

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014**

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

DECEMBER 31, 2014

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SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Springettsbury Township
York, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Springettsbury Township as of and for the year ended December 31, 2014, 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 accounting principles generally accepted in the United States of America; this includes 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.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Unit	Unmodified
General Fund	Unmodified
Capital Projects Fund	Unmodified
Sewer Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely component unit, each major fund, and the aggregate remaining fund information of Springettsbury Township as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages a through j, the budgetary comparison schedules on pages 38 through 40, the schedules of funding progress and employer contributions – police pension plan on page 41, and the schedule of funding progress – OPEB on page 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Springettsbury Township's basic financial statements. The combining capital projects fund and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining capital projects fund and nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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.

Sager, Swisher and Company, LLP

SPRINGETTSBURY TOWNSHIP
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
2014

The Township prepares its financial reports in accordance with the Governmental Accounting Standards Board Statement 34. Statement 34 included the Basic Financial presentations as well as this narrative referred to as the Management Discussion and Analysis.

The discussion and analysis that follows of Springettsbury Township's financial performance provides a general presentation of the Township's financial operations for the fiscal year ending December 31, 2014.

As has been stated in past audit reports, the Management Discussion and Analysis is designed to assist the reader in the following areas:

1. Focus upon significant financial issues
2. Provide an overview of the Township's financial activities
3. Identify changes in the Township's financial position
4. Identify any material deviations from the financial plan and
5. Identify individual fund issues/concerns

Readers can also review the transmittal from the Auditor, the statements, and the various notes to gain a more complete understanding of the Township's financial performance.

Financial Highlights

- The total assets and deferred outflows of the Township are \$103,052,294. Of this amount \$62,679,474 represents the Township's business-type activities (sewer utility) and \$40,372,820 general governmental activities. These figures are specifically shown on Page 3 of the financial statements. The costs of all Township programs totaled \$25,529,537 (Page 5).
- The General Fund Revenues were budgeted at \$12,253,725 and Actual Revenue was reported at \$13,463,293 for a difference of \$1,209,568
- General Fund Expenditures were budgeted at \$13,109,725 with an Expenditure Actual of \$13,004,342
- These calculation resulted in a favorable variance of \$1,361,454

FUND FINANCIAL STATEMENTS

Most of the Township's basic services are reported in the Governmental Funds Statement which focuses on how money flows into and out of those funds and the balances left at year end that are available for future spending. As reported on page 8 of the audit report, the primary operating fund and most significant fund, the General Fund, had a fund balance of \$2,708,308 on January 1, 2014 and ended on December 31, 2014 with a fund balance of \$2,869,762 and increase of \$161,454. The Total Government Fund Revenues equaled \$14,364,692 with Expenditures of \$16,792,185.

The Statement of Net Position listed on page 3 discloses that Total Current Assets for Governmental and Business Activities totals \$11,254,747 and Total Assets at \$102,903,837.

OTHER RESTRICTED FUNDS

Year End Cash and Investment Balances of Other Restricted Funds

- Non Uniform Pension Fund \$9,414,835
- Police Pension Fund \$14,275,823
- Escrow Account \$99,064
- Library Fund \$190,441
- Schenk Memorial Fund \$78,693

BUDGETARY HIGHLIGHTS

- The General Fund Revenues were budgeted at \$12,253,725 and Actual Revenue was reported at \$13,463,293 for a difference of \$1,209,568. This was primarily the result of increased tax collections and intergovernmental revenues.
- General Fund Expenditures were budgeted at \$13,109,725 with an Expenditure Actual of \$13,003,342 for a difference of \$105,383.
- These calculation resulted in a favorable variance of \$1,361,454

FINANCIAL STATEMENTS

The Discussion and Analysis is intended to serve as an introduction to the Township's basic financial statements. These statements include 1) government overall financial statements, 2) Fund financial statements, 3) notes to the financial statements, and 4) supplementary information.

The Statement of Net Position and Statement of Activities (Pages 3-5) provide information about the activities of the Township as a whole. Fund financial statements beginning on page 6 show how services have been financed. Fund financial statements also report the Township's operations in more detail by providing information about the Township's most significant funds.

One of the most important questions asked about the Township's finances can be stated as, "Is the Township as a whole better off or worse off as a result of the year ending results?" The Statement of Net Position and the Statement of Activities report information about the Township in a way that assists in answering the question. These statements include all assets and liabilities using the accrual basis of accounting. This accounting is used in most private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two primary statements report the Township's net position and changes in them. One can think of the Township's net position – the difference between assets, deferred outflows and liabilities – as one way to measure the Township's financial health or financial position. Over periods of time, increases or decreases in the Township's net position is an important indicator of whether its financial health is improving or deteriorating. One can also consider other non-financial factors such as changes in the property tax base and the condition of Township infrastructure in order to more accurately assess the overall condition of the Township.

In the Statement of Net Position and the Statement of Activities the Township is basically divided into two kinds of activities.

Governmental Activities – Most of the Township's basic services are reported here. This includes administration, community development, finance, fire, police, public works, and recreation. Property and Earned Income taxes, Licenses/Permits, Fines, and Intergovernmental revenues support most of these activities.

Business-Type Activities – The Township charges a fee to its sewer utility customers to cover the cost of the sewer utility services the Township provides. Therefore, the Township's Waste Water Utility operations are reported as the sole Business Type Activities.

MOST SIGNIFICANT FUNDS

The fund financial statements provide detailed information about the most significant funds of the Township. While some funds are required to be established by Township Code, the Township Supervisors establish other funds to appropriate and manage Township expenditures for particular purposes (the Township's road maintenance program as part of the capital projects fund) or to demonstrate that the Township is meeting legal responsibilities for using specific Township monies (Liquid Fuels, Petitioned Street Lighting). The Township's two kinds of funds-governmental and proprietary use different accounting approaches.

Governmental Funds – Most of the Township's basic services are reported in governmental funds which focus on how money flows into and out of these funds and the balances left at year end. These funds are reported using an accounting method referred to as modified accrual accounting. This method measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's general government operations and the basic services being provided.

Proprietary Funds – When the Township charges customers for services, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

The Township as Trustee

Springettsbury Township as the local government entity is the trustee, or fiduciary, for the Police Pension, and other Non-Uniformed Pension funds; as well as a Private Purpose Trust Library Fund and the Schenck (Recreation) Trust as well as an Agency (Escrow) Fund. These fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position as shown on pages 14 and 15. These statements are excluded from the Township's other financial statements because the Township cannot use these assets to support its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their specific stated purposes.

THE TOWNSHIP OVERALL

For the year ending 2014, a comprehensive analysis of Government-wide financial information is being presented to compare 2013 and 2014 audit years.

Government-Wide Statements

Statement of Net Position

The following table reflects the condensed Statement of Net Position.

	Primary Government 2013			Primary Government 2014		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Current and Other Assets	\$ 3,157,240.00	\$ 11,546,997.00	\$ 14,704,237.00	\$ 3,654,765.00	\$ 11,674,827.00	\$ 15,329,592.00
Capital Assets	\$ 34,494,099.00	\$ 52,626,437.00	\$ 87,120,536.00	\$ 36,718,055.00	\$ 50,856,190.00	\$ 87,574,245.00
Deferred Outflows	\$ -	\$ -	\$ -	\$ -	\$ 148,457.00	\$ 148,457.00
Total Assets and Deferred Outflows	\$ 37,651,339.00	\$ 64,173,434.00	\$ 101,824,773.00	\$ 40,372,820.00	\$ 62,679,474.00	\$ 103,052,294.00
Current Term Liabilities	\$ 1,674,455.00	\$ 955,913.00	\$ 2,630,368.00	\$ 5,071,452.00	\$ 657,731.00	\$ 5,729,183.00
Other (Non-Current)	\$ 2,489,910.00	\$ 22,157,003.00	\$ 24,646,913.00	\$ 1,986,631.00	\$ 21,368,724.00	\$ 23,355,355.00
Total Liabilities	\$ 4,164,365.00	\$ 23,112,916.00	\$ 27,277,281.00	\$ 7,058,083.00	\$ 22,026,455.00	\$ 29,084,538.00
Invested in Capital Assets	\$ 33,064,394.00	\$ 29,229,434.00	\$ 62,293,828.00	\$ 32,743,854.00	\$ 28,483,995.00	\$ 61,227,849.00
Restricted	\$ 237,348.00	\$ 4,354,644.00	\$ 4,591,992.00	\$ 235,934.00	\$ 4,074,845.00	\$ 4,310,779.00
Unrestricted	\$ 185,232.00	\$ 7,476,440.00	\$ 7,661,672.00	\$ 334,949.00	\$ 8,094,179.00	\$ 8,429,128.00
Total Net Position	\$ 33,486,974.00	\$ 41,060,518.00	\$ 74,547,492.00	\$ 33,314,737.00	\$ 40,653,019.00	\$ 73,967,756.00
Total Liabilities and Net Position	\$ 37,651,339.00	\$ 64,173,434.00	\$ 101,824,773.00	\$ 40,372,820.00	\$ 62,679,474.00	\$ 103,052,294.00

For more detailed information please refer to pages 3 and 4, Statement of Net Position.

The Township's combined net position for 2014 amounted to \$73,967,756. The net position for Business-type activities (sewer utility operations) amounted to \$40,653,019. The Township's unrestricted net position for governmental activities stood at \$334,949.

For the Year ended December 31, 2014, the governmental activities had program revenues of \$4,435,308; general revenues of \$11,208,910; expenses of \$15,816,455 and a decrease in net position of \$172,237. The business activities had program revenues of \$9,122,060; general revenues of \$183,523; expenses of \$9,713,082 and a decrease in net position of \$407,499.

The following charts present the Township's revenues and expenditures by fund type. They are shown in more detail on page 8 of the financial statements.

Statement of Revenues and Expenditures and
Changes in Fund Balances
December 31

Statement of Revenues and Expenditures and Changes in Fund Balances						
	2013			2014		
Revenues	General Fund	Other Funds	Governmental Funds	General Fund	Other Funds	Governmental Funds
Real Estate Taxes and Penalties	\$ 1,761,480.00	\$ -	\$ 1,761,480.00	\$ 2,061,800.00		\$ 2,061,800.00
Other Taxes	\$ 7,092,138.00	\$ 84,998.00	\$ 7,177,136.00	\$ 7,429,903.00	\$ 86,797.00	\$ 7,516,700.00
Intergovernmental Revenues	\$ 820,682.00	\$ 564,310.00	\$ 1,384,992.00	\$ 1,125,263.00	\$ 601,944.00	\$ 1,727,207.00
Charges for Services	\$ 1,840,623.00	\$ -	\$ 1,840,623.00	\$ 1,856,750.00		\$ 1,856,750.00
Other	\$ 916,865.00	\$ 8,152.00	\$ 925,017.00	\$ 989,577.00	\$ 212,658.00	\$ 1,202,235.00
Total Revenues	\$ 12,431,788.00	\$ 657,460.00	\$ 13,089,248.00	\$ 13,463,293.00	\$ 901,399.00	\$ 14,364,692.00
Expenditures						
General Government	\$ 1,189,701.00	\$ -	\$ 1,189,701.00	\$ 1,308,331.00		\$ 1,308,331.00
Public Safety	\$ 6,281,480.00	\$ 1,594,880.00	\$ 7,876,360.00	\$ 6,641,462.00	\$ 2,737,231.00	\$ 9,378,693.00
Public Works (Highways, Sanitation, Streets)	\$ 959,801.00	\$ 661,464.00	\$ 1,621,265.00	\$ 966,124.00	\$ 776,895.00	\$ 1,743,019.00
Culture and Recreation	\$ 683,785.00	\$ 74,509.00	\$ 758,294.00	\$ 664,618.00	\$ 8,867.00	\$ 673,485.00
Debt Service	\$ 2,898.00	\$ 265,196.00	\$ 268,094.00	\$ 51,618.00	\$ 264,850.00	\$ 316,468.00
Employee Benefits, Insurances and Other	\$ 3,391,790.00		\$ 3,391,790.00	\$ 3,372,189.00		\$ 3,372,189.00
Total Expenditures	\$ 12,509,455.00	\$ 2,596,049.00	\$ 15,105,504.00	\$ 13,004,342.00	\$ 3,787,843.00	\$ 16,792,185.00
Other Financing Uses						
Interfund Transfers	\$ (529,790.00)	\$ 529,790.00	\$ -	\$ (350,000.00)	\$ 350,000.00	\$ -
Refunds Expenditures/Revenues	\$ 50,392.00		\$ 50,392.00	\$ 52,503.00		\$ 52,503.00
Sale of Capital Assets	\$ 5,371.00		\$ 5,371.00			\$ -
Proceeds from Debt Financing	\$ -	\$ 400,000.00	\$ 400,000.00		\$ 3,000,000.00	\$ 3,000,000.00
Total Other Financing Uses	\$ (474,027.00)	\$ 929,790.00	\$ 455,763.00	\$ (297,497.00)	\$ 3,350,000.00	\$ 3,052,503.00
Net Changes in Fund Balances	\$ (551,694.00)	\$ (1,008,799.00)	\$ (1,560,493.00)	\$ 161,454.00	\$ 463,556.00	\$ 625,010.00
Fund Balances:						
1-Jan	\$ 3,260,002.00	\$ (31,074.00)	\$ 3,228,928.00	\$ 2,708,308.00	\$ (1,039,873.00)	\$ 1,668,435.00
31-Dec	\$ 2,708,308.00	\$ (1,039,873.00)	\$ 1,668,435.00	\$ 2,869,762.00	\$ (576,317.00)	\$ 2,293,445.00

