

Annual Audit and
Financial Report
(DCED-CLGS-30)

December 31,
2020

Borough of Spring Grove



INDEPENDENT AUDITOR'S REPORT

Borough Council
Borough of Spring Grove, York County
Spring Grove, Pennsylvania

President Judge of the Court of Common Pleas
Secretary of Community and Economic Development

We have audited the accompanying balance sheet of the Borough of Spring Grove, York County, Pennsylvania as of December 31, 2020, and the related statement of revenues and expenditures, debt statement, and statement of capital expenditures for the year then ended within the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Borough of Spring Grove, York County, Pennsylvania, as of December 31, 2020, and the revenues, expenditures, and changes in financial position, debt statement and capital expenditures for the year then ended in accordance with accounting principles generally accepted in the United States of America within the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

Emphasis of Matter

The accompanying annual financial report was prepared for the purpose of complying with rules and regulations of the Department of Community and Economic Development of the Commonwealth of Pennsylvania, does not include supporting disclosures or government-wide statements or cash flow statements for proprietary funds, and is not intended to be a complete presentation of the Borough's assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses. Our opinion is not modified with respect to these matters.

Restriction on Use

This report is intended solely for the information and use of Borough Council, President Judge of the Court of the Common Pleas, and the Secretary of Community and Economic Development, and is not intended to be and should not be used by anyone other than these specified parties.

Smith & Elliott Adams & Company, LLC

Chambersburg, Pennsylvania
March 30, 2021

**2020 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

671623 SPRING GROVE BORO, YORK COUNTY

SPRING GROVE BORO, YORK County

BALANCE SHEET

December 31, 2020

		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
Liabilities and Other Credits											
260-269	Long-Term-Liabilities					7,095,686					7,095,686
240-259	Current Portion of Long-Term Debt and Other Credits					531,152					531,152
Total Liabilities and Other Credits		90,927	5,987			7,680,994					7,777,908
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	518,018	100,017	8,556		3,669,280					4,295,871
291-299	Other Equity										
Total Fund and Account Group Equity		518,018	100,017	8,556		3,669,280					4,295,871
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											12,073,779

SPRING GROVE BORO, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	673,014						673,014
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							
310.10	Real Estate Transfer Taxes	56,011						56,011
310.20	Earned Income Taxes / Wage Taxes	250,980						250,980
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	60,626						60,626
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		1,040,631						1,040,631

Licenses and Permits								
320-322	All Other Licenses and Permits							
321.80	Cable Television Franchise Fees	11,504						11,504
Total Licenses and Permits		11,504						11,504

Fines and Forfeits								
330-332	Fines and Forfeits	12,190						12,190
Total Fines and Forfeits		12,190						12,190

SPRING GROVE BORO, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	1,017	378			204		1,599
342.00	Rents and Royalties	72,509						72,509
Total Interest, Rents and Royalties		73,526	378			204		74,108

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

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants	77,500						77,500
355.01	Public Utility Realty Tax (PURTA)	1,076						1,076
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		69,312					69,312
355.04	Alcoholic Beverage Licenses	600						600
355.05	General Municipal Pension System State Aid	24,619						24,619
355.07	Foreign Fire Insurance Tax Distribution	11,726						11,726
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

SPRING GROVE BORO, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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		115,521	69,312					184,833

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	15,570			2,033			17,603
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services	21,454			93,671			115,125
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units		37,024			95,704			132,728

Charges for Service								
361.00	General Government	1,625			5,358			6,983
362.00	Public Safety	37,955						37,955
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	56,291						56,291
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				1,184,052			1,184,052
364.30	Solid Waste Collection and Disposal Charge (trash)				284,000			284,000
364.60	Host Municipality Benefit Fee for Solid Waste Facility				23,240			23,240
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	65,128						65,128
368.00	Airports							

SPRING GROVE BORO, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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

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		160,999				1,496,650		1,657,649

Unclassified Operating Revenues

383.00	Special Assessments				102,961			102,961
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors							
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	3,022			424			3,446
Total Unclassified Operating Revenues		3,022			103,385			106,407

Other Financing Sources

391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers		28,500		1,186			29,686
393.00	Proceeds of General Long-Term Debt	210,471						210,471
394.00	Proceeds of Short Term-Debt							

SPRING GROVE BORO, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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							
Total Other Financing Sources		210,471		28,500		1,186		240,157

TOTAL REVENUES

1,664,888	69,690	28,500		1,697,129			3,460,207
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	3,560						3,560
401.00	Executive (Manager or Mayor)	42,785						42,785
402.00	Auditing Services / Financial Administration	15,149						15,149
403.00	Tax Collection	9,047						9,047
404.00	Solicitor / Legal Services	19,969						19,969
405.00	Secretary / Clerk	70,311			3,767			74,078
406.00	Other General Government Administration	60,988						60,988
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	145,398						145,398
409.00	General Government Buildings and Plant	187,657						187,657
Total General Government		554,864			3,767			558,631

