

BOROUGH OF BROOKVILLE

Brookville, Pennsylvania

December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

Honorable Borough Council
Borough of Brookville
Brookville, PA 15825

Members of Council:

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Borough of Brookville, Pennsylvania, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1, this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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.

Auditor's Responsibility

Our responsibility is to express opinions 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.

MEMBER:

*American Institute of Certified Public Accountants
Pennsylvania Institute of Certified Public Accountants*

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Borough of Brookville, Pennsylvania, as of December 31, 2014, and the respective changes in modified cash basis financial position and the respective budgetary comparison for the governmental funds, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Brookville, PA's basic financial statements. The combining and individual nonmajor fund financial statements, and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the other supplemental information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the other supplemental information are fairly stated, in all material respects in relation to the basic financial statements as a whole.

The Borough of Brookville, Pennsylvania, has not presented the management's discussion and analysis that the Governmental Accounting Standards Board requires to supplement, although not to be a part of, the basic financial statements.

Mauthe, Yutzey, Gabler & Troxell, LLC
Mauthe, Yutzey, Gabler & Troxell, LLC
Certified Public Accountants
September 21, 2015

BOROUGH OF BROOKVILLE

STATEMENT OF NET POSITION - CASH BASIS

December 31, 2014

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 1,475,944
Due from Brookville Municipal Authority	<u>4,039</u>
Total Assets	<u><u>\$ 1,479,983</u></u>
 <u>LIABILITIES</u>	
Developer Escrow	\$ 1,200
Payroll Withholdings and Deductions	<u>54,832</u>
Total Liabilities	<u><u>\$ 56,032</u></u>
 <u>NET POSITION</u>	
Restricted	\$ 173,471
Unrestricted	<u>1,250,480</u>
Total Net Position	<u><u>1,423,951</u></u>
Total Liabilities and Net Position	<u><u>\$ 1,479,983</u></u>

The accompanying notes are an integral part of the financial statements

BOROUGH OF BROOKVILLE

STATEMENT OF ACTIVITIES - CASH BASIS

For The Year Ended December 31, 2014

<u>Functions/Programs</u>	<u>Expenditures</u>	<u>Program Revenues</u>			<u>Net (Expenditures) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
General Government	\$ 424,320	\$ 222,010	\$	\$	(202,310)
Public Safety	809,491	93,889	21,836		(693,766)
Public Works	1,147,639	7,965	121,965		(1,017,709)
Culture and Recreation	37,261	1,675			(35,586)
Debt Service	22,179				(22,179)
Total Governmental Activities	\$ 2,440,890	\$ 325,539	\$ 143,801	\$ - 0 -	(1,971,550)
General Revenues:					
Taxes:					
Real Estate					915,127
Occupation and Per Capita					17,394
Local Earned Income					345,608
Local Services Tax					152,911
Other Enabling Taxes					46,433
Permits and Fees					50,101
Grants, Subsidies and Contributions					83,547
Parking Lot Revenues					63,629
Miscellaneous Income					1,516
Total General Revenues					1,676,266
Change in Net Position					(295,284)
Net Position - January 1, 2014					1,719,235
Net Position - December 31, 2014					\$ 1,423,951

The accompanying notes are an integral part of the financial statements

BOROUGH OF BROOKVILLE

BALANCE SHEET - CASH BASIS

GOVERNMENTAL FUNDS

December 31, 2014

	<u>General Fund</u>	<u>Capital Projects Fund</u>	Permanent Fund - Walter Dick Park <u>Endowment Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 828,750	\$ 404,833	\$ 118,287	\$ 124,074	\$ 1,475,944
Due from Brookville Municipal Authority	4,039				4,039
Due from Other Funds	14,217			22,967	37,184
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 847,006</u>	<u>\$ 404,833</u>	<u>\$ 118,287</u>	<u>\$ 147,041</u>	<u>\$ 1,517,167</u>
<u>LIABILITIES</u>					
Developer Escrow	\$ 1,200	\$	\$	\$	\$ 1,200
Due to Other Funds	22,756	14,190		238	37,184
Payroll Withholdings and Deductions	54,832				54,832
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>78,788</u>	<u>14,190</u>	<u>- 0 -</u>	<u>238</u>	<u>93,216</u>
<u>FUND BALANCE</u>					
Non-Spendable			115,645		115,645
Restricted			2,642	55,184	57,826
Committed		390,643			390,643
Assigned				91,619	91,619
Unassigned	768,218				768,218
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balance	<u>768,218</u>	<u>390,643</u>	<u>118,287</u>	<u>146,803</u>	<u>1,423,951</u>
Total Liabilities and Fund Balance	<u>\$ 847,006</u>	<u>\$ 404,833</u>	<u>\$ 118,287</u>	<u>\$ 147,041</u>	<u>\$ 1,517,167</u>

The accompanying notes are an integral part of the financial statements

BOROUGH OF BROOKVILLE

STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES - CASH BASIS

GOVERNMENTAL FUNDS

For The Year Ended December 31, 2014

	General Fund	Capital Projects Fund	Permanent Fund - Walter Dick Park Endowment Fund	Non-Major Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 1,315,611	\$	\$	\$ 161,862	\$ 1,477,473
Licenses, Permits and Fees	61,738				61,738
Grants, Gifts and Intergovernmental Revenues	111,787			115,561	227,348
Fines, Forfeits and Costs	63,342				63,342
Charges for Services	91,288				91,288
Other Revenues	223,458	1	880	78	224,417
Total Revenues	1,867,224	1	880	277,501	2,145,606
Expenditures:					
General Government	421,594			2,726	424,320
Public Safety	704,707	29,003		75,781	809,491
Public Works	671,179	320,170		156,290	1,147,639
Culture and Recreation	20,836			16,425	37,261
Debt Service	1,052			21,127	22,179
Total Expenditures	1,819,368	349,173	- 0 -	272,349	2,440,890
Excess (Deficiency) of Revenues Over Expenditures	47,856	(349,172)	880	5,152	(295,284)
Transfers - Net	(723,802)	722,373	- 0 -	1,429	- 0 -
Excess (Deficiency) of Revenues Over Expenditures and Transfers	(675,946)	373,201	880	6,581	(295,284)
Fund Balance, January 1, 2014	1,444,164	17,442	117,407	140,222	1,719,235
Fund Balance, December 31, 2014	\$ 768,218	\$ 390,643	\$ 118,287	\$ 146,803	\$ 1,423,951

The accompanying notes are an integral part of the financial statements

BOROUGH OF BROOKVILLE

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - ACTUAL AND BUDGET - CASH BASIS