BUSINESS TYPE ACTIVITIES

Changes in Net Position December 31

Outlined below is the Statement of Revenues and Expenditures for the Business Type Activities (Proprietary Funds) of the Township – "Sewer Fund". More detail is shown on Page 12.

	2013	2014
Charges for Services		
Intergovernmental Revenues and Other	\$ 5,076,966.00	\$ 4,920,300.00
Total Operating Revenues	\$ 8,702,977.00	\$ 8,475,902.00
Operating Expenses		
Costs of Services	\$ 5,282,098.00	\$ 5,388,816.00
Administration	\$ 300,000.00	\$ 300,000.00
Amortization and Depreciation	\$ 2,894,100.00	\$ 2,914,943.00
Total Operating Expenses	\$ 8,476,198.00	\$ 8,603,759.00
Operating Income (Loss)	\$ 226,779.00	\$ (127,857.00)
Non Operating Revenues (Expenses)		
Tapping Fees	\$ 170,393.00	\$ 77,040.00
Investment Income	\$ (35,431.00)	\$ 183,523.00
Bond Interest	\$ (1,079,526.00)	\$ (1,043,546.00)
Gain or Loss on Sale of Assets	\$ 3,392.00	\$ 4,534.00
Build America Bonds-Interest Subsidy	\$ 261,912.00	\$ 257,219.00
Refund Prior Year Revenue-Intergovernmental	\$ (1,731,600.00)	
Other		\$ 241,588.00
Total Non Operating Revenues (Expenditures)	\$ (2,410,860.00)	\$ (279,642.00)
Change in Net Position	\$ (2,184,081.00)	\$ (407,499.00)
Total Net Position - January 1	\$ 43,244,599.00	\$ 41,060,518.00
Total Net Position - December 31	\$ 41,060,518.00	\$ 40,653,019.00

GOVERNMENTAL FUNDS

The net change in the fund balance for the General Fund was an increase of \$161,454. The actual General Fund balance for 2014 is \$2,869,762. Page 8 of the financial statements presents the detailed review.

Business-Type Activities

The change in net position for the Sewer Fund business type activities was a decrease of \$407,499. Page 12 highlights these activities by specific numbers and analysis.

The Township's Funds Governmental and Business Type Funds

As of 2014 year end, the governmental funds (please refer to Page 8) reported a combined fund balance of \$2,293,445. For the proprietary business type funds at year end, the business type fund (Sewer Fund) reported the net position at \$40,653,019. Please refer to Page 12 for a variety of specific changes presented.

Capital Assets and Debt Administration Governmental and Business Type Activities

Capital Assets

At the close of 2014, the Township had \$36,718,055 net invested in a broad range of capital assets. They include the Police Department Building, Public Works Facilities, Administration Building, Police and Public Works equipment, along with Park and Recreational land. More detail is shown in the notes to the financial statements as summarized on page 27.

The Sewer Fund at the close of 2014 had net capital assets of \$50,856,190. These capital assets are summarized in the Notes to the Financial Statements and are shown on page 27.

Debt

At December 31, 2014 the Governmental long term debt (bonds and notes) stood at \$3,756,000 and the sewer fund debt at \$22,478,500. As reported in the Notes to the Financial Statements (Page 29), the Township issued new general obligation bonds during 2010 – Series A Bonds at \$18,175,000 and Series AA for \$9,455,000. These bonds were issued to finance the sewer system improvements. In addition there was an issuance of the general obligation note in November of 2014 in the amount of \$7,403,500 the purpose of this issuance was to advance refund the General Obligation Bonds, Series AA of 2010. In addition, during the 2014 proceeds from a note borrowed from Fulton Bank for \$3,000,000 were “drawn down” for the Fire Station. Again, please refer to Page 29 of the notes for additional details.

BUDGET AND ECONOMIC HIGHLIGHTS

Over the course of the fiscal year, the Township Budget adapts to and sustains some necessary changes to its expenditure plans. This is achieved based upon the Township's continuing revenue resources and constant expenditure monitoring by departmental staff.

Future concerns that the township must consider is the rising cost of health care and the possible effects of the Federal Affordable Care Act that has financial implications for Fiscal Year 2018. The Township has benefitted from being a prosperous community with ample development and low taxes in recent decades, but as the community is near being built out and the expectations of services continue decisions have to be made as to how to continue these services, while meeting the contractual and mandated expectations that are being proposed for local governments.

The Township's elected officials considered many factors when approving the Township Budget; the tax rate, fee schedules, and overall expenditure programs and plans for the new fiscal year. The prevailing economic conditions in the Township are always a major budgetary consideration due to the commercial base the Township maintains. Springettsbury Township has an economy concentrated in retail and service industries. Employment has been relatively stable compared to other areas in the Commonwealth. Business growth has been maintained. Continued business viability is anticipated. The trend in building permits issued remains positive and is an indicator of the steady economic development in the Township and the York area.

In addition, Springettsbury Township has experienced an increase in population growth from 21,564 in 1990 to 23,883 in 2000 to 26,668 in 2010. This continuing growth factor strengthens the vitality of the Township as a commercial center.

As stated before and continues to be a pattern, General Fund expenditures have risen in recent years in large part to increases for insurance premiums, employee fringe benefit expenditures, and the expansion of Township recreation events and facilities. The Township's fund balance contributes to the overall budgetary management of the Townships financial affairs. With an emphasis on a variety of revenues (business and mercantile receipts) and a focus placed on the Township's service fees, the Township has endured the recent economic recession.

CONTACTING TOWNSHIP FINANCIALMANAGEMENT

This financial report is designed to present to our residents, taxpayers, customers, investors and creditors a general overview of Township finances. Our effort is to demonstrate the Township's accountability for the monies it receives and expends. If you have any questions about this report or need additional information, please contact Kristen Denne, Township Manager 1501 Mount Zion Road, York, Pennsylvania 17402 or by telephone at (717) 757-3521.

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**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2014**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Development Authority
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 957,899	\$ 1,246,867	\$ 2,204,766	\$ 588,311
Investments	1,729,001	5,719,222	7,448,223	--
Taxes Receivable, Net	84,448	--	84,448	--
Due from Other Governments	695,691	--	695,691	256,000
Accounts Receivable	184,204	584,666	768,870	--
Prepaid Expenses	3,522	49,227	52,749	--
Total Current Assets	3,654,765	7,599,982	11,254,747	844,311
Noncurrent Assets				
Other Assets				
Restricted Assets -- Cash	--	7,908	7,908	--
Restricted Assets -- Investments	--	4,066,937	4,066,937	--
Total Other Assets	--	4,074,845	4,074,845	--
Capital Assets				
Land and Right of Ways	4,414,547	1,824,307	6,238,854	--
Buildings	11,487,974	--	11,487,974	--
Improvements (Other than Buildings)	5,180,560	--	5,180,560	--
Machinery and Equipment	2,364,998	26,996,854	29,361,852	--
Infrastructure Assets	51,657,722	--	51,657,722	--
Collection Lines	--	55,861,620	55,861,620	--
Treatment Plant	--	3,745,841	3,745,841	--
Less Accumulated Depreciation	(38,387,746)	(37,572,432)	(75,960,178)	--
Total Capital Assets, Net	36,718,055	50,856,190	87,574,245	--
Total Noncurrent Assets	36,718,055	54,931,035	91,649,090	--
TOTAL ASSETS	40,372,820	62,531,017	102,903,837	844,311
DEFERRED OUTFLOWS OF RESOURCES				
Bond Refinancing Charges	--	148,457	148,457	--
TOTAL DEFERRED OUTFLOWS OF RESOURCES	--	148,457	148,457	--
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 40,372,820	\$ 62,679,474	\$ 103,052,294	\$ 844,311

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2014**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Development Authority
LIABILITIES				
Current Liabilities				
Internal Balances	\$ 719,542	\$ (719,542)	\$ --	\$ --
Due to Other Governments	--	--	--	74
Accounts Payable	227,385	225,887	453,272	--
Retainage Payable	88,334	--	88,334	--
Current Portion of Long-Term Debt	3,756,000	1,006,000	4,762,000	805,000
Current Portion of Compensated Absences	6,276	--	6,276	--
Accrued Salaries and Wages	231,203	56,717	287,920	--
Payroll Deductions and Withholdings	19,474	--	19,474	--
Other Current Liabilities	23,238	88,669	111,907	--
Total Current Liabilities	<u>5,071,452</u>	<u>657,731</u>	<u>5,729,183</u>	<u>805,074</u>
Noncurrent Liabilities				
Bonds/Notes Payable	3,756,000	22,478,500	26,234,500	805,000
Bond Discount (Net of Accumulated Amortization)	--	(103,776)	(103,776)	--
Current Portion of Long-Term Debt	(3,756,000)	(1,006,000)	(4,762,000)	(805,000)
Long-Term Portion of Compensated Absences	25,866	--	25,866	--
Other Post-Employment Benefits	1,960,765	--	1,960,765	--
Total Noncurrent Liabilities	<u>1,986,631</u>	<u>21,368,724</u>	<u>23,355,355</u>	<u>--</u>
TOTAL LIABILITIES	<u>7,058,083</u>	<u>22,026,455</u>	<u>29,084,538</u>	<u>805,074</u>
NET POSITION				
Net Investment in Capital Assets	32,743,854	28,483,995	61,227,849	--
Restricted for				
Highways	135,347	--	135,347	--
Sewer Capital	--	4,074,845	4,074,845	--
Capital Projects	100,587	--	100,587	--
Unrestricted	334,949	8,094,179	8,429,128	39,237
TOTAL NET POSITION	<u>33,314,737</u>	<u>40,653,019</u>	<u>73,967,756</u>	<u>39,237</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 40,372,820</u>	<u>\$ 62,679,474</u>	<u>\$ 103,052,294</u>	<u>\$ 844,311</u>

The accompanying notes are an integral part of these financial statements.

