

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2006**

**AND**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA

DECEMBER 31, 2006

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**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**DECEMBER 31, 2006**

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# SAGER, SWISHER AND COMPANY, LLP

*Certified Public Accountants and Consultants*

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## INDEPENDENT AUDITOR'S REPORT

Board of Supervisors  
Springettsbury Township  
York, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Springettsbury Township as of and for the year ended December 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our 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 presented component units, each major fund, and the aggregate remaining fund information of Springettsbury Township, as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages a through j and 35 through 38 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Columbia, Pennsylvania  
May 24, 2007



SPRINGETTSBURY TOWNSHIP  
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)  
DECEMBER 31, 2006

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. In 2005, we provided comparative columns for years 2004 and 2005 audit years and continue this comparison now with 2005 and 2006 audit years.

Statement 34 also allowed for certain transition treatments regarding the Township's infrastructure. The Township elected to implement general infrastructure reporting with the 2004 audit report. 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, 2006. In addition, referenced tables also have been prepared to provide 2005 comparisons.

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 of the Township are \$85,757,689. Of this amount \$42,139,201 represents the Township's business-type activities (sewer utility) and \$43,618,488 general governmental activities. These figures are specifically shown on page one of the financial statements.

The costs of all Township programs totaled \$19,054,364.

The Township made a payment of bond principal amounting to \$1,333,000 in 2006.

The Township completed \$886,578 in capital projects for equipment, parks, road construction and improvements to the Township's capital assets during 2006.

The Township's Sewer Utility also accomplished some \$685,053 in construction and improvements to capital plant assets.

## 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 Assets and Statement of Activities (pages 1-2) 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 Assets 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 assets and changes in them. One can think of the Township's net assets – the difference between assets 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 assets 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 Assets 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 (Waste Reserve – 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 Assets 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, Fire 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 Assets and Changes in Fiduciary Net Assets as shown on pages 12 and 13. 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

In accordance with GASB Statement No. 34, the Township was not required to restate fiscal periods prior to December 31, 2003 for the purpose of providing comparative information. For the 2006 year a more comprehensive analysis of Government-wide information is being presented with a comparison of 2005 and 2006 audit years.

### Government-Wide Statements

#### Statement of Net Assets

The following table reflects the condensed Statement of Net Assets.

	Statement of Net Assets December 31					
	2005			2006		
	RESTATED					
	Governmental Activities	Business- Type Activities	Total Primary Government	Governmental Activities	Business- Type Activities	Total Primary Government
Current and Other Assets	5,576,829	9,817,247	15,394,076	7,949,264	10,440,850	18,390,114
Capital Assets	36,612,861	32,527,667	69,140,528	35,669,224	31,698,351	67,367,575
<b>Total Assets</b>	<b>42,189,690</b>	<b>42,344,914</b>	<b>84,534,604</b>	<b>43,618,488</b>	<b>42,139,201</b>	<b>85,757,689</b>
Current Term Liabilities	604,374	1,466,883	2,071,257	1,078,079	1,124,068	2,202,147
Other (Non-Current)	771,974	1,564,674	2,336,648	2,250,142	709,371	2,959,513
<b>Total Liabilities</b>	<b>1,376,348</b>	<b>3,031,557</b>	<b>4,407,905</b>	<b>3,328,221</b>	<b>1,833,439</b>	<b>5,161,660</b>
<b>Net Assets</b>						
Invested in Capital Assets (Net of Related Debt)	35,642,861	30,000,854	65,643,715	33,083,224	30,098,980	63,182,204
Restricted	44,264	3,956,122	3,956,122	414,710	3,855,766	4,270,476
Unrestricted	5,126,217	5,356,381	10,526,862	6,792,333	6,351,016	13,143,349
<b>Total Net Assets</b>	<b>40,813,342</b>	<b>39,313,357</b>	<b>80,126,699</b>	<b>40,290,267</b>	<b>40,305,762</b>	<b>80,596,029</b>
<b>Total Liabilities and Net Assets</b>	<b>42,189,690</b>	<b>42,344,914</b>	<b>84,534,604</b>	<b>43,618,488</b>	<b>42,139,201</b>	<b>85,757,689</b>

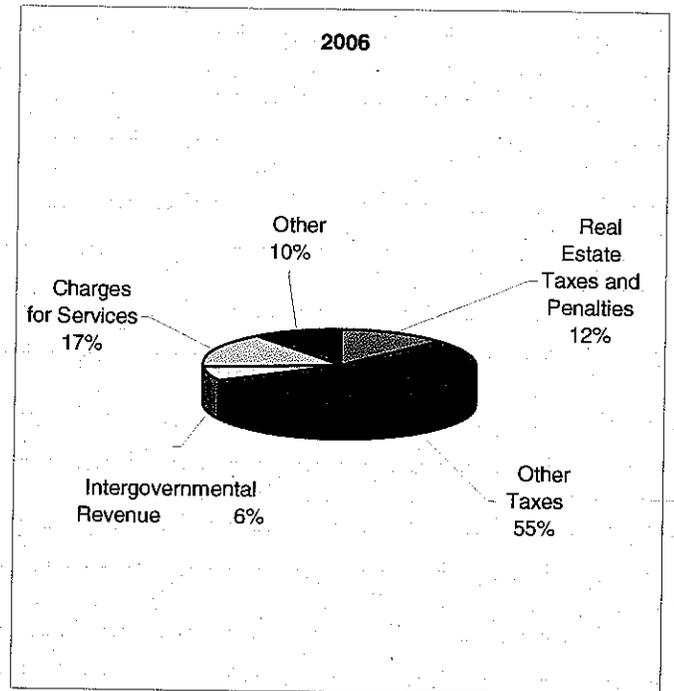
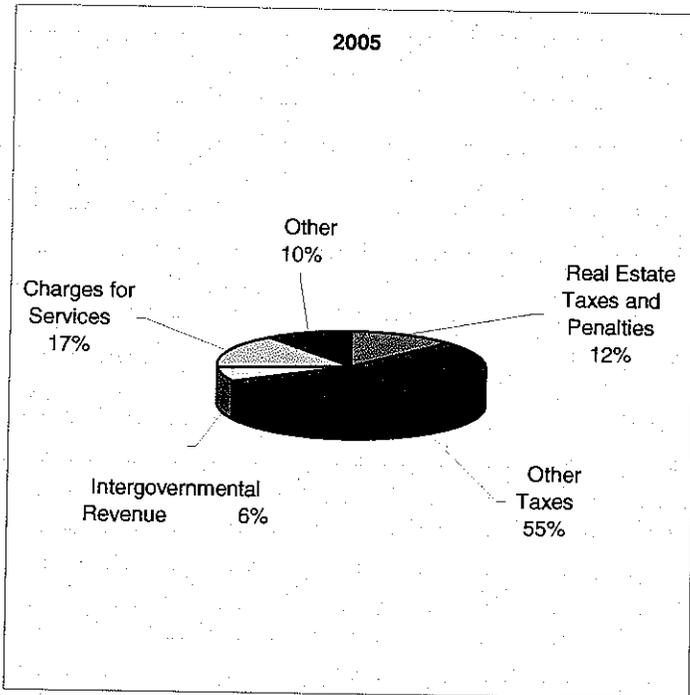
For more detailed information please refer to pages 1 and 2, Statement of Net Assets.

The Township's combined net assets for 2006 amounted to \$80,596,029. Net Assets for Business-type activities (sewer utility operations) amounted to \$40,305,762. The Township's unrestricted net assets for governmental activities which represent the amount of net assets that can be used to operate day to day services stood at \$6,792,333.

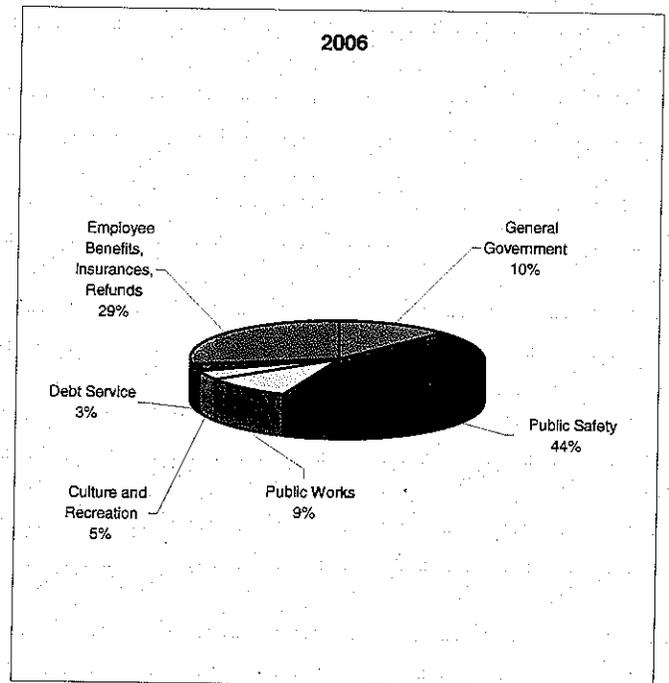
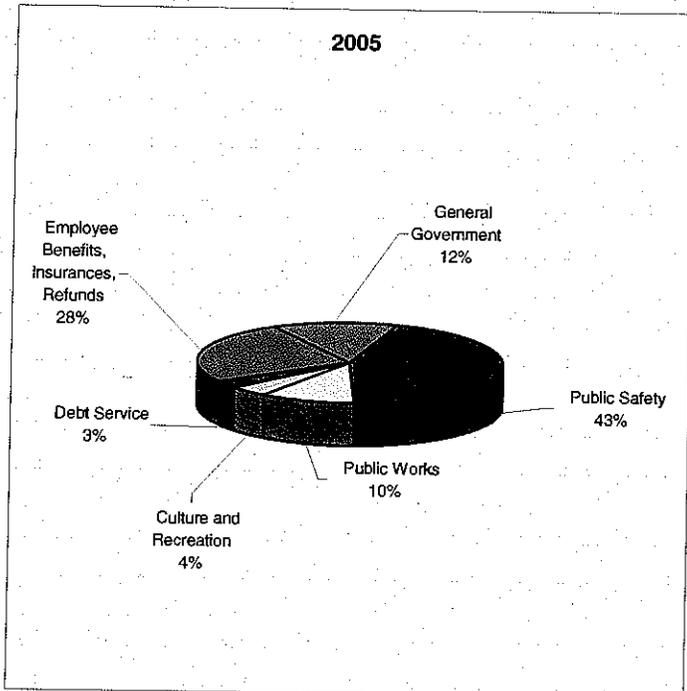
The following charts present the Township's revenues and expenditures by fund type. They are shown in more detail on page 6 of the financial statements

