



2015 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

City of: _____ County: _____

Borough of: **TOPTON** _____ County: **BERKS** _____

Township of: _____ County: _____

Municipality of: _____ County: _____

Borough of Tipton

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December 31, 2015

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Independent Auditor's Report

To the Honorable Mayor and Members of Council
Borough of Topton
Berks County, Pennsylvania

Report on the Financial Statements

We have audited the accompanying modified cash basis balance sheet of the Borough of Topton, Berks County, Pennsylvania, as of December 31, 2015, and the related modified cash basis statement of revenues and expenditures for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2. 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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.

Auditor's Responsibility (continued)

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

Opinion

In our opinion, the balance sheet and statement of revenues and expenditures referred to above present fairly, in all material respects, the respective modified cash basis financial position of the Borough of Tipton, Berks County, Pennsylvania, as of December 31, 2015, and the respective changes in modified cash basis financial position thereof, for the year then ended in conformity with the basis of accounting described in Note 2.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 2.

Basis of Accounting and Presentation

We draw attention to Note 2 of the financial statements that 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. The financial statements are presented in the format prescribed by the Pennsylvania Department of Community and Economic Development and do not contain financial statements for the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, aggregate remaining fund information and certain required supplementary information, which would collectively comprise the basic financial statements under accounting principles generally accepted in the United States. Our opinion is not modified with respect to these matters.

Reinsel Kuntz Lesher LLP

March 30, 2016
Wyomissing, Pennsylvania

Balance Sheet December 31, 2015

Assets and Other Debits		Governmental Funds			
		<i>General Fund</i>	<i>Special Revenue (Including State Liquid Fuels)</i>	<i>Capital Projects</i>	<i>Debt Service</i>
100-120	Cash and Investments	\$ 461,208	\$ 284,612	\$ -	\$ -
140-144	Tax Receivable	-	-	-	-
121-129					
145-149	Accounts Receivable (excluding taxes)	-	-	-	-
130	Due From Other Funds	143,554	-	-	-
131-139					
150-159	Other Current Assets	-	-	-	-
160-169	Fixed Assets	-	-	-	-
180-189	Other Debits	-	-	-	-
Total Assets and Other Debits		\$ 604,762	\$ 284,612	\$ -	\$ -

Liabilities and Other Credits					
210-229	Payroll Taxes and Other Payroll Withholdings	\$ -	\$ -	\$ -	\$ -
200-209					
231-239	All Other Current Liabilities	-	-	-	-
230	Due To Other Funds	10,217	1,504	-	-
260-269	Long-Term Liabilities	-	-	-	-
240-259	Current Portion of Long-Term Debt and Other Credits	-	-	-	-
Total Liabilities and Other Credits		\$ 10,217	\$ 1,504	\$ -	\$ -

Fund and Account Group Equity					
281-284	Contributed Capital	\$ -	\$ -	\$ -	\$ -
290	Investment in General Fixed Assets	-	-	-	-
270-289	Fund Balance/Retained Earnings on 12/31	594,545	283,108	-	-
291-299	Other Equity	-	-	-	-
Total Fund and Account Group Equity		\$ 594,545	\$ 283,108	\$ -	\$ -

* The financial position of the pension plan is held in a separate trust and therefore not included on the balance sheet.

See Notes to Financial Statements.

Proprietary Funds		Fiduciary Funds	Account Groups		Total
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
\$ 561,771	\$ -	\$ 2,007	\$ -	\$ -	\$ 1,309,598
-	-	-	-	-	-
-	-	-	-	-	-
131,273	-	-	-	-	274,827
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 693,044	\$ -	\$ 2,007	\$ -	\$ -	\$ 1,584,425

TOTAL ASSETS AND OTHER DEBITS	\$ 1,584,425
--------------------------------------	--------------

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	2,007	-	-	2,007
263,106	-	-	-	-	274,827
-	-	-	-	-	-
-	-	-	-	-	-
\$ 263,106	\$ -	\$ 2,007	\$ -	\$ -	\$ 276,834

TOTAL LIABILITIES AND OTHER CREDITS	\$ 276,834
--	------------

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
429,938	-	-	-	-	1,307,591
-	-	-	-	-	-
\$ 429,938	\$ -	\$ -	\$ -	\$ -	\$ 1,307,591

TOTAL FUND AND ACCOUNT GROUP EQUITY	\$ 1,307,591
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TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	\$ 1,584,425
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Statement of Revenues and Expenditures

December 31, 2015

REVENUES		Governmental Funds			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
Taxes					
301.00	Real Estate Taxes	\$ 459,022	\$ -	\$ -	\$ -
305.00	Occupation Taxes (levied under municipal code)	-	-	-	-
308.00	Residence Taxes (levied by cities of the 3rd Class)	-	-	-	-
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)	-	-	-	-
310.00	Per Capita Taxes	6,207	-	-	-
310.10	Real Estate Transfer Taxes	26,337	-	-	-
310.20	Earned Income Taxes/Wage Taxes	217,016	-	-	-
310.30	Business Gross Receipts Taxes	-	-	-	-
310.40	Occupation Taxes (levied under Act 511)	-	-	-	-
310.50	Local Services Tax**	48,146	-	-	-
310.60	Amusement/Admission Taxes	-	-	-	-
310.70	Mechanical Device Taxes	-	-	-	-
310.90	Other Local Tax Enabling Act/Act 511 Taxes	-	-	-	-
		-	-	-	-
		-	-	-	-
		-	-	-	-
		-	-	-	-
Total Taxes		\$ 756,728	\$ -	\$ -	\$ -

Licenses and Permits					
320-322	All Other Licenses and Permits	\$ 8,211	\$ -	\$ -	\$ -
321.80	Cable Television Franchise Fees	34,197	-	-	-
Total Licenses and Permits		\$ 42,408	\$ -	\$ -	\$ -

Fines and Forfeits					
330-332	Fines and Forfeits	\$ 1,523	\$ -	\$ -	\$ -
Total Fines and Forfeits		\$ 1,523	\$ -	\$ -	\$ -

Interest, Rents and Royalties					
341.00	Interest Earnings	\$ 348	\$ 312	\$ -	\$ -
342.00	Rents and Royalties	1,622	-	-	-
Total Interest, Rents and Royalties		\$ 1,970	\$ 312	\$ -	\$ -

** This tax was known as the Occupational Privilege Tax (OPT) prior to 2005 and the Emergency and Municipal Services Tax prior to 2008.

See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund	Total
Enterprise	Internal Service	Trust and Agency	Memorandum Only
\$ -	\$ -	\$ -	\$ 459,022
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	6,207
-	-	-	26,337
-	-	-	217,016
-	-	-	-
-	-	-	-
-	-	-	48,146
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ 756,728

\$ -	\$ -	\$ -	\$ 8,211
-	-	-	34,197
\$ -	\$ -	\$ -	\$ 42,408

\$ -	\$ -	\$ -	\$ 1,523
\$ -	\$ -	\$ -	\$ 1,523

\$ 627	\$ -	\$ -	\$ 1,287
-	-	-	1,622
\$ 627	\$ -	\$ -	\$ 2,909

Statement of Revenues and Expenditures December 31, 2015

Intergovernmental Revenues		Governmental Funds			
Federal		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
351.03	Highways and Streets	\$ -	\$ -	\$ -	\$ -
351.09	Community Development	-	-	-	-
351.00	All Other Federal Capital and Operating Grants	-	-	-	-
352.01	National Forest	-	-	-	-
352.00	All Other Federal Shared Revenue and Entitlements	-	-	-	-
353.00	Federal Payments in Lieu of Taxes	-	-	-	-
Total Federal		\$ -	\$ -	\$ -	\$ -

State					
354.03	Highway and Streets	\$ 530	\$ -	\$ -	\$ -
354.09	Community Development	-	-	-	-
354.15	Recycling/Act 101	-	-	-	-
354.00	All Other State Capital and Operating Grants	-	-	-	-
355.01	Public Utility Realty Tax (PURTA)	863	-	-	-
355.02-	Motor Vehicle Fuel Tax	-	55,993	-	-
355.03	(Liquid Fuels Tax) and State Road Turnback	-	-	-	-
355.04	Alcoholic Beverage Licenses	800	-	-	-
355.05	General Municipal Pension System State Aid	9,843	-	-	-
355.07	Foreign Fire Insurance Tax Distribution	12,117	-	-	-
355.08	Local Share Assessment/Gaming Proceeds	-	-	-	-
355.09	Marcellus Shale Impact Fee Distribution	-	-	-	-
355.00	All Other State Shared Revenues and Entitlements	-	-	-	-
356.00	State Payments in Lieu of Taxes	-	-	-	-
Total State		\$ 24,153	\$ 55,993	\$ -	\$ -