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities							
General Government	\$ 1,402,654	\$ 338,520	\$ 129,335	\$ --	\$ (934,799)	\$ --	\$ --
Public Safety	6,794,505	1,464,550	282,830	200,000	(4,847,125)	--	--
Sanitation	28,684	--	86,999	--	58,315	--	--
Highways and Streets	3,001,448	178,494	356,584	291,896	(2,174,474)	--	--
Other Public Works	160	--	--	--	(160)	--	--
Culture and Recreation	901,510	242,404	1,665	--	(657,441)	--	--
Employee Benefits, Insurance and Other	3,618,026	332,176	529,855	--	(2,755,995)	--	--
Interest on Long-Term Debt	69,468	--	--	--	(69,468)	--	--
Total Governmental Activities	15,816,455	2,556,144	1,387,268	491,896	(11,381,147)	--	--
Business-Type Activities							
Sewer	9,713,082	8,442,903	110,039	569,118	--	(591,022)	--
Total Primary Government	\$ 25,529,537	\$ 10,999,047	\$ 1,497,307	\$ 1,061,014	(11,381,147)	(591,022)	--
Component Unit							
Springettsbury Township Development Authority	\$ 61,777	\$ --	\$ --	\$ 568,392	--	--	506,615
Total Component Unit	\$ 61,777	\$ --	\$ --	\$ 568,392	--	--	506,615
General Revenues							
Property Taxes, Levied for General Purposes, Net					2,052,594	--	--
Other Taxes and Franchise Fees Levied for Specific Purposes, Net					7,904,398	--	--
Investment Earnings					15,051	183,523	19,786
Miscellaneous Income					638	--	--
Capital Contribution					1,236,229	--	--
Total General Revenues					11,208,910	183,523	19,786
Change in Net Position					(172,237)	(407,499)	526,401
Net Position - January 1, 2014					33,486,974	41,060,518	(487,164)
Net Position - December 31, 2014					\$ 33,314,737	\$ 40,653,019	\$ 39,237

The accompanying notes are an integral part of these financial statements.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	Major Funds			Total Governmental Funds
	General Fund	Capital Projects Fund	Nonmajor Funds	
ASSETS				
Cash and Cash Equivalents	\$ 442,319	\$ 257,004	\$ 258,576	\$ 957,899
Investments	1,729,001	--	--	1,729,001
Taxes Receivable (Net)	82,592	--	1,856	84,448
Due from Other Funds	159,917	--	--	159,917
Accounts Receivable	184,204	--	--	184,204
Due from Other Governments	695,691	--	--	695,691
Prepaid Expenditures	3,522	--	--	3,522
TOTAL ASSETS	<u>\$ 3,297,246</u>	<u>\$ 257,004</u>	<u>\$ 260,432</u>	<u>\$ 3,814,682</u>
LIABILITIES				
Due to Other Funds	\$ 3,907	\$ 875,552	\$ --	\$ 879,459
Accounts Payable	97,518	129,867	--	227,385
Retainage Payable	--	88,334	--	88,334
Accrued Salaries and Wages	231,203	--	--	231,203
Payroll Deductions and Withholdings	19,474	--	--	19,474
Other Liabilities	23,238	--	--	23,238
TOTAL LIABILITIES	<u>375,340</u>	<u>1,093,753</u>	<u>--</u>	<u>1,469,093</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue – Property Taxes	52,144	--	--	52,144
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>52,144</u>	<u>--</u>	<u>--</u>	<u>52,144</u>
FUND BALANCES (DEFICIT)				
Nonspendable	3,522	--	--	3,522
Restricted	--	100,587	135,347	235,934
Assigned	1,009,600	--	125,085	1,134,685
Unassigned	1,856,640	(937,336)	--	919,304
TOTAL FUND BALANCES (DEFICIT)	<u>2,869,762</u>	<u>(836,749)</u>	<u>260,432</u>	<u>2,293,445</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 3,297,246</u>	<u>\$ 257,004</u>	<u>\$ 260,432</u>	<u>\$ 3,814,682</u>

The accompanying notes are an integral part of these financial statements.

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014

Total Fund Balances – Governmental Funds	\$ 2,293,445
Amounts reported for governmental activities in the statement of net position are different because:	
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of assets is \$75,105,801 , and the accumulated depreciation is \$38,387,746 .	36,718,055
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and, therefore, are deferred in the funds.	52,144
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
Bonds/notes payable	(3,756,000)
Compensated absences	(32,142)
Other post-employment benefits	<u>(1,960,765)</u>
	<u>(5,748,907)</u>
TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES	<u>\$ 33,314,737</u>

The accompanying notes are an integral part of these financial statements.

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	
REVENUES				
Real Estate Taxes and Penalties	\$ 2,061,800	\$ --	\$ --	\$ 2,061,800
Other Taxes	7,429,903	--	86,797	7,516,700
Licenses and Permits	404,488	--	--	404,488
Fines and Forfeits	238,217	--	--	238,217
Interest, Rents and Royalties	14,058	418	575	15,051
Intergovernmental Revenues	1,125,263	--	601,944	1,727,207
Charges for Services	1,856,750	--	--	1,856,750
Miscellaneous	638	--	--	638
Reimbursements	332,176	--	--	332,176
Contributions from Private Sources	--	210,000	1,665	211,665
TOTAL REVENUES	<u>13,463,293</u>	<u>210,418</u>	<u>690,981</u>	<u>14,364,692</u>
EXPENDITURES				
General Government	1,308,331	--	--	1,308,331
Public Safety	6,641,462	2,737,231	--	9,378,693
Highways and Street	966,124	102,951	673,784	1,742,859
Other Public Works	--	160	--	160
Culture and Recreation	664,618	--	8,867	673,485
Debt Service	51,618	264,850	--	316,468
Employee Benefits, Insurance and Other	3,372,189	--	--	3,372,189
TOTAL EXPENDITURES	<u>13,004,342</u>	<u>3,105,192</u>	<u>682,651</u>	<u>16,792,185</u>
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>458,951</u>	<u>(2,894,774)</u>	<u>8,330</u>	<u>(2,427,493)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	--	350,000	--	350,000
Transfers Out	(350,000)	--	--	(350,000)
Refund of Prior Year Expenditures	52,503	--	--	52,503
Proceeds from Long-Term Debt	--	3,000,000	--	3,000,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(297,497)</u>	<u>3,350,000</u>	<u>--</u>	<u>3,052,503</u>
Changes in Fund Balances	161,454	455,226	8,330	625,010
Fund Balances – January 1, 2014 (Deficit)	<u>2,708,308</u>	<u>(1,291,975)</u>	<u>252,102</u>	<u>1,668,435</u>
Fund Balances – December 31, 2014 (Deficit)	<u>\$ 2,869,762</u>	<u>\$ (836,749)</u>	<u>\$ 260,432</u>	<u>\$ 2,293,445</u>

The accompanying notes are an integral part of these financial statements.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014**

Total net change in fund balance – governmental funds **\$ 625,010**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation in the period.

Depreciation expense	\$ (1,863,204)	
Capital outlays	2,850,931	987,727

Because some property taxes will not be collected for several months after the Township's fiscal year ends, they are not considered as "available" revenues in the governmental funds. (9,206)

The net effect of other miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to increase net position.
Capital contribution of assets 1,236,229

Repayment of bond/note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 247,000

The issuance of debt provides financial resources to governmental funds, but has no effect on net position. (3,000,000)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:
(Increase) in compensated absences (13,160)

Some expenditures reported in the governmental funds do not require the use of current financial resources, however, the cost of other post-employment benefits are recorded as a noncurrent liability as required by GASB Statement No. 45. (245,837)

Change in net position of governmental activities **\$ (172,237)**

The accompanying notes are an integral part of these financial statements.

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SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2014

	<u>Business-Type Activities</u> <u>Sewer Fund</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,246,867
Investments	5,719,222
Due from Other Funds	719,542
Accounts Receivable	584,666
Prepaid Expenses	<u>49,227</u>
Total Current Assets	<u>8,319,524</u>
Noncurrent Assets	
Other Assets	
Restricted Assets – Cash	7,908
Restricted Assets – Investments	<u>4,066,937</u>
Total Other Assets	<u>4,074,845</u>
Capital Assets	
Land and Right of Ways	1,824,307
Machinery and Equipment	26,996,854
Collection Lines	55,861,620
Treatment Plant	3,745,841
Less Accumulated Depreciation	<u>(37,572,432)</u>
Total Capital Assets, Net	<u>50,856,190</u>
Total Noncurrent Assets	<u>54,931,035</u>
TOTAL ASSETS	<u>63,250,559</u>
DEFERRED OUTFLOWS OF RESOURCES	
Bond Refinancing Charges	<u>148,457</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>148,457</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 63,399,016</u>

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2014

	<u>Business-Type Activities</u> <u>Sewer Fund</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 225,887
Accrued Salaries and Wages	56,717
Other Accrued Liabilities	88,669
Current Portion of Long-Term Debt	<u>1,006,000</u>
Total Current Liabilities	<u>1,377,273</u>
Noncurrent Liabilities	
Bonds and Notes Payable	22,478,500
Bond Discount (Net of Accumulated Amortization)	(103,776)
Current Portion of Long-Term Debt	<u>(1,006,000)</u>
Total Noncurrent Liabilities	<u>21,368,724</u>
TOTAL LIABILITIES	<u>22,745,997</u>
NET POSITION	
Net Investment in Capital Assets	28,483,995
Restricted	4,074,845
Unrestricted	<u>8,094,179</u>
TOTAL NET POSITION	<u>40,653,019</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 63,399,016</u>

The accompanying notes are an integral part of these financial statements.

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2014

	<u>Business-Type Activities</u> <u>Sewer Fund</u>
OPERATING REVENUES	
Charges for Services	\$ 4,920,300
Charges for Services – Intergovernmental	3,522,603
Refund of Prior Year Expenses	<u>32,999</u>
TOTAL OPERATING REVENUES	<u>8,475,902</u>
OPERATING EXPENSES	
Cost of Services	5,388,816
Administration	300,000
Depreciation	<u>2,914,943</u>
TOTAL OPERATING EXPENSES	<u>8,603,759</u>
OPERATING (LOSS)	<u>(127,857)</u>
NONOPERATING REVENUES (EXPENSES)	
Tapping Fees	77,040
Investment Income	183,523
Interest Expense	(1,043,546)
Amortization	(10,581)
Net Gain on Disposal of Capital Assets	4,534
Federal Build America Bonds – Interest Subsidy	257,219
Note Issuance Costs	(55,196)
State Reimbursement	<u>307,365</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(279,642)</u>
Changes in Net Position	<u>(407,499)</u>
Net Position – January 1, 2014	<u>41,060,518</u>
Net Position – December 31, 2014	<u>\$ 40,653,019</u>

The accompanying notes are an integral part of these financial statements.

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2014

	<u>Business-Type Activities</u> <u>Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Users	\$ 8,426,240
Cash Payments to Employees for Services	(1,269,127)
Cash Payments to Suppliers for Goods and Services	(3,698,263)
Cash Payments for Other Operating Expenses	<u>(741,163)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,717,687</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>--</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition, Construction and Improvement of Capital Assets	(1,180,865)
Decrease in Restricted Assets	279,799
Tapping Fees Received	77,040
Principal Payments	(1,240,000)
Proceeds from Sale of Capital Assets	29,348
Debt Interest Payments	(1,052,907)
Proceeds from Note Issuance	7,403,500
Note Issuance Costs	(55,196)
Bonds Refunded	(7,347,775)
Federal Interest Subsidy	257,219
State Reimbursement	<u>284,208</u>
NET CASH (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(2,543,629)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	183,523
Purchase of Investments – Net	<u>(831,250)</u>
NET CASH (USED FOR) INVESTING ACTIVITIES	<u>(647,727)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(473,669)</u>
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>1,720,536</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 1,246,867</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating (Loss)	<u>\$ (127,857)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	2,914,943
Bond Insurance Expense	54,468
(Increase) in Accounts Receivable	(49,663)
(Increase) in Prepaid Expenses	(31,697)
Increase in Accounts Payable	20,851
Increase in Accrued Salaries and Benefits	7,570
(Decrease) in Due to Other Funds	<u>(70,928)</u>
Total Adjustments	<u>2,845,544</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,717,687</u>

The accompanying notes are an integral part of these financial statements.

