

TOWNSHIP OF TOBYHANNA

FINANCIAL STATEMENTS

DECEMBER 31, 2015

TOWNSHIP OF TOBYHANNA
Index to Financial Statements
As at December 31, 2015

Independent Auditor's Report

Government-wide Financial Statements:

Statement of Net Position - Modified Cash Basis	Exhibit A
Statement of Activities - Modified Cash Basis	Exhibit B

Fund Financial Statements:

Balance Sheets - Cash Basis - Governmental Fund Types	Exhibit C
Reconciliation of the Governmental Funds Balance Sheets to the Statement of Net Position	Exhibit D
Statements of Revenues, Expenditures and Changes in Fund Balances - Cash Basis - Governmental Fund Types	Exhibit E
Reconciliation of the Statements of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	Exhibit F

Proprietary Funds:

Statement of Net Position - Modified Cash Basis	Exhibit G
Statement of Revenues, Expenses and Changes in Net Position - Modified Cash Basis	Exhibit H

Fiduciary Funds:

Statement of Net Position - Non-Uniform Pension Fund - Modified Cash Basis	Exhibit I
Statement of Changes in Net Position - Non-Uniform Pension Fund - Modified Cash Basis	Exhibit J

Notes to Financial Statements

TOWNSHIP OF TOBYHANNA
Index to Financial Statements
As at December 31, 2015

Supplementary Information:

Schedule of Revenues and Expenditures - General Fund - Budget and Actual - Cash Basis for the Year Ended December 31,	Schedule 1
Combining Balance Sheets - Cash Basis - Non-Major Special Revenue Funds as at December 31, 2015	Exhibit K
Combining Statements of Revenues, Expenditures and Changes in Fund Balances - Cash Basis - Non-Major Special Revenue Funds for the Year Ended December 31, 2015	Exhibit L
Combining Balance Sheets - Cash Basis - Major Capital Projects Funds as at December 31, 2015	Exhibit M
Combining Statements of Revenues, Expenditures and Changes in Fund Balances - Cash Basis Major Capital Projects Funds for the Year Ended December 31, 2015	Exhibit N



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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Tobyhanna Township
Pocono Pines, PA

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tobyhanna Township, as of December 31, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

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

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Tobyhanna Township's basic financial statements. The budgetary comparison information in the Schedule of Revenues and Expenditures - General Fund - Budget and Actual - Cash Basis and the Combining Funds Financial Statements - Cash Basis for the Special Revenue and Capital Projects funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information described above is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Riley and Company P.A.C.

Stroudsburg, PA
May 5, 2016

TOWNSHIP OF TOBYHANNA
Statement of Net Position - Modified Cash Basis
As at December 31, 2015

Exhibit A

	<u>2015</u>		<u>2014</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Memorandum Total</u>
Assets:				
Cash and cash equivalents - Note 2	<u>\$4,153,218</u>	<u>\$524,706</u>	<u>\$4,677,924</u>	<u>\$3,975,257</u>
Restricted cash and cash equivalents - Note 2	<u>1,124,912</u>	<u>222,773</u>	<u>1,347,685</u>	<u>822,910</u>
Property and Equipment - Note 5:				
Construction in progress	0	0	0	59,686
Land	2,290,922	172,813	2,463,735	2,224,962
Roads and bridges	19,240,711	0	19,240,711	15,659,700
Machinery and equipment	1,765,938	2,153,756	3,919,694	3,867,645
Sewer system	0	7,817,981	7,817,981	4,684,527
Buildings and improvements	3,426,589	3,155,733	6,582,322	6,547,518
Less: Accumulated depreciation	<u>(15,797,112)</u>	<u>(4,310,197)</u>	<u>(20,107,309)</u>	<u>(19,653,649)</u>
Total Property and Equipment:	<u>10,927,048</u>	<u>8,990,086</u>	<u>19,917,134</u>	<u>13,390,389</u>
Total Assets	<u>16,205,178</u>	<u>9,737,565</u>	<u>25,942,743</u>	<u>18,188,556</u>
Current Liabilities:				
Payroll and other liabilities	0	0	0	3,613
Due on capital assets	159,668	0	159,668	0
Current portion of general obligation notes - Note 6	59,523	224,636	284,159	243,416
Customer security deposits - Payable from restricted cash	<u>744,219</u>	<u>177,500</u>	<u>921,719</u>	<u>457,754</u>
Total Current Liabilities	<u>963,410</u>	<u>402,136</u>	<u>1,365,546</u>	<u>704,783</u>
Long-Term Liabilities:				
General obligation notes payable - Note 6	<u>377,646</u>	<u>4,017,742</u>	<u>4,395,388</u>	<u>4,468,895</u>
Total Liabilities	<u>1,341,056</u>	<u>4,419,878</u>	<u>5,760,934</u>	<u>5,173,678</u>
Net Position:				
Restricted	379,677	45,033	424,710	364,637
Net investment in capital assets	10,330,211	4,747,707	15,077,918	8,678,078
Unrestricted	<u>4,154,234</u>	<u>524,947</u>	<u>4,679,181</u>	<u>3,972,163</u>
Total Net Position	<u>\$14,864,122</u>	<u>\$5,317,687</u>	<u>\$20,181,809</u>	<u>\$13,014,878</u>

The "Notes to Financial Statements" are an integral part of these statements and should be read in conjunction therewith

TOWNSHIP OF TOBYHANNA
Statement of Activities - Modified Cash Basis
As at December 31, 2015

Exhibit B

	<u>2015</u>				<u>2014</u>			
	<u>Expenses</u>	Fees, Fines, Charges for <u>Services</u>	Operating Grants and <u>Contributions</u>	Capital Grants and <u>Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>	Memorandum <u>Totals</u>
Governmental Activities:								
General government	(\$783,603)	\$539,396	\$33,807	\$0	(\$210,400)	\$0	(\$210,400)	(\$390,830)
Public safety	(2,513,140)	212,712	202,379	0	(2,098,049)	0	(2,098,049)	(2,159,154)
Public works	(1,067,669)	0	280,922	0	(786,747)	0	(786,747)	(934,624)
Culture and recreation	(222,507)	0	14,542	0	(207,965)	0	(207,965)	(258,585)
Other	(71,411)	0	0	0	(71,411)	0	(71,411)	(70,777)
Interest	<u>(14,950)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(14,950)</u>	<u>0</u>	<u>(14,950)</u>	<u>(13,215)</u>
Total Governmental Activities	(4,676,280)	752,108	531,650	0	(3,392,522)	0	(3,392,522)	(3,827,185)
Business-Type Activities:								
Wastewater/sewage	<u>(800,030)</u>	<u>1,036,110</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>236,080</u>	<u>236,080</u>	<u>169,877</u>
Total Government	<u>(\$5,476,310)</u>	<u>\$1,788,218</u>	<u>\$531,650</u>	<u>\$0</u>	<u>(3,392,522)</u>	<u>236,080</u>	<u>(3,156,442)</u>	<u>(3,657,308)</u>
General Revenues:								
Taxes					4,228,040	0	4,228,040	4,140,366
Interest and rents					18,192	2,620	20,812	8,089
Other					18,372	0	18,372	17,510
Special item - Dedicated infrastructure assets - Note 13					<u>2,749,884</u>	<u>3,306,267</u>	<u>6,056,151</u>	<u>0</u>
Total General Revenues and Special Item					<u>7,014,488</u>	<u>3,308,887</u>	<u>10,323,375</u>	<u>4,165,965</u>
Change in Net Position					3,621,966	3,544,967	7,166,933	508,657
Net Position at Beginning of Year					<u>11,242,156</u>	<u>1,772,720</u>	<u>13,014,876</u>	<u>12,506,221</u>
Net Position at End of Year					<u>\$14,864,122</u>	<u>\$5,317,687</u>	<u>\$20,181,809</u>	<u>\$13,014,878</u>

The "Notes to Financial Statements" are in integral part of these statements and should be read in conjunction therewith.

