

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
DECEMBER 31, 2007**

AND

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

DECEMBER 31, 2007

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**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

DECEMBER 31, 2007

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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, 2007, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2007, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2008 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages a through j and 36 through 39 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *"Audits of States, Local Governments, and Nonprofit Organizations"*, and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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
June 2, 2008

Sager, Swisher and Company, LLP

SPRINGETTSBURY TOWNSHIP
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
DECEMBER 31, 2007

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 Audit 2006, we provided comparative columns for years 2005 and 2006 audit years and continue this comparison now with 2006 and 2007 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, 2007. In addition, referenced tables also have been prepared to provide 2006 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 \$99,610,932. Of this amount \$53,338,420 represents the Township's business-type activities (sewer utility) and \$46,272,512 general governmental activities. These figures are specifically shown on page one of the financial statements.

The costs of all Township programs totaled \$20,435,597 (page three).

The Township made a payment of bond principal amounting to \$1,140,000 in 2007.

The Township completed \$1,253,187 in capital projects for equipment, parks, road construction and improvements to the Township's capital assets during 2007.

The Township's Sewer Utility also accomplished some \$2,343,579 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 1-3) 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 2007 year a more comprehensive analysis of Government-wide information is being presented with a comparison of 2006 and 2007 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					
	2006			2007		
	Governmental Activities	Business- Type Activities	Total Primary Government	Governmental Activities	Business- Type Activities	Total Primary Government
Current and Other Assets	7,949,264	10,440,850	18,390,114	7,943,776	20,500,781	28,444,557
Capital Assets	35,669,224	31,698,351	67,367,575	38,328,736	32,837,639	71,166,375
Total Assets	43,618,488	42,139,201	85,757,689	46,272,512	53,338,420	99,610,932
Current Term Liabilities	1,078,079	1,124,068	2,202,147	1,085,004	1,831,716	2,916,720
Other (Non-Current)	2,250,142	709,371	2,959,513	1,850,694	9,540,068	11,390,762
Total Liabilities	3,328,221	1,833,439	5,161,660	2,935,698	11,371,784	14,307,482
 Net Assets						
Invested in Capital Assets (Net of Related Debt)	33,083,224	30,098,980	63,182,204	36,124,736	30,835,916	66,960,652
Restricted	414,710	3,855,766	4,270,476	778,098	3,855,766	4,633,864
Unrestricted	6,792,333	6,351,016	13,143,349	6,433,980	7,274,954	13,708,934
Total Net Assets	40,290,267	40,305,762	80,596,029	43,336,814	41,966,636	85,303,450
Total Liabilities and Net Assets	43,618,488	42,139,201	85,757,689	46,272,512	53,338,420	99,610,932

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

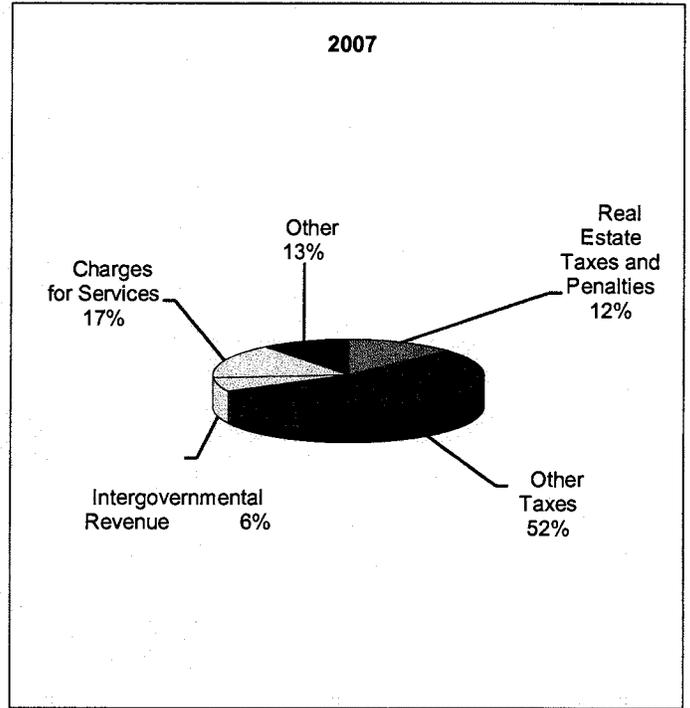
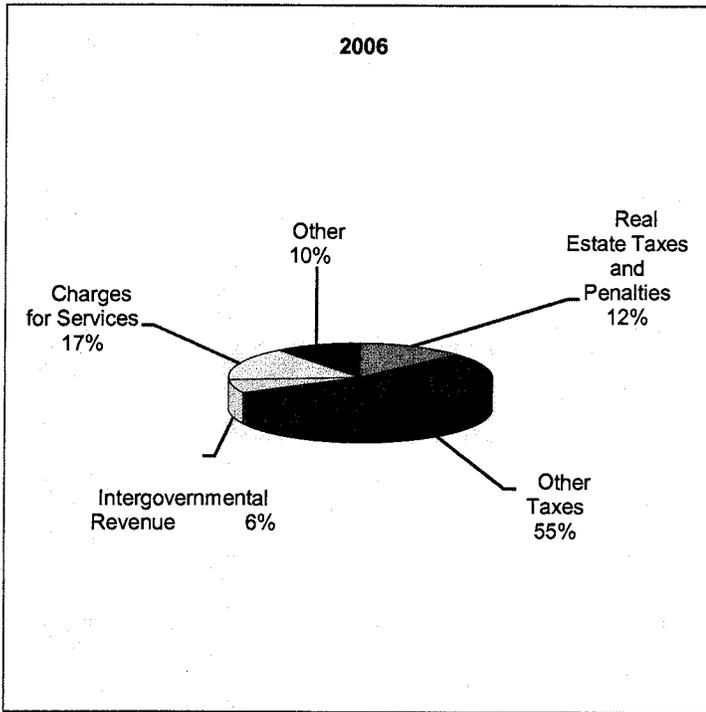
The Township's combined net assets for 2007 amounted to \$85,303,450. Net Assets for Business-type activities (sewer utility operations) amounted to \$41,966,636. The Township's unrestricted net assets for governmental activities which represent the amount of net assets that can be used to operate day to day services stood at \$6,433,980.

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

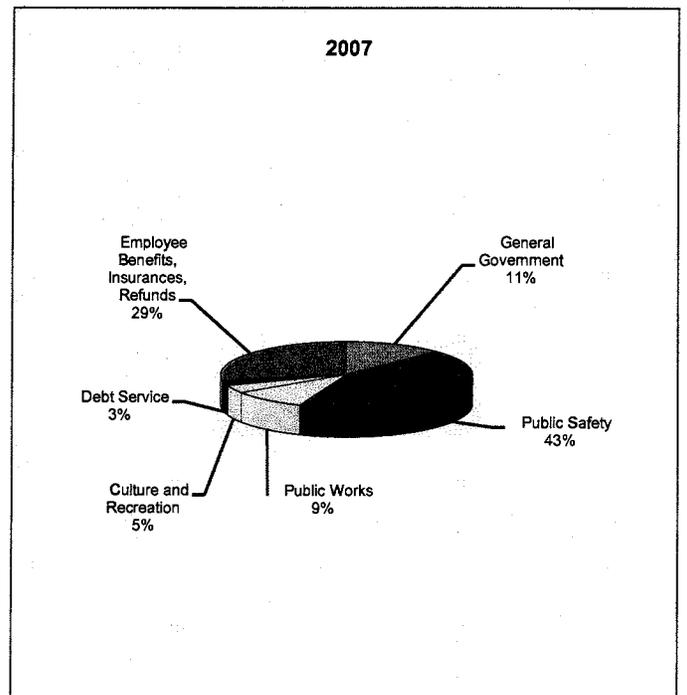
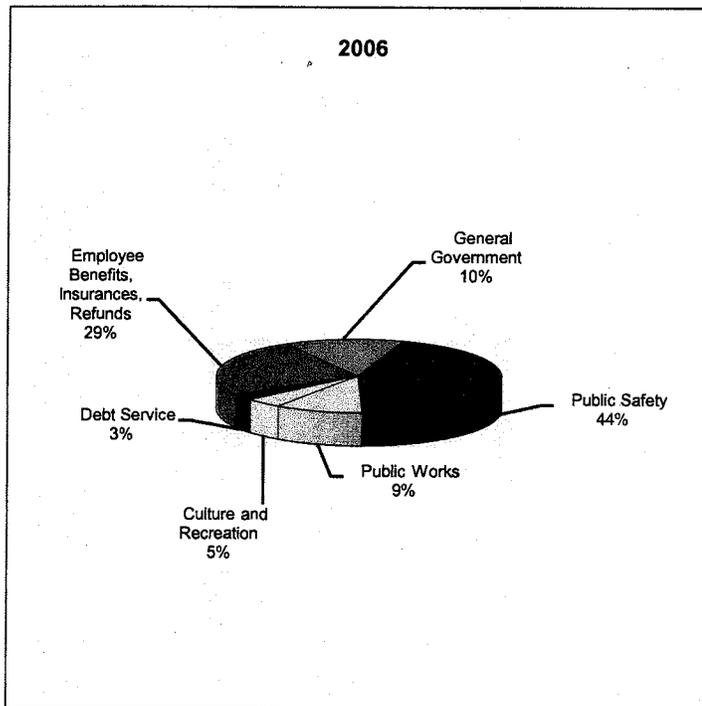
Statement of Revenues and Expenditures and
Changes in Fund Balances
December 31

