



BOROUGH *of* BROOKVILLE

BOROUGH OF BROOKVILLE

Brookville, Pennsylvania

December 31, 2017

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Borough of Brookville

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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, 2017, 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 opinions.

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, 2017, 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 management's discussion and analysis on pages 7 to 11 and the combining and individual non major fund financial statements, and other supplemental information on pages 40 to 49 are presented for purposes of additional analysis and are not a required part of the basis financial statements.

The management's discussion and analysis and 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 management's discussion and analysis and 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.



Mauthe, Yutzey, Gabler & Troxell, LLC

Certified Public Accountants

August 1, 2018

Borough of Brookville

Management's Discussion and Analysis

December 31, 2017

As management of the Brookville Borough, we offer readers of the Brookville Borough's financial statements this narrative overview and analysis of the financial activities of the Borough for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the Borough's December 31, 2017 financial statements.

Financial Highlights

- Brookville Borough operates on the cash basis.
- The assets exceed the liabilities for the Borough of Brookville at the close of the most recent fiscal year by \$1,296,009 (net position).
- The Borough's total net position reflects an increase in the net position from the prior year of \$246,496.
- Brookville Borough currently has \$180,671.73 in debt.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the Borough of Brookville's financial statements. The Borough's financial statements are comprised of three components: government-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Borough of Brookville's finances in a manner similar to a private-sector business. Brookville Borough operates on a cash basis and does not have any business-type activities to report on the governmental-wide financial statements.

The statement of net position presents information on all of the Borough's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Borough of Brookville is improving or deteriorating. Statement of net position may be found on page 12 of this report.

The statement of activities presents information on the cash basis of accounting reflecting the expenditures incurred by function and the related cash revenues received to support those expenditures, either as directly received revenues for the functional expenditure or as general revenue received to support overall government operations. The statement of activities may be found on page 13 of this report.

Borough of Brookville

Management's Discussion and Analysis (continued)

December 31, 2017

Both of the government-wide financial statements present functions of the Borough of Brookville that are principally supported by taxes and intergovernmental revenues (governmental activities). The Borough does not operate any business-type activities to report on these statements. The governmental activities of the Borough include general government, public safety, highways and streets, economic development, culture and recreation, and debt service.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Brookville, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of Brookville's funds are classified as governmental funds.

Governmental Funds

The Borough of Brookville maintains seven (7) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Walter Dick Park Endowment Fund, which are considered major funds. Data from the other 5 governmental funds are combined into a single, aggregated presentation, and are reflected as non-major funds. The aggregated presentation may be found on pages 14-15 of this report.

The general fund governmental financial statements can be found on pages 16-23 and the Walter Dick Park Endowment Fund can be found on page 24.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes of the financial statements can be found on pages 25-39 of this report.

Other Information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining fund statements for the non-major governmental funds can be found on pages 40-49 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Brookville Borough's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found as part of footnote 3 on pages 30-36 of this report.

Borough of Brookville

Management's Discussion and Analysis (continued)

December 31, 2017

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Brookville Borough, assets exceed liabilities by \$1,296,009 at the close of December 31, 2017.

Borough of Brookville Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to prior year.

	<u>2016</u> <u>Governmental</u> <u>Activities</u>	<u>2017</u> <u>Governmental</u> <u>Activities</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 1,075,564	\$ 1,300,185
Due from Brookville Municipal Authority	<u>135</u>	<u>5,296</u>
Total Assets	<u>\$ 1,075,699</u>	<u>\$ 1,305,481</u>
<u>Liabilities</u>		
Developer Escrow	\$ 1,200	\$ - 0 -
Due to Brookville Municipal Authority	600	5,805
Payroll Withholdings and Deductions	<u>24,386</u>	<u>3,667</u>
Total Liabilities	<u>\$ 26,186</u>	<u>\$ 9,472</u>
<u>Net Position</u>		
Restricted	\$ 172,987	\$ 118,578
Unrestricted	<u>876,526</u>	<u>1,177,431</u>
Total Net Position	<u>1,049,513</u>	<u>1,296,009</u>
Total Liabilities and Net Position	<u>\$ 1,075,699</u>	<u>\$ 1,305,481</u>

Borough of Brookville

Management's Discussion and Analysis (continued)

December 31, 2017

Statement of Activities

The following schedule compares the revenues and expenses for the current and prior year.

Borough of Brookville Statement of Activities

	<u>2016</u>	<u>2017</u>
<u>Program Revenues</u>		
Charges for Services	\$ 382,641	\$ 439,558
Operating Grants & Contributions	244,421	223,354
Capital Grants & Contributions	<u>- 0 -</u>	<u>- 0 -</u>
Total Operating Revenues	<u>627,062</u>	<u>662,912</u>
<u>Operating Expenses</u>		
Expenses	<u>2,783,803</u>	<u>2,397,507</u>
Net Revenues	<u>\$ (2,156,741)</u>	<u>\$ (1,734,595)</u>
<u>Non-Operating Revenues</u>		
Taxes	\$ 1,562,112	\$ 1,844,113
Permits and Fees	55,917	60,317
Grants, Subsidies, & Contributions	101,943	74,625
Miscellaneous Income	724	44
Interest Income	<u>1,429</u>	<u>1,992</u>
Total Non-Operating Revenues	<u>1,722,125</u>	<u>1,981,091</u>
Change in Net Position	(434,616)	246,496
Net Position – January 1	<u>1,484,129</u>	<u>1,049,513</u>
Net Position – December 31	<u>\$ 1,049,513</u>	<u>\$ 1,296,009</u>

Financial Analysis of the Government's Funds

As noted earlier, Brookville Borough uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements.

Borough of Brookville

Management's Discussion and Analysis (continued)

December 31, 2017

Governmental Funds

The focus of Brookville Borough's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Borough of Brookville's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Brookville Borough. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,036,264. Unreserved fund balance represents 49% of total general fund expenditures.

As of December 31, 2017, the non-major governmental funds of the Borough of Brookville reported a combined fund balance of \$141,167. The Borough's one permanent fund reported a fund balance of \$118,578 at year end. The total governmental funds at the end of the year totaled \$1,296,009.

Long-Term Debt

As of December 31, 2017, Brookville Borough had a total of \$180,671.73 in outstanding debt. The debt is secured by the Borough's full faith, credit, and taxing power.

General Obligation Note from S&T Bank

<u>Budget Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 60,167.13	\$ 4,749.27	\$ 64,916.40
2019	62,059.03	2,857.37	64,916.40
2020	<u>58,445.57</u>	<u>906.48</u>	<u>59,352.05</u>
	<u>\$ 180,671.73</u>	<u>\$ 8,513.12</u>	<u>\$ 189,184.85</u>

Additional information on Brookville Borough's long-term debt can be found in Note 4 on page 36 of this report.

Economic Factors

- The unemployment rate as of December 31, 2017 for Jefferson County is 5.30 percent.
- Brookville Borough raised general purpose real estate taxes by 2.5 mills.
- A debt service tax was assessed at 0.8 mills.

