

**Exeter Township,  
Berks County, Pennsylvania**

**Financial Statements and  
Supplementary Information**

**December 31, 2013**



**REINSEL KUNTZ LESHER**  
certified public accountants & consultants

**FOCUSED. ON YOU.**

## **Exeter Township**

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December 31, 2013

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## Independent Auditor's Report

To the Board of Supervisors  
Exeter Township  
Berks County, Pennsylvania

### Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information and the related notes to the financial statements of Exeter Township (the Township), Berks County, Pennsylvania, as of and for the year ended December 31, 2013, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 2. This includes that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

## **Auditor's Responsibility (continued)**

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

## **Basis for Qualified Opinion**

Management has not included financial information for Exeter Township's component units, Exeter Township, Berks County, Authority and the Exeter Community Library, in the Township's financial statements. Accounting principles applicable to the Township's modified cash basis of accounting requires inclusion of the financial information of Exeter Township, Berks County, Authority and the Exeter Community Library with the financial information of the Township.

## **Qualified Opinion**

In our opinion, except for the effects of not including financial information for the component units, Exeter Township, Berks County, Authority and the Exeter Community Library, as described in the basis for qualified opinion paragraph, the financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Exeter Township, Berks County, Pennsylvania, as of December 31, 2013, and the respective changes - modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 2.

## **Report on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on Pages 4 to 13 and other required supplementary information on Pages 50 to 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole that collectively comprise Exeter Township's basic financial statements. The supplementary information presented in the table of contents under the heading Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole, on the basis of accounting described in Note 2.

### **Basis of Accounting**

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted on the United States of America. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "Reinsel Kuntz Lesker LLP".

June 11, 2014  
Wyomissing, Pennsylvania

# EXETER TOWNSHIP

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Exeter Township's (the Township) financial performance provides an overview of the Township's financial activities for the year ended December 31, 2013, within the limitations of the Township's modified cash basis of accounting. Please read it in conjunction with the Township's financial statements that begin on page 14.

### Financial Highlights

- The Township's total expenditures exceeded total revenues on the modified cash basis of accounting by \$50,534 for the year ended December 31, 2013, compared to an excess of expenditures over revenues of \$983,586 for the year ended December 31, 2012. This resulted in a decrease of total net position of .3% for the year ended December 31, 2013, compared to a decrease of 5% for the year ended December 31, 2012.
- At December 31, 2013, the Township's governmental funds reported combined ending fund balances of \$6,052,451 an increase of \$176,054 from the prior year. \$2,350,416 or 38.8% of the ending fund balance is *available for spending* at the Township's discretion (*unassigned fund balance*). The General Fund highlights are as follows:
  - The Township's General Fund had a decrease in its fund balance of \$62,117 to \$2,937,879. As part of managing the finances of the Township, a fund balance is maintained in order to provide adequate financial resources to pay for services to the citizens of the Township during periods when tax and other revenue collections are not sufficient to fund daily operating costs. This generally occurs in the first few months of each year. This enables the Township to avoid having to borrow money to cover operating expenses prior to the receipt of tax revenues, which are assessed March 1 of each year. At December 31, 2013, the unassigned fund balance of the General Fund was \$2,350,416 or 24.9% of total General Fund expenditures.
- At December 31, 2013, the Township's business-type activities reported net position of \$12,726,135, a decrease of \$226,588 from the prior year.

## **USING THIS ANNUAL REPORT**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the Township's modified cash basis of accounting.

### **Report Components**

This annual report consists of five parts as follows:

**Government-Wide Financial Statements:** The statement of net position – modified cash basis and the statement of activities - modified cash basis (on pages 14 and 15) provide information about the activities of the Township government-wide (or "as a whole") and present a longer-term view of the Township's finances. The statement of activities reports revenues and expenditures utilizing the modified cash basis of accounting as described in Note 2 to the financial statements.

**Fund Financial Statements:** Fund financial statements (starting on page 16) focus on the individual parts of the Township's government. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant ("major") funds. For governmental funds, these statements tell how these services were financed in the short-term as well as what remains for future spending. For the proprietary funds, these statements offer information about the funds the Township operates like a business, such as the sewer fund and the country club.

**Notes to the Financial Statements:** The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Required Supplementary Information:** The management's discussion and analysis (pages 4 through 13), the schedules of funding progress (page 50) and the budgetary comparison schedule (pages 51 and 52) represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements and notes (referred to as "the basic financial statements").

**Other Supplementary Information:** This part of the annual report (starting on page 54) includes optional financial information such as combining statements for nonmajor funds (which are added together and shown in the fund financial statements in a single column). This other supplemental financial information is provided to address certain specific needs of various users of the Township's annual report.

### **Basis of Accounting**

The Township has elected to present its financial statements on the modified cash basis of accounting. The modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. The term "basis of accounting" is a reference to when financial events are recorded. Under the modified cash basis of accounting, only revenues collected and expenditures paid and intergovernmental due to and due from receivables and payables are recorded. Under this basis, revenue is recognized when collected rather than when earned and expenditures are generally recognized when paid rather than when the related liability is incurred.

## **USING THIS ANNUAL REPORT (CONTINUED)**

### **Basis of Accounting (Continued)**

As a result of the use of the modified cash basis of accounting, other receivables, other payables, inventories, long-lived assets, accrued income and expenses, and amortization and depreciation are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

### **Reporting the Township as a Whole**

#### **The Township's Reporting Entity Presentation**

This annual report includes only the primary government of the Township, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Township's legal entity. Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In evaluating how to define the reporting entity, we have considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the significance of their operational or financial relationships with the Township. The following component units meet the requirements for inclusion, under the above criteria, but are not included in the Township's annual report: Exeter Township, Berks County Authority and Exeter Community Library.

#### **The Government-Wide Statement of Net Position and the Statement of Activities**

The government-wide financial statements are presented on pages 14 and 15. One of the most important questions asked about the Township's finances is, "Is the Township as a whole better off or worse as a result of the year's activities?" The statement of net position - modified cash basis and the statement of activities - modified cash basis report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include only the Township's assets and the related liabilities referred to above resulting from the use of the modified cash basis of accounting.

These two statements report the Township's net position and changes in them. Over time, increases or decreases in the Township's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors to assess the overall health of the Township, i.e., changes in the Township's tax base, the condition of the Township's roads, etc. In addition, the limitations of the modified cash basis of accounting should be considered when analyzing the overall financial health of the Township.



## USING THIS ANNUAL REPORT (CONTINUED)

### Reporting the Township as a Whole (Continued)

#### **The Government-Wide Statement of Net Position and the Statement of Activities (continued)**

In the Statement of Net Position and the Statement of Activities, we divide the Township into two kinds of activities:

*Governmental activities:* Most of the Township's basic services are reported here, including general government services, public safety, public works, and culture and recreation. Charges for services finance a portion of the costs to provide these services. Costs not recovered through charges are financed from grants, contributions and general revenues of the Township, including real estate taxes and income taxes.

*Business-type activities:* The Township charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Township's sewer system and country club are reported here.

### Reporting the Township's Most Significant Funds

#### **The Fund Financial Statements**

The fund financial statements begin on page 16 and provide detailed information about the most significant funds - not the Township as a whole. Some funds are required to be established by state law or by bond covenants. However, the Township establishes certain other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The Township's two kinds of funds - governmental and proprietary - under the modified cash basis of accounting use the same 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 those funds and the balances remaining at year-end that are available for spending. These funds report the acquisition of capital assets and payments for debt principal as cash disbursements and not as changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of the Township's general government operations and the basic services it provides. Governmental fund information helps you determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs.

**Proprietary funds** - When the Township charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities.

**Fiduciary funds** - Fiduciary funds are often used to account for assets that are held in a trustee or fiduciary capacity such as pension plan assets, assets held per trust agreements and similar arrangements.

## A FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

### Net Position - Modified Cash Basis

The Township's Primary Government net position, resulting from modified cash basis transactions, decreased by \$50,534 or .3%, from fiscal year 2012 to 2013. Combined net position was \$18,778,586 and \$18,829,120 at December 31, 2013 and 2012, respectively. Looking at the net position of governmental and business-type activities separately, governmental activities had an increase of \$176,054 while business-type activities had a decrease of \$226,588.

A condensed summary of the Township's Statement of Net Position at December 31, 2013 and 2012 is presented below:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
<b>Assets:</b>						
Total Assets (Non-Capital)	<u>\$ 6,092,675</u>	<u>\$ 5,914,050</u>	<u>\$ 12,726,135</u>	<u>\$ 13,030,773</u>	<u>\$ 18,818,810</u>	<u>\$ 18,944,823</u>
<b>Liabilities:</b>						
Deposits held in escrow	\$ 40,224	\$ 37,653	\$ -	\$ -	\$ 40,224	\$ 37,653
Advance deposit	-	-	-	78,050	-	78,050
Total liabilities	<u>\$ 40,224</u>	<u>\$ 37,653</u>	<u>\$ -</u>	<u>\$ 78,050</u>	<u>\$ 40,224</u>	<u>\$ 115,703</u>
<b>Net Position:</b>						
Unrestricted	4,786,268	4,485,209	10,489,477	10,336,773	15,275,745	14,821,982
Restricted	1,266,183	1,391,188	2,236,658	2,615,950	3,502,841	4,007,138
Total Net Position	<u>\$ 6,052,451</u>	<u>\$ 5,876,397</u>	<u>\$ 12,726,135</u>	<u>\$ 12,952,723</u>	<u>\$ 18,778,586</u>	<u>\$ 18,829,120</u>

Net position is shown as restricted if it can only be used for a specific purpose. Net position of \$3,502,841 and \$4,007,138 at December 31, 2013 and 2012, respectively, is restricted and the remaining net position is unrestricted at the end of the year.