	2006			2007		
	General Fund	Other Funds	Total Governmental Funds	General Fund	Other Funds	Total Governmental Funds
Revenues						
Real Estate Taxes and Penalties	\$ 1,341,663	\$ 362,431	\$ 1,704,094	\$ 1,303,234	\$ 363,766	\$ 1,667,000
Other Taxes	6,046,920	-	6,046,920	5,902,573	-	5,902,573
Intergovernmental Revenue	671,871	825,649	1,497,520	751,326	1,539,321	2,290,647
Charges for Services	1,832,979	101,850	1,934,829	1,864,651	93,902	1,958,553
Other	1,056,729	199,974	1,256,703	1,506,458	186,043	1,692,501
Total Revenues	\$ 10,950,162	\$ 1,489,904	\$ 12,440,066	\$ 11,328,242	\$ 2,183,032	\$ 13,511,274
Expenditures						
General Government	\$ 1,069,533	\$ 65,994	\$ 1,135,527	\$ 1,225,895	\$ 40,607	\$ 1,266,502
Public Safety	4,636,546	188,721	4,825,267	4,696,234	402,724	5,098,958
Public Works (Highways, Sanitation, Other)	903,009	1,518,590	2,421,599	950,886	1,880,394	2,831,280
Culture and Recreation	570,336	67,888	638,224	578,735	129,729	708,464
Debt Service	265,753	200,203	465,956	266,955	197,889	464,844
Employee Benefits, Insurance and Other	3,035,867	60	3,035,927	3,206,234	-	3,206,234
Total Expenditures	\$ 10,481,044	\$ 2,041,456	\$ 12,522,500	\$ 10,924,939	\$ 2,651,343	\$ 13,576,282
Other Financing Uses						
Interfund Transfers	(55,000)	55,000	-	(55,491)	55,491	-
Proceeds of Long Term Debt	-	2,019,000	2,019,000	-	-	-
Refunds Expenditures/Revenues	94,132	-	94,132	46,496	-	46,496
Sale of Fixed Assets	5,032	-	5,032	6,099	-	6,099
Total Other Financing Uses	44,164	2,074,000	2,118,164	(2,896)	55,491	52,595
Net Changes in Fund Balances	513,282	1,522,448	2,035,730	400,407	(412,820)	(12,413)
Fund Balances:						
January 1	\$ 3,571,331	\$ 1,646,124	\$ 5,217,455	\$ 4,084,613	\$ 3,168,572	\$ 7,253,185
December 31	\$ 4,084,613	\$ 3,168,572	\$ 7,253,185	\$ 4,485,020	\$ 2,755,752	\$ 7,240,772

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.

December 31

	<u>BUSINESS TYPE ACTIVITIES</u>	
	Sewer Fund	
	<u>2006</u>	<u>2007</u>
Operating Revenues		
Charges for Services	\$ 5,986,780	\$ 6,679,996
Intergovernmental Revenues and Other	<u>29,936</u>	<u>13,815</u>
Total Operating Revenues	\$ 6,016,716	\$ 6,693,811
Operating Expenditures		
Costs of Services	4,169,920	4,520,435
Administration	183,123	189,724
Amortization and Depreciation	<u>1,460,362</u>	<u>1,474,122</u>
Total Operating Expenditures	5,813,405	6,184,281
Operating Income(Loss)	203,311	509,530
Non Operating Revenues (Expenditures)		
Tapping Fees	473,718	275,716
Investment Income	456,175	917,235
Bond Interest	(50,125)	(268,627)
Gain or Loss on Sale of Assets	<u>(90,674)</u>	<u>816</u>
Total Non Operating Revenues (Expenditures)	789,094	925,140
Change in Net Assets	992,405	1,660,874
Total Net Assets - January 1	\$ 39,313,357	\$ 40,305,762
Total Net Assets - December 31	\$ 40,305,762	\$ 41,966,636

GOVERNMENTAL FUNDS

The net change in the fund balance for the General Fund was \$400,407. This was primarily due to increased revenues with specific emphasis upon tax collections and service charges. The actual General Fund fund balance increased to \$4,485,020. 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 \$1,660,874. This increase is primarily attributed to the continuing development taking place in the Township and the associated "tapping" fees of \$275,716 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 2007 year end, the governmental funds (please refer to page 6) reported a combined fund balance of \$7,240,772. Several of the governmental funds are capital expenditure related. The General Fund experienced a net increase of \$400,407 as reported above. For the proprietary business type funds at year end, the business type fund (Sewer Fund) reported net assets of \$41,966,636 which was \$1,660,874 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 2007, the Township had \$38,328,736 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 at the close of 2007 had net capital assets of \$32,837,639. The capital assets are summarized in the Notes to the Financial Statements and shown on page 22.

Debt

At December 31, 2007 the Governmental long term debt stood at \$2,204,000 and the sewer fund debt at \$10,744,068. 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 \$10,000,000 during 2007 for various capital improvements related to the Waste Water Utility system.

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 2007 by \$400,407, and continues to remain substantial to safeguard economic adjustments. The total general fund balance of \$4,485,020 has \$1,440,300 reserved to maintain the budgetary balance between revenues and expenditures for 2008.

For 2007, the total actual General Fund Revenues exceeded budgeted revenues by \$1,547,542. 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 36.

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 2007, the insurance related expenses now shown totally in the general fund contribute to consolidating the Township's professional services reporting and 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 2007, 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, 2007**

	<u>Primary Government</u>			<u>Component Units Ambulance/Fire/ Authority</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 3,354,255	\$ 1,488,312	\$ 4,842,567	\$ 1,102,142
Investments	2,537,041	5,996,776	8,533,817	493,229
Taxes Receivable, Net	416,665	--	416,665	--
Internal Balances	(2,153)	2,153	--	--
Accounts Receivable	464,935	183,964	648,899	--
Due from Other Governments	1,173,033	--	1,173,033	2,016,988
Prepaid Expenses	--	8,500	8,500	--
Total Current Assets	<u>7,943,776</u>	<u>7,679,705</u>	<u>15,623,481</u>	<u>3,612,359</u>
Noncurrent Assets:				
Other Assets				
Restricted Assets – Investments	--	12,806,798	12,806,798	--
Bond Issuance Costs (Net of Accumulated Amortization)	--	14,278	14,278	--
Total Other Assets	<u>--</u>	<u>12,821,076</u>	<u>12,821,076</u>	<u>--</u>
Capital Assets				
Land and Right of Ways	1,847,827	1,092,987	2,940,814	--
Buildings	6,878,996	--	6,878,996	534,210
Improvements (Other than Buildings)	4,510,794	--	4,510,794	590,842
Construction in Progress	154,877	--	154,877	--
Machinery and Equipment	2,370,238	3,633,665	6,003,903	2,410,293
Infrastructure Assets	47,746,233	--	47,746,233	--
Collection Lines	--	22,238,265	22,238,265	--
Treatment Plant	--	28,205,559	28,205,559	--
Furniture and Fixtures	--	--	--	1,557
Less: Accumulated Depreciation	(25,180,229)	(22,332,837)	(47,513,066)	(2,570,327)
Total Capital Assets	<u>38,328,736</u>	<u>32,837,639</u>	<u>71,166,375</u>	<u>966,575</u>
Total Noncurrent Assets	<u>38,328,736</u>	<u>45,658,715</u>	<u>83,987,451</u>	<u>966,575</u>
TOTAL ASSETS	<u>\$46,272,512</u>	<u>\$53,338,420</u>	<u>\$99,610,932</u>	<u>\$ 4,578,934</u>

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

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**STATEMENT OF NET ASSETS
DECEMBER 31, 2007**

	Primary Government			Component Units Ambulance/Fire/ Authority
	Governmental Activities	Business-Type Activities	Total	
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 415,843	\$ 562,726	\$ 978,569	\$ 852,517
Current Portion of Long-Term Debt	382,000	1,204,000	1,586,000	600,227
Accrued Salaries and Wages	268,911	62,950	331,861	--
Payroll Deductions and Withholdings	300	--	300	--
Other Current Liabilities	13,297	2,040	15,337	--
Deferred Revenue	4,653	--	4,653	--
Total Current Liabilities	1,085,004	1,831,716	2,916,720	1,452,744
Noncurrent Liabilities:				
Bonds/Notes Payable	2,204,000	10,760,000	12,964,000	5,783,084
Refunding Debt Charges	--	(15,932)	(15,932)	--
Current Portion of Long-Term Debt	(382,000)	(1,204,000)	(1,586,000)	(600,227)
Long-Term Portion of Compensated Absences	28,694	--	28,694	--
Total Noncurrent Liabilities	1,850,694	9,540,068	11,390,762	5,182,857
TOTAL LIABILITIES	2,935,698	11,371,784	14,307,482	6,635,601
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	36,124,736	30,835,916	66,960,652	(2,084,437)
Restricted	778,098	3,855,766	4,633,864	--
Unrestricted	6,433,980	7,274,954	13,708,934	27,770
TOTAL NET ASSETS	43,336,814	41,966,636	85,303,450	(2,056,667)
TOTAL LIABILITIES AND NET ASSETS	\$ 46,272,512	\$ 53,338,420	\$ 99,610,932	\$ 4,578,934