Financial Contact

The financial report is designed to provide a general overview of the Borough of Brookville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Accountant or Borough Manager, Brookville Borough, 18 Western Avenue, Suite A, Brookville, PA 15825.

Borough of Brookville

Statement of Net Position - Cash Basis

December 31, 2017

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 1,300,185
Due from Brookville Municipal Authority	<u>5,296</u>
Total Assets	<u><u>\$ 1,305,481</u></u>
<u>LIABILITIES</u>	
Due to Brookville Municipal Authority	\$ 5,805
Payroll Withholdings and Deductions	<u>3,667</u>
Total Liabilities	<u><u>\$ 9,472</u></u>
<u>NET POSITION</u>	
Restricted	\$ 118,578
Unrestricted	<u>1,177,431</u>
Total Net Position	<u>1,296,009</u>
Total Liabilities and Net Position	<u><u>\$ 1,305,481</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, 2017

Functions/Programs	Expenditures	Program Revenues			Net (Expenditures) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
General Government	\$ 489,156	\$ 265,227	\$	\$	\$ (223,929)
Public Safety	897,821	64,217	62,198		(771,406)
Health and Human Services	2,000				(2,000)
Collection	490				(490)
Public Works	881,023	79,139	161,156		(640,728)
Culture and Recreation	62,100	30,975			(31,125)
Debt Service	64,917				(64,917)
⇒ Total Governmental Activities	<u>\$ 2,397,507</u>	<u>\$ 439,558</u>	<u>\$ 223,354</u>	<u>\$ - 0 -</u>	<u>(1,734,595)</u>
General Revenues:					
Taxes:					
Real Estate					1,320,456
Occupation and Per Capita					15,440
Local Earned Income					332,845
Local Services Tax					131,993
Other Enabling Taxes					43,379
Permits and Fees					60,317
Grants, Subsidies and Contributions					74,625
Miscellaneous Income					44
Interest Income					1,992
Total General Revenues					<u>1,981,091</u>
Change in Net Position					246,496
Net Position - January 1, 2017					<u>1,049,513</u>
Net Position - December 31, 2017					<u>\$ 1,296,009</u>

The accompanying notes are an integral part of the financial statements

Borough of Brookville

Governmental Funds
 Balance Sheet - Cash Basis
 December 31, 2017

	General Fund	Permanent Fund - Walter Dick Park Endowment Fund	Non-Major Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 1,040,440	\$ 118,578	\$ 141,167	\$ 1,300,185
Due from Brookville Municipal Authority	5,296			5,296
Total Assets	\$ 1,045,736	\$ 118,578	\$ 141,167	\$ 1,305,481
<u>LIABILITIES</u>				
Due to Brookville Municipal Auth.	\$ 5,805	\$	\$	\$ 5,805
Payroll Withholdings and Ded.	3,667			3,667
Total Liabilities	9,472	- 0 -	- 0 -	9,472
<u>FUND BALANCE</u>				
Non-Spendable		116,076		116,076
Restricted		2,502		2,502
Committed			54,450	54,450
Assigned			86,717	86,717
Unassigned	1,036,264			1,036,264
Total Fund Balance	1,036,264	118,578	141,167	1,296,009
Total Liabilities and Fund Balance	\$ 1,045,736	\$ 118,578	\$ 141,167	\$ 1,305,481

The accompanying notes are an integral part of the financial statements

Borough of Brookville

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances - Cash Basis

For the Year Ended December 31, 2017

	General Fund	Permanent Fund - Walter Dick Park Endowment Fund	Non-Major Funds	Total Governmental Funds
<i>Revenues:</i>				
Taxes	\$ 1,681,819	\$	\$ 162,294	\$ 1,844,113
Licenses, Permits and Fees	71,793			71,793
Grants, Gifts and Intergovernmental Revenues	144,162		153,817	297,979
Fines, Forfeits and Costs	52,018			52,018
Earnings for Services	152,770			152,770
Other Revenues	223,343	908	1,079	225,330
Total Revenues	2,325,905	908	317,190	2,644,003
<i>Expenditures:</i>				
General Government	485,744		3,412	489,156
Public Safety	805,101		92,720	897,821
Health and Human Services	2,000			2,000
Collection	490			490
Public Works	641,963		239,060	881,023
Culture and Recreation	43,900		18,200	62,100
Debt Service	64,917			64,917
Total Expenditures	2,044,115	- 0 -	353,392	2,397,507
Excess (Deficiency) of Revenues Over Expenditures	281,790	908	(36,202)	246,496
Transfers - Net	55,317	- 0 -	(55,317)	- 0 -
Excess (Deficiency) of Revenues Over Expenditures and Transfers	337,107	908	(91,519)	246,496
Fund Balance, January 1, 2017	699,157	117,670	232,686	1,049,513
Fund Balance, December 31, 2017	\$ 1,036,264	\$ 118,578	\$ 141,167	\$ 1,296,009

The accompanying notes are an integral part of the financial statements

Borough of Brookville

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -

Actual and Budget - Cash Basis

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>				
<i>Taxes:</i>				
<i>Real Estate and Occupation Taxes:</i>				
Current Real Estate	\$ 1,056,500	\$ 1,056,500	\$ 1,008,407	\$ (48,093)
Current Real Estate - Debt Service	- 0 -	- 0 -	59,802	59,802
Delinquent Real Estate	2,250	2,250	90,612	88,362
Current Occupation	3,100	3,100	2,861	(239)
Delinquent Occupation	50	50	469	419
Total Real Estate and Occupation Taxes	1,061,900	1,061,900	1,162,151	100,251
<i>Local Enabling Taxes:</i>				
Current Per Capita	8,500	8,500	8,022	(478)
Delinquent Per Capita	1,150	1,150	3,429	2,279
Local Services	140,000	140,000	131,993	(8,007)
Earned Income	222,500	222,500	332,845	110,345
Real Estate Transfer	30,000	30,000	43,379	13,379
Total Local Enabling Taxes	402,150	402,150	519,668	117,518
Total Taxes	1,464,050	1,464,050	1,681,819	217,769
<i>Licenses, Permits and Fees:</i>				
Health Licenses	3,000	3,000	3,401	401
Amusements	2,500	2,500	3,744	1,244
TV Cable Franchise Fee	45,000	45,000	60,317	15,317
Other Business Licenses and Permits	1,566	1,566	2,536	970
Non-Business Licenses and Permits	1,300	1,300	1,795	495
Total Licenses, Permits and Fees	53,366	53,366	71,793	18,427

The accompanying notes are an integral part of the financial statements

Borough of Brookville

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -

Actual and Budget - Cash Basis (continued)

