

# Caln Township

## 2011 Proposed Budget



### Board of Commissioners

William J. Chambers, President

James Kruse, Vice President

Joshua Young

Charles W. Kramer

Vincent Rose

November 11, 2010

Gregory E. Prowant,  
Township Manager

Tony Scheivert,  
Assistant Township Manager

Barry P. Luber,  
Director of Finance



# **Caln Township**

## **2011 Proposed Budget**

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# Caln Township

*Board of Commissioners*

*William J. Chambers, President, James Kruse, Vice President*

*Joshua B. Young, Commissioner, Charles W. Kramer, Commissioner, Vincent Rose, Commissioner*

*Gregory E. Prowant, Township Manager*

*Tony Scheivert, Assistant Manager*

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Municipal Building, 253 Municipal Drive, P.O. Box 72149 Thorndale, Pa. 19372-0149

November 11, 2010

To: Board of Commissioners

From: Gregory Prowant, Township Manager

Subject: 2011 Budget

I am pleased to submit to you a proposed 2011 Budget for Caln Township. The proposed budget was developed by meeting individually with each department head and consolidating their proposed budget submittals into an overall budget. Finance Commissioners Young and Kruse, Assistant Manager Tony Scheivert and Finance Director Barry Luber participated in these departmental meetings and discussed the proposed budget with me prior to its completion. I want to thank Finance Director Luber for his efforts to pull together all of the numbers into a comprehensive budget document for our consideration.

Before discussing the 2011 Budget, I would like to review 2010.

## 2010 Revenues

There was no increase in real estate taxes in 2010. Neither was the sewer fee increased by the Municipal Authority. The Township increased trash fees \$30.00 per year.

2009 was not a good year due to the ongoing economic slowdown and we expected more of the same in 2010. Fortunately, most revenue sources reflected an upturn in revenues and we should finish the year ahead of budget. Specifically the earned income tax, real estate transfer tax, local services tax, cable TV fees, building permit fees, and miscellaneous income were greater than budgeted. By the end of the year we expect revenues to be \$200,000 to \$250,000 greater than the adopted 2010 Budget in the General Fund.

## 2010 Expenditures

The adopted General Fund Budget was \$200,000 less than the 2009 and 2008 budgets. We are projecting that 2010 expenditures will be less than budgeted. Attempting to keep costs down, we expect to finish the year approximately \$50,000 under the budgeted amount of \$5,880,553.

The 2010 Budget envisioned a draw on the Fund Balance of approximately \$200,000. In fact just the opposite has occurred. At the end of the year, the Township General Fund Balance will be approximately \$1,200,000.

In 2010 the Board adopted a fund balance policy to maintain a reserve of 10% of the General Fund Budget or approximately \$600,000. Future budgets should refrain from drawing down the fund balance below that level as it is good fiscal policy to maintain a reserve of 10% of annual budgeted expenditures.

## 2011 Expenditures

Next year will be another challenging budgetary year due to increasing costs and uncertain revenues. If the current economic downturn continues, the township may see additional drops in revenues for 2011 and beyond. At the same time, the Township needs to provide for basic services as well as set aside funds for capital expenses.

The 2011 Budget provides for operating expenditures to be equal to or less than the General Fund revenues for the Township. To do this the budget includes some basic personnel changes including:

- Freezing two police positions for 2011. One officer is leaving in 2010 and another is retiring in July 2011. Those positions will be frozen for the full budgetary year. Overtime and or part-time resources will be considered to assist with this situation.
- The manager is discussing early retirement opportunities with current staff in order to reduce costs.
- Steps will be taken to reconfigure existing Township staff as well as to increase usage of contractors to reduce costs.
- The Board of Commissioners and the Police Association have approved an extension of the current police contract which provides for annual salary increases of 2%. Non-uniform employees will also receive a 2% increase in 2011.

With the recent downturn there has been a reduction in capital project funds. To address this situation the General Fund will transfer \$210,000 to capital reserve accounts. Each department will budget a contribution (\$3,000 for each car, \$7,000 for each truck) to be deposited into the Equipment Fund for the purchase of vehicles. \$75,000 will also be transferred from the General Fund to the Capital Reserve Fund for expenditure on capital projects.

This will in effect reduce the Fund Balance by \$200,000. There will still be \$1,000,000 in the Fund Balance which is greater than the minimum recommended Fund Balance of 10% or \$600,000.

There will be a number of projects funded in 2011. In fact \$564,000 in funds from the Capital Reserve Fund, Bond and Highway Funds will be available for projects in 2011. Capital Expenditures include:

- Annual Paving Projects
- Stormwater drainage projects including North Barley Sheaf Road drainage repairs
- Public Works –G.O. Carlson entrance
- Traffic signal replacement
- Tennis Court resurfacing and lighting

Other notable expenditures next year include the following:

- Police television cameras and vests \$45,000
- 2 new police cars(leased) \$22,000
- Computer server upgrades \$20,000
- Regional Economic Development Study (Grant project)
- Building related improvements \$20,000
- Year one of a three year payment on recycling carts \$69,000

### 2011 Revenues

General Fund Proposed Revenue is budgeted at \$5.944 million or 5.17% more than the 2010 budget. Real Estate Tax rate will remain 2.808 mils for the seventh straight year. Trash and Recycling fee to increase \$5 bi-monthly and Street Light Fee to increase \$4.38 for the average property with street lights (700 properties). Ingleside Golf Club will institute a \$1 per round increase in cost as well as a 50 cent beverage increase. No proposed increases for any other Township/Authority fees or charges.

### Municipal Authority Sewer Fees

The Caln Township Municipal Authority sets the annual sewer fee. The Authority is expected to increase the annual sewer rental fee of \$324 to \$354. This rate is still lower than many municipalities.

In addition to local funds the Board of Commissioners continues to be active in addressing Township revenue needs through the use of state and federal grants and special projects funded by outside sources.

## Summary

Given the range of services provided by the Township, I believe that the taxpayer receives a very good value for his/her tax dollar. The average taxpayer pays roughly \$421 in real estate taxes and \$300 in earned income taxes. The General Fund Budget costs approximately \$1,158 per household and includes vital community services such as police, fire, roadway maintenance, snow plowing and recreation/park services.

The annual trash bill of \$240 is still one of the better trash collection rates in the region and includes the collection of trash, recycling(using carts), and bulk items, as well as leaves, tree branches and frequent household hazardous waste drop offs. The Township runs a leaf composting program that has been recognized by state officials and provides free mulch to all taxpayers.

In the overall real estate tax picture, Township real estate taxes are a minor percentage of the overall property owner's tax bill. Caln Township is approximately 8 % of the assessed tax rates in our community as compared to the school district (80%) and county (12%).

All in all the Taxpayers receive a very good return on their costs for the operation of our Township.