For The Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes:				
Real Estate and Occupation Taxes:				
Current Real Estate	\$ 687,500	\$ 687,500	\$ 681,135	\$ (6,365)
Delinquent Real Estate	42,400	42,400	72,826	30,426
Current Occupation	3,250	3,250	3,001	(249)
Delinquent Occupation	450	450	504	54
	<hr/>	<hr/>	<hr/>	<hr/>
Total Real Estate and Occupation Taxes	733,600	733,600	757,466	23,866
	<hr/>	<hr/>	<hr/>	<hr/>
Local Enabling Taxes:				
Current Per Capita	12,000	12,000	8,653	(3,347)
Delinquent Per Capita	2,200	2,200	4,540	2,340
Local Services	129,000	129,000	152,911	23,911
Earned Income	325,000	325,000	345,608	20,608
Mechanical Devices	2,800	2,800	180	(2,620)
Real Estate Transfer	26,500	26,500	46,253	19,753
	<hr/>	<hr/>	<hr/>	<hr/>
Total Local Enabling Taxes	497,500	497,500	558,145	60,645
	<hr/>	<hr/>	<hr/>	<hr/>
Total Taxes	1,231,100	1,231,100	1,315,611	84,511
	<hr/>	<hr/>	<hr/>	<hr/>
Licenses, Permits and Fees:				
Health Licenses	3,500	3,500	3,683	183
TV Cable Franchise Fee	45,000	45,000	50,101	5,101
Street Cutting Permits	1,000	1,000	1,650	650
Miscellaneous Permits	2,250	2,250	6,304	4,054
	<hr/>	<hr/>	<hr/>	<hr/>
Total Licenses, Permits and Fees	51,750	51,750	61,738	9,988
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The accompanying notes are an integral part of the financial statements

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - ACTUAL AND BUDGET - CASH BASIS

Page 2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Grants, Gifts and Intergovernmental Revenues:				
Foreign Fire Insurance	23,000	23,000	21,836	(1,164)
State Aid for Pension	61,450	61,450	81,347	19,897
Penn DOT - Snow Removal	1,700	1,700	- 0 -	(1,700)
Public Utility Realty Tax	1,950	1,950	- 0 -	(1,950)
Alcoholic Beverage Taxes	2,500	2,500	2,200	(300)
Pine Creek Township/Evans Street Act 13 Impact Fees	1,100	- 0 -	- 0 -	- 0 -
Emergency Disaster Relief - FEMA	8,300	8,300	4,358	(3,942)
	- 0 -	- 0 -	2,046	2,046
Total Grants, Gifts and Intergovernmental Revenues	100,000	98,900	111,787	12,887
Fines, Forfeits and Costs:				
Semi-Annual State Police Fines	4,500	5,600	- 0 -	(5,600)
Magistrate Revenues	43,000	43,000	30,591	(12,409)
Clerk of Courts Revenues	2,700	2,700	11,864	9,164
Court DUI Revenues	9,000	9,000	1,965	(7,035)
Parking Meter Fines	11,000	11,000	13,156	2,156
Traffic Violations - Local Police Fines	2,700	2,700	5,766	3,066
Total Fines, Forfeits and Costs	72,900	74,000	63,342	(10,658)
Charges for Services:				
Zoning, Subdivision, and Code Enforcement	4,350	4,450	11,788	7,338
Police Services	19,300	19,200	15,076	(4,124)
Parking Lots and Meters	38,300	38,300	52,816	14,516
Recreation Revenue	150	150	795	645
Other Charges for Supplies and Services	1,000	1,000	10,813	9,813
Total Charges for Services	63,100	63,100	91,288	28,188

The accompanying notes are an integral part of the financial statements

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - ACTUAL AND BUDGET - CASH BASIS

Page 3

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other Revenues:				
Interest Income	1,350	1,350	1,448	98
Rents - Borough Complex	235,070	235,070	222,010	(13,060)
Total Other Revenues	236,420	236,420	223,458	(12,962)
Total Revenues	1,755,270	1,755,270	1,867,224	111,954
Expenditures:				
General Government:				
Legislative Body:				
Council Salaries	4,200	4,200	5,400	(1,200)
Other Operating Expenditures	2,000	150	168	(18)
Total Legislative Body	6,200	4,350	5,568	(1,218)
Executive:				
Salary - Borough Manager	28,000	28,000	21,523	6,477
Salary - Staff	23,570	28,000	23,952	4,048
Other Compensation	2,500	24,727	8,738	15,989
Social Security/Medicare	55,720	72,200	44,915	27,285
Employee Benefits	239,260	39,690	18,259	21,431
Bonding	1,000	1,000	535	465
Other Costs	1,950	500	3,992	(3,492)
Total Executive	352,000	194,117	121,914	72,203
Financial Administration:				
Audit Fees	13,600	13,600	13,950	(350)
Other	- 0 -	600	- 0 -	600
Total Financial Administration	13,600	14,200	13,950	250
Tax Collection:				
Collector's Commission	10,500	9,850	10,503	(653)
Other Operating Expenditures	3,450	3,550	3,545	5
Berkheimer EIT Commission	- 0 -	- 0 -	6,057	(6,057)
Total Tax Collection	13,950	13,400	20,105	(6,705)

The accompanying notes are an integral part of the financial statements

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - ACTUAL AND BUDGET - CASH BASIS

Page 4

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Solicitor/Legal Services:				
Legal Services	15,000	15,000	15,781	(781)
Ordinance Codification	2,000	2,000	3,064	(1,064)
Advertising Costs	1,800	1,800	1,636	164
Total Solicitor/Legal Services	<u>18,800</u>	<u>18,800</u>	<u>20,481</u>	<u>(1,681)</u>
General Government Administration:				
Office Supplies	1,750	3,550	3,966	(416)
Telephone	7,250	6,750	2,149	4,601
Travel	- 0 -	1,000	1,980	(980)
Insurance/Liability	89,500	1,000	12,268	(11,268)
Dues and Conventions	9,500	8,000	6,802	1,198
Employee Pension	61,450	61,450	61,497	(47)
Other Expenditures	3,800	1,700	2,833	(1,133)
Total General Government Administration	<u>173,250</u>	<u>83,450</u>	<u>91,495</u>	<u>(8,045)</u>
IT-Networking Services:				
Contracted Services	- 0 -	20,500	13,642	6,858
Supplies and Maintenance	800	3,800	824	2,976
Total IT-Networking Services	<u>800</u>	<u>24,300</u>	<u>14,466</u>	<u>9,834</u>
Engineer Services:				
Professional Services	3,400	3,400	15,254	(11,854)
General Government Buildings:				
Cleaning and Maintenance	12,700	3,150	5,550	(2,400)
Utilities and Telephone	60,835	46,583	52,483	(5,900)
Insurance	595	5,095	3,862	1,233
Buildings - Repairs and Maintenance	63,000	40,000	46,652	(6,652)
Property Taxes	9,400	9,400	9,814	(414)
Total General Government Buildings	<u>146,530</u>	<u>104,228</u>	<u>118,361</u>	<u>(14,133)</u>
Total General Government	<u>728,530</u>	<u>460,245</u>	<u>421,594</u>	<u>38,651</u>

