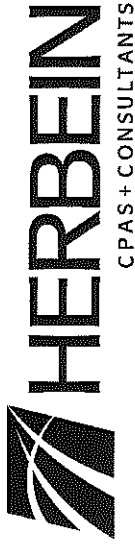


2021 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

061203 MT PENN BORO, BERKS COUNTY



Herbein + Company, Inc.
2763 Century Boulevard
Reading, PA 19610
P: 610.378.1175
F: 610.378.0999
www.herbein.com

INDEPENDENT AUDITOR'S REPORT

**Members of Council
Borough of Mount Penn
Reading, 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 Mount Penn ("the Borough"), Pennsylvania, 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 Mount Penn 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 Mount Penn, 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 Mount Penn, 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.

Succeed With Confidence



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 of Mount Penn'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 Mount Penn'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 Mount Penn'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 the management, Members of Council, President Judge of the Court of the Common Pleas, and the Secretary of the Department of Community and Economic Development, and is not intended to be, and should not be, used by anyone other than these specified parties.

Herbein + Company, Inc.

Reading, Pennsylvania
March 30, 2022

DCED-CLGS-30 (09-09)

December 31, 2021

Liabilities and Other Credits	
210-229	Payroll Taxes and Other Payroll Withholdings
200-209, 231-239	All Other Current Liabilities
230.00	Due To Other Funds

MT PENN BORO, BERKS 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		General Fixed Assets	General Long Term Debt	
Liabilities and Other Credits										
260-269 Long-Term-Liabilities										
240-259 Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits										
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	363,586	97,697					618,552			1,079,835
291-299 Other Equity										
Total Fund and Account Group Equity	363,586	97,697					618,552			1,079,835

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	1,079,835
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MT PENN BORO, BERKS 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	851,652	164,302						1,015,954
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	10,452							10,452
310.10	Real Estate Transfer Taxes	73,422							73,422
310.20	Earned Income Taxes / Wage Taxes	367,955							367,955
310.30	Business Gross Receipts Taxes	58,523							58,523
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	37,364							37,364
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other: _____								
	Other: _____								
Total Taxes		1,399,368	164,302						1,563,670

Licenses and Permits									
320-322	All Other Licenses and Permits	4,272							4,272
321.80	Cable Television Franchise Fees	41,588							41,588
Total Licenses and Permits		45,860							45,860

Fines and Forfeits									
330-332	Fines and Forfeits	18,148							18,148
Total Fines and Forfeits		18,148							18,148

MT PENN BORO, BERKS 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	729	192			76,234	77,155	
342.00	Rents and Royalties	35,750					35,750	
	Total Interest, Rents and Royalties	36,479	192			76,234	112,905	

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	163,336					163,336	
353.00	Federal Payments in Lieu of Taxes							
	Total Federal	163,336					163,336	

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	70,190					70,190	
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	1,446					1,446	
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		79,316				79,316	
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	14,392					14,392	
355.07	Foreign Fire Insurance Tax Distribution	12,515					12,515	
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

MT PENN BORO, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2021

REVENUES

State		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
355.00	All Other State Shared Revenues and Entitlements								
356.00	State Payments in Lieu of Taxes								
	Total State	98,543	79,316						177,859

Local Government Units									
357.03	Highways and Streets								
357.00	All Other Local Governmental Units Capital and Operating Grants	4,305							4,305
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services								
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes								
	Total Local Government Units	4,305							4,305

Charges for Service									
361.00	General Government	11,282							11,282
362.00	Public Safety	55,171							55,171
363.20	Parking								
363.00	All Other Charges for Highway & Street Services	5,496							5,496
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)								
364.30	Solid Waste Collection and Disposal Charge (trash)	307,090							307,090
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								

MT PENN BORO, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2021

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

REVENUES

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service							
	Total Charges for Service	379,039						379,039

Unclassified Operating Revenues								
383.00	Special Assessments							
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	3,331						3,331
	Total Unclassified Operating Revenues	3,331						3,331

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers							
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

MT PENN BORO, BERKS County

STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

REVENUES

Other Financing Sources	
395.00	Refunds of Prior Year Expenditures
	Total Other Financing Sources