**SUMMARY OF TOWNSHIP GRANTS  
2001-2010**

Grant	Source	Status	Activity	Grant	Twp share	Implementation
1 Historic Schoolhouse	county	done	rehab school	\$ 7,500	\$ 7,500	staff
2 Municipal Park	county/state	done	hockey rink	\$ 65,000	\$ 65,000	Greg
3 Snow Emergency	Federal	done	feb 14 snow storm	\$ 15,000	\$ -	Greg
4 Dawkins Park Impr.	county	done	park eqpmt.	\$ 12,500	\$ 12,500	Greg
5 Griffith parcel B	county	done	acquire parcel B	\$450,000	\$ 470,000	Greg
6 Griffith parcel C	county	done	acquire parcel C	\$ 450,000	\$ 470,000	Greg
7 HUD Block Grant	Federal thru county	done	sidewalks	\$ 150,000	\$ 50,000	Greg
8 Llyod Park Master Plan	state	done	plan for park	\$ 15,000	\$ 15,000	Greg
9 Tier 1	county	done	planning studies	\$ 52,500	\$ 17,500	Greg
10 HUD Carver Court	Federal thru county	done	street improvements	\$ 392,905	\$ 44,000	Jeff/greg
11 Composting Site Plan	state	done	site plan for leaves	\$ 6,000	\$ -	greg
12 closed loop	Federal	done	traffic signals	\$ 1,007,000	\$ 100,000	Jeff/greg
13 HUD Carver Court 2	Federal thru county	done	street improvements	\$ 200,000	\$ 30,000	Jeff/greg
14 Tea 21	Federal	done	sidewalks	\$ 525,000	\$ 100,000	Greg/jeff
15 537 sewer plan	state	done	537 plan	\$ 60,000	\$ 60,000	Greg
16 N. Bailely Bridge	state	done	replace bridge	\$ 350,000	\$ 80,000	Jeff
17 Tea 21 Grant 2	Federal	returned	sidewalks	\$ 97,500	\$ 50,000	Jeff/greg
18 HUD 2004 Parkside	Federal thru county	done	sewer	\$ 154,200	\$ 18,000	greg/scot
19 Recycling Eqpmt.	state	done	equipment	\$ 285,000	\$ 45,000	greg/mike
20 Recycling Eqpmt. 2	state	done	equipment	\$ 157,000	\$ 15,000	greg/mike
21 Lloyd Park Phase 1	county	done	park eqpmt.	\$ 200,000	\$ 50,000	greg/tony
22 Lloyd Park Phase 1	state	done	park eqpmt.	\$ 200,000	\$ 50,000	greg/tony
23 Hometown Streets	federal	done	sidewalks	\$ 596,196	\$ 48,000	Jeff/greg
24 FEMA grants	federal	done	Flood damages	\$ 44,000	\$ -	Jeff/greg
25 Brandywine homes HUD	Federal thru county	done	street improvements	\$ 267,000	\$ 100,000	Jeff/greg
26 Kings Highway Park Plan	state	done	master park plan	\$ 17,000	\$ 35,500	Greg/tony
27 Valley Run Study	state	done	Flood damages	\$ 25,500	\$ 25,500	greg/jeff
28 Rock Raymond signal	state	done	traffic warning signal	\$ 10,000	\$ 5,000	greg/jeff
29 Recycling Grant 3	state	done	equipment	\$ 163,459	\$ 18,162	Greg
30 Recycling Grant 4	state	application	truck/totes	\$ 500,000	\$ 50,000	Greg
31 Multi-municipal recycling	state	done	equipment	\$ 225,000	\$ 5,000	Greg
32 G.O. Carlson Connector	state	denied	bridge and roadway	\$ 4,778,604	\$ -	Jeff
33 Sewer Pump Station	state	done	sewer pump station	\$ 226,088	\$ -	Scot/Greg
34 DVRPC/FHA	federal	done	Barley Sheaf Sidewalks	\$ 70,400	\$ 10,000	jeff
35 DVRPC Eggs	federal	done	transportation study	\$ 32,000	\$ 8,000	greg
36 Justice Action Grant	federal	done	police eqpmt.	\$ 31,000	\$ -	police
37 HUD Blackhorse Hill	Federal thru county	denied	sewer service	\$ 304,000	\$ 76,000	Scot/Greg
38 DVRPC Economic Study	federal	underway	regional economic study	\$ 60,000	\$ -	Greg
39 Chesco Economic Study	county	underway	regional economic study	\$ 30,000	\$ 500	Greg
<b>Total</b>				<b>\$ 12,232,352</b>	<b>\$ 2,131,162</b>	

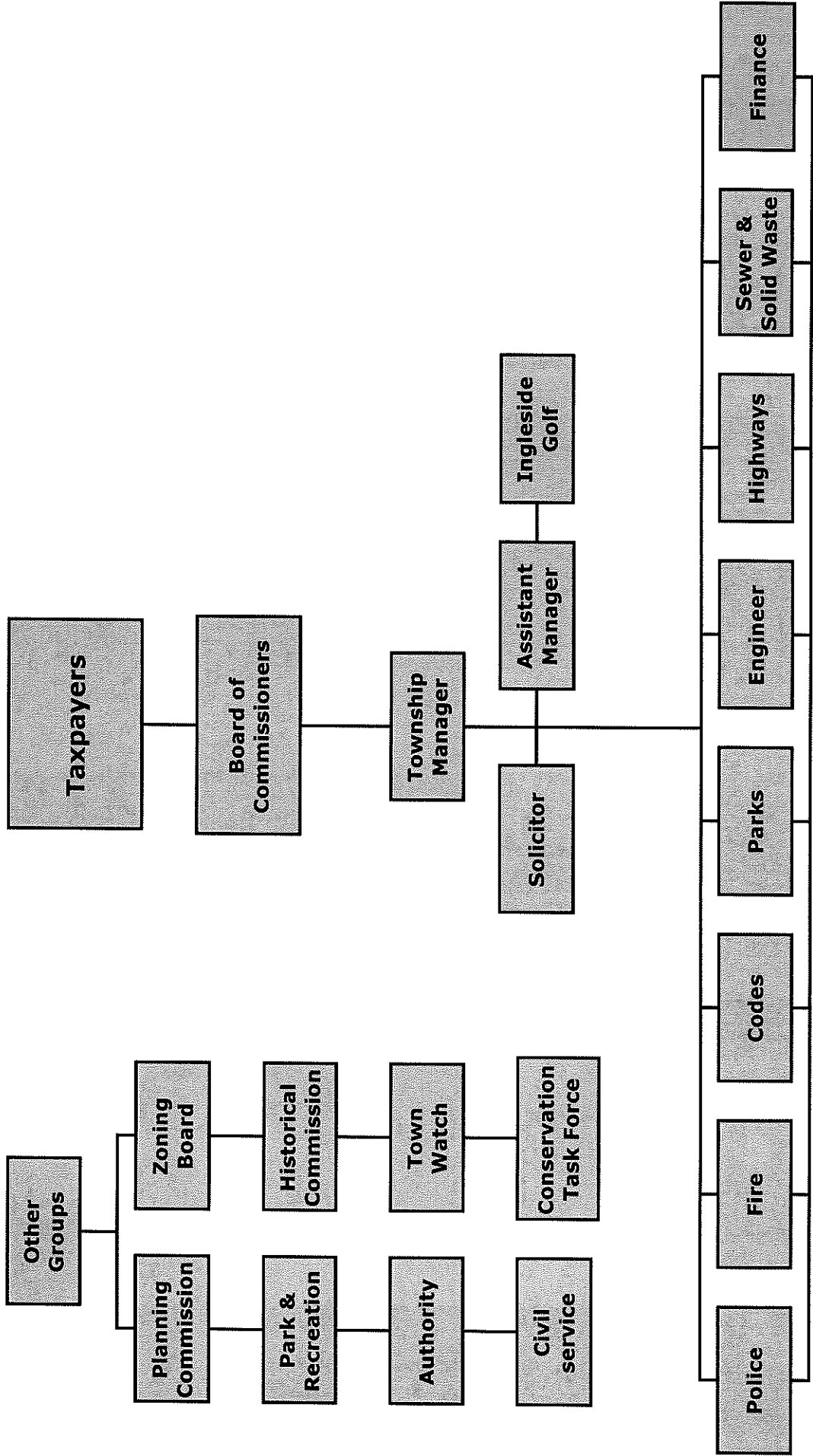
**Possible Future Grant Projects**

Dogwood and Scot sewers  
Lloyd Park Phases 2-4  
G.O. Carlson Bridge  
Kingsway Drive sewers

Kings Hwy Park Development  
Future Sidewalk/Trail Projects  
Future HUD Projects  
Future Recycling Grants



# CALN TOWNSHIP ORGANIZATIONAL CHART





# **Caln Township**

## **2011 Proposed Budget**

### **Department Heads**

**Administration.....Gregory E. Prowant, Twp. Manager**

**Recreation.....Tony Scheivert, Director/Assistant  
Township Manager**

**Code Enforcement.....Andy Reczek, Director**

**Engineer.....Jeffrey W. McClintock, P.E.**

**Finance.....Barry P. Luber, Director**

**Golf Club.....Chris Ward, General Manager**

**Highways.....Michael Fragale, Superintendent**

**Parks.....Mike Fowler, Director**

**Police.....Brian R. Byerly, Chief**

**Wastewater Operations.....Scott Gill, Director**



# **Caln Township 2011 Proposed Budget Budget Summary**



**Griffith Farm Property on Kings Highway**





**Caln Township**  
**Fund Balance Summary**

Caln Township Funds	2010		2011		2011		2011	
	Estimated Ending Fund Balance*	+	Proposed Revenue	-	Proposed Expenditures	Reserved Fund Balance	Ending Unreserved Fund Balance	
General	\$ 1,248,240		\$ 5,944,260		\$ 6,107,312	\$ 588,055	\$ 497,132	
Street Light	969		54,280		55,100		149	
Sewer Operating**	483,195		2,208,600		2,265,484		426,311	
Golf***	(196,348)		740,650		736,632		(192,330)	
Escrow	138,697		250,750		250,000		139,447	
Internal Service	179,118		1,400		10,700		169,818	
Capital Bond	178,056		175		178,231		0	
Capital Reserve	251,132		165,900		317,000		100,032	
Sanitation	117,701		1,103,600		1,102,824		118,477	
Sewer Capital	311,066		250,800		520,000		41,866	
Sewer Reserve	519,264		1,300		50,000		470,564	
Open Space	37,303		5,015		5,000		37,318	
Equipment	114,622		155,300		137,000		132,922	
State	144,106		242,039		339,000		47,145	
Building	-		-		-		-	
<b>Total</b>	<b>\$ 3,527,121</b>		<b>\$ 11,124,069</b>		<b>\$ 12,074,283</b>	<b>\$ 588,055</b>	<b>\$ 1,988,851</b>	