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014

	<u>Pension Trust</u>		<u>Private Purpose Trust Fund</u>		<u>Agency Fund</u>
	<u>Non-Uniform Pension Fund</u>	<u>Police Pension Fund</u>	<u>Library Fund</u>	<u>Schenck Trust Fund</u>	<u>Escrow Fund</u>
ASSETS					
Cash and Cash Equivalents	\$ --	\$ --	\$ 2,226	\$ 3,587	\$ 99,064
Investments	<u>9,414,835</u>	<u>14,275,823</u>	<u>188,215</u>	<u>75,106</u>	<u>--</u>
TOTAL ASSETS	<u>\$ 9,414,835</u>	<u>\$ 14,275,823</u>	<u>\$ 190,441</u>	<u>\$ 78,693</u>	<u>\$ 99,064</u>
LIABILITIES					
Accounts Payable	\$ --	\$ 2,550	\$ --	\$ --	\$ 8,623
Due to Developers	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>90,441</u>
TOTAL LIABILITIES	<u>--</u>	<u>2,550</u>	<u>--</u>	<u>--</u>	<u>99,064</u>
NET POSITION					
Restricted for					
Pension Benefits	9,414,835	14,273,273	--	--	--
Other Purposes	<u>--</u>	<u>--</u>	<u>190,441</u>	<u>78,693</u>	<u>--</u>
TOTAL NET POSITION	<u>9,414,835</u>	<u>14,273,273</u>	<u>190,441</u>	<u>78,693</u>	<u>--</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 9,414,835</u>	<u>\$ 14,275,823</u>	<u>\$ 190,441</u>	<u>\$ 78,693</u>	<u>\$ 99,064</u>

The accompanying notes are an integral part of these financial statements.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2014**

	<u>Pension Trust</u>		<u>Private Purpose Trust Fund</u>	
	<u>Non-Uniform Pension Fund</u>	<u>Police Pension Fund</u>	<u>Library Fund</u>	<u>Schenck Trust Fund</u>
ADDITIONS				
State Contributions – Act 205	\$ --	\$ 484,085	\$ --	\$ --
Municipal Contributions	295,366	155,975	--	--
Employee Contributions	63,832	141,096	--	--
Investment Income	<u>378,372</u>	<u>727,442</u>	<u>5,237</u>	<u>2,346</u>
TOTAL ADDITIONS	<u>737,570</u>	<u>1,508,598</u>	<u>5,237</u>	<u>2,346</u>
DEDUCTIONS				
Distributions and Benefit Payments	461,422	688,260	--	--
Miscellaneous Expenses	42,603	60,832	--	--
Contribution to Libraries	<u>--</u>	<u>--</u>	<u>2,000</u>	<u>--</u>
TOTAL DEDUCTIONS	<u>504,025</u>	<u>749,092</u>	<u>2,000</u>	<u>--</u>
Changes in Net Position	233,545	759,506	3,237	2,346
Net Position – January 1, 2014	<u>9,181,290</u>	<u>13,513,767</u>	<u>187,204</u>	<u>76,347</u>
Net Position – December 31, 2014	<u>\$ 9,414,835</u>	<u>\$ 14,273,273</u>	<u>\$ 190,441</u>	<u>\$ 78,693</u>

The accompanying notes are an integral part of these financial statements.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Springettsbury Township have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

A. Reporting Entity

Springettsbury Township (Township), of the County of York, is a municipality located in York, Pennsylvania. It is a township of the second class based upon its population per square mile. The accompanying financial statements present the Township's primary government and component units over which the Township exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Township's Board of Supervisors (as distinct from legal relationships).

Control by, dependence on, or financial accountability to the Township is determined on the basis of budget adoption, taxing authority, outstanding debt collateralized by revenues or general obligations of the Township, obligations of the Township, obligation of the Township to finance any deficits that may occur, or receipt of significant subsidies from the Township.

The financial statements of component units have been included in the financial reporting entity as discretely presented component units.

Discretely Presented Component Units

The Township has one component unit: the Springettsbury Township Development Authority has been reported in the component unit's column.

The component unit's columns in the combined financial statements include the financial data of the Township's one component unit: Springettsbury Township Development Authority. Discretely presented component units are reported in a separate column to emphasize that they are legally separate from the Township. Audited financial statements of the Authority are available at the Township office.

Joint Venture

Springettsbury Township and Spring Garden Township created York Area United Fire and Rescue, a joint venture, in 2008. Springettsbury Township will fund 60% and Spring Garden Township will fund 40% of operating costs for fire services. The joint venture is not a component unit of Springettsbury Township. Audited financial statements for the York Area United Fire and Rescue are available at the Commission's office located at 3321 Whiteford Road, York, Pennsylvania 17402.

B. Fund Accounting

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation

Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Township. As a general rule the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately in the government-wide financial statements from business-type activities, which rely, to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the Township's governmental activities. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are also provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the Township. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Township's enterprise fund are sewer facilities and treatment charges. Operating expenses for the Township's enterprise fund include sewer treatment costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Township reports the following major governmental funds:

The general fund is the Township's primary operating fund. It accounts for all financial resources except those required to be in another fund.

The capital projects fund is used to account for financial resources related to capital asset acquisitions, construction, and improvements. This fund includes the capital improvement fund and the storm water reserve fund.

The Township operates one enterprise fund, the sewer fund. This fund accounts for the activities of the Township's sewer treatment plant operation.

Additionally, the Township reports the following nonmajor governmental funds:

The special revenue funds account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The funds included in this category are:

- State Liquid Fuels Fund
- Petitioned Street Lighting Fund
- Subdivision Recreation Fund

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

Fiduciary Funds are used to account for the assets held by the Township as a trustee or agent for individuals, private organizations and/or governmental units. The funds included in this category are:

The pension trust funds provide benefits for Township employees and employees of certain other related governmental agencies. The principal revenue sources for these funds are state contributions and employer and employee contributions. The funds included in this category are the Police Pension Fund, and Non-Uniform Pension Fund.

The private purpose trust funds are used to account for the assets held by the Township in a trustee capacity. These funds include the Library Fund and the Schenck Trust Fund. The Library Fund was created to provide resources to the library of the Township. The Schenck Trust Fund was established for the maintenance of park improvements.

The escrow fund is an agency fund used to account for escrows held by the Township for developers. The escrows are used to cover engineering and other costs for the submission and review of developer plans.

D. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements regardless of measurement focus.

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets and deferred outflows of resources less total liabilities) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state and other grants designated for payment of specific expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as unearned revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Budgets and Budgetary Accounting

An operating budget is adopted each year for the General Fund, Special Revenue Funds and the Capital Projects Fund on a modified accrual basis of accounting.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets and Budgetary Accounting (Continued)

Appropriations lapse at the end of the year. In order to preserve a portion of an appropriation for which an expenditure has been committed by purchase order, contract, or other form of commitment, an encumbrance is recorded. Encumbrances outstanding at year-end would be reported as assigned fund balances. As of December 31, 2014, the Township had no encumbrances.

The Board of Supervisors may make new appropriations, supplementary appropriations and transfers from one appropriation to another during the fiscal year, provided it is within the current year's revenues or from funds made available from additional borrowings or available fund balance.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

G. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items (consumption method) in both the government-wide and fund financial statements.

H. Restricted Assets

Restricted assets consist of cash and investments reserved in accordance with an intermunicipal agreement between Dallastown Borough, Manchester Township, Red Lion Borough, Spring Garden Township, Windsor Township, Windsor Borough, Yoe Borough and York Township for the purchase and/or replacement of capital assets associated with the operations of the Township's Waste Water Treatment Plant.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure assets of the governmental activities acquired before January 1, 2003 were estimated by the Township engineer and projected at estimated historical cost by the Township. The capitalization threshold is \$100,000 for infrastructure assets of the governmental activities, which consists primarily of roads, bridges, sidewalks, street lighting, traffic signals and storm sewers.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	15 to 60
Improvements (Other than Buildings)	15 to 40
Machinery and Equipment	3 to 20
Collection Lines	5 to 50
Treatment Plant	5 to 50
Transportation Equipment	5 to 15
Furniture and Fixtures	5 to 15
Infrastructure Assets	20 to 75

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business-type activity columns in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

K. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L. Cash, Cash Equivalents and Investments

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less.

All investments are stated at cost including accrued interest, which approximates fair value.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Compensated Absences

Full-time, permanent employees and part-time employees, on a pro-rata basis, are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Township. Sick leave accrues to full-time, permanent employees and part-time employees, on a pro-rata basis, to specified maximums. Non-uniform and Teamsters employees receive none of their accumulated sick leave balance upon termination. Police officers are not entitled to their proportionate sick leave balance until they retire. However, these employees historically remain with the Township until retirement. Normal retirement age for police officers is age 50 and having 25 years of service. Police officer sick leave is paid at the officer's standard daily rate times the number of sick days, with a maximum of 19.5 days. The Township implemented a policy in 2005 to report a liability for those police officers that are within 5 years of retirement.

All vested vacation benefits attributable to the Township's governmental and proprietary funds are considered to be payable in the next fiscal year. Accordingly, vested vacation benefits are recorded as a liability in the respective funds. The sick leave termination benefit is included in the government wide financial statements because benefits are recorded as a liability when there is an estimation made by management based on anticipated retirement of the employee.

O. Net Position Flow Assumption

Sometimes the Township will fund outlays for a particular purpose from both restricted and unrestricted resources. It is the Township's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

P. Fund Balance Policy

The Township implemented *GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions*, to address issues related to how fund balance was being reported. GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

Nonspendable – amounts that are not in spendable form (such as inventory) or required to be legally or contractually maintained intact,

Restricted – amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

Committed – amounts that can be used only for the specific purposes determined by a formal action of the Board of Supervisors (the Township's highest level of decision making authority). The Board of Supervisors is required to also take formal action to modify or rescind the commitment,

Assigned – amounts intended to be used by the Township for specific purposes that are neither restricted nor committed. Assignments can be made by the governing body itself or by its designee,

Unassigned – residual classification for the Township's general fund and includes all spendable amounts not contained in the other classifications. Negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes.

Committed Fund Balance Policy

The Township's committed fund balance are amounts required to be reported by the Board of Supervisors, either because of Township Policy or because of motions that passed at Board of Supervisor meetings.

As of December 31, 2014, the Township did not have any committed fund balances.

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balance Policy (Continued)

Assigned Fund Balance Policy

The Township's assigned fund balances are amounts the Township intends to use for a specific purpose as expressed by Township Manager.

Order of Fund Balance Spending Policy

The Township's policy is to first apply restricted fund balance, then committed, assigned, and unassigned, respectively when an expenditure is incurred for purposes for which amounts in any of these classifications could be used.

Minimum Fund Balance

The Township has adopted a formal minimum fund balance policy. The Township will strive to maintain an unassigned general fund balance of not less than ten percent (10%) of the budgeted expenditures for the year.

If the unassigned portion of the fund balance falls below the threshold of ten percent (10%) of the budgeted expenditures, the Board will pursue options of increasing revenue and decreasing expenditures, or a combination of both until the ten percent (10%) is attained.

Q. Date of Management's Review

Management has evaluated subsequent events through June 4, 2015, the date the financial statements were available to be issued.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

Capital related differences include non-facility related capital asset purchases are recorded as an expenditure in the functional categories listed under current expenditures in the government fund statements and capitalization and recording of depreciation expense in the statement of activities.

NOTE 3 – DEPOSITS AND INVESTMENTS – GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

Pennsylvania statutes provide for investment of governmental funds into certain authorized investment types including obligations of (1) the United States of America or any of its agencies or instrumentalities backed by full faith and credit of the United States of America, (2) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (3) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 3 – DEPOSITS AND INVESTMENTS – GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES (Continued)

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation are authorized to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law is pledged by the depository.