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

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units Ambulance/ Fire
	Primary Government			Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	
Functions/Programs							
Governmental Activities:							
General Government	\$ 1,340,480	\$ 546,059	\$ 22,204	\$ --	\$ (772,217)	\$ --	\$ (772,217)
Public Safety	5,164,198	1,728,784	298,268	--	(3,137,146)	--	(3,137,146)
Sanitation	37,203	94,022	93,634	--	150,453	--	150,453
Highways and Streets	3,296,722	16,584	648,122	743,140	(1,888,876)	--	(1,888,876)
Other Public Works	75	--	--	--	(75)	--	(75)
Culture and Recreation	854,596	241,022	26,694	23,141	(563,739)	--	(563,739)
Employee Benefits, Insurance and Other	3,206,571	644,829	506,610	--	(2,055,132)	--	(2,055,132)
Interest on Long-Term Debt	82,844	--	--	--	(82,844)	--	(82,844)
Total Governmental Activities	13,982,689	3,271,300	1,595,532	766,281	(8,349,576)	--	(8,349,576)
Business-Type Activities:							
Sewer	6,452,908	6,687,342	283,001	--	--	517,435	517,435
Total Primary Government	\$20,435,597	\$9,958,642	\$ 1,878,533	\$ 766,281	(8,349,576)	517,435	(7,832,141)
Component Units:							
Commonwealth Fire Company	\$ 3,944	\$ 14,628	\$ --	\$ --	--	--	10,684
Springetts Fire Company	7,503	22,233	--	--	--	--	14,730
Springettsbury Township Volunteer Fire Company	387,638	53,546	306,954	--	--	--	(27,138)
Springetts Ambulance Club, Inc.	55,609	335	--	--	--	--	(55,274)
Springettsbury Township Development Authority	4,152,618	--	728,392	--	--	--	(3,424,226)
Total Component Units	\$ 4,607,312	\$ 90,742	\$ 1,035,346	\$ --	--	--	(3,481,224)
General Revenues:							
Property Taxes, Levied for General Purposes, Net					1,667,000	--	1,667,000
Mercantile, Business Privilege and Earned Income Taxes Levied for Specific Purposes, Net					5,902,573	--	5,902,573
Investment Earnings					355,031	917,235	1,272,266
Miscellaneous Income					390	--	390
Capital Contribution - Authority/Developers					3,471,129	226,204	3,697,333
Total General Revenues					11,396,123	1,143,439	12,539,562
Change in Net Assets					3,046,547	1,660,874	4,707,421
Net Assets - January 1, 2007					40,290,267	40,305,762	80,596,029
Net Assets - December 31, 2007					\$43,336,814	\$41,966,636	\$85,303,450

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

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2007**

	<u>General Fund</u>	<u>Major Funds</u>		<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
		<u>Capital Improvement</u>	<u>Grant Fund</u>		
ASSETS					
Cash and Cash Equivalents	\$1,096,971	\$ 409,103	\$ --	\$ 1,848,181	\$ 3,354,255
Investments	2,309,995	--	--	227,046	2,537,041
Taxes Receivable (Net)	416,665	--	--	--	416,665
Due from Other Funds	913,595	183,886	138,815	42,047	1,278,343
Accounts Receivable	275,899	--	188,421	615	464,935
Due from Other Governments	<u>79,524</u>	<u>508,680</u>	<u>584,829</u>	<u>--</u>	<u>1,173,033</u>
TOTAL ASSETS	<u>\$5,092,649</u>	<u>\$ 1,101,669</u>	<u>\$ 912,065</u>	<u>\$ 2,117,889</u>	<u>\$ 9,224,272</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to Other Funds	\$ 168,069	\$ 215,587	\$ 894,580	\$ 2,260	\$ 1,280,496
Accounts Payable	155,336	113,358	14,548	132,601	415,843
Accrued Salaries and Wages	268,911	--	--	--	268,911
Payroll Deductions and Withholdings	300	--	--	--	300
Other Liabilities	13,297	--	--	--	13,297
Deferred Revenues	<u>1,716</u>	<u>--</u>	<u>2,937</u>	<u>--</u>	<u>4,653</u>
TOTAL LIABILITIES	<u>607,629</u>	<u>328,945</u>	<u>912,065</u>	<u>134,861</u>	<u>1,983,500</u>
FUND BALANCES					
Unreserved:					
General Fund – Undesignated	2,944,720	--	--	--	2,944,720
General Fund – Designated	100,000	--	--	--	100,000
Reserved:					
General Fund	1,440,300	--	--	--	1,440,300
Special Revenue Funds	--	--	--	1,808,286	1,808,286
Capital Projects Funds	<u>--</u>	<u>772,724</u>	<u>--</u>	<u>174,742</u>	<u>947,466</u>
TOTAL FUND BALANCES	<u>4,485,020</u>	<u>772,724</u>	<u>--</u>	<u>1,983,028</u>	<u>7,240,772</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$5,092,649</u>	<u>\$ 1,101,669</u>	<u>\$ 912,065</u>	<u>\$ 2,117,889</u>	<u>\$ 9,224,272</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, 2007**

Total Fund Balances – Governmental Funds	\$ 7,240,772
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of assets is \$63,508,965 , and the accumulated depreciation is \$25,180,229 .	38,328,736
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	(2,204,000) --
Compensated absences	<u>(28,694)</u> <u>(2,232,694)</u>
TOTAL NET ASSETS – GOVERNMENTAL ACTIVITIES	<u>\$ 43,336,814</u>

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

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	General Fund	Major Funds		Nonmajor Funds	Total Governmental Funds
		Capital Improvement	Grant Fund		
REVENUES					
Real Estate Taxes and Penalties	\$ 1,303,234	\$ 316,626	\$ --	\$ 47,140	\$ 1,667,000
Other Taxes	5,902,573	--	--	--	5,902,573
Licenses and Permits	323,577	--	--	--	323,577
Fines and Forfeits	344,341	--	--	--	344,341
Interest, Rents and Royalties	219,341	45,959	--	89,731	355,031
Intergovernmental Revenues	751,326	60,000	977,601	501,720	2,290,647
Charge for Services	1,864,651	--	--	93,902	1,958,553
Miscellaneous	390	--	--	--	390
Reimbursements	618,809	--	--	--	618,809
Contributions from Private Sources	--	50,000	--	353	50,353
TOTAL REVENUES	11,328,242	472,585	977,601	732,846	13,511,274
EXPENDITURES					
General Government	1,225,895	2,475	38,132	--	1,266,502
Public Safety	4,696,234	--	146,846	255,878	5,098,958
Highways and Street	950,886	908,568	743,140	220,361	2,822,955
Sanitation	--	--	--	8,250	8,250
Other Public Works	--	--	--	75	75
Culture and Recreation	578,735	40,473	49,483	39,773	708,464
Debt Service	266,955	197,889	--	--	464,844
Employee Benefits, Insurance and Other	3,206,234	--	--	--	3,206,234
TOTAL EXPENDITURES	10,924,939	1,149,405	977,601	524,337	13,576,282
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	403,303	(676,820)	--	208,509	(65,008)
OTHER FINANCING SOURCES (USES)					
Sale of General Fixed Assets	6,099	--	--	--	6,099
Interfund Transfers	(55,491)	--	--	55,491	--
Refund of Prior Year Expenditures	46,833	--	--	--	46,833
Refund of Prior Year Revenues	(337)	--	--	--	(337)
TOTAL OTHER FINANCING SOURCES (USES)	(2,896)	--	--	55,491	52,595
NET CHANGE IN FUND BALANCES	400,407	(676,820)	--	264,000	(12,413)
FUND BALANCES: JANUARY 1, 2007	4,084,613	1,449,544	--	1,719,028	7,253,185
FUND BALANCES: DECEMBER 31, 2007	\$ 4,485,020	\$ 772,724	\$ --	\$ 1,983,028	\$ 7,240,772

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, 2007**

Total net change in fund balance – governmental funds \$ (12,413)

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

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

Depreciation expense	\$ (2,078,054)	
Capital outlays	4,750,736	2,672,682

Repayment of bond/note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 382,000

The net effect of other miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net assets (13,170)

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>17,448</u>
----------------------------------	---------------

Change in net assets of governmental activities \$ 3,046,547

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

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2007

**Business-Type
Activities**
**Sewer
Fund**

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 1,488,312
Investments	5,996,776
Accounts Receivable	183,964
Prepaid Expenses	8,500
Due from Other Funds	<u>4,178</u>
Total Current Assets	<u>7,681,730</u>

Noncurrent Assets:

Other Assets

Restricted Assets	12,806,798
Bond Issuance Costs (Net of Accumulated Amortization)	<u>14,278</u>
Total Other Assets	<u>12,821,076</u>

Capital Assets

Land and Right of Ways	1,092,987
Machinery and Equipment	3,633,665
Collection Lines	22,238,265
Treatment Plant	28,205,559
Less: Accumulated Depreciation	<u>(22,332,837)</u>
Total Capital Assets, Net	<u>32,837,639</u>

Total Noncurrent Assets 45,658,715

TOTAL ASSETS \$ 53,340,445

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

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2007

**Business-Type
Activities**
**Sewer
Fund**

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 562,726
Accrued Salaries and Wages	62,950
Other Accrued Liabilities	2,040
Due to Other Funds	2,025
Current Portion of Long-Term Debt	<u>1,204,000</u>