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

See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund	Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

\$ -	\$ -	\$ -	\$ 530
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	863
-	-	-	55,993
-	-	-	800
-	-	-	9,843
-	-	-	12,117
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ 80,146

\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

TOTAL INTERGOVERNMENTAL REVENUES	\$ 80,146
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Statement of Revenues and Expenditures December 31, 2015

REVENUES		Governmental Funds			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
Charges for Service					
361.00	General Government	\$ 3,112	\$ -	\$ -	\$ -
362.00	Public Safety	-	-	-	-
363.20	Parking	-	-	-	-
363.00	All Other Charges for Highway and Streets Services	-	-	-	-
364.10	Wastewater/Sewage Charges	-	-	-	-
364.30	Solid Waste Collection and Disposal Charge (trash)	-	-	-	-
364.60	Host Municipality Benefit Fee for Solid Waste Facility	-	-	-	-
364.00	All Other Charges for Sanitation Services	-	-	-	-
365.00	Health	-	-	-	-
366.00	Human Services	-	-	-	-
367.00	Culture and Recreation	-	70,514	-	-
368.00	Airports	-	-	-	-
369.00	Bars	-	-	-	-
370.00	Cemeteries	-	-	-	-
372.00	Electric System	-	-	-	-
373.00	Gas System	-	-	-	-
374.00	Housing System	-	-	-	-
375.00	Markets	-	-	-	-
377.00	Transit Systems	-	-	-	-
378.00	Water System	-	-	-	-
379.00	All Other Charges for Service	-	-	-	-
Total Charges for Service		\$ 3,112	\$ 70,514	\$ -	\$ -

Unclassified Operating Revenues					
383.00	Assessments	\$ -	\$ -	\$ -	\$ -
386.00	Escheats (sale of personal property)	-	-	-	-
387.00	Contributions and Donations from Private Sectors	-	437	-	-
388.00	Fiduciary Fund Pension Contributions	-	-	-	-
389.00	All Other Unclassified Operating Revenues	4,462	-	-	-
Total Unclassified Operating Revenues		\$ 4,462	\$ 437	\$ -	\$ -

Other Financing Sources					
391.00	Proceeds of General Fixed Asset Disposition	\$ 1,500	\$ -	\$ -	\$ -
392.00	Interfund Operating Transfers	-	-	-	-
393.00	Proceeds of General Long-Term Debt	-	-	-	-
394.00	Proceeds of Short-Term Debt	-	-	-	-
395.00	Refunds of Prior Year Expenditures	45,637	-	-	-
Total Other Financing Sources		\$ 47,137	\$ -	\$ -	\$ -

TOTAL REVENUES		\$ 881,493	\$ 127,256	\$ -	\$ -
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See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund	Total
Enterprise	Internal Service	Trust and Agency	Memorandum Only
\$ -	\$ -	\$ -	\$ 3,112
-	-	-	-
-	-	-	-
-	-	-	-
593,612	-	-	593,612
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	70,514
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
319,752	-	-	319,752
-	-	-	-
\$ 913,364	\$ -	\$ -	\$ 986,990

\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	437
-	-	-	-
-	-	-	-
-	-	-	4,462
\$ -	\$ -	\$ -	\$ 4,899

\$ -	\$ -	\$ -	\$ 1,500
5,092	-	-	5,092
-	-	-	-
-	-	-	-
-	-	-	45,637
\$ 5,092	\$ -	\$ -	\$ 52,229

\$ 919,083	\$ -	\$ -	\$ 1,927,832
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Statement of Revenues and Expenditures December 31, 2015

EXPENDITURES		Governmental Funds			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
General Government					
400.00	Legislative (Governing) Body	\$ 11,816	\$ -	\$ -	\$ -
401.00	Executive (Manager or Mayor)	52,377	-	-	-
402.00	Auditing Services/Financial Administration	13,500	-	-	-
403.00	Tax Collection	10,732	-	-	-
404.00	Solicitor/Legal Services	22,487	-	-	-
405.00	Secretary/Clerk	-	-	-	-
406.00	Other General Government Administration	73,482	-	-	-
407.00	IT-Networking Services - Data Processing	-	-	-	-
408.00	Engineering Services	52,270	-	-	-
409.00	General Government Buildings and Plant	23,816	-	-	-
Total General Government		\$ 260,480	\$ -	\$ -	\$ -

Public Safety					
410.00	Police	\$ 4,953	\$ -	\$ -	\$ -
411.00	Fire	55,337	-	-	-
412.00	Ambulance/Rescue	9,308	-	-	-
413.00	UCC and Code Enforcement	15,357	-	-	-
414.00	Planning and Zoning	-	-	-	-
415.00	Emergency Management and Communications	-	-	-	-
416.00	Militia and Armories	-	-	-	-
417.00	Examination of Licensed Occupations	-	-	-	-
418.00	Public Scales (weights and measures)	-	-	-	-
419.00	Other Public Safety	-	-	-	-
Total Public Safety		\$ 84,955	\$ -	\$ -	\$ -

Health and Human Services					
420.00-					
425.00	Health and Human Services	\$ -	\$ -	\$ -	\$ -

Public Works - Sanitation					
426.00	Recycling Collection and Disposal	\$ -	\$ -	\$ -	\$ -
427.00	Solid Waste Collection and Disposal (trash)	-	-	-	-
428.00	Weed Control	-	-	-	-
429.00	Wastewater/Sewage Collection and Treatment	298	-	-	-
Total Public Works - Sanitation		\$ 298	\$ -	\$ -	\$ -

See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund	Total
Enterprise	Internal Service	Trust and Agency	Memorandum Only
\$ -	\$ -	\$ -	\$ 11,816
-	-	-	52,377
-	-	-	13,500
-	-	-	10,732
-	-	-	22,487
-	-	-	-
-	-	-	73,482
-	-	-	-
-	-	-	52,270
-	-	-	23,816
\$ -	\$ -	\$ -	\$ 260,480

\$ -	\$ -	\$ -	\$ 4,953
-	-	-	55,337
-	-	-	9,308
-	-	-	15,357
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ 84,955

\$ -	\$ -	\$ -	\$ -
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\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
477,451	-	-	477,749
\$ 477,451	\$ -	\$ -	\$ 477,749

Statement of Revenues and Expenditures December 31, 2015

EXPENDITURES		Governmental Funds			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
Public Works - Highways and Streets					
430.00	General Services - Administration	\$ 327,289	\$ -	\$ -	\$ -
431.00	Cleaning of Streets and Gutters	-	-	-	-
432.00	Winter Maintenance - Snow Removal	6,436	14,604	-	-
433.00	Traffic Control Devices	4,059	-	-	-
434.00	Street Lighting	33,899	-	-	-
435.00	Sidewalks and Crosswalks	-	-	-	-
436.00	Storm Sewers and Drains	-	-	-	-
437.00	Repairs of Tools and Machinery	-	-	-	-
438.00	Maintenance and Repairs of Roads and Bridges	-	-	-	-
439.00	Highway Construction and Rebuilding Projects	12,878	30,000	-	-
Total Public Works - Highways and Streets		\$ 384,561	\$ 44,604	\$ -	\$ -

Public Works - Other Services					
440.00	Airports	\$ -	\$ -	\$ -	\$ -
441.00	Cemeteries	-	-	-	-
442.00	Electric System	-	-	-	-
443.00	Gas System	-	-	-	-
444.00	Markets	-	-	-	-
445.00	Parking	-	-	-	-
446.00	Storm Water and Flood Control	-	-	-	-
447.00	Transit System	-	-	-	-
448.00	Water System	-	-	-	-
449.00	Water Transport and Terminals	-	-	-	-
Total Public Works - Other Services		\$ -	\$ -	\$ -	\$ -

