

HANOVER BOROUGH STORMWATER AUTHORITY
DCED-CLGS-04
FOR THE YEAR ENDED
DECEMBER 31, 2019
AND
INDEPENDENT AUDITOR'S REPORT

HAMILTON & MUSSER, P.C.
Certified Public Accountants



HAMILTON & MUSSER, P.C.

Certified Public Accountants • Consultants to Management

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INDEPENDENT AUDITOR'S REPORT

To the Municipal Authority Members
Hanover Borough Stormwater Authority
Hanover, Pennsylvania

Report on the Annual Financial Report

We have audited the accompanying financial information included in the Form DCED-CLGS-04, Commonwealth of Pennsylvania Municipal Annual Audit and Financial Report ("Annual Financial Report") of Hanover Borough Stormwater Authority (the Authority), York County, Pennsylvania, as of and for the year then ended December 31, 2019.

Management's Responsibility for the Annual Financial Report

Management is responsible for the preparation and fair presentation of this Annual Financial Report in accordance with the financial reporting provisions prescribed and permitted by the rules and regulations of the Department of Community and Economic Development (DCED) 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 this Annual Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this Annual Financial Report 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 Annual Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Financial Report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Annual Financial Report, 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 Annual Financial Report 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 Annual Financial Report.

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

Members of the American and Pennsylvania Institutes of CPAs

Opinion

In our opinion, the Annual Financial Report referred to above presents fairly, in all material respects, the regulatory basis financial position of Hanover Borough Stormwater Authority, York County, Pennsylvania, as of December 31, 2019, and the respective changes in regulatory basis financial position thereof for the year then ended in accordance with the financial reporting provisions described in the instructions provided by the DCED.

Basis of Accounting

The Authority prepares its Annual Financial Report using accounting practices prescribed and permitted by the rules and regulations of the DCED of the Commonwealth of Pennsylvania, 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.

Restriction on Use

Our report is intended solely for the information and use of the Municipal Authority Members and management of Hanover Borough Stormwater Authority and for filing with the various state and local departments or offices and is not intended to be and should not be used by anyone other than these specified parties.

Emphasis of a Matter

The Authority is operating in an environment that has been economically impacted by COVID-19 pandemic. The full impact of the pandemic on the Authority is not known as of the release of this report. However, management is monitoring the current conditions and their potential impact.

March 30, 2020

Mechanicsburg, Pennsylvania



Certified Public Accountants

2019 ANNUAL REPORT OF MUNICIPAL AUTHORITIES AND NON-PROFITS

HANOVER BOROUGH STORMWATER AUTHORITY 674048

MUNICIPAL AUTHORITY INFORMATION

Information on file

Name: HANOVER BOROUGH STORMWATER AUTHORITY

Address: 44 FREDERICK STREET

HANOVER, PA 17331

Phone: (717) 637-3877

Fax: (717) 637-2805

Contact Person: R. SAMUEL MILLER

Title: HANOVER BOROUGH TREASURER

Email: SMILLER@HANOVERBOROUGHPA.GOV

Year Authority Organized 2018

Year Authority Terminates 2068

Fiscal Year Ends (month/day): 12/31

Number of Employees

Full Time Equivalent: 0

Part Time Equivalent: 0

Filing Status: Active

Facility Type:

Storm Water

HANOVER BOROUGH STORMWATER AUTHORITY**AUTHORITY OFFICIALS LIST**

President	WILLIAM REICHART
Address:	44 FREDERICK ST
	HANOVER, PA 17331
Phone:	(717) 637-3877
Fax:	
e-mail:	BREICHART@HANOVERBOROUGHPA.GOV
Secretary	FALYN MORNINGSTAR
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Solicitor	TIMOTHY SHULTIS
Address:	1147 EICHELBERGER ST #F
	HANOVER, PA 17331
Phone:	(717) 630-2434
Fax:	
e-mail:	TSHULTIS@SALZMANNHUGHES.COM
Treasurer	R. SAMUEL MILLER
Address:	44 FREDERICK ST
	HANOVER, PA 17331
Phone:	(717) 637-3877
Fax:	
e-mail:	SMILLER@HANOVERBOROUGHPA.GOV

HANOVER BOROUGH STORMWATER AUTHORITY

GEOGRAPHICAL AREAS SERVED

Municipality Name

HANOVER BORO

County

YORK

HANOVER BOROUGH STORMWATER AUTHORITY
**STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDING 2019**

CURRENT ASSETS	
Cash and cash equivalents	46,704
Investments	
Receivables (net of allowance for uncollectibles)	283,229
Lease rental payments receivable (Financing authorities, only)	
Due from other governments	
Inventories	7,889
Prepays	16,761
Restricted current assets:	
Cash or cash equivalents	
Investments	
Lease rental payments receivable (Financing authorities, only)	
Intergovernmental receivables	
Other current assets	
TOTAL CURRENT ASSETS	354,583

NON-CURRENT ASSETS	
Restricted non-current assets:	
Investments	
Lease rental payments receivable (Financing authorities, only)	
Capital assets not being depreciated:	
Land	
Construction in progress	
Capital assets net of accumulated depreciation:	
Buildings and system	
Improvements other than buildings	
Furnishings, machinery and equipment	35,716
Infrastructure	
Lease rental payments receivable (Financing authorities, only)	
Other non-current assets	216,833
TOTAL NON-CURRENT ASSETS	252,549
TOTAL ASSETS	607,132

DEFERRED OUTFLOWS OF RESOURCES

Deferred amount of debt refundings	
Deferrals related to pensions	101,855
Other deferred outflows of resources	13,960
TOTAL DEFERRED OUTFLOWS OF RESOURCES	115,815
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	722,947

