

Borough of Tipton
**Financial Statements and
Supplementary Information**
December 31, 2016



Borough of Tipton

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December 31, 2016

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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 general fund, special revenue funds, enterprise funds, and trust and agency fund presented in accordance with the Commonwealth of Pennsylvania Annual Audit and Financial Report Form DCED-CLGS-30 of the Borough of Topton, Berks County, Pennsylvania, which comprise the modified cash basis balance sheet as of December 31, 2016, 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 reporting framework of the Commonwealth of Pennsylvania Annual Audit and Financial Report Form DCED-CLGS-30 utilizing 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 Borough'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 Borough's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion on Modified Cash Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheet - modified cash basis of the Borough of Topton, Berks County, Pennsylvania, as of December 31, 2016, and the changes in the statement of revenues and expenditures - modified cash basis for the year then ended in conformity with the basis of accounting described in Note 2.

Opinion on the Reporting Framework Required by the Commonwealth of Pennsylvania Annual Audit and Financial Report Form DCED-CLGS-30

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the Borough of Topton, Berks County, Pennsylvania, as of December 31, 2016, and the respective changes in the modified cash basis financial position thereof for the year then ended in conformity with the reporting framework required by the Commonwealth of Pennsylvania Annual Audit and Financial Report Form DCED-CLGS-30.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, on Pages 26 to 43, 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.

The accompanying supplementary information on Pages 24 and 25 is unaudited and presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Basis of Accounting and Presentation

We draw your attention to Note 2 of the financial statements. 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 accompanying financial statements are presented in accordance with the reporting framework required by the Commonwealth of Pennsylvania Annual Audit and Financial Report Form DCED-CLGS-30.



March 31, 2017
Wyomissing, Pennsylvania

Balance Sheet - Modified Cash Basis

December 31, 2016

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	\$ 596,819	\$ 346,876	\$ -	\$ -
140-144	Tax Receivable	-	-	-	-
121-129					
145-149	Accounts Receivable (excluding taxes)	-	-	-	-
130	Due From Other Funds	133,082	-	-	-
131-139					
150-159	Other Current Assets	-	-	-	-
160-169	Fixed Assets	-	-	-	-
180-189	Other Debits	-	-	-	-
Total Assets and Other Debits		\$ 729,901	\$ 346,876	\$ -	\$ -

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	-	6,466	-	-
260-269	Long-Term Liabilities	-	-	-	-
240-259	Current Portion of Long-Term Debt and Other Credits	-	-	-	-
Total Liabilities and Other Credits		\$ -	\$ 6,466	\$ -	\$ -

Fund and Account Group Equity					
281-284	Contributed Capital	\$ -	\$ -	\$ -	\$ -
290	Investment in General Fixed Assets	-	-	-	-
270-289	Fund Balance/Retained Earnings on 12/31	729,901	340,410	-	-
291-299	Other Equity	-	-	-	-
Total Fund and Account Group Equity		\$ 729,901	\$ 340,410	\$ -	\$ -

* 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
\$ 463,481	\$ -	\$ 2,007	\$ -	\$ -	\$ 1,409,183
-	-	-	-	-	-
-	-	-	-	-	-
42,764	-	-	-	-	175,846
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 506,245	\$ -	\$ 2,007	\$ -	\$ -	\$ 1,585,029

TOTAL ASSETS AND OTHER DEBITS	\$ 1,585,029
--------------------------------------	--------------

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	2,007	-	-	2,007
169,380	-	-	-	-	175,846
-	-	-	-	-	-
-	-	-	-	-	-
\$ 169,380	\$ -	\$ 2,007	\$ -	\$ -	\$ 177,853

TOTAL LIABILITIES AND OTHER CREDITS	\$ 177,853
--	------------

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
336,865	-	-	-	-	1,407,176
-	-	-	-	-	-
\$ 336,865	\$ -	\$ -	\$ -	\$ -	\$ 1,407,176

TOTAL FUND AND ACCOUNT GROUP EQUITY	\$ 1,407,176
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TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	\$ 1,585,029
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Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