Total Current Liabilities

1,833,741

Noncurrent Liabilities:

Bonds Payable	760,000
Note Payable	10,000,000
Refunding Debt Charges	(15,932)
Current Portion of Long-Term Debt	<u>(1,204,000)</u>

Total Noncurrent Liabilities

9,540,068

TOTAL LIABILITIES

11,373,809

NET ASSETS

Investment in Capital Assets, Net of Related Debt	30,835,916
Restricted	3,855,766
Unrestricted	<u>7,274,954</u>

TOTAL NET ASSETS

41,966,636

TOTAL LIABILITIES AND NET ASSETS

\$ 53,340,445

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, 2007**

	<u>Business-Type Activities Sewer Fund</u>
OPERATING REVENUES	
Charges for Services	\$ 6,679,996
Intergovernmental Revenue	7,285
Refund of Prior Year Expenses	<u>6,530</u>
TOTAL OPERATING REVENUES	<u>6,693,811</u>
OPERATING EXPENSES	
Cost of Services	4,520,435
Administration	189,724
Amortization	43,627
Depreciation	<u>1,430,495</u>
TOTAL OPERATING EXPENSES	<u>6,184,281</u>
OPERATING INCOME/(LOSS)	<u>509,530</u>
NONOPERATING REVENUES (EXPENSES)	
Tapping Fees	275,716
Investment Income	917,235
Interest Expense	(268,627)
Gain on Disposal of Capital Assets	<u>816</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>925,140</u>
INCOME BEFORE CONTRIBUTIONS	1,434,670
CAPITAL CONTRIBUTIONS	<u>226,204</u>
CHANGE IN NET ASSETS	1,660,874
TOTAL NET ASSETS – JANUARY 1, 2007	<u>40,305,762</u>
TOTAL NET ASSETS – DECEMBER 31, 2007	<u>\$ 41,966,636</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, 2007**

	<u>Business-Type Activities Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Users	\$ 6,617,057
Cash Payments to Employees for Services	(1,258,899)
Cash Payments to Suppliers for Goods and Services	(2,608,863)
Cash Payments for Other Operating Expenses	<u>(488,596)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,260,699</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
	<u>---</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition, Construction and Improvement of Capital Assets	(2,343,579)
Increase in Restricted Assets	(8,951,032)
Tapping Fees Received	275,716
Principal Payments	(890,000)
Proceeds of Sale of Capital Assets	816
Note Issuance	10,000,000
Debt Interest Payments	<u>(268,627)</u>
NET CASH (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(2,176,706)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	917,235
(Purchase) Maturity of Investments – Net	<u>(299,564)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>617,671</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	701,664
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	<u>786,648</u>
CASH AND CASH EQUIVALENTS END OF YEAR	<u>\$ 1,488,312</u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:	
Operating Income (Loss)	<u>\$ 509,530</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation	1,430,495
Amortization	43,627
(Increase) Decrease in Accounts Receivable	(76,754)
Increase (Decrease) in Accounts Payable	390,128
Increase (Decrease) in Accrued Salaries and Benefits	3,520
Decrease in Interfund Balances	<u>(39,847)</u>
Total Adjustments	<u>1,751,169</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,260,699</u>
NONCASH TRANSACTIONS	
Capital Contribution from Developers	<u>\$ 226,204</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, 2007

	Paid Firemen's Defined Contributions	Pension Trust			Police Pension Fund	Private Purpose Trust Fund Library Fund	Schenck Trust Fund	Agency Fund Escrow Fund
		Paid	Firemen's Defined Benefit Plan	Non- Uniform Pension Fund				
ASSETS								
Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --	\$ 190,571	\$ 40,732	\$ 199,229	
Investments	<u>253,112</u>	<u>2,635,225</u>	<u>5,882,951</u>	<u>9,713,696</u>	--	--	--	
TOTAL ASSETS	<u>\$ 253,112</u>	<u>\$ 2,635,225</u>	<u>\$5,882,951</u>	<u>\$9,713,696</u>	<u>\$ 190,571</u>	<u>\$ 40,732</u>	<u>\$ 199,229</u>	
LIABILITIES AND NET ASSETS								
LIABILITIES								
Accounts Payable	\$ --	\$ --	\$ 10,571	\$ --	\$ 515	\$ --	\$ 1,819	
Due to Developers	--	--	--	--	--	--	<u>197,410</u>	
TOTAL LIABILITIES	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 10,571</u>	<u>\$ --</u>	<u>\$ 515</u>	<u>\$ --</u>	<u>\$ 199,229</u>	
NET ASSETS								
Held in the Trust:								
Pension Benefits	253,112	2,635,225	5,872,380	9,713,696	--	--	--	
Other Purposes	--	--	--	--	<u>190,056</u>	<u>40,732</u>	--	
TOTAL NET ASSETS	<u>253,112</u>	<u>2,635,225</u>	<u>5,872,380</u>	<u>9,713,696</u>	<u>190,056</u>	<u>40,732</u>	<u>--</u>	
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 253,112</u>	<u>\$ 2,635,225</u>	<u>\$5,892,951</u>	<u>\$9,713,696</u>	<u>\$ 190,571</u>	<u>\$ 40,732</u>	<u>\$ 199,229</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, 2007

	Pension Trust					Private Purpose Trust Fund Library Fund	Schenck Trust Fund
	Firemen's Pension Defined Contributions	Firemen's Pension Defined Benefit	Non- Uniform Pension Fund	Police Pension Fund			
ADDITIONS							
State Contributions – Act 205	\$ --	\$ 150,263	\$ --	\$ 356,347	\$ --	\$ --	--
Municipal Contributions	--	46,614	286,594	110,543	--	--	--
Employee Contributions	--	39,364	61,903	76,985	--	--	--
Other Contributions	--	--	--	--	--	--	12,000
Investment Income	15,559	190,969	309,497	536,715	9,886	9,886	1,588
TOTAL ADDITIONS	15,559	427,210	657,994	1,080,590	9,886	9,886	13,588
DEDUCTIONS							
Distributions and Benefit Payments	26,316	122,410	72,117	506,223	--	--	--
Miscellaneous Expenses	--	21,294	--	54,362	--	--	--
Contribution to Libraries	--	--	--	--	10,176	10,176	--
TOTAL DEDUCTIONS	26,316	143,704	72,117	560,585	10,176	10,176	--
CHANGE IN NET ASSETS	(10,757)	283,506	585,877	520,005	(290)	(290)	13,588
NET ASSETS – JANUARY 1, 2007	263,869	2,351,719	5,286,503	9,193,691	190,346	190,346	27,144
NET ASSETS – DECEMBER 31, 2007	\$ 253,112	\$ 2,635,225	\$ 5,872,380	\$ 9,713,696	\$ 190,056	\$ 190,056	\$ 40,732

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

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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, 2007**

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, 2007**

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, 2007, 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, 2007**

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, 2007**

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, 2007**

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, 2007, \$4,741,673 of the Township's bank balance of \$4,946,209 was exposed to custodial credit risk.

Reconciliation to Financial Statements

Uninsured Amount, but with Pledged Collateral under Act 72	\$ 4,741,673
Plus: Insured Amount	204,536
Deposits in Transit	758,575
Less: Outstanding Checks	179,797
 Carrying Amount – Bank Balances	 4,842,267
Plus: Petty Cash	300
Total Cash per Financial Statements	\$ 4,842,567

Investments

As of December 31, 2007, 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 year	\$ 1,353,583
Federal Home Loan Mortgage	2 - 3 years	75,002
Federal National Mortgage	1 year	175,060
U.S. Treasury Notes	1 - 2 years	1,514,549
Total Government Bonds		3,118,194
Certificates of Deposit	1 - 5 years	7,656,422
Money Market Mutual Funds		1,823,654
Sovereign Government Investment Account		8,742,345
Total Investments		\$21,340,615

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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, 2007 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, 2007, the Township's governmental and business-type investments were exposed to custodial risk as follows:

Insured or Registered	\$ 9,170,971
Uninsured or unregistered with securities held by counterparty's trust department (DTC)	3,427,299
Uninsured or unregistered held by the counterparty or by its trust department not in the Township's name, but pledged collateral under Act 72	<u>8,742,345</u>
	<u>\$ 21,340,615</u>

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	\$ 12,598,270	48.12%
Sovereign Bank	10,230,657	39.07%
Citizen's Bank	3,349,419	12.79%
Commerce Bank	<u>4,536</u>	<u>.02%</u>
	<u>\$ 26,182,882</u>	<u>100.00%</u>

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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, 2007, \$335,068 of the Township's trust and agency funds bank balances of \$430,532 was exposed to custodial credit risk.