## A FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE (CONTINUED)

### Changes in Net Position – Modified Cash Basis

For the year ended December 31, 2013 and 2012, net position of the Township (resulting from modified cash basis transactions) changed as follows:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
<b>Program revenues:</b>						
Charges for services	\$ 1,598,932	\$ 1,619,778	\$ 7,811,328	\$ 7,970,273	\$ 9,410,260	\$ 9,590,051
Operating grants and contributions	1,353,619	1,465,615	-	-	1,353,619	1,465,615
<b>General revenues:</b>						
Real estate taxes	3,924,959	3,676,342	-	-	3,924,959	3,676,342
Per capita taxes	64,934	69,684	-	-	64,934	69,684
Real estate transfer taxes	403,938	253,189	-	-	403,938	253,189
Earned income taxes	3,241,515	3,021,920	-	-	3,241,515	3,021,920
Local services tax	314,403	314,950	-	-	314,403	314,950
Business privilege tax	432,241	523,805	-	-	432,241	523,805
Interest and rents	86,776	92,686	389,032	394,106	475,808	486,792
Sale of assets	4,655	11,489	-	-	4,655	11,489
Other income	326,673	244,360	-	-	326,673	244,360
Proceeds of bond issuance and bond premium	-	3,623,397	7,802,592	6,069,064	7,802,592	9,692,461
<b>Total revenues</b>	<b>\$ 11,752,645</b>	<b>\$ 14,917,215</b>	<b>\$ 16,002,952</b>	<b>\$ 14,433,443</b>	<b>\$ 27,755,597</b>	<b>\$ 29,350,658</b>
<b>Expenditures:</b>						
General government	\$ 755,293	\$ 718,862	\$ -	\$ -	\$ 755,293	\$ 718,862
Public safety	5,606,771	5,506,280	-	-	5,606,771	5,506,280
Health and human services	25,813	35,183	-	-	25,813	35,183
Public works - sanitation	195,796	179,463	-	-	195,796	179,463
Public works - highways and streets	2,129,575	1,971,093	-	-	2,129,575	1,971,093
Culture and recreation	718,389	634,805	-	-	718,389	634,805
Community development	59,352	55,121	-	-	59,352	55,121
Debt service	1,332,407	4,930,171	-	-	1,332,407	4,930,171
Benefits	236,550	93,301	-	-	236,550	93,301
Property and casualty insurance	166,118	155,369	-	-	166,118	155,369
Capital outlay	437,605	716,390	-	-	437,605	716,390
Miscellaneous	183,268	163,440	-	-	183,268	163,440
Sewer	-	-	13,245,794	12,385,232	13,245,794	12,385,232
Country club	-	-	2,713,400	2,789,534	2,713,400	2,789,534
<b>Total expenditures</b>	<b>\$ 11,846,937</b>	<b>\$ 15,159,478</b>	<b>\$ 15,959,194</b>	<b>\$ 15,174,766</b>	<b>\$ 27,806,131</b>	<b>\$ 30,334,244</b>
<b>Excess (deficiency) of revenues over (under) expenditures before transfers</b>	<b>\$ (94,292)</b>	<b>\$ (242,263)</b>	<b>\$ 43,758</b>	<b>\$ (741,323)</b>	<b>\$ (50,534)</b>	<b>\$ (983,586)</b>
<b>Transfers:</b>						
Transfers	\$ 270,346	\$ 270,000	\$ (270,346)	\$ (270,000)	\$ -	\$ -
<b>Changes in net position</b>	<b>\$ 176,054</b>	<b>\$ 27,737</b>	<b>\$ (226,588)</b>	<b>\$ (1,011,323)</b>	<b>\$ (50,534)</b>	<b>\$ (983,586)</b>
<b>Net position, beginning of year</b>	<b>5,876,397</b>	<b>5,848,660</b>	<b>12,952,723</b>	<b>13,964,046</b>	<b>18,829,120</b>	<b>19,812,706</b>
<b>Net position, end of year</b>	<b>\$ 6,052,451</b>	<b>\$ 5,876,397</b>	<b>\$ 12,726,135</b>	<b>\$ 12,952,723</b>	<b>\$ 18,778,586</b>	<b>\$ 18,829,120</b>

## **A FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE (CONTINUED)**

### **Governmental Activities**

To aid in the understanding of the statement of activities, some additional explanation is given. Of particular interest is the format that is significantly different from a typical statement of revenues, expenditures and changes in fund balance. You will notice that expenditures are listed in the first column, with revenues from that particular program reported to the right. The result is a net revenue or expenditure. This type of format highlights the relative financial burden of each of the functions on the Township's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenues, even if restricted for a specific purpose.

For the years ended December 31, 2013 and 2012, total revenues for governmental activities, resulting from modified cash basis transactions amounted to \$11,752,645 and \$14,917,215 respectively.

For the year ended December 31, 2013, total disbursements for governmental activities, resulting from modified cash basis transactions, amounted to \$11,846,937. Of these total disbursements, taxpayers and other general revenues funded \$8,800,094 while those directly benefiting from the program funded \$1,353,619 from operating grants and contributions and \$1,598,932 from charges for services.

Some noteworthy events occurred in 2013 that are highlighted as follows:

- The Township real estate tax for 2013 was 1.815 mills for general purposes, .505 mills for the purchase of fire apparatus and making appropriations to fire companies, and .55 mills for the purpose of debt service related to the acquisition of the Reading Country Club. Real Estate Taxes increased \$248,617 or 7% from 2012.
- Earned Income Taxes increased \$219,595 or 7% from 2012.
- Business Privilege Tax decreased \$91,564 or 17% from 2012.
- In 2012 debt service expenditures include \$3,560,601 from the advance refunding of the Series A of 2009 General Obligation Notes with the proceeds from the issuance of the Series of 2012 General Obligation Notes in the amount of \$3,615,000. This debt refinancing will save the Township approximately \$588,400 in debt service payments through July 2024.

## **A FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE (CONTINUED)**

### **Business-Type Activities**

In reviewing the business-type activities net revenues/expenditures resulting from modified cash basis transactions, there are certain activities that need to be examined more closely. The business-type activities reported a net profit before transfers of \$43,758, transfers to other funds totaled \$270,346, resulting in a decrease in net position of \$226,588. The Sewer Fund had a \$263,053 decrease in net position. The decrease was due mainly to the use of 2009 unspent bond proceeds to pay for the 2013 capital expenditures. The Sewer Fund also advanced refunded a portion of the Series A of 2009 General Obligation Notes with the proceeds from the issuance of the Series of 2013 General Obligation Bonds. The debt refinancing will save the Township approximately \$920,900 in debt service payments through July 2024. The Country Club had a \$36,465 increase in net position. Net income before transfers was \$306,465. Transfers of \$270,000 to the debt service fund will be used to pay off the debt incurred to purchase the property.

## **A FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS**

In reviewing individual funds of the Township, certain funds experienced significant changes to be considered in analyzing the Township's funds:

- Golf Acquisition Fund - During 2013, \$15,185 was expended for capital improvements to the Country Club including \$1,312 for an upgrade to the office computer system, \$1,851 for exterior painting and roof repairs and \$12,022 for improvements to the golf course.
- Park Improvement Fund - During 2013, \$81,440 was expended for improvements to the Dunn Barn Community Center. \$75,278 was expended for construction of Farming Ridge Park.
- Traffic Improvement Fund - During 2013, \$106,874 was expended for completion of the Traffic Signal Emergency Preemption project.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The acquisition of capital assets by the Township is reported as expenditures in the year of acquisition in the fund acquiring the related assets.

### **Long-Term Debt**

Proceeds from the acquisition of long-term debt are reported as revenues in the respective fund acquiring the debt in the year the proceeds are received. Correspondingly, debt service payments are reported as expenditures in the year payment is made by the fund making the related debt service payments.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION (CONTINUED)**

### **Long-Term Debt (Continued)**

As of December 31, 2013, the Township had \$21,517,101 and \$27,605,000 of general obligation debt outstanding in the Governmental and Business-Type Activities, respectively. See Note 7 to the financial statements for a detailed analysis of long-term debt. The following details activity related to the general obligation debt during 2013:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Beginning Balance at January 1, 2013	\$ 21,441,126	\$ 28,585,000
Additions	477,689	7,755,000
Principal Payments	(401,714)	(8,735,000)
Ending Balance at December 31, 2013	<u>\$ 21,517,101</u>	<u>\$ 27,605,000</u>

### **Budgetary Highlights**

Over the course of the year, the Township's Board of Supervisors monitored actual results with budgeted results. Although actual results and budgeted results may differ due to circumstances that arise during the course of the year, the Township generally does not amend its budget after adoption.

For the year ended December 31, 2013, General Fund expenditures were \$44,518 above final appropriations, while actual revenues available for appropriation were \$252,364 above the budgeted amount.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Several events have occurred in 2013 that will have a positive benefit on Exeter Township. The Township received a \$56,250 Early Intervention Program (EIP) Grant from the Pa Department of Community and Economic Development (DCED). The grant funds will be used toward the cost of conducting a study of the Township's overall operations and management, and to develop short and long-term fiscal strategies. The PA Economy League (PEL) was hired to conduct the study which has been completed and the Center for Excellence in Local Government through Albright College is currently conducting public input meetings. ALDI Inc.'s Land Development Plan has been approved and construction will begin in 2014. Eleven new businesses, including Panera Bread and Moe's Southwest Grill have joined Exeter's family of businesses. To spur more commercial economic development to broaden the Township's commercial tax base, the nine-member Economic Development Advisory Council (EDAC) in conjunction with the Township Board of Supervisors has been actively seeking new commercial business in the Township. The Board hired a commercial planner and the project is currently underway. The EDAC has become a member of the Greater Berks County Economic Development group in order to expand its efforts, and holds quarterly business breakfasts for Exeter business leaders. The Township's general tax millage for 2014 remained unchanged at 1.815 mills. Due to the overall economic climate many revenue sources are expected to remain stagnant through 2014. However, the Township is fortunate to have a healthy General Fund balance to bridge any unexpected shortfalls. In addition, the Debt Service millage remained unchanged at .55 mills. The Fire Tax millage remained unchanged at .505 mills. The Street Light Tax and the Fire Hydrant Tax also remained unchanged.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (CONTINUED)**

The Township's current retail and service industry employment base is strong with several large employers already adding to the local economy. Some of the largest employers within the Township are as follows:

<b>Employer</b>	<b>Number of Employees</b>
Boscov's	900
Godiva Chocolatier	663
Wal-Mart	278
Angio Tech Surgical Specialties	250
Giant Food	231
Genesis Eldercare, Berkshire Center	164
Golden Living Center	146
Target	143
Lowe's	122
Home Depot	99
Redners	95

During 2014, the Township has budgeted to undertake or complete several major infrastructure and capital projects to add to the overall quality of life in the Township. These projects and the estimated costs include the following:

- Construction of Farming Ridge Park \$ 20,000
- Improvements to Dunn Barn Community Center 28,680
- Improvements to Reading Country Club 296,238
- Sewer line replacement and engineering 380,000

All of these factors were considered in preparing the Township's budget for the 2014 fiscal year. As a result, General Fund revenues are anticipated to increase 1.8 percent to \$9,368,826, while expenditures are budgeted to increase 2.6 percent to \$9,636,685. Other governmental fund revenues for 2014 are budgeted at \$2,883,902 while expenditures are budgeted for \$4,344,320. The excess of budgeted expenditures over revenues will be covered by the fund balances at December 31, 2013. Proprietary Fund revenues are budgeted at \$7,442,598 while expenditures are budgeted for \$7,557,509.