REVENUES		Governmental Funds			
Taxes		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
301.00	Real Estate Taxes	\$ 449,311	\$ -	\$ -	\$ -
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	8,408	-	-	-
310.10	Real Estate Transfer Taxes	45,629	-	-	-
310.20	Earned Income Taxes/Wage Taxes	238,831	-	-	-
310.30	Business Gross Receipts Taxes	-	-	-	-
310.40	Occupation Taxes (levied under Act 511)	-	-	-	-
310.50	Local Services Tax**	49,274	-	-	-
310.60	Amusement/Admission Taxes	-	-	-	-
310.70	Mechanical Device Taxes	-	-	-	-
310.90	Other Local Tax Enabling Act/Act 511 Taxes	-	-	-	-
Total Taxes		\$ 791,453	\$ -	\$ -	\$ -

Licenses and Permits					
320-322	All Other Licenses and Permits	\$ 7,639	\$ -	\$ -	\$ -
321.80	Cable Television Franchise Fees	26,639	-	-	-
Total Licenses and Permits		\$ 34,278	\$ -	\$ -	\$ -

Fines and Forfeits					
330-332	Fines and Forfeits	\$ 1,272	\$ -	\$ -	\$ -
Total Fines and Forfeits		\$ 1,272	\$ -	\$ -	\$ -

Interest, Rents and Royalties					
341.00	Interest Earnings	\$ 347	\$ 653	\$ -	\$ -
342.00	Rents and Royalties	1,282	-	-	-
Total Interest, Rents and Royalties		\$ 1,629	\$ 653	\$ -	\$ -

** 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
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
\$ -	\$ -	\$ -	\$ 449,311
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	8,408
-	-	-	45,629
-	-	-	238,831
-	-	-	-
-	-	-	-
-	-	-	49,274
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ 791,453

\$ -	\$ -	\$ -	\$ 7,639
-	-	-	26,639
\$ -	\$ -	\$ -	\$ 34,278

\$ -	\$ -	\$ -	\$ 1,272
\$ -	\$ -	\$ -	\$ 1,272

\$ 530	\$ -	\$ -	\$ 1,530
-	-	-	1,282
\$ 530	\$ -	\$ -	\$ 2,812

Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

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	\$ -	\$ -	\$ -	\$ -
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)	793	-	-	-
355.02-	Motor Vehicle Fuel Tax	-	-	-	-
355.03	(Liquid Fuels Tax) and State Road Turnback	-	64,658	-	-
355.04	Alcoholic Beverage Licenses	800	-	-	-
355.05	General Municipal Pension System State Aid	7,791	-	-	-
355.07	Foreign Fire Insurance Tax Distribution	12,041	-	-	-
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		\$ 21,425	\$ 64,658	\$ -	\$ -

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>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	793
-	-	-	64,658
-	-	-	800
-	-	-	7,791
-	-	-	12,041
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ 86,083

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

TOTAL INTERGOVERNMENTAL REVENUES	\$ 86,083
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Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

REVENUES		Governmental Funds			
Charges for Service		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
361.00	General Government	\$ 7,183	\$ -	\$ -	\$ -
362.00	Public Safety	17,007	-	-	-
363.20	Parking	-	-	-	-
363.00	All Other Charges for Highway and Streets Services	4,048	-	-	-
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	311	80,253	-	-
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		\$ 28,549	\$ 80,253	\$ -	\$ -

Unclassified Operating Revenues					
383.00	Assessments	\$ -	\$ -	\$ -	\$ -
386.00	Escheats (sale of personal property)	-	-	-	-
387.00	Contributions and Donations from Private Sectors	15,000	138	-	-
388.00	Fiduciary Fund Pension Contributions	-	-	-	-
389.00	All Other Unclassified Operating Revenues	4,020	60	-	-
Total Unclassified Operating Revenues		\$ 19,020	\$ 198	\$ -	\$ -

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	42,657	-	-	-
Total Other Financing Sources		\$ 42,657	\$ -	\$ -	\$ -

TOTAL REVENUES	\$ 940,283	\$ 145,762	\$ -	\$ -
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See Notes to Financial Statements.