Cash

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. As of December 31, 2014, \$975,690 of the Township's bank balance of \$2,040,724 was exposed to custodial credit risk as follows:

Uninsured or unregistered with securities held by the counterparty or by its trust department not in the Township's name, but pledged collateral under Act 72	<u>\$ 975,690</u>
 <u>Reconciliation to Financial Statements</u>	
Uninsured Amount, Above	\$ 975,690
Plus: Insured Amount	1,065,034
Deposits in Transit	214,034
Less: Outstanding Checks	<u>(42,384)</u>
Carrying Amount – Bank Balances	2,212,374
Petty Cash	<u>300</u>
Total Cash per Financial Statements	<u>\$ 2,212,674</u>

Investments

As of December 31, 2014, the Township had the following investments:

<u>Investments</u>	<u>Maturity Term Range</u>	<u>Fair Value</u>
Certificates of Deposit	1 - 20 years	<u>\$ 11,515,160</u>
Total Investments		<u>\$ 11,515,160</u>

Interest Rate Risk

The Township does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Management does monitor rates of returns for investments on a weekly basis.

Credit Risk

The Township has an investment policy that limits its investment choices to certain credit ratings. As of December 31, 2014, the Township's investments in Morgan Stanley were rated A by Standard & Poor's.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 3 – DEPOSITS AND INVESTMENTS – GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES (Continued)

Investments (Continued)

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Morgan Stanley uses Depository Trust Company (DTC) as custodian for the certificates of deposit. As of December 31, 2014, \$250,000 of the Township's governmental and business-type activities investments of \$11,515,160 were exposed to custodial credit risk, but pledged collateral under Act 72.

Beginning January 1, 2013, all interest and noninterest bearing demand accounts are aggregated in total by financial institution and fully insured up to \$250,000. Time and savings accounts have FDIC insurance coverage up to \$250,000.

Concentration of Credit Risk – Deposits and Investments

The Township's deposits and investments are held at the following financial institutions:

<u>Financial Institution</u>	<u>Deposits and/or Investments</u>	<u>Concentration Percentage</u>
Morgan Stanley	\$ 11,080,194	81.74%
Metro Bank	1,214,687	8.96%
Susquehanna Bank	761,003	5.61%
Fulton Bank	<u>500,000</u>	<u>3.69%</u>
	<u>\$ 13,555,884</u>	<u>100.00%</u>

NOTE 4 – DEPOSITS AND INVESTMENTS – TRUST & AGENCY FUNDS

Cash

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. As of December 31, 2014, \$99,064 of the Township's trust and agency funds bank balances of \$104,877 was exposed to custodial credit risk as follows:

Insured or Registered	\$ 5,813
Uninsured or unregistered with securities held by counterparty's trust department	--
Uninsured or unregistered held by the counterparty or by its trust department not in the Township's name, but pledged collateral under Act 72	<u>99,064</u>
	<u>\$ 104,877</u>

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 4 – DEPOSITS AND INVESTMENTS – TRUST & AGENCY FUNDS (Continued)

Investments

As of December 31, 2014, the Township had the following investments:

<u>Investment</u>	<u>Non-Uniform Pension Fund</u>	<u>Police Pension Fund</u>	<u>Library Fund</u>	<u>Schenck Trust Fund</u>	<u>Total</u>
ICMA Retirement Corporation					
Stable Value/Cash Management	\$ 2,971,198	\$ --	\$ --	\$ --	\$ 2,971,198
Bonds	139,317	--	--	--	139,317
Guaranteed Lifetime Income	223,000	--	--	--	223,000
Balance/Asset Allocation	3,973,408	--	--	--	3,973,408
U.S. Stock	1,866,540	--	--	--	1,866,540
International/Global Stock	142,543	--	--	--	142,543
Specialty	98,829	--	--	--	98,829
FNB Wealth Management					
Common Stocks	--	1,537,895	--	--	1,537,895
Real Estate Investment Trusts	--	41,053	--	--	41,053
Equity Funds	--	5,969,436	--	--	5,969,436
Fixed Income	--	5,931,460	--	--	5,931,460
Cash Equivalents	--	795,979	--	--	795,979
Morgan Stanley					
Certificates of Deposit	--	--	188,215	75,106	263,321
	<u>\$ 9,414,835</u>	<u>\$ 14,275,823</u>	<u>\$ 188,215</u>	<u>\$ 75,106</u>	<u>\$ 23,953,979</u>

The above investments include money market mutual funds, equity common trust funds, fixed income trust funds, U.S. government notes & bonds, corporate bonds, common stocks, and certificates of deposit. The Township's investments with Morgan Stanley are held by Depository Trust Corporation (DTC).

Credit Risk

The Township does have an investment policy that limits its investment choices to certain credit ratings. As of December 31, 2014, the Township's investments in ICMA Retirement Corporation and FNB Wealth Management were not rated by Standard & Poors.

Concentration of Credit Risk – Deposits and Investments

The Township's deposits and investments are held at the following financial institutions:

<u>Financial Institution</u>	<u>Deposits and/or Investments</u>	<u>Concentration Percentage</u>
FNB Wealth Management	\$ 14,275,823	59.34%
ICMA Retirement Corp	9,414,835	39.13%
Morgan Stanley	269,134	1.12%
Metro Bank	99,064	.41%
	<u>\$ 24,058,856</u>	<u>100.00%</u>

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 5 – RESTRICTED ASSETS – BUSINESS-TYPE ACTIVITIES/PROPRIETARY FUND

Capital Improvement Reserve - Sewer - Cash	\$ 7,908
Capital Improvement Reserve - Sewer - Investments	<u>4,066,937</u>
Total Restricted Assets	<u>\$ 4,074,845</u>

The capital improvement reserve consists of investments reserved in accordance with an intermunicipal agreement for capital necessary for the purchase and/or replacement of capital assets associated with the operations of Springettsbury Township Waste Water Treatment Plant. The capital improvement reserve is accumulated from a depreciation charge to the connecting municipalities along with a 5% surcharge on transportation, shared pumping station expenses and debt service costs.

NOTE 6 – PROPERTY TAXES AND SPECIAL ASSESSMENT TAX, TAXES RECEIVABLE, AND UNAVAILABLE REVENUE

Based upon assessed valuations provided by the County, property taxes are collected by the elected tax collector. Springettsbury Township's tax rate for the year ended December 31, 2014 was 1.00 mills (\$1.00 per \$1,000 assessed valuation). The Township levies assessments for street light usage to various areas of the Township. The assessments are based on a flat rate and are collected by the elected tax collector. The schedule of property taxes and special assessment taxes levied for 2014 was as follows:

February 15	Levy Date
February 16 to April 17	2% Discount Period
April 17 to June 14	Face Payment Period
Beginning June 15	10% Penalty Period
January 15	Lien Date

Springettsbury Township, in accordance with accounting principles generally accepted in the United States of America, recognized the delinquent and unpaid taxes receivable reduced by an allowance for uncollectible taxes as determined by management. A portion of the net amount to be collectible, which was measurable and available within 60 days, was recognized as revenue and the balance is unavailable revenue. The balances at December 31, 2014 are as follows:

	Taxes Receivable	Tax Revenue Recognized	Unavailable Revenue - Taxes
Real Estate	\$ 82,592	\$ 30,448	\$ 52,144
Special Assessment – Street Light	<u>1,856</u>	<u>1,856</u>	<u>--</u>
	<u>\$ 84,448</u>	<u>\$ 32,304</u>	<u>\$ 52,144</u>

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 7 – CHANGES IN CAPITAL ASSETS

A summary of capital assets of the Business-Type Activities as of December 31, 2014, is as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated				
Land and Right of Ways	\$ 1,824,307	\$ --	\$ --	\$ 1,824,307
Total Capital Assets Not Being Depreciated	<u>1,824,307</u>	<u>--</u>	<u>--</u>	<u>1,824,307</u>
Capital Assets Being Depreciated				
Collection Lines	26,072,866	927,584	3,596	26,996,854
Treatment Plant	55,951,890	13,802	104,072	55,861,620
Machinery and Equipment	<u>3,663,852</u>	<u>228,125</u>	<u>146,136</u>	<u>3,745,841</u>
Total Capital Assets Being Depreciated	<u>85,688,608</u>	<u>1,169,511</u>	<u>253,804</u>	<u>86,604,315</u>
Less Accumulated Depreciation				
Collection Lines	10,935,835	612,962	3,596	11,545,201
Treatment Plant	20,809,162	2,157,652	79,257	22,887,557
Machinery and Equipment	<u>3,141,481</u>	<u>144,329</u>	<u>146,136</u>	<u>3,139,674</u>
Total Accumulated Depreciation	<u>34,886,478</u>	<u>2,914,943</u>	<u>228,989</u>	<u>37,572,432</u>
Total Capital Assets Being Depreciated, Net	<u>50,802,130</u>	<u>(1,745,432)</u>	<u>24,815</u>	<u>49,031,883</u>
Business-Type Activities Capital Assets, Net	<u>\$ 52,626,437</u>	<u>\$ (1,745,432)</u>	<u>\$ 24,815</u>	<u>\$ 50,856,190</u>

A summary of capital assets of the Governmental Activities as of December 31, 2014 is as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated				
Land	\$ 4,361,134	\$ 53,413	\$ --	\$ 4,414,547
Construction in Progress	<u>1,687,285</u>	<u>--</u>	<u>1,687,285</u>	<u>--</u>
Total Capital Assets Not Being Depreciated	<u>6,048,419</u>	<u>53,413</u>	<u>1,687,285</u>	<u>4,414,547</u>
Capital Assets Being Depreciated				
Buildings	7,063,457	4,424,517	--	11,487,974
Improvements (Other than Buildings)	5,180,560	--	--	5,180,560
Machinery and Equipment	2,298,989	113,699	47,690	2,364,998
Infrastructure Assets	<u>50,474,906</u>	<u>1,182,816</u>	<u>--</u>	<u>51,657,722</u>
Total Capital Assets Being Depreciated	<u>65,017,912</u>	<u>5,721,032</u>	<u>47,690</u>	<u>70,691,254</u>
Less Accumulated Depreciation				
Buildings	2,870,584	300,401	--	3,170,985
Improvements (Other than Buildings)	1,901,885	193,330	--	2,095,215
Machinery and Equipment	1,616,371	149,255	47,690	1,717,936
Infrastructure Assets	<u>30,183,392</u>	<u>1,220,218</u>	<u>--</u>	<u>31,403,610</u>
Total Accumulated Depreciation	<u>36,572,232</u>	<u>1,863,204</u>	<u>47,690</u>	<u>38,387,746</u>
Total Capital Assets, Being Depreciated, Net	<u>28,445,680</u>	<u>3,857,828</u>	<u>--</u>	<u>32,303,508</u>
Governmental Activities Capital Assets, Net	<u>\$ 34,494,099</u>	<u>\$ 3,911,241</u>	<u>\$ 1,687,285</u>	<u>\$ 36,718,055</u>

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 7 – CHANGES IN CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the Township as follows:

Governmental Activities:	
General Government	\$ 94,323
Public Safety	218,752
Sanitation	28,684
Highways and Streets	1,293,420
Culture and Recreation	<u>228,025</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 1,863,204</u>
Business-Type Activities:	
Sewer	<u>\$ 2,914,943</u>

NOTE 8 – RESTRICTED NET POSITION

Business-type activities restricted net position represents amounts restricted in accordance with an intermunicipal agreement for the purchase and replacement of capital assets related to the operations of the Township's Waste Water Treatment Plant.

NOTE 9 – FUND BALANCE

Restricted Fund Balance

The Township's restricted fund balances are amounts restricted by outside parties. As of December 31, 2014, the Township's restricted fund balance was \$235,934; of which \$135,347 was restricted for use by the Commonwealth of Pennsylvania for Highway Aid purposes and \$100,587 was restricted for future capital purposes.

Assigned Fund Balance

As of December 31, 2014, the Township's assigned fund balance was \$1,134,685, which consisted of the following:

Other Post Employment Benefits (OPEB)	\$ 100,000
2015 Use of General Fund Balance	909,600
Street Lights	100,926
Parks and Recreation Projects	<u>24,159</u>
	<u>\$ 1,134,685</u>

Deficit Fund Balance

The Township has a deficit unassigned fund balance in the capital projects fund. The deficit is to be funded from future transfers from the general fund and note proceeds.

