



BOROUGH *of* BROOKVILLE

BOROUGH OF BROOKVILLE

Brookville, Pennsylvania

December 31, 2019

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## Borough of Brookville

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Table of Contents

December 31, 2019

	<u>Page</u>
Independent Auditor's Report	5
Management Discussion and Analysis	7
Financial Statements:	
Statement of Net Position - Modified Cash Basis	12
Statement of Activities - Modified Cash Basis	13
Balance Sheet - Modified Cash Basis - Governmental Funds	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - Governmental Funds	15
Statement of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Modified Cash Basis - General Fund	16
Statement of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Modified Cash Basis - Permanent Fund - Walter Dick Park Endowment Fund	24
Notes to Financial Statements	25
Supplemental Information:	
Combining Balance Sheet - Modified Cash Basis - Non-Major Funds	42
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis - Non-Major Funds	43
Combining Balance Sheet - Modified Cash Basis - All Special Revenue Funds	44

**Borough of Brookville**

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Table of Contents (continued)

December 31, 2019

	<u>Page</u>
Statement of Revenues, Expenditures and Changes in Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis - All Special Revenue Funds	45
Fund Balance - Actual and Budget - Modified Cash Basis:	
Liquid Fuel Fund	46
Street Light Fund	47
Fire Protection Fund	48
Library Fund	49
Statement of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Modified Cash Basis - Capital Projects Fund	50
Other Supplemental Information	51



# Troxell & Associates, LLC

Certified Public Accountants

## 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, 2019, 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

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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, 2019, 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.

### **Emphasis of Matter**

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.

As discussed in Note 1, the financial statements referred to above include only the Borough of Brookville, Pennsylvania, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Borough's legal entity. These primary government financial statements do not include financial data for the Borough's legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Borough's primary government. As a result, the primary government financial statements do not purport to, and do not present fairly the financial position of the reporting entity of the Borough of Brookville, Pennsylvania, as of December 31, 2019, the changes in its financial position thereof for the year then ended in accordance with the modified cash basis of accounting. Our opinion is not modified with respect to this matter.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the reporting entity of the Borough of Brookville, Pennsylvania, as of and for the year ended December 31, 2019, and our report thereon, dated August 28, 2020, expressed an unmodified opinion on those financial statements.

### **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, Pennsylvania 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 42 to 51 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.

  
Troxell & Associates, LLC  
Certified Public Accountants  
October 28, 2020

## **Borough of Brookville**

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### Management's Discussion and Analysis

December 31, 2019

As management of the Borough of Brookville, we offer readers of the Borough of Brookville's financial statements this narrative overview and analysis of the financial activities of the Borough for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the Borough's December 31, 2019 financial statements.

### **Financial Highlights**

- Borough of Brookville operates on the modified cash basis.
- The assets exceed the liabilities for the Borough of Brookville at the close of the most recent fiscal year by \$1,825,633 (net position).
- The Borough's total net position reflects an increase in the net position from the prior year of \$293,595.
- Borough of Brookville currently has \$106,241.75 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. Borough of Brookville operates on a modified 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 modified 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**

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Management's Discussion and Analysis (continued)

December 31, 2019

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 five (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 25-41 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 42-50 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Borough of Brookville'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 31-37 of this report.



**Borough of Brookville**

Management's Discussion and Analysis (continued)

December 31, 2019

**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 Borough of Brookville, assets exceed liabilities by \$1,825,633 at the close of December 31, 2019.

**Borough of Brookville Statement of Net Position**

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

	2019 Governmental <u>Activities</u>	2018 Governmental <u>Activities</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,709,553	\$ 1,189,777
Certificates of deposit	123,417	353,777
Due from Brookville Municipal Authority	<u>156</u>	<u>9</u>
Total assets	<u>\$ 1,833,126</u>	<u>\$ 1,543,563</u>
<b>Liabilities</b>		
Due to Brookville Municipal Authority	\$ 3,777	\$ 5,022
Payroll withholdings and deductions	<u>3,716</u>	<u>6,503</u>
Total liabilities	<u>\$ 7,493</u>	<u>\$ 11,525</u>
<b>Net Position</b>		
Restricted	\$ 123,680	\$ 120,962
Unrestricted	<u>1,701,953</u>	<u>1,411,076</u>
Total net position	<u>1,825,633</u>	<u>1,532,038</u>
Total liabilities and net position	<u>\$1,833,126</u>	<u>\$1,543,563</u>

**Statement of Activities**

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

**Borough of Brookville**

Management's Discussion and Analysis (continued)

December 31, 2019

**Borough of Brookville Statement of Activities**

	<u>2019</u>	<u>2018</u>
<b><u>Program Revenues</u></b>		
Charges for services	\$ 579,328	\$ 451,438
Operating grants & contributions	<u>236,652</u>	<u>219,991</u>
Total operating revenues	<u>\$ 815,980</u>	<u>\$ 671,429</u>
<b><u>Operating Expenses</u></b>		
Expenses	<u>\$ 2,500,462</u>	<u>\$ 2,398,860</u>
Net revenues	<u>\$(1,684,482)</u>	<u>\$(1,727,431)</u>
<b><u>General Revenues</u></b>		
Taxes	\$ 1,803,913	\$ 1,814,465
Permits and fees	55,716	56,800
Grants, subsidies, & contributions	88,844	81,620
Miscellaneous income	93	55
Interest income	<u>29,511</u>	<u>10,520</u>
Total general revenues	<u>\$ 1,978,077</u>	<u>\$ 1,963,460</u>
Change in net position	\$ 293,595	\$ 236,029
Net position – January 1	<u>\$ 1,532,038</u>	<u>\$ 1,296,009</u>
Net position – December 31	<u>\$ 1,825,633</u>	<u>\$ 1,532,038</u>

**Financial Analysis of the Government's Funds**

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

**Governmental Funds**

The focus of Borough of Brookville'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.

## Borough of Brookville

Management's Discussion and Analysis (continued)

December 31, 2019

The General Fund is the chief operating fund of Borough of Brookville. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,517,244. Unreserved fund balance represents 69% of total general fund expenditures. At December 31, 2019, the non-major governmental funds of the Borough of Brookville reported a combined fund balance of \$184,709. The Borough's one permanent fund reported a fund balance of \$123,680 at year end. The total governmental funds at the end of the year totaled \$1,825,633.

### Long-Term Debt

As of December 31, 2019, Borough of Brookville had a total of \$106,241.75 in outstanding debt. The general obligation note from S&T Bank had a remaining balance of \$58,499.24 at December 31, 2019, and was paid in full in January 2020.

During 2019, the Borough purchased a dump truck through a capital project loan. The balance as of December 31, 2019 was \$47,742.51.