Proprietary Funds		Fiduciary Fund	Total
Enterprise	Internal Service	Trust and Agency	Memorandum Only
\$ -	\$ -	\$ -	\$ 7,183
-	-	-	17,007
-	-	-	-
-	-	-	4,048
596,064	-	-	596,064
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	80,564
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
309,552	-	-	309,552
-	-	-	-
\$ 905,616	\$ -	\$ -	\$ 1,014,418

\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	15,138
-	-	-	-
-	-	-	4,080
\$ -	\$ -	\$ -	\$ 19,218

\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	42,657
\$ -	\$ -	\$ -	\$ 42,657

\$ 906,146	\$ -	\$ -	\$ 1,992,191
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Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

EXPENDITURES		Governmental Funds			
General Government		<i>General Fund</i>	<i>Special Revenue (Including State Liquid Fuels)</i>	<i>Capital Projects</i>	<i>Debt Service</i>
400.00	Legislative (Governing) Body	\$ 12,907	\$ -	\$ -	\$ -
401.00	Executive (Manager or Mayor)	54,617	-	-	-
402.00	Auditing Services/Financial Administration	13,450	-	-	-
403.00	Tax Collection	10,497	-	-	-
404.00	Solicitor/Legal Services	15,974	-	-	-
405.00	Secretary/Clerk	-	-	-	-
406.00	Other General Government Administration	31,302	-	-	-
407.00	IT-Networking Services - Data Processing	-	-	-	-
408.00	Engineering Services	133,167	-	-	-
409.00	General Government Buildings and Plant	16,050	-	-	-
Total General Government		\$ 287,964	\$ -	\$ -	\$ -

Public Safety					
410.00	Police	\$ 11,348	\$ -	\$ -	\$ -
411.00	Fire	33,005	-	-	-
412.00	Ambulance/Rescue	9,077	-	-	-
413.00	UCC and Code Enforcement	13,083	-	-	-
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		\$ 66,513	\$ -	\$ -	\$ -

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	627	-	-	-
Total Public Works - Sanitation		\$ 627	\$ -	\$ -	\$ -

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>
\$ -	\$ -	\$ -	\$ 12,907
-	-	-	54,617
-	-	-	13,450
-	-	-	10,497
-	-	-	15,974
-	-	-	-
-	-	-	31,302
-	-	-	-
-	-	-	133,167
-	-	-	16,050
\$ -	\$ -	\$ -	\$ 287,964

\$ -	\$ -	\$ -	\$ 11,348
-	-	-	33,005
-	-	-	9,077
-	-	-	13,083
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ 66,513

\$ -	\$ -	\$ -	\$ -
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\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
486,415	-	-	487,042
\$ 486,415	\$ -	\$ -	\$ 487,042

Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

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	\$ 294,699	\$ -	\$ -	\$ -
431.00	Cleaning of Streets and Gutters	-	-	-	-
432.00	Winter Maintenance - Snow Removal	2,708	9,867	-	-
433.00	Traffic Control Devices	2,249	-	-	-
434.00	Street Lighting	44,908	-	-	-
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		\$ 344,564	\$ 9,867	\$ -	\$ -

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	189	-	-	-
449.00	Water Transport and Terminals	-	-	-	-
Total Public Works - Other Services		\$ 189	\$ -	\$ -	\$ -

Culture and Recreation					
450.00	All Other Culture and Recreation	\$ 479	\$ -	\$ -	\$ -
451.00	Culture-Recreation Administration	-	-	-	-
452.00	Participant Recreation	20,400	63,735	-	-
453.00	Spectator Recreation	-	-	-	-
454.00	Parks	11,282	-	-	-
455.00	Shade Trees	-	-	-	-
456.00	Libraries	10,000	-	-	-
457.00	Civil and Military Celebrations	-	-	-	-
458.00	Senior Citizens' Centers	-	-	-	-
Total Culture and Recreation		\$ 42,161	\$ 63,735	\$ -	\$ -

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>
\$ -	\$ -	\$ -	\$ 294,699
-	-	-	-
-	-	-	12,575
-	-	-	2,249
-	-	-	44,908
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ 354,431