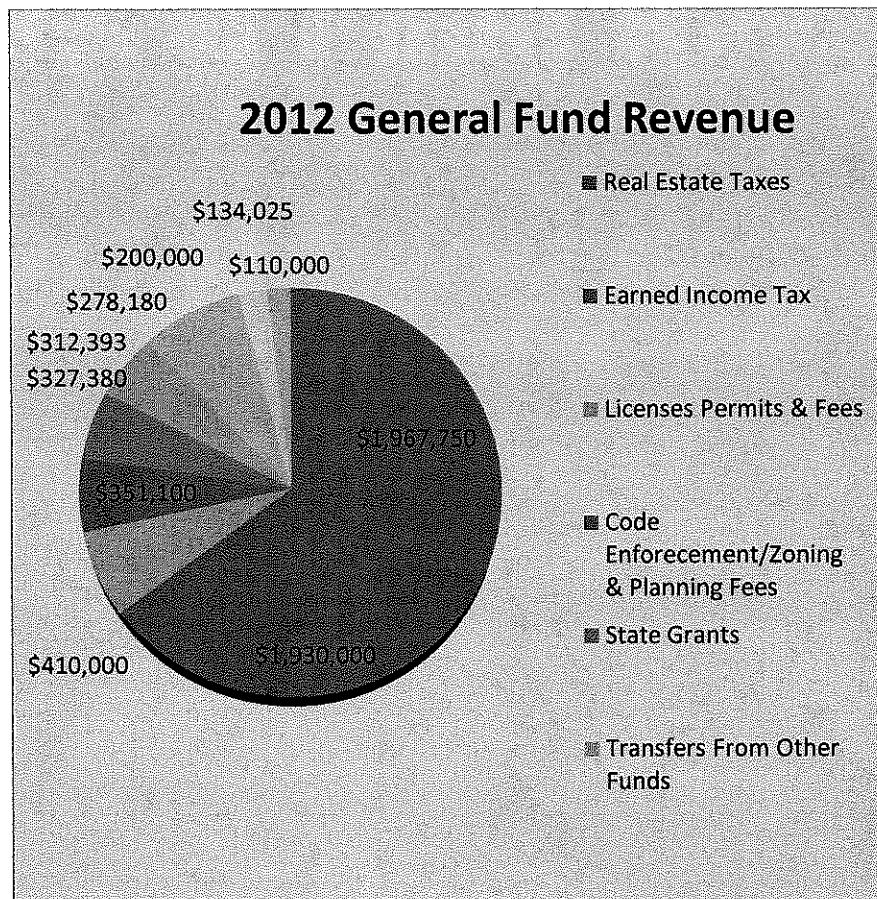
\*Estimated

\*\*Caln Township Municipal Authority Fund

\*\*\* The Golf fund actually is positive (fund balance) as it relates to cash. The fixed assets are depreciated faster than the principal is paid off on the bond issue that was used to purchase the Golf Club, thus leading to a negative fund balance, on the accrual basis of accounting. This will reverse itself over time.