#### Equipment Note – Dump Truck

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 9,678.55	\$ 882.56	\$ 10,561.11
2021	9,873.58	687.54	10,561.12
2022	10,072.54	488.58	10,561.12
2023	10,275.51	285.61	10,561.12
2024	<u>7,842.33</u>	<u>78.55</u>	<u>7,920.88</u>
	<u>\$ 47,742.51</u>	<u>\$ 2,422.84</u>	<u>\$ 50,165.35</u>

Additional information on Borough of Brookville's long-term debt can be found in Note 4 on page 37 of this report.

### Economic Factors

- The unemployment rate as of December 31, 2019 for Jefferson County is 6.20 percent.
- A debt service tax of 0.8 mills will remain in place until 2020.

### 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, Borough of Brookville, 18 Western Avenue, Suite A, Brookville, PA 15825.

Borough of Brookville

Statement of Net Position - Modified Cash Basis

December 31, 2019

	<u>Governmental Activities</u>
<i>Assets</i>	
Cash and cash equivalents	\$ 1,709,553
Certificates of deposit	123,417
Due from Brookville Municipal Authority	<u>156</u>
<b>Total Assets</b>	<b><u><u>\$ 1,833,126</u></u></b>
<i>Liabilities</i>	
Due to Brookville Municipal Authority	\$ 3,777
Payroll withholdings and deductions	<u>3,716</u>
<b>Total Liabilities</b>	<b><u><u>\$ 7,493</u></u></b>
<i>Net Position</i>	
Restricted	\$ 123,680
Unrestricted	<u>1,701,953</u>
<b>Total Net Position</b>	<b><u><u>1,825,633</u></u></b>
<b>Total Liabilities and Net Position</b>	<b><u><u>\$ 1,833,126</u></u></b>

The accompanying notes are an integral part of the financial statements

**Borough of Brookville**

Statement of Activities - Modified Cash Basis

For the Year Ended December 31, 2019

Functions/Programs	Expenditures	Program Revenues			Net
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	(Expenditures) Revenue and Changes in Net Assets
					Governmental Activities
General government	\$ 585,209	\$ 275,221	\$ -	\$ -	\$ (309,988)
Public safety	991,815	145,981	53,739	-	(792,095)
Health and human services	2,000	-	-	-	(2,000)
Collection	1,487	-	-	-	(1,487)
Public works	822,234	131,958	182,913	-	(507,363)
Culture and recreation	30,307	26,168	-	-	(4,139)
Debt service	67,410	-	-	-	(67,410)
<b>Total Governmental Activities</b>	<b>\$ 2,500,462</b>	<b>\$ 579,328</b>	<b>\$ 236,652</b>	<b>\$ -</b>	<b>\$ (1,684,482)</b>
<b>General Revenues:</b>					
<b>Taxes:</b>					
Real estate					1,251,810
Occupation and per capita					15,779
Local earned income					352,537
Local services tax					140,292
Other enabling taxes					43,495
Permits and fees					55,716
Grants, subsidies and contributions					88,844
Miscellaneous income					93
Interest income					29,511
<b>Total General Revenues</b>					<b>1,978,077</b>
Change in net position					293,595
<b>Net Position - January 1, 2019</b>					<b>1,532,038</b>
<b>Net Position - December 31, 2019</b>					<b>\$ 1,825,633</b>

The accompanying notes are an integral part of the financial statements

**Borough of Brookville**

Governmental Funds

Balance Sheet - Modified Cash Basis

December 31, 2019

	Permanent Fund - Walter Dick Park			Total
	General Fund	Endowment Fund	Non-Major Funds	Governmental Funds
<i>Assets</i>				
Cash and cash equivalents	\$ 1,508,151	\$ 10,680	\$ 190,722	\$ 1,709,553
Certificates of deposit	10,417	113,000	-	123,417
Due from Brookville Municipal Authority	156	-	-	156
Due from other funds	6,013	-	-	6,013
<b>Total Assets</b>	<u>1,524,737</u>	<u>123,680</u>	<u>190,722</u>	<u>1,839,139</u>
<i>Liabilities</i>				
Due to other funds	-	-	6,013	6,013
Due to Brookville Municipal Authority	3,777	-	-	3,777
Payroll withholdings and deductions	3,716	-	-	3,716
<b>Total Liabilities</b>	<u>7,493</u>	<u>-</u>	<u>6,013</u>	<u>13,506</u>
<i>Fund Balance</i>				
Non-spendable	-	117,097	-	117,097
Restricted	-	6,583	-	6,583
Committed	-	-	54,936	54,936
Assigned	-	-	129,773	129,773
Unassigned	1,517,244	-	-	1,517,244
<b>Total Fund Balance</b>	<u>1,517,244</u>	<u>123,680</u>	<u>184,709</u>	<u>1,825,633</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 1,524,737</u>	<u>\$ 123,680</u>	<u>\$ 190,722</u>	<u>\$ 1,839,139</u>

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 - Modified Cash Basis

For the Year Ended December 31, 2019

	General Fund	Permanent Fund - Walter Dick Park Endowment Fund	Non-Major Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 1,635,391	\$ -	\$ 168,523	\$ 1,803,914
Licenses, permits and fees	66,927	-	-	66,927
Grants, gifts and intergovernmental revenues	160,616	-	164,880	325,496
Fines, forfeits and costs	57,036	-	-	57,036
Earnings for services	263,374	-	-	263,374
Other revenues	269,048	2,718	5,544	277,310
<b>Total Revenues</b>	<b>2,452,392</b>	<b>2,718</b>	<b>338,947</b>	<b>2,794,057</b>
<b>Expenditures:</b>				
General government	582,425	-	2,784	585,209
Public safety	903,140	-	88,675	991,815
Health and human services	2,000	-	-	2,000
Collection	1,487	-	-	1,487
Public works	605,477	-	216,757	822,234
Culture and recreation	10,507	-	19,800	30,307
Debt service	67,410	-	-	67,410
<b>Total Expenditures</b>	<b>2,172,446</b>	<b>-</b>	<b>328,016</b>	<b>2,500,462</b>
Excess (deficiency) of revenues over expenditures	279,946	2,718	10,931	293,595
Transfers - net	(5,000)	-	5,000	-
Excess (deficiency) of revenues over expenditures and transfers	274,946	2,718	15,931	293,595
<b>Fund Balance, January 1, 2019</b>	<b>1,242,298</b>	<b>120,962</b>	<b>168,778</b>	<b>1,532,038</b>
<b>Fund Balance, December 31, 2019</b>	<b>\$ 1,517,244</b>	<b>\$ 123,680</b>	<b>\$ 184,709</b>	<b>\$ 1,825,633</b>