The accompanying notes are an integral part of the financial statements

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - ACTUAL AND BUDGET - CASH BASIS

Page 5

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Public Safety:				
Police:				
Salaries and Wages	369,286	384,700	370,978	13,722
Other Compensation	21,485	50,585	74,623	(24,038)
Employee Benefits	4,500	113,723	119,258	(5,535)
Employee Pension	- 0 -	- 0 -	28,891	(28,891)
Insurance/Liability	30,800	49,500	13,584	35,916
Office Supplies and Expenditures	5,050	6,000	6,442	(442)
Special Program Expenditures	20,845	20,745	682	20,063
Other Operating Expenditures	48,474	38,180	40,838	(2,658)
Total Police	<u>500,440</u>	<u>663,433</u>	<u>655,296</u>	<u>8,137</u>
Fire Protection:				
Insurance - Workers Comp.	- 0 -	- 0 -	11,227	(11,227)
Firemen's Relief Fund	25,500	25,500	21,836	3,664
Total Fire Protection	<u>25,500</u>	<u>25,500</u>	<u>33,063</u>	<u>(7,563)</u>
UCC and Code Enforcement:				
Salary - Code Officer	15,600	15,600	4,620	10,980
Enforcement/Inspection Costs	2,350	1,350	6,506	(5,156)
Total UCC and Code Enforcement	<u>17,950</u>	<u>16,950</u>	<u>11,126</u>	<u>5,824</u>
Planning and Zoning:				
Professional Services	- 0 -	1,000	400	600
Other Operating Expenditures	1,750	1,750	1,758	(8)
Total Planning and Zoning	<u>1,750</u>	<u>2,750</u>	<u>2,158</u>	<u>592</u>
Emergency Management:				
Communications	200	350	- 0 -	350
Other Public Safety:				
Salary - Health Inspector	2,000	2,000	2,000	- 0 -
Inspection Costs	- 0 -	200	64	136
Solid Waste Collection	1,000	1,000	1,000	- 0 -
Total Other Public Safety	<u>3,000</u>	<u>3,200</u>	<u>3,064</u>	<u>136</u>
Total Public Safety	<u>548,840</u>	<u>712,183</u>	<u>704,707</u>	<u>7,476</u>

The accompanying notes are an integral part of the financial statements

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - ACTUAL AND BUDGET - CASH BASIS

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Public Works:				
General Services:				
Salaries and Wages	304,482	308,650	263,295	45,355
Other Compensation	28,600	42,750	72,877	(30,127)
Employee Benefits	3,100	102,276	108,939	(6,663)
Insurance	- 0 -	28,250	8,967	19,283
Vehicle Supplies and Repairs	27,750	29,100	30,028	(928)
Utilities	10,215	16,350	6,434	9,916
Other Operating Expenditures	5,810	7,325	9,110	(1,785)
Total General Services	<u>379,957</u>	<u>534,701</u>	<u>499,650</u>	<u>35,051</u>
Cleaning Streets and Gutters:				
Equipment Rental	<u>8,000</u>	<u>8,000</u>	<u>8,754</u>	<u>(754)</u>
Winter Maintenance:				
Small Tools and Equipment	1,500	500	1,576	(1,076)
Snow Removal Supplies	<u>37,500</u>	<u>37,000</u>	<u>50,455</u>	<u>(13,455)</u>
Total Winter Maintenance	<u>39,000</u>	<u>37,500</u>	<u>52,031</u>	<u>(14,531)</u>
Traffic Control Devices:				
Utility - Electric	4,750	7,000	6,614	386
Materials and Supplies	<u>15,000</u>	<u>5,500</u>	<u>962</u>	<u>4,538</u>
Total Traffic Control Devices	<u>19,750</u>	<u>12,500</u>	<u>7,576</u>	<u>4,924</u>
Sidewalks and Crosswalks:				
Line Painting - Maintenance	<u>7,000</u>	<u>7,000</u>	<u>15,618</u>	<u>(8,618)</u>
Repairs of Tools and Machinery:				
Vehicle Parts and Repairs	27,000	18,000	35,625	(17,625)
Parking Meter Supplies	<u>2,450</u>	<u>2,000</u>	<u>917</u>	<u>1,083</u>
Total Repairs of Tools and Machinery	<u>29,450</u>	<u>20,000</u>	<u>36,542</u>	<u>(16,542)</u>
Highway Construction Projects:				
Street Maintenance	<u>67,064</u>	<u>42,000</u>	<u>48,838</u>	<u>(6,838)</u>

The accompanying notes are an integral part of the financial statements

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - ACTUAL AND BUDGET - CASH BASIS

Page 7

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Storm Water - Flood Control: Maintenance	<u>- 0 -</u>	<u>3,000</u>	<u>2,170</u>	<u>830</u>
Total Public Works	<u>550,221</u>	<u>664,701</u>	<u>671,179</u>	<u>(6,478)</u>
Culture and Recreation: Participant Recreation:				
Salary - Staff	<u>13,700</u>	<u>13,700</u>	<u>10,560</u>	<u>3,140</u>
Other Supplies	<u>- 0 -</u>	<u>- 0 -</u>	<u>327</u>	<u>(327)</u>
Total Participant Recreation	<u>13,700</u>	<u>13,700</u>	<u>10,887</u>	<u>2,813</u>
Parks:				
Repairs and Maintenance	<u>7,500</u>	<u>2,000</u>	<u>6,995</u>	<u>(4,995)</u>
Sanitation Supplies	<u>2,400</u>	<u>2,400</u>	<u>1,878</u>	<u>522</u>
Utility - Electric	<u>- 0 -</u>	<u>- 0 -</u>	<u>1,076</u>	<u>(1,076)</u>
Total Parks	<u>9,900</u>	<u>4,400</u>	<u>9,949</u>	<u>(5,549)</u>
Total Culture and Recreation	<u>23,600</u>	<u>18,100</u>	<u>20,836</u>	<u>(2,736)</u>
Debt Service:				
Principal on Equipment Loan	<u>- 0 -</u>	<u>- 0 -</u>	<u>110</u>	<u>(110)</u>
Interest on Equipment Loan	<u>3,750</u>	<u>1,300</u>	<u>942</u>	<u>358</u>
Total Debt Service	<u>3,750</u>	<u>1,300</u>	<u>1,052</u>	<u>248</u>
Total Expenditures	<u>1,854,941</u>	<u>1,856,529</u>	<u>1,819,368</u>	<u>37,161</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(99,671)</u>	<u>(101,259)</u>	<u>47,856</u>	<u>149,115</u>