TOWNSHIP OF TOBYHANNA
Balance Sheets
Cash Basis - Governmental Fund Types
As at December 31, 2015

Exhibit C

	<u>Major Funds</u>		<u>Non-Major Funds</u>			2014 Memorandum Total
	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>	
Assets:						
Cash and cash equivalents - Note 2	\$3,336,654	\$816,564	\$4,153,218	\$378,639	\$4,531,857	\$3,984,762
Restricted cash and cash equivalents - Note 2	746,273	0	746,273	0	746,273	458,273
Due from other funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,038</u>	<u>1,038</u>	<u>0</u>
Total Assets	<u>\$4,082,927</u>	<u>\$816,564</u>	<u>\$4,899,491</u>	<u>\$379,677</u>	<u>\$5,279,168</u>	<u>\$4,443,035</u>
Liabilities:						
Payroll and other liabilities	\$0	\$0	\$0	\$0	\$0	\$3,613
Due to other funds	1,038	0	1,038	0	1,038	\$0
Customer security deposits - Payable from Restricted Cash	<u>744,219</u>	<u>0</u>	<u>744,219</u>	<u>0</u>	<u>744,219</u>	<u>457,754</u>
Total Liabilities	<u>745,257</u>	<u>0</u>	<u>745,257</u>	<u>0</u>	<u>745,257</u>	<u>461,367</u>
Fund Balances:						
Restricted	0	0	0	379,677	379,677	326,265
Assigned	43,485	816,564	860,049	0	860,049	1,013,965
Unassigned	<u>3,294,185</u>	<u>0</u>	<u>3,294,185</u>	<u>0</u>	<u>3,294,185</u>	<u>2,641,438</u>
Total Fund Balances	<u>3,337,670</u>	<u>816,564</u>	<u>4,154,234</u>	<u>379,677</u>	<u>4,533,911</u>	<u>3,981,668</u>
Total Liabilities and Fund Balances	<u>\$4,082,927</u>	<u>\$816,564</u>	<u>\$4,899,491</u>	<u>\$379,677</u>	<u>\$5,279,168</u>	<u>\$4,443,035</u>

The "Notes to Financial Statements" are an integral part of these statements and should be read in conjunction therewith

TOWNSHIP OF TOBYHANNA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
As at December 31, 2015

Exhibit D

Total Fund Balances - Governmental Funds	\$4,533,911
Capital assets, net of accumulated depreciation, are reported on the Statement of Net Position but not on the Governmental Funds Balance Sheet	10,927,048
Due on capital assets is reported on the Statement of Net Position but not on the Governmental Funds Balance Sheet	(159,668)
Long-term debt is reported on the Statement of Net Position but not on the Governmental Funds Balance Sheet	<u>(437,169)</u>
Net Position - Governmental Activities	<u>\$14,864,122</u>

The "Notes to Financial Statements" are an integral part of these statements and should be read in conjunction therewith

TOWNSHIP OF TOBYHANNA
 Statements of Revenues, Expenditures and Changes in
 Fund Balances - Cash Basis - Governmental Fund Types
 As at December 31, 2015

Exhibit E
 Page 1

	<u>Major Funds</u>			<u>Non-Major Funds</u>		2014 Memorandum Total
	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>	
Revenues						
Taxes	\$3,935,757	\$0	\$3,935,757	\$292,283	\$4,228,040	\$4,140,366
Licenses and permits	253,346	0	253,346	0	253,346	244,049
Fines and forfeitures	60,667	0	60,667	0	60,667	52,263
Interest, rents, and royalties	22,199	2,484	24,683	1,069	25,752	12,243
Intergovernmental revenue	260,820	0	260,820	256,287	517,107	505,346
Charges for services	430,535	0	430,535	0	430,535	278,893
Other	<u>18,173</u>	<u>0</u>	<u>18,173</u>	<u>879</u>	<u>19,052</u>	<u>11,721</u>
Total Revenues	<u>4,981,497</u>	<u>2,484</u>	<u>4,983,981</u>	<u>550,518</u>	<u>5,534,499</u>	<u>5,244,881</u>
Expenditures						
General government	643,363	24,156	667,519	0	667,519	674,963
Public safety	2,319,788	0	2,319,788	110,900	2,430,688	2,574,183
Public works - Highways and streets	674,223	450,467	1,124,690	442,972	1,567,662	1,250,075
Culture and recreation	52,660	5,383	58,043	152,035	210,078	260,081
Community development	3,000	0	3,000	0	3,000	0
Debt service	39,704	0	39,704	35,037	74,741	40,837
Employer paid benefits and withholdings	214,857	0	214,857	0	214,857	242,455
Insurance	<u>70,677</u>	<u>0</u>	<u>70,677</u>	<u>0</u>	<u>70,677</u>	<u>68,631</u>
Total Expenditures	<u>4,018,272</u>	<u>480,006</u>	<u>4,498,278</u>	<u>740,944</u>	<u>5,239,222</u>	<u>5,111,225</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$963,225</u>	<u>(\$477,522)</u>	<u>\$485,703</u>	<u>(\$190,426)</u>	<u>\$295,277</u>	<u>\$133,656</u>

The "Notes to Financial Statements" are an integral part of these statements and should be read in conjunction therewith.

TOWNSHIP OF TOBYHANNA
 Statements of Revenues, Expenditures and Changes in
 Fund Balances - Cash Basis - Governmental Fund Types
 As at December 31, 2015

Exhibit E
 Page 2

	<u>Major Funds</u>		<u>Non-Major Funds</u>		Total Governmental Funds	2014 Memorandum Total
	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>	<u>Special Revenue</u>		
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$963,225</u>	<u>(\$477,522)</u>	<u>\$485,703</u>	<u>(\$190,426)</u>	<u>\$295,277</u>	<u>\$133,656</u>
Other Financing Sources (Uses):						
Refunds of prior year's expenditures	5,862	0	5,862	0	5,862	15,239
Proceeds of capital asset disposition	8,000	0	8,000	0	8,000	0
Interfund operating transfers	0	323,508	323,508	0	323,508	326,640
Proceeds of general long-term debt	0	0	0	243,838	243,838	0
Refund of prior year revenue	(733)	0	(733)	0	(733)	(2,145)
Interfund operating transfers out	<u>(323,508)</u>	<u>0</u>	<u>(323,508)</u>	<u>0</u>	<u>(323,508)</u>	<u>(326,640)</u>
Total Financing Sources (Uses)	<u>(310,379)</u>	<u>323,508</u>	<u>13,129</u>	<u>243,838</u>	<u>256,967</u>	<u>13,094</u>
Net Change in Fund Balances	652,846	(154,014)	498,832	53,412	552,244	146,750
Fund Balances at Beginning of Year	<u>2,684,824</u>	<u>970,578</u>	<u>3,655,402</u>	<u>326,265</u>	<u>3,981,667</u>	<u>3,834,918</u>
Fund Balances at End of Year	<u>\$3,337,670</u>	<u>\$816,564</u>	<u>\$4,154,234</u>	<u>\$379,677</u>	<u>\$4,533,911</u>	<u>\$3,981,668</u>

The "Notes to Financial Statements" are an integral part of these statements and should be read in conjunction therewith.