## **CONTACTING THE TOWNSHIP'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the monies it receives. If you have questions about this report or need additional financial information, contact Exeter Township, 4975 DeMoss Road, Reading, PA 19606.

# Exeter Township

## Statement of Net Position - Modified Cash Basis

	December 31, 2013		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash:			
Unrestricted	\$ 4,244,840	\$ 3,489,477	\$ 7,734,317
Restricted	1,847,835	2,236,658	4,084,493
Certificate of deposit	-	7,000,000	7,000,000
<b>Total Assets</b>	<b>6,092,675</b>	<b>12,726,135</b>	<b>18,818,810</b>
<b>Liabilities</b>			
Deposits held in escrow	40,224	-	40,224
<b>Total Liabilities</b>	<b>40,224</b>	<b>-</b>	<b>40,224</b>
<b>Net Position</b>			
Unrestricted	4,786,268	10,489,477	15,275,745
Restricted	1,266,183	2,236,658	3,502,841
<b>Total Net Position</b>	<b>\$ 6,052,451</b>	<b>\$ 12,726,135</b>	<b>\$ 18,778,586</b>



**Exeter Township**

Statement of Activities - Modified Cash Basis

Functions/Programs	Year Ended December 31, 2013					
	Expenditures	Program Revenues		Net (Expenditures) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-Type Activities	
<b>Governmental Activities</b>						
General government	\$ 755,293	\$ 404,660	\$ 182,193	\$ (168,440)	\$ -	\$ (168,440)
Public safety	5,606,771	328,240	391,144	(4,887,387)	-	(4,887,387)
Health and human services	25,813	-	-	(25,813)	-	(25,813)
Public works - sanitation	195,796	687,203	-	491,407	-	491,407
Public works - highways and streets	2,129,575	21,101	217,070	(1,891,404)	-	(1,891,404)
Culture and recreation	718,389	157,728	-	(560,661)	-	(560,661)
Community development	59,352	-	-	(59,352)	-	(59,352)
Debt service	1,332,407	-	65,122	(1,267,285)	-	(1,267,285)
Benefits	236,550	-	-	(236,550)	-	(236,550)
Property and casualty insurance	166,118	-	-	(166,118)	-	(166,118)
Capital outlay	437,605	-	315,637	(121,968)	-	(121,968)
Miscellaneous	183,268	-	182,453	(815)	-	(815)
<b>Total Governmental Activities</b>	<b>11,846,937</b>	<b>1,598,932</b>	<b>1,353,619</b>	<b>(8,894,386)</b>	<b>-</b>	<b>(8,894,386)</b>
<b>Business-Type Activities</b>						
Sewer	13,245,794	4,793,668	-	-	(8,452,126)	(8,452,126)
Country Club	2,713,400	3,017,660	-	-	304,260	304,260
<b>Total Business-Type Activities</b>	<b>15,959,194</b>	<b>7,811,328</b>	<b>-</b>	<b>-</b>	<b>(8,147,866)</b>	<b>(8,147,866)</b>
	<b>\$ 27,806,131</b>	<b>\$ 9,410,260</b>	<b>\$ 1,353,619</b>	<b>(8,894,386)</b>	<b>(8,147,866)</b>	<b>(17,042,252)</b>
<b>General Revenues</b>						
Taxes:						
Real estate				3,924,959	-	3,924,959
Real estate transfer				403,938	-	403,938
Per capita				64,934	-	64,934
Earned income				3,241,515	-	3,241,515
Local services				314,403	-	314,403
Business privilege				432,241	-	432,241
Interest and rents				86,776	389,032	475,808
Sale of assets				4,655	-	4,655
Miscellaneous				326,673	-	326,673
Proceeds from bond issuance and bond premium				-	7,802,592	7,802,592
Transfers				270,346	(270,346)	-
<b>Total General Revenues and Transfers</b>				<b>9,070,440</b>	<b>7,921,278</b>	<b>16,991,718</b>
<b>Changes in Net Position</b>				<b>176,054</b>	<b>(226,588)</b>	<b>(50,534)</b>
<b>Net Position at Beginning of Year</b>				<b>5,876,397</b>	<b>12,952,723</b>	<b>18,829,120</b>
<b>Net Position at End of Year</b>				<b>\$ 6,052,451</b>	<b>\$ 12,726,135</b>	<b>\$ 18,778,586</b>

See accompanying notes.

## Exeter Township

### Statement of Assets and Liabilities and Fund Balances - Modified Cash Basis - Governmental Funds

	December 31, 2013		
	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash:			
Unrestricted	\$ 2,865,608	\$ 1,379,232	\$ 4,244,840
Restricted	112,495	1,735,340	1,847,835
<b>Total Assets</b>	<b>\$ 2,978,103</b>	<b>\$ 3,114,572</b>	<b>\$ 6,092,675</b>
<b>Liabilities</b>			
Deposits held in escrow	\$ 40,224	\$ -	\$ 40,224
<b>Total Liabilities</b>	<b>\$ 40,224</b>	<b>\$ -</b>	<b>\$ 40,224</b>
<b>Fund Balances</b>			
Restricted	\$ 73,171	\$ 1,193,012	\$ 1,266,183
Committed	514,292	1,921,560	2,435,852
Unassigned	2,350,416	-	2,350,416
<b>Total Fund Balances</b>	<b>\$ 2,937,879</b>	<b>\$ 3,114,572</b>	<b>\$ 6,052,451</b>

## Exeter Township

### Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis Governmental Funds

	Year Ended December 31, 2013		
	General	Other	Total
	Fund	Governmental	Governmental
		Funds	Funds
<b>Revenues</b>			
Taxes:			
Real estate	\$ 2,398,168	\$ 1,526,791	\$ 3,924,959
Real estate transfer	403,938	-	403,938
Per capita	64,934	-	64,934
Earned income	3,241,515	-	3,241,515
Local services	314,403	-	314,403
Business privilege	432,241	-	432,241
Licenses and permits	391,107	-	391,107
Fines and forfeits	124,535	-	124,535
Interest and rents	36,715	50,061	86,776
Intergovernmental revenues	682,873	670,746	1,353,619
Charges for services	1,050,565	32,725	1,083,290
Miscellaneous	315,126	11,547	326,673
<b>Total Revenues</b>	<b>9,456,120</b>	<b>2,291,870</b>	<b>11,747,990</b>
<b>Expenditures</b>			
Current:			
General government	755,293	-	755,293
Public safety	5,115,478	491,293	5,606,771
Health and human services	25,813	-	25,813
Public works - sanitation	195,796	-	195,796
Public works - highways and streets	1,724,627	404,948	2,129,575
Culture and recreation	559,670	158,719	718,389
Community development	43,879	15,473	59,352
Debt service:			
Principal	295,096	167,279	462,375
Interest	49,536	820,496	870,032
Benefits	236,550	-	236,550
Property and casualty insurance	166,118	-	166,118
Capital outlay	89,579	348,026	437,605
Miscellaneous	182,703	565	183,268
<b>Total Expenditures</b>	<b>9,440,138</b>	<b>2,406,799</b>	<b>11,846,937</b>

## Exeter Township

Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis  
Governmental Funds (continued)

	Year Ended December 31, 2013		
	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>\$ 15,982</b>	<b>\$ (114,929)</b>	<b>\$ (98,947)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	346	497,000	497,346
Transfers out	(83,100)	(143,900)	(227,000)
Sale of assets	4,655	-	4,655
<b>Total Other Financing Sources (Uses)</b>	<b>(78,099)</b>	<b>353,100</b>	<b>275,001</b>
<b>Net Change in Fund Balances</b>	<b>(62,117)</b>	<b>238,171</b>	<b>176,054</b>
<b>Fund Balances at Beginning of Year</b>	<b>2,999,996</b>	<b>2,876,401</b>	<b>5,876,397</b>
<b>Fund Balances at End of Year</b>	<b>\$ 2,937,879</b>	<b>\$ 3,114,572</b>	<b>\$ 6,052,451</b>

## Exeter Township

### Statement of Net Position - Modified Cash Basis - Proprietary Funds

	December 31, 2013		
	Sewer	Country Club	Total
<b>Assets</b>			
Cash:			
Unrestricted	\$ 2,827,754	\$ 661,723	\$ 3,489,477
Restricted	2,236,658	-	2,236,658
Certificate of deposit	7,000,000	-	7,000,000
<b>Total Assets</b>	<b>\$ 12,064,412</b>	<b>\$ 661,723</b>	<b>\$ 12,726,135</b>
<b>Net Position</b>			
Unrestricted	\$ 9,827,754	\$ 661,723	\$ 10,489,477
Restricted	2,236,658	-	2,236,658
<b>Total Net Position</b>	<b>\$ 12,064,412</b>	<b>\$ 661,723</b>	<b>\$ 12,726,135</b>

## Exeter Township

Statement of Revenues, Expenditures and Changes in Net Position - Modified Cash Basis

Proprietary Funds

	Year Ended December 31, 2013		
	Sewer	Country Club	Total
<b>Operating Revenues</b>			
Sewer charges	\$ 4,605,217	\$ -	\$ 4,605,217
Tapping fees	110,822	-	110,822
Charges for services	-	3,017,660	3,017,660
Miscellaneous	77,629	-	77,629
<b>Total Operating Revenues</b>	<b>4,793,668</b>	<b>3,017,660</b>	<b>7,811,328</b>
<b>Operating Expenditures</b>			
Wastewater collection and treatment	2,606,894	-	2,606,894
Culture and recreation expenses	-	2,713,400	2,713,400
Capital outlay	288,224	-	288,224
<b>Total Operating Expenditures</b>	<b>2,895,118</b>	<b>2,713,400</b>	<b>5,608,518</b>
<b>Operating Income</b>	<b>1,898,550</b>	<b>304,260</b>	<b>2,202,810</b>
<b>Nonoperating Revenues (Expenses)</b>			
Interest income	386,827	2,205	389,032
Debt service:			
Principal	(1,595,000)	-	(1,595,000)
Interest	(963,961)	-	(963,961)
Bond issuance costs	(112,211)	-	(112,211)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(2,284,345)</b>	<b>2,205</b>	<b>(2,282,140)</b>
<b>Income (Loss) before Other Financing Sources (Uses)</b>	<b>(385,795)</b>	<b>306,465</b>	<b>(79,330)</b>
<b>Other Financing Sources (Uses)</b>			
Bond proceeds	7,755,000	-	7,755,000
Bond premium	47,592	-	47,592
Bond discount	(10,159)	-	(10,159)
Payment to refunded bond escrow agent	(7,669,345)	-	(7,669,345)
Transfers out	(346)	(270,000)	(270,346)
<b>Total Other Financing Sources (Uses)</b>	<b>122,742</b>	<b>(270,000)</b>	<b>(147,258)</b>
<b>Change in Net Position</b>	<b>(263,053)</b>	<b>36,465</b>	<b>(226,588)</b>
<b>Net Position at Beginning of Year</b>	<b>12,327,465</b>	<b>625,258</b>	<b>12,952,723</b>
<b>Net Position at End of Year</b>	<b>\$ 12,064,412</b>	<b>\$ 661,723</b>	<b>\$ 12,726,135</b>

See accompanying notes.