	2005			2006		
	General Fund	Other Funds	Total Governmental Funds	General Fund	Other Funds	Total Governmental Funds
<b>Revenues</b>						
Real Estate Taxes and Penalties	\$ 1,326,515	\$ 350,527	\$ 1,677,042	\$ 1,341,663	\$ 362,431	\$ 1,704,094
Other Taxes	5,745,777	-	5,745,777	6,046,920	-	6,046,920
Intergovernmental Revenue	638,528	1,117,063	1,755,591	671,871	825,649	1,497,520
Charges for Services	1,772,946	284,979	2,057,925	1,832,979	101,850	1,934,829
Other	1,047,596	176,548	1,224,144	1,056,729	199,974	1,256,703
<b>Total Revenues</b>	<b>\$ 10,531,362</b>	<b>\$ 1,929,117</b>	<b>\$ 12,460,479</b>	<b>\$ 10,950,162</b>	<b>\$ 1,489,904</b>	<b>\$ 12,440,066</b>
<b>Expenditures</b>						
General Government	\$ 1,253,686	\$ -	\$ 1,253,686	\$ 1,069,533	\$ 65,994	\$ 1,135,527
Public Safety	4,357,810	93,950	4,451,760	4,636,546	188,721	4,825,267
Public Works (Highways, Sanitation, Other)	968,848	1,172,701	2,141,549	903,009	1,518,590	2,421,599
Culture and Recreation	387,915	763,567	1,151,482	570,336	67,888	638,224
Debt Service	263,633	-	263,633	265,753	200,203	465,956
Employee Benefits, Insurance and Other	2,787,772	1,295	2,789,067	3,035,867	60	3,035,927
<b>Total Expenditures</b>	<b>\$ 10,019,664</b>	<b>\$ 2,031,513</b>	<b>\$ 12,051,177</b>	<b>\$ 10,481,044</b>	<b>\$ 2,041,456</b>	<b>\$ 12,522,500</b>
<b>Other financing Uses</b>						
Interfund Transfers	(195,000)	195,000	-	(55,000)	55,000	-
Proceeds of Long Term Debt	-	-	-	-	2,019,000	2,019,000
Refunds Expenditures/Revenues	-	-	-	94,132	-	94,132
Sale of Fixed Assets	-	-	-	5,032	-	5,032
<b>Total Other Financing Uses</b>	<b>(195,000)</b>	<b>195,000</b>	<b>-</b>	<b>44,164</b>	<b>2,074,000</b>	<b>2,118,164</b>
<b>Net Changes in Fund Balances</b>	<b>316,698</b>	<b>92,604</b>	<b>409,302</b>	<b>513,282</b>	<b>1,522,448</b>	<b>2,035,730</b>
<b>Fund Balances:</b>						
January 1	\$ 3,254,633	\$ 1,553,520	\$ 4,808,153	\$ 3,571,331	\$ 1,646,124	\$ 5,217,455
December 31	\$ 3,571,331	\$ 1,646,124	\$ 5,217,455	\$ 4,084,613	\$ 3,168,572	\$ 7,253,185

## GENERAL FUND REVENUES



## EXPENDITURES



Business Type Activities  
Changes in Net Assets  
December 31

Outlined below is the Statement of Revenues and Expenditures for the Business Type Activities of the Township – “Sewer Fund”. More detail is shown on page 10.

Statement of Net Assets

December 31

	<u>BUSINESS TYPE ACTIVITIES</u>	
	Sewer Fund	
	<u>2005</u>	<u>2006</u>
Operating Revenues		
Charges for Services	\$ 6,217,887	\$ 5,986,780
Intergovernmental Revenues and Other	<u>631,143</u>	<u>29,936</u>
Total Operating Revenues	\$ 6,849,030	\$ 6,016,716
Operating Expenditures		
Costs of Services	4,338,605	4,169,920
Administration	186,191	183,123
Amortization and Depreciation	<u>1,433,258</u>	<u>1,460,362</u>
Total Operating Expenditures	5,958,054	5,813,405
Non Operating Revenues (Expenditures)		
Tapping Fees	504,084	473,718
Investment Income	196,630	456,175
Bond Interest	(61,165)	(50,125)
Gain or Loss on Sale of Assets	<u>2,646</u>	<u>(90,674)</u>
Total Non Operating Revenues (Expenditures)	642,195	789,094
Change in Net Assets	1,533,171	992,405
Total Net Assets - January 1	\$ 37,780,186	\$ 39,313,357
Total Net Assets - December 31	\$ 39,313,357	\$ 40,305,762

## GOVERNMENTAL FUNDS

The net change in the fund balance for the General Fund was \$513,282. This was primarily due to increased revenues with specific emphasis upon tax collections and service charges. The actual General Fund fund balance increased to \$4,084,613. Page six of the financial statements presents the detailed review.

## BUSINESS-TYPE ACTIVITIES

The change in net assets of business type activities (sewer fund) was \$992,405. This increase is primarily attributed to the continuing development taking place in the Township and the associated "tapping" fees of \$473,718 into the sewer "revenue stream". Page ten highlights these activities by specific numbers and analysis.

## THE TOWNSHIP'S FUNDS

### Governmental and Business Type Funds

As of 2006 year end, the governmental funds (please refer to page 6) reported a combined fund balance of \$7,253,185. Several of the governmental funds are capital expenditure related. The General Fund experienced a net increase of \$513,282 as reported above. For the proprietary business type funds at year end, the business type fund (Sewer Fund) reported net assets of \$40,305,762 which was \$992,405 more than at the beginning of the year. Please refer to page ten for a variety of specific changes presented.

## CAPITAL ASSETS AND DEBT ADMINISTRATION GOVERNMENTAL AND BUSINESS TYPE ACTIVITIES

### Capital Assets

At the close of 2006, the Township had \$35,669,224 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. More detail is shown in the notes to the financial statements as summarized on page 23.

The Sewer Fund also had net capital assets of \$31,698,351. The capital assets are summarized in the Notes to the Financial Statements and shown on page 22.

### Debt

At December 31, 2006 the Governmental long term debt stood at \$2,586,000 and the sewer fund debt at \$1,650,000. As reported in the Notes to the Financial Statements (pages 24- 25), during 2003 the Township refunded its general obligation notes Series 2001 and issued new general obligation bonds. These new bonds will mature annually until November 2009. The Township's general obligation bonds carry a AAA rating by Standard and Poor's. In addition, the Township had an additional borrowing of \$2,019,000 during 2006 for various capital improvements related to building and road improvement projects.

## BUDGET AND ECONOMIC HIGHLIGHTS

Over the course of the fiscal year, the Township Budget was able to sustain a variety of changes to its expenditure plans. This was achieved based upon the Township's continuing revenue resources, constant financial monitoring by departmental staff, and the cooperative consideration of its legislative body. As has been described earlier, The Township's general fund balance actually increased at the close of fiscal year 2006 by \$513,282, and continues to remain substantial to safeguard economic adjustments. The total general fund balance of \$4,089,613 has \$1,169,300 reserved to maintain the budgetary balance between revenues and expenditures for 2007.

For 2006, the total actual General Fund Revenues exceeded budgeted revenues by \$1,483,162. This was primarily the result of the increased tax collections and charges for services received which reflect the continuing economic vitality of the Township. In addition, Springettsbury as the commercial center of York County continued the growth in its business privilege and mercantile taxes receipts along with a healthy real estate environment from the transfer tax. The financial statements provide a detailed break-down on page 35.

General Fund expenditures are monitored closely during the fiscal year and the Township is able to sustain extra expenses as required. As part of this financial monitoring during 2006, the insurance related expenses now shown totally in the general fund contribute to consolidating the Township's fringe benefits reporting and have enhanced overall financial management.

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 stability is anticipated. The trend in building permits issued remains positive and is an indicator of the steady economic development in the Township and York area.

During 2006, the Township's Development Authority further enhanced the Township's business/commercial base by engaging in the redevelopment of existing structures with the increased effort to market Springettsbury as the prime commercial center in York County.

In addition, Springettsbury Township, as has been reported previously, experienced an increase in population growth from 21,564 in 1990 to 23,883 in 2000. This impressive 10% growth is another factor representing the vitality of the Township's building activities.

General Fund expenditures have risen in recent years in large part to the enormous rise in health and other fringe benefits expenditures, and the major expansion of Township recreation facilities. At the same time with the continued focus upon budgetary management, additional revenues received from the property transfer tax, the continuing emphasis and evaluation concerning service fees, the Township's fund balance has been maintained.

#### CONTACTING TOWNSHIP FINANCIAL MANAGEMENT

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 Jack Hadge, Springettsbury Township Finance Department 1501 Mount Zion Road, York, Pennsylvania 17402 or by telephone at (717) 757-3521(extension 416).

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**STATEMENT OF NET ASSETS  
DECEMBER 31, 2006**

	<u>Primary Government</u>			<u>Component Units Ambulance/Fire/ Authority</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 3,783,796	\$ 786,648	\$ 4,570,444	\$ 4,481,922
Investments	2,539,853	5,697,212	8,237,065	617,296
Taxes Receivable, Net	415,605	--	415,605	--
Internal Balances	37,694	(37,694)	--	--
Accounts Receivable	331,536	107,210	438,746	--
Due from Other Governments	840,780	--	840,780	2,429,392
Prepaid Expenses	--	8,500	8,500	--
<b>Total Current Assets</b>	<u>7,949,264</u>	<u>6,561,876</u>	<u>14,511,140</u>	<u>7,528,610</u>
<b>Noncurrent Assets:</b>				
<b>Other Assets</b>				
Restricted Assets	--	3,855,766	3,855,766	--
Bond Issuance Costs (Net of Accumulated Amortization)	--	23,208	23,208	--
<b>Total Other Assets</b>	<u>--</u>	<u>3,878,974</u>	<u>3,878,974</u>	<u>--</u>
<b>Capital Assets</b>				
Land and Right of Ways	1,512,163	1,092,987	2,605,150	--
Buildings	6,729,596	--	6,729,596	493,079
Improvements (Other than Buildings)	4,510,794	--	4,510,794	590,842
Construction in Progress	154,309	--	154,309	--
Machinery and Equipment	2,366,477	3,574,137	5,940,614	2,604,356
Infrastructure Assets	43,724,233	--	43,724,233	--
Collection Lines	--	21,515,030	21,515,030	--
Treatment Plant	--	26,418,539	26,418,539	--
Furniture and Fixtures	--	--	--	15,525
Less: Accumulated Depreciation	(23,328,348)	(20,902,342)	(44,230,690)	(2,681,010)
<b>Total Capital Assets</b>	<u>35,669,224</u>	<u>31,698,351</u>	<u>67,367,575</u>	<u>1,022,792</u>
<b>Total Noncurrent Assets</b>	<u>35,669,224</u>	<u>35,577,325</u>	<u>71,246,549</u>	<u>1,022,792</u>
<b>TOTAL ASSETS</b>	<u>\$43,618,488</u>	<u>\$42,139,201</u>	<u>\$85,757,689</u>	<u>\$ 8,551,402</u>

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

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**STATEMENT OF NET ASSETS  
DECEMBER 31, 2006**