The accompanying notes are an integral part of the financial statements

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - ACTUAL AND BUDGET - CASH BASIS

Page 8

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other Financing Uses:				
Interfund Operating Transfers:				
Transfer to Capital Projects	- 0 -	- 0 -	(722,373)	(722,373)
Transfer to Liquid Fuels	- 0 -	- 0 -	(1,429)	(1,429)
Total Transfers (Net)	<u>- 0 -</u>	<u>- 0 -</u>	<u>(723,802)</u>	<u>(723,802)</u>
Excess (Deficiency) of Revenues over Expenditures and Transfers	<u>\$ (99,671)</u>	<u>\$ (101,259)</u>	(675,946)	<u>\$ (574,687)</u>
Fund Balance, January 1, 2014			<u>1,444,164</u>	
Fund Balance, December 31, 2014			<u>\$ 768,218</u>	

The accompanying notes are an integral part of the financial statements

BOROUGH OF BROOKVILLE

CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - ACTUAL AND BUDGET - CASH BASIS

For The Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Other Revenues:				
Interest Income	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 1</u>	<u>\$ (599)</u>
Expenditures:				
Public Safety:				
Purchase of Police Vehicle	<u>35,000</u>	<u>35,000</u>	<u>29,003</u>	<u>5,997</u>
Public Works:				
Traffic Signal Projects	- 0 -	37,160	- 0 -	37,160
Machinery and Equipment	88,000	124,000	87,435	36,565
Street Improvement Projects	- 0 -	160,000	232,735	(72,735)
Total Public Works	<u>88,000</u>	<u>321,160</u>	<u>320,170</u>	<u>990</u>
Culture and Recreation:				
Rails to Trails Projects	13,425	6,925	- 0 -	6,925
Park Projects	- 0 -	26,276	- 0 -	26,276
Total Culture and Recreation	<u>13,425</u>	<u>33,201</u>	<u>- 0 -</u>	<u>33,201</u>
Total Expenditures	<u>136,425</u>	<u>389,361</u>	<u>349,173</u>	<u>40,188</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(135,825)</u>	<u>(388,761)</u>	<u>(349,172)</u>	<u>39,589</u>
Transfer from General Fund	<u>422,223</u>	<u>315,861</u>	<u>722,373</u>	<u>406,512</u>
Excess (Deficiency) of Revenues Over Expenditures and Transfers	<u>\$ 286,398</u>	<u>\$ 72,900</u>	373,201	<u>\$ 446,101</u>
Fund Balance, January 1, 2014			<u>17,442</u>	
Fund Balance, December 31, 2014			<u>\$ 390,643</u>	

The accompanying notes are an integral part of the financial statements

BOROUGH OF BROOKVILLE

PERMANENT FUND - WALTER DICK PARK ENDOWMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - ACTUAL AND BUDGET - CASH BASIS

For The Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Other Revenues:				
Interest Income	\$ 1,285	\$ 1,285	\$ 880	\$ (405)
Expenditures:				
Culture and Recreation:				
Participant Recreation	<u>1,974</u>	<u>1,974</u>	<u>- 0 -</u>	<u>1,974</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (689)</u>	<u>\$ (689)</u>	880	<u>\$ 1,569</u>
Fund Balance, January 1, 2014			<u>117,407</u>	
Fund Balance, December 31, 2014			<u>\$ 118,287</u>	

The accompanying notes are an integral part of the financial statements

BOROUGH OF BROOKVILLE

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

Note 1 - Summary of Significant Accounting Policies

The following is a summary of significant accounting policies of the Borough of Brookville.

Government

The Borough of Brookville is organized under the Mayor-Council form of government, with seven members of Council. The Mayor and Council Members are elected to four-year terms by the residents of the Borough, with council terms staggered. The Council is responsible for setting policy, enacting ordinances, adopting the annual operation budget, and establishing tax rates.

Basis of Presentation

As discussed further in Note 1, these financial statements are presented on a cash basis of accounting. They include only the funds and activities of the Borough of Brookville. The Brookville Municipal Authority, which is an operating water and sewer authority incorporated by the Borough of Brookville under the Municipal Authorities Act of 1945, as amended, is not considered a component unit of the Borough of Brookville. The financial activity of the Municipal Authority has not been included in the financial statements of the Borough. Separate financial statements are issued for the Brookville Municipal Authority.

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the Borough as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Borough of Brookville does not have any business-type activities to be reported on the government-wide financial statements.

Fund Financial Statements

Fund financial statements of the government are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. The Borough of Brookville's funds are organized into one major category (governmental funds). The Borough presently has no proprietary (business-type) or fiduciary funds. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Borough (the General Fund) or the fund's assets, liabilities, revenues, or expenditures are at least 10 percent of the total for all funds of the governmental fund category, or the fund is considered to be of special importance that reporting as a major fund is considered appropriate. The Borough considers the General Fund, the Capital Projects Fund, and Walter Dick Park Endowment Fund to be major funds.

The funds of the Borough of Brookville as included in these financial statements are described below:

Governmental Funds

General Fund - The General Fund is the primary operating fund of the Borough and is always classified as a major fund. It is used to account for and report all activities of the Borough except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The primary government includes the following Special Revenue Funds, all of which are reported as nonmajor funds:

Liquid Fuel Fund - Accounts for revenues received from the Commonwealth of Pennsylvania from the State Liquid Fuels Tax Fund and the related expenditures for building, improving or maintaining local roads and bridges.

Street Light Fund - Accounts for local tax revenues and expenditures to provide street lighting within the Borough.

Fire Protection Fund - Accounts for local tax revenues and expenditures to provide fire protection services to the Borough.

Library Fund - Accounts for local tax revenues and expenditures to assist the local library to provide services to the residents of the Borough.

Capital Projects Fund - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned for the acquisition or construction of specific capital projects or items. The Borough of Brookville has one Capital Projects Fund which accounts for contributions and specific revenues and transfers from the Borough's General Fund and expenditures for various capital acquisitions as the Borough Council may designate. The fund is reported as a major fund.