## **Exeter Township**

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### Notes to Financial Statements

December 31, 2013

#### **Note 1 - Nature of Activity**

Exeter Township, Pennsylvania (the Township), founded in 1741, has an approximate population of 25,550, based on a 2010 census report, living within an area of 24.1 square miles. The Township is in the southeastern portion of the Commonwealth of Pennsylvania and is located in Berks County.

#### **Note 2 - Summary of Significant Accounting Policies**

The accompanying primary government financial statements conform to the modified cash basis method of accounting as applicable to governmental units. The following is a summary of the more significant accounting policies used by the Township.

##### **The Financial Reporting Entity**

The Township is a Pennsylvania Second Class Township which operates under a Board of Supervisors form of government. Accounting principles generally accepted in the United States of America require that the reporting entity consists of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine through the exercise of management's professional judgment that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, that organization should be included as a component unit if the nature and significance of their relationship with the primary government or other component units, are such that exclusion from the financial reporting entity would render the financial reporting entity's financial statements incomplete or misleading. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the above criteria. The component units, as determined under the above criteria and as discussed below, are not included in the Township's reporting entity, as these financial statements include only the activities of the primary government.

##### **Individual Component Unit Disclosures**

###### **Exeter Township, Berks County, Authority**

Exeter Township, Berks County, Authority (the Authority) is governed by a five-member board appointed by the Township Board of Supervisors. Although it is legally separate from the Township, the Authority is a component unit and its primary purpose is to provide sewer utilities to the Township. The Township has the ability to dissolve the Authority, which it did in January 2014.

###### **Exeter Community Library**

The Exeter Community Library (the Library) is governed by a nine-member self-appointed board. Although it is legally separate from the Township, the Library is a component unit and its primary purpose is to provide library services to Township residents. The Township considers the Library to be fiscally dependent on the Township due to the Township's annual appropriation given to the Library.

## **Exeter Township**

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Notes to Financial Statements

December 31, 2013

### **Note 2 - Summary of Significant Accounting Policies (continued)**

#### **Basis of Presentation**

##### **Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole, or in part, by fees charged to external parties for goods or services.

##### **Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

Total assets, liabilities, revenues or expenditures of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or types, and total assets, liabilities, revenues or expenditures of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The Township may also report as a major fund any fund it believes to be of particular importance to the financial statement users.

The funds of the financial reporting entity are described below:

##### **Governmental Funds**

Governmental funds are those through which most governmental functions of the Township are financed. The acquisition, use and balances of the Township's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination.



## Exeter Township

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Notes to Financial Statements

December 31, 2013

### Note 2 - Summary of Significant Accounting Policies (continued)

#### Basis of Presentation (continued)

#### Fund Financial Statements (continued)

#### Governmental Funds (continued)

The following are the Township's governmental funds:

**General Fund** - is the primary operating fund of the Township and is always classified as a major fund. It is used to account for and report all financial resources not accounted for or reported in another fund.

**Special Revenue Funds** - are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted, committed or assigned revenues should be the foundation for a special revenue fund. The reporting entity includes the following special revenue funds, which are reported as nonmajor funds:

**Utility Fund** - is used to account for the assessment received from property owners benefiting from public street lighting and fire hydrant service and the expenditures incurred by the Township to provide these services.

**Fire Fund** - is used to account for revenues generated from the .505 mill assessment received from Township residents for the purpose of providing support for the Township's volunteer fire department.

**Detention Pond/Storm Water Fund** - is used to account for monies received from developers for the acceptance of Deeds of Dedication for detention or retention ponds within the Township.

**K-9 Fund** - is used to account for contributions to be used specifically for the improvement and continuation of the police K-9 program.

**Park Improvement Fund** - is used to account for monies received from developers to be used in the acquisition, improvement and/or maintenance of public open space areas.

**State Liquid Fuels Highway Aid Fund** - is used to account for the proceeds from the State Motor License Fund. Under the Act of June 1, 1956, P.L. 1944, No. 145, this fund must be kept separate from all other funds and no other funds shall be commingled with this fund. Expenditures are legally restricted to expenditures for highway purposes in accordance with Department of Transportation regulations. County liquid fuels tax payments to the local government are not accounted for in this fund.

## Exeter Township

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Notes to Financial Statements

December 31, 2013

### Note 2 - Summary of Significant Accounting Policies (continued)

#### Basis of Presentation (continued)

#### Fund Financial Statements (continued)

#### Governmental Funds (continued)

**Capital Project Funds** - are used to account for and report financial resources that are restricted, committed or assigned expenditures for capital outlays, including the acquisition or construction of major capital improvements. Capital project funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments. The reporting entity includes the following capital project funds, which are reported as nonmajor funds:

**Capital Expenditure Fund** - is used to account for the financial resources to be used for the acquisition of assets.

**Capital Improvement Fund** - is used to account for the financial resources to be used primarily for storm sewer improvements.

**Golf Acquisition Fund** - is used to account for the financial resources to be used to acquire and make improvements to a municipal golf course and banquet facility within the Township.

**Apparatus Fund** - is used to account for the financial resources to assist the fire company in purchasing equipment.

**Traffic Improvement Fund** - is used to account for the collection of transportation impact assessments against new developments that adversely affect the transportation facilities within the Township.

**Debt Service Fund** - is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest (debt service) resources. This fund includes financial resources that are being accumulated for principal and interest maturing in future years and also includes financial resources that are legally mandated to be accounted for and reported in a debt service fund and is reported as a nonmajor fund.

## **Exeter Township**

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Notes to Financial Statements

December 31, 2013

### **Note 2 - Summary of Significant Accounting Policies (continued)**

#### **Basis of Presentation (continued)**

##### **Fund Financial Statements (continued)**

##### **Proprietary Funds**

**Enterprise Funds** - are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private-sector. The reporting entity includes the following enterprise funds, which are reported as major funds:

**Sewer Fund** - is used to account for the operation of the sewer system, which is operated as a public utility.

**Country Club Fund** - is used to account for the operation of the Reading Country Club.

#### **Basis of Accounting and Measurement Focus**

##### **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the primary government financial statements.

##### **Modified Cash Basis**

The Township's policy is to prepare its financial statements on the modified cash basis under which only revenues collected and expenditures paid, deposits held in escrow and intergovernmental due to and due from receivables and payables are recorded. Under this basis, revenue is recognized when collected rather than when earned, and expenditures are generally recognized when paid rather than when the related liability is incurred. Consequently, other receivables, other payables, inventories, long-lived assets, accrued income and expenses, and amortization and depreciation, which may be material in amount, are not reflected in the accompanying financial statements, which are not intended to present the financial position, results of operations or cash flows in conformity with accounting principles generally accepted in the United States of America.

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

## **Exeter Township**

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### Notes to Financial Statements

December 31, 2013

#### **Note 2 - Summary of Significant Accounting Policies (continued)**

##### **Basis of Accounting and Measurement Focus (continued)**

###### **Measurement Focus**

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for on a spending or "financial flow" measurement focus. Governmental fund type operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Proprietary funds and nonexpendable trust funds are accounted for on a cost of services or "capital maintenance" measurement focus. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in equity.

##### **Assets and Liabilities Accounting Policy Disclosures**

###### **Cash**

The Township considers all cash accounts that are not subject to withdrawal restrictions or penalties to be cash.

For the purpose of financial reporting, cash includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

###### **Due To and From Other Funds**

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

###### **Capital Assets**

Purchased capital assets are recorded as expenditures in the governmental fund types. Proprietary fund type capital assets are recorded as expenditures in the fund in which they are utilized. Infrastructure assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are recorded as expenditures in the fund types expending the funds.

###### **Long-Term Debt**

Debt proceeds from issuance of long-term debt are reported as other financing sources and the payment of principal and interest is reported as expenditures in the fund financial statements and government-wide statements. Debt service expenditures are recognized in the period paid.

###### **Compensated Absences**

Compensated absences for vacation and sick leave are recorded when paid.

## **Exeter Township**

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### Notes to Financial Statements

December 31, 2013

#### **Note 2 - Summary of Significant Accounting Policies (continued)**

##### **Equity**

###### **Government-Wide Statements**

The Township classifies net position into the following components:

Restricted - This component of net position consists of constraints placed on net position use either by (a) external groups such as creditors, grantors, contributors or laws and regulations of other governments or (b) law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

###### **Governmental Fund Financial Statements**

The Township classifies fund balance as follows:

Nonspendable - This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally required to be maintained intact.

Restricted - This classification consists of amounts that are restricted to specific purposes either by (a) external groups such as creditors, grantors, contributors or laws and regulations of other governments or (b) law through constitutional provisions or enabling legislation. The restriction is binding unless removed with the consent of the resource provider.

Committed - This classification consists of amounts used for specific purposes imposed by formal action of the Township's highest level of decision-making authority. The commitment is binding unless removed in the same manner imposed. Formal action must occur prior to fiscal year-end, however, the amount may be determined subsequent to year-end.

Assigned - This classification consists of amounts constrained by the Township's intent to be used for specific purposes that are neither restricted nor committed.

Unassigned - This classification consists of amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance.

## **Exeter Township**

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Notes to Financial Statements

December 31, 2013

### **Note 2 - Summary of Significant Accounting Policies (continued)**

#### **Revenues and Expenditure Policy Disclosures**

##### **Program Revenues**

All revenues are recognized when received.

In the statement of activities, revenues that are derived directly from each activity or from parties outside the Township's taxpayers are program revenues. Amounts reported as program revenues include (a) charges to customers or applicants for goods and services or privileges provided, (b) operating grants and contributions and (c) capital grants and contributions, including special assessments.