NOTE 10 – CAPITAL CONTRIBUTIONS

Governmental Activities

The Township received contributed capital assets of \$1,236,229, which consisted of the following:

Orchard Hill Park	\$ 53,413
Infrastructure	<u>1,182,816</u>
	<u>\$ 1,236,229</u>

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 11 – LONG-TERM DEBT – BONDS/NOTES PAYABLE

	Governmental Fund	Enterprise Fund
Balance as of January 1, 2014	\$ 1,003,000	\$ 23,535,000
Additional Borrowings	3,000,000	7,403,500
Principal Retirements	(247,000)	(8,460,000)
Balance as of December 31, 2014	\$ 3,756,000	\$ 22,478,500
Current Portion	\$ 3,756,000	\$ 1,006,000

The payments of long-term debt are to be funded by the capital projects fund and the sewer fund.

Springettsbury Township Development Authority – Notes A and B

The Authority, at the request of the Township, issued Guaranteed Revenue Note B in the amount of \$2,019,000. The proceeds were to provide financing for road improvement and building projects. The note bears an interest rate of 3.5% payable in semi-annual installments. The balance outstanding at December 31, 2014 was \$256,000 and is scheduled to mature in October 2015.

The Authority issued Guaranteed Revenue Note A in the amount of \$4,788,000. Related information and debt disclosures are reported in separately issued financial statements, which are located at the Township office.

General Obligation Note, Series of 2012

During 2012, the Township authorized the issuance of general obligation note in the amount of \$3,500,000. The proceeds of the note were to finance the costs of certain capital projects and to pay the costs of issuance. The note bears an interest rate of 1.85% payable in semi-annual installments. The balance outstanding at December 31, 2014 is \$3,500,000 and is scheduled to mature in June 2015.

General Obligation Bonds 2010 – Series A and Series AA

Series A of 2010

On March 1, 2010, the Township issued general obligation bonds in the amount of \$18,175,000. The proceeds of the Series A bonds were to finance sewer system improvements and to pay the costs and expenses related to the issuance of the Series A Bonds. The bonds bear interest rates ranging from 1.30% to 5.92% with principal maturities from November 2011 through November 2029. The balance outstanding at December 31, 2014 was \$15,075,000.

The Series A Bonds qualify as Build America Bonds under the American Recovery and Reinvestment Act of 2009. The Township is eligible to receive a cash subsidy from the United States Treasury equal to 35% of the interest paid on the Series A Bonds. The Township received a cash subsidy of \$257,219 in 2014.

Series AA of 2010

On March 1, 2010, the Township issued general obligation bonds in the amount of \$9,455,000. The proceeds of the Series AA bonds were to refund the General Obligation Note, Series of 2007 and to pay costs and expenses related to the issuance of the Series AA Bonds. The bonds bear interest rates ranging from 2% to 4% with principal maturities from November 2010 through November 2027. The bonds were refinanced with the General Obligation Note, Series of 2014.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 11 – LONG-TERM DEBT – BONDS/NOTES PAYABLE (Continued)

General Obligation Note, Series of 2014

On November 18, 2014, the Township issued general obligation note in the amount of \$7,403,500. The proceeds of the note were to advance refund the General Obligation Bonds, Series AA of 2010, and pay the costs of issuing the note. The note bears a fixed rate of interest of 2.67% per annum and is scheduled to mature in November 2027. This advance refunding was undertaken to reduce total debt service payments over the next thirteen years by \$326,560 and resulted in an economic gain of \$320,008. The balance outstanding at December 31, 2014 was \$7,403,500.

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 2014, are as follows:

Capital Projects Fund

Year Ended December 31,	Springettsbury Township Development Authority – Note B			General Obligation Note 2012		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 256,000	8,601	264,601	3,500,000	32,375	3,532,375
	<u>\$ 256,000</u>	<u>\$ 8,601</u>	<u>\$ 264,601</u>	<u>\$ 3,500,000</u>	<u>\$ 32,375</u>	<u>\$ 3,532,375</u>

Enterprise Fund

Year Ended December 31,	General Obligation Bond 2010, Series A			General Obligation Note 2014		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 810,000	\$ 767,156	\$ 1,577,156	\$ 196,000	\$ 196,026	\$ 392,026
2016	830,000	738,077	1,568,077	519,900	192,440	712,340
2017	850,000	703,798	1,553,798	529,600	178,559	708,159
2018	875,000	666,993	1,541,993	544,400	164,419	708,819
2019	900,000	625,956	1,525,956	558,400	149,883	708,283
2020-2024	4,945,000	2,444,074	7,389,074	3,034,500	517,198	3,551,698
2025-2029	<u>5,865,000</u>	<u>1,041,911</u>	<u>6,906,911</u>	<u>2,020,700</u>	<u>108,946</u>	<u>2,129,646</u>
	<u>\$ 15,075,000</u>	<u>\$ 6,987,965</u>	<u>\$ 22,062,965</u>	<u>\$ 7,403,500</u>	<u>\$ 1,507,471</u>	<u>\$ 8,910,971</u>

Defeasance of Debt

The Township refunded the General Obligation Bonds, Series AA of 2010 by establishing an escrow account to pay off the bonds as they become due or callable. This action resulted in a defeasance of debt and these bonds are no longer reported in the financial statements of the Township. The total amount of refunded bonds at December 31, 2014 was \$7,220,000.

Bond Refinancing Charges

In the event that advance refunding of debt results in a defeasance, full accrual basis of accounting requires that the amounts deposited in escrow in excess of the net carrying amount of the old debt are to be amortized over the life of the old debt or the life of the new debt, whichever is shorter. The amortization of this charge will be recognized as a component of interest expense. The Township has one bond refinancing charge that it is amortizing, utilizing the straight line method, with amortization through 2027. For the year ended December 31, 2014, the Township amortized \$958 as a component of interest expense

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 12 – COMPENSATED ABSENCES

For the year ended December 31, 2014, compensated absences changed as follows:

Beginning of Year	\$ 18,982
Increase in Compensated Absences	<u>13,160</u>
End of Year	\$ <u>32,142</u>
Current Portion	\$ 6,276

NOTE 13 – PENSION PLANS

The Township has included in these financial statements the two pension funds as pension trust funds. The Township pension plans have not issued any additional financial statements.

POLICE PENSION PLAN

Plan Description

Springettsbury Township currently has a single-employer defined benefit police pension plan for full-time police employees. The Police Pension Plan was established by and enrolled in the Pennsylvania Municipal Ordinance Retirement Law, Act of February 1, 1974. P.L. 34. No. 15.

Eligibility Requirements and Benefits Descriptions

All full-time members of the police force of Springettsbury Township are eligible to join the Plan upon employment. A participant is eligible for normal retirement after attainment of age 50 and completion of 25 years of service. A participant's benefits vest upon completion of 12 years of service. The vested benefit is a deferred pension beginning at normal retirement equal to the benefit accrued to the date of termination.

The normal retirement pension is payable monthly during the participant's lifetime, with payments continuing after the participant's death to the surviving spouse equal to 50% of the amount payable to the participant. The amount of monthly pension is equal to 50% of average monthly pay plus \$50 per year for each year of service in excess of 25 years of service subject to a maximum increment of \$100.

Average monthly pay is based upon the last 36 months of employment. Pay is defined as wages as reported on federal form W-2, excluding officer in charge pay.

If a participant is disabled in the line of duty, he is eligible for disability pension. The disability pension is equal to 50% of the member's average monthly pay at the time of disability, offset by any Social Security disability payments.

Contributions and Funding Policy

The plan is funded through state allocations from the General Municipal Pension System State Aid Program, public contributions and through member contributions. Based on the actuarial report, the plan is currently underfunded and the member contribution rate is 5%.

"Contributions required" are estimates prepared by municipal officials. The estimated contributions may contain immaterial errors which will not affect the long-term funding of the plan. The minimum funding requirements are based on the results of the most recent actuarial valuation report updated to reflect changes in payroll and expenses.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 13 – PENSION PLANS (Continued)

Actuarial Valuation

An actuarial study as of January 1, 2013 was completed by Conrad M. Siegel, Inc. on February 12, 2014. The actuarial cost method used was the entry age normal cost method. The following significant assumptions were used in the actuarial valuations as of January 1, 2013; (1) a 7.5% rate of return; (2) rates of turnover ranging from 5.5% at age 20 to 0% at age 50; (3) life expectancies based on RP2000 Table; (4) disability based on SOA 1987 table with a six month elimination for males; (5) death benefit cost computed on the assumption that all participants will have spouses of the same age at the date of eligibility of the benefit; (6) projected salary increases of 5% per year; (7) age 53, and completion of 25 years of service, or age on valuation date, if greater; (8) provision for administrative expenses added to normal cost; (9) moderate inflation based on long-term historical average rate, (10) actuarial value of assets based on market value as determined by the trustee, (11) cost of living increases – 4%/year effective after 5 years with a maximum increase of 30%, and (12) level dollar closed amortization method for the unfunded actuarial accrued liability with a remaining amortization period of 10 years.

The pension benefit obligation, which is the actuarial present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and estimated to be payable in the future as a result of employee service to date.

NON-UNIFORMED PENSION PLAN

The Non-uniformed Plan, a single employer defined contribution plan, was established in 1985 by Township Resolution 85-09. The Township has delegated the authority to manage certain plan assets to International City Management Association (ICMA). The Plan is to be funded through state and employer contributions and employee wage deductions.

Non-uniformed employees over the age of 21 are eligible to participate after 6 months of service. A participant is eligible for normal retirement after attainment of age 59½. Participants become 20% vested in the Township's contributions after three years of employment. An additional 20% is vested for each additional year of employment. A participant becomes fully vested after seven years of employment. Each participant is required to contribute 2% of gross pay. Employer contributions equal 9.0% of employee's gross pay for non-teamster members, and 9.5% for employees that are teamster members. For the year ended December 31, 2014, the Township contributed \$295,366 to the Non-Uniformed Pension Plan.

NOTE 14 – DEFERRED COMPENSATION PLAN

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE 15 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description

The Township has implemented Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions," for certain post-employment healthcare benefits provided by the Township.

The Township's post-employment healthcare plan is a single-employer defined benefit healthcare plan. The Township provides certain health care benefits to retired police and fire employees as required by union contracts. Medical (until age 65), dental, vision and prescription benefits require 50 percent co-pay by the retiree. The cost of retirees' retirement benefits is recognized as an expenditure at the time premiums are paid. Types of OPEB provided are governed by the respective Collective Bargaining Agreements of the police and the firefighters. The Township has not established a separate OPEB Plan Fund and is on the pay-as-you-go basis. The defined benefits OPEB plan is included in the Township's basic financial statements. The Township transferred its OPEB plan for current firefighters to the York Area United Fire and Rescue (YAUFR) effective January 1, 2011. The Township maintains an OPEB plan for all former firefighters that retired prior to the formation of YAUFR.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 15 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

POLICE OFFICERS

An officer is eligible for coverage after attainment of age 50 and completion of 25 years of service or upon becoming permanently disabled as a result of a work-related injury. An officer will be eligible for coverage upon early retirement after 20 years of service; however, the officer must pay 105% of the premiums.

An eligible officer may receive medical, dental, prescription drug and vision benefits currently provided to active officers. All coverage ceases upon Medicare eligibility. Benefits are available to the retiree, spouse, and eligible dependents. A retired officer is not eligible for these benefits if the officer and/or spouse has comparable coverage elsewhere. If a retired officer loses their eligibility due to having comparable coverages and later loses the comparable coverages, the retired officer will be eligible to participate in the Township's postretirement benefits.

Upon death of a retired or disabled officer, the spouse and dependents may continue to be covered. Spouse coverage shall cease upon remarriage.