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 - Modified Cash Basis

For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
<b>Real Estate and Occupation Taxes:</b>				
Current real estate	\$ 1,080,000	\$ 1,080,000	\$ 955,623	\$ (124,377)
Current real estate - debt service	65,000	65,000	59,895	(5,105)
Delinquent real estate	11,000	11,000	68,394	57,394
Current occupation	3,250	3,250	3,120	(130)
Delinquent occupation	30	30	29	(1)
<b>Total Real Estate and Occupation Taxes</b>	<u>1,159,280</u>	<u>1,159,280</u>	<u>1,087,061</u>	<u>(72,219)</u>
<b>Local Enabling Taxes:</b>				
Current per capita	8,800	8,800	8,316	(484)
Delinquent per capita	1,050	1,050	3,691	2,641
Local services	135,000	135,000	140,292	5,292
Earned income	325,000	325,000	352,537	27,537
Real estate transfer	30,000	30,000	43,495	13,495
<b>Total Local Enabling Taxes</b>	<u>499,850</u>	<u>499,850</u>	<u>548,331</u>	<u>48,481</u>
<b>Total Taxes</b>	<u>1,659,130</u>	<u>1,659,130</u>	<u>1,635,392</u>	<u>(23,738)</u>
<b>Licenses, Permits and Fees:</b>				
Health licenses	3,000	3,000	3,440	440
Amusements	3,500	3,500	2,232	(1,268)
TV cable franchise fee	55,000	55,000	55,716	716
Other business licenses and permits	1,310	1,310	2,310	1,000
Non-business licenses and permits	1,600	1,600	3,230	1,630
<b>Total Licenses, Permits and Fees</b>	<u>64,410</u>	<u>64,410</u>	<u>66,928</u>	<u>2,518</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 - Modified Cash Basis (continued)

For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Grants, Gifts and Intergovernmental Revenues:</b>				
Public utility realty tax	1,900	1,900	1,611	(289)
Foreign fire insurance	20,000	20,000	18,739	(1,261)
State aid for pensions	96,000	96,000	107,530	11,530
Tavern games tax	5,700	5,700	8,979	3,279
Alcoholic beverage taxes	2,000	2,000	3,200	1,200
Act 13 impact fees	7,500	7,500	18,033	10,533
State police fines	2,000	2,000	2,524	524
<b>Total grants, gifts and intergovernmental revenues</b>	<u>135,100</u>	<u>135,100</u>	<u>160,616</u>	<u>25,516</u>
<b>Fines, Forfeits and Costs:</b>				
Title 18	10,000	10,000	6,583	(3,417)
Vehicle and ordinance violations	13,000	13,000	20,722	7,722
Clerk of courts	9,000	9,000	11,673	2,673
Court DUI revenues	100	100	-	(100)
Parking meter fines	17,000	17,000	17,163	163
Miscellaneous fines	500	500	649	149
Restitution	500	500	245	(255)
<b>Total Fines, Forfeits and Costs</b>	<u>50,100</u>	<u>50,100</u>	<u>57,035</u>	<u>6,935</u>
<b>Earnings for Services:</b>				
General government	10,615	10,615	46,323	35,708
Public safety	44,200	44,200	100,437	56,237
Highway and streets	56,115	56,115	105,264	49,149
Culture and recreation	-	-	11,350	11,350
Other revenue	15	15	7,092	7,077
<b>Total Earnings for Services</b>	<u>110,945</u>	<u>110,945</u>	<u>270,466</u>	<u>159,521</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 - Modified Cash Basis (continued)

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Other Revenues:</b>				
Interest income	3,125	3,125	27,958	24,833
Rents - Borough complex	240,000	240,000	232,898	(7,102)
Rents - park pavilions	1,000	1,000	1,100	100
<b>Total Other Revenues</b>	<b>244,125</b>	<b>244,125</b>	<b>261,956</b>	<b>17,831</b>
<b>Total Revenues</b>	<b>2,263,810</b>	<b>2,263,810</b>	<b>2,452,393</b>	<b>188,583</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Legislative Body:</b>				
Council salaries	4,200	4,200	4,200	-
Mayor salary	1,200	1,200	1,200	-
Other operating expenditures	100	100	32	68
<b>Total Legislative Body</b>	<b>5,500</b>	<b>5,500</b>	<b>5,432</b>	<b>68</b>
<b>Executive:</b>				
Salary - Borough manager	29,815	29,815	29,815	-
Salary - staff	44,458	44,458	41,785	2,673
Social Security/Medicare	8,750	8,750	6,692	2,058
Employee benefits	12,950	12,950	16,319	(3,369)
<b>Total Executive</b>	<b>95,973</b>	<b>95,973</b>	<b>94,611</b>	<b>1,362</b>
<b>Financial Administration:</b>				
Audit fees	15,100	15,100	15,700	(600)
<b>Tax Collection:</b>				
Collector's commission	11,000	11,000	10,556	444
Other operating expenditures	2,500	2,500	1,394	1,106
Berkheimer EIT commission	6,000	6,000	6,173	(173)
County delinquent commission	2,000	2,000	-	2,000
<b>Total Tax Collection</b>	<b>21,500</b>	<b>21,500</b>	<b>18,123</b>	<b>3,377</b>

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 - Modified Cash Basis (continued)

For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Legal Services:</b>				
Professional services	20,000	20,000	8,865	11,135
Ordinance codification	2,500	2,500	1,195	1,305
Advertising costs	2,000	2,000	2,316	(316)
<b>Total Legal Services</b>	<u>24,500</u>	<u>24,500</u>	<u>12,376</u>	<u>12,124</u>
<b>Administration:</b>				
Insurances - property	34,225	34,225	32,426	1,799
Insurances - liability	500	500	520	(20)
Workers compensation	50,000	50,000	44,931	5,069
Employee pension	68,825	68,825	68,816	9
Other administration	27,600	27,600	22,883	4,717
<b>Total Administration</b>	<u>181,150</u>	<u>181,150</u>	<u>169,576</u>	<u>11,574</u>
<b>IT-Networking:</b>				
Equipment maintenance and supplies	7,600	7,600	11,195	(3,595)
<b>Engineer:</b>				
Professional services	1,250	1,250	22,906	(21,656)
<b>Buildings and Plant:</b>				
Operating supplies	3,300	3,300	4,407	(1,107)
Industrial appraisal	-	-	-	-
Utilities	57,850	57,850	46,622	11,228
Maintenance	75,000	75,000	159,406	(84,406)
Property taxes	16,500	16,500	11,577	4,923
Part-time help/cleaning	10,000	10,000	10,496	(496)
<b>Total Buildings and Plant</b>	<u>162,650</u>	<u>162,650</u>	<u>232,508</u>	<u>(69,858)</u>
<b>Total General Government</b>	<u>515,223</u>	<u>515,223</u>	<u>582,427</u>	<u>(67,204)</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 - Modified Cash Basis (continued)