	Primary Government			Component Units Ambulance/Fire/ Authority
	Governmental Activities	Business-Type Activities	Total	
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 304,376	\$ 172,598	\$ 476,974	\$ 864,663
Current Portion of Long-Term Debt	382,000	890,000	1,272,000	571,748
Accrued Salaries and Wages	256,141	59,430	315,571	--
Payroll Deductions and Withholdings	2,107	--	2,107	--
Other Current Liabilities	18,206	2,040	20,246	--
Deferred Revenue	<u>115,249</u>	<u>--</u>	<u>115,249</u>	<u>--</u>
<b>Total Current Liabilities</b>	<u>1,078,079</u>	<u>1,124,068</u>	<u>2,202,147</u>	<u>1,436,411</u>
<b>Noncurrent Liabilities:</b>				
Bonds/Notes Payable	2,586,000	1,650,000	4,236,000	6,354,831
Refunding Debt Charges	--	(50,629)	(50,629)	--
Current Portion of Long-Term Debt	(382,000)	(890,000)	(1,272,000)	(571,748)
Long-Term Portion of Compensated Absences	<u>46,142</u>	<u>--</u>	<u>46,142</u>	<u>--</u>
<b>Total Noncurrent Liabilities</b>	<u>2,250,142</u>	<u>709,371</u>	<u>2,959,513</u>	<u>5,783,083</u>
<b>TOTAL LIABILITIES</b>	<u>3,328,221</u>	<u>1,833,439</u>	<u>5,161,660</u>	<u>7,219,494</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	33,083,224	30,098,980	63,182,204	847,961
Restricted	414,710	3,855,766	4,270,476	--
Unrestricted	<u>6,792,333</u>	<u>6,351,016</u>	<u>13,143,349</u>	<u>483,947</u>
<b>TOTAL NET ASSETS</b>	<u>40,290,267</u>	<u>40,305,762</u>	<u>80,596,029</u>	<u>1,331,908</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 43,618,488</u>	<u>\$ 42,139,201</u>	<u>\$ 85,757,689</u>	<u>\$ 8,551,402</u>

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

SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2006

Functions/Programs Governmental Activities:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units Ambulance/ Fire
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	
General Government	\$ 1,231,101	\$ 634,753	\$ 1,040	\$ --	\$ (595,308)	\$ --	\$ (595,308)
Public Safety	4,811,921	1,676,706	227,998	--	(2,907,217)	--	(2,907,217)
Sanitation	39,363	102,040	102,793	--	165,470	--	165,470
Highways and Streets	3,076,522	16,259	687,172	--	(2,373,091)	--	(2,373,091)
Other Public Works	690	--	--	--	(690)	--	(690)
Culture and Recreation	803,825	212,165	85,766	--	(505,894)	--	(505,894)
Employee Benefits, Insurance and Other	3,073,782	276,681	469,455	--	(2,327,646)	--	(2,327,646)
Interest on Long-Term Debt	62,956	--	--	--	(62,956)	--	(62,956)
<b>Total Governmental Activities</b>	<b>13,100,160</b>	<b>2,918,604</b>	<b>1,574,224</b>	<b>--</b>	<b>(8,607,332)</b>	<b>--</b>	<b>(8,607,332)</b>
<b>Business-Type Activities:</b>							
Sewer	5,954,204	5,987,296	503,138	--	--	536,230	536,230
<b>Total Primary Government</b>	<b>\$19,054,364</b>	<b>\$8,905,900</b>	<b>\$ 2,077,362</b>	<b>\$ --</b>	<b>(8,607,332)</b>	<b>536,230</b>	<b>(8,071,102)</b>
<b>Component Units:</b>							
Commonwealth Fire Company	\$ 15,106	\$ 15,106	\$ 10,761	\$ --	--	--	10,761
Springetts Fire Company	20,633	22,549	10,446	--	--	--	12,362
Springettsbury Township Volunteer Fire Company	287,940	1,611	152,936	--	--	--	(133,393)
Springetts Ambulance Club, Inc.	37,724	441	100	--	--	--	(37,183)
Springettsbury Township Development Authority	1,056,104	--	568,392	--	--	--	(487,712)
<b>Total Component Units</b>	<b>\$ 1,417,507</b>	<b>\$ 39,707</b>	<b>\$ 742,635</b>	<b>\$ --</b>	<b>--</b>	<b>--</b>	<b>(635,165)</b>
<b>General Revenues:</b>							
Property Taxes, Levied for General Purposes, Net					1,704,094	--	1,704,094
Miscellaneous Income					6,046,920	--	6,046,920
Investment Earnings					327,673	456,175	783,848
Miscellaneous Income					5,570	--	5,570
<b>Total General Revenues</b>					<b>8,084,257</b>	<b>456,175</b>	<b>8,540,432</b>
<b>Change in Net Assets</b>					<b>(523,075)</b>	<b>992,405</b>	<b>469,330</b>
<b>Net Assets - January 1, 2006</b>					<b>40,813,342</b>	<b>39,313,357</b>	<b>80,126,699</b>
<b>Net Assets - December 31, 2006</b>					<b>\$40,290,267</b>	<b>\$40,305,762</b>	<b>\$ 1,331,908</b>

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

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2006**

	General Fund	Major Funds		Nonmajor Funds	Total Governmental Funds
		Capital Improvement	Grant Fund		
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 988,695	\$ 1,445,839	\$ --	\$ 1,349,262	\$ 3,783,796
Investments	2,188,613	--	--	351,240	2,539,853
Taxes Receivable (Net)	415,605	--	--	--	415,605
Due from Other Funds	54,875	67,938	--	11,222	134,035
Accounts Receivable	314,216	82,422	--	17,320	413,958
Due from Other Governments	<u>569,799</u>	<u>--</u>	<u>188,559</u>	<u>--</u>	<u>758,358</u>
<b>TOTAL ASSETS</b>	<u>\$4,531,803</u>	<u>\$ 1,596,199</u>	<u>\$ 188,559</u>	<u>\$ 1,729,044</u>	<u>\$ 8,045,605</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to Other Funds	\$ 19,397	\$ --	\$ 75,209	\$ 1,735	\$ 96,341
Accounts Payable	149,440	146,655	--	8,281	304,376
Accrued Salaries and Wages	256,141	--	--	--	256,141
Payroll Deductions and Withholdings	2,107	--	--	--	2,107
Other Liabilities	18,206	--	--	--	18,206
Deferred Revenues	<u>1,899</u>	<u>--</u>	<u>113,350</u>	<u>--</u>	<u>115,249</u>
<b>TOTAL LIABILITIES</b>	<u>447,190</u>	<u>146,655</u>	<u>188,559</u>	<u>10,016</u>	<u>792,420</u>
<b>FUND BALANCES</b>					
Unreserved:					
General Fund	2,915,313	--	--	--	2,915,313
Reserved:					
General Fund	1,169,300	--	--	--	1,169,300
Special Revenue Funds	--	--	--	1,543,907	1,543,907
Capital Projects Funds	<u>--</u>	<u>1,449,544</u>	<u>--</u>	<u>175,121</u>	<u>1,624,665</u>
<b>TOTAL FUND BALANCES</b>	<u>4,084,613</u>	<u>1,449,544</u>	<u>--</u>	<u>1,719,028</u>	<u>7,253,185</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$4,531,803</u>	<u>\$ 1,596,199</u>	<u>\$ 188,559</u>	<u>\$ 1,729,044</u>	<u>\$ 8,045,605</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 ASSETS  
DECEMBER 31, 2006**

<b>Total Fund Balances – Governmental Funds</b>	<b>\$ 7,253,185</b>
<b>Amounts reported for governmental activities in the statement of net assets are different because:</b>	
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 <b>\$58,997,572</b> , and the accumulated depreciation is <b>\$23,328,348</b> .	35,669,224
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 payable	(2,586,000)
Compensated absences	<u>(46,142)</u>
	<u>(2,632,142)</u>
<b>TOTAL NET ASSETS – GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 40,290,267</u></b>

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  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	General Fund	Major Funds		Nonmajor Funds	Total Governmental Funds
		Capital Improvement	Grant Fund		
<b>REVENUES</b>					
Real Estate Taxes and Penalties	\$ 1,341,663	\$ 319,396	\$ --	\$ 43,035	\$ 1,704,094
Other Taxes	6,046,920	--	--	--	6,046,920
Licenses and Permits	282,723	--	--	--	282,723
Fines and Forfeits	345,503	--	--	--	345,503
Interest, Rents and Royalties	204,403	56,700	--	66,570	327,673
Intergovernmental Revenues	671,871	54,167	290,150	481,332	1,497,520
Charge for Services	1,832,979	--	--	101,850	1,934,829
Miscellaneous	538	--	--	--	538
Reimbursements	223,562	--	--	--	223,562
Contributions from Private Sources	--	7,908	--	68,796	76,704
<b>TOTAL REVENUES</b>	<b>10,950,162</b>	<b>438,171</b>	<b>290,150</b>	<b>761,583</b>	<b>12,440,066</b>
<b>EXPENDITURES</b>					
General Government	1,069,533	--	65,994	--	1,135,527
Public Safety	4,636,546	--	58,094	130,627	4,825,267
Highways and Street	903,009	1,184,171	152,659	170,659	2,410,498
Sanitation	--	--	--	10,411	10,411
Other Public Works	--	--	540	150	690
Culture and Recreation	570,336	15,344	12,803	39,741	638,224
Debt Service	265,753	200,203	--	--	465,956
Employee Benefits, Insurance and Other	3,035,867	--	60	--	3,035,927
<b>TOTAL EXPENDITURES</b>	<b>10,481,044</b>	<b>1,399,718</b>	<b>290,150</b>	<b>351,588</b>	<b>12,522,500</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>469,118</b>	<b>(961,547)</b>	<b>--</b>	<b>409,995</b>	<b>(82,434)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of General Fixed Assets	5,032	--	--	--	5,032
Interfund Transfers	(55,000)	--	--	55,000	--
Refund of Prior Year Expenditures	131,987	--	--	--	131,987
Proceeds of Long-Term Debt	--	2,019,000	--	--	2,019,000
Refund of Prior Year Revenues	(37,855)	--	--	--	(37,855)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>44,164</b>	<b>2,019,000</b>	<b>--</b>	<b>55,000</b>	<b>2,118,164</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>513,282</b>	<b>1,057,453</b>	<b>--</b>	<b>464,995</b>	<b>2,035,730</b>
<b>FUND BALANCES: JANUARY 1, 2006</b>	<b>3,571,331</b>	<b>392,091</b>	<b>--</b>	<b>1,254,033</b>	<b>5,217,455</b>
<b>FUND BALANCES: DECEMBER 31, 2006</b>	<b>\$ 4,084,613</b>	<b>\$ 1,449,544</b>	<b>\$ --</b>	<b>\$1,719,028</b>	<b>\$ 7,253,185</b>

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  
FOR THE YEAR ENDED DECEMBER 31, 2006**

<b>Total net change in fund balance – governmental funds</b>	<b>\$ 2,035,730</b>
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>	
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 depreciation exceeds capital outlays in the period. Depreciation expense	
Capital outlays	(943,637)
Depreciation expense	\$ (1,984,524)
Capital outlays	1,040,887
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	403,000
The issuance of debt provides current financial resources to governmental funds, but has no affect on net assets.	(2,019,000)
Some expenditures reported in the governmental funds do not require the use of current financial resources and, however, the payment of compensated absences results in a reduction of the liability account.	
Decrease in compensated absences	<u>832</u>
<b>Change in net assets of governmental activities</b>	<b><u>\$ (523,075)</u></b>