TOWNSHIP OF TOBYHANNA
Reconciliation of the Statements of Revenues, Expenditures and
Changes in Fund Balance to the Statement of Activities
As at December 31, 2015

Exhibit F

Total Net Change in Fund Balances - Governmental Funds	\$552,244
Depreciation is reported as an expense on the Statement of Activities but not on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances	(589,378)
Debt principal payments are reported as expenditures on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances but not on the Statement of Activities	59,790
Loan proceeds are reported as other financing sources on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance but not on the Statement of Activities.	(243,838)
The revenue relating to the road that was dedicated to the Township is recorded as revenue on the Statement of Activities but not on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances	2,749,884
Expenditures for capital assets are reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances but not on the Statement of Activities	<u>1,093,264</u>
Change in Net Position	<u>\$3,621,966</u>

The "Notes to Financial Statements" are an integral part of these statements and should be read in conjunction therewith

TOWNSHIP OF TOBYHANNA
Statement of Net Position - Modified Cash Basis -
Proprietary Fund Type
As at December 31, 2015

Exhibit G

	<u>Sewer Fund</u>	<u>Sewer District #1 Fund</u>	<u>Total</u>	<u>2014 Memorandum Only</u>
Current Assets:				
Cash and cash equivalents - Note 2	\$476,337	\$48,369	\$524,706	\$316,760
Restricted cash and cash equivalents	<u>45,033</u>	<u>177,740</u>	<u>222,773</u>	<u>38,372</u>
Total Current Assets:	<u>521,370</u>	<u>226,109</u>	<u>747,479</u>	<u>355,132</u>
Property and Equipment - Note 5:				
Land	0	172,813	172,813	0
Buildings and improvements	3,155,733	0	3,155,733	3,145,573
Machinery and equipment	2,153,756	0	2,153,756	2,151,310
Sewer system	4,684,527	3,133,454	7,817,981	4,684,527
Less: Accumulated depreciation	<u>(4,278,862)</u>	<u>(31,335)</u>	<u>(4,310,197)</u>	<u>(4,104,632)</u>
Total Property and Equipment - Note 5:	<u>5,715,154</u>	<u>3,274,932</u>	<u>8,990,086</u>	<u>5,876,778</u>
Total Assets	<u>6,236,524</u>	<u>3,501,041</u>	<u>9,737,565</u>	<u>6,231,910</u>
Current Liabilities:				
Current portion of general obligation notes - Note 6	\$224,636	\$0	\$224,636	\$216,799
Amounts held on behalf of others	<u>0</u>	<u>177,500</u>	<u>177,500</u>	<u>0</u>
Total Current Liabilities:	224,636	177,500	402,136	216,799
Long-Term Liabilities:				
General obligation notes payable - Note 6	<u>4,017,742</u>	<u>0</u>	<u>4,017,742</u>	<u>4,242,390</u>
Total Liabilities	<u>4,242,378</u>	<u>177,500</u>	<u>4,419,878</u>	<u>4,459,189</u>
Net Position:				
Net investment in capital assets	1,472,775	3,274,932	4,747,707	1,417,589
Restricted	45,033	0	45,033	38,372
Unrestricted	<u>476,338</u>	<u>48,609</u>	<u>524,947</u>	<u>316,760</u>
Total Net Position	<u>\$1,994,146</u>	<u>\$3,323,541</u>	<u>\$5,317,687</u>	<u>\$1,772,721</u>

The "Notes to Financial Statements" are an integral part of
these statements and should be read in conjunction therewith

TOWNSHIP OF TOBYHANNA
Statement of Revenues, Expenses and Changes in Net Position -
Modified Cash Basis - Proprietary Fund Type
As at December 31, 2015

Exhibit H

	<u>Sewer Fund</u>	<u>Sewer District #1 Fund</u>	<u>Total</u>	<u>2014 Memorandum Only</u>
Operating Revenues:				
Charges for services	\$763,631	\$265,028	\$1,028,659	\$745,042
Other operating revenues	<u>7,450</u>	<u>0</u>	<u>7,450</u>	<u>3,541</u>
Total Operating Revenues	<u>771,081</u>	<u>265,028</u>	<u>1,036,109</u>	<u>748,583</u>
Operating Expenses:				
Wastewater/sewage treatment and collection	215,264	216,767	432,031	233,449
Depreciation	<u>174,230</u>	<u>31,335</u>	<u>205,565</u>	<u>175,277</u>
Total Operating Expenses	<u>389,494</u>	<u>248,102</u>	<u>637,596</u>	<u>408,726</u>
Non-Operating Revenues (Expenses):				
Interest income	2,272	348	2,620	1,358
Interest expense	<u>(162,433)</u>	<u>0</u>	<u>(162,433)</u>	<u>(169,980)</u>
Total Non-operating Revenues (Expenses)	<u>(160,161)</u>	<u>348</u>	<u>(159,813)</u>	<u>(168,622)</u>
Special Item:				
Dedicated sewer asset - Note 13	<u>0</u>	<u>3,306,267</u>	<u>3,306,267</u>	<u>0</u>
Change in Net Position	221,426	3,323,541	3,544,967	171,235
Net Position at Beginning of Year	<u>1,772,720</u>	<u>0</u>	<u>1,772,720</u>	<u>1,601,486</u>
Net Position at End of Year	<u>\$1,994,146</u>	<u>\$3,323,541</u>	<u>\$5,317,687</u>	<u>\$1,772,721</u>

The "Notes to Financial Statements" are an integral part of
these statements and should be read in conjunction therewith

TOWNSHIP OF TOBYHANNA
Statement of Net Position - Non-Uniform Pension Fund – Modified Cash Basis
As at December 31, 2015

Exhibit I

2014
Memorandum
Only

Assets:		
Cash and cash equivalents - Note 2	\$4,253	\$6,120
Investments	<u>1,193,146</u>	<u>1,216,566</u>
Total Assets	<u>\$1,197,399</u>	<u>\$1,222,686</u>
Net Position:		
Net position held in trust for pension benefits	<u>\$1,197,399</u>	<u>\$1,222,686</u>

The "Notes to Financial Statements" are an integral part of these statements and should be read in conjunction therewith

TOWNSHIP OF TOBYHANNA
Statement of Changes in Net Position - Non-uniform Pension Fund – Modified Cash Basis
As at December 31, 2015

Exhibit J

		2014 Memorandum <u>Only</u>
<hr/>		
Additions:		
Investment income	(\$25,023)	\$95,916
State aid	<u>33,381</u>	<u>52,598</u>
Total Additions	<u>8,358</u>	<u>148,514</u>
Deductions:		
Fiscal charges	19,447	13,934
Fiduciary fund benefits and refunds paid	<u>14,198</u>	<u>3,734</u>
Total Deductions	<u>33,645</u>	<u>17,668</u>
Change in Net Position	(25,287)	130,846
Net Position at Beginning of Year	<u>1,222,686</u>	<u>1,091,840</u>
Net Position at End of Year	<u>\$1,197,399</u>	<u>\$1,222,686</u>

The "Notes to Financial Statements" are an integral part of these statements and should be read in conjunction therewith

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 1: Summary of Significant Accounting Policies:

The Township of Tobyhanna was organized in 1830. The Township operates under an elected 5 member Board of Supervisors, and provides the following services to its residents: public safety, highways and streets, sanitation, culture and-recreation, planning and zoning, and general administrative services.

Principles Determining Scope of Reporting Entity

The financial statements of the Township consist only of the funds and account groups of the Township. The Township has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Township. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

Basis of Accounting

The Township's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information. Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide and proprietary fund financial statements are prepared using the modified cash basis of accounting. Governmental funds use the cash basis of accounting. Differences in the modified cash and the cash basis of accounting arise in the recognition of capital assets and related debt. Fiduciary funds use the modified cash basis of accounting, under which pension investments are reported at fair value.

Comparative Data

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of changes in the Authority's financial position and operations. Such information is presented in a summarized comparative format as memorandum information only and should be read in conjunction with the Authority's financial statements for the prior year, from which the information was summarized.

Note 1: Summary of Significant Accounting Policies: (Continued)

BASIS OF PRESENTATION

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statement of net position presents the financial condition of the governmental activities of the Township at year-end in total as well as the Township's business activities. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Township's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Township. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Township.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present the financial information of the Township at this more detailed level. The focus of the governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The fiduciary fund is reported separately.