Permanent Fund - Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government programs. The Borough of Brookville has one Permanent Fund, the Walter Dick Park Endowment Fund, which accounts for contributions and other revenues to be used to provide funds for the maintenance and upkeep of the Walter Dick Memorial Park. This fund is reported as a major fund.

Measurement Focus and Basis of Accounting

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. The operating statements present sources and uses of available spendable resources during a given period.

Both the government-wide financial statements (Statement of Net Position and the Statement of Activities) and the fund financial statements (Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances, all governmental funds) are presented using the cash basis of accounting. This basis recognizes assets, liabilities, net position/fund balance, revenues and expenditures when they result from cash transactions. This basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenues for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statement. Fixed assets and infrastructure are not capitalized and no provision has been made for depreciation in the government-wide financial statements. Outside debt and other long-term liabilities have not been recognized in the government-wide Statement of Net Position and the fund financial statements.

Since both the government-wide financial statements and the fund financial statements are prepared on the cash basis of accounting, there are no reconciliation statements necessary for the Balance Sheet to the Statement of Net Position nor for the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities as would be necessary under accounting principles generally accepted in the United States of America.

Budgets and Budgetary Accounting

Budgets are adopted annually by the Borough Council for all governmental funds, using the cash basis of accounting. Any transfers or revisions of budgeted amounts must be approved by Borough Council, and unused appropriations of all funds lapse at the end of the year.

Cash and Cash Equivalents

The deposit and investment policy of the Borough adhere to state statutes. There were no deposits or investment transactions during the year that were in violation of either state statutes or the policy of the Borough.

Custodial credit risk related to deposits is risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a deposit policy for custodial credit risk. Deposits for all accounts are insured to the maximum limit as provided by law and amounts in excess of the insured amount must be collateralized under Act 72 as provided by law. At year-end, \$1,032,800 of the Borough's bank balance of \$1,456,271 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Borough's name.

Reconciliation to Financial Statements

Uncollateralized amount above	\$ 1,032,800
Plus: Insured amount	423,471
Less: Outstanding checks	(12,177)
Add: Deposits in transit	<u>31,850</u>
Carrying amount – cash and cash equivalents	<u>\$ 1,475,944</u>

Included in the cash and cash equivalents balance of \$1,475,944 are the following items:

Bank Certificates of Deposit	6 - 12 months	\$ 395,491
Pennsylvania Local Government Investment Trust Accounts (PLGIT)		<u>4,451</u>
Total Cash Equivalents		<u>\$ 399,942</u>

The Pennsylvania Local Government Investment Trust (PLGIT) is governed by a Board of Trustees each of whom is an active local government or Borough official. The Board monitors the Trust and its investments. The allowable investments of the Trust consists of obligations of the United States Government or its agencies or instrumentalities; the Commonwealth of Pennsylvania or its agencies, instrumentalities or political subdivision; and deposits in savings accounts or time deposits of institutions fully insured by the Federal Deposit Insurance Corporation and, when required, collateralized under the provisions of Act 72 (P.L. 181, No. 72 as amended).

The Borough does not have an investment policy for credit risk.

Property Taxes

Real estate property taxes for 2014 were levied in March of 2014, and payment dates were as follows:

Face less 2% discount - 60 days from levy date (3-3-14 to 5-5-14)
At face - 61 days to 120 days from levy date (5-6-14 to 7-8-14)
Face plus 10% penalty - after 120 days from levy date (after 7-8-14)

Unpaid current year property taxes of \$40,199 were returned by the Borough's elected tax collector to the Jefferson County Tax Claim Bureau during January, 2015.

Total adjusted market value of taxable real estate for 2014 was \$82,710,340. The total tax assessed against this value was \$902,784 or 10.915 mills on the market value, for which 8.99 mills was designated for general purposes, .60 mill for street lighting, 1.10 mills for fire protection and .225 mill for library support.

Other Taxes

The Borough also imposes a \$5.00 per capita tax, a \$47.00 local services tax, an occupation tax of 36 mills on assessed value of \$157,320, a one-half percent earned income tax and a one-half percent real estate transfer tax.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Borough. Appropriations lapse at year-end, and any encumbrances outstanding would need to be reappropriated in the following year.

Subsequent Events

Management has evaluated subsequent events through September 21, 2015, the date the financial statements were available.

Compensated Absences

Employees earn vacation based upon years of continuous service to the Borough. Vacation time earned is to be used during the year earned unless the demands of the work schedule prohibit the employee from using the vacation, in which case the vacation time may be carried over for one year with the consent of the Borough or payment in lieu of vacation may be made.

Employees also earn twelve days of sick leave annually, which may be accumulated up to a maximum of 104 days for non-uniformed employees and 180 days for uniformed employees. Sick leave must be used during employment with the Borough. Termination of employment also terminates any accumulated sick leave, except for uniformed employees who meet certain qualifications, in which case 1/8 to 1/4 of total accumulated sick days will be paid at their current annual salary.

The cost of vacation and sick leave is recognized when payment is made to the employee. No provision has been made to record accumulated cost of unused vacation or sick leave as of December 31, 2014.

Note 2 - Due from/to Other Fund

Due from/to Other Funds of \$37,183.30 consists of the following:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Purpose</u>
General	Street Light	\$ 7,032.08	Properly Allocate Tax Revenues
General	Fire Protection	13,111.55	Properly Allocate Tax Revenues
General	Library	2,611.64	Properly Allocate Tax Revenues
Fire Protection	Library	211.05	Correct Payroll Transfers
Street Light	General	8.35	Correct Payroll Transfers
Fire Protection	General	15.27	Correct Payroll Transfers
Library	General	3.80	Correct Payroll Transfers
Capital Projects	General	<u>14,189.56</u>	Correct Deposit made in Error
		<u>\$ 37,183.30</u>	

Note 3 - Due from Brookville Municipal Authority

Due from Brookville Municipal Authority of \$4,038.94 represents amounts due to the General Fund from the Brookville Municipal Authority to reimburse for joint costs of shared employees.

Note 4 - Pension Plans

Borough employees are eligible to participate in one of two separate pension plans. All full-time uniformed employees of the Borough are eligible to participate in the Police Pension Plan and non-uniformed employees participate in the State administered Municipal Retirement System.

Police Pension Plan

The Borough of Brookville Police Pension Plan is a single employer defined benefit pension plan administered through the Pennsylvania State Association of Boroughs Municipal Retirement Trust. The Plan was established by Ordinance No. 471, effective January 1, 1985 and amended and restated by Ordinance No. 984, effective January 1, 1996. The plan was restated effective December 1, 2013. Disclosures required by the Governmental Accounting Standards Board are included in a separately issued financial report, which can be obtained by contacting the Borough of Brookville.