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

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2006**

	<u>Business-Type Activities Sewer Fund</u>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash and Cash Equivalents	\$ 786,648
Investments	5,697,212
Accounts Receivable	107,210
Prepaid Expenses	<u>8,500</u>
<b>Total Current Assets</b>	<u>6,599,570</u>
<b>Noncurrent Assets:</b>	
<b>Other Assets</b>	
Restricted Assets	3,855,766
Bond Issuance Costs (Net of Accumulated Amortization)	<u>23,208</u>
<b>Total Other Assets</b>	<u>3,878,974</u>
<b>Capital Assets</b>	
Land and Right of Ways	1,092,987
Machinery and Equipment	3,574,137
Collection Lines	21,515,030
Treatment Plant	26,418,539
Less: Accumulated Depreciation	<u>(20,902,342)</u>
<b>Total Capital Assets, Net</b>	<u>31,698,351</u>
<b>Total Noncurrent Assets</b>	<u>35,577,325</u>
<b>TOTAL ASSETS</b>	<u>\$ 42,176,895</u>

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

SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2006

	<u>Business-Type Activities Sewer Fund</u>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Accounts Payable	\$ 172,598
Accrued Salaries and Wages	59,430
Other Accrued Liabilities	2,040
Due to Other Funds	37,694
Current Portion of Long-Term Debt	<u>890,000</u>
<b>Total Current Liabilities</b>	<u>1,161,762</u>
<b>Noncurrent Liabilities:</b>	
Bonds Payable	1,650,000
Refunding Debt Charges	(50,629)
Current Portion of Long-Term Debt	<u>(890,000)</u>
<b>Total Noncurrent Liabilities</b>	<u>709,371</u>
<b>TOTAL LIABILITIES</b>	<u>1,871,133</u>
<b>NET ASSETS</b>	
Investment in Capital Assets, Net of Related Debt	30,075,772
Restricted	3,855,766
Unrestricted	<u>6,374,224</u>
<b>TOTAL NET ASSETS</b>	<u>40,305,762</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 42,176,895</u>

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

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2006**

	<u><b>Business-Type Activities Sewer Fund</b></u>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 5,986,780
Intergovernmental Revenue	29,420
Refund of Prior Year Expenses	<u>516</u>
<b>TOTAL OPERATING REVENUES</b>	<u>6,016,716</u>
<b>OPERATING EXPENSES</b>	
Cost of Services	4,169,920
Administration	183,123
Amortization	43,627
Depreciation	<u>1,416,735</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>5,813,405</u>
<b>OPERATING INCOME/(LOSS)</b>	<u>203,311</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Tapping Fees	473,718
Investment Income	456,175
Bond Interest	(50,125)
Loss on Disposal of Capital Assets	<u>(90,674)</u>
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>789,094</u>
<b>CHANGE IN NET ASSETS</b>	992,405
<b>TOTAL NET ASSETS – JANUARY 1, 2006</b>	<u>39,313,357</u>
<b>TOTAL NET ASSETS – DECEMBER 31, 2006</b>	<u>\$ 40,305,762</u>

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

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Business-Type Activities Sewer Fund</u>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Users	\$ 6,091,657
Cash Payments to Employees for Services	(1,199,227)
Cash Payments to Suppliers for Goods and Services	(2,936,064)
Cash Payments for Other Operating Expenses	<u>(535,623)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>1,420,743</u>
<b>Cash Flows from Noncapital Financing Activities</b>	<u>--</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition, Construction and Improvement of Capital Assets	(685,053)
Decrease in Restricted Assets	100,356
Tapping Fees Received	473,718
Principal Payments	(930,000)
Loss on Disposal of Capital Assets	(90,674)
Disposal of Capital Assets	97,634
Debt Interest Payments	<u>(50,125)</u>
<b>Net Cash (Used for) Capital and Related Financing Activities</b>	<u>(1,084,144)</u>
<b>Cash Flows from Investing Activities</b>	
Investment Income	456,175
(Purchase) Maturity of Investments – Net	<u>(363,322)</u>
<b>Net Cash Provided by Investing Activities</b>	<u>92,853</u>
<b>Net Increase in Cash and Cash Equivalents</b>	429,452
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>357,196</u>
<b>Cash and Cash Equivalents End of Year</b>	<u>\$ 786,648</u>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:</b>	
<b>Operating Income (Loss)</b>	<u>\$ 203,311</u>
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>	
Depreciation	1,416,735
Amortization	43,627
(Increase) Decrease in Accounts Receivable	21,483
(Increase) Decrease in Prepaid Expenses	(19,608)
Increase (Decrease) in Accounts Payable	708
Increase (Decrease) in Accrued Salaries and Benefits	(249,054)
Decrease in Interfund Balances	<u>3,541</u>
<b>Total Adjustments</b>	<u>1,217,432</u>
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 1,420,743</u>

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

SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2006

	Pension Trust					Private Purpose Trust Fund Library Schenck Trust Fund	Agency Fund Escrow Fund
	Paid Firemen's Defined Contributions	Paid Firemen's Defined Benefit Plan	Non- Uniform Pension Fund	Police Pension Fund			
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 27,144	\$ 156,322
Investments	<u>263,869</u>	<u>2,351,719</u>	<u>5,286,503</u>	<u>9,193,691</u>	--	--	--
<b>TOTAL ASSETS</b>	<u>\$ 263,869</u>	<u>\$ 2,351,719</u>	<u>\$5,286,503</u>	<u>\$9,193,691</u>		<u>\$ 27,144</u>	<u>\$ 156,322</u>
<b>LIABILITIES AND NET ASSETS</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 3,112
Due to Developers	--	--	--	--	--	--	<u>153,210</u>
<b>TOTAL LIABILITIES</b>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 156,322</u>
<b>NET ASSETS</b>							
Held in the Trust:							
Pension Benefits	263,869	2,351,719	5,286,503	9,193,691	--	--	--
Other Purposes	--	--	--	--	--	<u>27,144</u>	--
<b>TOTAL NET ASSETS</b>	<u>263,869</u>	<u>2,351,719</u>	<u>5,286,503</u>	<u>9,193,691</u>		<u>27,144</u>	--
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 263,869</u>	<u>\$ 2,351,719</u>	<u>\$5,286,503</u>	<u>\$9,193,691</u>		<u>\$ 27,144</u>	<u>\$ 156,322</u>

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

SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Pension Trust					Private Purpose Trust Fund	
	Paid Firemen's Pension Defined Contributions	Paid Firemen's Pension Defined Benefit	Non- Uniform Pension Fund	Police Pension Fund	Library Fund	Schenck Trust Fund	
<b>ADDITIONS</b>							
State Contributions - Act 205	\$ --	\$ 150,400	\$ --	\$ 319,055	\$ --	\$ --	
Municipal Contributions	--	37,595	271,447	79,753	--	--	
Employee Contributions	--	40,017	58,587	71,104	--	--	
Other Contributions	--	--	--	22,643	--	15,095	
Investment Income	<u>23,366</u>	<u>193,598</u>	<u>418,536</u>	<u>845,283</u>	<u>8,971</u>	<u>1,049</u>	
<b>TOTAL ADDITIONS</b>	<u>23,366</u>	<u>421,610</u>	<u>748,570</u>	<u>1,337,838</u>	<u>8,971</u>	<u>16,144</u>	
<b>DEDUCTIONS</b>							
Distributions and Benefit Payments	26,315	52,487	83,928	497,294	--	--	
Miscellaneous Expenses	--	15,411	--	50,115	--	--	
Contribution to Libraries	--	--	--	--	10,485	--	
<b>TOTAL DEDUCTIONS</b>	<u>26,315</u>	<u>67,898</u>	<u>83,928</u>	<u>547,409</u>	<u>10,485</u>	<u>--</u>	
<b>CHANGE IN NET ASSETS</b>	(2,949)	353,712	664,642	790,429	(1,514)	16,144	
<b>NET ASSETS - JANUARY 1, 2006</b>	<u>266,818</u>	<u>1,998,007</u>	<u>4,621,861</u>	<u>8,403,262</u>	<u>191,860</u>	<u>11,000</u>	
<b>NET ASSETS - DECEMBER 31, 2006</b>	<u>\$ 263,869</u>	<u>\$2,351,719</u>	<u>\$5,286,503</u>	<u>\$9,193,691</u>	<u>\$ 190,346</u>	<u>\$ 27,144</u>	

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

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

**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 component units' columns in the combined financial statements include the financial data of the Township's five component units: Commonwealth Fire Company, Springetts Fire Company, newly formed Springettsbury Township Volunteer Fire Company, Springetts Ambulance Club, Inc. and Springettsbury Township Development Authority. These units are reported in a separate column to emphasize that they are legally separate from the Township. The financial information for each of the component units is presented in Note 11.

**B. Fund Accounting**

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for 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, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation

**Government-wide financial statements** (i.e., the statement of net assets 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 grant fund is a special revenue that accounts for a large portion of grants that are operated for specific purposes by the Township.

The capital improvement fund is a capital projects fund that accounts for resources used for the acquisition and construction of capital assets.

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

The Township accounts for assets held by the Township in a trustee capacity in a private-purpose trust fund. This fund accounts for activities of the library fund, whose purpose is to provide resources to the library of the Township. This fund also accounts for the Schenck Trust fund, which was established for the maintenance of park improvements.

SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation (Continued)

Additionally, the Township reports the following nonmajor governmental funds:

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

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

The capital projects funds account for financial resources used for the acquisition, construction and maintenance of certain capital facilities. The funds included in this category are:

- Storm Water Reserve Fund
- Waste Reduction Reserve Fund

The Township also has two additional funds included in these financial statements.

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, Paid Firemen's Pension Fund and Non-uniformed Pension Fund.

The escrow fund is an Agency fund created to hold escrows for Township 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

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 assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net assets.

E. Budgets and Budgetary Accounting

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

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 are reported as reservations of fund balances. As of December 31, 2006, 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.

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**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.

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

<u>Assets</u>	<u>Years</u>
Land and Right of Ways	
Buildings	15 to 60
Improvements (Other than Buildings)	15 to 40
Machinery and Equipment	4 to 20
Collection Lines	20 to 50
Treatment Plant	20 to 50
Transportation Equipment	5 to 15
Furniture and Fixtures	5 to 10
Infrastructure Assets	20 to 40

SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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. Proprietary Fund FASB Usage

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed for proprietary activity financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Township has elected not to follow subsequent private-sector guidance.

M. 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.

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 fixed 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.

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

**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.

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, 2006, \$4,307,274 of the Township's bank balance of \$4,607,274 was exposed to custodial credit risk.

