

# **Borough of Renovo, Pennsylvania**

Municipal Annual Audit and Financial Report

December 31, 2021

## Independent Auditors' Report

To the Honorable Members of Borough Council of  
Borough of Renovo, Pennsylvania

### Qualified Opinion

We have audited the accompanying *2021 Municipal Annual Audit and Financial Report*, Form DCED-CLGS-30 (the financial statements), of The Borough of Renovo, Pennsylvania (the Borough) as of and for the year ended December 31, 2021.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the modified cash basis financial statements referred to above present fairly, in all material respects, the financial position the of Borough as of December 31, 2021 and the results of its operations—modified cash basis for the year then ended in accordance with the financial reporting provisions of the Borough Code of the Commonwealth of Pennsylvania, as amended, as described under the Responsibilities of Management for the Financial Statements section.

### Basis for Qualified Opinion

#### *General Fixed Assets*

The Borough has stated its general fixed assets at values other than cost or estimated cost (generally insurable values), which is a departure from the provisions of The Borough Code of the Commonwealth of Pennsylvania, as amended. The effect of stating general fixed assets at values other than cost or estimated cost is not known.

#### *Investments - Fiduciary Fund*

The Borough has recorded its investments held within its fiduciary fund at fair value in the accompanying financial statements. The modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America, requires that when investments are recorded as assets, the investments should be recorded at cost and unrealizable gains and losses should not be recorded. The difference between fair value and cost at December 31, 2021 is not readily determinable, but is deemed to be material.

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 Auditors' 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 opinion.

### Emphasis of Matter - Basis of Accounting

We draw attention to the basis of accounting described under the Responsibilities of Management for the Financial Statements section. The financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Borough Code of the Commonwealth of Pennsylvania, as amended, using the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the financial statements may not be suitable for another purpose. 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 financial reporting provisions of the Borough Code of the Commonwealth of Pennsylvania, as amended, which states the Borough must file an annual report of its fiscal affairs with the Commonwealth of Pennsylvania, Department of Community and Economic Development (DCED) on forms prepared and distributed by the DCED. 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.

## **Auditors' 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 auditors' 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 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 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.

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.

## **Restricted Use**

Our report is intended solely for the information and use of the governing body and management of the Borough and for filing with the Commonwealth of Pennsylvania, Department of Community and Economic Development and is not intended to be and should not be used by anyone other than these specific parties.

*Baker Tilly US, LLP*

Williamsport, Pennsylvania  
May 3, 2022

**2021 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**180753 RENOVO BORO, CLINTON COUNTY**



## RENOVO BORO, CLINTON County

## BALANCE SHEET

December 31, 2021

		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
<b>Liabilities and Other Credits</b>											
260-269	Long-Term-Liabilities									18,440	18,440
240-259	Current Portion of Long-Term Debt and Other Credits									13,756	13,756
<b>Total Liabilities and Other Credits</b>										32,196	32,196
<b>Fund and Account Group Equity</b>											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets								999,463		999,463
270-289	Fund Balance / Retained Earnings on 12/31	42,805	121,697	50				1,021,725			1,186,277
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		42,805	121,697	50				1,021,725	999,463		2,185,740
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											2,217,936

**RENOVO BORO, CLINTON County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

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

**REVENUES**

**Taxes**

301.00	Real Estate Taxes	225,571						225,571
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	5,650						5,650
310.20	Earned Income Taxes / Wage Taxes	57,374						57,374
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	5,180						5,180
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
<b>Total Taxes</b>		293,775						293,775

**Licenses and Permits**

320-322	All Other Licenses and Permits	528						528
321.80	Cable Television Franchise Fees	18,988						18,988
<b>Total Licenses and Permits</b>		19,516						19,516

**Fines and Forfeits**

330-332	Fines and Forfeits	11,900						11,900
<b>Total Fines and Forfeits</b>		11,900						11,900

**RENOVO BORO, CLINTON County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

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

**REVENUES**

Interest, Rents and Royalties								
341.00	Interest Earnings	2	35	1			103,185	103,223
342.00	Rents and Royalties	10,000						10,000
<b>Total Interest, Rents and Royalties</b>		10,002	35	1			103,185	113,223

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		63,063					63,063
353.00	Federal Payments in Lieu of Taxes							
<b>Total Federal</b>			63,063					63,063

State								
354.03	Highways and Streets	252		3,268				3,520
354.09	Community Development							
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	290						290
355.02- 355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		42,476					42,476
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	11,516						11,516
355.07	Foreign Fire Insurance Tax Distribution							
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution	4,990						4,990



**RENOVO BORO, CLINTON County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

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

**REVENUES**

State								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
<b>Total State</b>		17,048	42,476	3,268				62,792

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	4,054						4,054
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes	4,177						4,177
<b>Total Local Government Units</b>		8,231						8,231

Charges for Service								
361.00	General Government	11						11
362.00	Public Safety	28,075						28,075
363.20	Parking							
363.00	All Other Charges for Highway & Street Services							
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							

**RENOVO BORO, CLINTON County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

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

**REVENUES**

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service							
<b>Total Charges for Service</b>		28,086						28,086