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Grants, Gifts and Intergovernmental Revenues:</i>				
Public Utility Realty Tax	- 0 -	- 0 -	1,609	1,609
Foreign Fire Insurance	23,000	23,000	19,198	(3,802)
State Aid for Pensions	91,000	91,000	105,530	14,530
Tavern Games Tax	5,600	5,600	5,707	107
Alcoholic Beverage Taxes	2,000	2,000	2,000	- 0 -
State Road Turnback Payments	1,000	1,000	- 0 -	(1,000)
Act 13 Impact Fees	6,000	6,000	7,339	1,339
State Police Fines	1,000	1,000	2,779	1,779
Total Grants, Gifts and Intergovernmental Revenues	129,600	129,600	144,162	14,562
<i>Fines, Forfeits and Costs:</i>				
Title 18	10,000	10,000	9,794	(206)
Vehicle and Ordinance Violations	12,300	12,300	11,253	(1,047)
Clerk of Courts	10,000	10,000	9,905	(95)
Court DUI Revenues	100	100	- 0 -	(100)
Parking Meter Fines	14,000	14,000	19,990	5,990
Miscellaneous Fines	5,000	5,000	432	(4,568)
Restitution	300	300	644	344
Total Fines, Forfeits and Costs	51,700	51,700	52,018	318
<i>Earnings for Services:</i>				
General Government	10,625	10,625	43,767	33,142
Public Safety	20,500	20,500	25,044	4,544
Highway and Streets	51,650	51,650	53,848	2,198
Culture and Recreation	100	100	30,067	29,967
Other Revenue	50	50	44	(6)
Total Earnings for Services	82,925	82,925	152,770	69,845

The accompanying notes are an integral part of the financial statements

Borough of Brookville

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -

Actual and Budget - Cash Basis (continued)

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Other Revenues:</i>				
Interest Income	100	100	1,883	1,783
Rents - Borough Complex	233,850	233,850	221,460	(12,390)
Total Other Revenues	233,950	233,950	223,343	(10,607)
Total Revenues	2,015,591	2,015,591	2,325,905	310,314
<i>Expenditures:</i>				
General Government:				
Legislative Body:				
Council Salaries	4,200	4,200	4,200	- 0 -
Mayor Salary	1,200	1,200	1,200	- 0 -
Other Operating Expenditures	15	15	105	(90)
Total Legislative Body	5,415	5,415	5,505	(90)
<i>Executive:</i>				
Salary - Borough Manager	28,250	28,250	28,250	- 0 -
Salary - Staff	43,750	43,750	38,411	5,339
Social Security/Medicare	8,500	8,500	6,345	2,155
Employee Benefits	34,410	34,410	32,949	1,461
Total Executive	114,910	114,910	105,955	8,955
<i>Financial Administration:</i>				
Audit Fees	14,500	14,500	14,900	(400)
<i>Tax Collection:</i>				
Collector's Commission	11,000	11,000	10,724	276
Other Operating Expenditures	2,750	2,750	2,339	411
Berkheimer EIT Commission	6,000	6,000	5,903	97
County Delinquent Commission	1,000	1,000	3,224	(2,224)
Total Tax Collection	20,750	20,750	22,190	(1,440)

The accompanying notes are an integral part of the financial statements

Borough of Brookville

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -

Actual and Budget - Cash Basis (continued)

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Legal Services:</i>				
Professional Services	40,000	40,000	48,608	(8,608)
Ordinance Codification	3,000	3,000	1,195	1,805
Advertising Costs	4,000	4,000	1,835	2,165
Total Legal Services	47,000	47,000	51,638	(4,638)
<i>Administration:</i>				
Insurances - Property	24,100	22,762	22,761	1
Insurances - Liability	14,200	15,891	17,733	(1,842)
Workers Compensation	40,000	40,096	43,282	(3,186)
Employee Pension	65,000	65,000	72,829	(7,829)
Other Administration	26,820	26,820	26,042	778
Total Administration	170,120	170,569	182,647	(12,078)
<i>IT-Networking:</i>				
Equipment Maintenance and Supplies	9,250	9,250	5,234	4,016
<i>Engineer:</i>				
Professional Services	7,000	7,000	843	6,157
<i>Buildings and Plant:</i>				
Operating Supplies	3,300	3,300	3,935	(635)
Industrial Appraisal	300	300	- 0 -	300
Utilities	63,800	63,800	49,159	14,641
Maintenance	65,000	65,000	22,753	42,247
Property Taxes	11,650	11,650	11,377	273
Part-time Help/Cleaning	9,500	9,500	9,608	(108)
Total Buildings and Plant	153,550	153,550	96,832	56,718
Total General Government	542,495	542,944	485,744	57,200

The accompanying notes are an integral part of the financial statements

Borough of Brookville

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -

Actual and Budget - Cash Basis (continued)

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Public Safety:</i>				
Police:				
Salaries and Wages	460,685	460,685	440,164	20,521
Other Compensation	33,000	33,000	38,455	(5,455)
Employee Benefits	139,330	139,330	124,885	14,445
Employee Pension	43,000	43,000	42,959	41
Social Security Tax	10,700	10,700	11,124	(424)
Insurance - Liability	10,000	10,000	9,919	81
Special Programs	7,000	7,000	805	6,195
Other Operating Expenditures	77,050	77,050	39,207	37,843
Total Police	<u>780,765</u>	<u>780,765</u>	<u>707,518</u>	<u>73,247</u>
Fire Protection:				
Fire Department - Truck	- 0 -	- 0 -	55,317	(55,317)
Insurance - Workers Comp.	13,500	13,500	15,580	(2,080)
Firemen's Relief Fund	23,000	23,000	19,198	3,802
Total Fire Protection	<u>36,500</u>	<u>36,500</u>	<u>90,095</u>	<u>(53,595)</u>
<i>UCC and Code Enforcement:</i>				
Salary - Code Officer	5,000	5,000	5,760	(760)
Enforcement/Inspection Costs	10,000	10,000	1,728	8,272
Total UCC and Code Enforcement	<u>15,000</u>	<u>15,000</u>	<u>7,488</u>	<u>7,512</u>
Total Public Safety	<u>832,265</u>	<u>832,265</u>	<u>805,101</u>	<u>27,164</u>
<i>Health and Human Services:</i>				
Salary - Health Inspector	2,000	2,000	2,000	- 0 -
Total Health and Human Services	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>- 0 -</u>
<i>Collection:</i>				
Jefferson County Tax Collection	500	500	490	10
Total Collection	<u>500</u>	<u>500</u>	<u>490</u>	<u>10</u>

The accompanying notes are an integral part of the financial statements

Borough of Brookville

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -

Actual and Budget - Cash Basis (continued)