All funds of the Township are accounted for using the cash basis. As such, revenues are recognized when cash is received, and expenses are recognized when they are paid. The accounts of the Township are organized on the basis of funds, each of which is a separate accounting entity. The operations of each fund or account group are summarized using a separate set of self-balancing accounts which include its assets, liabilities, fund equity, revenues and expenditures.

Note 1: Summary of Significant Accounting Policies: (Continued)

Government Funds

Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following funds are used by the Township.

Governmental Fund Types

General Fund (Major Fund) is the general operating fund of the Township. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Capital Projects Funds (Major Fund) account for financial resources to be used for the acquisition or construction of certain major capital facilities which are not financed by the Proprietary or General Funds.

Special Revenue Funds (Non-major Fund) are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Included in these funds are State Liquid Fuels Highway Aid, Fire, and Library funds.

The Debt Service Fund (Non-major Fund) accounts for resources accumulated for the purpose of funding general long-term debt obligations.

Proprietary Fund Types

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the costs of providing services to the general public on a continuing basis are financed through user charges. The Sewer Funds are the sole Enterprise Funds of the Township.

Note 1: Summary of Significant Accounting Policies: (Continued)

Proprietary Fund Types (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Fund Types

Trust Funds are used to account for assets held by the Township in a trustee capacity. This includes the Pension Trust Fund. The Pension Trust Fund is used to account for the Township's retirement plan and reports investments at fair value. The Pension Trust Fund is accounted for in essentially the same manner as the Proprietary Fund since capital maintenance is critical.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statements of Net Position and Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as follows. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities recognized using the modified cash basis of accounting (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported.

In the fund financial statements, the "current financial resources" measurement focus, as applied to the cash basis of accounting, is used. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Note 1: Summary of Significant Accounting Policies: (Continued)

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities governmental activities are presented using a modified cash basis of accounting. This basis of accounting recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. This method of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or for services provided but payment is not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid for, and accrued expenses and liabilities) are not recorded in these financial statements.

In the fund financial statements, only current assets and current liabilities arising from cash transactions are generally included on the statement of assets, liabilities and fund balances. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

This approach differs from the manner in which the government-wide financial statements are prepared. Reconciliations with brief explanations of differences are provided to better identify the relationship between the government-wide financial statements and the governmental funds financial statements.

The private purpose trust funds are reported using the economic resources measurement focus as applied to the modified cash basis of accounting.

If the Township utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 1: Summary of Significant Accounting Policies: (Continued)

ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

The Township maintains all of its cash in checking and savings accounts which are covered by federal depository insurance or by collateral held by the Township's custodial bank. The Second Class Township Code authorizes the Township to invest its funds in savings accounts and certificates of deposit or time deposits provided that these deposits are insured or collateralized by a pledge or assignment of assets of the depository. In addition, the Township may invest its funds in obligations of the United States of America or the Commonwealth of Pennsylvania, including their agencies or instrumentalities, political subdivisions of the Commonwealth of Pennsylvania, and United States Treasury Bills.

Capital Assets

Under the modified cash basis of accounting, the Township reports capital assets acquired or constructed by the Township and reports related depreciation, where appropriate. The accounting treatment of capital assets depends on whether the assets are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

In the government-wide financial statements, capital assets are reported as assets in the Statement of Net Position. Capital assets are valued at historical cost or estimated historical cost based on appraisals or other acceptable methods, if actual is unavailable. Capital assets contributed to the Township as part of an agreement to allow the construction of residential or commercial property, such as a park or other facility, or are donated to the Township are valued at the developer's construction cost, if available, or at estimated fair value at date of contribution.

Depreciation of all exhaustible capital assets is recorded as a direct allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Roads and bridges	20-50 years
Machinery and equipment	5-30 years
Sewer system	5-65 years
Buildings and improvements	20-40 years

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 1: Summary of Significant Accounting Policies: (Continued)

Capital Assets (Continued)

Fund Financial Statements

In the fund financial statements, capital acquisitions and construction costs are reflected as expenditures in governmental funds upon payment.

Long-term Debt

All long-term debt to be repaid from the Township's resources is reported as liabilities in the government-wide statements.

The long-term debts of governmental activities are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt of the Township not accounted for in other funds.

EQUITY CLASSIFICATIONS

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a) Net investment in capital assets-Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b) Restricted net position-Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Note 1: Summary of Significant Accounting Policies: (Continued)

Government-Wide Statements (Continued)

- c) Unrestricted net position-All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

It is the Township's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available to be spent.

Fund Financial Statements

Fund Equity

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of fund balances is comprised of the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Supervisors - the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Supervisors removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 1: Summary of Significant Accounting Policies: (Continued)

Fund Equity (Continued)

Assigned fund balance. This classification reflects the amounts constrained by the Township's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Supervisors and the Treasurer have the authority to assign amounts to be used for specific purposes as established in the approved budget. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Currently, the Township uses only restricted, assigned, and unassigned classifications.

Investment earnings, such as interest, on restricted or committed monies are included in the same fund balance classification as the money that earned these revenues.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Township considers restricted funds to have been spent first. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

REVENUES, EXPENDITURES, AND EXPENSES

Program Revenues

In the Statement of Activities, modified cash basis revenues that are derived directly from each activity or from parties outside the Township's taxpayers are reported as program revenues. The Township has the following program revenues in each activity:

General Government

Licenses and permits.

Public Safety

Fines and forfeits revenue; building permits and inspection fees; subdivision application fees.

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 1: Summary of Significant Accounting Policies: (Continued)

Program Revenues (Continued)

Streets and Public Works	Liquid fuels tax collections shared by the State; pension funding from the State.
Culture and Recreation	Rental income, recreation fees, and specific donations

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

INTERNAL AND INTERFUND BALANCES AND ACTIVITIES

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

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

1. Interfund loans - Amounts provided with a requirement for repayment are reported as interfund receivables and payables.
2. Interfund reimbursements - Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.
3. Interfund transfers - Flows of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Note 1: Summary of Significant Accounting Policies: (Continued)

Government-wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal balances - Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities (if any) columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgets and Budgetary Accounting

The Township adopts annual budgets for all funds in accordance with the Second Class Township Code. All adopted budgets use a cash basis of accounting, which is not consistent with U.S. generally accepted accounting principles. All budget amounts included in the accompanying financial statements and supplementary information are as originally adopted or as amended by the Board of Supervisors. Appropriations not expended lapse at the end of each fiscal year. The Township uses traditional, program and performance budgeting methods to develop the operating budget, which includes proposed expenditures and the means to finance them, the budget is adopted by ordinance and subject to change only by ordinance.

Pension Plan

The Township has one defined benefit pension plan. Pension costs for the plan includes current service costs, which are accrued and funded on a current basis, plus prior costs which are amortized over 30 years.

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 1: Summary of Significant Accounting Policies: (Continued)

Transfers

Legally authorized payments or authorizations to make payments from a fund receiving revenue to a fund through which the resources are to be expended are reported as operating transfers. Transfers to the pension funds are quasi-external transactions and are not treated as operating transfers.

Note 2: Cash and Cash Equivalents:

Custodial Credit Risk to Deposits

Custodial Credit Risk is the risk that, in the event of a bank failure, the Township's deposits may not be recovered. The Township's policy for minimizing credit risk for bank balances exceeding the Federal Deposit Insurance Corporation's (FDIC) insured limits relies upon Act 72 of 1971. The Act requires the financial institution to pool collateral for all of its government deposits in addition to having the collateral held by an approved custodian in the institution's name.