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Public Safety:</b>				
<b>Police:</b>				
Salaries and wages	440,050	440,050	451,161	(11,111)
Other compensation	65,126	65,126	77,943	(12,817)
Employee benefits	142,800	142,800	130,996	11,804
Employee pension	76,600	76,600	76,505	95
Social security tax	11,500	11,500	16,610	(5,110)
Insurance - liability	10,000	10,000	-	10,000
Special programs	6,000	6,000	963	5,037
New vehicle	38,000	38,000	40,201	(2,201)
Other operating expenditures	87,250	87,250	60,650	26,600
<b>Total Police</b>	<b>877,326</b>	<b>877,326</b>	<b>855,029</b>	<b>22,297</b>
<b>Fire Protection:</b>				
Insurance - workers comp.	16,500	16,500	14,562	1,938
Firemen's relief fund	20,000	20,000	18,739	1,261
<b>Total Fire Protection</b>	<b>36,500</b>	<b>36,500</b>	<b>33,301</b>	<b>3,199</b>
<b>UCC and Code Enforcement:</b>				
Salary - code officer	7,500	7,500	11,700	(4,200)
Enforcement/inspection costs	15,000	15,000	3,111	11,889
<b>Total UCC and Code Enforcement</b>	<b>22,500</b>	<b>22,500</b>	<b>14,811</b>	<b>7,689</b>
<b>Total Public Safety</b>	<b>936,326</b>	<b>936,326</b>	<b>903,141</b>	<b>33,185</b>
<b>Health and Human Services:</b>				
Salary - health inspector	2,000	2,000	2,000	-
<b>Total Health and Human Services</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>
<b>Collection:</b>				
Collection/recycling	1,000	1,000	1,000	-
Jefferson County tax collection	500	500	487	13
<b>Total Collection</b>	<b>1,500</b>	<b>1,500</b>	<b>1,487</b>	<b>13</b>

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 - Modified Cash Basis (continued)

For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Public Works:</b>				
<b>General Services:</b>				
Salaries and wages	323,300	323,300	316,237	7,063
Other compensation	30,000	30,000	7,356	22,644
Employee benefits	140,000	140,000	111,829	28,171
Social security tax	30,500	30,500	24,641	5,859
Insurance	5,000	5,000	-	5,000
Other operating expenditures	7,900	7,900	4,147	3,753
<b>Total General Services</b>	<u>536,700</u>	<u>536,700</u>	<u>464,210</u>	<u>72,490</u>
<b>Cleaning Streets and Gutters:</b>				
Equipment rental	2,500	2,500	-	2,500
<b>Winter Maintenance:</b>				
Snow removal supplies	65,000	65,000	48,741	16,259
<b>Traffic Control Devices:</b>				
Utility - electric	4,500	4,500	5,602	(1,102)
Materials and supplies	7,000	7,000	2,754	4,246
<b>Total Traffic Control Devices</b>	<u>11,500</u>	<u>11,500</u>	<u>8,356</u>	<u>3,144</u>
<b>Sidewalks and Crosswalks:</b>				
Line painting - maintenance	10,000	10,000	5,899	4,101
<b>Repairs of Tools and Machinery:</b>				
Vehicle parts and supplies	30,800	30,800	27,627	3,173
Small tools and maintenance	2,500	2,500	1,495	1,005
Parking meter supplies	2,000	2,000	1,665	335
Contracted vehicle repairs	10,500	10,500	10,472	28
<b>Total Repairs of Tools and Machinery</b>	<u>45,800</u>	<u>45,800</u>	<u>41,259</u>	<u>4,541</u>
<b>Highway Construction Projects:</b>				
Street maintenance	30,000	30,000	18,441	11,559

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 - Modified Cash Basis (continued)

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Storm Water - Flood Control:</b>				
Storm water system	25,000	25,000	18,719	6,281
Flood plain	25,000	25,000	(150)	25,150
<b>Total Storm Water - Flood Control</b>	<b>50,000</b>	<b>50,000</b>	<b>18,569</b>	<b>31,431</b>
<b>Total Public Works</b>	<b>751,500</b>	<b>751,500</b>	<b>605,475</b>	<b>146,025</b>
<b>Culture and Recreation:</b>				
<b>Participant Recreation:</b>				
Salary - part-time staff	10,500	10,500	1,731	8,769
Supplies	75	75	29	46
Park projects and improvements	30,075	30,075	922	29,153
<b>Total Participant Recreation</b>	<b>40,650</b>	<b>40,650</b>	<b>2,682</b>	<b>37,968</b>
<b>Parks:</b>				
Repairs and maintenance	1,500	1,500	1,759	(259)
Sanitation supplies	5,000	5,000	4,126	874
Utility - electric	2,000	2,000	1,940	60
<b>Total Parks</b>	<b>8,500</b>	<b>8,500</b>	<b>7,825</b>	<b>675</b>
<b>Total Culture and Recreation</b>	<b>49,150</b>	<b>49,150</b>	<b>10,507</b>	<b>38,643</b>
<b>Debt Service:</b>				
Principal on bank loan	-	-	64,303	(64,303)
Interest on bank loan	65,000	65,000	3,107	61,893
<b>Total Debt Service</b>	<b>65,000</b>	<b>65,000</b>	<b>67,410</b>	<b>(2,410)</b>
<b>Total Expenditures</b>	<b>2,320,699</b>	<b>2,320,699</b>	<b>2,172,447</b>	<b>148,252</b>
Excess (deficiency) of revenues over expenditures	(56,889)	(56,889)	279,946	336,835

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 - Modified Cash Basis (continued)

For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Transfers:</b>				
Transfer to capital projects	(5,000)	(5,000)	(5,000)	-
Transfer to street light fund	(3,415)	(3,415)	-	3,415
Transfer to certificate of deposit	(10,000)	(10,000)	-	10,000
Transfer from reserves	<u>75,304</u>	<u>75,304</u>	<u>-</u>	<u>(75,304)</u>
<b>Total Transfers (Net)</b>	<u>56,889</u>	<u>56,889</u>	<u>(5,000)</u>	<u>(61,889)</u>
Excess (deficiency) of revenues over expenditures and transfers	<u>\$ -</u>	<u>\$ -</u>	274,946	<u>\$ 274,946</u>
Fund Balance, January 1, 2019			<u>1,242,298</u>	
Fund Balance, December 31, 2019			<u>\$ 1,517,244</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 - Modified Cash Basis  
For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Other Revenues:				
Interest income	\$ 1,500	\$ 1,500	\$ 2,718	\$ 1,218
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	1,500	1,500	2,718	1,218
Transfer to general fund	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Excess (deficiency) of revenues over expenditures and transfer	<u>\$ -</u>	<u>\$ -</u>	2,718	<u>\$ 2,718</u>
Fund Balance, January 1, 2019			<u>120,962</u>	
Fund Balance, December 31, 2019			<u>\$ 123,680</u>	

The accompanying notes are an integral part of the financial statements



**Note 1 – Summary of Significant Accounting Policies**

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

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 the modified cash basis of accounting. The financial statements include only the primary government of the Borough, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Borough's legal entity. The report includes all services provided by the Borough to residents and businesses within its boundaries. The primary government financial statements do not include financial data for the Borough's legally separate component unit. Separate financial statements are issued for the component unit.

**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.

**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:

**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.

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Fund Financial Statements (continued)**

**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 modified 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 modified 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 modified 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.