**Reconciliation to Financial Statements**

Uninsured Amount, but with Pledged Collateral under Act 72	\$ 4,307,274
Plus: Insured Amount	300,000
Deposits in Transit	35,577
Less: Outstanding Checks	<u>(72,707)</u>
 Carrying Amount – Bank Balances	 4,570,144
Plus: Petty Cash	<u>300</u>
<b>Total Cash per Financial Statements</b>	<b><u>\$ 4,570,444</u></b>

**Investments**

As of December 31, 2006, the Township had the following investments:

<u>Investment</u>	<u>Maturity Term Range</u>	<u>Fair Value</u>
Smith Barney (CitiGroup Global Markets, Inc.)		
Government Bonds		
Federal Home Loan Bank	1 – 6 years	\$ 1,545,774
Federal Home Loan Mortgage	6 – 7 years	73,268
Federal National Mortgage	3 – 5 years	170,954
U.S. Treasury Notes	3 – 5 years	<u>1,519,778</u>
Total Government Bonds		3,309,774
Certificates of Deposit	1 – 6 years	5,423,154
Money Market Mutual Funds		<u>3,359,903</u>
Total Smith Barney Investments		<b><u>\$ 12,092,831</u></b>

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

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

**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 monthly basis.

**Credit Risk**

The Township has an investment policy that limits its investment choices to certain credit ratings. As of December 31, 2006 the Township's investments in Smith Barney (CitiGroup Global Markets, Inc.) were rated AA by Standard & Poor's.

**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. The Township's investments with Smith Barney are held by Depository Trust Corporation (DTC). As of December 31, 2006, the Township's governmental and business-type investments were exposed to custodial risk as follows:

Insured or Registered	\$ 6,942,932
Uninsured or unregistered with securities held by counterparty's trust department (DTC)	5,149,899
Uninsured or unregistered held by the counterparty or by its trust department not in the Township's name	<u>          --</u>
	<b><u>\$ 12,092,831</u></b>

**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>
Smith Barney – Investments	\$ 12,092,831	72.57%
Citizen's Bank	2,557,473	15.35%
Commerce Bank	1,226,023	7.36%
Sovereign Bank	<u>786,648</u>	<u>4.72%</u>
	<b><u>\$ 16,662,975</u></b>	<b><u>100.00%</u></b>

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

**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, 2006, \$378,706 of the Township's trust and agency funds bank balances of \$378,706 was exposed to custodial credit risk.

**Reconciliation to Financial Statements**

Uninsured Amount	\$ 378,706
Plus: Deposits in Transit	3,529
Less: Outstanding Checks	<u>(8,423)</u>
Carrying Amount – Bank Balances	<u>373,812</u>
<b>Total Cash per Financial Statements</b>	<b><u>\$ 373,812</u></b>

**Investments**

As of December 31, 2006, the Township had the following investments:

<u>Investment</u>	<u>Fair Value</u>
<b><u>ICMA Retirement Corporation</u></b>	
Non-Uniformed Pension Fund	\$ 5,286,503
Firemen Pension Fund	263,869
<b><u>Fulton Financial Advisors</u></b>	
Firemen Pension Fund	2,351,719
Police Pension Fund	4,575,306
<b><u>Legacy Trust Company</u></b>	
Police Pension Fund	<u>4,618,385</u>
	<b><u>\$ 17,095,782</u></b>

The above investments include money market mutual funds, equity common trust funds, fixed income trust funds, U.S. government notes & bonds, corporate bonds, and common stocks.

**Credit Risk**

The Township does have an investment policy that limits its investment choices to certain credit ratings. As of December 31, 2006 the Township's investments in ICMA Retirement Corporation, Fulton Financial Advisors and Legacy Trust Company were not rated by Standard & Poors.

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

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

**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>
Fulton Financial Advisors	\$ 6,927,025	39.09%
ICMA Retirement Corp	5,550,372	31.33%
Legacy Trust Company	4,618,384	26.07%
Citizen's Bank	469,913	2.67%
Commerice Bank	<u>152,793</u>	<u>0.84%</u>
	<u>\$17,718,487</u>	<u>100.00%</u>

**NOTE 5 – RESTRICTED ASSETS**

Capital Improvement Reserve - Sewer \$ 3,855,766

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 – CHANGES IN CAPITAL ASSETS**

A summary of capital assets of the Business-Type Activities as of December 31, 2006, is as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Land and Right of Ways	\$ 1,092,981	\$ 6	\$ --	\$ 1,092,987
Collection Lines	21,148,878	374,905	(8,753)	21,515,030
Treatment Plant	26,441,892	101,493	(124,846)	26,418,539
Machinery and Equipment	<u>3,629,625</u>	<u>208,649</u>	<u>(264,137)</u>	<u>3,574,137</u>
Total Capital Assets	<u>52,313,376</u>	<u>685,053</u>	<u>(397,736)</u>	<u>52,600,693</u>
Less: Accumulated Depreciation				
Collection Lines	6,692,606	545,732	(1,960)	7,236,378
Treatment Plant	10,444,995	689,554	(34,005)	11,100,544
Machinery and Equipment	<u>2,648,108</u>	<u>181,449</u>	<u>(264,137)</u>	<u>2,565,420</u>
Total Accumulated Depreciation	<u>19,785,709</u>	<u>1,416,735</u>	<u>(300,102)</u>	<u>(20,902,342)</u>
Business-Type Activities Capital Assets, Net	<u>\$32,527,667</u>	<u>\$ (731,682)</u>	<u>\$ (97,634)</u>	<u>\$ 31,698,351</u>

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

**NOTE 6 – CHANGES IN CAPITAL ASSETS (Continued)**

A summary of capital assets of the Governmental Activities for the year ended December 31, 2006, was:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Land	\$ 1,512,163	\$ --	\$ --	\$ 1,512,163
Buildings	6,557,158	191,024	(18,586)	6,729,596
Improvements (Other than Buildings)	4,483,804	26,990	--	4,510,794
Construction in Progress	--	154,309	--	154,309
Machinery and Equipment	2,160,117	206,360	--	2,366,477
Infrastructure Assets	<u>43,262,029</u>	<u>462,204</u>	<u>--</u>	<u>43,724,233</u>
<b>Total Capital Assets</b>	<u>57,975,271</u>	<u>1,040,887</u>	<u>(18,586)</u>	<u>58,997,572</u>
Less: Accumulated Depreciation				
Buildings	1,381,947	182,157	(18,586)	1,545,518
Improvements (Other than Buildings)	466,301	150,030	--	616,331
Machinery and Equipment	1,048,829	178,471	--	1,227,300
Infrastructure Assets	<u>18,465,333</u>	<u>1,473,866</u>	<u>--</u>	<u>19,939,199</u>
<b>Total Accumulated Depreciation</b>	<u>21,362,410</u>	<u>1,984,524</u>	<u>(18,586)</u>	<u>23,328,348</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 36,612,861</u>	<u>\$ (943,637)</u>	<u>\$ --</u>	<u>\$ 35,669,224</u>

A summary of capital assets of the Component Unit as of December 31, 2006, was:

	<u>Commonwealth Fire Company</u>	<u>Springetts Fire Company</u>	<u>Springettsbury Volunteer Fire Company</u>	<u>Springetts Ambulance Club, Inc.</u>	<u>Total</u>
Buildings	\$ 222,500	\$ 223,000	\$ 47,579	\$ --	\$ 493,079
Improvements (Other than Buildings)	167,652	293,214	--	129,976	590,842
Machinery and Equipment	--	--	1,829,110	775,246	2,604,356
Furniture and Fixtures	--	--	--	15,525	15,525
	<u>390,152</u>	<u>516,214</u>	<u>1,876,689</u>	<u>920,747</u>	<u>3,703,802</u>
Accumulated Depreciation	<u>(171,063)</u>	<u>(382,999)</u>	<u>(1,445,888)</u>	<u>(681,060)</u>	<u>(2,681,010)</u>
<b>Net Property, Plant and Equipment</b>	<u>\$ 219,089</u>	<u>\$ 133,215</u>	<u>\$ 430,801</u>	<u>\$ 239,687</u>	<u>\$1,022,792</u>

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

**NOTE 6 – CHANGES IN CAPITAL ASSETS** (Continued)

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

Governmental Activities:	
General Government	\$ 101,365
Public Safety	104,772
Sanitation	106,321
Highways and Streets	1,479,475
Culture and Recreation	<u>192,591</u>
Total Depreciation Expense – Governmental Activities	<u>\$1,984,524</u>
Business-Type Activities:	
Sewer	<u>\$1,416,735</u>

**NOTE 7 – DUE TO/FROM OTHER FUNDS**

The interfund receivables and payables balances at December 31, 2006 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 54,875	\$ 19,397
Special Revenue Fund	10,382	1,735
Escrow Fund	--	75,209
Enterprise Fund	--	37,694
Capital Improvements Fund	67,938	--
Capital Project Funds	<u>840</u>	<u>--</u>
	<u>\$ 134,035</u>	<u>\$ 134,035</u>

**NOTE 8 – LONG-TERM DEBT – BONDS/NOTES PAYABLE**

	<u>Governmental Fund</u>	<u>Component Units - Fire Companies</u>
Balance as of January 1, 2006	\$ 970,000	\$ 198,109
Additional Borrowings	2,019,000	--
Principal Retirements	<u>(403,000)</u>	<u>(23,278)</u>
Balance as of December 31, 2006	<u>\$ 2,586,000</u>	<u>\$ 174,831</u>
	<u>Enterprise Fund</u>	
Balance as of January 1, 2006	\$ 2,580,000	
Principal Retirements	<u>(930,000)</u>	
	1,650,000	
Deferred Loss on Retirement of Bonds	<u>(50,629)</u>	
Balance as of December 31, 2006	<u>\$ 1,599,371</u>	

**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, 2006 was \$1,861,000 and is scheduled to mature in October 2015.

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

**NOTE 8 – LONG-TERM DEBT – BONDS/NOTES PAYABLE (Continued)**

Springettsbury Township Development Authority – Notes A and B (Continued)

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 Bond, 2003

On March 15, 2003, the Township issued general obligation bonds in the amount of \$6,810,000. The purposes of the bonds were to advance refund the Township's general obligation notes, Series of 2001 and the Series of 1993 and to pay certain costs and expenses related to the issuance of the bonds. The bonds bear interest rates ranging from 1.20% to 2.75% payable semi-annually. The bonds mature annually from November 2003 to November 2009. The balance outstanding at December 31, 2006 was \$2,375,000.

The General Fund portion is \$725,000 and the Enterprise portion is \$1,650,000, allocated respectively.

Notes Payable – Component Units – Fire Companies

The two fire companies have issued four notes payable for the purchase of emergency vehicles through the PA Emergency Management Agency. The notes are collateralized by the vehicles. The vehicles and the loan obligations have been transferred to newly formed Springettsbury Township Volunteer Fire Company. The three remaining notes bear an interest rate of 2% and payments are required monthly.