Credit Risk

The Township is permitted to invest funds in U.S. Treasury Bills, short-term obligations of the United States Government or its agencies or instrumentalities, obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by full faith and credit of the political subdivision, certificates of deposit, secured purchase agreements, authorized Investment Trust Companies and time or share accounts of institutions insured or secured by the FDIC to the extent such certificates are insured by a proper bond or collateral in accordance with the law.

Foreign Currency Risk

The Township was not exposed to foreign currency risk during the year.

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 2: Cash and Cash Equivalents: (Continued)

Reconciliation of Cash and Cash Equivalents:

Uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Township's name	\$4,305,460
Uninsured and collateralized with securities held by the pledging financial institution	0
Uninsured and uncollateralized	<u>0</u>
Total	<u>\$4,305,460</u>
Uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Township's name	\$4,305,460
Add: Amount Insured Under FDIC	750,661
Plus: Deposits in Transit	2,446
Less: Outstanding Checks	<u>(274,340)</u>
Carrying Amount	4,784,227
Add: Pooled Deposits - Cash Equivalents	1,241,182
Add: Petty Cash	<u>200</u>
Total Cash and Cash Equivalents	<u>\$6,025,609</u>

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 3: Property Taxes

Property taxes are levied on a calendar year basis, and are assessed on March 1. The taxes are due June 30. A discount of 2% is available through April 30, and a penalty of 10% is charged on payments after June 30. The Township recognizes tax revenues when collected. Assessed valuation is taxed at 15.19 mills (13.74 for general purposes, 0.70 for Fire and 0.75 Library) and was \$215,700,780 for 2015.

Total regular real estate taxes collected were \$2,860,347, which represents the face amount less discounts plus penalties. Current regular tax collections for the year ended December 31, 2015 were approximately ninety two percent (92%) of the tax levy.

The schedule for regular real estate taxes levied is as follows:

Levy Date: March 1st
2.00% Discount Period: March 1st – April 30th
Face Payment Period: May 1st – June 30th
10.00% Penalty Period: July 1st – December 31st
Lien Date: January 1st

If payment is not made by December 31st, any and all unpaid amounts are turned over to Monroe County Tax Claim Bureau for delinquent tax collection.

Note 4: Related Party Transactions:

During 2015, the Township hired a company that is the employer of one of the Supervisors. This company provided equipment, operators, and laborers under an equipment rental contract for which bidders were requested. The equipment rented by the Township was used for road maintenance, construction and related purposes. Payments made under this contract during 2015 totaled \$124,145.

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 5: Capital Assets

A summary of the changes in governmental activities capital assets are as follows:

<u>Description</u>	<u>Balance as of January 1</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance as of December 31</u>
Depreciable Capital Assets:				
Buildings and building improvements	\$3,401,945	\$24,644	\$0	\$3,426,589
Roads and bridges	15,659,700	3,581,011	0	19,240,711
Machinery and equipment	<u>1,716,334</u>	<u>408,831</u>	<u>(359,227)</u>	<u>1,765,938</u>
Total Depreciable Capital Assets	<u>20,777,979</u>	<u>4,014,486</u>	<u>(359,227)</u>	<u>24,433,238</u>
Non-Depreciable Capital Assets:				
Land	2,224,962	65,960	0	2,290,922
Construction in progress	<u>59,686</u>	<u>0</u>	<u>(59,686)</u>	<u>0</u>
Total Non-Depreciable Capital Assets	<u>2,284,648</u>	<u>65,960</u>	<u>(59,686)</u>	<u>2,290,922</u>
Total Capital Assets	<u>23,062,627</u>	<u>4,080,446</u>	<u>(418,913)</u>	<u>26,724,160</u>
Accumulated Depreciation	<u>(15,549,017)</u>	<u>(589,378)</u>	<u>341,283</u>	<u>(15,797,112)</u>
Total Capital Assets Net of Accumulated Depreciation	<u>\$7,513,610</u>	<u>\$3,491,068</u>	<u>(\$77,630)</u>	<u>\$10,927,048</u>

Depreciation expense was charged to governmental activities as follows:

Public works	\$517,406
Public safety	17,346
General government	40,680
Culture and recreation	<u>13,946</u>
Total	<u>\$589,378</u>

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 5: Capital Assets: (Continued)

A summary of the changes in business-type activities capital assets are as follows:

<u>Description</u>	<u>Balance as of January 1</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance as of December 31</u>
Depreciable Capital Assets:				
Buildings and building improvements	\$3,145,573	\$10,160	\$0	\$3,155,733
Sewer system	4,684,527	3,133,454	0	7,817,981
Machinery and equipment	<u>2,151,310</u>	<u>2,446</u>	<u>0</u>	<u>2,153,756</u>
Total Depreciable Capital Assets	9,981,410	3,146,060	0	13,127,470
Non-Depreciable Capital Assets:				
Land	<u>0</u>	<u>172,813</u>	<u>0</u>	<u>172,813</u>
Total Capital Assets	9,981,410	3,318,873	0	13,300,283
Accumulated Depreciation	<u>(4,104,632)</u>	<u>(205,565)</u>	<u>0</u>	<u>(4,310,197)</u>
Total Capital Assets Net of Accumulated Depreciation	<u>\$5,876,778</u>	<u>\$3,113,308</u>	<u>\$0</u>	<u>\$8,990,086</u>

In 2015, the assets relating to a new sewer district were dedicated to the Township. See Note 13 for more information.

Note 6: Long-Term Debt:

The Township's long-term debt activity for the year ended December 31, 2015 is summarized as follows:

	<u>January 1</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31</u>	<u>Due in One Year</u>
<u>Governmental Activities:</u>					
Series 2001 GON	\$253,122	\$0	(\$30,106)	\$223,016	\$29,376
Series 2015 GON	<u>0</u>	<u>243,838</u>	<u>(29,684)</u>	<u>214,154</u>	<u>30,147</u>
Total Governmental Activities	<u>\$253,122</u>	<u>\$243,838</u>	<u>\$59,790</u>	<u>\$437,170</u>	<u>\$59,523</u>
<u>Business-type Activities:</u>					
Series 2011 GON	\$4,363,754	\$0	(\$192,620)	\$4,171,134	\$199,957
Series 2013 GON	<u>95,435</u>	<u>0</u>	<u>(24,191)</u>	<u>71,244</u>	<u>24,679</u>
Total Business-type Activities	<u>\$4,459,189</u>	<u>\$0</u>	<u>(\$216,811)</u>	<u>\$4,242,378</u>	<u>\$224,636</u>

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 6: Debt and Debt Service: (Continued)

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

Governmental Activities Debt:

Series 2001 General Obligation Notes \$223,016

Original issue amount of \$2,000,000 of which the Township is responsible for 26% or \$520,000, for the construction of a regional police building. The loan was refinanced effective April 1, 2015, reducing the interest rate from 4.9% to 3.00%. The new monthly payment is \$12,223, maturing on June 1, 2022. *The Township does not retain any pro-rata share of the constructed asset as ownership resides with the regional police department. See additional information in Note 14.*

Series 2015 General Obligation Notes \$214,154

Original issue of \$243,838 for the purchase of a new Gradall; due in monthly installments of \$3,185 with interest at 2.66%, maturing in 2022.

Business-Type Activities Debt:

Series of 2011 General Obligation Notes \$4,171,134

Original issue of \$4,965,000 for the construction and completion of sewer expansion projects; due in monthly installments of \$29,446 with interest at 3.75%, maturing in 2031. This debt is certified as self-liquidating.

Series of 2013 General Obligation Notes \$71,244

Original issue of \$123,000 for the repair and reconstruction of the sand filter building; due in monthly installments of \$2,158 with interest at 1.99%, maturing in 2018.