**Borough of Brookville**

Notes to Financial Statements (continued)

December 31, 2019

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Budgets and Budgetary Accounting**

Budgets are adopted annually by the Borough Council for all governmental funds, using the modified 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, \$1,516,780 of the Borough's bank balance of \$1,900,877 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	\$ 1,516,780
Plus: Insured amount	384,097
Less: Outstanding check	(67,907)
Certificates of deposit	(123,417)
Add: Deposits in transit	<u>-</u>
Carrying amount – cash and cash equivalents	<u>\$ 1,709,553</u>

Included in the cash and cash equivalents balance of \$1,709,553 is the balance of \$1,066,612 on deposit through the Pennsylvania Local Government Investment Trust (PLGIT).

(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).

**Borough of Brookville**

Notes to Financial Statements (continued)

December 31, 2019

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Cash and Cash Equivalents (continued)**

Certificates of Deposit consists of the following bank certificates held in various banking institutions:

Certificates	3-12 months	\$ 73,000
Certificates	13-24 months	40,000
Certificates	over 24 months	<u>10,417</u>
Total bank certificates of deposit		<u>\$ 123,417</u>

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

**Property Taxes**

Real estate property taxes for 2019 were levied in March of 2019, and payment dates were as follows:

- Face less 2% discount - 60 days from levy date (3-1-19 to 5-1-19)
- At face - 61 days to 120 days from levy date (5-2-19 to 7-5-19)
- Face plus 10% penalty - after 120 days from levy date (after 7-6-19)

Unpaid current year property taxes of \$81,360 were returned by the Borough's elected tax collector to the Jefferson County Tax Claim Bureau during January 2020.

Total adjusted market value of taxable real estate for 2019 was \$78,856,140. The total tax assessed against this value was \$1,302,310 or 16.515 mills on the market value, for which 13.49 mills was designated for general purposes, .90 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 16.515 mills is an increase of .30 mill over the previous year. The increase of .3 mill was for the streetlight fund.

**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 \$175,170, a one-half percent earned income tax and a one-half percent real estate transfer tax.

Borough of Brookville

Notes to Financial Statements (continued)

December 31, 2019

**Note 1 – Summary of Significant Accounting Policies (continued)**

**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.

**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, 2019.

**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)	\$ 54	Portion of Windstream check
Sewer	General (clearing)	<u>102</u>	Portion of Windstream check
	Total due from	<u>\$ 156</u>	
General (clearing)	Water	\$ 1,936	Reimburse payroll
General (clearing)	Sewer	<u>1,696</u>	Reimburse payroll
	Total due to	<u>\$ 3,632</u>	

**Borough of Brookville**

Notes to Financial Statements (continued)

December 31, 2019

**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, 2019 members contributed 1.03 percent of compensation to the plan. The minimum municipal obligation for the plan year 2019 was \$76,505 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).

**GASB 68 Disclosures:**

Update procedures were used to roll forward January 1, 2019 liabilities to the plan's fiscal plan year ending December 31, 2019. The components of the net pension liability as of December 31, 2019 were as follows:

Total pension liability	\$ 2,193,131
Plan fiduciary net position	\$ 2,527,220
Net pension liability (excess funding)	\$ (334,089)
Plan fiduciary net position as a percentage of total pension liability	115.2%

**Borough of Brookville**

Notes to Financial Statements (continued)

December 31, 2019

**Note 3 – Pension Plans (continued)**

**GASB 68 Disclosures (continued):**

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	\$ (73,379)	\$ (334,089)	\$ (553,710)

**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>	<u>December</u> <u>31, 2018</u>	<u>December</u> <u>31, 2019</u>
Actuarial determined contributions	\$ 28,891	\$ 30,379	\$ 35,925	\$ 42,959	\$ 77,933	\$ 76,505
Contributions made	<u>28,891</u>	<u>30,379</u>	<u>35,925</u>	<u>42,959</u>	<u>77,933</u>	<u>76,505</u>
Contribution deficiency (excess)	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<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>	<u>\$ 406,600</u>	<u>\$ 400,000</u>
Contributions as a percentage of covered employee payroll	<u>8.90%</u>	<u>9.10%</u>	<u>10.53%</u>	<u>11.49%</u>	<u>19.17%</u>	<u>19.12%</u>

**Schedule of Investment Returns**

Annual money-weighted rate of return, net of investment	6.56%	(.59%)	4.50%	12.89%	(4.65%)	(4.75%)
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**Borough of Brookville**

Notes to the Financial Statements (continued)

Last 10 Years\*

December 31, 2019

Police Pension Plan

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

	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>
<b>Total Pension Liability</b>						
Service cost	\$ 53,686	\$ 62,235	\$ 65,658	\$ 91,083	\$ 96,093	\$ 82,996
Interest	134,057	136,807	142,404	148,795	157,347	157,600
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(93,373)	-	(25,574)	-	(104,767)
Changes of assumptions	-	41,102	-	5,750	-	-
Benefit payments, including refunds of member contributions	(86,998)	(127,714)	(127,960)	(128,932)	(132,805)	(131,599)
<b>Net Change in Total Pension Liability</b>	<b>\$ 100,745</b>	<b>\$ 19,057</b>	<b>\$ 80,102</b>	<b>\$ 91,122</b>	<b>\$ 120,635</b>	<b>\$ 4,230</b>
<b>Total Pension Liability - Beginning</b>	<b>1,777,240</b>	<b>1,877,985</b>	<b>1,897,042</b>	<b>1,977,144</b>	<b>2,068,266</b>	<b>2,188,901</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 1,877,985</b>	<b>\$ 1,897,042</b>	<b>\$ 1,977,144</b>	<b>\$ 2,068,266</b>	<b>\$ 2,188,901</b>	<b>\$ 2,193,131</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - state aid	28,891	30,379	35,925	42,959	77,933	76,505
Contributions - member	3,362	3,796	4,072	4,377	3,826	3,947
Net investment income	137,886	(13,521)	100,531	287,549	(112,338)	358,632
Benefit payments, including refunds of employee contributions	(86,998)	(127,714)	(127,960)	(128,932)	(132,805)	(131,599)
Administrative expense	(14,661)	(18,414)	(15,758)	(18,793)	(15,450)	(19,753)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ 68,480</b>	<b>\$ (125,474)</b>	<b>\$ (3,190)</b>	<b>\$ 187,160</b>	<b>\$ (178,834)</b>	<b>\$ 287,732</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>2,291,346</b>	<b>2,359,826</b>	<b>2,234,352</b>	<b>2,231,162</b>	<b>2,418,322</b>	<b>2,239,488</b>
<b>Plan Fiduciary Net Position - Ending</b>	<b>\$ 2,359,826</b>	<b>\$ 2,234,352</b>	<b>\$ 2,231,162</b>	<b>\$ 2,418,322</b>	<b>\$ 2,239,488</b>	<b>\$ 2,527,220</b>
<b>Net Pension Liability - Ending</b>	<b>\$ (481,841)</b>	<b>\$ (337,310)</b>	<b>\$ (254,018)</b>	<b>\$ (350,056)</b>	<b>\$ (50,587)</b>	<b>\$ (334,089)</b>
Plan fiduciary net position as a percentage of the total pension liability	125.7%	117.8%	112.8%	116.9%	102.3%	115.2%
<b>Covered Employee Payroll</b>	<b>\$ 324,530</b>	<b>\$ 333,970</b>	<b>\$ 341,054</b>	<b>\$ 373,900</b>	<b>\$ 406,600</b>	<b>\$ 400,000</b>
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	<b>(148.5)%</b>	<b>(101.0)%</b>	<b>(74.5)%</b>	<b>(93.6)%</b>	<b>(12.4)%</b>	<b>(83.5)%</b>