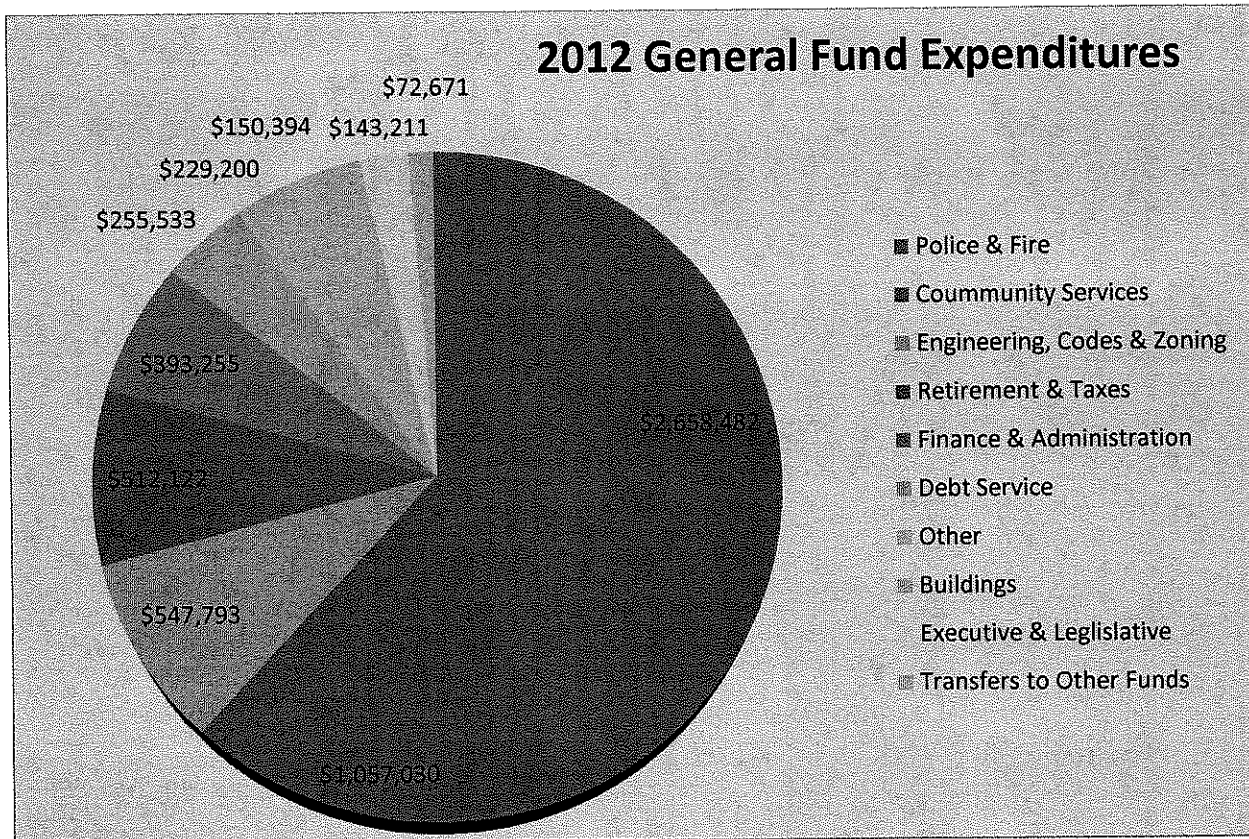


# Cald Township 2012 Proposed Budget General Fund Revenue



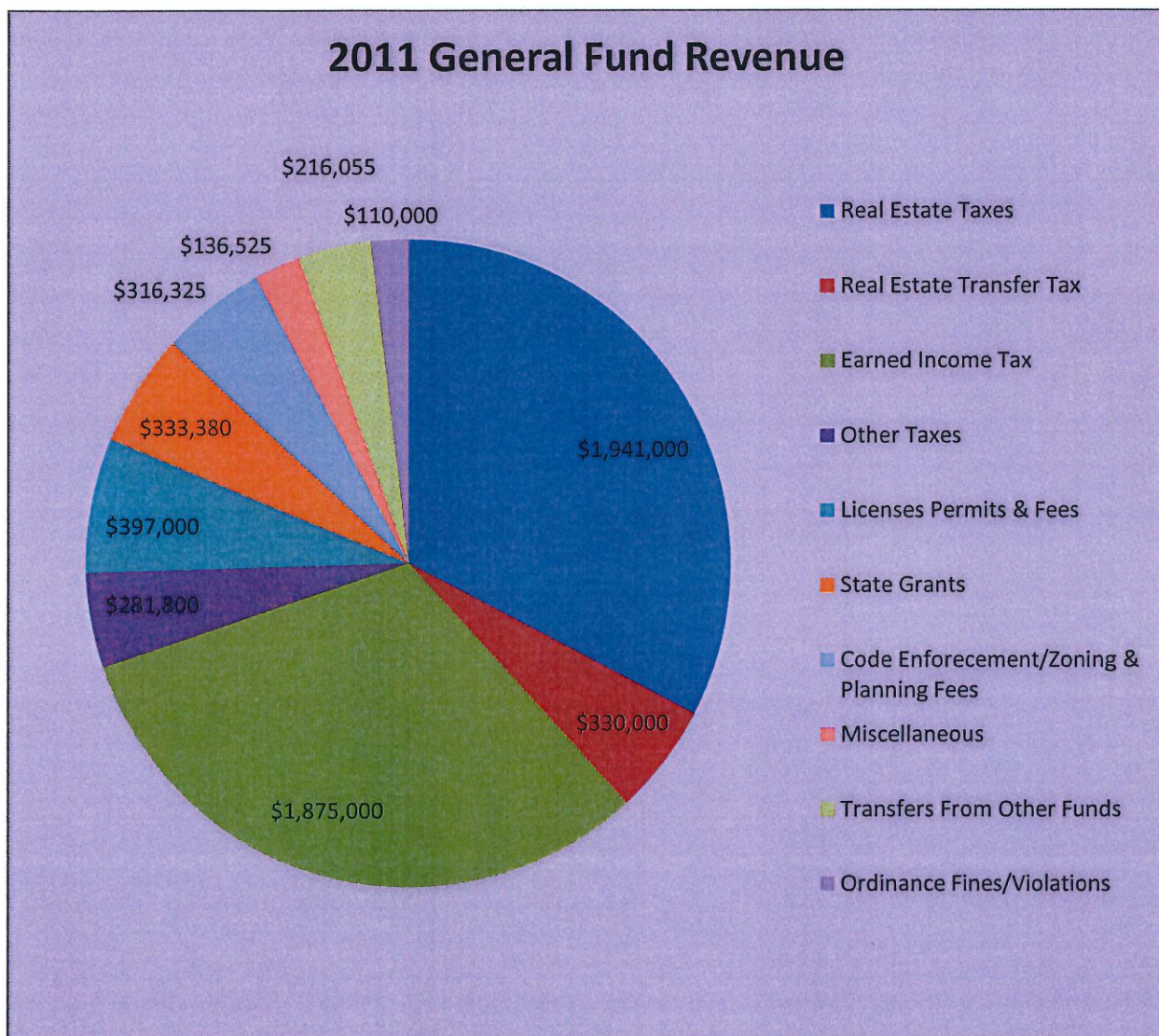


# Calm Township 2012 Proposed Budget General Fund Expenditures





# Caln Township 2011 Proposed Budget General Fund Revenue







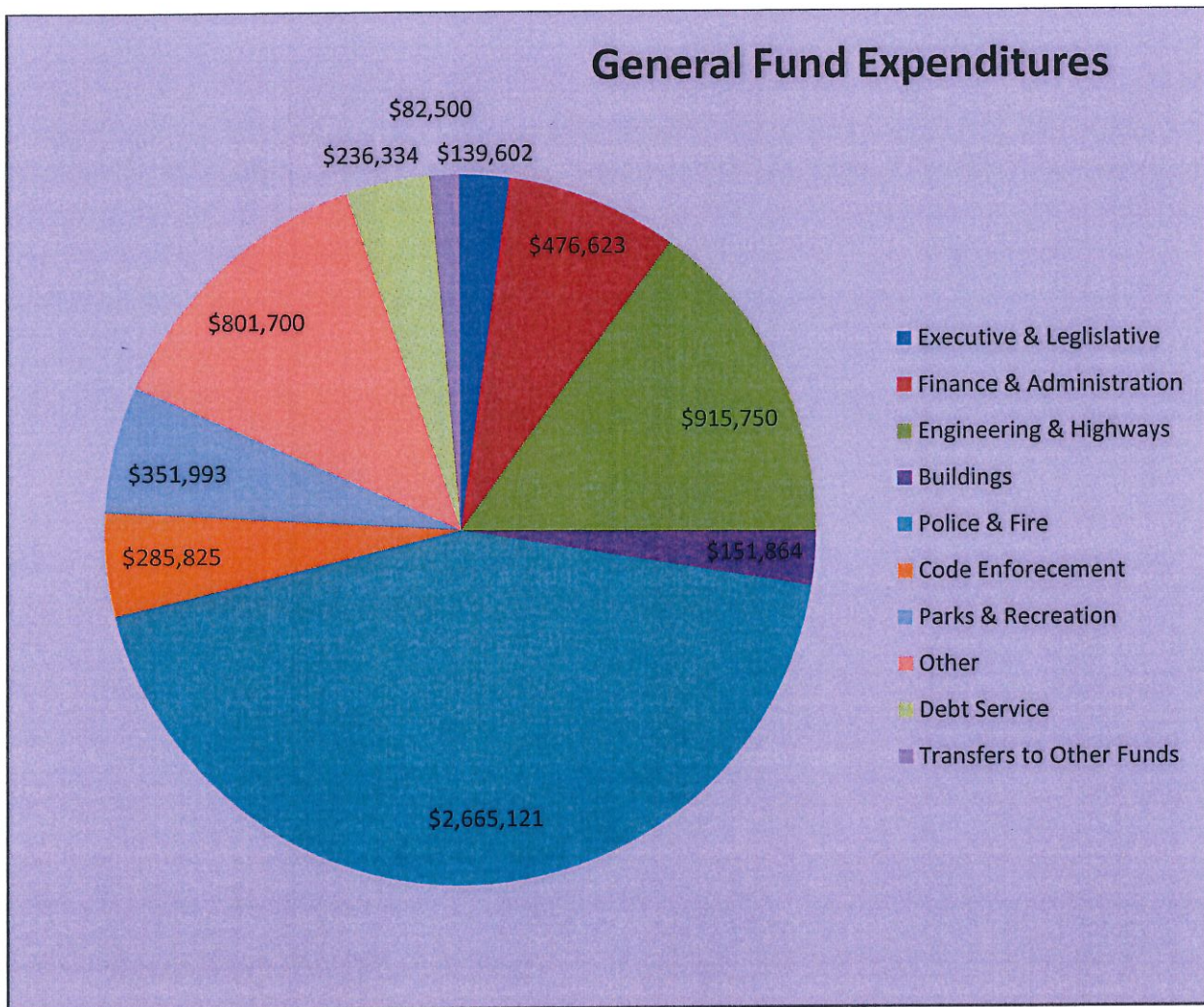
## Caln Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-01-00-000-000	<b>GENERAL FUND REVENUES:</b>					
1-01-10-000-000	<b>CASH COLLECTIONS:</b>					
1-01-10-300-000	<b>REAL PROPERTY TAXES RECEIVABLE</b>					
1-01-10-300-100	Real Estate Tax / Current	1,809,600	1,836,000	1,836,000	1,836,000	1,836,000
1-01-10-300-110	Real Estate & Interim Tax Penalty	2,500	2,000	2,000	2,000	2,250
1-01-10-300-200	Real Estate Tax / Prior	17,500	18,000	18,000	5,500	18,000
1-01-10-300-210	Real Estate & Interim Tax Prior Penalty	1,000	2,000	2,000	2,000	2,250
1-01-10-300-500	Real Estate Tax/ Lien-Deqing	42,000	42,000	42,000	55,000	45,000
1-01-10-300-600	Real Estate Tax Interim	50,000	35,000	36,000	22,000	35,000
1-01-10-300-610	Real Estate Tax Interim Penalty	250	250	250	200	-
1-01-10-300-620	Real Estate Interim Tax Prior	500	2,500	2,500	2,000	2,500
1-01-10-300-630		250	250	250	250	-
1-01-10-310-000	<b>REAL ESTATE TRANSFER TAX:</b>					
1-01-10-310-150	Real Estate Transfer Tax	500,000	425,000	300,000	315,000	330,000
1-01-10-311-000	<b>EARNED INCOME TAX</b>					
1-01-10-311-250	Earned Income Tax-Current	1,684,800	1,800,000	1,800,000	1,850,000	1,875,000
1-01-10-312-000	<b>LOCAL SERVICES TAX</b>					
1-01-10-312-410	Local Services Tax - Current	200,000	205,000	255,000	275,000	278,000
1-01-10-314-000	<b>OTHER VARIOUS TAXES:</b>					
1-01-10-314-605	Admissions Tax		-		500	2,500
1-01-10-314-700	Mechanical Tax	2,000	1,300	1,300	1,300	1,300
1-01-10-321-000	<b>BUSINESS LICENSES:</b>					
1-01-10-321-800	Cable TV	199,500	200,000	225,000	239,000	244,000
1-01-10-322-000	<b>NON BUSINESS FEES &amp; PERMITS:</b>					
1-01-10-322-900	Street Opening Fee	15,000	44,000	45,000	45,000	45,000
1-01-10-322-910	Police Services	7,500	9,000	80,000	70,000	65,000
1-01-10-331-000	<b>ORDINANCE FINES / VIOLATIONS</b>					
1-01-10-331-125	Vehicle/Speed Ctrl/Ordinance	115,000	127,000	110,000	110,000	110,000
1-01-10-345-000	<b>STATE GRANTS:</b>					
1-01-10-345-010	State Utility Tax	6,300	5,700	6,000	6,480	6,480
1-01-10-345-060	ACT 205 Pension	235,000	250,000	240,000	236,143	230,000
1-01-10-345-061	Fireman's Relief	93,000	96,000	85,000	98,890	95,000
1-01-10-345-080	Beverage License	1,800	3,500	2,000	1,900	1,900
1-01-10-345-090	Recycling Grant	23,000	-			
1-01-10-351-000	<b>INTEREST EARNINGS:</b>					
1-01-10-351-300	Interest Earnings	90,000	55,000	7,500	7,500	8,000
1-01-10-361-000	<b>ZONING &amp; PLANNING FEES:</b>					
1-01-10-361-305	Planning Fees	33,000	22,500	20,000	18,000	22,000
1-01-10-361-340	Zoning Hearing Fee	13,000	25,000	15,000	10,000	12,000
1-01-10-362-000	<b>CODE ENFORCEMENT FEES:</b>					
1-01-10-362-410	Building Permit	200,000	175,000	140,000	165,000	170,000
1-01-10-362-415	Fire Inspection		1,300	2,000	5,200	4,500
1-01-10-362-451	Use & Occupancy / New			225	-	-
1-01-10-362-452	Use & Occupancy / Resale	16,000	17,000	15,500	12,000	14,000
1-01-10-362-601	Housing Annual Rental	36,500	42,000	58,000	59,000	59,000
1-01-10-362-602	Housing / Tenant Change	10,000	14,000	13,000	18,000	17,000
1-01-10-362-603	Housing Rental Delinquent	300	100	100	-	100
1-01-10-362-610	Contractor's License/Fee	35,000	38,000	16,000	19,500	19,000
1-01-10-363-000	<b>HIGHWAYS &amp; PARKS</b>					
1-01-10-363-700	Bus Shelters	8,500	8,500	9,600	9,600	9,600
1-01-10-380-000	<b>MISCELLANEOUS REVENUE</b>					
1-01-10-380-100	Miscellaneous	35,000	70,000	25,000	175,000	60,000
1-01-10-380-101	Misc. - Bounced Check Fee				900	900
1-01-10-380-105	Tax Certification Fees	20,000	22,000	21,000	18,000	21,000
1-01-10-380-106	Newsletter Advertising			6,500	6,700	6,500
1-01-10-380-107	Parks/Recreation/Cultural Events			30,000	25,000	27,000