\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
268,280	-	-	268,469
-	-	-	-
\$ 268,280	\$ -	\$ -	\$ 268,469

\$ -	\$ -	\$ -	\$ 479
-	-	-	-
-	-	-	84,135
-	-	-	-
-	-	-	11,282
-	-	-	-
-	-	-	10,000
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ 105,896

Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

EXPENDITURES		Governmental Funds			
		<i>General Fund</i>	<i>Special Revenue (Including State Liquid Fuels)</i>	<i>Capital Projects</i>	<i>Debt Service</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)	\$ 15,004	\$ 7,709	\$ -	\$ -
472.00	Debt Interest (short-term and long-term)	1,456	1,376	-	-
475.00	Fiscal Agent Fees	-	-	-	-
Total Debt Service		\$ 16,460	\$ 9,085	\$ -	\$ -

Employer Paid Benefits and Withholding Items					
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	\$ 18,472	\$ 5,773	\$ -	\$ -
482.00	Judgments and Losses	-	-	-	-
483.00	Pension/Retirement Fund Contributions	-	-	-	-
484.00	Workers Compensation Insurance	17,547	-	-	-
487.00	Group Insurance and Other Benefits	2,280	-	-	-
Total Employer Paid Benefits and Withholding Items		\$ 38,299	\$ 5,773	\$ -	\$ -

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
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

\$ 175,795	\$ -	\$ -	\$ 198,508
27,339	-	-	30,171
-	-	-	-
\$ 203,134	\$ -	\$ -	\$ 228,679

\$ 23,423	\$ -	\$ -	\$ 47,668
-	-	-	-
-	-	-	-
17,967	-	-	35,514
-	-	-	2,280
\$ 41,390	\$ -	\$ -	\$ 85,462

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

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

Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

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	\$ 804,927	\$ 88,460	\$ -	\$ -
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	\$ 135,356	\$ 57,302	\$ -	\$ -
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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>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

\$ 999,219	\$ -	\$ -	\$ 1,892,606
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\$ (93,073)	\$ -	\$ -	\$ 99,585
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Borough of Topton

Notes to Financial Statements

December 31, 2016

Note 1 - Nature of Activity

The Borough of Topton, 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 and are presented in accordance with the Commonwealth of Pennsylvania Annual Audit and Financial Report Form DCED-CLGS-30. 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

Topton Borough Authority

The Topton 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 Topton

Notes to Financial Statements

December 31, 2016

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 Topton

Notes to Financial Statements

December 31, 2016

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, 2016

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 Topton

Notes to Financial Statements

December 31, 2016

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 2016 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.

Borough of Tipton

Notes to Financial Statements

December 31, 2016

Note 2 - Summary of Significant Accounting Policies (continued)

Revenues and Expenditures (continued)

Property Taxes (continued)

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.

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.

Borough of Tipton

Notes to Financial Statements

December 31, 2016

Note 2 - Summary of Significant Accounting Policies (continued)

Internal and Interfund Balances and Activities (continued)

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.

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, 2016

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, 2015 and the cash received for the year ended December 31, 2016. For the year ended December 31, 2016, the Sewer Fund expenditures exceeded appropriations in the amount of \$39,060.

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, 2016, the carrying amount of the Borough's bank deposits was \$1,409,183, and the corresponding bank balances were \$1,417,633, of which \$569,274 was covered by Federal Depository Insurance. The remaining \$848,359 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 Topton

Notes to Financial Statements

December 31, 2016

Note 6 - Long-Term Debt

At December 31, 2016, long-term debt consists of the following:

	Balance Outstanding December 31, 2015	Additions	Reductions	Balance Outstanding December 31, 2016
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	\$ 39,372	\$ -	\$ 15,004	\$ 24,368
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	1,421,391	-	175,795	1,245,596
	<u>\$ 1,460,763</u>	<u>\$ -</u>	<u>\$ 190,799</u>	<u>\$ 1,269,964</u>

Aggregate maturities required on long-term debt at December 31, 2016 are as follows:

	Principal	Interest	Total Debt Service
2017	\$ 194,984	\$ 24,093	\$ 219,077
2018	188,664	22,862	211,526
2019	170,264	32,354	202,618
2020	177,200	25,417	202,617
2021	184,420	18,197	202,617
2022-2023	354,432	13,627	368,059
	<u>\$ 1,269,964</u>	<u>\$ 136,550</u>	<u>\$ 1,406,514</u>

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

Borough of Tipton

Notes to Financial Statements

December 31, 2016

Note 7 - Capital Lease

At December 31, 2016, a capital lease consisted of the following:

	Balance Outstanding December 31, 2015	Additions	Payments	Balance Outstanding December 31, 2016
2016 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>\$ 32,830</u>	<u>\$ -</u>	<u>\$ 7,709</u>	<u>\$ 25,121</u>

The following is a schedule of future minimum annual lease payments under the capital lease agreement as of December 31, 2016:

Total future minimum lease payments	\$ 27,254
Amount representing interest	<u>(2,133)</u>
Present value of net minimum lease payments	<u>\$ 25,121</u>

Note 8 - Interfund Balances

The composition of interfund balances as of December 31, 2016 is as follows:

	Due To Other Funds	Due From Other Funds
General Fund	\$ -	\$ 133,082
Special Revenue Funds		
Pool Fund	6,466	-
Enterprise Funds		
Sewer Fund	146,395	-
Water Fund	<u>22,985</u>	<u>42,764</u>
Total All Funds	<u>\$ 175,846</u>	<u>\$ 175,846</u>

Borough of Tipton

Notes to Financial Statements

December 31, 2016

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.

Employees Covered by Benefit Terms

At December 31, 2014, the date of the most recent actuarial valuation, 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, 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. During the year ended December 31, 2016, the Borough contributed \$-0- to the Plan.

Net Pension Liability (Asset)

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

Borough of Topton

Notes to Financial Statements

December 31, 2016

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

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 Male Annuitant table projected 5 years with Scale AA and the RP-2000 Female Annuitant table projected 10 years with Scale AA. Preretirement mortality rates were based on the RP-2000 Male Non-Annuitant table projected 15 years with Scale AA and the RP-2000 Female Non-Annuitant table projected 15 years with Scale AA and then setback 5 years.

The actuarial assumptions used in the December 31, 2015 valuation were based on the PMRS Experience Study for the period covering January 1, 2009 through December 31, 2013, as well as subsequent Board approved assumption changes.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return are developed for each major asset class, for the portfolio as a whole and at different levels of probability or confidence. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equities (large capitalized firms)	25%	6.9%
Domestic equities (small capitalized firms)	15	6.8%
International equities (international developed markets)	15	4.0%
International equities (emerging markets)	10	7.6%
Real estate	20	7.1%
Fixed income	15	2.4%
	<u>100%</u>	

Borough of Tipton

Notes to Financial Statements

December 31, 2016

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.

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.

Note 11 - Subsequent Events

The Borough has evaluated subsequent events through March 31, 2017. This date is the date the financial statements were available to be issued. No material events subsequent to December 31, 2016 were noted.

Borough of Tipton

Schedule of Changes in Net Pension Liability (Asset) and Related Information Nonuniformed Pension Plan December 31, 2016

Changes in Net Pension Liability (Asset)

The following table shows the changes in net pension liability (asset) for the year ended December 31, 2015, the most recent date for which this information is available:

	Increase/(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at December 31, 2014	\$ 1,280,670	\$ 1,407,853	\$ (127,183)
Changes for the year			
Adjustments	-	486	(486)
Service cost	36,991	-	36,991
Interest	71,005	-	71,005
Changes of assumptions	8,121	-	8,121
Contributions - employer	-	10,669	(10,669)
Contributions - PMRS assessment	-	20	(20)
Contributions - member	-	12,780	(12,780)
PMRS investment income	-	77,235	(77,235)
Market value of investment income	-	(72,458)	72,458
Benefit payments	(54,060)	(54,060)	-
PMRS administrative expense	-	(220)	220
Additional administrative expense	-	(3,220)	3,220
Net changes	62,057	(28,768)	90,825
Balance at December 31, 2015	<u>\$ 1,342,727</u>	<u>\$ 1,379,085</u>	<u>\$ (36,358)</u>