The Plan covers all full-time police officers of the Borough and provides various retirement, disability and death benefits to plan members and their beneficiaries. During the year ended December 31, 2014 members contributed 1.03 percent of compensation to the plan. The minimum municipal obligation for the plan year 2014 was \$28,891 which was fully funded by the Borough of Brookville.

Based upon the January 1, 2013 Act 205 Actuarial Valuation Report, updated to roll forward to the plan's fiscal year ending December 31, 2014, the total pension liability was \$1,877,985, the plan fiduciary net position was \$2,359,826 and the plan net pension liability was (\$481,841) (excess funding). The plan fiduciary net position as a percentage of the total pension liability was 125.7%.

Municipal Retirement Plan

The Borough maintains a single-employer defined benefit pension plan controlled by the provisions of Ordinance No. 1016 adopted pursuant to Act 15 and amended by Ordinance No. 1055, effective September 1, 2007. The plan participates in the Pennsylvania Municipal Retirement System (PMRS) which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. The plans assets with PMRS are pooled for investment purposes and, therefore, do not represent specific identifiable investment securities. Disclosures required by the Governmental Accounting Standards Board are included in PMRS's separately issued Comprehensive Annual Financial Report, which can be obtained by contacting the PMRS accounting office.

The plan covers substantially all full-time non-uniformed employees and provides retirement, disability and death benefits to plan members and their beneficiaries. Members are required to contribute 3.50 percent of compensation to the plan, and may contribute an additional percentage, with the total not to exceed 15 percent of the member's compensation.

Based upon the January 1, 2013 Act 205 Actuarial Valuation Report, the actuarial value of plan assets was \$2,287,372, the actuarial accrued liability was \$2,454,705, and the plan had an unfunded accrued liability of \$167,333.

The minimum municipal obligation for the plan year 2014 was \$61,497 which was fully funded by the Borough of Brookville. The Borough has fully funded the minimum municipal obligation for the past 10 years.

State Aid for Pensions

During 2014, the Borough received \$81,347 from the Commonwealth of Pennsylvania for the allocation of General Municipal Pension System State Aid. The total amount received was deposited into the Borough sponsored pension plans as detailed above.

Note 5 - Long-Term Debt

Public Works Vehicle

The Borough purchased a new 2011 International Dump Truck and heavy duty 10' dump body during 2010 for a total cost of \$113,337.19. A down-payment of \$13,353.19 was made from the Capital Projects Fund and the balance of \$99,984.00 was paid through a loan from S&T Bank. The loan is dated June 17, 2010 and matures June 15, 2015. Payments on the note are to be 20 quarterly payments of \$5,544.64 beginning September 16, 2010, which includes interest calculated on the unpaid principal balance at a fixed rate of 3.970 percent per annum.

Interest of \$941.91 was paid on the note during the current year along with principal of \$21,236.65. The payments were made out of the Liquid Fuels Fund in the amount of \$21,126.73 (principal on the note) and the General Fund in the amount of \$1,051.83 (principal of \$109.92 and interest of \$941.91). The outstanding balance on the note as of December 31, 2014 is \$9,911.53. The loan will be fully repaid in 2015.

Note 6 - Fire Protection

By agreement between the Borough and the Brookville Volunteer Fire Company dated January 6, 1992, the Borough recognized the Fire Company as the only fire company to receive tax millage for fire protection from the Borough. The Fire Company was to purchase real estate and construct a fire hall to house all fire equipment, as well as provide for equipment needs in the immediate future. The Borough appropriated tax revenues of 3 mills for fire protection and 1 mill for general purposes (a total of 4 mills), which was amended in 2005 to adjust for change in the rate of tax assessment to 1.1 mill for fire protection and .3 mill for general purposes (a total 1.4 mills). The Fire Company was to use \$38,000 of the tax revenues for retirement of debt incurred for the acquisition of real estate and construction of the fire hall, and the balance of tax revenue was to be used for operational costs of providing fire protection, including maintenance, upkeep, repair and replacement of the fire hall and equipment, including insurance, utilities and fuel. The term of the agreement was for 15 years.

A new agreement between the Borough and the Brookville Volunteer Fire Company dated January 31, 2007 continued to recognize the Brookville Volunteer Fire Company as the only fire company to receive tax millage for fire protection from the Borough. The Borough will appropriate annually the amount of money generated from 1.10 mills of tax on real estate and 3.00 mills of tax on all occupations within the Borough. The Borough transferred a total of \$75,781 to the Brookville Volunteer Fire Company from the Borough's Fire Protection Fund during 2014.

Note 7 - Permanent Fund – Walter Dick Park Endowment Fund

In 1997, the Borough was the recipient of a gift from a local citizen which is subject to certain restrictive conditions. This principal is permanently restricted and may not be liquidated, pledged or hypothecated in any manner. Interest, dividends or other income earned on the principal balance each year is to be allocated 20% to the restricted principal balance and 80% may be used exclusively for the maintenance and improvements of the Dr. Walter Dick Memorial Park or for any expenses reasonably related thereto and for no other purpose. In the event the Borough of Brookville materially breaches the conditions of the gift and fails to correct the breach within 60 days of written notice, then the gift will be forfeited in its entirety and the existing principal balance shall become the property of a local nonprofit organization.

A summary of restricted/non-spendable fund balance is as follows:

	<u>Restricted</u>	<u>Non-Spendable</u>
Beginning balance, January 1, 2014	\$ 1,938.32	\$ 115,469.19
Contributions received	- 0 -	- 0 -
Interest income	703.52	175.88
Disbursement for Park	<u>- 0 -</u>	<u>- 0 -</u>
Ending balance, December 31, 2014	<u>\$ 2,641.84</u>	<u>\$ 115,645.07</u>

Note 8 - Contribution from Fire Company

During 2013, the Borough received a \$55,000 contribution from the Brookville Fire Company to be used for a future purchase of a new fire truck. The money was deposited into the Borough's Fire Protection Fund and along with interest earned of \$184.10 is reflected as restricted fund balance in the Fire Protection Fund.

Note 9 - Fund Balance

The Borough has implemented the provisions of GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," which classifies fund balances based upon the relative strength of the constraints that control the purposes for which specific amounts can be spent. From the most restrictive to the least restrictive, fund balance classifications are:

1. Non-spendable – amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.
2. Restricted – amounts that are constrained for a specific purpose through restrictions of external parties or by enabling legislation.
3. Committed – amounts that are constrained for specific purposes as approved by formal action of the government's highest level of decision-making authority.
4. Assigned – amounts that are constrained for specific purposes but are neither restricted nor committed.
5. Unassigned – residual classification for the general fund, it includes all amounts that are not constrained as reported in all other classifications.