	Balance at December 31, 2006	Required Monthly Payment	Maturity Date
Note #18735	\$ 34,378	\$ 643	2011
Note #18737	35,548	644	2011
Note #19583	104,905	965	2016
	<b>\$ 174,831</b>	<b>\$ 2,252</b>	

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 2006, are as follows:

General Obligation Bonds – 2003

Year Ended December 31,	General Fund			Enterprise Fund		
	Principal	Interest	Total	Principal	Interest	Total
2007	\$ 250,000	\$ 16,955	\$ 266,955	\$ 890,000	\$ 35,710	\$ 925,710
2008	245,000	12,205	257,205	600,000	18,800	618,800
2009	230,000	6,325	236,325	160,000	4,400	164,400
	<b>\$ 725,000</b>	<b>\$ 35,485</b>	<b>\$ 760,485</b>	<b>\$1,650,000</b>	<b>\$ 58,910</b>	<b>\$1,708,910</b>

Year Ended December 31,	Component Units – Notes Payable			Capital Improvement Fund		
	Principal	Interest	Total	Principal	Interest	Total
2007	\$ 23,748	\$ 3,279	\$ 27,027	\$ 132,000	\$ 52,634	\$ 184,634
2008	24,227	2,800	27,027	146,000	50,101	196,101
2009	24,716	2,311	27,027	172,000	50,237	222,237
2010	25,215	1,812	27,027	215,000	50,396	265,396
2011	25,724	1,303	27,027	223,000	42,708	265,708
2012-2016	51,201	2,852	54,053	973,000	88,464	1,061,464
	<b>\$ 174,831</b>	<b>\$ 14,357</b>	<b>\$ 189,188</b>	<b>\$1,861,000</b>	<b>\$ 334,540</b>	<b>\$2,195,540</b>

SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 9 – 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 and firefighters 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 is age 50 and having 25 years of service. Normal retirement age for firemen is age 55 and having 25 years of service. The Township implemented a policy in 2005 to report a liability for those police and fire fighters that are within 5 years of retirement.

For the year ended December 31, 2006, compensated absences changed as follows:

Beginning of year	\$ 46,974
(Decrease) in Compensated Absences	<u>(832)</u>
End of Year	<u>\$ 46,142</u>

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.

NOTE 10 – PROPERTY TAXES

Based upon assessed valuations provided by the County, property taxes are collected by the elected tax collector. The schedule of property taxes levied for 2006 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

The property tax rate for all purposes in 2006 was .87 mills (\$.87 per \$1,000 assessed valuation).

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

**NOTE 11 – COMPONENT UNITS**

The financial statements of each of the component units and the related combined totals consist of the following as of and for the year ended December 31, 2006. During 2002, the Springettsbury Township Volunteer Fire Company (STVFC) was created to merge the Commonwealth Fire Company and Springetts Fire Company. The assets and related liabilities were transferred to STVFC with the exception of the buildings and the social hall activities of each fire company. The Springettsbury Township Development Authority was created to provide financial resources necessary to enhance the economical health of the community. The Springettsbury Township Development Authority is the only component unit that has separately issued financial statements, which are located at the office of the Township.

Statement of Net Assets

	<u>Commonwealth Fire Company</u>	<u>Springetts Fire Company</u>	<u>Springettsbury Twp. Volunteer Fire Company</u>	<u>Springetts Ambulance Club, Inc.</u>	<u>Springettsbury Township Development Authority</u>	<u>Total Component Units</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 26,958	\$ 57,853	\$ 9,456	\$ 3,603	\$ 4,384,052	\$ 4,481,922
Investments	--	--	276,077	341,219	--	617,296
Due from Other Governments	--	--	--	--	2,429,392	2,429,392
Property, Plant and Equipment	390,152	516,214	1,876,689	920,747	--	3,703,802
Accumulated Depreciation	<u>(171,063)</u>	<u>(382,999)</u>	<u>(1,445,888)</u>	<u>(681,060)</u>	--	<u>(2,681,010)</u>
<b>TOTAL ASSETS</b>	<u>\$ 246,047</u>	<u>\$ 191,068</u>	<u>\$ 716,334</u>	<u>\$ 584,509</u>	<u>\$ 6,813,444</u>	<u>\$ 8,551,402</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ --	\$ --	\$ 2,946	\$ --	\$ 861,717	\$ 864,663
Bonds/Notes Payable	<u>--</u>	<u>--</u>	<u>174,831</u>	<u>--</u>	<u>6,180,000</u>	<u>6,354,831</u>
<b>TOTAL LIABILITIES</b>	<u>--</u>	<u>--</u>	<u>177,777</u>	<u>--</u>	<u>7,041,717</u>	<u>7,219,494</u>
<b>NET ASSETS</b>	<u>246,047</u>	<u>191,068</u>	<u>538,557</u>	<u>584,509</u>	<u>(228,273)</u>	<u>1,331,908</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 246,047</u>	<u>\$ 191,068</u>	<u>\$ 716,334</u>	<u>\$ 584,509</u>	<u>\$ 6,813,444</u>	<u>\$ 8,551,402</u>

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

**NOTE 11 – COMPONENT UNITS (Continued)**

Statements of Revenues, Expenses and Changes in Net Assets

	Commonwealth Fire Company	Springetts Fire Company	Springettsbury Twp. Volunteer Fire Company	Springetts Ambulance Club, Inc.	Springettsbury Township Development Authority	Total Component Units
<b>REVENUES</b>						
County Allocation	\$ --	\$ --	\$ 5,000	\$ --	\$ --	\$ 5,000
Township Allocation	--	--	98,651	--	--	98,651
State Grant	10,761	10,446	--	--	568,392	589,599
Investment Income	84	1,183	14,258	27,154	259,439	302,118
Social Hall Rentals	15,106	22,549	--	--	--	37,655
Contributions	--	--	49,285	100	--	49,385
Miscellaneous Revenue	--	--	1,250	--	--	1,250
Charges for Services	--	--	--	441	--	441
<b>TOTAL REVENUES</b>	<u>25,951</u>	<u>34,178</u>	<u>168,444</u>	<u>27,695</u>	<u>827,831</u>	<u>1,084,099</u>
<b>EXPENSES</b>						
Operating Expenses	2,681	4,940	164,121	9,460	--	181,202
Depreciation	12,425	14,555	115,675	28,264	--	170,919
Interest Expenses	--	--	3,750	--	142,285	146,035
Fundraising Expenses	--	--	3,836	--	--	3,836
Miscellaneous Expenses	--	1,138	558	--	913,819	915,515
<b>TOTAL EXPENSES</b>	<u>15,106</u>	<u>20,633</u>	<u>287,940</u>	<u>37,724</u>	<u>1,056,104</u>	<u>1,417,507</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>10,845</u>	<u>13,545</u>	<u>(119,496)</u>	<u>(10,029)</u>	<u>(228,273)</u>	<u>(333,408)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Refunds of Prior Year Expenditures	--	--	1,611	--	--	1,611
Transfers In(Out)	(15,000)	(37,500)	52,500	--	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(15,000)</u>	<u>(37,500)</u>	<u>54,111</u>	<u>--</u>	<u>--</u>	<u>1,611</u>
<b>CHANGE IN NET ASSETS</b>	(4,155)	(23,955)	(65,385)	(10,029)	(228,273)	(331,797)
<b>NET ASSETS – BEGINNING</b>	<u>250,202</u>	<u>215,023</u>	<u>603,942</u>	<u>594,538</u>	<u>--</u>	<u>1,663,705</u>
<b>NET ASSETS – ENDING</b>	<u>\$ 246,047</u>	<u>\$ 191,068</u>	<u>\$ 538,557</u>	<u>\$ 584,509</u>	<u>\$(228,273)</u>	<u>\$1,331,908</u>

SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

NOTE 12 – 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 13 – 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.

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

2007	\$ 831,000
2008	831,000
2009	831,000
2010	831,000
2011	831,000
2012-2016	4,155,000
2017-2021	2,580,000
2022-2024	<u>90,000</u>
	<u>\$ 10,980,000</u>

NOTE 14 – PENSION PLANS

The Township has included in these financial statements the four 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.

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

**NOTE 14 – PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**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, provided the surviving spouse is not re-married, or to dependent children under age 18 in an amount equal to 50% of the initial 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 per month.

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

If a participant is disabled in the line of duty, he is eligible for disability pension. The disability pension is equal to the benefit upon the normal retirement formula reduced by Workers' Compensation, by 100% of Primary Social Security benefits and by any benefits received from any disability insurance contracts for which premiums have been paid in whole or in part by the Township.

**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 fully funded; therefore, member contributions have been suspended.

"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. The annual required contribution of the plan and the annual pension cost contributed for the years ended December 31, 1997 through December 31, 2006 were as follows:

<u>Year</u>	<u>Annual Required Contribution</u>	<u>Contributions From Employer (1)</u>	<u>Percentage Contributed</u>
1997	129,218	129,518	100.0%+
1998	132,344	132,344	100.0%
1999	157,630	157,630	100.0%
2000	66,221	71,632	100.0%+
2001	52,306	52,306	100.0%
2002	77,160	78,901	100.0%+
2003	181,971	181,971	100.0%
2004	238,064	238,064	100.0%
2005	432,744	436,000	100.0%+
2006	398,808	398,808	100.0%

(1) Includes general municipal pension system state aid.

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

**NOTE 14 – PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

**Actuarial Valuation**

An actuarial study as of January 1, 2005 was completed by Conrad M. Siegel, Inc. on October 17, 2005. 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, 2005; (1) a 7.5% rate of return; (2) rates of turnover ranging from 5.5% at age 20 to 0% at age 60; (3) pre-retirement mortality life expectancies based on the UP 1984 table; (4) post-retirement mortality life expectancies based on the UP 1984 table, with 5 year age setback for females; no age setback for males; (5) loading of 5% added to basic pension costs for disability; (6) 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; (7) projected salary increases of 5% per year; (8) normal retirement age; (9) provision for administrative expenses added to normal cost; (10) moderate inflation based on long-term historical average rate, and (11) actuarial value of assets based on market value as determined by the trustee. (12) Cost of living increases – 4%/year effective after 5 years with a maximum increase of 30%.

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.

Historical trend information required to be disclosed, beginning as of January 1, 1997 is as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Overfunded/ (Underfunded) AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Liability/ Funding Excess (Deficit) as a Percentage of Payroll</u>
1/1/1997	5,995,090	5,529,773	465,317	108.4%	1,217,747	38.2%
1/1/1998	6,933,341					
1/1/1999	7,909,775	6,678,857	1,230,918	118.4%	1,409,423	87.3%
1/1/2000	8,021,413					
1/1/2001	8,135,507	7,407,787	727,720	109.8%	1,303,217	55.8%
1/1/2002	7,492,086					
1/1/2003	6,950,391	8,243,946	(1,293,555)	84.3%	1,544,695	(83.7%)
1/1/2004	8,052,239					
1/1/2005	8,084,958	9,433,418	(1,348,460)	85.7%	1,720,759	(78.4%)
1/1/2006	8,403,262					

**NON-UNIFORMED AND PAID FIREMEN'S PENSION PLANS**

**Plan Descriptions**

All full-time employees of the Township, other than police officers, are eligible to participate in single employer defined contribution plans and trusts. The Paid Firemen's Plan was established in 1978 by Township Ordinance 78-07 and the Non-Uniformed Plan was established in 1985 by Township Resolution 85-09. Effective for 2005, the Paid Firemen's Pension Plan was converted to a defined benefit plan. The Township has delegated the authority to manage certain plan assets to International City Management Association (ICMA) and Fulton Financial Advisors. The Plans are to be funded through state and employer contributions and employee wage deductions.