Actuarial Methods and Assumptions

An actuarial study as of January 1, 2012 was completed by Conrad M. Siegel, Inc. on December 24, 2012 for purposes of GASB Statement No. 45 reporting. The actuarial cost method used was the entry age normal cost method. The following significant assumptions were used in the actuarial valuations as of January 1, 2012; (1) a 4.5% rate of return; (2) rates of turnover ranging from 5.5% at age 20 to 0% at age 60; (3) mortality life expectancies based on the RP 2000 table; (4) disability expectancies based on the SOA 1987 group LTD table, with 6 month elimination for males; (5) retirement latest of age 53, age at the completion of 25 years of service, or age on valuation date; (6) before age 62, 60% of eligible retirees assumed to elect coverage on retiring. Upon attainment of age 62-65, 100% of eligible retirees are assumed to elect coverage; (7) 80% married and have a spouse covered at retirement; (8) no other non-spousal dependents assumed; (9) per capita claims cost used; (10) retiree contributions increase at the same rate as the health care trend rate; (11) health care cost 7.5% in 2012, decreasing 0.5% per year to a rate of 5.5% in 2016. Rates gradually decrease from 5.3% in 2017 to 4.2% in 2089. The unfunded actuarial accrued liability (UAAL) is being amortized on the level dollar, 30-year open period.

PAID FIREMEN

The actuarial determined liability for OPEB benefits for current firefighters was transferred to York Area United Fire and Rescue effective January 1, 2011. The Township reports only the OPEB liability for the former firefighters that retired prior to the formation of YAUFR.

The retiree will be entitled to receive all medical, hospital, dental, and prescription insurance provided the retiree pays the Township an amount equal to one half the cost of any insurance premiums paid by the Township on his behalf. The coverage is for the retiree, spouse, and eligible dependents. Vision insurance shall cease at retirement. The hospitalization coverage shall cease when the retiree becomes eligible for coverage under Medicare and/or Medicaid, or the retiree obtains his own coverage. Hospitalization coverage for spouse will cease when the spouse becomes eligible for coverage under Medicare and/or Medicaid, or remarries.

A fire fighter is eligible for coverage after attainment of age 55 and completion of 25 years of service or upon becoming permanently disabled as a result of a work-related injury. Postretirement benefits are only available for fire fighters hired on or before January 1, 1997.

An eligible fire fighter may receive medical, dental, and prescription drug benefits currently provided to active fire fighters. All coverage ceases upon Medicare eligibility. Benefits are available to the retiree, spouse, and eligible dependents.

Upon death of an active fire fighter, the spouse and dependents may receive coverage provided they pay to the Commission 50% of the cost of any insurance premiums. Spouse coverage shall cease upon remarriage, or once the spouse becomes eligible for Medicare.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 15 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Actuarial Methods and Assumptions

An actuarial study as of January 1, 2012 was completed by Conrad M. Siegel, Inc. on December 24, 2012 for purposes of GASB Statement No. 45 reporting. The actuarial cost method used was the entry age normal cost method. The following significant assumptions were used in the actuarial valuations as of January 1, 2012; (1) a 4.5% rate of return; (2) rates of turnover ranging from 5.5% at age 20 to 0% at age 60; (3) mortality life expectancies based on the RP 2000 table; (4) disability expectancies based on the SOA 1987 group LTD table, with 6 month elimination for males; (5) retirement latest of age 55, age at the completion of 25 years of service, or age on valuation date; (6) vested former members are assumed to elect coverage at age 65; (7) 80% married and have spouse covered at retirement; (8) no other non-spousal dependents assumed; (9) per capita claims cost used; (10) retiree contributions increase at the same rate as the health care trend rate; (11) health care cost 7.5% in 2012, decreasing 0.5% per year to a rate of 5.5% in 2016. Rates gradually decrease from 5.3% in 2017 to 4.2% in 2089. The unfunded actuarial accrued liability (UAAL) is being amortized on the level dollar, 30-year open period.

Annual OPEB Cost and Net OPEB Obligation

The Township's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Township's OPEB cost for the year, the estimated amount contributed to the plan and changes in the Township's net OPEB obligation to the plan.

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>POLICE OFFICERS</u>			
Annual Required Contribution (ARC)	\$ 351,946	\$ 351,946	\$ 351,946
Interest on Net OPEB Obligation	68,968	57,638	40,481
Adjustment to ARC	<u>(94,090)</u>	<u>(78,633)</u>	<u>(55,227)</u>
Annual OPEB Cost (Expense)	326,824	330,951	337,200
Contributions Made (Estimated)	<u>(70,203)</u>	<u>(79,174)</u>	<u>(74,222)</u>
Increase in Net OPEB Obligation	256,621	251,777	262,978
Net OPEB Obligation – Beginning of Year	<u>1,532,623</u>	<u>1,280,846</u>	<u>1,017,868</u>
Net OPEB Obligation – End of Year	<u>\$ 1,789,244</u>	<u>\$ 1,532,623</u>	<u>\$ 1,280,846</u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>PAID FIREMEN</u>			
Annual Required Contribution (ARC)	\$ 37,379	\$ 37,379	\$ 37,379
Interest on Net OPEB Obligation	8,204	8,577	8,696
Adjustment to ARC	<u>(11,192)</u>	<u>(11,702)</u>	<u>(11,953)</u>
Annual OPEB Cost (Expense)	34,391	34,254	34,122
Contributions Made (Estimated)	<u>(45,175)</u>	<u>(42,558)</u>	<u>(38,279)</u>
Increase (Decrease) in Net OPEB Obligation	(10,784)	(8,304)	(4,157)
Net OPEB Obligation – Beginning of Year	<u>182,305</u>	<u>190,609</u>	<u>194,766</u>
Net OPEB Obligation – End of Year	<u>\$ 171,521</u>	<u>\$ 182,305</u>	<u>\$ 190,609</u>

The Township has assigned \$100,000 of its General Fund fund balance for future Other Post-Employment Benefits (OPEB).

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 15 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

NOTE 16 – DUE TO/FROM OTHER FUNDS AND TRANSFERS

Transfers

The General Fund transferred \$350,000 to the Capital Projects Fund for various current year and future capital projects and purchases.

The interfund receivables and payables balances at December 31, 2014 are as follows:

Fund	Due from Other Funds	Due to Other Funds
General Fund	\$ 159,917	\$ 3,907
Enterprise Fund	719,542	--
Capital Projects Fund	--	875,552
	\$ 879,459	\$ 879,459

Interfund balances consist of expenditures related to payroll and pension. General fund owed sewer fund for insurance refunds less payroll and pension benefits. The capital projects fund owed sewer fund for the acquisition of property and general fund for payment of construction costs.

NOTE 17 – CONTINGENCIES

Grant Programs

The Township participates in various federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Township is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

In the normal course of operations, the Township is involved in various civil disputes. Management is of the opinion that any unfavorable outcome resulting from these actions would not have a material effect on the Township's financial position.

NOTE 18 – COMMITMENT

The Township entered into a commitment with the City of York to purchase 4.8 million gallons per day of additional sewer capacity for an indefinite period of time. Beginning in 2002, the Township began making annual payments of \$230,000 to the City for a period of twenty years and an annual payment of \$30,000 for 3 years beginning in 2022. In addition, the Township also makes semi-annual payments of \$300,500 to the City to pay toward the City's future lease rental cost for the wastewater treatment facility until 2018, and an annual payment of \$76,000 for 3 years beginning in 2019. An additional sewage treatment charge is paid by the Township based on the Township's share of actual net operating expenses of the facility.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 18 – COMMITMENT (Continued)

Minimum payments to the City of York under this agreement are as follows:

	<u>4.8 MGD Capacity</u>	<u>Lease Rental Plant</u>	<u>Total</u>
2015	\$ 230,000	\$ 601,000	\$ 831,000
2016	230,000	601,000	831,000
2017	230,000	601,000	831,000
2018	230,000	601,000	831,000
2019	230,000	76,000	306,000
2020-2024	<u>550,000</u>	<u>152,000</u>	<u>702,000</u>
	<u>\$ 1,700,000</u>	<u>\$ 2,632,000</u>	<u>\$ 4,332,000</u>

NOTE 19 – RISK MANAGEMENT

The Township is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Township has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous year. During the year ended December 31, 2014, no settlements exceeded insurance coverage.

NOTE 20 – SELF INSURANCE

Health Insurance

The Township is a member of the Intergovernmental Insurance Cooperative (IIC) through which it self-insures for employee health claims. These claims are administered by Highmark Blue Shield. During the year ended December 31, 2014, the Township remitted their contracted monthly amount to IIC who pays the funds directly to Highmark Blue Shield. Under the shared pooling agreement with IIC, the Township's claims may exceed their monthly contributions and no additional payments are required to cover their underpayment. The Township was limited to liability for 2014 claims to \$50,000 individually and \$1,124,495 in the aggregate for claims for 2014.

Employee contributions are recorded as reimbursements in the respective funds. Township contributions for monthly claims liability are shown in the general and sewer funds for the year ended December 31, 2014.

As of December 31, 2014, there are no additional assessments relating to the health plan.

Workers' Compensation

The Township participates in the Susquehanna Municipal Trust, which is a cooperative voluntary trust arrangement for 66 member municipalities. This agreement states that the Township pays an annual premium to the Trust for the purpose of seeking prevention or lessening of claims due to injuries of employees of the members and pooling workers' compensation and occupational disease insurance risks, reserves, claims, and losses and providing self-insurance and re-insurance thereof.

It is the intent of the members of the Trust that the Trust will utilize funds contributed by the members to provide self-insurance and reimbursement to the members for their obligations to pay compensation as required under the Workers' Compensation Act and the Pennsylvania Occupational Disease Act and to purchase excess and aggregate insurance. The Trust is limited in liability up to \$1,000,000 for a claim over its life. As of December 31, 2014, the Township is not aware of any additional assessments relating to the Trust.

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 21 – CONSTRUCTION COMMITMENTS

As of December 31, 2014, the Township is involved in the following capital project.

<u>Project</u>	<u>Contract Amounts</u>	<u>Expenditures to Date</u>	<u>Commitments Outstanding</u>
Sewer Realignment Project	\$ 4,272,396	\$ --	\$ 4,272,396
Capital Contribution – Fire Equipment	238,048	--	238,048
Fineview Stormwater Project	121,371	--	121,371

NOTE 22 – SUBSEQUENT EVENTS

On March 12, 2015, the Township authorized the issuance of a General Obligation Bond in the amount of \$3,765,000 to refinance General Obligation Note, Series of 2012, reimburse the Township for the purchase of the fire pumper and pay the costs of issuance.