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>General Services:</i>				
Salaries and Wages	257,025	257,025	313,574	(56,549)
Other Compensation	35,000	35,000	7,643	27,357
Employee Benefits	138,410	138,410	119,900	18,510
Social Security Tax	39,000	39,000	24,543	14,457
Insurance	5,000	4,551	4,551	- 0 -
Purchase of Equipment - Used Truck	- 0 -	- 0 -	2,560	(2,560)
Other Operating Expenditures	6,600	6,600	2,838	3,762
Total General Services	481,035	480,586	475,609	4,977
<i>Cleaning Streets and Gutters:</i>				
Equipment Rental	2,500	2,500	- 0 -	2,500
<i>Winter Maintenance:</i>				
Snow Removal Supplies	63,000	58,500	42,496	16,004
<i>Traffic Control Devices:</i>				
Utility - Electric	4,000	4,000	5,820	(1,820)
Materials and Supplies	6,000	10,000	9,877	123
Total Traffic Control Devices	10,000	14,000	15,697	(1,697)
<i>Sidewalks and Crosswalks:</i>				
Line Painting - Maintenance	10,000	10,000	4,966	5,034
<i>Repairs of Tools and Machinery:</i>				
Vehicle Parts and Supplies	31,700	31,700	26,593	5,107
Small Tools and Maintenance	3,000	3,000	1,795	1,205
Parking Meter Supplies	1,000	1,500	3,216	(1,716)
Contracted Vehicle Repairs	10,000	10,000	10,270	(270)
Total Repairs of Tools and Machinery	45,700	46,200	41,874	4,326
<i>Highway Construction Projects:</i>				
Street Maintenance	30,000	30,000	17,462	12,538

The accompanying notes are an integral part of the financial statements

Borough of Brookville

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -

Actual and Budget - Cash Basis (continued)

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Storm Water - Flood Control:</i>				
Storm Water System	25,000	25,000	22,566	2,434
Flood Plain	25,000	25,000	21,293	3,707
Total Storm Water - Flood Control	50,000	50,000	43,859	6,141
Total Public Works	692,235	691,786	641,963	49,823
<i>Culture and Recreation:</i>				
<i>Participant Recreation:</i>				
Supplies	- 0 -	- 0 -	46	(46)
Park Projects and Improvements	15,000	15,000	62	14,938
Total Participant Recreation	15,000	15,000	108	14,892
<i>Parks:</i>				
Repairs and Maintenance	6,500	6,500	2,938	3,562
Sanitation Supplies	3,000	3,000	3,504	(504)
Utility - Electric	1,100	1,100	1,303	(203)
Total Parks	10,600	10,600	7,745	2,855
<i>Projects:</i>				
Depot Street Trail Head	- 0 -	- 0 -	6,312	(6,312)
DEP Environmental Ed	- 0 -	- 0 -	29,735	(29,735)
Total Projects	- 0 -	- 0 -	36,047	(36,047)
Total Culture and Recreation	25,600	25,600	43,900	(18,300)
<i>Debt Service:</i>				
Principal on Bank Loan	- 0 -	- 0 -	58,266	(58,266)
Interest on Bank Loan	- 0 -	- 0 -	6,651	(6,651)
Total Debt Service	- 0 -	- 0 -	64,917	(64,917)
Total Expenditures	2,095,095	2,095,095	2,044,115	50,980
Excess (Deficiency) of Revenues Over Expenditures	(79,504)	(79,504)	281,790	361,294

The accompanying notes are an integral part of the financial statements

Borough of Brookville

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -

Actual and Budget - Cash Basis (continued)

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Transfers:</i>				
Transfer to Certificate of Deposit	(10,000)	(10,000)	- 0 -	10,000
Transfer from Walter Dick Park Endowment Fund	1,500	1,500	- 0 -	(1,500)
Transfer from Reserves	112,284	112,284	- 0 -	(112,284)
Transfer from Fire Protection Fund	- 0 -	- 0 -	55,317	55,317
Transfer from Liquid Fuels Funds	21,000	21,000	- 0 -	(21,000)
Total Transfers (Net)	<u>124,784</u>	<u>124,784</u>	<u>55,317</u>	<u>(69,467)</u>
Excess (Deficiency) of Revenues Over Expenditures and Transfers	<u>\$ 45,280</u>	<u>\$ 45,280</u>	337,107	<u>\$ 291,827</u>
Fund Balance, January 1, 2017			<u>699,157</u>	
Fund Balance, December 31, 2017			<u>\$ 1,036,264</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, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>				
<i>Other Revenues:</i>				
Interest Income	\$ 1,500	\$ 1,500	\$ 908	\$ (592)
<i>Expenditures</i>	- 0 -	- 0 -	- 0 -	- 0 -
Excess (Deficiency) of Revenues Over Expenditures	1,500	1,500	908	(592)
Transfer to General Fund	1,500	1,500	- 0 -	1,500
Excess (Deficiency) of Revenues Over Expenditures and Transfer	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	908	<u>\$ 908</u>
Fund Balance, January 1, 2017			<u>117,670</u>	
Fund Balance, December 31, 2017			<u>\$ 118,578</u>	

The accompanying notes are an integral part of the financial statements

Borough of Brookville

Notes to Financial Statements

December 31, 2017

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 of Brookville 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 Borough of Brookville 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 and the Walter Dick Park Endowment Fund to be major funds.

Borough of Brookville

Notes to Financial Statements (continued)

December 31, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Financial Statements (continued)

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 Borough of Brookville 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 nonmajor 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.

Borough of Brookville

Notes to Financial Statements (continued)

December 31, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

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 statements. 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.

Borough of Brookville

Notes to Financial Statements (continued)

December 31, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents (continued)

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, \$619,305 of the Borough's bank balance of \$1,219,208 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	\$ 758,682
Plus: Insured Amount	599,903
Less: Outstanding Checks	(58,400)
Add: Deposits in Transit	<u>- 0 -</u>
Carrying Amount – Cash and Cash Equivalents	<u>\$ 1,300,185</u>

Included in the cash and cash equivalents balance of \$1,300,185 are the following items:

Bank Certificates of Deposit	3 - 12 months	\$ 333,252
Bank Certificates of Deposit	Over 24 months	10,074
Pennsylvania Local Government Investment Trust Accounts (PLGIT)		<u>139,377</u>
Total Cash Equivalents		<u>\$ 482,703</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 consist 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 2017 were levied in March of 2017, and payment dates were as follows:

- Face less 2% discount - 60 days from levy date (3-2-17 to 5-4-17)
- At face - 61 days to 120 days from levy date (5-5-17 to 7-7-17)
- Face plus 10% penalty - after 120 days from levy date (after 7-7-17)

Borough of Brookville

Notes to Financial Statements (continued)

December 31, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

Property Taxes (continued)

Unpaid current year property taxes of \$64,776 were returned by the Borough's elected tax collector to the Jefferson County Tax Claim Bureau during January 2018.

Total adjusted market value of taxable real estate for 2017 was \$82,020,630. The total tax assessed against this value was \$1,329,965 or 16.215 mills on the market value, for which 13.49 mills was designated for general purposes, .60 mill for street lighting, 1.10 mills for fire protection, .225 mill for library support and .80 mill for debt service. The total tax millage of 16.215 mills is an increase of 3.30 mills over the previous year, which increased general purposes by 2.5 mills and enacted a new debt service tax of .80 mill.

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 \$155,510, 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 August 1, 2018, 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.