Annual debt service requirements for Governmental Activities are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2016	\$59,523	\$10,471	\$69,994
2017	66,686	9,671	76,357
2018	68,564	7,793	76,357
2019	70,495	5,862	76,357
2020	72,480	3,877	76,357
2021-2022	<u>99,422</u>	<u>2,015</u>	<u>101,437</u>
Total	<u>\$437,170</u>	<u>\$39,689</u>	<u>\$476,859</u>

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 6: Debt and Debt Service: (Continued)

Annual debt service requirements for Business-type Activities are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2016	\$224,636	\$154,609	\$379,245
2017	232,771	146,474	379,245
2018	236,885	138,045	374,940
2019	223,727	129,626	353,353
2020	232,262	121,091	353,353
2021-2025	1,301,186	465,578	1,766,764
2026-2030	1,569,072	197,692	1,766,764
2031	<u>221,839</u>	<u>3,279</u>	<u>225,128</u>
Total	<u>\$4,242,378</u>	<u>\$1,356,394</u>	<u>\$5,598,772</u>

Note 7: Defined Benefit Pension Plan:

Reporting Entity

Township of Tobyhanna Non-Uniformed Employees' Pension Plan (hereinafter referred to as "the Plan") is a single employer defined benefit plan. The Plan is governed by the Township's Board of Supervisors. The Township Supervisors may amend plan provisions and are responsible for the management of plan assets. The Plan is included in the Township's basic financial statements as a Pension Trust. Stand-alone financial statements are not publicly available.

Basis of Accounting

The Plan's financial statements are prepared using the modified cash basis of accounting. Plan member contributions, if any, are recognized in the period in which the contributions are received. Employer contributions to the plan are recognized when received. Benefits and refunds are recognized when paid in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are reported at fair value.

Note 7: Defined Benefit Pension Plan (Continued):

Funding Policy

Act 205 requires that annual contributions be based upon the Plan's minimum municipal obligation (MMO). The MMO is based upon the Plan's biennial actuarial valuation (the last available is January 1, 2015).

In accordance with the Plan's governing Ordinance, members are not required to contribute to the Plan. Administrative costs, including the investment manager, custodial trustee and actuarial services, are charged to the Plan and funded through investment earnings. The Plan may also be eligible to receive an allocation of state aid from the General Municipal Pension System State Aid Program which must be used for pension funding. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205.

Summary of Plan Benefits

Eligibility

All full-time non-uniformed employees join the Plan upon employment.

Normal Retirement

A participant is eligible for normal retirement after attainment of age 62 and completion of ten years of service, but no later than age 70.

The normal retirement benefit is payable monthly during the participant's lifetime, with payments ceasing upon death.

The amount of the monthly pension is equal to 1.0% of average monthly pay times years of service (maximum 20 years).

Average monthly pay is based upon the last 36 months of employment. Pay is total pay, except for unused sick time payments.

Late Retirement

If a participant continues working after his normal retirement date, his pension does not start until he actually retires. The late retirement benefit is the benefit accrued to the late retirement date.

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 7: Defined Benefit Pension Plan (Continued):

Vesting

A participant's benefits vest according to the following table. The vested benefit is a deferred pension beginning at normal retirement equal to the benefit accrued to the date of termination.

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 10 Years	0%
10	50%
11	60%
12	70%
13	80%
14	90%
15 or More Years	100%

Accrued Pension

The benefit accrued at any date other than the normal retirement date is determined according to the normal retirement benefit formula, based upon pay and service to date.

Contributions

Participant contributions are credited with 6% interest. Currently, no participant contributions are required.

Plan Membership

Membership of the Plan consisted of the following at December 31, 2015:

Active plan members	12
Retirees and beneficiaries currently receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	<u>3</u>
Total	<u>17</u>

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 7: Defined Benefit Pension Plan (Continued):

Net Pension Liability

The net pension liability was measured as of December 31, 2015 and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2015. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

Actuarial Assumptions

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

Inflation	3.00%
Salary Increases	5.00%
Investment Rate of Return	7.00%
Postretirement Cost of Living Increase	0.00%

Mortality rates were based on the RP2000 Table for males and females. This table does not include projected mortality improvements.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	64.00%	5.50% - 7.50%
International Equity	0.00%	4.50% - 6.50%
Fixed Income	26.00%	1.00% - 3.00%
Real Estate	4.00%	4.50% - 6.50%
Cash	6.00%	0.00% - 1.00%

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 7: Defined Benefit Pension Plan (Continued):

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer has always met the funding requirements of Pennsylvania law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

Changes in the Net Pension Liability

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at 12/31/14	\$821,926	\$1,222,839	(\$400,913)
Service Cost	38,430	0	38,430
Interest Cost	59,761	0	59,761
Contributions – Employer	0	33,381	(33,381)
Net Investment Income (Loss)	0	(25,242)	25,242
Benefit Payments, including			
Refunds of Member Contributions	(13,247)	(13,247)	0
Fiscal Charges	0	(13,908)	13,908
Administrative Expenses	<u>0</u>	<u>(5,320)</u>	<u>5,320</u>
Net Changes	<u>84,944</u>	<u>(24,336)</u>	<u>109,280</u>
Balances at 12/31/15	<u>\$906,870</u>	<u>\$1,198,503</u>	<u>(\$291,633)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.00%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Plan's Net Pension Liability	(\$190,284)	(\$291,633)	(\$378,280)

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 7: Defined Benefit Pension Plan (Continued):

Schedule of Employer Contributions

<u>Year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions From Employer</u>	<u>Contribution Deficiency/ Excess</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a % of Payroll</u>
2010	\$48,907	\$48,907	\$0		
2011	\$48,988	\$66,515	(\$17,527)		
2012	\$44,358	\$48,988	(\$4,630)		
2013	\$42,253	\$48,474	(\$6,221)		
2014	\$32,001	\$52,598	(20,597)		
2015	\$33,381	\$33,381	\$0	\$646,152	5.17%

Notes to Schedule

Valuation Date: Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Valuation Date: 1/1/2015

Actuarial Cost Method: Entry Age Normal

Amortization Method: Level Dollar Open

Remaining Amortization Period: 16 years

Asset Valuation Method: Smoothed value with a corridor of 80% to 120% of market value.

Inflation: 3.00%

Salary Increases: 5.00%

Investment Rate of Return: 7.00%

Retirement Age: Normal Retirement Age

Mortality: RP2000 Table. This table does not include projected mortality improvements.

Changes in benefit terms: None since 1/1/2013.

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 7: Defined Benefit Pension Plan (Continued):

Investments

Investments are reported at fair value (quoted market prices).

The Plan places no limit on the amount that may be invested with any one organization.

There were no changes in investment policies during 2015.

At December 31, 2015, the following are investments (other than U.S. Government and U.S. Government guaranteed obligations), in any one organization, that represent five percent (5%) or more of net assets available for benefits (\$1,193,146 x .05 = \$59,657):

<u>Investments</u>	<u>Fair Market Value</u>
Templeton Global Bond Fund C	\$64,782
Transamerica SM MD CP Value C	\$140,496
SPRD Barclays Capital	\$100,405
Vanguard Intermediate Term Bond	\$74,505

Note 8: Commitments and Contingencies:

The Township is a party to various legal proceedings that generally occur in the course of governmental operations. As a result of reporting on the modified accrual basis of accounting, the financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. While the outcome of the any proceedings cannot be predicted, due to the insurance coverage maintained by the Township and the State statute relating to judgments, it is believed that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the Township.

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 9: Risk Management:

The Township is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters.