CURRENT LIABILITIES

Accounts payable	34,045
Accrued payroll and withholdings	33,741
Accrued interest payable	
Due to other governments	
Unearned revenue	
Funds held as fiduciary	
Debt due within one year	
Other current liabilities	
TOTAL CURRENT LIABILITIES	67,786

NON-CURRENT LIABILITIES

Debt due in more than one year	
Net pension liabilities	
Other non-current liabilities	237,057
TOTAL NON-CURRENT LIABILITIES	237,057
TOTAL LIABILITIES	304,843

DEFERRED INFLOWS OF RESOURCES

Deferred amount on debt refundings	
Deferrals related to pensions	269,269
Other deferred inflows of resources	32,839
TOTAL DEFERRED INFLOWS OF RESOURCES	302,108
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	606,951

NET POSITION

Net investment in capital assets	35,716
Restricted	
Unrestricted	80,280
TOTAL NET POSITION	115,996
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND NET POSITION	722,947

HANOVER BOROUGH STORMWATER AUTHORITY
Storm Water
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDING 2019

STORM WATER OPERATING REVENUES	
Charges for service	1,178,814
Lease rental income (Financing authorities, only)	
Operating grants:	
Federal	
State	
Local	
Other	
Contributions	
Interest income	
Assessment revenue*	
Payments in lieu of assessments*	
Program income*	
Other operating revenue	
TOTAL STORM WATER OPERATING REVENUES	1,178,814

STORM WATER OPERATING EXPENSES	
Administrative	36,207
Contracted services	185,670
Personnel services	767,358
Supplies and materials	98,165
Repairs and maintenance	20,039
Utilities	6,893
Other services and charges	
Depreciation and amortization	3,969
Fundraising*	
Program services*	
Other operating expenses	
TOTAL STORM WATER OPERATING EXPENSES	1,118,301
STORM WATER OPERATING INCOME (LOSS)	60,513

STORM WATER NONOPERATING REVENUES / (EXPENSES)	
Nonoperating grants:	
Federal	
State	

Local	18,459
Other	
Investment earnings / (losses)	1,307
Interest expense	
Gain / (loss) on sale of assets	
Other financing sources / (uses)	
Other nonoperating revenues	
Other nonoperating (expenses)	
Debt service principal and interest (expense)**	
TOTAL STORM WATER NONOPERATING REVENUES (EXPENSES)	19,766

CAPITAL CONTRIBUTIONS	35,717
CHANGE IN NET POSITION	115,996
NET POSITION - BEGINNING OF YEAR	
PRIOR PERIOD ADJUSTMENT	
STORM WATER NET POSITION - END OF YEAR	115,996

*Business/Neighborhood Improvement Districts

**see the Authorities and Non-Profits Annual Financial Report Tip Sheet available from your Start Page.

HANOVER BOROUGH STORMWATER AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDING 2019

ASSETS		
	Trust Funds	Custodial Funds
Cash and cash equivalents		
Receivables		
Investments, at fair value		
Restricted assets:		
Temporarily restricted:		
Cash, or cash equivalents		
Investments		
Intergovernmental receivables		
Permanently restricted:		
Investments		
Other assets		
TOTAL ASSETS	0	0

DEFERRED OUTFLOWS OF RESOURCES		
	Trust Funds	Custodial Funds
Other deferred outflows of resources		
TOTAL DEFERRED OUTFLOWS OF RESOURCES	0	0
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	0	0

LIABILITIES		
	Trust Funds	Custodial Funds
Accounts payable and other current liabilities		
Due to other governments		
Unearned revenue		
Debt due within one year		
Other liabilities		
TOTAL LIABILITIES	0	0

DEFERRED INFLOWS OF RESOURCES		
	Trust Funds	Custodial Funds
Other deferred inflows of resources		
TOTAL DEFERRED INFLOWS OF RESOURCES	0	0
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	0	0

NET POSITION

	Trust Funds	Custodial Funds
Assets held in trust for pension/other postemployment benefits		
Other		
TOTAL NET POSITION	0	0
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	0	0

HANOVER BOROUGH STORMWATER AUTHORITY
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDING 2019**

ADDITIONS		
Contributions		
	Trust Funds	Custodial Funds
Employer		
Plan members		
Private donations		
Other		
TOTAL CONTRIBUTIONS	0	0
Investment Earnings		
	Trust Funds	Custodial Funds
Interest		
Net increase / (decrease) in the fair value of investments		
Other		
TOTAL INVESTMENT EARNINGS	0	0
	Trust Funds	Custodial Funds
Less investment expenses		
TOTAL ADDITIONS	0	0
DEDUCTIONS		
	Trust Funds	Custodial Funds
Benefits		
Administrative expenses		
Other		
TOTAL DEDUCTIONS	0	0
NET POSITION		
	Trust Funds	Custodial Funds
CHANGE IN NET POSITION	0	0
NET POSITION - BEGINNING OF YEAR	0	0
PRIOR PERIOD ADJUSTMENT		
NET POSITION - END OF YEAR	0	0

**DEBT STATEMENT
FISCAL YEAR ENDING 2019**

Purpose	Issuance Type	Issue Year (YYYY)	Maturity Year (YYYY)	Original Amount of Issue	Outstanding Beginning of Year	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End
Total Bonds and Notes Outstanding									\$0
Capitalized Lease Obligations									
Plus (Less) Unamortized Premium (Discount)									
NET DEBT									\$0

SIGNATURE AND VERIFICATION

I certify that the foregoing information is correct and complete for the 2019 municipal Authority's fiscal year.

Name: Hamilton & Musser, PC, CPAs

Title: Appointed Auditor/CPA

Phone: (717) 697-3888