The Borough Council is the borough's highest level decision making authority. The council must approve the commitment or modification of fund balance. The Borough considers committed fund balance to be spent when expenditures have been specifically identified to release the commitment. Other classifications of fund balance can be made by the management of the Borough.

Fund Balance on the Balance Sheet – Cash Basis of all the governmental funds consists of the following:

Non-Spendable	- Principal Balance of the Walter Dick Park Endowment Fund		\$ 115,645
Restricted	- Eighty Percent Portion of Earnings in the Walter Dick Park Endowment Fund	2,642	
	- Contributed Funds for the Purchase of a Fire Truc	<u>55,184</u>	57,826
Committed	- For Capital Projects and Acquisitions		390,643
Assigned	- For Highway Re-Surfacing	7,195	
	- For Street Lighting	51,966	
	- For Fire Protection	26,662	
	- For Library Services	<u>5,796</u>	91,619
Unassigned	- General Fund		<u>768,218</u>
Total Fund Balance			<u>\$ 1,423,951</u>

Note 10 - Contingencies

The Borough participates in both state and federal grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Borough is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Note 11 - Risk Management

The Borough is exposed to various risks of loss related to limited torts, theft, damage or destruction of assets; errors and omissions and natural disasters for which the Borough carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

BOROUGH OF BROOKVILLE

COMBINING BALANCE SHEET - CASH BASIS

ALL SPECIAL REVENUE FUNDS

NON-MAJOR FUNDS

December 31, 2014

	<u>Liquid Fuel Fund</u>	<u>Street Light Fund</u>	<u>Fire Protection Fund</u>	<u>Library Fund</u>	<u>Total Special Revenue Funds</u>
Cash	\$ 7,195	\$ 44,942	\$ 68,960	\$ 2,977	\$ 124,074
Due from Other Funds	- 0 -	7,032	13,112	2,823	22,967
Total Assets	<u>\$ 7,195</u>	<u>\$ 51,974</u>	<u>\$ 82,072</u>	<u>\$ 5,800</u>	<u>\$ 147,041</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities-Due to Other Funds	\$ - 0 -	\$ 8	\$ 226	\$ 4	\$ 238
Fund Balance:					
Restricted			55,184		55,184
Assigned	7,195	51,966	26,662	5,796	91,619
Total Fund Balance	<u>7,195</u>	<u>51,966</u>	<u>81,846</u>	<u>5,796</u>	<u>146,803</u>
Total Liabilities and Fund Balance	<u>\$ 7,195</u>	<u>\$ 51,974</u>	<u>\$ 82,072</u>	<u>\$ 5,800</u>	<u>\$ 147,041</u>

The accompanying notes are an integral part of the financial statements

BOROUGH OF BROOKVILLE

COMBINING STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES - CASH BASIS

ALL SPECIAL REVENUE FUNDS

NON-MAJOR FUNDS

For The Year Ended December 31, 2014

	Liquid Fuel Fund	Street Light Fund	Fire Protection Fund	Library Fund	Total Special Revenue Funds
Revenues:					
Taxes	\$	\$ 50,580	\$ 92,444	\$ 18,838	\$ 161,862
Grants, Gifts and Intergovernmental Revenues	115,561				115,561
Other Revenues	11	1	66		78
Total Revenues	115,572	50,581	92,510	18,838	277,501
Expenditures:					
General Government	15	899	1,508	304	2,726
Public Safety			75,781		75,781
Public Works	110,000	46,290			156,290
Culture and Recreation				16,425	16,425
Debt Service	21,127				21,127
Total Expenditures	131,142	47,189	77,289	16,729	272,349
Excess (Deficiency) of Revenues Over Expenditures	(15,570)	3,392	15,221	2,109	5,152

The accompanying notes are an integral part of the financial statements

COMBINING STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE - CASH BASIS

ALL SPECIAL REVENUE FUNDS

Page 2

	Liquid Fuel Fund	Street Light Fund	Fire Protection Fund	Library Fund	Total Special Revenue Funds
Transfer from General Fund	1,429	- 0 -	- 0 -	- 0 -	1,429
Excess (Deficiency) of Revenues Over Expenditures and Transfers	(14,141)	3,392	15,221	2,109	6,581
Fund Balance, January 1, 2014	21,336	48,574	66,625	3,687	140,222
Fund Balance, December 31, 2014	\$ 7,195	\$ 51,966	\$ 81,846	\$ 5,796	\$ 146,803

The accompanying notes are an integral part of the financial statements

BOROUGH OF BROOKVILLE

LIQUID FUEL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - ACTUAL AND BUDGET - CASH BASIS

For The Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Grants, Gifts and Intergovernmental Revenues:				
State Liquid Fuel Tax Grant	\$ 101,115	\$ 101,115	\$ 113,161	\$ 12,046
State Turnback Allocation	- 0 -	- 0 -	1,280	1,280
Pine Creek Township/Evans Street	1,120	1,120	1,120	- 0 -
Total Grants, Gifts and Intergovernmental Revenues	<u>102,235</u>	<u>102,235</u>	<u>115,561</u>	<u>13,326</u>
Other Revenues:				
Interest Income	<u>- 0 -</u>	<u>- 0 -</u>	<u>11</u>	<u>11</u>
Total Revenues	<u>102,235</u>	<u>102,235</u>	<u>115,572</u>	<u>13,337</u>
Expenditures:				
General Government				
Bank Wire Fee	<u>- 0 -</u>	<u>- 0 -</u>	<u>15</u>	<u>(15)</u>
Public Works:				
Street Paving Projects	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>- 0 -</u>
Debt Service:				
Principal - Dump Truck Loan	<u>15,000</u>	<u>15,000</u>	<u>21,127</u>	<u>(6,127)</u>
Total Expenditures	<u>125,000</u>	<u>125,000</u>	<u>131,142</u>	<u>(6,142)</u>
Excess (Deficiency) of Revenues Over Expenditures	(22,765)	(22,765)	(15,570)	7,195
Transfer from General Fund	<u>- 0 -</u>	<u>1,429</u>	<u>1,429</u>	<u>- 0 -</u>
Excess (Deficiency) of Revenues Over Expenditures and Transfers	<u>\$ (22,765)</u>	<u>\$ (21,336)</u>	(14,141)	<u>\$ 7,195</u>
Fund Balance, January 1, 2014			<u>21,336</u>	
Fund Balance, December 31, 2014			<u>\$ 7,195</u>	

The accompanying notes are an integral part of the financial statements

BOROUGH OF BROOKVILLE

STREET LIGHT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - ACTUAL AND BUDGET - CASH BASIS