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

Proprietary funds distinguish operating revenues and expenditures from nonoperating items. Operating revenues and expenditures generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer fund are sewer usage charges. The Township also recognizes as operating revenues, the portion of tapping fees intended to recover the cost of connecting new customers to the sewer system. Operating expenditures of the Sewer and Country Club Funds include the cost of the services. All revenues and expenditures not meeting this definition are reported as nonoperating revenues and expenditures. The principal nonoperating revenues of the Township's proprietary funds are interest income and transfers in and transfers out. The principal operating revenues of the Country Club Fund are charges for services at the Country Club.

##### **Property Taxes**

The Township is permitted by state law to levy taxes up to 14 mills of assessed valuation for general purposes. State law also permits additional millage to be levied for specific purposes as defined in the law. The millage rate levied by the Township for 2013 was 2.87 mills, consisting of 1.815 mills for general purposes, .505 mills for purchase of fire apparatus and .55 mills for debt service, as established by the Board of Supervisors. Current tax collections for the Township were approximately 97% of the total tax levy.

The Township's real estate taxes are based on assessed values established by the County's Board of Assessments. The taxes are collected by elected local tax collectors. Real estate taxes attach an enforceable lien on property when levied on March 1. A discount of 2% is applied to payments made prior to April 30. A penalty of 10% is added to the face amount of taxes paid after June 30. The County of Berks Tax Claim Bureau collects delinquent real estate taxes on behalf of itself and other taxing authorities. Return of unpaid real estate taxes to the County Tax Claim Bureau is made by January 15 of the subsequent year.

## **Exeter Township**

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Notes to Financial Statements

December 31, 2013

### **Note 2 - Summary of Significant Accounting Policies (continued)**

#### **Revenues and Expenditure Policy Disclosures (continued)**

##### **Intergovernmental Revenues**

Intergovernmental revenues represent revenues received from the Commonwealth of Pennsylvania, federal agencies and local governmental units, generally to fund specific programs and are recognized when received.

##### **Expenditures/Expenses**

Expenditures and expenses are recognized when paid.

#### **Internal and Interfund Balances and Activities**

##### **Fund Financial Statements**

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

##### **Interfund Services**

Sales or purchases of goods and services between funds are reported as revenues and expenditures.

##### **Interfund Reimbursements**

Repayments from funds responsible for certain expenditures to the funds that initially paid for them are not reported as reimbursements, but as adjustments to expenditures in the respective funds.

##### **Interfund Transfers**

Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

#### **Recent Accounting Pronouncement**

In June 2012, Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. The objective of this Statement is to improve accounting and reporting by governments for pension plans, including recognition as a liability the unfunded pension liability. This Statement is effective for periods beginning after June 15, 2014 and the Township will adopt this Statement in its December 31, 2015 financial statements.

## Exeter Township

### Notes to Financial Statements

December 31, 2013

#### Note 3 - Stewardship, Compliance and Accountability

##### Compliance with Finance-Related Legal and Contractual Provisions

The Township had no material violations of finance-related legal and contractual provisions.

##### Excess of Expenditures over Appropriations in Individual Funds

No individual fund, which was budgeted as required by the Commonwealth of Pennsylvania, contained an excess of expenditures over appropriations that was not covered by the cash balance at December 31, 2012 and the cash received for the year ended December 31, 2013. Expenditures exceeded appropriations in the General Fund by \$44,518.

#### Note 4 - Deposits

The Township's available cash is invested in demand deposit accounts and a certificate of deposit. The carrying amount of cash and investments at December 31, 2013 consists of the following:

Demand deposits	\$ 11,816,658
Time deposit	7,000,000
Petty cash	<u>2,152</u>
	<u>\$ 18,818,810</u>

##### Reconciliation to Statement of Net Position/Balance Sheet

Cash:	
Unrestricted	\$ 7,734,317
Restricted	<u>4,084,493</u>
	11,818,810
Certificate of deposit, business-type activities	<u>7,000,000</u>
	<u>\$ 18,818,810</u>

##### Custodial Credit Risk, Deposits

Custodial credit risk is the risk that, in the event of a financial institution failure, the Township's deposits may not be returned. At December 31, 2013, the carrying amount of the Township's bank deposits was \$18,816,658 and the corresponding bank balances were \$19,018,167, of which \$507,385 was covered by Federal Depository Insurance. The remaining \$18,510,782 of deposits were exposed to custodial risk because they were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Township's name.



## Exeter Township

### Notes to Financial Statements

December 31, 2013

#### Note 5 - Restricted Cash

Cash and investments whose use is limited to a specific purpose have been classified as "restricted" in the financial statements. Restricted assets at December 31, 2013 consist of the following:

##### Governmental Activities

###### General Fund:

Police equipment	\$	64,203
Fire police		5,991
Developer escrows		39,324
Police National Night Out committee		2,977
K-9 Fund		9,687
State Liquid Fuels Highway Aid Fund		109,390
Capital Improvement Fund		264,177
Golf Acquisition Fund		766,498
Traffic Improvement Fund		43,260
Debt Service Fund		542,328

**Total Governmental Activities** **1,847,835**

##### Business-Type Activities

Sewer Fund, unspent note proceeds, Series A of 2009		2,236,658
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**Total Restricted Cash** **\$ 4,084,493**

#### Note 6 - Interfund Transfers and Balances

Transfers between funds for the year ended December 31, 2013 were as follows:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$ 346	\$ 83,100
Utility Fund	-	10,000
Fire Fund	-	133,900
Capital Expenditure Fund	83,100	-
Capital Improvement Fund	10,000	-
Apparatus Fund	133,900	-
Debt Service Fund	270,000	-
<b>Total Governmental Funds</b>	<b>497,346</b>	<b>227,000</b>

## Exeter Township

### Notes to Financial Statements

December 31, 2013

#### Note 6 - Interfund Transfers and Balances (continued)

	<u>Transfers In</u>	<u>Transfers Out</u>
Proprietary Funds:		
Sewer Fund	\$ -	\$ 346
Country Club Fund	-	270,000
	<u>-</u>	<u>270,346</u>
Total Proprietary Funds	<u>-</u>	<u>270,346</u>
	<u>\$ 497,346</u>	<u>\$ 497,346</u>

#### Note 7 - Long-Term Debt

At December 31, 2013, long-term debt consists of the following:

	<u>Balance Outstanding December 31, 2012</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance Outstanding December 31, 2013</u>
<b>Governmental Activities</b>				
Pennsylvania Infrastructure Investment Authority Loan, initial issue of \$299,193, interest due monthly at 1.387%, principal payments due monthly through February 2026	\$ 211,126	\$ -	\$ 13,473	\$ 197,653
General Obligation Notes, Series of 2007, in the initial amount of \$17,810,000, interest due semiannually at rates ranging from 4.200% to 4.700%, principal due annually through August 2046	17,615,000	-	45,000	17,570,000
General Obligation Notes, Series of 2012, in the initial amount of \$3,615,000, interest due semiannually at rates ranging from 1.250% to 2.000%, principal due annually through July 2024	3,615,000	-	275,000	3,340,000

## Exeter Township

### Notes to Financial Statements

December 31, 2013

#### Note 7 - Long-Term Debt (continued)

	Balance Outstanding December 31, 2012	Additions	Payments	Balance Outstanding December 31, 2013
<b>Governmental Activities</b>				
<b>(continued)</b>				
Loan payable to the County of Berks, original principal amount of \$261,411, without interest, annual payments of \$37,344 through June 2019	\$ -	\$ 261,411	\$ 37,344	\$ 224,067
Loan payable to the County of Berks, original principal amount of \$31,997, without interest, annual payments of \$4,571 through June 2019	-	31,997	4,571	27,426
Loan payable to the County of Berks, original principal amount of \$17,812, without interest, annual payments of \$2,545 through June 2019	-	17,812	2,545	15,267
Loan payable to the County of Berks, original principal amount of \$120,811, without interest, annual payments of \$17,259 through June 2019	-	120,811	17,259	103,552
Loan payable to the County of Berks, original principal amount of \$17,110, without interest, annual payments of \$2,444 through June 2019	-	17,110	2,444	14,666

## Exeter Township

### Notes to Financial Statements

December 31, 2013

#### Note 7 - Long-Term Debt (continued)

	Balance Outstanding December 31, 2012	Additions	Payments	Balance Outstanding December 31, 2013
<b>Governmental Activities</b>				
<b>(continued)</b>				
Loan payable to the County of Berks, original principal amount of \$21,856, without interest, annual payments of \$3,122 through June 2019	\$ -	\$ 21,856	\$ 3,122	\$ 18,734
Loan payable to the County of Berks, original principal amount of \$6,692, without interest, annual payments of \$956 through June 2019	-	6,692	956	5,736
<b>Total Governmental Activities</b>	<b>21,441,126</b>	<b>477,689</b>	<b>401,714</b>	<b>21,517,101</b>
<b>Business-Type Activities</b>				
General Obligation Notes, Series of 2007, in the initial amount of \$21,380,000, interest due semiannually at rates ranging from 4.750% to 5.300%, principal due annually through July 2021	15,390,000	-	1,385,000	14,005,000
General Obligation Notes, Series of 2012, in the initial amount of \$6,055,000, interest due semiannually at rates ranging from 1.250% to 2.000%, principal due annually through July 2026	6,055,000	-	75,000	5,980,000

## Exeter Township

### Notes to Financial Statements

December 31, 2013

#### Note 7 - Long-Term Debt (continued)

	Balance Outstanding December 31, 2012	Additions	Payments	Balance Outstanding December 31, 2013
<b>Business-Type Activities (continued)</b>				
General Obligation Bonds, Series of 2013, in the initial amount of \$7,755,000, interest due semiannually at rates ranging from .400% to 2.000%, principal due annually through July 2024	\$ -	\$ 7,755,000	\$ 135,000	\$ 7,620,000
General Obligation Notes, Series A of 2009, in the initial amount of \$12,358,444, interest due semiannually at rates ranging from 1.000% to 4.100%, principal due annually through July 2026	7,140,000	-	7,140,000	-
<b>Total Business-Type Activities</b>	<b>28,585,000</b>	<b>7,755,000</b>	<b>8,735,000</b>	<b>27,605,000</b>
<b>Total Debt</b>	<b>\$ 50,026,126</b>	<b>\$ 8,232,689</b>	<b>\$ 9,136,714</b>	<b>\$ 49,122,101</b>

#### Refunding of Series of 2009 General Obligation Bonds

In January 2013, the Township issued \$7,755,000 in General Obligation Bonds, Series of 2013, to advance refund \$7,140,000 of outstanding General Obligation Notes, Series of 2009, and to pay refinancing costs of approximately \$47,000. The net proceeds were used to purchase securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2009 Series Notes. As a result, the 2009 Series Notes are considered to be defeased. The Township completed the advance refunding to reduce its total future debt service payments by approximately \$920,000, and realize an economic gain of approximately \$837,000. The outstanding balance of the defeased debt as of December 31, 2013 is \$7,120,000.