Reconciliation to Financial Statements

Uninsured Amount, but with Pledged Collateral under Act 72	\$ 335,068
Plus: Insured Amount	<u>95,464</u>
Carrying Amount – Bank Balances	<u>430,532</u>
Total Cash per Financial Statements	<u>\$ 430,532</u>

Investments

As of December 31, 2007, the Township had the following investments:

<u>Investment</u>	<u>Fair Value</u>
<u>ICMA Retirement Corporation</u>	
Non-Uniformed Pension Fund	\$ 5,882,951
Firemen Pension Fund	253,112
<u>Fulton Financial Advisors</u>	
Firemen Pension Fund	2,635,225
Police Pension Fund	4,950,410
<u>Legacy Trust Company</u>	
Police Pension Fund	<u>4,763,286</u>
	<u>\$ 18,484,984</u>

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, 2007 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, 2007**

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	\$ 7,585,635	40.11%
ICMA Retirement Corp	6,136,063	32.44%
Legacy Trust Company	4,763,286	25.18%
Citizen's Bank	231,303	1.22%
Commerice Bank	<u>199,229</u>	<u>1.05%</u>
	<u>\$ 18,915,516</u>	<u>100.00%</u>

NOTE 5 – RESTRICTED ASSETS – INVESTMENTS

Note Proceeds held for Capital Projects	\$ 8,742,345
Capital Improvement Reserve - Sewer	<u>4,064,453</u>
 Total Restricted Assets	 <u>\$ 12,806,798</u>

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

NOTE 6 – CHANGES IN CAPITAL ASSETS

A summary of capital assets of the Business-Type Activities as of December 31, 2007, is as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Land and Right of Ways	\$ 1,092,987	\$ --	\$ --	\$ 1,092,987
Collection Lines	21,515,030	723,235	--	22,238,265
Treatment Plant	26,418,539	1,787,020	--	28,205,559
Machinery and Equipment	<u>3,574,137</u>	<u>59,528</u>	<u>--</u>	<u>3,633,665</u>
 Total Capital Assets	 <u>52,600,693</u>	 <u>2,569,783</u>	 <u>--</u>	 <u>55,170,476</u>
 Less: Accumulated Depreciation				
Collection Lines	7,236,378	557,262	--	7,793,640
Treatment Plant	11,100,544	690,001	--	11,790,545
Machinery and Equipment	<u>2,565,420</u>	<u>183,232</u>	<u>--</u>	<u>2,748,652</u>
 Total Accumulated Depreciation	 <u>20,902,342</u>	 <u>1,430,495</u>	 <u>--</u>	 <u>22,332,837</u>
 Business-Type Activities Capital Assets, Net	 <u>\$31,698,351</u>	 <u>\$ 1,139,288</u>	 <u>\$ --</u>	 <u>\$ 32,837,639</u>

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 6 – CHANGES IN CAPITAL ASSETS (Continued)

A summary of capital assets of the Governmental Activities for the year ended December 31, 2007, was:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Land	\$ 1,512,163	\$ 335,664	\$ --	\$ 1,847,827
Buildings	6,729,596	149,400	--	6,878,996
Improvements (Other than Buildings)	4,510,794	--	--	4,510,794
Construction in Progress	154,309	154,877	(154,309)	154,877
Machinery and Equipment	2,366,477	143,104	(139,343)	2,370,238
Infrastructure Assets	<u>43,724,233</u>	<u>4,122,000</u>	<u>(100,000)</u>	<u>47,746,233</u>
Total Capital Assets	<u>58,997,572</u>	<u>4,905,045</u>	<u>(393,652)</u>	<u>63,508,965</u>
Less: Accumulated Depreciation				
Buildings	1,545,518	185,623	--	1,731,141
Improvements (Other than Buildings)	616,331	150,031	--	766,362
Machinery and Equipment	1,227,300	210,460	(131,173)	1,306,587
Infrastructure Assets	<u>19,939,199</u>	<u>1,531,940</u>	<u>(95,000)</u>	<u>21,376,139</u>
Total Accumulated Depreciation	<u>23,328,348</u>	<u>2,078,054</u>	<u>(226,173)</u>	<u>25,180,229</u>
Governmental Activities Capital Assets, Net	<u>\$ 35,669,224</u>	<u>\$ 2,826,991</u>	<u>\$ (167,479)</u>	<u>\$ 38,328,736</u>

A summary of capital assets of the Component Unit as of December 31, 2007, was:

	<u>Springettsbury Volunteer Fire Company</u>	<u>Springetts Ambulance Club, Inc.</u>	<u>Total</u>
Buildings	\$ 534,210	\$ --	\$ 534,210
Improvements (Other than Buildings)	460,866	129,976	590,842
Machinery and Equipment	1,829,110	581,183	2,410,293
Furniture and Fixtures	<u>--</u>	<u>1,557</u>	<u>1,557</u>
	2,824,186	712,716	3,536,902
Accumulated Depreciation	<u>(2,117,486)</u>	<u>(452,841)</u>	<u>(2,570,327)</u>
Net Property, Plant and Equipment	<u>\$ 706,700</u>	<u>\$ 259,875</u>	<u>\$ 966,575</u>

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 6 – CHANGES IN CAPITAL ASSETS (Continued)

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

Governmental Activities:	
General Government	\$ 98,887
Public Safety	149,999
Sanitation	28,953
Highways and Streets	1,607,801
Culture and Recreation	<u>192,414</u>
Total Depreciation Expense – Governmental Activities	<u>\$2,078,054</u>
Business-Type Activities:	
Sewer	<u>\$1,430,495</u>

NOTE 7 – DUE TO/FROM OTHER FUNDS

The interfund receivables and payables balances at December 31, 2007 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 917,773	\$ 172,247
Special Revenue Fund	180,322	896,840
Escrow Fund	--	--
Enterprise Fund	4,178	2,025
Capital Improvements Fund	183,887	215,588
Capital Project Funds	<u>540</u>	<u>--</u>
	<u>\$ 1,286,700</u>	<u>\$ 1,286,700</u>

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

	<u>Governmental Fund</u>	<u>Component Units - Fire Companies</u>
Balance as of January 1, 2007	\$ 2,586,000	\$ 174,831
Principal Retirements	<u>(382,000)</u>	<u>(23,747)</u>
Balance as of December 31, 2007	<u>\$ 2,204,000</u>	<u>\$ 151,084</u>
	<u>Enterprise Fund</u>	
Balance as of January 1, 2007	\$ 1,650,000	
Additional Borrowings	10,000,000	
Principal Retirements	<u>(890,000)</u>	
	10,760,000	
Deferred Loss on Retirement of Bonds	<u>(15,932)</u>	
Balance as of December 31, 2007	<u>\$ 10,744,068</u>	

General Obligation Note 2007

On April 17, 2007, the Township issued 2007 general obligation notes in the amount of \$10,000,000. The purposes of the notes were to finance construction of Bio-Nutrient Removal Project. The notes bear interest rates ranging from 3.90% to 6.25% payable semi-annually. The notes mature annually from November 2008 to November 2027. The balance outstanding at December 31, 2007 was \$10,000,000.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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

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, 2007 was \$1,729,000 and is scheduled to mature in October 2015.

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

General Obligation 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, 2007 was \$1,235,000.

The General Fund portion is \$475,000 and the Enterprise portion is \$760,000, 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, 2007	Required Monthly Payment	Maturity Date
Note #18735	\$ 27,279	\$ 643	2011
Note #18737	28,472	644	2011
Note #19583	95,333	965	2016
	\$ 151,084	\$ 2,252	

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 2007, are as follows:

General Obligation Bonds – 2003

Year Ended December 31,	General Fund			Enterprise Fund		
	Principal	Interest	Total	Principal	Interest	Total
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
	\$ 475,000	\$ 18,530	\$ 493,530	\$ 760,000	\$ 23,200	\$ 783,200
Year Ended December 31,	Component Units – Notes Payable			Capital Improvement Fund		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$ 24,227	\$ 2,800	\$ 27,027	\$ 146,000	\$ 60,342	\$ 206,342
2009	24,716	2,311	27,027	172,000	54,023	226,023
2010	25,215	1,812	27,027	215,000	47,419	262,419
2011	21,855	1,311	23,166	223,000	40,186	263,186
2012	10,578	1,005	11,583	231,000	32,785	263,785
2013-2016	44,493	1,839	46,332	742,000	50,454	792,454
	\$ 151,084	\$ 11,078	\$ 162,162	\$1,729,000	\$ 285,209	\$2,014,209

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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

General Obligation Note 2007

Year Ended December 31,	Enterprise Fund		
	Principal	Interest	Total
2008	\$ 604,000	\$ 390,000	\$ 994,000
2009	177,000	366,444	543,444
2010	348,000	359,541	707,541
2011	362,000	345,969	707,969
2012	376,000	331,851	707,851
2013-2017	2,110,000	1,427,673	3,537,673
2018-2022	2,786,000	1,544,438	4,330,438
2023-2027	3,237,000	619,062	3,856,062
	<u>\$10,000,000</u>	<u>\$5,384,978</u>	<u>\$15,384,978</u>

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, 2007, compensated absences changed as follows:

Beginning of year	\$ 46,142
Payout in 2007	(21,773)
Increase in Compensated Absences	<u>4,325</u>
End of Year	<u>\$ 28,694</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 2007 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 2007 was .87 mills (\$.87 per \$1,000 assessed valuation).