REQUIRED SUPPLEMENTARY INFORMATION

OF

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

DECEMBER 31, 2014

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL –
GENERAL FUND
YEAR ENDED DECEMBER 31, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES				
Real Estate Taxes and Penalties	\$ 2,030,000	\$ 2,030,000	\$ 2,061,800	\$ 31,800
Other Taxes	6,688,725	6,688,725	7,429,903	741,178
Licenses and Permits	375,000	375,000	404,488	29,488
Fines and Forfeits	244,000	244,000	238,217	(5,783)
Interest, Rents, and Royalties	15,000	15,000	14,058	(942)
Intergovernmental Revenues	813,500	813,500	1,125,263	311,763
Charges for Services	1,761,500	1,761,500	1,856,750	95,250
Miscellaneous	1,000	1,000	638	(362)
Reimbursements	<u>325,000</u>	<u>325,000</u>	<u>332,176</u>	<u>7,176</u>
TOTAL REVENUES	<u>12,253,725</u>	<u>12,253,725</u>	<u>13,463,293</u>	<u>1,209,568</u>
EXPENDITURES				
General Government	1,139,125	1,139,125	1,308,331	(169,206)
Public Safety	6,665,600	6,665,600	6,641,462	24,138
Highways and Streets	996,000	996,000	966,124	29,876
Culture and Recreation	669,500	669,500	664,618	4,882
Debt Service	55,000	55,000	51,618	3,382
Employee Benefits, Insurance and Other	<u>3,584,500</u>	<u>3,584,500</u>	<u>3,372,189</u>	<u>212,311</u>
TOTAL EXPENDITURES	<u>13,109,725</u>	<u>13,109,725</u>	<u>13,004,342</u>	<u>105,383</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(856,000)</u>	<u>(856,000)</u>	<u>458,951</u>	<u>1,314,951</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	5,000	5,000	--	(5,000)
Transfers Out	(350,000)	(350,000)	(350,000)	--
Refund of Prior Year Expenditures	<u>1,000</u>	<u>1,000</u>	<u>52,503</u>	<u>51,503</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(344,000)</u>	<u>(344,000)</u>	<u>(297,497)</u>	<u>46,503</u>
Changes in Fund Balances	(1,200,000)	(1,200,000)	161,454	1,361,454
Fund Balances – January 1, 2014	<u>2,708,308</u>	<u>2,708,308</u>	<u>2,708,308</u>	<u>--</u>
Fund Balances – December 31, 2014	<u>\$ 1,508,308</u>	<u>\$ 1,508,308</u>	<u>\$ 2,869,762</u>	<u>\$ 1,361,454</u>

The accompanying notes are an integral part of these financial statements.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL –
CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2014**

	Capital Improvement Fund		Storm Water Reserve Fund	
	Original/ Final Budget	Actual	Original/ Final Budget	Actual
REVENUES				
Interest, Rents and Royalties	\$ 500	\$ 318	\$ 500	\$ 100
Contributions from Private Sources	<u>750,000</u>	<u>210,000</u>	<u>--</u>	<u>--</u>
TOTAL REVENUES	<u>750,500</u>	<u>210,318</u>	<u>500</u>	<u>100</u>
EXPENDITURES				
Public Safety	4,125,000	2,737,231	--	--
Highways and Streets	110,000	102,951	--	--
Other Public Works	--	--	500	160
Debt Service	<u>265,000</u>	<u>264,850</u>	<u>--</u>	<u>--</u>
TOTAL EXPENDITURES	<u>4,500,000</u>	<u>3,105,032</u>	<u>500</u>	<u>160</u>
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,749,500)</u>	<u>(2,894,714)</u>	<u>--</u>	<u>(60)</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	350,000	350,000	--	--
Proceeds from Long-Term Debt	<u>3,000,000</u>	<u>3,000,000</u>	<u>--</u>	<u>--</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,350,000</u>	<u>3,350,000</u>	<u>--</u>	<u>--</u>
Changes in Fund Balances	(399,500)	455,286	--	(60)
Fund Balances – January 1, 2014 (Deficit)	<u>399,500</u>	<u>(1,392,622)</u>	<u>100,768</u>	<u>100,647</u>
Fund Balances – December 31, 2014 (Deficit)	<u>\$ --</u>	<u>\$ (937,336)</u>	<u>\$ 100,768</u>	<u>\$ 100,587</u>

The accompanying notes are an integral part of these financial statements.

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES --
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014

	State Liquid Fuels Fund		Petitioned Street Lighting Fund		Subdivision Recreation Fund	
	Original/ Final Budget	Actual	Original/ Final Budget	Actual	Original/ Final Budget	Actual
REVENUES						
Other Taxes	\$ --	\$ --	\$ 81,500	\$ 86,797	\$ --	\$ --
Interest, Rents and Royalties	500	440	500	108	500	27
Intergovernmental Revenue	537,500	601,944	--	--	--	--
Contributions from Private Sources	--	--	--	--	--	1,665
TOTAL REVENUES	<u>538,000</u>	<u>602,384</u>	<u>82,000</u>	<u>86,905</u>	<u>500</u>	<u>1,692</u>
EXPENDITURES						
Highways and Streets	679,000	603,738	82,000	70,046	--	--
Culture and Recreation	--	--	--	--	10,000	8,867
TOTAL EXPENDITURES	<u>679,000</u>	<u>603,738</u>	<u>82,000</u>	<u>70,046</u>	<u>10,000</u>	<u>8,867</u>
Changes in Fund Balances	(141,000)	(1,354)	--	16,859	(9,500)	(7,175)
Fund Balances - January 1, 2014	<u>141,000</u>	<u>136,701</u>	<u>84,067</u>	<u>84,067</u>	<u>31,334</u>	<u>31,334</u>
Fund Balances - December 31, 2014	<u>\$ --</u>	<u>\$ 135,347</u>	<u>\$ 84,067</u>	<u>\$ 100,926</u>	<u>\$ 21,834</u>	<u>\$ 24,159</u>

The accompanying notes are an integral part of these financial statements.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**SCHEDULE OF FUNDING PROGRESS AND
SCHEDULE OF EMPLOYER CONTRIBUTIONS – POLICE PENSION PLAN
DECEMBER 31, 2014**

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Payroll</u>
1/1/2005	8,084,958	9,433,418	(1,348,460)	85.7%	1,720,759	(78.4%)
1/1/2006	8,438,716					
1/1/2007	9,193,690	10,563,398	(1,369,708)	87.0%	2,059,773	(66.5%)
1/1/2008	9,713,696					
1/1/2009	8,226,888	11,397,557	(3,170,669)	72.2%	2,183,363	(145.2%)
1/1/2010	9,459,981					
1/1/2011	10,385,336	12,474,307	(2,088,971)	83.3%	2,585,412	(80.8%)
1/1/2012	10,749,550					
1/1/2013	11,934,025	14,321,869	(2,387,844)	83.3%	2,692,132	(88.7%)
1/1/2014	13,513,767					

Schedule of Contributions from Employer

<u>Year</u>	<u>Annual Required Contribution</u>	<u>Contributions From Employer ⁽¹⁾</u>	<u>Percentage Contributed</u>
2005	432,744	442,580	100.0%
2006	398,808	406,308	100.0%
2007	466,890	466,890	100.0%
2008	474,384	474,384	100.0%
2009	500,711	500,711	100.0%
2010	488,431	488,431	100.0%
2011	696,041	696,041	100.0%
2012	612,225	612,225	100.0%
2013	620,661	620,661	100.0%
2014	640,060	640,060	100.0%

⁽¹⁾ Includes general municipal pension system state aid.

The accompanying notes are an integral part of these financial statements.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS
DECEMBER 31, 2014**

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability Entry Age</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Payroll</u>
<u>POLICE</u>						
1/1/09	\$ --	\$ 3,444,845	\$ 3,444,845	0.00%	\$ 2,182,066	157.87%
1/1/12	\$ --	\$ 3,198,323	\$ 3,198,323	0.00%	\$ 2,464,345	129.78%
<u>PAID FIREMEN</u>						
1/1/09	\$ --	\$ 1,586,662	\$ 1,586,662	0.00%	\$ 948,184	167.34%
1/1/12	\$ --	\$ 608,865	\$ 608,865	0.00%	\$ --	N/A
<u>TOTAL</u>						
1/1/09	\$ --	\$ 5,031,507	\$ 5,031,507	0.00%	\$ 3,130,250	160.74%
1/1/12	\$ --	\$ 3,807,188	\$ 3,807,188	0.00%	\$ 2,464,345	154.49%

The accompanying notes are an integral part of these financial statements.

SUPPLEMENTARY INFORMATION

OF

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

DECEMBER 31, 2014

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND
DECEMBER 31, 2014

	<u>Capital Improvement Fund</u>	<u>Storm Water Reserve Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 156,417	\$ 100,587	\$ 257,004
TOTAL ASSETS	<u>\$ 156,417</u>	<u>\$ 100,587</u>	<u>\$ 257,004</u>
LIABILITIES			
Due to Other Funds	\$ 875,552	\$ --	\$ 875,552
Accounts Payable	129,867	--	129,867
Retainage Payable	<u>88,334</u>	<u>--</u>	<u>88,334</u>
TOTAL LIABILITIES	<u>1,093,753</u>	<u>--</u>	<u>1,093,753</u>
FUND BALANCES (DEFICIT)			
Restricted	--	100,587	100,587
Unassigned (Deficit)	<u>(937,336)</u>	<u>--</u>	<u>(937,336)</u>
TOTAL FUND BALANCES (DEFICIT)	<u>(937,336)</u>	<u>100,587</u>	<u>(836,749)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 156,417</u>	<u>\$ 100,587</u>	<u>\$ 257,004</u>

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2014

	<u>Capital Improvement Fund</u>	<u>Storm Water Reserve Fund</u>	<u>Total</u>
REVENUES			
Interest, Rents and Royalties	\$ 318	\$ 100	\$ 418
Contributions from Private Sources	<u>210,000</u>	<u>--</u>	<u>210,000</u>
TOTAL REVENUES	<u>210,318</u>	<u>100</u>	<u>210,418</u>
EXPENDITURES			
Public Safety	2,737,231	--	2,737,231
Highways and Streets	102,951	--	102,951
Other Public Works	--	160	160
Debt Service	<u>264,850</u>	<u>--</u>	<u>264,850</u>
TOTAL EXPENDITURES	<u>3,105,032</u>	<u>160</u>	<u>3,105,192</u>
(DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,894,714)</u>	<u>(60)</u>	<u>(2,894,774)</u>
OTHER FINANCING SOURCES (USES)			
Transfer In	350,000	--	350,000
Proceeds from Long-Term Debt	<u>3,000,000</u>	<u>--</u>	<u>3,000,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,350,000</u>	<u>--</u>	<u>3,350,000</u>
Changes in Fund Balances	455,286	(60)	455,226
Fund Balances – January 1, 2014	<u>(1,392,622)</u>	<u>100,647</u>	<u>(1,291,975)</u>
Fund Balances – December 31, 2014	<u>\$ (937,336)</u>	<u>\$ 100,587</u>	<u>\$ (836,749)</u>

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	State Liquid Fuels Fund	Petitioned Street Lighting Fund	Subdivision Recreation Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 135,347	\$ 99,070	\$ 24,159	\$ 258,576
Taxes Receivable – Net	<u> --</u>	<u> 1,856</u>	<u> --</u>	<u> 1,856</u>
TOTAL ASSETS	<u><u>\$ 135,347</u></u>	<u><u>\$ 100,926</u></u>	<u><u>\$ 24,159</u></u>	<u><u>\$ 260,432</u></u>
LIABILITIES	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
FUND BALANCES				
Restricted	135,347	--	--	135,347
Assigned	<u> --</u>	<u> 100,926</u>	<u> 24,159</u>	<u> 125,085</u>
TOTAL FUND BALANCES	<u><u>135,347</u></u>	<u><u>100,926</u></u>	<u><u>24,159</u></u>	<u><u>260,432</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 135,347</u></u>	<u><u>\$ 100,926</u></u>	<u><u>\$ 24,159</u></u>	<u><u>\$ 260,432</u></u>

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES –
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2014**

	<u>State Liquid Fuels Fund</u>	<u>Petitioned Street Lighting Fund</u>	<u>Subdivision Recreation Fund</u>	<u>Total</u>
REVENUES				
Other Taxes	\$ --	\$ 86,797	\$ --	\$ 86,797
Interest, Rents and Royalties	440	108	27	575
Intergovernmental Revenue	601,944	--	--	601,944
Contributions from Private Sources	<u>--</u>	<u>--</u>	<u>1,665</u>	<u>1,665</u>
TOTAL REVENUES	<u>602,384</u>	<u>86,905</u>	<u>1,692</u>	<u>690,981</u>
EXPENDITURES				
Highways and Streets	603,738	70,046	--	673,784
Culture and Recreation	<u>--</u>	<u>--</u>	<u>8,867</u>	<u>8,867</u>
TOTAL EXPENDITURES	<u>603,738</u>	<u>70,046</u>	<u>8,867</u>	<u>682,651</u>
Changes in Fund Balances	(1,354)	16,859	(7,175)	8,330
Fund Balances – January 1, 2014	<u>136,701</u>	<u>84,067</u>	<u>31,334</u>	<u>252,102</u>
Fund Balances – December 31, 2014	<u>\$ 135,347</u>	<u>\$ 100,926</u>	<u>\$ 24,159</u>	<u>\$ 260,432</u>