The Township manages these various risks of loss as follows:

<u>Risk of Loss Type of Loss</u>	<u>Method Managed</u>	<u>Retained</u>
Torts, errors, and omissions	Purchased commercial Insurance	Deductibles
Workers compensation	Participation in a cooperative group providing insurance to member organizations	None
Health	Participation in a cooperative group providing insurance to member organizations	Claims paid after withdrawal in excess of account balance
Physical property loss and natural disasters	Purchased commercial insurance	Deductibles

Management believes such coverage is sufficient to preclude any material uninsured losses to the Township. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Note 10: Interfund Transfers and Interfund Balances:

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

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$0	\$323,508
Capital Reserve Fund	<u>323,508</u>	<u>0</u>
Total	<u>\$323,508</u>	<u>\$323,508</u>

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 10: Interfund Transfers and Interfund Balances: (Continued):

Generally, the purpose of transfers in (out) of the funds is to provide cash needed to pay expenditures of the fund.

Interfund balances at December 31, 2015 are as follows:

<u>Due from</u>	<u>Due to</u>	<u>Amount</u>
General Fund	Library Fund	\$40
General Fund	Fire Fund	\$998

Note 11: Subsequent Events:

Management has evaluated subsequent events through May 5, 2016, the date the financial statements were available to be issued.

Note 12: Excess of Expenditures over Appropriations:

Library Fund expenditures exceeded appropriations (budget) by \$5,226. These additional costs were covered by revenues in excess of budget and use of fund balance.

Note 13: Dedicated Infrastructure Assets:

As the result of an agreement between the Township, Pocono Mountain Investors, LT, and Kalahari Resorts, LLC, certain infrastructure assets were dedicated to Tobyhanna Township during 2015. The costs of the assets that were dedicated to the Township were as follows:

Sewer lines and pump station construction	\$3,133,454
Kalahari Boulevard	<u>2,686,924</u>
Total Infrastructure	5,817,378
Land and easements	<u>238,773</u>
Total Cost of Dedicated Infrastructure Assets	<u><u>\$6,056,151</u></u>

Tobyhanna Township will be paying the costs for operating and maintaining the sewer lines and will in turn be billing Kalahari Resorts, LLC for the costs.

TOWNSHIP OF TOBYHANNA
Notes to Financial Statements
As at December 31, 2015

Note 14: Joint Venture:

In November 1996, Tobyhanna Township entered into an Intermunicipal Agreement with Tunkhannock Township, Coolbaugh Township, and Mount Pocono Borough, establishing the Pocono Mountain Regional Police Commission (PMRPC). The PMRPC was established to create a regional force to provide quality and efficient police protection. Each municipality is responsible for a portion of the annual assessment, as determined by the PMRPC. The proportionate shares are determined by the PMRPC based on the annual cost of providing police services. The total contributions paid for police services by Tobyhanna Township in 2015 were \$1,696,324.

Annually each municipality is responsible for a portion of Pocono Mountain Regional Police Pension Plan's minimum municipal obligation (MMO). Tobyhanna Township paid \$202,877 for its share of the 2015 MMO. The state reimbursed approximately half of this cost. As of December 31, 2015, the Plan had a Net Pension Liability of \$149,333. This amount will ultimately be paid over a period of time by the participating municipalities as part of their annual pension funding. At this time, Tobyhanna Township's share of this liability is estimated to be approximately \$50,000. It is expected that the state will provide reimbursement for some portion of this amount.

Each municipality is also responsible for a portion of the Series 2001 General Obligation Notes that was issued to construct the police building. See Note 6 for more information.

Per the Intermunicipal Agreement, the PMRPC's financial statements are audited annually. The audited financial statements are available for review at the Pocono Mountain Regional Police Department office, located in Pocono Summit, PA.

Note 15: Sale of Sewage Collection and Treatment System:

During its April 11, 2016 meeting, the Board of Supervisors authorized its Chairperson to sign an agreement to sell the Township's sewage collection and treatment system to Aqua Pennsylvania Wastewater, Inc. for \$5,500,000. As of December 31, 2015, there was related debt outstanding in the amount of \$4,242,378.

Subsequently, the Tobyhanna Township Sewer Authority ratified said agreement. On April 21, 2016, this agreement was signed by the Chairperson of the Board of Supervisors and the Treasurer of the Sewer Authority. This sale is subject to review and approval by the Pennsylvania Public Utilities Commission.

TOWNSHIP OF TOBYHANNA

Supplementary Information

Township of Tobyhanna
Schedule of Revenues and Expenditures - General Fund
Budget and Actual - Cash Basis
For the Year Ended December 31, 2015

Schedule 1
Page 1

	Original <u>Budget</u> (Unaudited)	Revised <u>Budget</u> (Unaudited)	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes:				
Real estate	\$2,738,139	\$2,738,138	\$2,747,047	\$8,909
Real estate transfer	255,000	255,000	305,272	50,272
Earned income	650,000	669,850	743,945	74,095
Local service tax	<u>125,000</u>	<u>125,000</u>	<u>139,493</u>	<u>14,493</u>
Total Taxes	<u>3,768,139</u>	<u>3,787,988</u>	<u>3,935,757</u>	<u>147,769</u>
Licenses and Permits:				
Permits	4,650	4,650	6,556	1,906
Cable television licenses	<u>225,000</u>	<u>225,000</u>	<u>246,790</u>	<u>21,790</u>
Total Licenses and Permits	<u>229,650</u>	<u>229,650</u>	<u>253,346</u>	<u>23,696</u>
Fines and Forfeitures	<u>51,500</u>	<u>51,500</u>	<u>60,667</u>	<u>9,167</u>
Interest, Rents, and Royalties:				
Interest income	4,100	12,100	14,639	2,539
Rent	<u>5,250</u>	<u>7,250</u>	<u>7,560</u>	<u>310</u>
Total Interest, Rents, and Royalties	<u>9,350</u>	<u>19,350</u>	<u>22,199</u>	<u>2,849</u>
Intergovernmental Revenue:				
State public utility tax	5,250	5,250	4,862	(388)
Alcoholic beverage taxes	3,000	3,000	3,400	400
General municipal pension system state aid	150,345	150,345	148,669	(1,676)
Foreign fire insurance premium tax	100,000	100,000	94,929	(5,071)
State payments in lieu of tax	5,250	5,250	4,935	(315)
All other state capital and operating grants	3,000	3,000	4,025	1,025
All other federal capital and operating grants	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Intergovernmental revenue	<u>266,845</u>	<u>266,845</u>	<u>260,820</u>	<u>(6,025)</u>
Charges for Services:				
General government	222,138	262,138	278,140	16,002
Public safety	90,800	145,800	152,045	6,245
All other charges for sanitation services	<u>1,000</u>	<u>1,000</u>	<u>350</u>	<u>(650)</u>
Total Charges for Services	<u>\$313,938</u>	<u>\$408,938</u>	<u>\$430,535</u>	<u>\$21,597</u>

Township of Tobyhanna
Schedule of Revenues and Expenditures - General Fund
Budget and Actual - Cash Basis
For the Year Ended December 31, 2015