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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, 2007. In 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 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

	Commonwealth Fire Company	Springetts Fire Company	Springettsbury Twp. Volunteer Fire Company	Springetts Ambulance Club, Inc.	Springettsbury Township Development Authority	Total Component Units
ASSETS						
Cash and Cash Equivalents	\$ 14,981	\$ 50,151	\$ 31,298	\$ 2,640	\$ 1,003,072	\$ 1,102,142
Investments	--	--	216,804	276,425	--	493,229
Due from Other Governments	--	--	127,988	--	1,889,000	2,016,988
Property, Plant and Equipment	--	--	2,824,186	712,716	--	3,536,902
Accumulated Depreciation	--	--	(2,117,486)	(452,841)	--	(2,570,327)
TOTAL ASSETS	<u>\$ 14,981</u>	<u>\$ 50,151</u>	<u>\$ 1,082,790</u>	<u>\$ 538,940</u>	<u>\$ 2,892,072</u>	<u>\$ 4,578,934</u>
LIABILITIES						
Accounts Payable	\$ --	\$ --	\$ 5,596	\$ --	\$ 846,921	\$ 852,517
Bonds/Notes Payable	--	--	151,084	--	5,632,000	5,783,084
TOTAL LIABILITIES	<u>--</u>	<u>--</u>	<u>156,680</u>	<u>--</u>	<u>6,478,921</u>	<u>6,635,601</u>
NET ASSETS	<u>14,981</u>	<u>50,151</u>	<u>926,110</u>	<u>538,940</u>	<u>(3,586,849)</u>	<u>(2,056,667)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14,981</u>	<u>\$ 50,151</u>	<u>\$ 1,082,790</u>	<u>\$ 538,940</u>	<u>\$ 2,892,072</u>	<u>\$ 4,578,934</u>

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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
REVENUES						
County Allocation	\$ --	\$ --	\$ 5,000	\$ --	\$ --	\$ 5,000
Township Allocation	--	--	237,524	--	--	237,524
State Grant	--	--	--	--	568,392	568,392
Investment Income	99	1,014	16,100	(14,795)	65,650	68,068
Social Hall Rentals	14,628	22,233	--	--	--	36,861
Contributions	--	--	64,430	--	--	64,430
Miscellaneous Revenue	--	--	81	24,500	--	24,581
Charges for Services	--	--	--	335	--	335
Local Grant	--	--	--	--	160,000	160,000
TOTAL REVENUES	<u>14,727</u>	<u>23,247</u>	<u>323,135</u>	<u>10,040</u>	<u>794,042</u>	<u>1,165,191</u>
EXPENSES						
Operating Expenses	3,944	5,264	262,060	9,792	--	281,060
Depreciation	--	--	117,534	45,817	--	163,351
Interest Expenses	--	--	3,280	--	218,825	222,105
Fundraising Expenses	--	--	4,164	--	--	4,164
Miscellaneous Expenses	--	2,239	600	--	3,933,793	3,936,632
TOTAL EXPENSES	<u>3,944</u>	<u>7,503</u>	<u>387,638</u>	<u>55,609</u>	<u>4,152,618</u>	<u>4,607,312</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>10,783</u>	<u>15,744</u>	<u>(64,503)</u>	<u>(45,569)</u>	<u>(3,358,576)</u>	<u>(3,442,121)</u>
OTHER FINANCING SOURCES (USES)						
Refunds of Prior Year Expenditures	--	--	53,546	--	--	53,546
Transfers In(Out)	(241,849)	(156,661)	398,510	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>(241,849)</u>	<u>(156,661)</u>	<u>452,056</u>	<u>--</u>	<u>--</u>	<u>53,546</u>
CHANGE IN NET ASSETS	(231,066)	(140,917)	387,553	(45,569)	(3,358,576)	(3,388,575)
NET ASSETS – BEGINNING	<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>
NET ASSETS – ENDING	<u>\$ 14,981</u>	<u>\$ 50,151</u>	<u>\$ 926,110</u>	<u>\$ 538,940</u>	<u>\$ (3,586,849)</u>	<u>\$ (2,056,667)</u>

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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:

2008	\$ 831,000
2009	831,000
2010	831,000
2011	831,000
2012	831,000
2013-2017	4,155,000
2018-2022	1,779,000
2023-2024	<u>60,000</u>
	<u>\$ 10,149,000</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, 2007**

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, 1998 through December 31, 2007 were as follows:

<u>Year</u>	<u>Annual Required Contribution</u>	<u>Contributions From Employer (1)</u>	<u>Percentage Contributed</u>
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	221,228	222,000	100.0%+
2005	432,744	436,000	100.0%+
2006	398,808	398,808	100.0%
2007	466,890	466,890	100.0%

(1) Includes general municipal pension system state aid.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 14 – PENSION PLANS (Continued)

POLICE PENSION PLAN (Continued)

Actuarial Valuation

An actuarial study as of January 1, 2007 was completed by Conrad M. Siegel, Inc. on August 3, 2007. 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, 2007; (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, 1998 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>
1/1/1998	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	7,495,864					
1/1/2003	6,950,391	8,243,946	(1,293,555)	84.3%	1,544,695	(83.7%)
1/1/2004	7,673,250					
1/1/2005	8,084,958	9,433,418	(1,348,460)	85.7%	1,720,759	(78.4%)
1/1/2006	8,438,716					
1/1/2007	9,193,690	10,563,398	(1,369,708)	87.0%	2,059,773	(66.5%)

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 in 2005, the Paid Firemen's Pension Plan was converted to a defined benefit plan. Firemen receiving benefits prior to 2005 remain in the defined contribution 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, 2007**

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%
2007	196,877	196,877	100%

(1) Includes general municipal pension system state aid.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 14 – PENSION PLANS (Continued)

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

Actuarial Valuation

An actuarial study as of January 1, 2007 was completed by Conrad M. Siegel, Inc. on August 3, 2007. 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, 2007; (1) a 6.5% 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 GA 1983 table; (4) post-retirement mortality life expectancies based on the GA 1983 table, (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.

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, 2005 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>
1/1/2005	2,040,440	2,978,487	(938,047)	68.5%	766,265	(122.4%)
1/1/2006	2,264,825					
1/1/2007	2,613,260	3,506,881	(893,621)	74.5%	818,036	(109.2%)

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, 2007, the Township contributed \$286,594 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.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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 2007, there were 14 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 \$82,659 in 2007.

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, 2007, 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, 2007, 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, the excess or deficit of the Pool is allocated to all the members. The Township was limited to liability for 2007 claims to \$45,000 individually and \$1,219,212 in the aggregate for claims for 2007.

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, 2007.

As of December 31, 2007, there are no additional assessments relating to the health plan.

Workers' Compensation

The Township participates in the Susquehanna Municipal Trust, which is a cooperative voluntary trust arrangement for 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, 2007, the Township is not aware of any additional assessments relating to the Trust.

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 19 – RESERVED FUND BALANCE

The fund balance reservations in the general fund of \$1,440,300 represents amounts reserved by management for potential appropriations in excess of anticipated revenues for the year ended December, 31, 2008.

NOTE 20 – FUND BALANCE - DESIGNATED

The Township has designated \$100,000 of its General Fund fund balance for future Other Post-Employment Benefits (OPEB). This is required to implement GASB 45 for the 2008 year and has elected to not early implement the reporting requirements.

NOTE 21 – CONSTRUCTION COMMITMENTS

As of December 31, 2007, the Township is involved in capital projects. The Township had the following commitments as of December 31, 2007:

<u>Project</u>	<u>Contract Amounts</u>	<u>Amount Paid-to-Date</u>	<u>Commitments Outstanding</u>
Sewer – Grit Removal	<u>\$ 3,518,829</u>	<u>\$1,228,844</u>	<u>\$ 2,289,985</u>
Public Works Pole Building	<u>\$ 172,575</u>	<u>\$ 98,883</u>	<u>\$ 73,692</u>
Penn Oaks Park	<u>\$ 453,675</u>	<u>\$ --</u>	<u>\$ 453,675</u>

REQUIRED SUPPLEMENTARY INFORMATION

OF

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

DECEMBER 31, 2007

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL –
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES				
Real Estate Taxes and Penalties	\$ 1,310,000	\$ 1,310,000	\$ 1,303,234	\$ (6,766)
Other Taxes	5,450,000	5,450,000	5,902,573	452,573
Licenses and Permits	265,200	265,200	323,577	58,377
Fines and Forfeits	310,000	310,000	344,341	34,341
Interest, Rents, and Royalties	100,000	100,000	219,341	119,341
Intergovernmental Revenues	587,000	607,000	751,326	144,326
Charges for Services	1,487,500	1,487,500	1,864,651	377,151
Miscellaneous	1,000	1,000	390	(610)
Reimbursements	<u>250,000</u>	<u>250,000</u>	<u>618,809</u>	<u>368,809</u>
TOTAL REVENUES	<u>9,760,700</u>	<u>9,780,700</u>	<u>11,328,242</u>	<u>1,547,542</u>
EXPENDITURES				
General Government	1,203,000	1,223,000	1,225,895	(2,895)
Public Safety	4,635,500	4,685,500	4,696,234	(10,734)
Highways and Streets	1,000,000	1,000,000	950,886	49,114
Culture and Recreation	581,000	581,000	578,735	2,265
Debt Service	267,000	267,000	266,955	45
Employee Benefits, Insurance and Other	<u>3,224,500</u>	<u>3,274,500</u>	<u>3,206,234</u>	<u>68,266</u>
TOTAL EXPENDITURES	<u>10,911,000</u>	<u>11,031,000</u>	<u>10,924,939</u>	<u>106,061</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,150,300)</u>	<u>(1,250,300)</u>	<u>403,303</u>	<u>1,653,603</u>
OTHER FINANCING SOURCES (USES)				
Sale of General Fixed Assets	25,000	25,000	6,099	(18,901)
Interfund Transfers	(45,000)	(45,000)	(55,491)	(10,491)
Refund of Prior Year Expenditures	1,000	1,000	46,833	45,833
Refund of Prior Year Revenues	<u>--</u>	<u>--</u>	<u>(337)</u>	<u>(337)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(19,000)</u>	<u>(19,000)</u>	<u>(2,896)</u>	<u>16,104</u>
NET CHANGE IN FUND BALANCE	(1,169,300)	(1,269,300)	400,407	1,669,707
FUND BALANCES – JANUARY 1, 2007	<u>4,084,613</u>	<u>4,084,613</u>	<u>4,084,613</u>	<u>--</u>
FUND BALANCES – DECEMBER 31, 2007	<u>\$ 2,915,313</u>	<u>\$ 2,815,313</u>	<u>\$ 4,485,020</u>	<u>\$ 1,669,707</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, 2007

