



***BOROUGH OF DENVER***

**ANNUAL AUDIT AND  
FINANCIAL REPORT (DCED-CLGS-30)**

**Year Ended December 31, 2021**



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## **INDEPENDENT AUDITOR'S REPORT**

**Members of Council  
Borough of Denver  
Denver, Pennsylvania**

**President Judge of the Court of Common Pleas**

**Secretary of the Department of Community and Economic Development**

### **Opinion**

We have audited the accompanying balance sheet - modified cash basis of the Borough of Denver, Pennsylvania, ("the Borough") as of December 31, 2021 and the related statement of revenues and expenditures - modified cash basis, debt statement - modified cash basis, and statement of capital expenditures - modified cash basis for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the modified cash basis - financial position of the Borough of Denver as of December 31, 2021, and the modified cash basis - revenues, expenditures, and changes in financial position, modified cash basis - debt statement, and modified cash basis - capital expenditures for the year then ended in accordance with the financial reporting provisions of the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 of Denver, 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.

### **Basis of Accounting**

The financial statements are prepared by the Borough of Denver, in accordance with the financial reporting provisions of the Department of Community and Economic Development of the Commonwealth of Pennsylvania under the modified cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Department of Community and Economic Development of the Commonwealth of Pennsylvania. 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 these financial statements in accordance with the financial reporting provisions of the Department of Community and Economic Development of the Commonwealth of Pennsylvania. 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.

In preparing the financial statements, management is required to evaluate whether 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **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 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 generally accepted auditing standards, 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 of Denver'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 of Denver'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.

**Restriction on Use**

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

*Herbein + Company, Inc.*

**Reading, Pennsylvania**

**March 7, 2022**

**2021 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**360363 DENVER BORO, LANCASTER COUNTY**



## DENVER BORO, LANCASTER 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									13,722	13,722
240-259	Current Portion of Long-Term Debt and Other Credits	2,656	6,000							40,350	49,006
<b>Total Liabilities and Other Credits</b>		12,236	6,000							54,072	72,308
<b>Fund and Account Group Equity</b>											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	727,356	189,068	523,948		1,079,418					2,519,790
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		727,356	189,068	523,948		1,079,418					2,519,790
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											2,592,098

**DENVER BORO, LANCASTER 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**

<b>Taxes</b>								
301.00	Real Estate Taxes	668,018						668,018
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	158,418						158,418
310.20	Earned Income Taxes / Wage Taxes	533,918						533,918
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	59,733						59,733
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
<b>Total Taxes</b>		1,420,087						1,420,087

<b>Licenses and Permits</b>								
320-322	All Other Licenses and Permits	2,000						2,000
321.80	Cable Television Franchise Fees	50,719						50,719
<b>Total Licenses and Permits</b>		52,719						52,719

<b>Fines and Forfeits</b>								
330-332	Fines and Forfeits	9,214						9,214
<b>Total Fines and Forfeits</b>		9,214						9,214



**DENVER BORO, LANCASTER 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	342	2,252	186		379		3,159
342.00	Rents and Royalties	5,691						5,691
<b>Total Interest, Rents and Royalties</b>		6,033	2,252	186		379		8,850

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	201,541						201,541
353.00	Federal Payments in Lieu of Taxes							
<b>Total Federal</b>		201,541						201,541

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	1,577						1,577
354.00	All Other State Capital and Operating Grants	11,810		111,000		1,500		124,310
355.01	Public Utility Realty Tax (PURTA)	1,256						1,256
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		103,199					103,199
355.04	Alcoholic Beverage Licenses	50						50
355.05	General Municipal Pension System State Aid	10,430				20,247		30,677
355.07	Foreign Fire Insurance Tax Distribution	17,902						17,902
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

**DENVER BORO, LANCASTER 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>		43,025	103,199	111,000		21,747		278,971

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	30,808						30,808
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
<b>Total Local Government Units</b>		30,808						30,808

Charges for Service								
361.00	General Government	28,193						28,193
362.00	Public Safety	36,135						36,135
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	11,142						11,142
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)	11,715			875,635			887,350
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	54,104						54,104
368.00	Airports							

**DENVER BORO, LANCASTER 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		38,515					38,515
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System				628,580			628,580
379.00	All Other Charges for Service	115						115
<b>Total Charges for Service</b>		141,404	38,515		1,504,215			1,684,134

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	31,042	145,803					176,845
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	36						36
<b>Total Unclassified Operating Revenues</b>		31,078	145,803					176,881

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	16,048				8,250		24,298
392.00	Interfund Operating Transfers	3,740		208,005				211,745
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

**DENVER BORO, LANCASTER 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	9			5,462		5,471
<b>Total Other Financing Sources</b>		19,797	208,005		13,712		241,514

**TOTAL REVENUES**

1,955,706	289,769	319,191		1,540,053			4,104,719
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**EXPENDITURES**

General Government							
400.00	Legislative (Governing) Body	87					87
401.00	Executive (Manager or Mayor)	170,807					170,807
402.00	Auditing Services / Financial Administration	4,080					4,080
403.00	Tax Collection						
404.00	Solicitor / Legal Services	22,437					22,437
405.00	Secretary / Clerk						
406.00	Other General Government Administration	8,523					8,523
407.00	IT-Networking Services-Data Processing	15,657					15,657
408.00	Engineering Services	63,316					63,316
409.00	General Government Buildings and Plant	11,819					11,819
<b>Total General Government</b>		296,726					296,726