Schedule 1
Page 2

	Original Budget (Unaudited)	Revised Budget (Unaudited)	Actual	Variance
Unclassified Operating Revenues:				
Contributions and donations from private sectors	\$1,600	\$14,600	\$14,542	(\$58)
All other unclassified operating revenue	<u>200</u>	<u>200</u>	<u>3,631</u>	<u>3,431</u>
Total Unclassified Operating Revenues	<u>1,800</u>	<u>14,800</u>	<u>18,173</u>	<u>3,373</u>
Total Revenues	<u>4,641,222</u>	<u>4,779,071</u>	<u>4,981,497</u>	<u>202,426</u>
Expenditures:				
General Government:				
Legislative and governing body	30,556	32,081	30,684	(1,397)
Executive - Manager	127,052	125,807	122,720	(3,087)
Financial services	108,197	108,197	102,223	(5,974)
Tax collection	49,263	49,263	46,484	(2,779)
Legal fees	40,000	40,000	38,108	(1,892)
IT - Networking services	36,500	54,915	40,865	(14,050)
Engineering fees	124,385	136,385	141,208	4,823
General government building and plant	93,000	89,885	75,675	(14,210)
Other general governmental administration	<u>54,250</u>	<u>55,170</u>	<u>45,396</u>	<u>(9,774)</u>
Total General Government	<u>663,203</u>	<u>691,703</u>	<u>643,363</u>	<u>(48,340)</u>
Public Safety:				
Police	1,957,712	1,943,712	1,899,790	(43,922)
Fire	252,300	252,300	222,199	(30,101)
Ambulance	45,000	45,000	45,509	509
Code enforcement	93,437	84,692	60,386	(24,306)
Planning and zoning	98,625	106,070	87,453	(18,617)
Emergency management and communications	<u>6,000</u>	<u>6,000</u>	<u>4,451</u>	<u>(1,549)</u>
Total Public Safety	<u>2,453,074</u>	<u>2,437,774</u>	<u>2,319,788</u>	<u>(117,986)</u>
Public Works - Highways and Streets:				
General services - Administration	432,868	432,868	344,707	(88,161)
Winter maintenance	16,000	16,000	1,910	(14,090)
Traffic control	16,500	16,500	9,971	(6,529)
Repairs of tools and machinery	16,000	16,000	9,050	(6,950)
Highway construction and rebuilding projects	<u>450,000</u>	<u>450,000</u>	<u>308,585</u>	<u>(141,415)</u>
Total Public Works - Highways and Streets	<u>\$931,368</u>	<u>\$931,368</u>	<u>\$674,223</u>	<u>(\$257,145)</u>

Township of Tobyhanna
Schedule of Revenues and Expenditures - General Fund
Budget and Actual - Cash Basis
For the Year Ended December 31, 2015

Schedule 1
Page 3

	<u>Original Budget (Unaudited)</u>	<u>Revised Budget (Unaudited)</u>	<u>Actual</u>	<u>Variance</u>
Culture and Recreation:				
Parks	<u>\$56,573</u>	<u>\$69,573</u>	<u>\$52,660</u>	<u>(\$16,913)</u>
Community Development:				
Economic Development	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Debt Service:				
Principal	0	0	30,107	30,107
Interest	<u>0</u>	<u>0</u>	<u>9,597</u>	<u>9,597</u>
Total Debt Service	<u>0</u>	<u>0</u>	<u>39,704</u>	<u>39,704</u>
Employer Paid Benefits and Withholdings:				
Other group insurance benefits	170,500	170,500	167,463	(3,037)
Worker compensation insurance	20,000	19,300	14,013	(5,287)
Pension/retirement fund contributions	<u>55,345</u>	<u>54,145</u>	<u>33,381</u>	<u>(20,764)</u>
Total Employer Paid Benefits and Withholdings	<u>245,845</u>	<u>243,945</u>	<u>214,857</u>	<u>(29,088)</u>
Insurance	<u>70,000</u>	<u>70,700</u>	<u>70,677</u>	<u>(23)</u>
Total Expenditures	<u>4,423,063</u>	<u>4,448,063</u>	<u>4,018,272</u>	<u>(429,791)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>218,159</u>	<u>331,008</u>	<u>963,225</u>	<u>632,217</u>
Other Financing Sources (Uses):				
Refunds of prior year's expenditures	0	0	5,862	5,862
Proceeds of capital asset disposition	0	0	8,000	8,000
Fund balance used	0	0	0	0
Refund of prior year revenue	(7,500)	(7,500)	(733)	6,767
Interfund operating transfers out	<u>(210,659)</u>	<u>(323,508)</u>	<u>(323,508)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(218,159)</u>	<u>(331,008)</u>	<u>(310,379)</u>	<u>20,629</u>
Change in Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$652,846</u>	<u>\$652,846</u>

Township of Tobyhanna
Combining Balance Sheets - Cash Basis
Non-Major Special Revenue Funds
As at December 31, 2015

Exhibit K

	<u>Fire Fund</u>	<u>Library Fund</u>	<u>Highway Aid Fund</u>	<u>Total</u>
Assets:				
Cash and cash equivalents - Note 2	\$161,651	\$1,264	\$215,724	\$378,639
Due from other funds	<u>998</u>	<u>40</u>	<u>0</u>	<u>1,038</u>
Total Assets	<u>162,649</u>	<u>1,304</u>	<u>215,724</u>	<u>379,677</u>
Fund Balances:				
Restricted	<u>\$162,649</u>	<u>\$1,304</u>	<u>\$215,724</u>	<u>\$379,677</u>

Township of Tobyhanna
Combining Statements of Revenues, Expenditures and Changes
in Fund Balances - Cash Basis
Non-Major Special Revenue Funds
For the Year Ended December 31, 2015

Exhibit L

	<u>Fire Fund</u>	<u>Library Fund</u>	<u>Highway Aid Fund</u>	<u>Total</u>
Revenues:				
Taxes	\$142,331	\$149,952	\$0	\$292,283
Intergovernmental revenue	0	0	256,287	256,287
Interest, rents, and royalties	389	11	669	1,069
Other	<u>0</u>	<u>0</u>	<u>879</u>	<u>879</u>
Total Revenues	<u>142,720</u>	<u>149,963</u>	<u>257,835</u>	<u>550,518</u>
Expenditures:				
Public safety	110,900	0	0	110,900
Public works - Highways and streets	0	0	442,972	442,972
Culture and recreation	0	152,035	0	152,035
Debt service	<u>0</u>	<u>0</u>	<u>35,037</u>	<u>35,037</u>
Total Expenditures	<u>110,900</u>	<u>152,035</u>	<u>478,009</u>	<u>740,944</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	31,820	(2,072)	(220,174)	(190,426)
Other Financing Sources:				
Proceeds of general long-term debt	<u>0</u>	<u>0</u>	<u>243,838</u>	<u>243,838</u>
Change in Fund Balances	31,820	(2,072)	23,664	53,412
Fund Balances at Beginning of Year	<u>130,829</u>	<u>3,376</u>	<u>192,060</u>	<u>326,265</u>
Fund Balances at End of Year	<u>\$162,649</u>	<u>\$1,304</u>	<u>\$215,724</u>	<u>\$379,677</u>

Township of Tobyhanna
Combining Balance Sheets - Cash Basis
Major Capital Projects Funds
For the Year Ended December 31, 2015

Exhibit M

	Capital Contingency Improvements Fund	Capital Improvements Fund	<u>Total</u>
Assets:			
Cash and cash equivalents	<u>\$320,446</u>	<u>\$496,118</u>	<u>\$816,564</u>
Fund Balances:			
Assigned	<u>\$320,446</u>	<u>\$496,118</u>	<u>\$816,564</u>

Township of Tobyhanna
Combining Statements of Revenues, Expenditures and Changes
in Fund Balances - Cash Basis
Major Capital Projects Funds
For the Year Ended December 31, 2015

Exhibit N

	Capital Contingency Improvements <u>Fund</u>	Capital Improvements <u>Fund</u>	<u>Total</u>
Revenues:			
Interest, rents, and royalties	<u>\$728</u>	<u>\$1,756</u>	<u>\$2,484</u>
Expenditures			
General government	0	24,156	24,156
Culture and recreation	5,383	0	5,383
Public works - Highways and streets	<u>0</u>	<u>450,467</u>	<u>450,467</u>
Total Expenditures	<u>5,383</u>	<u>474,623</u>	<u>480,006</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,655)	(472,867)	(477,522)
Other Financing Sources:			
Interfund operating transfers	<u>0</u>	<u>323,508</u>	<u>323,508</u>
Change in Fund Balances	(4,655)	(149,359)	(154,014)
Fund Balances at Beginning of Year	<u>325,101</u>	<u>645,477</u>	<u>970,578</u>
Fund Balances at End of Year	<u>\$320,446</u>	<u>\$496,118</u>	<u>\$816,564</u>