Borough of Brookville

Notes to Financial Statements (continued)

December 31, 2017

Note 1 – Summary of Significant Accounting Policies (continued)

Compensated Absences (continued)

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, 2017.

Note 2 – Due from/to Other Fund

Due from/to Brookville Municipal Authority consist of the following:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Purpose</u>
Water	General (Clearing)	\$ 2,648	Share of Benefits
Sewer	General (Clearing)	<u>2,648</u>	Share of Benefits
	Total Due From	<u>\$ 5,296</u>	
General (Clearing)	Water	\$ 2,663	Reimburse Payroll Taxes
General (Clearing)	Sewer	<u>3,142</u>	Reimburse Payroll Taxes
	Total Due To	<u>\$ 5,805</u>	

Note 3 – 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 (PSABMRT). The Plan was established by Ordinance No. 471, effective January 1, 1985, amended and restated by Ordinance No. 984, effective January 1, 1996, and 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, 2017 members contributed 1.03 percent of compensation to the plan. The minimum municipal obligation for the plan year 2017 was \$42,959 which was fully funded by the Borough of Brookville.

An actuarial valuation of the total pension liability is performed biannually. Based upon the January 1, 2017 Act 205 Actuarial Valuation Report, the actuarial accrued liability was \$1,957,320, the actuarial value of assets was \$2,231,162 and the plan's unfunded actuarial accrued liability was (\$273,842) (excess funding).

Borough of Brookville

Notes to Financial Statements (continued)

December 31, 2017

Note 3 – Pension Plans (continued)

Police Pension Plan (continued)

GASB 68 Disclosures:

Update procedures were used to roll forward January 1, 2017 liabilities to the plan's fiscal plan year ending December 31, 2017. The components of the net pension liability as of December 31, 2017 were as follows:

Total Pension Liability	\$ 2,068,266
Plan Fiduciary Net Position	\$ 2,418,322
Net Pension Liability (Excess Funding)	\$ (350,056)
Plan Fiduciary Net Position as a percentage of total Pension Liability	116.9%

The discount rate used to measure the total pension liability was 7.50%. The following presents the net pension liability, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	<u>1% Decrease</u> <u>6.50%</u>	<u>Current Rate</u> <u>7.50%</u>	<u>1% Increase</u> <u>8.50%</u>
Net Pension Liability	\$ (108,129)	\$ (350,056)	\$ (554,037)

Schedule of Employer Contributions (as Available)

	<u>December</u> <u>31, 2014</u>	<u>December</u> <u>31, 2015</u>	<u>December</u> <u>31, 2016</u>	<u>December</u> <u>31, 2017</u>
Actuarial Determined Contributions	\$ 28,891	\$ 30,379	\$ 35,925	\$ 42,959
Contributions Made	<u>28,891</u>	<u>30,379</u>	<u>35,925</u>	<u>42,959</u>
Contribution Deficiency (Excess)	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
Covered Employee Payroll	<u>\$ 324,530</u>	<u>\$ 333,970</u>	<u>\$ 341,054</u>	<u>\$ 373,900</u>
Contributions as a Percentage of Covered Employee Payroll	8.90%	9.10%	10.53%	11.49 %

Schedule of Investment Returns

Annual Money-Weighted Rate of Return, Net of Investment	6.56%	(.59%)	4.50%	12.89%
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Borough of Brookville

Notes to the Financial Statements (continued)

Last 10 Years*

December 31, 2017

Schedule of Changes in Net Pension Liability (as Available)*

	<u>Measurement Year Ending</u>			
	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>
<u>Total Pension Liability</u>				
Service Cost	\$ 53,686	\$ 62,235	\$ 65,658	\$ 91,083
Interest	134,057	136,807	142,404	148,795
Changes of Benefit Terms				
Differences between Expected and Actual Experience		(93,373)		(25,574)
Changes of Assumptions		41,102		5,750
Benefit Payments, including Refunds of Member Contributions	(86,998)	(127,714)	(127,960)	(128,932)
<i>Net Change in Total Pension Liability</i>	\$ 100,745	\$ 19,057	\$ 80,102	\$ 91,122
<i>Total Pension Liability - Beginning</i>	1,777,240	1,877,985	1,897,042	1,977,144
<i>Total Pension Liability - Ending</i>	<u>\$ 1,877,985</u>	<u>\$ 1,897,042</u>	<u>\$ 1,977,144</u>	<u>\$ 2,068,266</u>
<u>Plan Fiduciary Net Position</u>				
Contributions - Employer	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
Contributions - State Aid	28,891	30,379	35,925	42,959
Contributions - Member	3,362	3,796	4,072	4,377
Net Investment Income	137,886	(13,521)	100,531	287,549
Benefit Payments, including Refunds of Employee Contributions	(86,998)	(127,714)	(127,960)	(128,932)
Administrative Expense	(14,661)	(18,414)	(15,758)	(18,793)
<i>Net Change in Plan Fiduciary Net Position</i>	\$ 68,480	\$ (125,474)	\$ (3,190)	\$ 187,160
<i>Plan Fiduciary Net Position - Beginning</i>	2,291,346	2,359,826	2,234,352	2,231,162
<i>Plan Fiduciary Net Position - Ending</i>	<u>\$ 2,359,826</u>	<u>\$ 2,234,352</u>	<u>\$ 2,231,162</u>	<u>\$ 2,418,322</u>
<i>Net Pension Liability - Ending</i>	<u>\$ (481,841)</u>	<u>\$ (337,310)</u>	<u>\$ (254,018)</u>	<u>\$ (350,056)</u>
<i>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</i>	<u>125.7%</u>	<u>117.8%</u>	<u>112.8%</u>	<u>116.9%</u>
<i>Covered Employee Payroll</i>	<u>\$ 324,530</u>	<u>\$ 333,970</u>	<u>\$ 341,054</u>	<u>\$ 373,900</u>
<i>Net Pension Liability as a Percentage of Covered Employee Payroll</i>	<u>(148.5)%</u>	<u>(101.0)%</u>	<u>(74.5)%</u>	<u>(93.6)%</u>

Borough of Brookville

Notes to Financial Statements (continued)

December 31, 2017

Note 3 – Pension Plans (continued)

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 a separately issued financial report, which can be obtained by contacting the Borough of Brookville.

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.

An actuarial valuation of the total pension liability is performed biannually. Based upon the January 1, 2017 Act 205 Actuarial Valuation Report, the actuarial value of plan assets was \$2,696,753, the actuarial accrued liability was \$2,754,390, and the plan had an unfunded accrued liability of \$57,637.

The minimum municipal obligation for the plan year 2016 was \$56,866 and for plan year 2017 \$72,829, both of which were fully funded by the Borough of Brookville. The Borough has fully funded the minimum municipal obligation for the past 10 years.