	Capital Improvements			Grant Fund		
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Real Estate Taxes and Penalties	\$ 300,000	\$ 316,626	\$ 16,626	\$ --	\$ --	\$ --
Interest, Rents, and Royalties	5,000	45,959	40,959	--	--	--
Intergovernmental Revenues	200,000	60,000	(140,000)	2,349,284	977,601	(1,371,683)
Contributions	--	50,000	50,000	--	--	--
Note Proceeds	1,514,000	--	(1,514,000)	--	--	--
TOTAL REVENUES	<u>2,019,000</u>	<u>472,585</u>	<u>(1,546,415)</u>	<u>2,349,284</u>	<u>977,601</u>	<u>(1,371,683)</u>
EXPENDITURES						
General Government	--	2,475	(2,475)	58,732	38,132	20,600
Public Safety	--	--	--	409,645	146,846	262,799
Highways and Streets	1,012,000	908,568	103,432	1,675,890	743,140	932,750
Culture and Recreation	383,000	40,473	342,527	205,017	49,483	155,534
Debt Service	769,000	197,889	571,111	--	--	--
TOTAL EXPENDITURES	<u>2,164,000</u>	<u>1,149,405</u>	<u>1,014,595</u>	<u>2,349,284</u>	<u>977,601</u>	<u>1,371,683</u>
NET CHANGE IN FUND BALANCE	(145,000)	(676,820)	(531,820)	--	--	--
FUND BALANCES – JANUARY 1, 2007	<u>1,449,544</u>	<u>1,449,544</u>	--	--	--	--
FUND BALANCES – DECEMBER 31, 2007	<u>\$1,304,544</u>	<u>\$ 772,724</u>	<u>\$ (531,820)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</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 SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>State</u>		<u>Petitioned Street</u>		<u>Fire Company Fund</u>		<u>Recreation Fund</u>		<u>Total Special</u>	
	<u>Liquid Fuels Fund</u>		<u>Lighting Fund</u>		<u>Original/</u>		<u>Original/</u>		<u>Revenue Funds</u>	
	<u>Original/</u>	<u>Actual</u>	<u>Original/</u>	<u>Actual</u>	<u>Final</u>	<u>Budget</u>	<u>Final</u>	<u>Budget</u>	<u>Original/</u>	<u>Final</u>
REVENUES										
Real Estate Taxes and Penalties	\$ --	\$ --	\$47,500	\$47,140	\$ --	\$ --	\$ --	\$ --	\$ 47,500	\$ 47,140
Interest, Rents and Royalties	4,525	30,314	500	1,145	10,000	39,134	5,000	10,094	20,025	80,687
Intergovernmental Revenue	480,475	501,720	--	--	--	--	--	--	480,475	501,720
Contributions from Private Sources	--	--	--	--	--	--	--	353	--	353
TOTAL REVENUES	<u>485,000</u>	<u>532,034</u>	<u>48,000</u>	<u>48,285</u>	<u>10,000</u>	<u>39,134</u>	<u>5,000</u>	<u>10,447</u>	<u>548,000</u>	<u>629,900</u>
EXPENDITURES										
Public Safety	--	--	--	--	268,274	255,878	--	--	150,000	255,878
Highways and Streets	485,000	168,646	48,000	51,715	--	--	--	--	533,000	220,361
Culture and Recreation	--	--	--	--	--	--	160,000	39,773	160,000	39,773
TOTAL EXPENDITURES	<u>485,000</u>	<u>168,646</u>	<u>48,000</u>	<u>51,715</u>	<u>268,274</u>	<u>255,878</u>	<u>160,000</u>	<u>39,773</u>	<u>843,000</u>	<u>516,012</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	--	<u>363,388</u>	--	<u>(3,430)</u>	<u>(258,274)</u>	<u>(216,744)</u>	<u>(155,000)</u>	<u>(29,326)</u>	<u>(295,000)</u>	<u>113,888</u>
OTHER FINANCING SOURCES (USES)										
Interfund Transfer	--	--	--	--	140,000	140,000	--	10,491	140,000	150,491
TOTAL OTHER FINANCING SOURCES (USES)	--	--	--	--	140,000	140,000	--	10,491	140,000	150,491
NET CHANGE IN FUND BALANCE	--	363,388	--	<u>(3,430)</u>	<u>(118,274)</u>	<u>(76,744)</u>	<u>(155,000)</u>	<u>(18,835)</u>	<u>(155,000)</u>	<u>264,379</u>
FUND BALANCES – JANUARY 1, 2007	<u>414,710</u>	<u>414,710</u>	<u>18,531</u>	<u>18,531</u>	<u>843,949</u>	<u>843,949</u>	<u>266,717</u>	<u>266,717</u>	<u>1,543,907</u>	<u>1,543,907</u>
FUND BALANCES – DECEMBER 31, 2007	<u>\$414,710</u>	<u>\$778,098</u>	<u>\$18,531</u>	<u>\$15,101</u>	<u>\$ 725,675</u>	<u>\$767,205</u>	<u>\$111,717</u>	<u>\$247,882</u>	<u>\$1,388,907</u>	<u>\$1,808,286</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, 2007

	Storm Water Reserve Fund		Waste Reserve Fund		Total Capital Project Funds	
	Original/	Actual	Original/	Actual	Original/	Actual
	Budget		Budget		Budget	
REVENUES						
Interest, Rents and Royalties	\$ 500	\$ 3,962	\$ 1,000	\$ 5,082	\$ 1,500	\$ 9,044
Charges for Services	--	--	108,000	93,902	108,000	93,902
TOTAL REVENUES	<u>500</u>	<u>3,962</u>	<u>109,000</u>	<u>98,984</u>	<u>109,500</u>	<u>102,946</u>
EXPENDITURES						
Sanitation	--	--	19,000	8,250	19,000	8,250
Other Public Works	500	75	--	--	500	75
TOTAL EXPENDITURES	<u>500</u>	<u>75</u>	<u>19,000</u>	<u>8,250</u>	<u>19,500</u>	<u>8,325</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>--</u>	<u>3,887</u>	<u>90,000</u>	<u>90,734</u>	<u>90,000</u>	<u>94,621</u>
OTHER FINANCING SOURCES (USES)						
Interfund Transfer	\$ --	\$ --	\$ (90,000)	\$ (95,000)	\$ (90,000)	\$ (95,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>--</u>	<u>--</u>	<u>(90,000)</u>	<u>(95,000)</u>	<u>(90,000)</u>	<u>(95,000)</u>
NET CHANGE IN FUND BALANCE	<u>--</u>	<u>3,887</u>	<u>--</u>	<u>(4,266)</u>	<u>--</u>	<u>(379)</u>
FUND BALANCES - JANUARY 1, 2007	<u>91,498</u>	<u>91,498</u>	<u>83,623</u>	<u>83,623</u>	<u>175,121</u>	<u>175,121</u>
FUND BALANCES - DECEMBER 31, 2007	<u>\$ 91,498</u>	<u>\$ 95,385</u>	<u>\$ 83,623</u>	<u>\$ 79,357</u>	<u>\$ 175,121</u>	<u>\$ 174,742</u>

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

SUPPLEMENTARY INFORMATION

OF

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

DECEMBER 31, 2007

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
DECEMBER 31, 2007**

	Special Revenue Funds	Capital Project Funds	Total Non-Major Funds
ASSETS			
Cash and Cash Equivalents	\$1,673,979	\$ 174,202	\$1,848,181
Investments	227,046	--	227,046
Due from Other Funds	41,507	540	42,047
Accounts Receivable	615	--	615
TOTAL ASSETS	\$1,943,147	\$ 174,742	\$2,117,889
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 132,601	\$ --	\$ 132,601
Due to Other Funds	2,260	--	2,260
TOTAL LIABILITIES	134,861	--	134,861
FUND BALANCES			
Reserved Fund Balance	1,808,286	174,742	1,983,028
TOTAL FUND BALANCES	1,808,286	174,742	1,983,028
TOTAL LIABILITIES AND FUND BALANCES	\$1,943,147	\$ 174,742	\$2,117,889