## Caln Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-01-10-380-110	Cell Tower Fees	22,800	24,000	34,000	41,000	43,000
1-01-10-387-000	CONTRIBUTIONS & DONATIONS:					
1-01-10-387-303	Lloyd Park Investment	1,200	675	200	110	125
1-01-10-387-305	Reservations - Parks/Pavilions	3,500	2,600	2,000	2,080	2,000
1-01-10-387-307	Tennis Court Fee	500	-			
1-01-10-387-309	Reimburse Recreation Program/Trips	8,000	500	300	50	300
1-01-10-392-002	Transfer From St. Light Fund	0	-			
1-01-10-392-008	Transfer From Sewer Operating	103,000	142,659	141,135	141,135	153,631
1-01-10-392-020	Transfer From Trash Fund					62,424
1-01-10-395-100	Refunds	16,000	4,000	3,000	-	3,000
1-01-10-395-105	Prior Year Refund	0	4,000	4,000	1,000	4,000
	<b>TOTAL GENERAL FUND</b>	<b>\$5,658,800</b>	<b>\$ 5,773,334</b>	<b>\$ 5,652,360</b>	<b>\$ 5,908,938</b>	<b>\$ 5,944,260</b>

# Caln Township 2011 Proposed Budget General Fund Expenditures





## Caln Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-01-00-000-000	GENERAL FUND					
1-01-00-400-000	LEGISLATIVE					
1-01-00-400-100	LEGISLATIVE SALARY					
1-01-00-400-101	Commissioners Salary	16,300	16,300	16,300	16,300	16,300
1-01-00-400-172	Legislative Employer FICA	1,300	1,300	1,250	1,250	1,250
1-01-00-400-200	LEGISLATIVE OTHER EXPENSES	-	-	-	-	-
1-01-00-400-211	Office Supplies	500	500	-	-	-
1-01-00-400-999	General Expense	4,250	4,500	3,000	2,600	2,500
	subtotal legislature	22,350	22,600	20,550	20,150	20,050
1-01-00-401-000	EXECUTIVE					
1-01-00-401-100	EXECUTIVE SALARY/BENEFITS					
1-01-00-401-101	Executive Salary	78,523	79,336	80,925	80,925	82,942
1-01-00-401-170	BENEFITS	-	-	-	-	-
1-01-00-401-179	Benefits, other	29,166	25,483	26,349	26,349	26,881
1-01-00-401-200	EXECUTIVE OTHER EXPENSES	-	-	-	-	-
1-01-00-401-201	Supplies	400	400	300	100	200
1-01-00-401-202	Education/Training	1,200	1,100	1,000	1,000	1,000
1-01-00-401-205	Dues/Memberships	1,750	1,850	1,750	1,100	1,750
1-01-00-401-213	Small Items 0-100	200	200	-	-	-
1-01-00-401-221	Computers	750	1,000	250	-	200
1-01-00-401-322	Telephone	2,100	1,100	780	780	780
1-01-00-401-329	Web Site	3,000	3,000	1,500	1,500	1,500
1-01-00-401-401	Vehicle Fuel	550	650	550	300	400
1-01-00-401-402	Vehicle Maintenance	500	600	500	250	400
1-01-00-401-405	Transfer to Equipment Fund	-	-	-	-	3,000
1-01-00-401-999	General Expense	1,200	1,000	500	200	500
	subtotal executive	119,339	115,719	114,404	112,504	119,552
1-01-00-402-000	FINANCE					
1-01-00-402-100	FINANCE SALARY					
1-01-00-402-101	Salary Finance Office	98,533	123,337	107,664	107,664	114,523
1-01-00-402-120	Salary - Overtime	-	-	-	385	150
1-01-00-402-170	BENEFITS	-	-	-	-	-
1-01-00-402-179	Benefits, other	45,306	50,787	46,330	46,330	45,540
1-01-00-402-200	FINANCE OTHER EXPENSES	-	-	-	-	-
1-01-00-402-202	Education/Training Census	1,500	2,500	1,400	850	1,300
1-01-00-402-211	Office Supplies	2,000	2,000	2,000	2,600	2,700
1-01-00-402-213	Small Items 0-100	2,000	-	-	-	-
1-01-00-402-215	Administration Petty Cash	800	500	500	65	-
1-01-00-402-221	Computers	2,200	5,000	5,700	5,340	7,500
1-01-00-402-314	Audit	22,500	22,675	22,675	22,675	25,000
1-01-00-402-371	Payroll Fees	5,000	5,500	5,500	5,500	6,000
1-01-00-402-375	Delinquent Administration Fees	-	-	5,500	(4,000)	5,000
1-01-00-402-401	Vehicle Fuel	500	250	175	200	160
1-01-00-402-402	Vehicle Maintenance	1,300	700	600	1,000	600
1-01-00-402-501	Repair Equipment	3,000	2,000	400	347	350
1-01-00-402-504	Minor Equipment	6,500	2,500	1,000	1,962	800
1-01-00-402-998	Tax Collection Fees/commissions	-	-	-	-	33,000
1-01-00-402-999	General Expense	2,200	2,000	3,200	4,000	3,200
	subtotal finance	193,339	219,749	202,644	194,918	245,823
1-01-00-403-000	TREASURER					
1-01-00-403-100	TREASURER SALARY					
1-01-00-403-101	Salary Treasurer	5,000	5,000	1,200	1,200	1,200
1-01-00-403-172	Employer FICA	400	420	100	100	100
1-01-00-403-200	TREASURER OTHER EXPENSES	-	-	-	-	-
1-01-00-403-342	Printing	800	1,500	2,200	2,200	2,100
	subtotal treasurer	6,200	6,920	3,500	3,500	3,400

## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
	<b>ADMINISTRATION</b>					
1-01-00-405-100	ADMINISTRATION SALARY					
1-01-00-405-101	Salary Administration	105,785	114,820	117,178	117,178	91,106
1-01-00-405-120	Overtime	3,500	3,500	3,500	3,300	2,900
1-01-00-405-170	<b>BENEFITS</b>					
1-01-00-405-179	Benefits, other	26,303	30,254	30,390	30,390	28,544
1-01-00-405-200	<b>ADMINISTRATION OTHER EXPENSES</b>					
1-01-00-405-202	Education/Training	1,500	1,500	1,200	600	1,000
1-01-00-405-203	Employee Programs	5,000	6,000	7,000	7,500	7,500
1-01-00-405-204	Personnel Hiring	1,000	2,000	400	-	400
1-01-00-405-205	Dues/Subscriptions	1,200	1,000	850	850	850
1-01-00-405-211	Office Supplies	4,000	4,000	2,700	2,700	2,700
1-01-00-405-213	Small Items 0-100	500	300			
1-01-00-405-221	Computers	1,000	3,000	600	-	600
1-01-00-405-314	Legal Consulting	9,000	9,000	6,000	7,000	6,000
1-01-00-405-315	Consulting Services	10,000	5,000	6,000	6,000	7,000
1-01-00-405-316	Legal Solicitor	40,000	65,000	27,000	25,000	27,000
1-01-00-405-317	Codification	10,000	10,000	8,000	5,500	8,000
1-01-00-405-321	Postage	15,000	15,000	13,000	11,000	9,500
1-01-00-405-322	Telephone	1,800	-	-	-	-
1-01-00-405-341	Advertising	9,000	15,000	10,000	6,000	9,000
1-01-00-405-342	Printing/Newsletter	12,000	12,250	16,000	20,000	18,500
1-01-00-405-405	Transfer to Equipment Fund					3,000
1-01-00-405-501	Repair Equipment	250	250	250	-	250
1-01-00-405-504	Minor Equipment	200	200	200	705	200
1-01-00-405-990	Meeting Supplies	800	800	750	700	750
1-01-00-405-999	General Expense	6,000	6,000	6,000	6,500	6,000
	<b>subtotal finance</b>	<b>263,838</b>	<b>304,874</b>	<b>257,018</b>	<b>250,923</b>	<b>230,800</b>
1-01-00-408-000	<b>ENGINEERING</b>					
1-01-00-408-100	SALARY/BENEFITS					
1-01-00-408-101	Salary	173,146	141,774	144,895	144,895	148,507
1-01-00-408-120	Overtime	2,500	2,200	1,750	1,700	1,750
1-01-00-408-170	<b>BENEFITS</b>					
1-01-00-408-179	Benefits, other	56,785	40,202	46,231	46,231	46
1-01-00-408-200	<b>OTHER EXPENSES</b>					
1-01-00-408-202	Education/Train	1,250	1,200	1,200	1,200	2,000
1-01-00-408-211	Office Supplies	-	200	-	-	-
1-01-00-408-221	Computers	1,500	2,500	1,000	1,000	2,500
1-01-00-405-315	Consulting Services					2,000
1-01-00-408-322	Telephone	600	780	780	780	780
1-01-00-408-401	Vehicle Fuel	850	850	950	1,250	1,250
1-01-00-408-402	Vehicle Maintenance	1,500	800	500	500	750
1-01-00-408-405	Transfer to Equipment Fund					3,000
1-01-00-408-999	General Expense	2,500	2,500	500	250	500
	<b>subtotal engineering</b>	<b>240,631</b>	<b>193,006</b>	<b>197,806</b>	<b>197,806</b>	<b>209,977</b>
1-01-00-409-000	<b>BUILDINGS</b>					
1-01-00-409-100	BUILDINGS SALARY					
1-01-00-409-101	Salary Janitor	27,939	28,503	30,860	30,860	31,630
1-01-00-409-120	Overtime	8,000	6,000	6,000	4,500	6,000
1-01-00-409-170	<b>BENEFITS</b>					
1-01-00-409-179	Benefits, other	11,681	11,521	12,093	12,093	12,533
1-01-00-409-200	<b>BUILDINGS OTHER EXPENSES</b>					
1-01-00-409-201	Supplies	200	200	800	800	800
1-01-00-409-221	Emergency/Life Safety Supplies	-	-	-	-	3,000
1-01-00-409-221	Computer Maint.	20,000	25,000	25,000	21,000	25,000
1-01-00-409-322	Telephone	14,000	16,000	12,000	11,000	11,000
1-01-00-409-352	Electric / Gas	42,000	40,000	46,000	37,000	45,000
1-01-00-409-353	Sewer / Water	1,800	1,500	1,900	1,500	1,900
1-01-00-409-501	Repair Equipment	600	1,000	1,000	-	1,000
1-01-00-409-601	Maintenance Buildings	15,000	20,000	13,000	13,000	12,000
1-01-00-409-602	Cleaning Supplies	2,000	1,000	1,000	1,500	1,000
1-01-00-409-603	Pest Control	500	500	500	500	500
1-01-00-409-604	Improvements	15,000	8,000	500	-	500
	<b>subtotal buildings</b>	<b>158,720</b>	<b>159,224</b>	<b>150,653</b>	<b>133,753</b>	<b>151,864</b>

## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-01-00-410-000	POLICE					
1-01-00-410-100	POLICE SALARY					
1-01-00-410-101	Salary Police	1,472,428	1,519,356	1,533,402	1,533,402	1,503,259
1-01-00-410-120	Overtime	45,000	45,000	75,000	72,000	100,000
1-01-00-410-130	Court	25,000	25,000	25,000	18,000	17,000
1-01-00-410-150	Salary Civilian	70,597	72,800	75,291	75,291	89,903
1-01-00-410-170	BENEFITS OE	-	-	-	-	-
1-01-00-410-179	Benefits, other	472,259	447,135	467,163	467,163	442,809
1-01-00-410-200	POLICE OTHER EXPENSES					
1-01-00-410-202	Education/Training	14,000	14,000	14,000	12,000	14,000
1-01-00-410-205	Dues/Subscript	3,000	3,000	3,000	3,000	3,000
1-01-00-410-206	Uniform Allowance	9,000	10,000	6,000	6,000	10,000
1-01-00-410-207	Uniform Cleaning	7,000	7,500	7,500	7,000	5,500
1-01-00-410-209	Police Hiring	2,000	4,000	-	-	2,000
1-01-00-410-211	Office Supplies	8,500	8,000	6,000	8,000	7,500
1-01-00-410-215	Police Petty Cash	1,000	750	750	600	750
1-01-00-410-221	Computers	17,000	17,000	14,000	14,000	14,000
1-01-00-410-222	Prisoner processing	1,000	1,000	1,000	1,000	1,000
1-01-00-410-234	Firearms	8,000	9,000	9,000	9,000	9,000
1-01-00-410-322	Cell Phones	4,500	2,000	2,000	2,400	2,400
1-01-00-410-323	Safety/Drug Test	1,500	1,500	1,500	1,000	1,500
1-01-00-410-401	Vehicle Fuel	38,000	44,000	29,000	30,000	29,000
1-01-00-410-402	Vehicle Maintenance	18,000	18,000	18,000	18,000	13,000
1-01-00-410-403	Tires	3,000	3,000	2,500	3,300	3,500
1-01-00-410-405	Transfer to Equipment Fund					33,000
1-01-00-410-501	Other operating exp	8,000	8,000	6,000	3,500	6,000
1-01-00-410-502	Radio Maintenance	12,000	8,000	5,000	3,000	5,000
1-01-00-410-504	Minor Equipment	12,000	12,000	7,500	2,000	7,500
1-01-00-410-601	Building Maintenance	5,000	15,000	10,000	12,000	10,000
1-01-00-410-605	Response Team	3,000	3,000	3,000	3,000	3,000
1-01-00-401-610	Animal Control			1,000	1,000	1,000
1-01-00-410-999	General Expense	10,000	10,000	5,000	2,500	4,000
	<b>subtotal police</b>	<b>2,270,784</b>	<b>2,308,041</b>	<b>2,327,606</b>	<b>2,308,156</b>	<b>2,338,621</b>
1-01-00-411-000	LIFE SAFETY					
1-01-00-411-100	LIFE SAFETY SALARY					
1-01-00-411-101	Life Safety Salary	48,179	52,402	84,086	82,649	85,988
1-01-00-411-120	Overtime	1,000	1,500	1,500	1,500	1,500
1-01-00-411-170	BENEFITS	-	-	-	-	-
1-01-00-411-179	Benefits, other	23,246	23,128	31,413	31,416	32,182
1-01-00-411-200	LIFE SAFETY OTHER EXPENSES					
1-01-00-411-202	Education/Train	2,000	2,200	2,200	2,000	2,200
1-01-00-411-206	Equipment/uniforms	2,000	2,200	4,500	4,500	4,500
1-01-00-411-211	Office Supplies			250	200	250
1-01-00-411-322	Telephone					1,000
1-01-00-411-846	Hydrant Fee 30,000		36,000	38,000	38,000	38,000
1-01-00-411-847	Emergency Management					1,000
1-01-00-411-999	Fire General Expense	2,000	2,500	2,000	3,200	2,000
	<b>subtotal fire</b>	<b>108,425</b>	<b>119,930</b>	<b>163,949</b>	<b>163,465</b>	<b>168,619</b>
1-01-00-413-000	CODE ENFORCEMENT					
1-01-00-413-100	CODE ENFORCE SALARY					
1-01-00-413-101	Salary Code Department	228,291	227,978	186,220	175,000	169,409
1-01-00-413-120	Overtime	4,000	2,000	1,500	250	1,500
1-01-00-413-170	BENEFITS					
1-01-00-413-179	Benefits, other	89,768	83,420	75,162	75,162	69,616
1-01-00-413-200	CODE ENFORCE OTHER EXPENSES					
1-01-00-413-202	Education/Training	6,000	4,000	4,000	3,000	4,000
1-01-00-413-211	Office Supplies	3,000	3,000	2,500	3,000	3,000
1-01-00-413-221	Computers	5,000	5,000	5,000	5,000	5,000
1-01-00-413-315	Consulting Services	1,500	2,000	3,000	2,500	3,000
1-01-00-413-322	Telephone	1,500	2,000	1,800	1,800	1,800
1-01-00-413-401	Vehicle Fuel & Oil	4,500	4,500	3,000	2,700	3,000
1-01-00-413-402	Vehicle Maintenance				3,500	2,000
1-01-00-413-405	Transfer to Equipment Fund					9,000
1-01-00-413-504	Minor Equipment	5,000	5,000	1,500	2,000	1,500
1-01-00-413-702	Property Maintenance Activities					10,000
1-01-00-413-846	State Permit Fee	2,500	2,500	2,000	2,000	2,000
	<b>subtotal codes</b>	<b>354,059</b>	<b>344,398</b>	<b>288,682</b>	<b>275,912</b>	<b>285,825</b>

## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-01-00-414-000	PLANNING & ZONING					
1-01-00-414-100	PLAN & ZONING SALARY					
1-01-00-414-101	Salary	2,000	2,000	2,000	2,000	2,000
1-01-00-414-200	PLAN & ZONING OTHER EXPENSES					
1-01-00-414-202	Education/Training	100	100			100
1-01-00-414-316	Legal	35,000	35,000	20,000	14,000	20,000
	Court Fees					1,000
1-01-00-414-340	Conditional Use Expense	12,000	25,000	15,000	10,000	13,000
1-01-00-414-999	General Expense Other	100				
	<b>subtotal zoning</b>	<b>49,200</b>	<b>62,100</b>	<b>37,000</b>	<b>26,000</b>	<b>36,100</b>
1-01-00-419-000	FIRE DEPARTMENT APPROPRIATIONS					
1-01-00-419-179	Benefits - workers comp. - volunteers			9,892	9,892	10,881
1-01-00-419-200	FIRE OTHER EXPENSES					
1-01-00-419-331	Liability Insurance	40,000	25,000	26,000	26,000	26,000
1-01-00-419-337	Gasoline Allowance					2,400
1-01-00-419-401	Vehicle Fuel	9,000	11,000	8,000	8,000	5,600
1-01-00-419-402	Vehicle Maintenance	14,000	18,000	18,000	15,000	18,000
1-01-00-419-841	Contribution/loan	9,000	9,000	3,200		-
1-01-00-419-844	Contract Downingtown	3,800	3,800	-	-	-
1-01-00-419-845	Fireman's Relief	93,000	96,000	85,000	96,000	95,000
	<b>subtotal fire</b>	<b>168,800</b>	<b>162,800</b>	<b>150,992</b>	<b>154,892</b>	<b>157,881</b>
1-01-00-430-000	HIGHWAY - GENERAL					
1-01-00-430-100	HIGHWAY - GEN SALARY					
1-01-00-430-101	Salary Road Department	337,894	369,876	338,603	322,000	362,610
1-01-00-430-120	Overtime	15,000	15,000	8,000	11,000	8,000
1-01-00-430-150	Salary Part - time	-	10,000		12,000	10,000
1-01-00-430-170	BENEFITS					
1-01-00-430-179	Benefits, other	157,143	165,202	166,730	166,730	180,012
1-01-00-430-200	HIGHWAY - GEN OTHER EXPENSES					
1-01-00-430-202	Education/Training	1,500	750	500	600	500
1-01-00-430-206	Clothing/Uniforms	7,500	9,000	6,000	6,000	6,000
1-01-00-430-211	Office Supplies	1,500	1,200	750	650	750
1-01-00-430-213	Small Items 0-100	6,000	6,000	4,000	4,500	4,000
1-01-00-430-221	Computers	1,000	1,000	500	-	-
1-01-00-430-322	Telephone	2,200	2,000	2,000	1,850	2,000
1-01-00-430-324	Safety/CDL Testing	2,500	2,500	2,000	1,500	1,500
1-01-00-430-401	Vehicle Fuel	20,000	22,000	18,000	18,500	18,000
1-01-00-430-402	Vehicle Maintenance	15,000	15,000	15,000	8,000	15,000
1-01-00-430-403	Tires	2,000	1,500	1,500	4,500	1,500
1-01-00-430-404	Oil	750	750	800	2,500	800
1-01-00-430-405	Transfer to Equipment Fund					63,000
1-01-00-430-501	Repair Equipment	6,500	6,500	5,500	8,500	5,500
1-01-00-430-502	Radio Maintenance	100	100	100	-	100
1-01-00-430-504	Minor Equipment	12,000	9,000	8,000	4,000	8,000
1-01-00-430-505	Rental Equipment	10,000	7,000	5,000	2,000	5,000
1-01-00-430-613	Road Maintenance	14,000	25,000	10,000	8,000	10,000
1-01-00-430-805	Road Opening Inspections			3,000	3,000	3,000
	<b>subtotal highways</b>	<b>612,587</b>	<b>669,378</b>	<b>595,983</b>	<b>585,830</b>	<b>705,773</b>
1-01-00-451-000	CULTURE - RECREATION					
1-01-00-451-100	SALARY/BENEFITS					
1-01-00-451-101	Salary	14,131	14,138	20,784	19,000	20,049
1-01-00-451-179	Benefits, other	1,229	8,435	3,798	3,500	4,504
1-01-00-451-200	CULTURE - REC OTHER EXPENSES					
1-01-00-451-202	Education/Training			750	1,200	750
1-01-00-451-211	Office Supplies	500	500		150	
1-01-00-451-322	Telephone	-	-	700	700	700
1-01-00-451-341	Advertising	1,500	1,000	500	100	500
1-01-00-451-401	Vehicle Fuel			1,000	1,250	1,000
1-01-00-451-402	Vehicle Maintenance			1,500	1,500	1,500
1-01-00-451-459	Recreation Programs	8,500	6,000	28,000	22,000	28,000
1-01-00-451-460	Lawn Chair Movies	2,500	2,000	300	100	300
1-01-00-451-461	Concerts & Events	5,000	5,000	8,000	6,000	8,000
	<b>subtotal recreation</b>	<b>33,360</b>	<b>37,073</b>	<b>65,332</b>	<b>55,500</b>	<b>65,303</b>