GASB 68 Disclosures:

Because the beginning and end of year total pension liabilities (TPL) are based upon different actuarial valuation dates, there is a difference between expected and actual experience reported this year. The beginning of year TPL is based upon the January 1, 2015 actuarial valuation, with liabilities measured at December 31, 2014 rolled forward to December 31, 2015. The end of year TPL is based upon the January 1, 2017 actuarial valuation with liabilities measured at December 31, 2016. The components of the net pension liability as of December 31, 2016 were as follows:

Total Pension Liability (TPL)	\$ 2,754,390
Plan Fiduciary Net Position	\$ 2,513,457
Net Pension Liability	\$ 240,933
Plan Fiduciary Net Position as a percentage of Total Pension Liability	91.3%

Borough of Brookville

Notes to Financial Statements (continued)

December 31, 2017

Note 3 – Pension Plans (continued)

Municipal Retirement Plan (continued)

The discount rate used to measure the total pension liability was 5.50%. Effective with the December 31, 2016 measurement date, the discount rate decreased to 5.25%. The following presents the net pension liability, calculated using the discount rate of 5.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.25%) or 1 percentage point higher (6.25%) than the current rate:

	<u>1% Decrease</u> <u>4.25%</u>	<u>Current Rate</u> <u>5.25%</u>	<u>1% Increase</u> <u>6.25%</u>
Net Pension Liability	\$ 491,078	\$ 240,933	\$ 22,124

Schedule of Employer Contributions (as Available)

	<u>December</u> <u>31, 2014</u>	<u>December</u> <u>31, 2015</u>	<u>December</u> <u>31, 2016</u>
Actuarial Determined Contributions	\$ 61,497	\$ 60,563	\$ 56,866
Contributions Made	<u>61,517</u>	<u>60,583</u>	<u>56,886</u>
Contribution Deficiency (Excess)	<u>(20)</u>	<u>\$ (20)</u>	<u>\$ (20)</u>
Covered Employee Payroll	<u>\$ 380,671</u>	<u>\$ 368,582</u>	<u>\$ 422,560</u>
Contributions as a Percentage of Covered Employee Payroll	<u>16.16%</u>	<u>16.44%</u>	<u>13.46%</u>

State Aid for Pensions

During 2017, the Borough received \$105,530 from the Commonwealth of Pennsylvania for the Borough's share of General Municipal Pension System State Aid. The total amount received was allocated into the Borough's sponsored pension plans.

Borough of Brookville

Notes to the Financial Statements (continued)

Last 10 Years*

December 31, 2017

Schedule of Changes in Net Pension Liability (as Available)*

	<u>Measurement Year Ending</u>		
	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2016</u>
<u>Total Pension Liability</u>			
Service Cost (beginning of Year)	\$ 39,197	\$ 37,993	\$ 41,358
Interest (includes Interest on Service Cost)	140,928	147,735	150,547
Changes of Benefit Terms			
Differences between Expected and Actual Experience	85,778		(130,170)
Changes of Assumptions		28,778	57,460
Transfers			
Benefit Payments, including Refunds of Member Contributions	(71,239)	(212,534)	(119,722)
<i>Net Change in Total Pension Liability</i>	\$ 194,664	\$ 1,972	\$ (527)
<i>Total Pension Liability - Beginning</i>	2,558,281	2,752,945	2,754,917
<i>Total Pension Liability - Ending</i>	<u>\$ 2,752,945</u>	<u>\$ 2,754,917</u>	<u>\$ 2,754,390</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	\$ 61,517	\$ 60,263	\$ 56,566
Contributions - PMRS Assessment		320	320
Contributions - Employee	14,046	12,901	14,790
PMRS Investment Income	134,007	121,037	136,719
Market Value Investment Income	3,635	(153,745)	82,750
Transfers			
Benefit Payments, including Refunds of Employee Contributions	(71,239)	(212,534)	(119,722)
PMRS Administrative Expense	(300)	(320)	(300)
Additional Administrative Expense	(5,139)	(5,046)	(6,698)
<i>Net Change in Plan Fiduciary Net Position</i>	\$ 136,527	\$ (177,124)	\$ 164,425
<i>Plan Fiduciary Net Position - Beginning</i>	2,389,629	2,526,156	2,349,032
<i>Plan Fiduciary Net Position - Ending</i>	<u>\$ 2,526,156</u>	<u>\$ 2,349,032</u>	<u>\$ 2,513,457</u>
<i>Net Pension Liability - Ending</i>	<u>\$ 226,789</u>	<u>\$ 405,885</u>	<u>\$ 240,933</u>
<i>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</i>	<u>91.76%</u>	<u>85.27%</u>	<u>91.25%</u>
<i>Covered Employee Payroll</i>	\$ 380,671	\$ 368,582	\$ 422,560
<i>Net Pension Liability as a Percentage of Covered Employee Payroll</i>	<u>59.58%</u>	<u>110.12%</u>	<u>57.02%</u>

Borough of Brookville

Notes to Financial Statements (continued)

December 31, 2017

Note 4 – Long-Term Debt

General Obligation Note

The Borough obtained a general obligation note, series of 2015 from S&T Bank in the amount of \$300,000.00 to provide funds for various capital expenditures. The note is dated November 25, 2015 and is to be repaid in 60 monthly payments of \$5,409.70 beginning December 25, 2015. The note payment includes interest at the rate of 3.10 percent per annum. The Borough may prepay all or part of the note balance without penalty. The note is secured by the Borough's irrevocable pledge of its full faith, credit and taxing power. Principal payments of \$58,265.58 and interest of \$6,650.82 were paid during the current year. The outstanding note balance as of December 31, 2017 is \$180,671.73 and debt service requirements are as follows:

<u>Budget Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 60,167.13	\$ 4,749.27	\$ 64,916.40
2019	62,059.03	2,857.37	64,916.40
2020	<u>58,445.57</u>	<u>906.48</u>	<u>59,352.05</u>
	<u>\$ 180,671.73</u>	<u>\$ 8,513.12</u>	<u>\$189,184.85</u>

For 2017, the Borough enacted a .800 mill real estate tax for debt service purposes to provide additional revenue to repay the general obligation note. The total real estate tax collected from the tax assessment in 2017 was \$59,802. The total debt service payments made during 2017 was \$64,916. The tax revenue and debt service payments are reflected in the operations of the Borough General Fund.

Note 5 – 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 taxes assessed on real estate (for 2017, the millage was 1.10 mills) and 3.00 mills of tax on all occupations within the Borough. The Borough transferred a total of \$92,720.00 to the Brookville Volunteer Fire Company from the Borough's Fire Protection Fund during 2017.

Borough of Brookville

Notes to Financial Statements (continued)

December 31, 2017

Note 6 – 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, 2017	\$ 1,775.23	\$ 115,894.61
Contributions Received	- 0 -	- 0 -
Interest Income	726.25	181.56
Disbursement for Park	<u>- 0 -</u>	<u>- 0 -</u>
Ending Balance, December 31, 2017	<u>\$ 2,501.48</u>	<u>\$ 116,076.17</u>

Note 7 – 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. During 2017, the Borough transferred \$55,317.42 back to the Brookville Fire Department which included all interest earned from 2013 through the date of transfer.

Note 8 – 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.