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:

	1% Decrease (4.50%)	Discount Rate (5.50%)	1% Increase (6.50%)
Net pension liability (asset)	<u>\$ 101,637</u>	<u>\$ (36,358)</u>	<u>\$ (154,887)</u>

Borough of Tipton

Schedule of Changes in Net Pension Liability (Asset) and Related Information (continued)
Nonuniformed Pension Plan
December 31, 2016**Pension Expense and Deferred Inflows and Outflows of Resources Related to Pensions**

For the year ended December 31, 2014, the actuarial determined pension expense is \$32,305. The Borough has deferred inflows and outflows of resources related to the Plan from the following sources at December 31, 2014:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ -	\$ 22,385
Changes in assumptions	6,961	-
Net difference between projected and actual earnings on pension plan investments	<u>56,998</u>	<u>-</u>
	<u>\$ 63,959</u>	<u>\$ 22,385</u>

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

2016	\$ 10,884
2017	10,884
2018	10,883
2019	11,079
2020	(3,317)
Thereafter	1,161

DEBT STATEMENT - MODIFIED CASH BASIS											
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	2006	2018	\$ 140,000	\$ 39,372	\$ -	\$ 15,004	\$ -	\$ 24,368	\$ -	\$ 24,368
General Obligation Bond	B	2013	2023	1,800,000	1,421,391	-	175,795	-	1,245,596	-	1,245,596
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
REVENUE BONDS AND NOTES:											
None.				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
LEASE RENTAL DEBT/GENERAL LEASES:											
Capital Lease	N	2015	2019	41,681	32,830	-	7,709	-	25,121	-	25,121
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
OTHER:											
None.				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
				-	-	-	-	-	-	-	-
										Total bonds and notes outstanding	\$ 1,269,964
										Capitalized lease obligations	25,121
										Other debt	-
										TOTAL OUTSTANDING DEBT	\$ 1,295,085

Statement of Capital Expenditures - Modified Cash Basis

Category	Capital Purchases	Capital Construction	Total
Community Development	\$ -	\$ -	\$ -
Electric	-	-	-
Fire	-	-	-
Gas System	-	-	-
General Government	19,555	-	19,555
Health	-	-	-
Housing	-	-	-
Libraries	-	-	-
Mass Transit	-	-	-
Parks	-	-	-
Police	-	-	-
Recreation	1,872	-	1,872
Sewer	9,738	-	9,738
Solid Waste	-	-	-
Streets/Highways	-	-	-
Water	59,491	-	59,491
Other (Please Specify) EMS	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-

TOTAL CAPITAL EXPENDITURES	\$ 90,656
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EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year
(including all employees and elected officials)*

\$ 435,420

* USE INCOME FROM BOX 16 ON THE W-3 STATEMENT

Combining Balance Sheet - Modified Cash Basis

December 31, 2016

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	\$ 307,204	\$ 39,672	\$ 346,876
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		\$ 307,204	\$ 39,672	\$ 346,876

TOTAL ASSETS	\$ 346,876
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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	-	6,466	6,466
260-269	Long-Term Liabilities	-	-	-
240-259	Current Portion of Long-Term Debt and Other Credits	-	-	-
Total Liabilities and Other Credits		\$ -	\$ 6,466	\$ 6,466

TOTAL LIABILITIES	\$ 6,466
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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	307,204	33,206	340,410
291-299	Other Equity	-	-	-
Total Fund and Account Group Equity		\$ 307,204	\$ 33,206	\$ 340,410

TOTAL FUND AND ACCOUNT GROUP EQUITY	\$ 340,410
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TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	\$ 346,876
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Combining Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