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, 2007**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Non-Major Funds</u>
REVENUES			
Real Estate Taxes and Penalties	\$ 47,140	\$ --	\$ 47,140
Interest, Rents and Royalties	80,687	9,044	89,731
Intergovernmental Revenue	501,720	--	501,720
Charges for Services	--	93,902	93,902
Contributions from Private Sources	<u>353</u>	<u>--</u>	<u>353</u>
TOTAL REVENUES	<u>629,900</u>	<u>102,946</u>	<u>732,846</u>
EXPENDITURES			
Public Safety	255,878	--	255,878
Highways and Streets	220,361	--	220,361
Sanitation	--	8,250	8,250
Other Public Works	--	75	75
Culture and Recreation	<u>39,773</u>	<u>--</u>	<u>39,773</u>
TOTAL EXPENDITURES	<u>516,012</u>	<u>8,325</u>	<u>524,337</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>113,888</u>	<u>94,621</u>	<u>208,509</u>
OTHER FINANCING SOURCES (USES)			
Interfund Transfers	<u>150,491</u>	<u>(95,000)</u>	<u>55,491</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>150,491</u>	<u>(95,000)</u>	<u>55,491</u>
NET CHANGE IN FUND BALANCE	264,379	(379)	264,000
FUND BALANCES – JANUARY 1, 2007	<u>1,543,907</u>	<u>175,121</u>	<u>1,719,028</u>
FUND BALANCES – DECEMBER 31, 2007	<u>\$1,808,286</u>	<u>\$ 174,742</u>	<u>\$1,983,028</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, 2007**

	<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>
ASSETS					
Cash and Cash Equivalents	\$ 778,098	\$ 18,789	\$ 670,407	\$ 206,685	\$1,673,979
Investments	--	--	227,046	--	227,046
Due from Other Funds	--	--	--	41,507	41,507
Accounts Receivable	--	615	--	--	615
TOTAL ASSETS	<u>\$ 778,098</u>	<u>\$ 19,404</u>	<u>\$ 897,453</u>	<u>\$ 248,192</u>	<u>\$1,943,147</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ --	\$ 4,303	\$ 127,988	\$ 310	\$ 132,601
Due to Other Funds	--	--	2,260	--	2,260
TOTAL LIABILITIES	<u>--</u>	<u>4,303</u>	<u>130,248</u>	<u>310</u>	<u>134,861</u>
FUND BALANCES					
Reserved Fund Balance	<u>778,098</u>	<u>15,101</u>	<u>767,205</u>	<u>247,882</u>	<u>1,808,286</u>
TOTAL FUND BALANCES	<u>778,098</u>	<u>15,101</u>	<u>767,205</u>	<u>247,882</u>	<u>1,808,286</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 778,098</u>	<u>\$ 19,404</u>	<u>\$ 897,453</u>	<u>\$ 248,192</u>	<u>\$1,943,147</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, 2007**

	<u>Storm Water Reserve Fund</u>	<u>Waste Reserve Fund</u>	<u>Total Capital Project Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 95,385	\$ 78,817	\$ 174,202
Due from Other Funds	<u> --</u>	<u> 540</u>	<u> 540</u>
TOTAL ASSETS	<u>\$ 95,385</u>	<u>\$ 79,357</u>	<u>\$ 174,742</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
FUND BALANCES			
Reserved Fund Balance	<u> 95,385</u>	<u> 79,357</u>	<u> 174,742</u>
TOTAL FUND BALANCES	<u> 95,385</u>	<u> 79,357</u>	<u> 174,742</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 95,385</u>	<u>\$ 79,357</u>	<u>\$ 174,742</u>

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

Springettsbury Township
Major Fund Determination Worksheet
FISCAL YEAR ENDED 12/31/07

5% and 10% Criteria Test

<u>Fund</u>	<u>Governmental Funds</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>
10	General	5,092,649	607,629	11,381,174	10,980,767					Always
20	Liquid Fuels Fund-Highway Aid Fund	778,088	0	532,034	168,647	NO	NO	NO	NO	Non-Major
21	Subdivision Recreation Fund	248,192	310	10,094	39,773	NO	NO	NO	NO	Non-Major
22	Fire Companies Fund	897,453	130,248	39,134	255,878	NO	NO	NO	NO	Non-Major
23	Petitioned Street Light Fund	19,404	4,303	48,285	51,715	NO	NO	NO	NO	Non-Major
30	Capital Improvement Fund	1,101,669	328,945	472,585	1,149,405	NO	NO	NO	NO	Non-Major
33	Storm Water Reserve Fund	95,385	0	3,962	75	NO	NO	NO	NO	Non-Major
34	Waste Reduction Reserve Fund	79,357	0	98,983	8,250	NO	NO	NO	NO	Non-Major
50	Grant Fund	912,065	912,065	977,601	977,601	NO	YES	NO	NO	Major
	Governmental Funds Total	9,224,272	1,983,500	13,563,852	13,632,111					
	10% of Governmental Funds Total	922,427	198,350	1,356,385	1,363,211					

elect major

Enterprise Funds

80	Sewer Fund	53,340,445	11,373,809	7,887,578	6,452,908	YES	YES	YES	YES	Major
XX	Enterprise Fund					NO	NO	NO	NO	Non-Major
	Other Enterprise Fund					NO	NO	NO	NO	Non-Major
	Enterprise Funds Total	53,340,445	11,373,809	7,887,578	6,452,908					
	10% of Enterprise Funds	5,334,045	1,137,381	788,758	645,291					

	Sum of Governmental and Enterprise Funds	62,564,717	13,357,309	21,451,430	20,085,019					
	5% of Sum of Governmental and Enterprise Funds	3,128,236	667,865	1,072,572	1,004,251					

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.

Note 5: Management has elected to show Capital Improvement Fund as a major fund for reporting purposes.

SINGLE AUDIT INFORMATION

OF

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

DECEMBER 31, 2007

SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2007

Federal Grantor/Pass Through Grantor/Program Title	Source Code	Federal CFDA Number	Pass-Through Grantor's Number	Grant Period Beginning/Ending Date	Grant Amount	Total Received for the Year	Accrued or (Deferred) Revenue at 1/1/2007	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue at 12/31/07
<u>U.S. DEPARTMENT OF JUSTICE</u>										
DOJ - Bulletproof Vests	D	16.607	N/A	11/1/07 - 9/30/11	\$ 1,650	\$ --	\$ --	\$ 1,075	\$ 1,075	\$ 1,075
DOJ - Bulletproof Vests	D	16.607	N/A	11/1/06 - 9/30/10	2,225	2,063	825	1,400	1,400	162
Community Oriented Police Services (COPS)	D	16.710	2006CKWX0589	9/1/06 - 8/31/08	82,877	21,674	--	21,674	21,674	--
Community Oriented Police Services (COPS)	D	16.710	2005SHWX0012	7/1/05 - 6/30/08	250,000	66,124	17,714	71,755	71,755	23,345
TOTAL U.S. DEPARTMENT OF JUSTICE							18,539	95,904	95,904	24,582
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>										
Passed Through Pennsylvania Department of Transportation:										
Federal Aid Highway Program	I	20.205	087642A	N/A	1,021,000	73,894	77,937	586,185	586,185	590,228
TOTAL U.S. DEPARTMENT OF TRANSPORTATION							77,937	586,185	586,185	590,228
TOTAL EXPENDITURES OF FEDERAL AWARDS							\$ 96,476	\$ 682,089	\$ 682,089	\$ 614,810

Test of 50% Rule:

Federal and Highway Program = 85.9%
Total Expenditures of Federal Awards 682,089

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*.

SAGER, SWISHER AND COMPANY, LLP
Certified Public Accountants and Consultants

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15 North Third Street
Columbia, Pennsylvania 17512

13 South Lime Street
Quarryville, Pennsylvania 17566

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Supervisors
Springettsbury Township
York, Pennsylvania

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Springettsbury Township (the Township), as of and for the year ended December 31, 2007, which collectively comprise the Township's basic financial statements and have issued our report thereon dated June 2, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the Township, in a separate letter dated June 2, 2008.

This report is intended solely for the information and use of management, the Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sager, Swisher and Company, LLP

Columbia, Pennsylvania
June 2, 2008

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

Board of Supervisors
Springettsbury Township
York, Pennsylvania

Compliance

We have audited the compliance of Springettsbury Township (the Township) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. Springettsbury Township's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Township's management. Our responsibility is to express an opinion on Springettsbury Township's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Township's compliance with those requirements.

In our opinion, Springettsbury Township complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the Township is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Township's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Springettsbury Township's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be used and should not be used by anyone other than these specified parties.

Sager, Swisher and Company, LLP

Columbia, Pennsylvania
June 2, 2008

**SPRINGETTSBURY TOWNSHIP
YORK, PENNSYLVANIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

The following is a summary of Auditor's results

1. An unqualified opinion was issued for Springettsbury Township for the year ended December 31, 2007.
2. No material weaknesses are reported in the Report On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance With Governmental Auditing Standards.
3. Our audit disclosed no material instances of noncompliance in connection with the financial statements.
4. No material weaknesses relating to the audit of the major federal programs are reported in the Report on Compliance With Requirements Applicable To Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major Federal Awards Programs expresses an unqualified opinion.
6. Our audit disclosed no findings or questioned costs required to be reported under OMB Circular A-133.
7. As of December 31, 2007, Springettsbury Township had the following program considered major:

Federal Aid Highway Program	20.205
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8. Springettsbury Township uses Federal Program expenditures equal to or exceeding \$300,000 to identify Type A programs. The Township had one Type A program for the year ended December 31, 2007.
7. For the year ended December 31, 2007, Springettsbury Township was not identified as a low risk entity.

Financial Statement Findings:

- There were no current year findings.

Federal Awards Findings and Questioned Costs:

- There were no current year findings or questioned costs.