Culture and Recreation					
450.00	All Other Culture and Recreation	\$ 448	\$ -	\$ -	\$ -
451.00	Culture-Recreation Administration	-	-	-	-
452.00	Participant Recreation	17,557	71,982	-	-
453.00	Spectator Recreation	-	-	-	-
454.00	Parks	15,600	-	-	-
455.00	Shade Trees	-	-	-	-
456.00	Libraries	10,000	-	-	-
457.00	Civil and Military Celebrations	-	-	-	-
458.00	Senior Citizens' Centers	-	-	-	-
Total Culture and Recreation		\$ 43,605	\$ 71,982	\$ -	\$ -

See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund	Total
Enterprise	Internal Service	Trust and Agency	Memorandum Only
\$ -	\$ -	\$ -	\$ 327,289
-	-	-	-
-	-	-	21,040
-	-	-	4,059
-	-	-	33,899
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	42,878
\$ -	\$ -	\$ -	\$ 429,165

\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
247,039	-	-	247,039
-	-	-	-
\$ 247,039	\$ -	\$ -	\$ 247,039

\$ -	\$ -	\$ -	\$ 448
-	-	-	-
-	-	-	89,539
-	-	-	-
-	-	-	15,600
-	-	-	-
-	-	-	10,000
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ 115,587

Statement of Revenues and Expenditures December 31, 2015

EXPENDITURES		Governmental Funds			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
Community Development					
461.00	Conservation of Natural Resources	\$ -	\$ -	\$ -	\$ -
462.00	Community Development and Housing	-	-	-	-
463.00	Economic Development	-	-	-	-
464.00	Economic Opportunity	-	-	-	-
465.00 - 469.00	All Other Community Development	-	-	-	-
Total Community Development		\$ -	\$ -	\$ -	\$ -

Debt Service					
471.00	Debt Principal (short-term and long-term)	\$ 23,274	\$ -	\$ -	\$ -
472.00	Debt Interest (short-term and long-term)	2,272	-	-	-
475.00	Fiscal Agent Fees	-	-	-	-
Total Debt Service		\$ 25,546	\$ -	\$ -	\$ -

Employer Paid Benefits and Withholding Items					
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	\$ 15,849	\$ 4,013	\$ -	\$ -
482.00	Judgments and Losses	-	-	-	-
483.00	Pension/Retirement Fund Contributions	3,558	-	-	-
484.00	Workers Compensation Insurance	19,216	1,000	-	-
487.00	Group Insurance and Other Benefits	2,487	-	-	-
Total Employer Paid Benefits and Withholding Items		\$ 41,110	\$ 5,013	\$ -	\$ -

Insurance					
486.00	Insurance, Casualty and Surety	\$ 8,150	\$ -	\$ -	\$ -

Unclassified Operating Expenditures					
488.00	Fiduciary Fund Benefits and Refunds Paid	\$ -	\$ -	\$ -	\$ -
489.00	All Other Unclassified Expenditures	-	-	-	-
Total Unclassified Operating Expenditures		\$ -	\$ -	\$ -	\$ -

See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund	Total
Enterprise	Internal Service	Trust and Agency	Memorandum Only
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

\$ 189,858	\$ -	\$ -	\$ 213,132
30,663	-	-	32,935
-	-	-	-
\$ 220,521	\$ -	\$ -	\$ 246,067

\$ 18,688	\$ -	\$ -	\$ 38,550
-	-	-	-
7,111	-	-	10,669
20,779	-	-	40,995
-	-	-	2,487
\$ 46,578	\$ -	\$ -	\$ 92,701

\$ -	\$ -	\$ -	\$ 8,150
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\$ -	\$ -	\$ -	\$ -
-	-	-	-
\$ -	\$ -	\$ -	\$ -

Statement of Revenues and Expenditures December 31, 2015

EXPENDITURES		Governmental Funds			
		<i>General Fund</i>	<i>Special Revenue (Including State Liquid Fuels)</i>	<i>Capital Projects</i>	<i>Debt Service</i>
Other Financing Uses					
491.00	Refund of Prior Year Revenues	\$ -	\$ -	\$ -	\$ -
492.00	Interfund Operating Transfers	-	-	-	-
493.00	All Other Financing Uses	-	-	-	-
Total Other Financing Uses		\$ -	\$ -	\$ -	\$ -

TOTAL EXPENDITURES	\$ 848,705	\$ 121,599	\$ -	\$ -
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	\$ 32,788	\$ 5,657	\$ -	\$ -
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See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund	Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
\$ -	\$ -	\$ -	\$ -
5,092	-	-	5,092
-	-	-	-
\$ 5,092	\$ -	\$ -	\$ 5,092

\$ 996,681	\$ -	\$ -	\$ 1,966,985
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\$ (77,598)	\$ -	\$ -	\$ (39,153)
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Borough of Tipton

Notes to Financial Statements

December 31, 2015

Note 1 - Nature of Activity

The Borough of Tipton, Berks County, Pennsylvania (the Borough), was incorporated in 1876 and has an approximate population of 2,100, based on a 2010 census report, living within an area of one square mile. The Borough is in the southeastern portion of the Commonwealth of Pennsylvania and is located in Berks County.

Note 2 - Summary of Significant Accounting Policies

The accompanying primary government financial statements conform to the modified cash basis method of accounting as applicable to governmental units. The following is a summary of the more significant accounting policies used by the Borough.

The Financial Reporting Entity

The Borough is a Pennsylvania Municipal Corporation which operates under a Council-Mayor form of government. Accounting principles generally accepted in the United States of America require that the reporting entity consists of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine through the exercise of management's professional judgment that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, that organization should be included as a component unit if the nature and significance of their relationship with the primary government or other component units, are such that exclusion from the financial reporting entity would render the financial reporting entity's financial statements incomplete or misleading. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the above criteria. There are no agencies or entities which should be presented with the Borough.

Related Organization

Tipton Borough Authority

The Tipton Borough Authority (the Authority) is governed by a five-member Board appointed by the Borough Council. Although it is legally separate from the Borough, the Authority is a component unit and its primary purpose is to finance improvements to the Borough's sewer system, if needed. The Authority is inactive.

Borough of Tipton

Notes to Financial Statements

December 31, 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of Presentation

The accounts of the Borough are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds of the Borough are grouped in the primary government financial statements in this report as follows:

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Borough are financed. The acquisition, use and balances of the Borough's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position rather than upon net income determination. The following are the Borough's governmental fund types:

General Fund - is the general operating fund of the Borough. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. The principal activities accounted for in the General Fund are general government, public safety, public works and debt service. These activities are funded principally by property taxes, earned income taxes, state grants, state shared revenues and funds from other governmental units.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the Borough. The reporting entity includes the following special revenue funds:

State Liquid Fuels Highway Aid Fund - is used to account for the proceeds from the State Motor License Fund. Under the Act of June 1, 1956, P.L. 1944, No. 145, this Fund must be kept separate from all other funds and no other funds shall be commingled with this Fund. Expenditures are legally restricted to expenditures for highway purposes in accordance with Department of Transportation regulations. Liquid fuels tax payments to the local government are accounted for in this Fund.

Pool Fund - is used to account for operations of the Borough's public swimming pool.

Borough of Tipton

Notes to Financial Statements

December 31, 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

Proprietary Fund Types

Proprietary funds are used to account for the Borough's ongoing activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income. The following is the Borough's proprietary fund type:

Enterprise Funds - are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The reporting entity includes the following enterprise funds:

Water Fund - is used to account for the operation of the water distribution system. The water distribution system is a public utility service which is maintained on a self-supporting basis.

Sewer Fund - is used to account for the operation of the sewer collection system which is operated as a public utility and not included as a regular function in the General Fund.

Fiduciary Fund Type

Fiduciary funds are used to account for assets held by the Borough in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The following is the Borough's fiduciary fund type:

Agency Fund - is used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds, with the Borough having no equity or ownership in the assets. The reporting entity includes the following agency fund:

Escrow Fund - is used for accounting for deposits received from contractors and other builders.

Borough of Tipton

Notes to Financial Statements

December 31, 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of Accounting and Measurement Focus

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the primary government financial statements.

Modified Cash Basis

The Borough's policy is to prepare its financial statements on a modified cash basis under which only revenues collected and expenditures paid and intergovernmental due to and due from receivables and payables are recorded. Under this basis, revenue is recognized when collected rather than when earned, and expenditures are generally recognized when paid rather than when the related liability is incurred. Consequently, other receivables, other payables, inventories, long-lived assets, accrued income and expenses, and amortization and depreciation, which may be material in amount, are not reflected in the accompanying financial statements which are not intended to present the financial position, results of operations or cash flows in conformity with accounting principles generally accepted in the United States of America.