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

NOTE 14 – PENSION PLANS (Continued)

NON-UNIFORMED AND PAID FIREMAN'S PENSION PLANS (Continued)

Paid Fireman's Pension Plan

Plan Description

Springettsbury Township currently has a single-employer defined benefit firemen pension plan for full-time fire employees. The Firemen 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 fire company of Springettsbury Township are eligible to join the Plan upon employment. A participant is eligible for normal retirement after attainment of age 55 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, provided the surviving spouse is not re-married, or to dependent children under age 18 in an amount equal to 50% of the initial amount payable to the participant. The amount of monthly pension is equal to 50% of average monthly pay.

Average monthly pay is equal to one half his monthly average compensation during the last 36 months of employment. Pay is defined as wages as reported on federal form W-2.

If a participant is disabled in the line of duty, he is eligible for disability pension. The disability pension is equal to the benefit upon the normal retirement formula reduced by Workers' Compensation, by 100% of Primary Social Security benefits and by any benefits received from any disability insurance contracts for which premiums have been paid in whole or in part by the Township.

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.

"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. The annual required contribution of the plan and the annual pension cost contributed for the years ended December 31, 2005 and December 31, 2006 is as follows:

<u>Year</u>	<u>Annual Required Contribution</u>	<u>Contributions From Employer (1)</u>	<u>Percentage Contributed</u>
2005	178,304	179,000	100%+
2006	187,995	187,995	100%

(1) Includes general municipal pension system state aid.

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

NOTE 14 – PENSION PLANS (Continued)

NON-UNIFORMED AND PAID FIREMAN'S PENSION PLANS (Continued)

Non-Uniform Pension Plan

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 equals 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, 2006, the Township contributed \$271,448 to the Non-Uniformed Pension Plan.

NOTE 15 – 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 16 – POST-RETIREMENT BENEFITS

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. During 2006, there were 11 eligible retirees with medical coverage, dental and vision coverage, and prescription coverage. The cost of retirees' retirement benefits is recognized as an expenditure at the time premiums are paid. Post-retirement benefits totaled \$71,971 in 2006.

NOTE 17 – 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, 2006, no settlements exceeded insurance coverage.

NOTE 18 – 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 NCAS. During the year ended December 31, 2006, the Township remitted their contracted monthly amount to IIC who pays the funds directly to NCAS. 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. At the end of the Pool's fiscal year in March, the excess or deficit of the Pool is allocated to all the members. The Township was limited to liability for 2006 claims to \$45,000 individually and \$1,143,558 in the aggregate for claims for 2006.

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, 2006.

As of December 31, 2006, there are no additional assessments relating to the health plan.

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006**

**NOTE 18 – SELF INSURANCE (Continued)**

**Workers' Compensation**

The Township participates in the Susquehanna Municipal Trust, which is a cooperative voluntary trust arrangement for fifteen 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 \$350,000 for a claim over its life. As of December 31, 2006, the Township is not aware of any additional assessments relating to the Trust.

**NOTE 19 – RESERVED FUND BALANCE**

The fund balance reservations in the general fund of \$1,169,300 represents amounts reserved by management for potential appropriations in excess of anticipated revenues for the year ended December, 31, 2007.

**NOTE 20 – SUBSEQUENT EVENT**

The Township issued a General Obligation Note of 2007 in the amount of \$10,000,000 to finance construction of Bio-Nutrient Removal Project.

**REQUIRED SUPPLEMENTARY INFORMATION**

**OF**

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**DECEMBER 31, 2006**

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – BUDGET AND ACTUAL –  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Real Estate Taxes and Penalties	\$ 1,310,000	\$ 1,310,000	\$ 1,341,663	\$ 31,663
Other Taxes	5,295,000	5,295,000	6,046,920	751,920
Licenses and Permits	265,000	265,000	282,723	17,723
Fines and Forfeits	282,000	282,000	345,503	63,503
Interest, Rents, and Royalties	100,000	100,000	204,403	104,403
Intergovernmental Revenues	639,500	639,500	671,871	32,371
Charges for Services	1,424,500	1,424,500	1,832,979	408,479
Miscellaneous	1,000	1,000	538	(462)
Reimbursements	<u>150,000</u>	<u>150,000</u>	<u>223,562</u>	<u>73,562</u>
<b>TOTAL REVENUES</b>	<u>9,467,000</u>	<u>9,467,000</u>	<u>10,950,162</u>	<u>1,483,162</u>
<b>EXPENDITURES</b>				
General Government	1,128,500	1,128,500	1,069,533	58,967
Public Safety	4,591,000	4,631,000	4,636,546	(5,546)
Highways and Streets	1,014,500	1,014,500	903,009	111,491
Culture and Recreation	595,000	595,000	570,336	24,664
Debt Service	266,000	266,000	265,753	247
Employee Benefits, Insurance and Other	<u>2,935,000</u>	<u>2,995,000</u>	<u>3,035,867</u>	<u>(40,867)</u>
<b>TOTAL EXPENDITURES</b>	<u>10,530,000</u>	<u>10,630,000</u>	<u>10,481,044</u>	<u>148,956</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,063,000)</u>	<u>(1,163,000)</u>	<u>469,118</u>	<u>1,632,118</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of General Fixed Assets	25,000	25,000	5,032	(19,968)
Interfund Transfers	(45,000)	(45,000)	(55,000)	(10,000)
Refund of Prior Year Expenditures	1,000	1,000	131,987	130,987
Refund of Prior Year Revenues	<u>--</u>	<u>--</u>	<u>(37,855)</u>	<u>(37,855)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(19,000)</u>	<u>(19,000)</u>	<u>44,164</u>	<u>63,164</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,082,000)	(1,182,000)	513,282	1,695,282
<b>FUND BALANCES – JANUARY 1, 2006</b>	<u>3,571,331</u>	<u>3,571,331</u>	<u>3,571,331</u>	<u>--</u>
<b>FUND BALANCES – DECEMBER 31, 2006</b>	<u>\$ 2,489,331</u>	<u>\$ 2,389,331</u>	<u>\$ 4,084,613</u>	<u>\$ 1,695,282</u>

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

SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
MAJOR FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Capital Improvements			Grant Fund		
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Real Estate Taxes and Penalties	\$ 300,000	\$ 319,396	\$ 19,396	\$ --	\$ --	\$ --
Interest, Rents, and Royalties	5,000	56,700	51,700	--	--	--
Intergovernmental Revenues	238,000	54,167	(183,833)	2,436,479	290,150	(2,146,329)
Contributions	--	7,908	7,908	--	--	--
<b>TOTAL REVENUES</b>	<b>543,000</b>	<b>438,171</b>	<b>(104,829)</b>	<b>2,436,479</b>	<b>290,150</b>	<b>(2,146,329)</b>
<b>EXPENDITURES</b>						
General Government	--	--	--	74,850	65,994	8,856
Public Safety	--	--	--	361,135	58,094	303,041
Highways and Streets	583,000	1,184,171	(601,171)	1,818,073	152,659	1,665,414
Other Public Works	--	--	--	--	540	(540)
Culture and Recreation	20,000	15,344	4,656	182,421	12,803	169,618
Debt Service	--	200,203	(200,203)	--	--	--
<b>TOTAL EXPENDITURES</b>	<b>603,000</b>	<b>1,399,718</b>	<b>(796,718)</b>	<b>2,436,479</b>	<b>290,090</b>	<b>2,146,389</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Interfund Transfers	--	--	--	--	(60)	(60)
Proceeds of Long-Term Debt	--	2,019,000	2,019,000	--	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>--</b>	<b>2,019,000</b>	<b>2,019,000</b>	<b>--</b>	<b>(60)</b>	<b>(60)</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	<b>603,000</b>	<b>619,282</b>	<b>1,222,282</b>	<b>2,436,479</b>	<b>290,150</b>	<b>2,146,329</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(60,000)</b>	<b>1,057,453</b>	<b>1,117,453</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES - JANUARY 1, 2006</b>	<b>392,091</b>	<b>392,091</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCES - DECEMBER 31, 2006</b>	<b>\$ 332,091</b>	<b>\$ 1,449,544</b>	<b>\$ 1,117,453</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>

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

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL --  
NON-MAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	State		Petitioned Street		Fire Company Fund		Subdivision		Total Special	
	Original/ Final Budget	Actual	Original/ Final Budget	Actual	Original/ Final Budget	Actual	Original/ Final Budget	Actual	Original/ Final Budget	Actual
<b>REVENUES</b>										
Real Estate Taxes and Penalties	\$ --	\$ --	\$43,035	\$43,035	\$ --	\$ --	\$ --	\$ --	\$ 45,500	\$ 43,035
Interest, Rents and Royalties	1,025	14,966	500	1,212	10,000	33,276	5,000	9,467	16,525	58,921
Intergovernmental Revenue	496,975	481,332	--	--	--	--	--	--	496,975	481,332
Contributions from Private Sources	--	--	--	--	--	--	--	68,796	--	68,796
<b>TOTAL REVENUES</b>	<u>498,000</u>	<u>496,298</u>	<u>46,000</u>	<u>44,247</u>	<u>10,000</u>	<u>33,276</u>	<u>5,000</u>	<u>78,263</u>	<u>559,000</u>	<u>652,084</u>
<b>EXPENDITURES</b>										
Public Safety	--	--	--	--	150,000	130,627	--	--	150,000	130,627
Highways and Streets	498,000	125,852	46,000	44,807	--	--	--	--	544,000	170,659
Culture and Recreation	--	--	--	--	--	--	80,000	39,741	80,000	39,741
<b>TOTAL EXPENDITURES</b>	<u>498,000</u>	<u>125,852</u>	<u>46,000</u>	<u>44,807</u>	<u>150,000</u>	<u>130,627</u>	<u>80,000</u>	<u>39,741</u>	<u>774,000</u>	<u>341,027</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	--	<u>370,446</u>	--	<u>(560)</u>	<u>(140,000)</u>	<u>(97,351)</u>	<u>(75,000)</u>	<u>38,522</u>	<u>(215,000)</u>	<u>311,057</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Interfund Transfer	--	--	--	--	140,000	140,000	--	--	140,000	140,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	--	--	--	--	<u>140,000</u>	<u>140,000</u>	--	--	<u>140,000</u>	<u>140,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	--	<u>370,446</u>	--	<u>(560)</u>	--	<u>42,649</u>	<u>(75,000)</u>	<u>38,522</u>	<u>(75,000)</u>	<u>451,057</u>
<b>FUND BALANCES - JANUARY 1, 2006</b>	<u>44,264</u>	<u>44,264</u>	<u>19,091</u>	<u>19,091</u>	<u>801,300</u>	<u>801,300</u>	<u>228,195</u>	<u>228,195</u>	<u>1,092,850</u>	<u>1,092,850</u>
<b>FUND BALANCES - DECEMBER 31, 2006</b>	<u>\$ 44,264</u>	<u>\$414,710</u>	<u>\$19,091</u>	<u>\$18,531</u>	<u>\$ 801,300</u>	<u>\$843,949</u>	<u>\$153,195</u>	<u>\$266,717</u>	<u>\$1,017,850</u>	<u>\$1,543,907</u>