Borough of Brookville

Notes to Financial Statements (continued)

December 31, 2017

Note 8 – Fund Balance (continued)

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		\$ 116,076
Restricted	- Eighty Percent Portion of Earnings in the Walter Dick Park Endowment Fund		2,502
Committed	- For Capital Projects and Acquisitions		54,450
Assigned	- For Highway Re-Surfacing	39,128	
	- For Street Lighting	14,458	
	- For Fire Protection	24,965	
	- For Library Services	8,166	86,717
Unassigned	- General Fund		1,036,264
Total Fund Balance			<u>\$ 1,296,009</u>

Note 9 – 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.

Loan Guarantee Agreement

The Borough of Brookville has entered into a loan guarantee agreement dated December 30, 2015 among the Borough of Brookville, the Brookville Municipal Authority, and S&T Bank in which the Borough pledges its full faith, credit and taxing power to guarantee the Brookville Municipal Authority's short-term construction loan in the maximum principal amount of \$9,742,000. The loan proceeds are to be used in connection with the Authority's Wastewater System Improvement project. The short-term loan is scheduled to mature no later than December 1, 2018 along with all unpaid interest. The Brookville Municipal Authority is to repay the short-term loan at the completion of the project through a permanent financing loan received from the U.S. Department of Agriculture, Rural Utilities Service. The amount advanced on the short-term loan as of December 31, 2017 was \$9,239,946.21.

Borough of Brookville

Notes to Financial Statements (continued)

December 31, 2017

Note 10 – 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

Non-Major Funds

December 31, 2017

	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Total Non-Major Funds</u>
<u>ASSETS</u>			
Cash	\$ 86,717	\$ 54,450	\$ 141,167
Total Assets	<u>\$ 86,717</u>	<u>\$ 54,450</u>	<u>\$ 141,167</u>
<u>LIABILITIES</u>			
Liabilities - Due to Other Funds	\$ - 0 -	\$ - 0 -	\$ - 0 -
<u>NET ASSETS</u>			
Committed		54,450	54,450
Assigned	86,717		86,717
Total Fund Balances	<u>86,717</u>	<u>54,450</u>	<u>141,167</u>
Total Liabilities and Fund Balances	<u>\$ 86,717</u>	<u>\$ 54,450</u>	<u>\$ 141,167</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

Non-Major Funds

For the Year Ended December 31, 2017

	Special Revenue Funds	Capital Projects Fund	Total Non-Major Funds
<i>Revenues:</i>			
Taxes	\$ 162,294	\$	\$ 162,294
Grants, Gifts and Intergovernmental Revenues	153,817		153,817
Other Revenues	1,079		1,079
Total Revenues	317,190	- 0 -	317,190
<i>Expenditures:</i>			
General Government	3,412		3,412
Public Safety	92,720		92,720
Public Works	239,060		239,060
Culture and Recreation	18,200		18,200
Total Expenditures	353,392	- 0 -	353,392
Excess (Deficiency) of Revenues Over Expenditures	(36,202)	- 0 -	(36,202)
Transfers (Net)	(55,317)	- 0 -	(55,317)
Excess (Deficiency) of Revenues Over Expenditures and Transfers	(91,519)	- 0 -	(91,519)
Fund Balance, January 1, 2017	178,236	54,450	232,686
Fund Balance, December 31, 2017	<u>\$ 86,717</u>	<u>\$ 54,450</u>	<u>\$ 141,167</u>

The accompanying notes are an integral part of the financial statements

Borough of Brookville

Combining Balance Sheet - Cash Basis

All Special Revenue Funds

December 31, 2017

	Liquid Fuel Fund	Street Light Fund	Fire Protection Fund	Library Fund	Total Special Revenue Funds
<u>ASSETS</u>					
Cash	\$ 39,128	\$ 14,458	\$ 24,965	\$ 8,166	\$ 86,717
Total Assets	<u>\$ 39,128</u>	<u>\$ 14,458</u>	<u>\$ 24,965</u>	<u>\$ 8,166</u>	<u>\$ 86,717</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Liabilities - Due to Other Funds	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>
<i>Fund Balance:</i>					
Assigned	<u>39,128</u>	<u>14,458</u>	<u>24,965</u>	<u>8,166</u>	<u>86,717</u>
Total Fund Balance	<u>39,128</u>	<u>14,458</u>	<u>24,965</u>	<u>8,166</u>	<u>86,717</u>
Total Liabilities and Fund Balance	<u>\$ 39,128</u>	<u>\$ 14,458</u>	<u>\$ 24,965</u>	<u>\$ 8,166</u>	<u>\$ 86,717</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
For the Year Ended December 31, 2017

	Liquid Fuel Fund	Street Light Fund	Fire Protection Fund	Library Fund	Total Special Revenue Funds
<i>Revenues:</i>					
Taxes	\$	\$ 50,352	\$ 93,184	\$ 18,758	\$ 162,294
Grants, Gifts and Intergovernmental Revenues	153,817				153,817
Other Revenues	970	108	1		1,079
Total Revenues	<u>154,787</u>	<u>50,460</u>	<u>93,185</u>	<u>18,758</u>	<u>317,190</u>
<i>Expenditures:</i>					
General Government		1,096	1,937	379	3,412
Public Safety			92,720		92,720
Public Works	168,063	70,997			239,060
Culture and Recreation				18,200	18,200
Total Expenditures	<u>168,063</u>	<u>72,093</u>	<u>94,657</u>	<u>18,579</u>	<u>353,392</u>
Excess (Deficiency) of Revenues Over Expenditures	(13,276)	(21,633)	(1,472)	179	(36,202)
Transfers - Net	- 0 -	- 0 -	(55,317)	- 0 -	(55,317)
Excess (Deficiency) of Revenues Over Expenditures and Transfers	(13,276)	(21,633)	(56,789)	179	(91,519)
Fund Balance, January 1, 2017	<u>52,404</u>	<u>36,091</u>	<u>81,754</u>	<u>7,987</u>	<u>178,236</u>
Fund Balance, December 31, 2017	<u>\$ 39,128</u>	<u>\$ 14,458</u>	<u>\$ 24,965</u>	<u>\$ 8,166</u>	<u>\$ 86,717</u>