**Exeter Township**

## Notes to Financial Statements

December 31, 2013

**Note 7 - Long-Term Debt (continued)**

Aggregate maturities required on long-term debt at December 31, 2013 are as follows:

**Governmental Activities**

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$ 407,093	\$ 879,705	\$ 1,286,798
2015	412,482	871,691	1,284,173
2016	417,882	863,566	1,281,448
2017	433,293	855,330	1,288,623
2018	438,717	846,669	1,285,386
2019-2023	2,047,390	4,115,274	6,162,664
2024-2028	2,410,244	3,816,390	6,226,634
2029-2033	3,010,000	3,228,525	6,238,525
2034-2038	3,780,000	2,462,782	6,242,782
2039-2043	4,745,000	1,492,015	6,237,015
2044-2046	3,415,000	325,945	3,740,945
	<u>\$ 21,517,101</u>	<u>\$ 19,757,892</u>	<u>\$ 41,274,993</u>

**Business-Type Activities**

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$ 1,590,000	\$ 1,001,373	\$ 2,591,373
2015	1,665,000	924,768	2,589,768
2016	1,745,000	841,765	2,586,765
2017	1,830,000	754,540	2,584,540
2018	1,920,000	662,853	2,582,853
2019-2023	11,295,000	1,827,983	13,122,983
2024-2026	7,560,000	301,700	7,861,700
	<u>\$ 27,605,000</u>	<u>\$ 6,314,982</u>	<u>\$ 33,919,982</u>

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

## Exeter Township

### Notes to Financial Statements

December 31, 2013

#### Note 8 - Fund Balance

The fund balances of the Township's governmental funds at December 31, 2013 consist of the following:

	<u>Restricted</u>	<u>Committed</u>	<u>Unassigned</u>	<u>Total Fund Balance</u>
Reported in:				
General Fund	<u>\$ 73,171</u>	<u>\$ 514,292</u>	<u>\$ 2,350,416</u>	<u>\$ 2,937,879</u>
Other governmental funds:				
Utility Fund	-	35,802	-	35,802
Fire protection	-	268,609	-	268,609
Detention pond/storm water maintenance	-	76,571	-	76,571
K-9 Program	9,687	-	-	9,687
Parks	-	67,785	-	67,785
Public works, highways and streets	109,390	-	-	109,390
Debt service	-	542,328	-	542,328
Capital projects	<u>1,073,935</u>	<u>930,465</u>	<u>-</u>	<u>2,004,400</u>
	<u>1,193,012</u>	<u>1,921,560</u>	<u>-</u>	<u>3,114,572</u>
	<u>\$ 1,266,183</u>	<u>\$ 2,435,852</u>	<u>\$ 2,350,416</u>	<u>\$ 6,052,451</u>

#### Fund Balance Policy

The Township established and maintains reservations of fund balance in accordance with its policy, which applies to the Township's General Fund and all governmental funds. Fund balance is composed of nonspendable, restricted, committed, assigned and unassigned amounts.

Fund balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing programs or enhance the financial position of the Township in accordance with policies established by the Board of Supervisors.

#### Spending Policy

The Township's policy is to first use restricted fund balance when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

The Township's policy is to use unrestricted fund balance in the following order: committed, assigned and unassigned, when expenditure is incurred for purposes for which each of these fund balance classifications is available.

## **Exeter Township**

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Notes to Financial Statements

December 31, 2013

### **Note 8 - Fund Balance (continued)**

#### **Minimum Fund Balance Policy**

The Township has not formally adopted a minimum fund balance policy.

#### **Committed Fund Balance**

The Board of Supervisors is the Township's highest level of decision-making authority. The Township has not formally adopted a policy as to the formal action that is required to be taken to establish, modify or rescind a fund balance commitment.

#### **Assigned Fund Balance**

The Township has not formally adopted a policy regarding the body or official authorized to assign amounts to a specific purpose and the policy established by the governing body pursuant to which that authorization is given.

#### **Reservations of Fund Balance**

##### **Restricted - General Fund**

The Township's restricted fund balance in the General Fund consists of contributions from third parties and funds held which are restricted to be used on specific expenditures.

##### **Restricted - Other Governmental Funds**

The Township hereby establishes the following restricted fund balance reserves in the other governmental funds:

**K-9 Program Reserve** - The Township's restricted fund balance in the K-9 Fund consists of contributions from third parties which are restricted for Exeter Police K-9 Unit expenses.

**Highways and Streets Reserve** - The Township's restricted fund balance in the State Highway Aid Fund consists of proceeds from the State Motor License Fund accounted for in the State Liquid Fuels Highway Aid Fund. Expenditure of these funds is legally restricted to expenditures for highway purposes in accordance with Department of Transportation regulations.

**Capital Project Reserves** - The Township's restricted fund balances in the Capital Improvement Fund and the Golf Acquisition Fund consist of unspent bond proceeds which are restricted for specific capital projects. The Township's restricted fund balance in the Traffic Improvement Fund consists of unspent grant funds and contributions from third parties restricted for expenditures for traffic improvements.



## Exeter Township

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Notes to Financial Statements

December 31, 2013

### Note 8 - Fund Balance (continued)

#### Reservations of Fund Balance (continued)

##### Committed - General Fund

The Township's committed fund balance in the General Fund consists of an amount to be used for tree replacement as approved by the Board of Supervisors and contract commitments.

##### Committed - Other Governmental Funds

The Township established the following committed fund balance reserves in the other governmental funds:

**Utility Reserve** - is committed as set forth by Township ordinance and consists of funds to be used for public street lighting and fire hydrant services. Revenues are generated from assessments collected from Township residents.

**Fire Protection Reserve** - is committed by the Township Board of Supervisors as set forth in the annual budget and any amendments thereto to provide funds for support of the volunteer fire department and is generated from the .505 mill assessment received from Township residents.

**Detention Pond/Storm Water Maintenance Reserve** - is committed by the Township Board of Supervisors, as set forth by Township Ordinance, to provide funds for the maintenance of detention ponds and storm water systems within the Township.

**Park Improvement Reserve** - is committed by the Township Board of Supervisors, as set forth by Township Ordinance, to collect certain fees to be used for park improvement projects within the Township.

**Debt Service Reserve** - is committed by the Township Board of Supervisors as set forth in the annual budget and any amendments thereto to provide funds for the repayment of principal and interest on Township debt.

**Capital Project Reserves** - Township committed fund balances in the Capital Expenditure Fund and Apparatus Fund are committed by the Township Board of Supervisors as set forth in the annual budget and any amendments thereto to provide funds for capital projects.

#### Disbursement of Fund Balance Reserves

No formal policy has been adopted by the Township regarding disbursement of funds within the fund balance reserves, however, disbursement is approved by the Board of Supervisors by inclusion in the approved annual budget and amendments thereto.

## **Exeter Township**

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Notes to Financial Statements

December 31, 2013

### **Note 8 - Fund Balance (continued)**

#### **Annual Review and Determination of Fund Balance Reserve Amounts**

Compliance with the provisions of this policy shall be reviewed as a part of the annual budget adoption process and the amounts of nonspendable, restricted, committed, assigned and the minimum level of unassigned fund balance shall be determined during this process.

### **Note 9 - Pension Plans**

The Township administers and contributes to two defined benefit pension plans: the Exeter Township Police Pension Plan and the Exeter Township Employees' Pension Plan. The assets of the plans are invested separately and each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

#### **Valuation of Investments**

All investments of the pension plans are reported at fair value based on quoted market values.

#### **Plan Description and Funding Policy**

##### **Exeter Township Police Pension Plan**

###### **Plan Description**

The Exeter Township Police Pension Plan (the Police Plan) provides retirement benefits, as well as death and disability benefits. All benefits vest after 12 years of service. Employees who retire at or after age 50 with 25 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 50% of their average monthly pay, plus a service increment equal to \$50 per year of service in excess of 25 years of service, up to a maximum service increment of \$100 per month. Average monthly pay is based upon the last 36 months of employment. An option for early retirement is available for employees after completion of 20 years of service.

###### **Contributions**

Active, covered employees are required to contribute to the Police Plan. The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the Police Plan. The current rate is 16.9% of annual covered payroll. Employees currently contribute to the Police Plan at a rate of 8.0% of their compensation for 2013. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

## Exeter Township

Notes to Financial Statements

December 31, 2013

### Note 9 - Pension Plans (continued)

#### Plan Description and Funding Policy (continued)

##### Exeter Township Employees' Pension Plan

###### Plan Description

The Exeter Township Employees' Pension Plan (the Employees' Plan) provides retirement benefits, as well as death and disability benefits. All benefits vest at 100% after five years of service. Employees who retire at or after age 62 and completion of five years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.75% of average monthly pay multiplied by the number of years of service. If a member was a participant prior to December 31, 1995, an additional monthly benefit is payable of \$10 multiplied by the number of years of service as of December 31, 1995. Average monthly pay is based upon the employee's last 36 months of W-2 earnings excluding unused vacation, sick and personal days. An option for early retirement is available for employees who reach the age of 55 and have completed 15 years of service.

###### Contributions

Active, covered employees are required to contribute to the Employees' Plan. The Township is required by statute, principally Pennsylvania Act 205, to contribute the remaining amounts necessary to finance the Employees' Plan. The current rate is 8.1% of annual covered payroll. Member contributions are currently suspended. Benefit and contribution provisions are established by Pennsylvania law and may be amended only as allowed by Pennsylvania law.

###### Plan Membership

Membership in the pension plans as of January 1, 2013, the most recent actuarial valuation date, is comprised of the following:

	<u>Police Plan</u>	<u>Employees' Plan</u>
Active employees	29	8
Retirees and beneficiaries currently receiving benefits	11	5
Terminated employees entitled to benefits, but not yet receiving benefits	<u>1</u>	<u>3</u>
	<u>41</u>	<u>16</u>

## Exeter Township

### Notes to Financial Statements

December 31, 2013

#### Note 9 - Pension Plans (continued)

##### Annual Pension Cost and Net Pension Obligation (Asset)

The Township's annual pension cost and net pension obligation (asset) to the pension plans for the current year are as follows:

	<u>Police Plan</u>	<u>Employees' Plan</u>
Annual required contribution	\$ 424,764	\$ 99,466
Adjustment to annual required contribution	-	-
Annual pension cost	424,764	99,466
Contributions made	<u>424,764</u>	<u>99,466</u>
Change in net pension obligation (asset)	-	-
Net pension obligation (asset) beginning of year	-	-
Net pension obligation (asset) end of year	<u>\$ -</u>	<u>\$ -</u>

##### Exeter Township Police Pension Plan

The annual required contribution for the current year was determined as part of the January 1, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return and (b) a salary scale of 5%. Provisions for administrative expenses are added to normal cost. The assumptions included postretirement mortality, preretirement mortality, disability, percent married and withdrawal provisions. Retirement is based upon normal retirement age. Annual investment gain (excess of actual investment income, including realized and unrealized appreciation over expected investment income) or loss is recognized over a five-year period. In no event is the actuarial value of assets allowed to be greater than 120% or less than 80% of market value.