Measurement Focus

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for on a spending or "financial flow" measurement focus. Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Proprietary funds and nonexpendable trust funds are accounted for on a cost of services or "capital maintenance" measurement focus. Their reported fund equity is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in equity.

Assets and Liabilities

Cash

The Borough considers all cash accounts which are not subject to withdrawal restrictions or penalties to be cash.

Due To and From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Borough of Tipton

Notes to Financial Statements

December 31, 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Assets and Liabilities (continued)

Capital Assets

Purchased capital assets are recorded as expenditures in the governmental fund types. Proprietary fund type capital assets are recorded as expenditures in the fund in which it is utilized. Infrastructure assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are recorded as expenditures in the fund types expending the funds.

Equity

Fund Balances

Fund balances of governmental fund types and nonexpendable trust funds are classified in two separate categories. The categories and their general meanings are as follows:

Reserved fund balance - indicates that portion of fund balance which has been legally segregated for specific purposes.

Unreserved fund balance - is all other net assets that do not meet the definition of "reserved." These assets are available for appropriation and expenditure in future periods.

It is the Borough's policy to first use reserved fund balance prior to the use of unreserved fund balance when an expenditure is incurred for purposes for which both reserved and unreserved fund balances are available.

Revenues and Expenditures

Revenues

All revenues are recognized when received.

Property Taxes

The Borough is permitted by state law to levy taxes up to 30 mills of assessed valuation for general purposes. State law also permits additional millage to be levied for specific purposes as defined in the law. The millage rate levied by the Borough for 2015 was 5.85 mills, consisting of 5.40 mills for general operations and .45 mills for fire protection, as established by Borough Council. Current tax collections for the Borough were approximately 98% of the total tax levy.

The Borough's real estate taxes are based on assessed values established by the County of Berks Board of Assessments. The taxes are collected by an elected or appointed local tax collector. Real estate taxes attach an enforceable lien on property when levied on March 1. A discount of 2% is applied to payments made prior to April 30. A penalty of 10% is added to the face amount of taxes paid after June 30. The County of Berks Tax Claim Bureau collects delinquent real estate taxes on behalf of itself and other taxing authorities. Return of unpaid real estate taxes to the County of Berks Tax Claim Bureau is made by January 15 of the subsequent year.

Borough of Tipton

Notes to Financial Statements

December 31, 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Revenues and Expenditures (continued)

Intergovernmental Revenues

Intergovernmental revenues represent revenues received from the Commonwealth of Pennsylvania, federal agencies and local governmental units generally to fund specific programs and are recognized when received.

Long-Term Debt

Debt proceeds from issuance of long-term debt are reported as other financing sources and debt service expenditures are recognized in the period paid.

Expenditures/Expenses

Expenditures and expenses are recognized when paid.

Compensated Absences

Compensated absences for vacation and sick leave are recorded when paid.

Postretirement Benefits

The Borough provides certain benefits for its retired employees. The cost of such benefits is charged to expense as the premiums are paid.

Internal and Interfund Balances and Activities

Interfund activity, if any, within and among the governmental fund category is reported as follows in the fund financial statements:

Interfund Services

Sales or purchases of goods and services between funds are reported as revenues and expenditures.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Interfund Transfers

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Borough of Tipton

Notes to Financial Statements

December 31, 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*. The adoption of this Statement affected disclosures and supplementary information only, as the Borough reports on the modified cash basis of accounting.

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for applying fair value to certain investments and disclosures related to fair value measurements. This guidance is effective for reporting periods beginning after June 15, 2015. The Borough is currently evaluating what effect, if any, the adoption of this guidance will have on the Borough's financial statements.

Note 3 - Budget Matters

Borough Council annually adopts the budget for the General Fund, Pool Fund, State Liquid Fuels Highway Aid Fund, Water Fund and Sewer Fund. Budgetary control is legally maintained at the fund level.

The Borough Code provides for the modification of budget and supplemental appropriations and transfers.

Appropriations, except open project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year.

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements.

Budget amounts are not presented in the accompanying financial statements.

Borough of Tipton

Notes to Financial Statements

December 31, 2015

Note 4 - Stewardship, Compliance and Accountability

Compliance with Finance-Related Legal and Contractual Provisions

The Borough had no material violations of finance-related legal and contractual provisions.

Excess of Expenditures over Appropriations in Individual Funds

No individual fund, which was budgeted as required by the Commonwealth of Pennsylvania, contained an excess of expenditures over appropriations that was not covered by the cash balance at December 31, 2014 and the cash received for the year ended December 31, 2015. For the year ended December 31, 2015, the applicable funds and amounts, for which expenditures exceed appropriations, are as follows:

State Liquid Fuels Highway Aid Fund	\$	20,104
Pool Fund		1,078
Sewer Fund		44,554

Note 5 - Deposits

The Borough's available cash is invested in demand deposit accounts and savings accounts.

Custodial Credit Risk, Deposits

Custodial credit risk is the risk that, in the event of a financial institution failure, the Borough's deposits may not be returned to the Borough. The Pennsylvania Government Code and the Borough's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: Pennsylvania Act 72 requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

At December 31, 2015, the carrying amount of the Borough's bank deposits was \$1,309,598, and the corresponding bank balances were \$1,395,365, of which \$535,136 was covered by Federal Depository Insurance. The remaining \$860,229 of deposits was exposed to custodial 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.

Borough of Tipton

Notes to Financial Statements

December 31, 2015

Note 6 - Long-Term Debt

At December 31, 2015, long-term debt consists of the following:

	Balance Outstanding December 31, 2014	Additions	Reductions	Balance Outstanding December 31, 2015
General Obligation Note, Series of 2003, initial issue \$336,600, due in semiannual payments of \$17,948, including interest at a rate of 4.176% per annum to February 2015, and one payment of \$1,172, including interest due August 2015	\$ 17,541	\$ -	\$ 17,541	\$ -
General Obligation Note, Series of 2006, initial issue \$140,000, due in semiannual payments of \$8,230, including interest at a rate of 4.000% per annum to February 2018, and one payment of \$622, including interest due August 2018	53,795	-	14,423	39,372
General Obligation Bond, Series of 2013, maximum draw down of \$1,800,000, due in monthly payments of \$16,885, including interest at a rate of 2.000% per annum to October 2018, monthly payments of varying principal amounts, including interest at a rate of 2.420% per annum to September 2023	1,593,708	-	172,317	1,421,391
	<u>\$ 1,665,044</u>	<u>\$ -</u>	<u>\$ 204,281</u>	<u>\$ 1,460,763</u>

Borough of Tipton

Notes to Financial Statements

December 31, 2015

Note 6 - Long-Term Debt (continued)

Aggregate maturities required on long-term debt at December 31, 2015 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2016	\$ 190,823	\$ 28,253	\$ 219,076
2017	194,984	24,093	219,077
2018	188,640	22,862	211,502
2019	170,264	32,354	202,618
2020	177,200	25,417	202,617
2021-2023	538,852	31,824	570,676
	<u>\$ 1,460,763</u>	<u>\$ 164,803</u>	<u>\$ 1,625,566</u>

Substantially all of the Borough's assets are pledged as collateral to the long-term debt.

Note 7 - Capital Lease

At December 31, 2015, a capital lease consisted of the following:

	<u>Balance Outstanding December 31, 2014</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance Outstanding December 31, 2015</u>
2015 Ford F550 4x4, financed through a leasing company, payable in annual installments of \$9,084 including estimated interest rate of 4.19%, through September 2019	<u>\$ -</u>	<u>\$ 41,681</u>	<u>\$ 8,851</u>	<u>\$ 32,830</u>

The following is a schedule of future minimum annual lease payments under the capital lease agreement as of December 31, 2015:

Total future minimum lease payments	<u>\$ 36,338</u>
Amount representing interest	<u>(3,508)</u>
Present value of net minimum lease payments	<u>\$ 32,830</u>

Borough of Tipton

Notes to Financial Statements

December 31, 2015

Note 8 - Interfund Transfers and Balances

Transfers between funds for the year ended December 31, 2015 were as follows:

	<u>Transfers In/From Other Funds</u>	<u>Transfers Out/To Other Funds</u>
Enterprise Funds:		
Sewer Fund	\$ -	\$ 5,092
Water Fund	5,092	-
	<u>5,092</u>	<u>-</u>
Total All Funds	<u>\$ 5,092</u>	<u>\$ 5,092</u>

The composition of interfund balances as of December 31, 2015 is as follows:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
General Fund	\$ 10,217	\$ 143,554
Special Revenue Funds:		
Pool Fund	1,504	-
Enterprise Funds:		
Sewer Fund	111,988	127,224
Water Fund	151,118	4,049
	<u>274,827</u>	<u>174,827</u>
Total All Funds	<u>\$ 274,827</u>	<u>\$ 274,827</u>

Note 9 - Borough of Tipton Nonuniformed Pension Plan

Plan Description

The Borough of Tipton Nonuniformed Pension Plan (the Plan) is a single-employer defined benefit pension plan administered by 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. PMRS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to the Borough of Tipton. The Plan provides pension benefits for retirement at the age of 60.