For The Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes:				
Current Real Estate	\$ 45,000	\$ 45,000	\$ 45,459	\$ 459
Delinquent Real Estate	1,600	2,850	4,773	1,923
Current Occupation	250	300	298	(2)
Delinquent Occupation	- 0 -	30	50	20
Total Taxes	<u>46,850</u>	<u>48,180</u>	<u>50,580</u>	<u>2,400</u>
Other Revenues:				
Interest Income	<u>12</u>	<u>10</u>	<u>1</u>	<u>(9)</u>
Total Revenues	<u>46,862</u>	<u>48,190</u>	<u>50,581</u>	<u>2,391</u>
Expenditures:				
General Government:				
Audit Fees	2,000	2,000	- 0 -	2,000
Tax Collection	1,375	1,375	768	607
Administration	- 0 -	- 0 -	131	(131)
Total General Government	<u>3,375</u>	<u>3,375</u>	<u>899</u>	<u>2,476</u>
Public Works:				
Streets and Highways:				
Street Lighting	51,500	55,440	37,896	17,544
Maintenance and Supplies	<u>34,750</u>	<u>19,375</u>	<u>8,394</u>	<u>10,981</u>
Total Public Works	<u>86,250</u>	<u>74,815</u>	<u>46,290</u>	<u>28,525</u>

The accompanying notes are an integral part of the financial statements

STREET LIGHT FUND

STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCE -

ACTUAL AND BUDGET - CASH BASIS

Page 2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total Expenditures	<u>89,625</u>	<u>78,190</u>	<u>47,189</u>	<u>31,001</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 42,763</u>	<u>\$ 30,000</u>	3,392	<u>\$ 33,392</u>
Fund Balance, January 1, 2014			<u>48,574</u>	
Fund Balance, December 31, 2014			<u>\$ 51,966</u>	

The accompanying notes are an integral part of the financial statements

BOROUGH OF BROOKVILLE

FIRE PROTECTION FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - ACTUAL AND BUDGET - CASH BASIS

For The Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes:				
Current Real Estate	\$ 80,401	\$ 80,501	\$ 83,343	\$ 2,842
Delinquent Real Estate	3,500	3,400	8,753	5,353
Current Occupation	- 0 -	- 0 -	298	298
Delinquent Occupation	- 0 -	- 0 -	50	50
Total Taxes	<u>83,901</u>	<u>83,901</u>	<u>92,444</u>	<u>8,543</u>
Other Revenues:				
Interest Income	115	115	66	(49)
Total Revenues	<u>84,016</u>	<u>84,016</u>	<u>92,510</u>	<u>8,494</u>
Expenditures:				
General Government:				
Audit Fees	- 0 -	300	- 0 -	300
Tax Collection	1,625	1,625	1,281	344
Administration	- 0 -	- 0 -	227	(227)
Total General Government	<u>1,625</u>	<u>1,925</u>	<u>1,508</u>	<u>417</u>
Public Safety:				
Fire Protection:				
Capital Purchase - Ladder Truck	55,117	55,117	- 0 -	55,117
Fire Operations	82,391	82,091	75,781	6,310
Total Public Safety	<u>137,508</u>	<u>137,208</u>	<u>75,781</u>	<u>61,427</u>
Total Expenditures	<u>139,133</u>	<u>139,133</u>	<u>77,289</u>	<u>61,844</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (55,117)</u>	<u>\$ (55,117)</u>	15,221	<u>\$ 70,338</u>
Fund Balance, January 1, 2014			<u>66,625</u>	
Fund Balance, December 31, 2014			<u>\$ 81,846</u>	

The accompanying notes are an integral part of the financial statements

BOROUGH OF BROOKVILLE

LIBRARY FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - ACTUAL AND BUDGET - CASH BASIS

For The Year Ended December 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes:				
Current Real Estate	\$ 16,407	\$ 16,707	\$ 17,048	\$ 341
Delinquent Real Estate	850	550	1,790	1,240
Total Taxes	<u>17,257</u>	<u>17,257</u>	<u>18,838</u>	<u>1,581</u>
Other Revenues:				
Interest Income	<u>5</u>	<u>5</u>	<u>- 0 -</u>	<u>(5)</u>
Total Revenues	<u>17,262</u>	<u>17,262</u>	<u>18,838</u>	<u>1,576</u>
Expenditures:				
General Government:				
Audit Fees	900	- 0 -	- 0 -	- 0 -
Tax Collection	630	930	256	674
Administration	- 0 -	- 0 -	48	(48)
Total General Government	<u>1,530</u>	<u>930</u>	<u>304</u>	<u>626</u>
Culture and Recreation:				
Arthurs Library Subsidy	<u>16,425</u>	<u>16,425</u>	<u>16,425</u>	<u>- 0 -</u>
Total Expenditures	<u>17,955</u>	<u>17,355</u>	<u>16,729</u>	<u>626</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (693)</u>	<u>\$ (93)</u>	<u>2,109</u>	<u>\$ 2,202</u>
Fund Balance, January 1, 2014			<u>3,687</u>	
Fund Balance, December 31, 2014			<u>\$ 5,796</u>	

The accompanying notes are an integral part of the financial statements

BOROUGH OF BROOKVILLE

OTHER SUPPLEMENTAL INFORMATION

December 31, 2014

BORROWING BASE CERTIFICATE

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total Revenues Received	\$ 2,061,950	\$ 2,220,624	\$ 2,145,606
Less:			
Special Tax Levies	87,875	93,389	92,444
Interest Income Pledged for Specific Purpose	3,300	2,475	957
Grants and Gifts for Specific Purpose	210,707	257,475	218,744
Non-Recurring Receipts	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>
Net Revenues	<u>\$ 1,760,068</u>	<u>\$ 1,867,285</u>	<u>\$ 1,833,461</u>
Total Net Revenues			<u>\$ 5,460,814</u>
Borrowing Base			<u>\$ 1,820,271</u>

DEBT STATEMENT PURSUANT TO SECTION 410
LOCAL GOVERNMENT UNIT DEBT ACT

Gross Debt Outstanding	<u>\$ 9,911</u>
Borrowing Base per Certificate	<u>\$ 1,820,271</u>
Debt Limitations:	
Non-Electoral	<u>\$ 4,550,678</u>
Non-Electoral and Lease Rental	<u>\$ 5,460,814</u>

REAL ESTATE - ASSESSED VALUATIONS

Taxable	<u>\$ 82,710,340</u>
Exempt	<u>\$ 26,097,950</u>

The accompanying notes are an integral part of the financial statements