**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 2018 was \$73,162 and for plan year 2019 \$68,816, 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 the same actuarial valuation dates, there is no difference between expected and actual experience reported this year. The beginning of year TPL is based upon the January 1, 2018 actuarial valuation, with liabilities measured on December 31, 2017 rolled forward to December 31, 2018. The components of the net pension liability as of December 31, 2018 were as follows:

Total pension liability (TPL)	\$ 2,862,108
Plan fiduciary net position	\$ 2,769,842
Net pension liability	\$ 92,266
Plan fiduciary net position as a percentage of total pension liability	96.78%

**Borough of Brookville**

Notes to Financial Statements (continued)

December 31, 2019

**Note 3 – Pension Plans (continued)**

**Municipal Retirement Plan (continued)**

The discount rate used to measure the total pension liability was 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	\$ 341,891	\$ 92,266	\$ (126,604)

**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>	<u>December</u> <u>31, 2018</u>
Actuarial determined contributions	\$ 61,497	\$ 60,563	\$ 56,866	\$ 72,829	\$ 73,162
Contributions made	<u>61,517</u>	<u>60,583</u>	<u>56,886</u>	<u>72,829</u>	<u>73,162</u>
Contribution deficiency (excess)	<u>\$ (20)</u>	<u>\$ (20)</u>	<u>\$ (20)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	<u>\$380,671</u>	<u>\$368,582</u>	<u>\$422,560</u>	<u>\$423,717</u>	<u>\$433,730</u>
Contributions as a percentage of covered employee payroll	<u>16.16%</u>	<u>16.44%</u>	<u>13.46%</u>	<u>17.19%</u>	<u>16.18%</u>

**State Aid for Pensions**

During 2019, the Borough received \$107,530 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, 2019

**Municipal Pension Plan**

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

Measurement Year Ending

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
<b>Total Pension Liability</b>					
Service cost (beginning of year)	\$ 39,197	\$ 37,993	\$ 41,358	\$ 53,741	\$ 55,011
Interest (includes interest on service cost)	140,928	147,735	150,547	144,325	148,507
Changes of benefit terms	-	-	-	-	18,615
Differences between expected and actual exp.	-	-	(130,170)	-	(73,111)
Changes of assumptions	85,778	28,778	57,460	-	-
Transfers	-	-	-	-	-
Benefit payments, including refunds of member contributions	(71,239)	(212,534)	(119,722)	(119,685)	(119,685)
<b>Net Change in Total Pension Liability</b>	<b>\$ 194,664</b>	<b>\$ 1,972</b>	<b>\$ (527)</b>	<b>\$ 78,381</b>	<b>\$ 29,337</b>
<b>Total Pension Liability - Beginning</b>	<b>2,558,281</b>	<b>2,752,945</b>	<b>2,754,917</b>	<b>2,754,390</b>	<b>2,832,771</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 2,752,945</b>	<b>\$ 2,754,917</b>	<b>\$ 2,754,390</b>	<b>\$ 2,832,771</b>	<b>\$ 2,862,108</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 61,517	\$ 60,263	\$ 56,566	\$ 72,509	\$ 72,842
Contributions - PMRS assessment		320	320	320	320
Contributions - employee	14,046	12,901	14,790	14,830	15,181
PMRS investment income	134,007	121,037	136,719	136,665	142,719
Market value investment income	3,635	(153,745)	82,750	305,940	(252,277)
Transfers	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(71,239)	(212,534)	(119,722)	(119,685)	(119,685)
PMRS administrative expense	(300)	(320)	(300)	(320)	(320)
Additional administrative expense	(5,139)	(5,046)	(6,698)	(6,285)	(6,369)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ 136,527</b>	<b>\$ (177,124)</b>	<b>\$ 164,425</b>	<b>\$ 403,974</b>	<b>\$ (147,589)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>2,389,629</b>	<b>2,526,156</b>	<b>2,349,032</b>	<b>2,513,457</b>	<b>2,917,431</b>
<b>Plan Fiduciary Net Position - Ending</b>	<b>\$ 2,526,156</b>	<b>\$ 2,349,032</b>	<b>\$ 2,513,457</b>	<b>\$ 2,917,431</b>	<b>\$ 2,769,842</b>
<b>Net Pension Liability - Ending</b>	<b>\$ 226,789</b>	<b>\$ 405,885</b>	<b>\$ 240,933</b>	<b>\$ (84,660)</b>	<b>\$ 92,266</b>
<b>Plan Fiduciary Net Position as a Percent. of the Total Pension Liability</b>	<b>91.76%</b>	<b>85.27%</b>	<b>91.25%</b>	<b>102.99%</b>	<b>96.78%</b>
Covered employee payroll	\$ 380,671	\$ 368,582	\$ 422,560	\$ 423,717	\$ 433,730
Net pension liability as a percentage of covered employee payroll	59.58%	110.12%	57.02%	(19.98%)	21.27%

**Borough of Brookville**

Notes to Financial Statements (continued)

December 31, 2019

**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 \$62,045.49 and interest of \$2,870.91 were paid during the current year. The outstanding note balance as of December 31, 2019 had a total principal amount due of \$58,499.24 plus interest of \$139.79. This amount was paid in full January 2020.

**Equipment Note – Dump Truck**

The Borough obtained a local government capital project loan from the Commonwealth of Pennsylvania, during 2019 to purchase a dump truck, totaling \$50,000.00. The note is dated July 12, 2019 and is to be repaid in 20 quarterly payments of \$2,493.60 beginning November 1, 2019. The note payment includes interest at a rate of 2.00%. A principal payment of \$2,257.49 and interest of \$236.11 were paid during the year. The outstanding note balance as of December 31, 2019 is \$47,742.51 and the debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 9,678.55	\$ 882.56	\$ 10,561.11
2021	9,873.58	687.54	10,561.12
2022	10,072.54	488.58	10,561.12
2023	10,275.51	285.61	10,561.12
2024	<u>7,842.33</u>	<u>78.55</u>	<u>7,920.88</u>
	<u>\$ 47,742.51</u>	<u>\$ 2,422.84</u>	<u>\$ 50,165.35</u>

**Debt Service**

Beginning in 2017, the Borough enacted a .80 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 2019 was \$61,718. The total debt service payments made during 2019 was \$67,410. The tax revenue and debt service payments are reflected in the operations of the Borough General Fund.