Benefits Provided

The basic annual benefit shall be equal to the member's final salary multiplied by all years of credited service and multiplied by the benefit accrual rate of 1.5%. The Plan provides retirement, disability and death benefits to Plan members and beneficiaries. The assets of the Plan are invested separately. The Plan's assets may be used only for the payment of benefits to the members of the plan in accordance with the terms of the Plan.

Borough of Tipton

Notes to Financial Statements

December 31, 2015

Note 9 - Borough of Tipton Nonuniformed Pension Plan (continued)

Employees Covered by Benefit Terms

At December 31, 2014, the following employees were covered by the plan:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>6</u>
	<u>9</u>

Contributions

Pennsylvania Act 205 requires that annual contributions to the Plan be based upon the Plan's Minimum Municipal Obligation (MMO), which is based on the Plan's biennial actuarial valuation. Investment expenses, including investment manager and custodial services, are funded through investment earnings. Administrative expenses, including actuarial and consultant services, are funded through investment earnings and/or contributions. Participants are not required to contribute to the Plan. The Borough is required to contribute amounts necessary to fund the Plan using the actuarial basis specified by statute.

Net Pension Liability (Asset)

The Borough's net pension liability (asset) was measured as of December 31, 2014, and the total pension liability (asset) was determined by an actuarial valuation as of January 1, 2015.

Actuarial Assumptions

The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	Age related scale with merit and inflation component
Investment rate of return	5.50%; compounded annually, net of expenses

Postretirement mortality rates were based on the RP-2000 Combined Healthy Mortality Table. Preretirement mortality rates were based on the RP-2000 Mortality Table with one year set back for males and five years set back for females.

The actuarial assumptions used in the January 1, 2015 valuation were based on the PMRS Experience Study for the period covering January 1, 2005 through December 31, 2008, as well as subsequent Board approved assumption changes.

Information regarding the methodology the plan utilizes for the long-term expected rate of return on plan assets and the Plan's target allocation of assets was not available.

Borough of Tipton

Notes to Financial Statements

December 31, 2015

Note 9 - Borough of Tipton Nonuniformed Pension Plan (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.50%. The projection of cash flows used to determine the discount rate assumed that municipal contributions will be made each year as required under Pennsylvania Act 205. Based on this assumption, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability (Asset)

The following table shows the changes in net pension liability (asset) for the year ended December 31, 2014.

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at December 31, 2013	\$ 1,283,508	\$ 1,392,390	\$ (108,882)
Changes for the year:			
Service cost	38,444	-	38,444
Interest	70,524	-	70,524
Differences between expected and actual experience	(31,339)	-	(31,339)
Contributions - employer	-	12,080	(12,080)
Contributions - member	-	11,291	(11,291)
PMRS investment income	-	74,698	(74,698)
Market value of investment income	-	966	(966)
Benefit payments	(80,467)	(80,467)	-
PMRS administrative expense	-	(240)	240
Additional administrative expense	-	(2,865)	2,865
Net changes	(2,838)	15,463	(18,301)
Balance at December 31, 2014	<u>\$ 1,280,670</u>	<u>\$ 1,407,853</u>	<u>\$ (127,183)</u>

Borough of Tipton

Notes to Financial Statements

December 31, 2015

Note 9 - Borough of Tipton Nonuniformed Pension Plan (continued)

Net Pension Liability (Asset) Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) calculated using the discount rate of 5.50% as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (4.50%) or one percentage point higher (6.50%) than the current rate:

	<u>1% Decrease (4.50%)</u>	<u>Discount Rate (5.50%)</u>	<u>1% Increase (6.50%)</u>
Net pension liability (asset)	\$ 4,150	\$ (127,183)	\$ (240,612)

Pension Expense and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2014, the actuarial determined pension expense is \$21,414. However, the Borough recognizes pension expense on the modified cash basis which totaled \$10,669 for the year ended December 31, 2015. The Borough has deferred inflows of resources related to the Plan from the following sources at December 31, 2014:

Differences between projected and actual experience	\$ 26,862
Net difference between projected and actual earnings on pension plan investments	<u>773</u>
	<u>\$ 27,635</u>

Actuarially determined deferred inflows of resources related to pensions are as follows for the years ended December 31:

2015	\$ (4,670)
2016	(4,670)
2017	(4,670)
2018	(4,671)
2019	(4,477)
Thereafter	(4,477)

Note 10 - Contingency

Litigation

In the normal course of business, the Borough is involved in various legal proceedings. In the opinion of management, any liability resulting from such proceedings would not have a material adverse effect on the financial statements.

Borough of Tipton

Notes to Financial Statements

December 31, 2015

Note 11 - Subsequent Events

The Borough has evaluated subsequent events through March 30, 2016. This date is the date the financial statements were available to be issued. No material events subsequent to December 31, 2015 were noted.

Borough of Tipton

Schedule of Changes in the Net Pension Liability and Related Ratios
Nonuniformed Pension Plan
Last Ten Fiscal Years*

	<u>December 31, 2014</u>
Total Pension Liability	
Service cost (beginning of year)	\$ 38,444
Interest (includes interest on service cost)	70,524
Difference between expected and actual experience	(31,339)
Benefit payments, including refund of member contributions	<u>(80,467)</u>
Net Change in Total Pension Liability	(2,838)
Total Pension Liability, Beginning	<u>1,283,508</u>
Total Pension Liability, Ending	<u><u>\$ 1,280,670</u></u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 12,080
Contributions - member	11,291
PMRS investment income	74,698
Market value investment income	966
Benefit payments, including refund of member contributions	(80,467)
PMRS administrative expense	(240)
Additional administrative expense	<u>(2,865)</u>
Net Change in Plan Fiduciary Net Position	15,463
Plan Fiduciary Net Position, Beginning	<u>1,392,390</u>
Plan Fiduciary Net Position, Ending	<u><u>\$ 1,407,853</u></u>
Borough's Net Pension Liability (Asset)	<u><u>\$ (127,183)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	<u><u>109.9%</u></u>
Covered Employee Payroll	<u><u>\$ 369,919</u></u>
Borough's Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	<u><u>(34.4)%</u></u>

* This Schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown. The most recent actuarial measurement date is December 31, 2014 as reported above.

Borough of Tipton

Schedule of Pension Contributions
 Nonuniformed Pension Plan
 Last 10 Fiscal Years

	<u>December 31, 2014</u>
Actuarially determined contribution	\$ 11,015
Contributions in relation to the actuarially determined contribution	<u>12,080</u>
Contribution Deficiency (Excess)	<u>\$ (1,065)</u>
Covered employee payroll	<u>\$ 369,919</u>
Contributions as a percentage of covered employee payroll	<u>3.3%</u>

Actuarial determined contribution rates are calculated as of January 1 for the odd valuation year at least two years prior to the end of the fiscal year in which the contributions were reported. Therefore, the Actuarially Determined Contribution for calendar year 2014 is based upon the January 1, 2011 actuarial valuation.

Methods and assumptions used to determine contribution rates are as follows:

Actuarial Cost Method	Entry age normal
Amortization Method	Level dollar based upon the amortization periods of ACT 205
Asset Valuation Method	Based upon the municipal reserves
Inflation	3.00%
Salary Increases	Based on age related scale with merit and inflation component
Investment Rate of Return	5.50% compounded annually, net of expenses
Retirement Age	Normal retirement age
Preretirement Mortality	Males - RP-2000 with one year set back Females - RP-2000 with five year set back
Postretirement Mortality	RP-2000 Combined Healthy Mortality

* This Schedule is to present the information for ten years. However, until a full ten-year trend is compiled, information for those years, for which information is available, is shown. The most recent actuarial measurement date is December 31, 2014 as reported above.