Public Safety

410.00	Police	402,735						402,735
411.00	Fire	51,890						51,890
412.00	Ambulance / Rescue	10,000						10,000
413.00	UCC and Code Enforcement	47,097						47,097

SPRING GROVE BORO, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	3,386						3,386
415.00	Emergency Management and Communications							
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		515,108						515,108

Health and Human Services

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

Public Works - Sanitation

426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)				236,392			236,392
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				919,564			919,564
Total Public Works - Sanitation					1,155,956			1,155,956

Public Works - Highways and Streets

430.00	General Services - Administration	99,179		20,744				119,923
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	1,885						1,885
433.00	Traffic Control Devices	239	3,166					3,405
434.00	Street Lighting		44,689					44,689

SPRING GROVE BORO, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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							
436.00	Storm Sewers and Drains							
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges							
439.00	Highway Construction and Rebuilding Projects	8,063						8,063
Total Public Works - Highways and Streets		109,366	47,855	20,744				177,965

Other Public Works Enterprises								
440.00	Airports							
441.00	Cemeteries							
442.00	Electric System							
443.00	Gas System							
444.00	Markets							
445.00	Parking							
446.00	Storm Water and Flood Control				100,092			100,092
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises					100,092			100,092

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation	51,006						51,006
453.00	Spectator Recreation							
454.00	Parks	6,975						6,975

SPRING GROVE BORO, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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	5,800						5,800
456.00	Libraries	3,000						3,000
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	9,035						9,035
Total Culture and Recreation		75,816						75,816

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing	32,990			1,223			34,213
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development		32,990			1,223			34,213

Debt Service								
471.00	Debt Principal (short-term and long-term)	151,469		9,821				161,290
472.00	Debt Interest (short-term and long-term)	5,604		1,294	232,227			239,125
475.00	Fiscal Agent Fees							
Total Debt Service		157,073		11,115	232,227			400,415

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation				725			725
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions							

SPRING GROVE BORO, YORK County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2020

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							
487.00	Other Group Insurance Benefits							
Total Employer Paid Benefits and Withholding Items					725			725

Insurance								
486.00	Insurance, Casualty, and Surety							
Total Insurance								

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures	6,495						6,495
Total Unclassified Operating Expenditures		6,495						6,495

Other Financing Uses								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	13,686			16,000			29,686
493.00	All Other Financing Uses							
Total Other Financing Uses		13,686			16,000			29,686

TOTAL EXPENDITURES	1,465,398	47,855	31,859		1,509,990			3,055,102
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	199,490	21,835	-3,359		187,139			405,105
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SPRING GROVE BORO

December 31, 2020

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											
Sewer System & Other Capital Improvements	Bond	2015	2035	9,945,000	8,155,000		460,000		7,695,000		7,695,000
PIB loan	Note	2016	2021	550,600	151,537		122,512		29,025		29,025
2018 Sewer Note	Note	2018	2023	250,000	202,000		49,000		153,000		153,000
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	7,877,025
Capitalized lease obligations	0
Net debt	7,877,025

SPRING GROVE BORO, YORK County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2020

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	28,730	90,863	119,593
Health			
Housing			
Libraries			
Mass Transit			
Parks		23,882	23,882
Police			
Recreation			
Sewer		6,439	6,439
Solid Waste			
Streets / Highways		7,185	7,185
Water			
Other: Stormwater		80,109	80,109
TOTAL CAPITAL EXPENDITURES	28,730	208,478	237,208

EMPLOYEE COMPENSATION

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

362,602

BOROUGH OF SPRING GROVE
Notes to Financial Statements
December 31, 2020

COMMENTS

Line 310.70 - General fund

While the Borough levies a mechanical device tax, no such revenue was received in the current year for this tax.

Line 393 - General Fund

The Borough had a reallocation of debt in the current year transferring proceeds from the sewer fund to the general fund. While there was no new debt taken out, the transfer of this activity from a proprietary fund to a governmental fund was shown as proceeds of debt in the General Fund.

Line 471 - Debt Principal

Principal does not match the debt statement because the Enterprise funds report debt payments as a reduction in liability instead of expense on line 471. The difference in expense to the debt statement is because of this reporting.

Line 481, Line 483, Line 486- General fund

The Borough allocates benefit and insurance expenditures to the respective category in which the corresponding wage information is recorded therefore no expenditures are recorded in these sections.

Line 488 - Fiduciary Fund

The Borough has a defined benefit agent multiple employer pension plan that is not reported on this report because the Borough does not hold the assets in a fiduciary capacity.