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

SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -  
NON-MAJOR CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Storm Water Reserve Fund		Waste Reserve Fund		Total Capital Project Funds	
	Original/ Final Budget	Actual	Original/ Final Budget	Actual	Original/ Final Budget	Actual
<b>REVENUES</b>						
Interest, Rents and Royalties	\$ 500	\$ 3,622	\$ --	\$ 4,027	\$ 500	\$ 7,649
Charges for Services	--	--	89,000	101,850	89,000	101,850
<b>TOTAL REVENUES</b>	<u>500</u>	<u>3,622</u>	<u>89,000</u>	<u>105,877</u>	<u>89,500</u>	<u>109,499</u>
<b>EXPENDITURES</b>						
Sanitation	--	--	104,000	10,411	104,000	10,411
Other Public Works	500	150	--	--	500	150
<b>TOTAL EXPENDITURES</b>	<u>500</u>	<u>150</u>	<u>104,000</u>	<u>10,411</u>	<u>104,500</u>	<u>10,561</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	--	<u>3,472</u>	<u>(15,000)</u>	<u>95,466</u>	<u>(15,000)</u>	<u>98,938</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Interfund Transfer	\$ --	\$ --	\$ --	\$ (85,000)	\$ --	\$ (85,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	--	--	--	<u>(85,000)</u>	--	<u>(85,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	--	<u>3,472</u>	<u>(15,000)</u>	<u>10,466</u>	<u>(15,000)</u>	<u>13,938</u>
<b>FUND BALANCES - JANUARY 1, 2006</b>	<u>88,026</u>	<u>88,026</u>	<u>73,157</u>	<u>73,157</u>	<u>161,183</u>	<u>161,183</u>
<b>FUND BALANCES - DECEMBER 31, 2006</b>	<u>\$ 88,026</u>	<u>\$ 91,498</u>	<u>\$ 58,157</u>	<u>\$ 83,623</u>	<u>\$ 146,183</u>	<u>\$ 175,121</u>

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

**SUPPLEMENTARY INFORMATION**

**OF**

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**DECEMBER 31, 2006**

SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA

COMBINING BALANCE SHEET  
ALL NON-MAJOR FUNDS  
DECEMBER 31, 2006

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Non-Major Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$1,192,301	\$ 156,961	\$1,349,262
Investments	351,240	--	351,240
Due from Other Funds	10,382	840	11,222
Accounts Receivable	<u>--</u>	<u>17,320</u>	<u>17,320</u>
<b>TOTAL ASSETS</b>	<b><u>\$1,553,923</u></b>	<b><u>\$ 175,121</u></b>	<b><u>\$1,729,044</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 8,281	\$ --	\$ 8,281
Due to Other Funds	<u>1,735</u>	<u>--</u>	<u>1,735</u>
<b>TOTAL LIABILITIES</b>	<u>10,016</u>	<u>--</u>	<u>10,016</u>
<b>FUND BALANCES</b>			
Reserved Fund Balance	<u>1,543,907</u>	<u>175,121</u>	<u>1,719,028</u>
<b>TOTAL FUND BALANCES</b>	<b><u>1,543,907</u></b>	<b><u>175,121</u></b>	<b><u>1,719,028</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$1,553,923</u></b>	<b><u>\$ 175,121</u></b>	<b><u>\$1,729,044</u></b>

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

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – ALL NON-MAJOR FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Non-Major Funds</u>
<b>REVENUES</b>			
Real Estate Taxes and Penalties	\$ 43,035	\$ --	\$ 43,035
Interest, Rents and Royalties	58,921	7,649	66,570
Intergovernmental Revenue	481,332	--	481,332
Charges for Services	--	101,850	101,850
Contributions from Private Sources	<u>68,796</u>	<u>--</u>	<u>68,796</u>
<b>TOTAL REVENUES</b>	<u>652,084</u>	<u>109,499</u>	<u>761,583</u>
<b>EXPENDITURES</b>			
Public Safety	130,627	--	130,627
Highways and Streets	170,659	--	170,659
Sanitation	--	10,411	10,411
Other Public Works	--	150	150
Culture and Recreation	<u>39,741</u>	<u>--</u>	<u>39,741</u>
<b>TOTAL EXPENDITURES</b>	<u>341,027</u>	<u>10,561</u>	<u>351,588</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>311,057</u>	<u>98,938</u>	<u>409,995</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers	<u>140,000</u>	<u>(85,000)</u>	<u>55,000</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>140,000</u>	<u>(85,000)</u>	<u>55,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	451,057	13,938	464,995
<b>FUND BALANCES – JANUARY 1, 2006</b>	<u>1,092,850</u>	<u>161,183</u>	<u>1,254,033</u>
<b>FUND BALANCES – DECEMBER 31, 2006</b>	<u>\$1,543,907</u>	<u>\$ 175,121</u>	<u>\$1,719,028</u>

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

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS – NONMAJOR  
DECEMBER 31, 2006**

	<u>State Liquid Fuels Fund</u>	<u>Petitioned Street Lighting Fund</u>	<u>Fire Company Fund</u>	<u>Subdivision Recreation Fund</u>	<u>Total Special Revenue Fund</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 414,710	\$ 22,416	\$ 494,444	\$ 260,731	\$1,192,301
Investments	--	--	351,240	--	351,240
Due from Other Funds	--	--	--	10,382	10,382
<b>TOTAL ASSETS</b>	<u>\$ 414,710</u>	<u>\$ 22,416</u>	<u>\$ 845,684</u>	<u>\$ 271,113</u>	<u>\$1,553,923</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ --	\$ 3,885	\$ --	\$ 4,396	\$ 8,281
Due to Other Funds	--	--	1,735	--	1,735
<b>TOTAL LIABILITIES</b>	<u>--</u>	<u>3,885</u>	<u>1,735</u>	<u>4,396</u>	<u>10,016</u>
<b>FUND BALANCES</b>					
Reserved Fund Balance	<u>414,710</u>	<u>18,531</u>	<u>843,949</u>	<u>266,717</u>	<u>1,543,907</u>
<b>TOTAL FUND BALANCES</b>	<u>414,710</u>	<u>18,531</u>	<u>843,949</u>	<u>266,717</u>	<u>1,543,907</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 414,710</u>	<u>\$ 22,416</u>	<u>\$ 845,684</u>	<u>\$ 271,113</u>	<u>\$1,553,923</u>

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

**SPRINGETTSBURY TOWNSHIP  
YORK, PENNSYLVANIA**

**COMBINING BALANCE SHEET  
CAPITAL PROJECT FUNDS - NONMAJOR  
DECEMBER 31, 2006**

	<u>Storm Water Reserve Fund</u>	<u>Waste Reserve Fund</u>	<u>Total Capital Project Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 91,498	\$ 65,463	\$ 156,961
Due from Other Funds	--	840	840
Accounts Receivable	<u>--</u>	<u>17,320</u>	<u>17,320</u>
<b>TOTAL ASSETS</b>	<u>\$ 91,498</u>	<u>\$ 83,623</u>	<u>\$ 175,121</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
<b>FUND BALANCES</b>			
Reserved Fund Balance	<u>91,498</u>	<u>83,623</u>	<u>175,121</u>
<b>TOTAL FUND BALANCES</b>	<u>91,498</u>	<u>83,623</u>	<u>175,121</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 91,498</u>	<u>\$ 83,623</u>	<u>\$ 175,121</u>

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

**Springettsbury Township**  
**Major Fund Determination Worksheet**  
**FISCAL YEAR ENDED 12/31/06**

5% and 10% Criteria Test

<u>Fund</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Assets</u>	<u>Liab.</u>	<u>Rev.</u>	<u>Expend.</u>	<u>Major Fund?</u>
<b>Governmental Funds</b>									
10 General	4,531,803	447,189	10,950,162	10,481,044					Always
20 Liquid Fuels Fund-Highway Aid Fund	414,710	0	495,596	166,988	NO	NO	NO	NO	Non-Major
21 Subdivision Recreation Fund	271,113	4,396	78,263	39,741	NO	NO	NO	NO	Non-Major
22 Fire Companies Fund	845,684	1,735	33,276	130,627	NO	NO	NO	NO	Non-Major
23 Petitioned Street Light Fund	22,416	3,885	44,247	44,807	NO	NO	NO	NO	Non-Major
30 Capital Improvement Fund	1,596,199	146,655	438,171	1,399,718	NO	YES	NO	YES	Major
33 Storm Water Reserve Fund	91,498	0	3,622	150	NO	NO	NO	NO	Non-Major
34 Waste Reduction Reserve Fund	83,623	0	105,877	95,466	NO	NO	NO	NO	Non-Major
Grant Fund	188,559	188,559	290,150	290,150	NO	NO	NO	NO	Non-Major
<b>Governmental Funds Total</b>	<b>8,045,605</b>	<b>792,419</b>	<b>12,439,364</b>	<b>12,648,691</b>	<b>NO</b>	<b>YES</b>	<b>NO</b>	<b>NO</b>	<b>Major</b>
<b>10% of Governmental Funds Total</b>	<b>804,561</b>	<b>79,242</b>	<b>1,243,936</b>	<b>1,264,869</b>					

**Enterprise Funds**

80 Sewer Fund	42,176,895	1,871,133	6,946,609	5,954,204	YES	YES	YES	YES	Major
XX Enterprise Fund					NO	NO	NO	NO	Non-Major
Other Enterprise Fund					NO	NO	NO	NO	Non-Major
<b>Enterprise Funds Total</b>	<b>42,176,895</b>	<b>1,871,133</b>	<b>6,946,609</b>	<b>5,954,204</b>					
<b>10% of Enterprise Funds</b>	<b>4,217,690</b>	<b>187,113</b>	<b>694,661</b>	<b>595,420</b>					
<b>Sum of Governmental and Enterprise Funds</b>	<b>50,222,500</b>	<b>2,663,552</b>	<b>19,385,973</b>	<b>18,602,895</b>					
<b>5% of Sum of Governmental and Enterprise Funds</b>	<b>2,511,125</b>	<b>133,178</b>	<b>969,299</b>	<b>930,145</b>					

Note 1: To meet the qualification for "Major Fund" status under GASB Statement #34, any given fund element must exceed both the 5% and 10% thresholds.

The General Fund and Sewer Fund will be considered major funds.

Note 2: A minimum number of funds should be maintained. Separate physical accounts do not require separate funds.

Note 3: Current year data must be used to make this determination.

Note 4: Does not include Revenues from Other Financing Sources or Other Expenditures and Financing Uses as part of the calculation for Major Fund determination.