DEBT STATEMENT

Purpose	Bond (B) Note (N)	Issue Date (Year)	Maturity Date (Year)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year (Additions)	Principal Paid This Year	Current Year Accretion of Compound Interest Bonds	Outstanding Year-End (1)	Plus (Less) Unamortized Premium (Discount)	Total Balance
GENERAL OBLIGATION BONDS AND NOTES:											
General Obligation Note	N	2003	2015	\$ 336,600	\$ 17,541	\$ -	\$ 17,541	\$ -	\$ -	\$ -	\$ -
General Obligation Note	N	2006	2018	140,000	53,795	-	14,423	-	39,372	-	39,372
General Obligation Bond	B	2013	2023	1,800,000	1,593,708	-	172,317	-	1,421,391	-	1,421,391
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
REVENUE BONDS AND NOTES:											
None.				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
LEASE RENTAL DEBT/GENERAL LEASES:											
Capital Lease	N	2015	2019	41,681	-	41,681	8,851	-	32,830	-	32,830
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
OTHER:											
None.				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-

Total bonds and notes outstanding	\$ 1,460,763
Capitalized lease obligations	32,830
Other debt	-
TOTAL OUTSTANDING DEBT	\$ 1,493,593

Balance Sheet December 31, 2015

Assets and Other Debits		Special Revenue Funds		Total
		<i>Liquid Fuels</i>	<i>Pool Fund</i>	<i>Memorandum Only</i>
100-120	Cash and Investments	\$ 260,893	\$ 23,719	\$ 284,612
140-144	Tax Receivable	-	-	-
121-129				
145-149	Accounts Receivable (excluding taxes)	-	-	-
130	Due From Other Funds	-	-	-
131-139				
150-159	Other Current Assets	-	-	-
160-169	Fixed Assets	-	-	-
180-189	Other Debits	-	-	-
Total Assets and Other Debits		\$ 260,893	\$ 23,719	\$ 284,612

TOTAL ASSETS	\$ 284,612
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Liabilities and Other Credits				
210-229	Payroll Taxes and Other Payroll Withholdings	-	-	-
200-209				
231-239	All Other Current Liabilities	-	-	-
230	Due To Other Funds	-	1,504	1,504
260-269	Long-Term Liabilities	-	-	-
240-259	Current Portion of Long-Term Debt and Other Credits	-	-	-
Total Liabilities and Other Credits		\$ -	\$ 1,504	\$ 1,504

TOTAL LIABILITIES	\$ 1,504
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Fund and Account Group Equity				
281-284	Contributed Capital	-	-	-
290	Investment in General Fixed Assets	-	-	-
270-289	Fund Balance/Retained Earnings on 12/31	260,893	22,215	283,108
291-299	Other Equity	-	-	-
Total Fund and Account Group Equity		\$ 260,893	\$ 22,215	\$ 283,108

TOTAL FUND AND ACCOUNT GROUP EQUITY	\$ 283,108
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TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	\$ 284,612
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Statement of Revenues and Expenditures December 31, 2015

Intergovernmental Revenues		Special Revenue Funds		Total
Federal		<i>Liquid Fuels</i>	<i>Pool Fund</i>	<i>Memorandum Only</i>
351.03	Highways and Streets	\$ -	\$ -	\$ -
351.09	Community Development	-	-	-
351.00	All Other Federal Capital and Operating Grants	-	-	-
352.01	National Forest	-	-	-
352.00	All Other Federal Shared Revenue and Entitlements	-	-	-
353.00	Federal Payments in Lieu of Taxes	-	-	-
Total Federal		\$ -	\$ -	\$ -

State				
354.03	Highway and Streets	\$ -	\$ -	\$ -
354.09	Community Development	-	-	-
354.15	Recycling/Act 101	-	-	-
354.00	All Other State Capital and Operating Grants	-	-	-
355.01	Public Utility Realty Tax (PURTA)	-	-	-
355.02-	Motor Vehicle Fuel Tax	-	-	-
355.03	(Liquid Fuels Tax) and State Road Turnback	55,993	-	55,993
355.04	Alcoholic Beverage Licenses	-	-	-
355.05	General Municipal Pension System State Aid	-	-	-
355.07	Foreign Fire Insurance Tax Distribution	-	-	-
355.08	Local Share Assessment/Gaming Proceeds	-	-	-
355.09	Marcellus Shale Impact Fee Distribution	-	-	-
355.00	All Other State Shared Revenues and Entitlements	-	-	-
356.00	State Payments in Lieu of Taxes	-	-	-
Total State		\$ 55,993	\$ -	\$ 55,993

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

TOTAL INTERGOVERNMENTAL REVENUES	\$ 55,993
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Statement of Revenues and Expenditures December 31, 2015

REVENUES		Special Revenue Funds		Total
Charges for Service		<i>Liquid Fuels</i>	<i>Pool Fund</i>	<i>Memorandum Only</i>
361.00	General Government	\$ -	\$ -	\$ -
362.00	Public Safety	-	-	-
363.20	Parking	-	-	-
363.00	All Other Charges for Highway and Streets Services	-	-	-
364.10	Wastewater/Sewage Charges	-	-	-
364.30	Solid Waste Collection and Disposal Charge (trash)	-	-	-
364.60	Host Municipality Benefit Fee for Solid Waste Facility	-	-	-
364.00	All Other Charges for Sanitation Services	-	-	-
365.00	Health	-	-	-
366.00	Human Services	-	-	-
367.00	Culture and Recreation	-	70,514	70,514
368.00	Airports	-	-	-
369.00	Bars	-	-	-
370.00	Cemeteries	-	-	-
372.00	Electric System	-	-	-
373.00	Gas System	-	-	-
374.00	Housing System	-	-	-
375.00	Markets	-	-	-
377.00	Transit Systems	-	-	-
378.00	Water System	-	-	-
379.00	All Other Charges for Service	-	-	-
Total Charges for Service		\$ -	\$ 70,514	\$ 70,514

Unclassified Operating Revenues				
383.00	Assessments	\$ -	\$ -	\$ -
386.00	Escheats (sale of personal property)	-	-	-
387.00	Contributions and Donations from Private Sectors	-	437	437
388.00	Fiduciary Fund Pension Contributions	-	-	-
389.00	All Other Unclassified Operating Revenues	-	-	-
Total Unclassified Operating Revenues		\$ -	\$ 437	\$ 437

Other Financing Sources				
391.00	Proceeds of General Fixed Asset Disposition	\$ -	\$ -	\$ -
392.00	Interfund Operating Transfers	-	-	-
393.00	Proceeds of General Long-Term Debt	-	-	-
394.00	Proceeds of Short-Term Debt	-	-	-
395.00	Refunds of Prior Year Expenditures	-	-	-
Total Other Financing Sources		\$ -	\$ -	\$ -

TOTAL REVENUES	\$ 56,265	\$ 70,991	\$ 127,256
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Statement of Revenues and Expenditures December 31, 2015

EXPENDITURES		Special Revenue Funds		Total
General Government		<i>Liquid Fuels</i>	<i>Pool Fund</i>	<i>Memorandum Only</i>
400.00	Legislative (Governing) Body	\$ -	\$ -	\$ -
401.00	Executive (Manager or Mayor)	-	-	-
402.00	Auditing Services/Financial Administration	-	-	-
403.00	Tax Collection	-	-	-
404.00	Solicitor/Legal Services	-	-	-
405.00	Secretary/Clerk	-	-	-
406.00	Other General Government Administration	-	-	-
407.00	IT-Networking Services - Data Processing	-	-	-
408.00	Engineering Services	-	-	-
409.00	General Government Buildings and Plant	-	-	-
Total General Government		\$ -	\$ -	\$ -

Public Safety				
410.00	Police	\$ -	\$ -	\$ -
411.00	Fire	-	-	-
412.00	Ambulance/Rescue	-	-	-
413.00	UCC and Code Enforcement	-	-	-
414.00	Planning and Zoning	-	-	-
415.00	Emergency Management and Communications	-	-	-
416.00	Militia and Armories	-	-	-
417.00	Examination of Licensed Occupations	-	-	-
418.00	Public Scales (weights and measures)	-	-	-
419.00	Other Public Safety	-	-	-
Total Public Safety		\$ -	\$ -	\$ -