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	14,300						14,300
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	10						10
<b>Total Unclassified Operating Revenues</b>		14,310						14,310

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers	5,818					11,516	17,334
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

**RENOVO BORO, CLINTON County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

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

**REVENUES**

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	7,257						7,257
<b>Total Other Financing Sources</b>		13,075					11,516	24,591

**TOTAL REVENUES**

415,943	105,574	3,269				114,701	639,487
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**EXPENDITURES**

General Government								
400.00	Legislative (Governing) Body	9,600						9,600
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	7,200						7,200
403.00	Tax Collection	10,625						10,625
404.00	Solicitor / Legal Services	8,348						8,348
405.00	Secretary / Clerk	23,672						23,672
406.00	Other General Government Administration	8,854						8,854
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	2,240						2,240
409.00	General Government Buildings and Plant	18,289						18,289
<b>Total General Government</b>		88,828						88,828

**Public Safety**

410.00	Police	175,669						175,669
411.00	Fire							
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	13,113						13,113

**RENOVO BORO, CLINTON County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

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

**EXPENDITURES**

<b>Public Safety</b>								
414.00	Planning and Zoning							
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							
<b>Total Public Safety</b>		188,782						188,782

<b>Health and Human Services</b>								
420.00-425.00	Health and Human Services							
<b>Total Health and Human Services</b>								

<b>Public Works - Sanitation</b>								
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							
<b>Total Public Works - Sanitation</b>								

<b>Public Works - Highways and Streets</b>								
430.00	General Services - Administration	75,926						75,926
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		5,885					5,885
433.00	Traffic Control Devices	39	1,868					1,907
434.00	Street Lighting	180	23,714					23,894

**RENOVO BORO, CLINTON County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

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

**EXPENDITURES**

<b>Public Works - Highways and Streets</b>								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains		415					415
437.00	Repairs of Tools and Machinery	3,555						3,555
438.00	Maintenance and Repairs of Roads and Bridges		3,489					3,489
439.00	Highway Construction and Rebuilding Projects							
<b>Total Public Works - Highways and Streets</b>		79,700	35,371					115,071

<b>Other Public Works Enterprises</b>								
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							
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
<b>Total Other Public Works Enterprises</b>								

<b>Culture and Recreation</b>								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	18,214						18,214

**RENOVO BORO, CLINTON County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

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

**EXPENDITURES**

<b>Culture and Recreation</b>								
455.00	Shade Trees							
456.00	Libraries	500						500
457.00	Civil and Military Celebrations	550						550
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
<b>Total Culture and Recreation</b>		19,264						19,264

<b>Community Development</b>								
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							
<b>Total Community Development</b>								

<b>Debt Service</b>								
471.00	Debt Principal (short-term and long-term)	13,780						13,780
472.00	Debt Interest (short-term and long-term)	1,336						1,336
475.00	Fiscal Agent Fees							
<b>Total Debt Service</b>		15,116						15,116

<b>Employer Paid Benefits and Withholding Items</b>								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	18,503						18,503
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions							

**RENOVO BORO, CLINTON County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

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

**EXPENDITURES**

<b>Employer Paid Benefits and Withholding Items</b>								
484.00	Worker Compensation Insurance	15,294						15,294
487.00	Other Group Insurance Benefits							
<b>Total Employer Paid Benefits and Withholding Items</b>		33,797						33,797

<b>Insurance</b>								
486.00	Insurance, Casualty, and Surety	20,743						20,743
<b>Total Insurance</b>		20,743						20,743

<b>Unclassified Operating Expenditures</b>								
488.00	Fiduciary Fund Benefits and Refunds Paid						93,325	93,325
489.00	All Other Unclassified Expenditures						14,085	14,085
<b>Total Unclassified Operating Expenditures</b>							107,410	107,410

<b>Other Financing Uses</b>								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	11,516		5,818				17,334
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>		11,516		5,818				17,334

<b>TOTAL EXPENDITURES</b>	457,746	35,371	5,818				107,410	606,345
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	-41,803	70,203	-2,549				7,291	33,142
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**RENOVO BORO**  
December 31, 2021

**DEBT STATEMENT**

**OUTSTANDING BONDS AND NOTES**

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
<b>General Obligation Bonds and Notes</b>											
General Obligation Bond	Bond	2007	2022	90,000	14,990		7,576		7,414		7,414
<b>Revenue Bonds and Notes</b>											
Note	Note	2018	2023	7,800	4,454		1,583		2,871		2,871
<b>Lease Rental Debt</b>											
<b>Other</b>											
Equipment Debt	Note	2017	2027	21,000	13,443		2,066		11,377		11,377
Equipment Debt	Note	2020	2024	13,300	13,089		2,555		10,534		10,534

(1) - excludes unamortized premium/discount

<b>Total bonds and notes outstanding</b>	32,196
<b>Capitalized lease obligations</b>	0
<b>Net debt</b>	32,196



**RENOVO BORO, CLINTON County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2021

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks	11,202		11,202
Police	15,436		15,436
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	26,638		26,638

**EMPLOYEE COMPENSATION**

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

194,817