REVENUES		Special Revenue Funds		Total
Taxes		Liquid Fuels	Pool Fund	Memorandum Only
301.00	Real Estate Taxes	\$ -	\$ -	\$ -
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	-	-	-
310.10	Real Estate Transfer Taxes	-	-	-
310.20	Earned Income Taxes/Wage Taxes	-	-	-
310.30	Business Gross Receipts Taxes	-	-	-
310.40	Occupation Taxes (levied under Act 511)	-	-	-
310.50	Local Services Tax**	-	-	-
310.60	Amusement/Admission Taxes	-	-	-
310.70	Mechanical Device Taxes	-	-	-
310.90	Other Local Tax Enabling Act/Act 511 Taxes	-	-	-
Total Taxes		\$ -	\$ -	\$ -

Licenses and Permits				
320-322	All Other Licenses and Permits	\$ -	\$ -	\$ -
321.80	Cable Television Franchise Fees	-	-	-
Total Licenses and Permits		\$ -	\$ -	\$ -

Fines and Forfeits				
330-332	Fines and Forfeits	\$ -	\$ -	\$ -
Total Fines and Forfeits		\$ -	\$ -	\$ -

Interest, Rents and Royalties				
341.00	Interest Earnings	\$ 605	\$ 48	\$ 653
342.00	Rents and Royalties	-	-	-
Total Interest, Rents and Royalties		\$ 605	\$ 48	\$ 653

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

Combining Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

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- 355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback	64,658	-	64,658
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		\$ 64,658	\$ -	\$ 64,658

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	\$ 64,658
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Combining Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

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	-	80,253	80,253
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		\$ -	\$ 80,253	\$ 80,253

Unclassified Operating Revenues				
383.00	Assessments	\$ -	\$ -	\$ -
386.00	Escheats (sale of personal property)	-	-	-
387.00	Contributions and Donations from Private Sectors	-	138	138
388.00	Fiduciary Fund Pension Contributions	-	-	-
389.00	All Other Unclassified Operating Revenues	-	60	60
Total Unclassified Operating Revenues		\$ -	\$ 198	\$ 198

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	\$ 65,263	\$ 80,499	\$ 145,762
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Combining Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

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		\$ -	\$ -	\$ -

Combining Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

EXPENDITURES		Special Revenue Funds		Total
Public Works - Highways and Streets		<i>Liquid Fuels</i>	<i>Pool Fund</i>	<i>Memorandum Only</i>
430.00	General Services - Administration	\$ -	\$ -	\$ -
431.00	Cleaning of Streets and Gutters	-	-	-
432.00	Winter Maintenance - Snow Removal	9,867	-	9,867
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		\$ 9,867	\$ -	\$ 9,867

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	-	63,735	63,735
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		\$ -	\$ 63,735	\$ 63,735

Combining Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

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)	\$ 7,709	\$ -	\$ 7,709
472.00	Debt Interest (short-term and long-term)	1,376	-	1,376
475.00	Fiscal Agent Fees	-	-	-
Total Debt Service		\$ 9,085	\$ -	\$ 9,085

Employer Paid Benefits and Withholding Items				
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	\$ -	\$ 5,773	\$ 5,773
482.00	Judgments and Losses	-	-	-
483.00	Pension/Retirement Fund Contributions	-	-	-
484.00	Workers Compensation Insurance	-	-	-
487.00	Group Insurance and Other Benefits	-	-	-
Total Employer Paid Benefits and Withholding Items		\$ -	\$ 5,773	\$ 5,773

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		\$ -	\$ -	\$ -

Combining Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

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

TOTAL EXPENDITURES	\$ 18,952	\$ 69,508	\$ 88,460
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	\$ 46,311	\$ 10,991	\$ 57,302
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Combining Balance Sheet - Modified Cash Basis

December 31, 2016

Assets and Other Debits		Enterprise Funds		Total
		<i>Water</i>	<i>Sewer</i>	<i>Memorandum Only</i>
100-120	Cash and Investments	\$ 293,698	\$ 169,783	\$ 463,481
140-144	Tax Receivable	-	-	-
121-129				
145-149	Accounts Receivable (excluding taxes)	-	-	-
130	Due From Other Funds	42,764	-	42,764
131-139				
150-159	Other Current Assets	-	-	-
160-169	Fixed Assets	-	-	-
180-189	Other Debits	-	-	-
Total Assets and Other Debits		\$ 336,462	\$ 169,783	\$ 506,245