Health and Human Services				
420.00-				
425.00	Health and Human Services	\$ -	\$ -	\$ -

Public Works - Sanitation				
426.00	Recycling Collection and Disposal	\$ -	\$ -	\$ -
427.00	Solid Waste Collection and Disposal (trash)	-	-	-
428.00	Weed Control	-	-	-
429.00	Wastewater/Sewage Collection and Treatment	-	-	-
Total Public Works - Sanitation		\$ -	\$ -	\$ -

Statement of Revenues and Expenditures December 31, 2015

EXPENDITURES		Special Revenue Funds		Total
		<i>Liquid Fuels</i>	<i>Pool Fund</i>	<i>Memorandum Only</i>
Public Works - Highways and Streets				
430.00	General Services - Administration	\$ -	\$ -	\$ -
431.00	Cleaning of Streets and Gutters	-	-	-
432.00	Winter Maintenance - Snow Removal	14,604	-	14,604
433.00	Traffic Control Devices	-	-	-
434.00	Street Lighting	-	-	-
435.00	Sidewalks and Crosswalks	-	-	-
436.00	Storm Sewers and Drains	-	-	-
437.00	Repairs of Tools and Machinery	-	-	-
438.00	Maintenance and Repairs of Roads and Bridges	-	-	-
439.00	Highway Construction and Rebuilding Projects	30,000	-	30,000
Total Public Works - Highways and Streets		\$ 44,604	\$ -	\$ 44,604

Public Works - Other Services				
440.00	Airports	\$ -	\$ -	\$ -
441.00	Cemeteries	-	-	-
442.00	Electric System	-	-	-
443.00	Gas System	-	-	-
444.00	Markets	-	-	-
445.00	Parking	-	-	-
446.00	Storm Water and Flood Control	-	-	-
447.00	Transit System	-	-	-
448.00	Water System	-	-	-
449.00	Water Transport and Terminals	-	-	-
Total Public Works - Other Services		\$ -	\$ -	\$ -

Culture and Recreation				
451.00	Culture-Recreation Administration	\$ -	\$ -	\$ -
452.00	Participant Recreation	-	71,982	71,982
453.00	Spectator Recreation	-	-	-
454.00	Parks	-	-	-
455.00	Shade Trees	-	-	-
456.00	Libraries	-	-	-
457.00	Civil and Military Celebrations	-	-	-
458.00	Senior Citizens' Centers	-	-	-
459.00	All Other Culture and Recreation	-	-	-
Total Culture and Recreation		\$ -	\$ 71,982	\$ 71,982

Statement of Revenues and Expenditures December 31, 2015

EXPENDITURES		Special Revenue Funds		Total
		<i>Liquid Fuels</i>	<i>Pool Fund</i>	<i>Memorandum Only</i>
Community Development				
461.00	Conservation of Natural Resources	\$ -	\$ -	\$ -
462.00	Community Development and Housing	-	-	-
463.00	Economic Development	-	-	-
464.00	Economic Opportunity	-	-	-
465.00 -				
469.00	All Other Community Development	-	-	-
Total Community Development		\$ -	\$ -	\$ -

Debt Service				
471.00	Debt Principal (short-term and long-term)	\$ -	\$ -	\$ -
472.00	Debt Interest (short-term and long-term)	-	-	-
475.00	Fiscal Agent Fees	-	-	-
Total Debt Service		\$ -	\$ -	\$ -

Employer Paid Benefits and Withholding Items				
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	\$ -	\$ 4,013	\$ 4,013
482.00	Judgments and Losses	-	-	-
483.00	Pension/Retirement Fund Contributions	-	-	-
484.00	Workers Compensation Insurance	-	1,000	1,000
487.00	Group Insurance and Other Benefits	-	-	-
Total Employer Paid Benefits and Withholding Items		\$ -	\$ 5,013	\$ 5,013

Insurance				
486.00	Insurance, Casualty and Surety	\$ -	\$ -	\$ -

Unclassified Operating Expenditures				
488.00	Fiduciary Fund Benefits and Refunds Paid	\$ -	\$ -	\$ -
489.00	All Other Unclassified Expenditures	-	-	-
Total Unclassified Operating Expenditures		\$ -	\$ -	\$ -

Statement of Revenues and Expenditures December 31, 2015

EXPENDITURES		Special Revenue Funds		Total
		<i>Liquid Fuels</i>	<i>Pool Fund</i>	<i>Memorandum Only</i>
Other Financing Uses				
491.00	Refund of Prior Year Revenues	\$ -	\$ -	\$ -
492.00	Interfund Operating Transfers	-	-	-
493.00	All Other Financing Uses	-	-	-
Total Other Financing Uses		\$ -	\$ -	\$ -

TOTAL EXPENDITURES	\$ 44,604	\$ 76,995	\$ 121,599
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	\$ 11,661	\$ (6,004)	\$ 5,657
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Balance Sheet December 31, 2015

Assets and Other Debits		Enterprise Funds		Total
		<i>Water</i>	<i>Sewer</i>	<i>Memorandum Only</i>
100-120	Cash and Investments	\$ 439,355	\$ 122,416	\$ 561,771
140-144	Tax Receivable	-	-	-
121-129				
145-149	Accounts Receivable (excluding taxes)	-	-	-
130	Due From Other Funds	4,049	127,224	131,273
131-139				
150-159	Other Current Assets	-	-	-
160-169	Fixed Assets	-	-	-
180-189	Other Debits	-	-	-
Total Assets and Other Debits		\$ 443,404	\$ 249,640	\$ 693,044

TOTAL ASSETS	\$ 693,044
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Liabilities and Other Credits				
210-229	Payroll Taxes and Other Payroll Withholdings	\$ -	\$ -	\$ -
200-209				
231-239	All Other Current Liabilities	-	-	-
230	Due To Other Funds	151,118	111,988	263,106
260-269	Long-Term Liabilities	-	-	-
240-259	Current Portion of Long-Term Debt and Other Credits	-	-	-
Total Liabilities and Other Credits		\$ 151,118	\$ 111,988	\$ 263,106

TOTAL LIABILITIES	\$ 263,106
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Fund and Account Group Equity				
281-284	Contributed Capital	\$ -	\$ -	\$ -
290	Investment in General Fixed Assets	-	-	-
270-289	Fund Balance/Retained Earnings on 12/31	292,286	137,652	429,938
291-299	Other Equity	-	-	-
Total Fund and Account Group Equity		\$ 292,286	\$ 137,652	\$ 429,938

TOTAL FUND AND ACCOUNT GROUP EQUITY	\$ 429,938
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TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	\$ 693,044
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Statement of Revenues and Expenditures December 31, 2015

Intergovernmental Revenues		Enterprise Funds		Total
Federal		Water	Sewer	Memorandum Only
351.03	Highways and Streets	\$ -	\$ -	\$ -
351.09	Community Development	-	-	-
351.00	All Other Federal Capital and Operating Grants	-	-	-
352.01	National Forest	-	-	-
352.00	All Other Federal Shared Revenue and Entitlements	-	-	-
353.00	Federal Payments in Lieu of Taxes	-	-	-
Total Federal		\$ -	\$ -	\$ -

State				
354.03	Highway and Streets	\$ -	\$ -	\$ -
354.09	Community Development	-	-	-
354.15	Recycling/Act 101	-	-	-
354.00	All Other State Capital and Operating Grants	-	-	-
355.01	Public Utility Realty Tax (PURTA)	-	-	-
355.02-	Motor Vehicle Fuel Tax			
355.03	(Liquid Fuels Tax) and State Road Turnback	-	-	-
355.04	Alcoholic Beverage Licenses	-	-	-
355.05	General Municipal Pension System State Aid	-	-	-
355.07	Foreign Fire Insurance Tax Distribution	-	-	-
355.08	Local Share Assessment/Gaming Proceeds	-	-	-
355.09	Marcellus shale Impact Fee Distribution	-	-	-
355.00	All Other State Shared Revenues and Entitlements	-	-	-
356.00	State Payments in Lieu of Taxes	-	-	-
Total State		\$ -	\$ -	\$ -

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

TOTAL INTERGOVERNMENTAL REVENUE	\$ -
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Statement of Revenues and Expenditures December 31, 2015