## Borough of Brookville

Notes to Financial Statements (continued)

December 31, 2019

### **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 2019, the millage was 1.10 mills) and 3.00 mills of tax on all occupations within the Borough. The Borough transferred a total of \$88,675 to the Brookville Volunteer Fire Company from the Borough's Fire Protection Fund during 2019.

### **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.

Borough of Brookville

Notes to Financial Statements (continued)

December 31, 2019

**Note 6 – Permanent Fund – Walter Dick Park Endowment Fund (continued)**

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

	<u>Restricted</u>	<u>Non-Spendable</u>
Beginning balance, January 1, 2019	\$ 4,408.74	\$ 116,552.98
Contributions received	-	-
Interest income	2,174.36	543.59
Disbursement for park	-	-
Ending balance, December 31, 2019	<u>\$ 6,583.10</u>	<u>\$ 117,096.57</u>

**Note 7 – 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.

**Borough of Brookville**

Notes to Financial Statements (continued)

December 31, 2019

**Note 7 – Fund Balance (continued)**

Fund Balance on the Balance Sheet – modified cash basis of all the governmental funds consists of the following:

Non-Spendable	- Principal balance of the Walter Dick park endowment fund		\$ 117,097
Restricted	- Eighty percent portion of earnings in the Walter Dick park endowment fund		6,583
Committed	- For capital projects and acquisitions		61,218
Assigned	- For highway re-surfacing	107,703	
	- For street lighting	(5,925)	
	- For fire protection	16,797	
	- For library services	4,916	123,491
Unassigned	- General fund		<u>1,517,244</u>
Total fund balance			<u>\$ 1,825,633</u>

**Note 8 – 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, 2019 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. This short-term construction loan was fully repaid on November 21, 2019, with the issuance of the permanent financing loan from USDA-RUS.



## **Borough of Brookville**

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Notes to Financial Statements (continued)

December 31, 2019

### **Note 8 – Contingencies (continued)**

#### **Loan Guarantee Agreement (continued)**

The Borough of Brookville entered into a guaranty agreement dated November 21, 2019 by and among the Borough of Brookville (88.05%); Pine Creek Township (6.04%); Rose Township (5.36%) and Know Township (.55%) severally as guarantors, and the Brookville Municipal Authority and the United States of America, acting through the Department of Agriculture – Rural Utilities Service securing the \$9,742,000 and \$2,000,000 sewer revenue bonds obtained by the Brookville Municipal Authority in connection with the Authority's wastewater system improvement project. The guarantors agree to the full and prompt payment of principal and interest when due on the loans along with all costs, fees, expenses, and charges that may be paid or incurred in enforcing this guarantee agreement. The guarantors are to pay only that portion of the debt service that cannot be paid from the receipts and revenues from the Brookville Municipal Authority's Sewer System.

### **Note 9 – 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.

### **Note 10 – Subsequent Events**

The Borough operations may be affected by the recent and ongoing outbreak of coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Borough financial position, operations, and cash flows. Possible effects may include, but are not limited to, disruption to the Borough revenue, absenteeism in the Borough's labor workforce, unavailability of products and supplies used in operations, and a decline in value of assets held by the Borough.

Management has evaluated subsequent events through October 28, 2020 the date the financial statements were available.

**Borough of Brookville**

Combining Balance Sheet - Modified Cash Basis

Non-Major Funds

December 31, 2019

	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Total Non-Major Funds</u>
<i>Assets</i>			
Cash and cash equivalents	\$ 129,504	\$ 61,218	\$ 190,722
<b>Total Assets</b>	<u>\$ 129,504</u>	<u>\$ 61,218</u>	<u>\$ 190,722</u>
<i>Liabilities</i>			
Liabilities - due to other funds	\$ 6,013	\$ -	\$ 6,013
<i>Net Assets</i>			
Committed	-	61,218	61,218
Assigned	123,491	-	123,491
<b>Total Fund Balances</b>	<u>123,491</u>	<u>61,218</u>	<u>184,709</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 129,504</u>	<u>\$ 61,218</u>	<u>\$ 190,722</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 - Modified Cash Basis  
Non-Major Funds  
For the Year Ended December 31, 2019

	Special Revenue Funds	Capital Projects Fund	Total Non-Major Funds
<b>Revenues:</b>			
Taxes	\$ 168,523	\$ -	\$ 168,523
Grants, gifts and intergovernmental revenues	164,880	-	164,880
Other revenues	4,262	6,282	10,544
<b>Total Revenues</b>	<b>337,665</b>	<b>6,282</b>	<b>343,947</b>
<b>Expenditures:</b>			
General government	2,784	-	2,784
Public safety	88,675	-	88,675
Public works	216,757	-	216,757
Culture and recreation	19,800	-	19,800
<b>Total Expenditures</b>	<b>328,016</b>	<b>-</b>	<b>328,016</b>
Excess (deficiency) of revenues over expenditures	9,649	6,282	15,931
Fund Balance, January 1, 2019	113,842	54,936	168,778
Fund Balance, December 31, 2019	<u>\$ 123,491</u>	<u>\$ 61,218</u>	<u>\$ 184,709</u>

The accompanying notes are an integral part of the financial statements

Borough of Brookville

Combining Balance Sheet - Modified Cash Basis

All Special Revenue Funds

December 31, 2019

	Liquid Fuel Fund	Street Light Fund	Fire Protection Fund	Library Fund	Total Special Revenue Funds
<i>Assets</i>					
Cash and cash equivalents	\$ 107,703	\$ 79	\$ 16,804	\$ 4,918	\$ 129,504
<b>Total Assets</b>	<b><u>\$ 107,703</u></b>	<b><u>\$ 79</u></b>	<b><u>\$ 16,804</u></b>	<b><u>\$ 4,918</u></b>	<b><u>\$ 129,504</u></b>
<i>Liabilities and Fund Balance</i>					
Liabilities - due to other funds	\$ -	\$ 6,004	\$ 7	\$ 2	\$ 6,013
Fund Balance:					
Assigned	<u>107,703</u>	<u>(5,925)</u>	<u>16,797</u>	<u>4,916</u>	<u>123,491</u>
<b>Total Fund Balance</b>	<b><u>107,703</u></b>	<b><u>(5,925)</u></b>	<b><u>16,804</u></b>	<b><u>4,918</u></b>	<b><u>123,491</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 107,703</u></b>	<b><u>\$ 79</u></b>	<b><u>\$ 16,804</u></b>	<b><u>\$ 4,918</u></b>	<b><u>\$ 129,504</u></b>

44

The accompanying notes are an integral part of the financial statements

**Borough of Brookville**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Modified Cash Basis  
All Special Revenue Funds  
For the Year Ended December 31, 2019