TOTAL ASSETS	\$ 506,245
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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	22,985	146,395	169,380
260-269	Long-Term Liabilities	-	-	-
240-259	Current Portion of Long-Term Debt and Other Credits	-	-	-
Total Liabilities and Other Credits		\$ 22,985	\$ 146,395	\$ 169,380

TOTAL LIABILITIES	\$ 169,380
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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	313,477	23,388	336,865
291-299	Other Equity	-	-	-
Total Fund and Account Group Equity		\$ 313,477	\$ 23,388	\$ 336,865

TOTAL FUND AND ACCOUNT GROUP EQUITY	\$ 336,865
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TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	\$ 506,245
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Combining Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

REVENUES		Enterprise Funds		Total
Taxes		Water	Sewer	Memorandum Only
301.00	Real Estate Taxes	\$ -	\$ -	\$ -
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	-	-	-
310.10	Real Estate Transfer Taxes	-	-	-
310.20	Earned Income Taxes/Wage Taxes	-	-	-
310.30	Business Gross Receipts Taxes	-	-	-
310.40	Occupation Taxes (levied under Act 511)	-	-	-
310.50	Local Services Tax**	-	-	-
310.60	Amusement/Admission Taxes	-	-	-
310.70	Mechanical Device Taxes	-	-	-
310.90	Other Local Tax Enabling Act/Act 511 Taxes	-	-	-
Total Taxes		\$ -	\$ -	\$ -

Licenses and Permits				
320-322	All Other Licenses and Permits	\$ -	\$ -	\$ -
321.80	Cable Television Franchise Fees	-	-	-
Total Licenses and Permits		\$ -	\$ -	\$ -

Fines and Forfeits				
330-332	Fines and Forfeits	\$ -	\$ -	\$ -
Total Fines and Forfeits		\$ -	\$ -	\$ -

Interest, Rents and Royalties				
341.00	Interest Earnings	\$ 475	\$ 55	\$ 530
342.00	Rents and Royalties	-	-	-
Total Interest, Rents and Royalties		\$ 475	\$ 55	\$ 530

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

Combining Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

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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Combining Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

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	-	596,064	596,064
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	309,552	-	309,552
379.00	All Other Charges for Service	-	-	-
Total Charges for Service		\$ 309,552	\$ 596,064	\$ 905,616

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	-	-	-
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	\$ 310,027	\$ 596,119	\$ 906,146
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Combining Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

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	-	486,415	486,415
Total Public Works - Sanitation		\$ -	\$ 486,415	\$ 486,415

Combining Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

EXPENDITURES		Enterprise Funds		Total
		<i>Water</i>	<i>Sewer</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	-	-	-
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	268,280	-	268,280
449.00	Water Transport and Terminals	-	-	-
Total Public Works - Other Services		\$ 268,280	\$ -	\$ 268,280

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		\$ -	\$ -	\$ -

Combining Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

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)	\$ -	\$ 175,795	\$ 175,795
472.00	Debt Interest (short-term and long-term)	-	27,339	27,339
475.00	Fiscal Agent Fees	-	-	-
Total Debt Service		\$ -	\$ 203,134	\$ 203,134

Employer Paid Benefits and Withholding Items				
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	\$ 13,412	\$ 10,011	\$ 23,423
482.00	Judgments and Losses	-	-	-
483.00	Pension/Retirement Fund Contributions	-	-	-
484.00	Workers Compensation Insurance	7,144	10,823	17,967
487.00	Group Insurance and Other Benefits	-	-	-
Total Employer Paid Benefits and Withholding Items		\$ 20,556	\$ 20,834	\$ 41,390

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		\$ -	\$ -	\$ -

Combining Statement of Revenues and Expenditures - Modified Cash Basis

December 31, 2016

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	-	-	-
493.00	All Other Financing Uses	-	-	-
Total Other Financing Uses		\$ -	\$ -	\$ -

TOTAL EXPENDITURES	\$ 288,836	\$ 710,383	\$ 999,219
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	\$ 21,191	\$ (114,264)	\$ (93,073)
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