REVENUES		Enterprise Funds		Total
Charges for Service		Water	Sewer	Memorandum Only
361.00	General Government	\$ -	\$ -	\$ -
362.00	Public Safety	-	-	-
363.20	Parking	-	-	-
363.00	All Other Charges for Highway and Streets Services	-	-	-
364.10	Wastewater/Sewage Charges	-	593,612	593,612
364.30	Solid Waste Collection and Disposal Charge (trash)	-	-	-
364.60	Host Municipality Benefit Fee for Solid Waste Facility	-	-	-
364.00	All Other Charges for Sanitation Services	-	-	-
365.00	Health	-	-	-
366.00	Human Services	-	-	-
367.00	Culture and Recreation	-	-	-
368.00	Airports	-	-	-
369.00	Bars	-	-	-
370.00	Cemeteries	-	-	-
372.00	Electric System	-	-	-
373.00	Gas System	-	-	-
374.00	Housing System	-	-	-
375.00	Markets	-	-	-
377.00	Transit Systems	-	-	-
378.00	Water System	319,752	-	319,752
379.00	All Other Charges for Service	-	-	-
Total Charges for Service		\$ 319,752	\$ 593,612	\$ 913,364

Unclassified Operating Revenues				
383.00	Assessments	\$ -	\$ -	\$ -
386.00	Escheats (sale of personal property)	-	-	-
387.00	Contributions and Donations from Private Sectors	-	-	-
388.00	Fiduciary Fund Pension Contributions	-	-	-
389.00	All Other Unclassified Operating Revenues	-	-	-
Total Unclassified Operating Revenues		\$ -	\$ -	\$ -

Other Financing Sources				
391.00	Proceeds of General Fixed Asset Disposition	\$ -	\$ -	\$ -
392.00	Interfund Operating Transfers	5,092	-	5,092
393.00	Proceeds of General Long-Term Debt	-	-	-
394.00	Proceeds of Short-Term Debt	-	-	-
395.00	Refunds of Prior Year Expenditures	-	-	-
Total Other Financing Sources		\$ 5,092	\$ -	\$ 5,092

TOTAL REVENUES		\$ 325,409	\$ 593,674	\$ 919,083
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Statement of Revenues and Expenditures December 31, 2015

EXPENDITURES		Enterprise Funds		Total
General Government		<i>Water</i>	<i>Sewer</i>	<i>Memorandum Only</i>
400.00	Legislative (Governing) Body	\$ -	\$ -	\$ -
401.00	Executive (Manager or Mayor)	-	-	-
402.00	Auditing Services/Financial Administration	-	-	-
403.00	Tax Collection	-	-	-
404.00	Solicitor/Legal Services	-	-	-
405.00	Secretary/Clerk	-	-	-
406.00	Other General Government Administration	-	-	-
407.00	IT-Networking Services - Data Processing	-	-	-
408.00	Engineering Services	-	-	-
409.00	General Government Buildings and Plant	-	-	-
Total General Government		\$ -	\$ -	\$ -

Public Safety				
410.00	Police	\$ -	\$ -	\$ -
411.00	Fire	-	-	-
412.00	Ambulance/Rescue	-	-	-
413.00	UCC and Code Enforcement	-	-	-
414.00	Planning and Zoning	-	-	-
415.00	Emergency Management and Communications	-	-	-
416.00	Militia and Armories	-	-	-
417.00	Examination of Licensed Occupations	-	-	-
418.00	Public Scales (weights and measures)	-	-	-
419.00	Other Public Safety	-	-	-
Total Public Safety		\$ -	\$ -	\$ -

Health and Human Services				
420.00-				
425.00	Health and Human Services	\$ -	\$ -	\$ -

Public Works - Sanitation				
426.00	Recycling Collection and Disposal	\$ -	\$ -	\$ -
427.00	Solid Waste Collection and Disposal (trash)	-	-	-
428.00	Weed Control	-	-	-
429.00	Wastewater/Sewage Collection and Treatment	-	477,451	477,451
Total Public Works - Sanitation		\$ -	\$ 477,451	\$ 477,451

Statement of Revenues and Expenditures December 31, 2015

EXPENDITURES		Enterprise Funds		Total
		Water	Sewer	Memorandum Only
Public Works - Highways and Streets				
430.00	General Services - Administration	\$ -	\$ -	\$ -
431.00	Cleaning of Streets and Gutters	-	-	-
432.00	Winter Maintenance - Snow Removal	-	-	-
433.00	Traffic Control Devices	-	-	-
434.00	Street Lighting	-	-	-
435.00	Sidewalks and Crosswalks	-	-	-
436.00	Storm Sewers and Drains	-	-	-
437.00	Repairs of Tools and Machinery	-	-	-
438.00	Maintenance and Repairs of Roads and Bridges	-	-	-
439.00	Highway Construction and Rebuilding Projects	-	-	-
Total Public Works - Highways and Streets		\$ -	\$ -	\$ -

Public Works - Other Services				
440.00	Airports	\$ -	\$ -	\$ -
441.00	Cemeteries	-	-	-
442.00	Electric System	-	-	-
443.00	Gas System	-	-	-
444.00	Markets	-	-	-
445.00	Parking	-	-	-
446.00	Storm Water and Flood Control	-	-	-
447.00	Transit System	-	-	-
448.00	Water System	247,039	-	247,039
449.00	Water Transport and Terminals	-	-	-
Total Public Works - Other Services		\$ 247,039	\$ -	\$ 247,039

Culture and Recreation				
451.00	Culture-Recreation Administration	\$ -	\$ -	\$ -
452.00	Participant Recreation	-	-	-
453.00	Spectator Recreation	-	-	-
454.00	Parks	-	-	-
455.00	Shade Trees	-	-	-
456.00	Libraries	-	-	-
457.00	Civil and Military Celebrations	-	-	-
458.00	Senior Citizens' Centers	-	-	-
459.00	All Other Culture and Recreation	-	-	-
Total Culture and Recreation		\$ -	\$ -	\$ -

Statement of Revenues and Expenditures December 31, 2015

EXPENDITURES		Enterprise Funds		Total
Community Development		<i>Water</i>	<i>Sewer</i>	<i>Memorandum Only</i>
461.00	Conservation of Natural Resources	\$ -	\$ -	\$ -
462.00	Community Development and Housing	-	-	-
463.00	Economic Development	-	-	-
464.00	Economic Opportunity	-	-	-
465.00- 469.00	All Other Community Development	-	-	-
Total Community Development		\$ -	\$ -	\$ -

Debt Service				
471.00	Debt Principal (short-term and long-term)	\$ 17,541	\$ 172,317	\$ 189,858
472.00	Debt Interest (short-term and long-term)	228	30,435	30,663
475.00	Fiscal Agent Fees	-	-	-
Total Debt Service		\$ 17,769	\$ 202,752	\$ 220,521

Employer Paid Benefits and Withholding Items				
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	\$ 10,613	\$ 8,075	\$ 18,688
482.00	Judgments and Losses	-	-	-
483.00	Pension/Retirement Fund Contributions	3,557	3,554	7,111
484.00	Workers Compensation Insurance	8,613	12,166	20,779
487.00	Group Insurance and Other Benefits	-	-	-
Total Employer Paid Benefits and Withholding Items		\$ 22,783	\$ 23,795	\$ 46,578

Insurance				
486.00	Insurance, Casualty and Surety	\$ -	\$ -	\$ -

Unclassified Operating Expenditures				
488.00	Fiduciary Fund Benefits and Refunds Paid	\$ -	\$ -	\$ -
489.00	All Other Unclassified Expenditures	-	-	-
Total Unclassified Operating Expenditures		\$ -	\$ -	\$ -

Statement of Revenues and Expenditures December 31, 2015

EXPENDITURES		Enterprise Funds		Total
Other Financing Uses		<i>Water</i>	<i>Sewer</i>	<i>Memorandum Only</i>
491.00	Refund of Prior Year Revenues	\$ -	\$ -	\$ -
492.00	Interfund Operating Transfers	-	5,092	5,092
493.00	All Other Financing Uses	-	-	-
Total Other Financing Uses		\$ -	\$ 5,092	\$ 5,092

TOTAL EXPENDITURES	\$ 287,591	\$ 709,090	\$ 996,681
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	\$ 37,818	\$ (115,416)	\$ (77,598)
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