**Public Safety**

410.00	Police	603,562					603,562
411.00	Fire	117,926					117,926
412.00	Ambulance / Rescue						
413.00	UCC and Code Enforcement	19,467					19,467

**DENVER BORO, LANCASTER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2021

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

**EXPENDITURES**

**Public Safety**

414.00	Planning and Zoning	9,510						9,510
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>		750,465						750,465

**Health and Human Services**

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

**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	9,477		48,507		649,841		707,825
<b>Total Public Works - Sanitation</b>		9,477		48,507		649,841		707,825

**Public Works - Highways and Streets**

430.00	General Services - Administration	136,322		16,421				152,743
431.00	Cleaning of Streets and Gutters	6,763						6,763
432.00	Winter Maintenance – Snow Removal	13,740						13,740
433.00	Traffic Control Devices	22,167						22,167
434.00	Street Lighting	14,033	12,230	10,500				36,763

**DENVER BORO, LANCASTER 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	1,000						1,000
436.00	Storm Sewers and Drains	230						230
437.00	Repairs of Tools and Machinery	4,422						4,422
438.00	Maintenance and Repairs of Roads and Bridges	52,977						52,977
439.00	Highway Construction and Rebuilding Projects	844	90,850					91,694
<b>Total Public Works - Highways and Streets</b>		252,498	103,080	26,921				382,499

<b>Other Public Works Enterprises</b>								
440.00	Airports							
441.00	Cemeteries		21,532					21,532
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	22,801		66,678		480,119		569,598
449.00	Water Transport and Terminals							
<b>Total Other Public Works Enterprises</b>		22,801	21,532	66,678		480,119		591,130

<b>Culture and Recreation</b>								
451.00	Culture-Recreation Administration	17,630						17,630
452.00	Participant Recreation	62,516						62,516
453.00	Spectator Recreation							
454.00	Parks	85,486						85,486

**DENVER BORO, LANCASTER 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	3,020						3,020
456.00	Libraries	13,750						13,750
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	3,711						3,711
<b>Total Culture and Recreation</b>		186,113						186,113

<b>Community Development</b>								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development	436						436
464.00	Economic Opportunity							
465-469	All Other Community Development							
<b>Total Community Development</b>		436						436

<b>Debt Service</b>								
471.00	Debt Principal (short-term and long-term)	51,954						51,954
472.00	Debt Interest (short-term and long-term)	3,480						3,480
475.00	Fiscal Agent Fees							
<b>Total Debt Service</b>		55,434						55,434

<b>Employer Paid Benefits and Withholding Items</b>								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	11,199						11,199

**DENVER BORO, LANCASTER 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							
487.00	Other Group Insurance Benefits							
<b>Total Employer Paid Benefits and Withholding Items</b>		11,199						11,199

<b>Insurance</b>								
486.00	Insurance, Casualty, and Surety	22,355						22,355
<b>Total Insurance</b>		22,355						22,355

<b>Unclassified Operating Expenditures</b>								
488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures							
<b>Total Unclassified Operating Expenditures</b>								

<b>Other Financing Uses</b>								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	68,195	3,740		139,810			211,745
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>		68,195	3,740		139,810			211,745

<b>TOTAL EXPENDITURES</b>	1,675,699	128,352	142,106		1,269,770			3,215,927
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	280,007	161,417	177,085		270,283			888,792
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**DENVER 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>											
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
StreetLight Lease Purchase	Capital Leases	2018	2023	250,000	106,026		51,954		54,072		54,072
<b>Other</b>											

(1) - excludes unamortized premium/discount

<b>Total bonds and notes outstanding</b>	54,072
<b>Capitalized lease obligations</b>	0
<b>Net debt</b>	54,072

**DENVER BORO, LANCASTER County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2021

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	16,421		16,421
Health			
Housing			
Libraries			
Mass Transit			
Parks		59,611	59,611
Police			
Recreation			
Sewer	48,507		48,507
Solid Waste			
Streets / Highways	10,500	130,245	140,745
Water	73,748		73,748
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	149,176	189,856	339,032

**EMPLOYEE COMPENSATION**

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

641,576

**ELECTED CONTROLLER'S/AUDITOR'S CERTIFIED OPINION**

To the:           Governing Body of the Municipality  
                    President Judge of the Court of Common Pleas  
                    Secretary of the Department of Community & Economic Development

I/We, the undersigned, the duly elected (or appointed replacement), qualified, and Acting Controller/Auditors of the DENVER BORO have audited, adjusted and settled the various funds and account groups of the DENVER BORO for the year ended December 31, 2021. My/Our audit, adjustment and settlement was made in accordance with law rather than with generally accepted auditing standards

(PLEASE CROSS OUT ONLY IF ON MODIFIED ACCRUAL/ACCRUAL BASIS)

This municipality's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations of this municipality in conformity with generally accepted accounting principles.

These financial statements do not include all of the disclosures required by generally accepted accounting principles.

In my/our opinion, the aforementioned financial statements present the financial position of the various funds and account groups of the municipality of DENVER BORO for the year ended December 31, 2021, and the results of operations of such funds in accordance with the law.

**SIGNATURE AND VERIFICATION**

Signed:

Subscribed and sworn to before me this 1 day of January, 1.



Signed: \_\_\_\_\_

Witness (Controller)/Auditor (Auditors)

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December 31, 2021

### **NOTES / COMMENTS**

The Borough has a defined contribution pension plan that is not included within this report since it does not meet the definition of a pension trust fund under Generally Accepted Accounting Principles. The Borough contributed \$32,946 to this plan during 2021.