##### Three-Year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension (Asset)</u>
12/31/11	\$ 447,195	100%	\$ -
12/31/12	387,491	100%	-
12/31/13	424,764	100%	-

## Exeter Township

### Notes to Financial Statements

December 31, 2013

#### Note 9 - Pension Plans (continued)

##### Annual Pension Cost and Net Pension Obligation (Asset) (continued)

###### Exeter Township Employees' Pension Plan

The annual required contribution for the current year was determined as part of the January 1, 2011 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 7.75% investment rate of return and (b) a salary scale of 5%. Provisions for administrative expenses are added to normal cost. The assumptions included postretirement mortality, preretirement mortality, disability, percent married and withdrawal provisions. Retirement is based upon normal retirement age. Annual investment gain (excess of actual investment income, including realized and unrealized appreciation over expected investment income) or loss is recognized over a five-year period. In no event is the actuarial value of assets allowed to be greater than 120% or less than 80% of market value.

###### Three-Year Trend Information

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension (Asset)
12/31/11	\$ 107,469	100%	\$ -
12/31/12	93,998	100%	-
12/31/13	99,466	100%	-

##### Funded Status and Funding Progress

The funded status of Exeter Township's Police Pension Plan as of January 1, 2013, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
\$ 11,057,915	\$ 13,363,704	\$ 2,305,789	83%	\$ 2,717,672	85%

## Exeter Township

### Notes to Financial Statements

December 31, 2013

#### Note 9 - Pension Plans (continued)

##### Funded Status and Funding Progress (continued)

The funded status of Exeter Township's Employees' Pension Plan as of January 1, 2013, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
\$ 1,029,208	\$ 1,496,670	\$ 467,462	69%	\$ 556,565	84%

The Schedules of Funding Progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. The information about the funded status is prepared using the entry age normal actuarial cost method.

#### Note 10 - Central Pennsylvania Teamsters Pension Fund

The Township contributes to the Central Pennsylvania Teamsters Pension Fund, a union sponsored, multiemployer retirement plan in accordance with negotiated labor contracts. The plan covers all of the Township's eligible union employees. Contributions to the plan are based on varying rates for hours worked by the employees. Contributions totaled \$182,040 for the year ended December 31, 2013.

Governmental regulations impose certain requirements relative to multiemployer plans. In the event of plan termination or employer withdrawal, an employer may be liable for a portion of the plan's unfunded vested benefits. The Township has not received information from the plan's administrators to determine its share of unfunded vested benefits. The Township does not anticipate withdrawal from the plan, nor is the Township aware of any expected plan termination.

#### Note 11 - Post-Employment Benefits Other than Pensions

##### Plan Descriptions

The Township sponsors a post-employment benefits plan that covers health and life insurance benefits for eligible retirees. Groups of retirees that are eligible for these benefits are police, teamsters and management. The plan does not issue a publicly available financial report. Benefit provisions are established and amended through negotiations between the Township and the respective union.

## Exeter Township

### Notes to Financial Statements

December 31, 2013

#### Note 11 - Post-Employment Benefits Other than Pensions (continued)

##### Funding Policy and Annual OPEB Cost

The Township currently funds OPEB costs as they occur. For 2013, the Township's contribution to the plan was \$93,420 for current premiums, including the implicit rate study.

The Township's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Township's annual OPEB cost for the current year and the related information for each plan are as follows:

Annual required contribution (ARC)	\$	842,145
Interest on net OPEB obligation		141,798
Adjustment to the annual required contribution		<u>(193,448)</u>
Annual OPEB cost		790,495
Contributions made		<u>(93,420)</u>
Increase in net OPEB obligation		697,075
Net OPEB obligation at beginning of year		<u>3,151,060</u>
Net OPEB obligation at end of year	\$	<u><u>3,848,135</u></u>

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for each of the plans were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost (APC)</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/11	\$ 814,512	9%	\$ 2,430,905
12/31/12	802,299	10%	3,151,060
12/31/13	790,495	12%	3,848,135

##### Funded Status and Funding Progress

The funded status of the plan as of January 1, 2011, the most recent actuarial valuation, was as follows:

Actuarial present value at attained age (APVAA):		
Active members	\$	11,666,727
Retired members		<u>1,100,114</u>
Total APVAA	\$	<u><u>12,766,841</u></u>

## Exeter Township

### Notes to Financial Statements

December 31, 2013

#### Note 11 - Post-Employment Benefits Other than Pensions (continued)

##### Funded Status and Funding Progress (continued)

Actuarial accrued liability (AAL):	
Active members	\$ 6,107,089
Retired members	<u>1,100,114</u>
Total AAL	<u>\$ 7,207,203</u>
Actuarial value of assets (AVA)	<u>\$ -</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 7,207,203</u>
Funded ratio	<u>-%</u>
Covered payroll	<u>\$ 4,995,780</u>
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll	<u>144%</u>
Annual required contribution (ARC):	
Normal cost	\$ 399,684
30-year amortization of UAAL	<u>442,461</u>
Total ARC	<u>\$ 842,145</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required Schedules of Funding Progress presented as supplementary information provide multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.



## Exeter Township

### Notes to Financial Statements

December 31, 2013

#### Note 11 - Post-Employment Benefits Other than Pensions (continued)

##### Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Township and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions are as follows:

Actuarial valuation date	January 1, 2011
Actuarial cost method	Entry age normal
Amortization method	Level dollar method
Remaining amortization period	30-year closed period
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	4.50% per annum
Projected salary increases	5.00% per annum
Healthcare inflation rate	Declining scale from 8% in 2011, decreasing by .5% each year to 5.5% in 2016.

#### Note 12 - Exeter Township Tax Increment Financing District

In March 2008, the Township, along with the County of Berks and the Exeter Township School District, entered into a Cooperation Agreement with the Berks County Industrial Development Authority (the Authority). The Authority has prepared a Tax Increment Financing (TIF) Plan referred to as the Exeter Township TIF District. The agreement sets forth the terms by which Tax Increment Revenues shall be raised from the Exeter Township TIF District and the means of financing.

Under the terms of this agreement, the taxing bodies (the Township, the County of Berks and the Exeter Township School District) will remit their respective share of the positive real estate tax increments to the Authority. The Authority will deposit these funds into the Tax Increment Fund established for this project and use these funds for repayment of debt service incurred in connection with the project. The Exeter Township TIF District began on December 1, 2007 and has a term of 20 years.

## Exeter Township

### Notes to Financial Statements

December 31, 2013

#### Note 12 - Exeter Township Tax Increment Financing District (continued)

In 2013, the Township remitted \$59,352 to the Authority. This amount represents less than 2% of total real estate taxes collected by the Township.

At December 31, 2013, the outstanding balance was \$5,282,000. The Township has guaranteed the Series of 2008 Tax Incremental Financing Revenue Note issued by the Authority.

#### Note 13 - Commitments and Contingencies

##### Commitments

###### Capital Projects

The Township is committed to make payments on various capital construction projects in the approximate amount of \$218,000 at December 31, 2013.

###### Recycling Contract

In 2011, the Township entered into an agreement for the processing and marketing of recycling materials. The contract is for a term of three years beginning January 1, 2012 and ending December 31, 2014. Minimum payments under this agreement for the year ending December 31, 2014 were \$212,134.

###### Sewer System Management

The Township entered into an agreement with Exeter Township, Berks County, Authority for the management of Exeter Township's Sewer System. Under the terms of the agreement, payments of up to \$60,000 from Exeter Township are due the Authority in semiannual payments of \$30,000 for administrative expenses through 2022, when the management agreement dated July 15, 2002 expires. For the year ended December 31, 2013, \$40,000 was paid to the Authority under this agreement.

###### Leases

The Township has entered into lease agreements, as lessee, for financing the acquisition of vehicles and other equipment. The leases have expiration dates extending through 2017.

As of December 31, 2013, the future minimum lease payments are as follows for the year ending December 31:

2014	\$	99,671
2015		86,647
2016		50,700
2017		4,286
2018		2,122
		<hr/>
	\$	<u>243,426</u>

## **Exeter Township**

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Notes to Financial Statements

December 31, 2013

### **Note 13 - Commitments and Contingencies (continued)**

#### **Contingencies**

##### **Litigation**

The Township is a defendant in lawsuits that have been referred to the lawyers who represent the Township's insurance carrier. While it is not feasible to determine the outcome of these matters, in the opinion of management, any total ultimate liability would not have a material effect on the Township's financial position.

##### **Concentration of Labor**

The Township entered into a collective bargaining agreement with the Police Officers Association, effective January 1, 2014 through December 31, 2016. The Township also entered into a collective bargaining agreement with nonuniform employees, effective January 1, 2013 through December 31, 2014. Of the Township's total workforce, 40% is covered by the agreement with the police officers and 49% is covered by the agreement with the nonuniform employees.

### **Note 14 - Subsequent Events**

The Township has evaluated subsequent events through June 11, 2014. This date is the date the financial statements were available to be issued. The following event subsequent to December 31, 2013 was noted:

In January 2014, the Township ordered the dissolution of the Exeter Township, Berks County, Authority.