	Liquid Fuel Fund	Street Light Fund	Fire Protection Fund	Library Fund	Total Special Revenue Funds
<b>Revenues:</b>					
Taxes	\$ -	\$ 67,565	\$ 83,866	\$ 17,092	\$ 168,523
Grants, gifts and intergovernmental revenues	164,880	-	-	-	164,880
Other revenues	3,991	58	143	70	4,262
<b>Total Revenues</b>	<u>168,871</u>	<u>67,623</u>	<u>84,009</u>	<u>17,162</u>	<u>337,665</u>
<b>Expenditures:</b>					
General government	-	890	1,510	384	2,784
Public safety	-	-	88,675	-	88,675
Public works	137,520	79,237	-	-	216,757
Culture and recreation	-	-	-	19,800	19,800
<b>Total Expenditures</b>	<u>137,520</u>	<u>80,127</u>	<u>90,185</u>	<u>20,184</u>	<u>328,016</u>
Excess (deficiency) of revenues over expenditures	31,351	(12,504)	(6,176)	(3,022)	9,649
Fund Balance, January 1, 2019	<u>76,352</u>	<u>6,579</u>	<u>22,973</u>	<u>7,938</u>	<u>113,842</u>
Fund Balance, December 31, 2019	<u>\$ 107,703</u>	<u>\$ (5,925)</u>	<u>\$ 16,797</u>	<u>\$ 4,916</u>	<u>\$ 123,491</u>

45

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 - Modified Cash Basis

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
<b>Grants, Gifts and Intergovernmental Revenues:</b>				
State liquid fuel tax grant	\$ 158,100	\$ 158,100	\$ 162,480	\$ 4,380
State turnback allocation	2,400	2,400	2,400	-
<b>Total Grants, Gifts and Intergovernmental Revenues</b>	<u>160,500</u>	<u>160,500</u>	<u>164,880</u>	<u>4,380</u>
<b>Other Revenues:</b>				
Interest income	<u>1,000</u>	<u>1,000</u>	<u>3,991</u>	<u>2,991</u>
<b>Total Revenues</b>	<u>161,500</u>	<u>161,500</u>	<u>168,871</u>	<u>7,371</u>
<b>Expenditures:</b>				
<b>Public Works:</b>				
Street paving projects	<u>161,500</u>	<u>161,500</u>	<u>137,520</u>	<u>23,980</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	31,351	<u>\$ 31,351</u>
Fund Balance, January 1, 2019			<u>76,352</u>	
Fund Balance, December 31, 2019			<u>\$ 107,703</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 - Modified Cash Basis

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
<b>Taxes:</b>				
Current real estate	\$ 75,000	\$ 75,000	\$ 63,769	\$ (11,231)
Delinquent real estate	200	200	3,483	3,283
Current occupation	305	305	310	5
Delinquent occupation	5	5	3	(2)
<b>Total Taxes</b>	<u>75,510</u>	<u>75,510</u>	<u>67,565</u>	<u>(7,945)</u>
<b>Other Revenues:</b>				
Interest income	20	20	58	38
Transfer	3,415	3,415	-	(3,415)
<b>Total Revenues</b>	<u>78,945</u>	<u>78,945</u>	<u>67,623</u>	<u>(11,322)</u>
<b>Expenditures:</b>				
<b>General Government:</b>				
Tax collection	820	820	708	112
Property tax - local	125	125	182	(57)
<b>Total General Government</b>	<u>945</u>	<u>945</u>	<u>890</u>	<u>55</u>
<b>Public Works:</b>				
<b>Streets and Highways:</b>				
Street lighting	70,000	70,000	65,255	4,745
Maintenance and repairs	8,000	8,000	13,982	(5,982)
<b>Total Public Works</b>	<u>78,000</u>	<u>78,000</u>	<u>79,237</u>	<u>(1,237)</u>
<b>Total Expenditures</b>	<u>78,945</u>	<u>78,945</u>	<u>80,127</u>	<u>(1,182)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	(12,504)	<u>\$ (12,504)</u>
Fund Balance, January 1, 2019			<u>6,579</u>	
Fund Balance, December 31, 2019			<u>\$ (5,925)</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 - Modified Cash Basis

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
<b>Taxes:</b>				
Current real estate	\$ 89,550	\$ 89,550	\$ 77,939	\$ (11,611)
Delinquent real estate	700	700	5,614	4,914
Current occupation	300	300	310	10
Delinquent occupation	5	5	3	(2)
<b>Total Taxes</b>	<u>90,555</u>	<u>90,555</u>	<u>83,866</u>	<u>(6,689)</u>
<b>Other Revenues:</b>				
Interest income	5	5	143	138
<b>Total Revenues</b>	<u>90,560</u>	<u>90,560</u>	<u>84,009</u>	<u>(6,551)</u>
<b>Expenditures:</b>				
<b>General Government:</b>				
Tax collection	1,660	1,660	1,288	372
Property tax - local	225	225	222	3
<b>Total General Government</b>	<u>1,885</u>	<u>1,885</u>	<u>1,510</u>	<u>375</u>
<b>Public Safety:</b>				
<b>Fire Protection:</b>				
Fire operations/contribution to fire department	88,675	88,675	88,675	-
<b>Total Expenditures</b>	<u>90,560</u>	<u>90,560</u>	<u>90,185</u>	<u>375</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	(6,176)	<u>\$ (6,176)</u>
Fund Balance, January 1, 2019			<u>22,973</u>	
Fund Balance, December 31, 2019			<u>\$ 16,797</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 - Modified Cash Basis

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
<b>Taxes:</b>				
Current real estate	\$ 18,230	\$ 18,230	\$ 15,942	\$ (2,288)
Delinquent real estate	40	40	1,150	1,110
<b>Total Taxes</b>	<b>18,270</b>	<b>18,270</b>	<b>17,092</b>	<b>(1,178)</b>
<b>Other Revenues:</b>				
Interest income	-	-	70	70
<b>Total Revenues</b>	<b>18,270</b>	<b>18,270</b>	<b>17,162</b>	<b>(1,108)</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
Tax collection	420	420	339	81
Property tax - local	50	50	45	5
<b>Total General Government</b>	<b>470</b>	<b>470</b>	<b>384</b>	<b>86</b>
<b>Culture and Recreation:</b>				
Arthurs library subsidy	17,800	17,800	19,800	(2,000)
<b>Total Expenditures</b>	<b>18,270</b>	<b>18,270</b>	<b>20,184</b>	<b>(1,914)</b>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	(3,022)	<u>\$ (3,022)</u>
Fund Balance, January 1, 2019			<u>7,938</u>	
Fund Balance, December 31, 2019			<u>\$ 4,916</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 - Modified Cash Basis

For the Year Ended December 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Other Revenues:</b>				
Interest income	\$ -	\$ -	\$ 1,282	\$ 1,282
Transfers	-	-	5,000	5,000
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>6,282</u>	<u>6,282</u>
<b>Expenditures:</b>				
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	6,282	<u>\$ 6,282</u>
Fund Balance, January 1, 2019			<u>54,936</u>	
Fund Balance, December 31, 2019			<u>\$ 61,218</u>	

The accompanying notes are an integral part of the financial statements

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