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, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>				
Grants, Gifts and Intergovernmental Revenues:				
State Liquid Fuel Tax Grant	\$ 148,270	\$ 148,270	\$ 151,417	\$ 3,147
State Turnback Allocation	1,280	1,280	1,280	- 0 -
Pine Creek Township	- 0 -	- 0 -	1,120	1,120
Total Grants, Gifts and Intergovernmental Revenues	<u>149,550</u>	<u>149,550</u>	<u>153,817</u>	<u>4,267</u>
Other Revenues:				
Interest Income	- 0 -	- 0 -	970	970
Total Revenues	<u>149,550</u>	<u>149,550</u>	<u>154,787</u>	<u>5,237</u>
<i>Expenditures:</i>				
Public Works:				
Street Paving Projects	149,550	149,550	168,063	(18,513)
Excess (Deficiency) of Revenues Over Expenditures	<u>- 0 -</u>	<u>- 0 -</u>	<u>(13,276)</u>	<u>(13,276)</u>
Transfers:				
Transfer from Reserves	21,000	21,000	- 0 -	- 0 -
Transfer to General Fund	(21,000)	(21,000)	- 0 -	- 0 -
Transfers - Net	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>
Excess (Deficiency) of Revenues Over Expenditures and Transfers	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>(13,276)</u>	<u>\$ (13,276)</u>
Fund Balance, January 1, 2017			<u>52,404</u>	
Fund Balance, December 31, 2017			<u>\$ 39,128</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, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>				
Taxes:				
Current Real Estate	\$ 47,525	\$ 47,525	\$ 44,851	\$ (2,674)
Delinquent Real Estate	200	200	5,171	4,971
Current Occupation	300	300	284	(16)
Delinquent Occupation	5	5	46	41
Total Taxes	<u>48,030</u>	<u>48,030</u>	<u>50,352</u>	<u>2,322</u>
Other Revenues:				
Interest Income	- 0 -	- 0 -	108	108
Total Revenues	<u>48,030</u>	<u>48,030</u>	<u>50,460</u>	<u>2,430</u>
<i>Expenditures:</i>				
General Government:				
Tax Collection	1,120	1,120	975	145
Property Tax - Local	125	125	121	4
Total General Government	<u>1,245</u>	<u>1,245</u>	<u>1,096</u>	<u>149</u>
Public Works:				
Streets and Highways:				
Street Lighting	50,000	50,000	68,914	(18,914)
Maintenance	4,500	4,500	2,083	2,417
Total Public Works	<u>54,500</u>	<u>54,500</u>	<u>70,997</u>	<u>(16,497)</u>
Total Expenditures	<u>55,745</u>	<u>55,745</u>	<u>72,093</u>	<u>(16,348)</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,715)	(7,715)	(21,633)	(13,918)
Transfer from General Fund	<u>7,715</u>	<u>7,715</u>	<u>- 0 -</u>	<u>(7,715)</u>
Excess (Deficiency) of Revenues Over Expenditures and Transfers	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	(21,633)	<u>\$ (21,633)</u>
Fund Balance, January 1, 2017			<u>36,091</u>	
Fund Balance, December 31, 2017			<u>\$ 14,458</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, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>				
Taxes:				
Current Real Estate	\$ 89,200	\$ 89,200	\$ 82,228	\$ (6,972)
Delinquent Real Estate	200	200	10,627	10,427
Current Occupation	275	275	284	9
Delinquent Occupation	5	5	45	40
Total Taxes	<u>89,680</u>	<u>89,680</u>	<u>93,184</u>	<u>3,504</u>
Other Revenues:				
Interest Income	40	40	1	(39)
Total Revenues	<u>89,720</u>	<u>89,720</u>	<u>93,185</u>	<u>3,465</u>
<i>Expenditures:</i>				
General Government:				
Tax Collection	1,700	1,700	1,715	(15)
Property Tax - Local	300	300	222	78
Total General Government	<u>2,000</u>	<u>2,000</u>	<u>1,937</u>	<u>63</u>
Public Safety:				
Fire Protection:				
Fire Operations/ Contribution to Fire Department	87,720	87,720	92,720	(5,000)
Total Expenditures	<u>89,720</u>	<u>89,720</u>	<u>94,657</u>	<u>(4,937)</u>
Excess (Deficiency) of Revenues Over Expenditures	- 0 -	- 0 -	(1,472)	(1,472)
Transfer to General Fund	- 0 -	- 0 -	(55,317)	(55,317)
Excess (Deficiency) of Revenues Over Expenditures and Transfers	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	(56,789)	<u>\$ (56,789)</u>
Fund Balance, January 1, 2017			<u>81,754</u>	
Fund Balance, December 31, 2017			<u>\$ 24,965</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, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>				
<i>Taxes:</i>				
Current Real Estate	\$ 17,875	\$ 17,875	\$ 16,819	\$ (1,056)
Delinquent Real Estate	50	50	1,939	1,889
Total Taxes	<u>17,925</u>	<u>17,925</u>	<u>18,758</u>	<u>833</u>
Total Revenues	<u>17,925</u>	<u>17,925</u>	<u>18,758</u>	<u>833</u>
<i>Expenditures:</i>				
<i>General Government:</i>				
Tax Collection	675	675	334	341
Property Tax - Local	50	50	45	5
Total General Government	<u>725</u>	<u>725</u>	<u>379</u>	<u>346</u>
<i>Culture and Recreation:</i>				
Arthurs Library Subsidy	17,200	17,200	18,200	(1,000)
Total Expenditures	<u>17,925</u>	<u>17,925</u>	<u>18,579</u>	<u>(654)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	179	<u>\$ 179</u>
Fund Balance, January 1, 2017			<u>7,987</u>	
Fund Balance, December 31, 2017			<u>\$ 8,166</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, 2017

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
Expenditures:	- 0 -	- 0 -	- 0 -	- 0 -
Excess (Deficiency) of Revenues Over Expenditures	- 0 -	- 0 -	- 0 -	- 0 -
Transfer to General Fund	- 0 -	- 0 -	- 0 -	- 0 -
Excess (Deficiency) of Revenues Over Expenditures and Transfers	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	- 0 -	<u>\$ - 0 -</u>
Fund Balance, January 1, 2017			<u>54,450</u>	
Fund Balance, December 31, 2017			<u>\$ 54,450</u>	

The accompanying notes are an integral part of the financial statements

Borough of Brookville

Other Supplemental Information

December 31, 2017

BORROWING BASE CERTIFICATE

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Revenues Received	\$ 2,580,319	\$ 2,349,187	\$ 2,644,003
<i>Less:</i>			
Special Tax Levies	120,092	90,871	152,986
Interest Income Pledged for Specific Purpose	562	1,111	1,878
Grants and Gifts for Specific Purpose	229,044	327,780	278,545
Non-Recurring Receipts	363,871	- 0 -	- 0 -
Net Revenues	<u>\$ 1,866,750</u>	<u>\$ 1,929,425</u>	<u>\$ 2,210,594</u>
Total Net Revenues			<u>\$ 6,006,769</u>
Borrowing Base			<u>\$ 2,002,256</u>

DEBT STATEMENT PURSUANT TO SECTION 410
LOCAL GOVERNMENT UNIT DEBT ACT

Gross Debt Outstanding	<u>\$ 180,672</u>
Borrowing Base per Certificate	<u>\$ 2,002,256</u>
<i>Debt Limitations:</i>	
Non - Electoral	<u>\$ 5,005,640</u>
Non - Electoral and Lease Rental	<u>\$ 6,006,768</u>

REAL ESTATE - ASSESSED VALUATIONS

Taxable	<u>\$ 82,020,630</u>
Exempt	<u>\$ 23,054,460</u>

The accompanying notes are an integral part of the financial statements

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