## Exeter Township

### Schedules of Funding Progress

#### Exeter Township Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Underfunded AAL UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2009	\$ 8,211,475	\$ 10,186,585	\$ 1,975,110	80.6%	\$ 2,538,835	77.8%
January 1, 2011	9,759,266	11,371,131	1,611,865	85.8%	2,552,468	63.1%
January 1, 2013	11,057,915	13,363,704	2,305,789	82.7%	2,717,672	84.8%

#### Exeter Township Employees' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Underfunded AAL UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2009	\$ 566,223	\$ 1,081,790	\$ 515,567	52.3%	\$ 535,326	96.3%
January 1, 2011	787,611	1,320,042	532,431	59.7%	546,007	97.5%
January 1, 2013	1,029,208	1,496,670	467,462	68.8%	556,565	84.0%

#### Exeter Township Post-Employment Benefits Other than Pensions

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Underfunded AAL UAAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2008	\$ -	\$ 5,314,263	\$ 5,314,263	-	\$ 4,718,187	113.0%
January 1, 2011	-	7,207,203	7,207,203	-	4,995,780	144.0%

# Exeter Township

## Budgetary Comparison Schedule - Modified Cash Basis - General Fund

	Year Ended December 31, 2013			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes:				
Real estate	\$ 2,437,391	\$ 2,437,391	\$ 2,398,168	\$ (39,223)
Real estate transfer	240,000	240,000	403,938	163,938
Per capita	72,090	72,090	64,934	(7,156)
Earned income	3,055,000	3,055,000	3,241,515	186,515
Local services	311,000	311,000	314,403	3,403
Business privilege	475,000	475,000	432,241	(42,759)
Licenses and permits	358,350	358,350	391,107	32,757
Fines and forfeits	127,640	127,640	124,535	(3,105)
Interest and rents	41,484	41,484	36,715	(4,769)
Intergovernmental revenues	718,725	718,725	682,873	(35,852)
Charges for services	1,229,076	1,229,076	1,050,565	(178,511)
Miscellaneous	138,000	138,000	315,126	177,126
<b>Total Revenues</b>	<b>9,203,756</b>	<b>9,203,756</b>	<b>9,456,120</b>	<b>252,364</b>
<b>Expenditures</b>				
Current:				
General government	773,198	773,198	755,293	17,905
Public safety	5,244,809	5,244,809	5,115,478	129,331
Health and human services	24,900	24,900	25,813	(913)
Public works - sanitation	200,000	200,000	195,796	4,204
Public works - highways and streets	1,715,198	1,715,198	1,724,627	(9,429)
Culture and recreation	568,886	568,886	559,670	9,216
Community development	40,000	40,000	43,879	(3,879)
Debt service:				
Principal	-	-	295,096	(295,096)
Interest	338,010	338,010	49,536	288,474
Benefits	38,466	38,466	236,550	(198,084)
Property and casualty insurance	159,895	159,895	166,118	(6,223)
Capital outlay	122,008	122,008	89,579	32,429
Miscellaneous	170,250	170,250	182,703	(12,453)
<b>Total Expenditures</b>	<b>9,395,620</b>	<b>9,395,620</b>	<b>9,440,138</b>	<b>(44,518)</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>(191,864)</b>	<b>(191,864)</b>	<b>15,982</b>	<b>207,846</b>

## Exeter Township

Budgetary Comparison Schedule - Modified Cash Basis - General Fund (continued)

	Year Ended December 31, 2013			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ -	\$ -	\$ 346	\$ 346
Transfers out	-	-	(83,100)	(83,100)
Sale of assets	-	-	4,655	4,655
<b>Total Other Financing Sources (Uses)</b>	-	-	(78,099)	(78,099)
<b>Net Change in Fund Balances</b>	<b>\$ (191,864)</b>	<b>\$ (191,864)</b>	<b>(62,117)</b>	<b>\$ 129,747</b>
<b>Fund Balance at Beginning of Year</b>			<b>2,999,996</b>	
<b>Fund Balance at End of Year</b>			<b>\$ 2,937,879</b>	

## **Exeter Township**

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Note to Budgetary Comparison Schedule

December 31, 2013

### **Note 1 - Budget Matters**

The Board of Supervisors annually adopts the budget for the General, Utility, Fire, Park Improvement, State Liquid Fuels Highway Aid, Capital Expenditure, Capital Improvement, Golf Acquisition, Apparatus, Traffic Improvement, Debt Service, Sewer and Country Club Funds. Budgetary control is legally maintained at the fund level.

The Second Class Township Code provides for the modification of the budget and supplemental appropriations and transfers.

Appropriations, except open project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year.

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements.

**Exeter Township**

Combining Statement of Assets and Fund Balances - Modified Cash Basis - Other Governmental Funds

December 31, 2013													
	Special Revenue Funds						Capital Project Funds					Debt Service Fund	Total Other Governmental Funds
	Utility	Fire	Detention Pond/ Storm Water	K-9	Park Improvement	State Liquid Fuels Highway Aid	Capital Expenditure	Capital Improvement	Golf Acquisition	Apparatus	Traffic Improvement		
<b>Assets</b>													
<b>Cash</b>													
Unrestricted	\$ 35,802	\$ 268,609	\$ 76,571	\$ -	\$ 67,785	\$ -	\$ 565,077	\$ -	\$ -	\$ 365,388	\$ -	\$ -	\$ 1,379,232
Restricted	-	-	-	9,687	-	109,390	-	264,177	766,498	-	43,260	542,328	1,735,340
<b>Total Assets</b>	<b>\$ 35,802</b>	<b>\$ 268,609</b>	<b>\$ 76,571</b>	<b>\$ 9,687</b>	<b>\$ 67,785</b>	<b>\$ 109,390</b>	<b>\$ 565,077</b>	<b>\$ 264,177</b>	<b>\$ 766,498</b>	<b>\$ 365,388</b>	<b>\$ 43,260</b>	<b>\$ 542,328</b>	<b>\$ 3,114,572</b>
<b>Fund Balances</b>													
Restricted	\$ -	\$ -	\$ -	\$ 9,687	\$ -	\$ 109,390	\$ -	\$ 264,177	\$ 766,498	\$ -	\$ 43,260	\$ -	\$ 1,193,012
Committed	35,802	268,609	76,571	-	67,785	-	565,077	-	-	365,388	-	542,328	1,921,560
<b>Total Fund Balances</b>	<b>\$ 35,802</b>	<b>\$ 268,609</b>	<b>\$ 76,571</b>	<b>\$ 9,687</b>	<b>\$ 67,785</b>	<b>\$ 109,390</b>	<b>\$ 565,077</b>	<b>\$ 264,177</b>	<b>\$ 766,498</b>	<b>\$ 365,388</b>	<b>\$ 43,260</b>	<b>\$ 542,328</b>	<b>\$ 3,114,572</b>



**Exeter Township**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis - Other Governmental Funds

	Year Ended December 31, 2013												Total Other Governmental Funds
	Special Revenue Funds						Capital Project Funds					Debt Service Fund	
	Utility	Fire	Detention Pond/ Storm Water	K-9	Park Improvement	State Liquid Fuels Highway Aid	Capital Expenditure	Capital Improvement	Golf Acquisition	Apparatus	Traffic Improvement		
<b>Revenues</b>													
Taxes, real estate	\$ 205,278	\$ 632,567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 688,946	\$ 1,526,791
Interest and rents	196	1,285	238	21	416	997	41,638	812	2,460	734	318	946	50,061
Intergovernmental revenues	-	72,917	-	-	-	597,829	-	-	-	-	-	-	670,746
Charges for services	-	-	-	-	32,725	-	-	-	-	-	-	-	32,725
Miscellaneous	75	-	2,503	7,137	-	-	-	421	1,411	-	-	-	11,547
<b>Total Revenues</b>	<b>205,549</b>	<b>706,769</b>	<b>2,741</b>	<b>7,158</b>	<b>33,141</b>	<b>598,826</b>	<b>41,638</b>	<b>1,233</b>	<b>3,871</b>	<b>734</b>	<b>318</b>	<b>689,892</b>	<b>2,291,870</b>
<b>Expenditures</b>													
Current:													
Public safety	77,081	414,212	-	-	-	-	-	-	-	-	-	-	491,293
Public works - highways and streets	88,925	-	-	-	-	201,904	-	-	-	-	114,119	-	404,948
Culture and recreation	-	-	-	-	156,719	-	-	-	2,000	-	-	-	158,719
Community development	2,176	-	-	-	-	-	-	-	-	-	-	13,297	15,473
Debt service:													
Principal	-	19,703	-	-	-	60,661	41,915	-	-	-	-	45,000	167,279
Interest	-	-	-	-	-	4,461	-	-	-	-	-	816,035	820,496
Capital outlay	-	-	-	-	750	315,637	6,454	10,000	15,185	-	-	-	348,026
Miscellaneous	34	-	-	-	-	-	-	-	-	-	-	531	565
<b>Total Expenditures</b>	<b>168,216</b>	<b>433,915</b>	<b>-</b>	<b>-</b>	<b>157,469</b>	<b>582,663</b>	<b>48,369</b>	<b>10,000</b>	<b>17,185</b>	<b>-</b>	<b>114,119</b>	<b>874,863</b>	<b>2,406,799</b>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	<b>37,333</b>	<b>272,854</b>	<b>2,741</b>	<b>7,158</b>	<b>(124,328)</b>	<b>16,163</b>	<b>(6,731)</b>	<b>(8,767)</b>	<b>(13,314)</b>	<b>734</b>	<b>(113,801)</b>	<b>(184,971)</b>	<b>(114,929)</b>
<b>Other Financing Sources (Uses)</b>													
Transfers in	-	-	-	-	-	-	83,100	10,000	-	133,900	-	270,000	497,000
Transfers out	(10,000)	(133,900)	-	-	-	-	-	-	-	-	-	-	(143,900)
<b>Total Other Financing Sources (Uses)</b>	<b>(10,000)</b>	<b>(133,900)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,100</b>	<b>10,000</b>	<b>-</b>	<b>133,900</b>	<b>-</b>	<b>270,000</b>	<b>353,100</b>
<b>Net Change in Fund Balances</b>	<b>27,333</b>	<b>138,954</b>	<b>2,741</b>	<b>7,158</b>	<b>(124,328)</b>	<b>16,163</b>	<b>76,369</b>	<b>1,233</b>	<b>(13,314)</b>	<b>134,634</b>	<b>(113,801)</b>	<b>85,029</b>	<b>238,171</b>
<b>Fund Balances at Beginning of Year</b>	<b>8,469</b>	<b>129,655</b>	<b>73,830</b>	<b>2,529</b>	<b>192,113</b>	<b>93,227</b>	<b>488,708</b>	<b>262,944</b>	<b>779,812</b>	<b>230,754</b>	<b>157,061</b>	<b>457,299</b>	<b>2,876,401</b>
<b>Fund Balances at End of Year</b>	<b>\$ 35,802</b>	<b>\$ 268,609</b>	<b>\$ 76,571</b>	<b>\$ 9,687</b>	<b>\$ 67,785</b>	<b>\$ 109,390</b>	<b>\$ 565,077</b>	<b>\$ 264,177</b>	<b>\$ 766,498</b>	<b>\$ 365,388</b>	<b>\$ 43,260</b>	<b>\$ 542,328</b>	<b>\$ 3,114,572</b>