84,055
405.00	Secretary / Clerk								
406.00	Other General Government Administration								
407.00	IT-Networking Services-Data Processing	8,265							8,265
408.00	Engineering Services	50,101							50,101
409.00	General Government Buildings and Plant	287,100							287,100
Total General Government		734,987							734,987

Public Safety

410.00	Police	1,569,704							1,569,704
411.00	Fire	116,012	102,738						218,750
412.00	Ambulance / Rescue								
413.00	UCC and Code Enforcement	18,135							18,135

GETTYSBURG BORO, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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

EXPENDITURES

Public Safety									
414.00	Planning and Zoning	277,759							277,759
415.00	Emergency Management and Communications	2,479							2,479
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		1,984,089	102,738						2,086,827

Health and Human Services									
420.00-425.00	Health and Human Services	825							825
Total Health and Human Services		825							825

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	635,460		165,480					800,940
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal		13,930						13,930
433.00	Traffic Control Devices		23,625						23,625
434.00	Street Lighting	82,137	2,010						84,147

GETTYSBURG BORO, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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

EXPENDITURES

Public Works - Highways and Streets									
435.00	Sidewalks and Crosswalks	74,440	336,604						411,044
436.00	Storm Sewers and Drains								
437.00	Repairs of Tools and Machinery								
438.00	Maintenance and Repairs of Roads and Bridges	3,183	3,072						6,255
439.00	Highway Construction and Rebuilding Projects	142,710		30,034					172,744
Total Public Works - Highways and Streets		937,930	379,241	195,514					1,512,685

Other Public Works Enterprises									
440.00	Airports								
441.00	Cemeteries								
442.00	Electric System								
443.00	Gas System								
444.00	Markets								
445.00	Parking	241,119		1,619					242,738
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		241,119		1,619					242,738

Culture and Recreation									
451.00	Culture-Recreation Administration								
452.00	Participant Recreation								
453.00	Spectator Recreation								
454.00	Parks	82,596		106,909					189,505

GETTYSBURG BORO, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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

EXPENDITURES

Culture and Recreation									
455.00	Shade Trees	17,541							17,541
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		100,137		106,909					207,046

Community Development									
461.00	Conservation of Natural Resources								
462.00	Community Development and Housing								
463.00	Economic Development								
464.00	Economic Opportunity								
465-469	All Other Community Development	56,250		1,723					57,973
Total Community Development		56,250		1,723					57,973

Debt Service									
471.00	Debt Principal (short-term and long-term)				544,816				544,816
472.00	Debt Interest (short-term and long-term)				94,068				94,068
475.00	Fiscal Agent Fees				5,623				5,623
Total Debt Service					644,507				644,507

Employer Paid Benefits and Withholding Items									
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	123,632							123,632
482.00	Judgments and Losses								
483.00	Pension / Retirement Fund Contributions	253,597							253,597

GETTYSBURG BORO, ADAMS County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2022

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

EXPENDITURES

Employer Paid Benefits and Withholding Items									
484.00	Worker Compensation Insurance	98,925							98,925
487.00	Other Group Insurance Benefits	547,782							547,782
Total Employer Paid Benefits and Withholding Items		1,023,936							1,023,936

Insurance									
486.00	Insurance, Casualty, and Surety	108,318							108,318
Total Insurance		108,318							108,318

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	1,575,466	738,593						2,314,059
493.00	All Other Financing Uses								
Total Other Financing Uses		1,575,466	738,593						2,314,059

TOTAL EXPENDITURES	6,763,057	1,220,572	305,765	644,507					8,933,901
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	267,251	1,015,639	698,751	8,983					1,990,624
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GETTYSBURG BORO

December 31, 2022

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
PIB Loan	Note	2016	2026	392,192	184,357		39,816		144,541		144,541
GO Bonds - Borough	Bond	2016	2029	6,965,000	4,465,000		505,000		3,960,000	52,950	4,012,950
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

4,157,491

Capitalized lease obligations

0

Net debt

4,157,491

GETTYSBURG BORO, ADAMS County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2022

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways	125,200	1,120,563	1,245,763
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	125,200	1,120,563	1,245,763

EMPLOYEE COMPENSATION

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

2,296,795

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, 2022

NOTES / COMMENTS

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.