TOTAL REVENUES	2,148,409	243,810				76,234	2,468,453
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EXPENDITURES

General Government	
400.00	Legislative (Governing) Body
401.00	Executive (Manager or Mayor)
402.00	Auditing Services / Financial Administration
403.00	Tax Collection
404.00	Solicitor / Legal Services
405.00	Secretary / Clerk
406.00	Other General Government Administration
407.00	IT-Networking Services-Data Processing
408.00	Engineering Services
409.00	General Government Buildings and Plant
	Total General Government

11,640							11,640
9,750							9,750
24,686	2,596						27,282
20,075							20,075
55,728							55,728
17,476							17,476
61,990							61,990
42,709							42,709
244,054	2,596						246,650

Public Safety	
410.00	Police
411.00	Fire
412.00	Ambulance / Rescue
413.00	UCC and Code Enforcement

990,039							990,039
17,949	115,452						133,401
6,825	32,185						39,010
79,566							79,566

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

MT PENN BORO, BERKS County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2021

EXPENDITURES

		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
Public Safety									
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	6,967							6,967
Total Public Safety		1,101,346	147,637						1,248,983

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	98,752							98,752
427.00	Solid Waste Collection and Disposal (garbage)	239,290							239,290
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection								
Total Public Works - Sanitation		338,042							338,042

Public Works - Highways and Streets									
430.00	General Services - Administration	108,288							108,288
431.00	Cleaning of Streets and Gutters		4,400						4,400
432.00	Winter Maintenance - Snow Removal	45	10,501						10,546
433.00	Traffic Control Devices	1,240	14,486						15,726
434.00	Street Lighting	2,645	28,699						31,344

December 31, 2021

EXPENDITURES

Other Public Works Enterprises**Total Other Public Works Enterprises**

Culture and Recreation

MT PENN BORO, BERKS 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		
	</							

EXPENDITURES

Community Development									
461.00 Conservation of Natural Resources	2,200								2,200
462.00 Community Development and Housing									
463.00 Economic Development									
464.00 Economic Opportunity									
465-469 All Other Community Development									
Total Community Development	2,200								2,200

Debt Service									
471.00 Debt Principal (short-term and long-term)	39,148								39,148
472.00 Debt Interest (short-term and long-term)	2,778								2,778
475.00 Fiscal Agent Fees									
Total Debt Service	41,926								41,926

Employer Paid Benefits and Withholding Items									
481.00 Employer Paid Withholding Taxes and Unemployment Compensation	18,797								18,797
482.00 Judgments and Losses									
483.00 Pension / Retirement Fund Contributions	7,596								7,596

MT PENN BORO, BERKS 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		

EXPENDITURES

Employer Paid Benefits and Withholding Items								
484.00								
487.00	61,332							61,332
Total Employer Paid Benefits and Withholding Items	87,725							87,725

Insurance								
486.00	27,589							27,589
Total Insurance	27,589							27,589

Unclassified Operating Expenditures								
488.00							37,553	37,553
489.00	1,213						2,393	3,606
Total Unclassified Operating Expenditures	1,213						39,946	41,159

Other Financing Uses								
491.00								
492.00								
493.00								
Total Other Financing Uses								

TOTAL EXPENDITURES	1,992,642	245,350					39,946	2,277,938
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	155,767	-1,540					36,288	190,515
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Listed below are all currently outstanding bond and note issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

Capitalized lease obligations

Net debt

MT PENN BORO, BERKS County
STATEMENT OF CAPITAL EXPENDITURES
December 31, 2021

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government		29,550	29,550
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES		29,550	29,550

EMPLOYEE COMPENSATION

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

245,715

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

SIGNATURE AND VERIFICATION

Signed: Christopher Turtell Appointed Auditor/CPA

December 31, 2021

NOTES / COMMENTS

The Borough has a non-uniformed defined contribution pension plan that is not included in this report because it does not meet the definition of a fiduciary activity. The Borough contributed \$7,596 to its non-uniformed defined contribution plan in 2021.

The Borough did not make a contribution to the defined benefit pension plan in 2021. The contribution was made in early 2022.