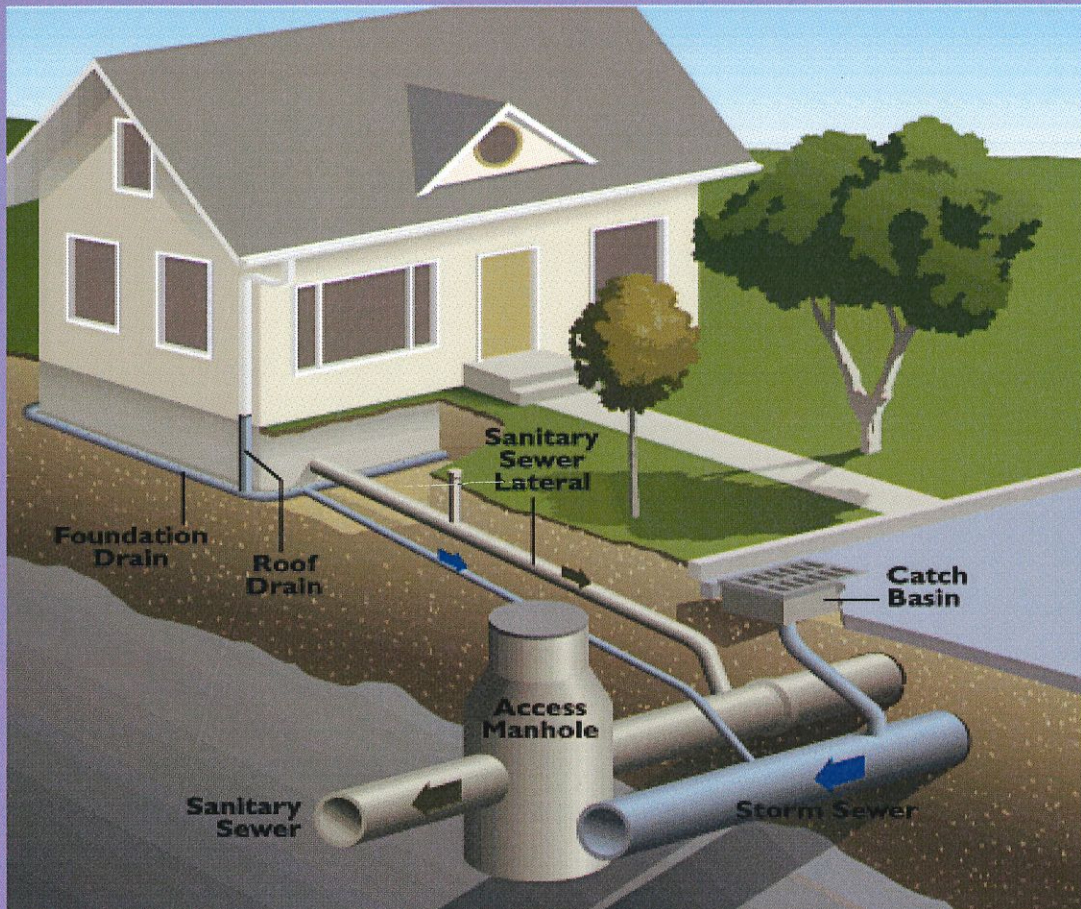
## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-01-00-454-000	PARKS					
1-01-00-454-100	PARKS SALARY					
1-01-00-454-101	Salary	119,997	150,688	151,980	151,980	155,766
1-01-00-454-120	Parks Overtime	2,000	2,000	1,500	750	1,500
1-01-00-454-150	Part - Time/summer wages	10,000	5,000		-	5,000
1-01-00-454-179	Benefits, other	46,746	38,260	51,131	51,131	52,924
1-01-00-454-200	PARKS OTHER EXPENSES					
1-01-00-454-211	Supplies	3,500	3,500	3,000	2,500	2,500
1-01-00-454-221	Computers	2,000	800	500	-	500
1-01-00-454-322	Telephone			700	-	700
1-01-00-454-324	Safety Equipment					500
1-01-00-454-401	Vehicle Fuel	7,000	12,000	7,500	8,000	7,500
1-01-00-454-402	Vehicle Maintenance	4,000	4,000	4,000	4,000	4,000
1-01-00-454-403	Tires			1,500	1,500	1,500
1-01-00-454-405	Transfer to Equipment fund					21,000
1-01-00-454-501	Repair Equipment			1,500	3,000	500
1-01-00-454-503	Maintenance Contract	25,000	23,000	12,000	12,000	12,000
1-01-00-454-721	Municipal Maintenance	5,000	5,000	4,500	6,000	3,000
1-01-00-454-722	Lloyd Maintenance	1,500	1,500	1,000	3,000	1,000
1-01-00-454-723	Dawkins Maintenance	750	750	750	750	500
1-01-00-454-724	Park West Maintenance	750	750	750	1,500	500
1-01-00-454-725	Kings Highway Maintenance	5,000	5,000	3,000	3,500	500
1-01-00-454-730	Municipal Improvements	6,000	6,000	4,000	3,800	8,600
1-01-00-454-731	Lloyd Improvements	750	750	750	500	1,200
1-01-00-454-732	Dawkins Improvements	1,000	1,500	1,500	400	500
1-01-00-454-733	Park West Improvements	5,000	4,000	1,000	500	500
1-01-00-454-734	Kings Highway Improvements	4,000	3,000	2,000	500	500
1-01-00-454-999	General Expense	5,000	5,000	4,500	5,500	4,000
	subtotal parks	254,993	272,498	259,061	260,811	286,690
1-01-00-456-000	LIBRARIES					
1-01-00-456-200	CONTRIBUTIONS					
1-01-00-456-831	Coatesville Library	10,500	10,500	13,000	13,000	13,000
1-01-00-456-832	Downingtown Library	3,500	3,500	7,000	7,000	7,000
	subtotal libraries	14,000	14,000	20,000	20,000	20,000
1-01-00-459-000	Contributions--Organizations					
1-01-00-459-200	Contributions OE					
1-01-00-459-355	SPCA	4,600	4,700			
1-01-00-459-821	Sr. Citizens	6,000	6,000	4,000	4,000	4,000
1-01-00-459-851	Historical Society	800	5,800	800	800	800
1-01-00-459-852	Historical Commission -	150	150	150	150	150
1-01-00-459-853	Twining Committee	4,000	2,000	1,000	1,000	1,000
1-01-00-459-854	Town Watch	1,250	1,250	1,250	1,250	1,250
1-01-00-459-855	Neighborhood VNA	1,875	1,875	-	-	-
1-01-00-459-856	Brandywine VNA	2,000	2,000	-	-	-
1-01-00-459-857	TMACC	1,000	1,000			
	subtotal contributions	21,675	24,775	7,200	7,200	7,200
1-01-00-463-000	COMMUNITY DEVELOPMENT					
1-01-00-463-200	OTHER EXPENSES					
1-01-00-463-361	Beautification Program	3,000	3,250	1,000	1,500	1,500
1-01-00-463-362	Property Maintenance Activities	1,000	750	250	450	-
1-01-00-463-702	Mowing Weeds	500	500	250	1,500	-
	subtotal community development	4,500	4,500	1,500	3,450	1,500
1-01-00-471-200	DEBT OTHER EXPENSES					
1-01-00-472-190	Principal & Interest	100,000	194,653	243,122	252,122	236,334
	subtotal debt	100,000	194,653	243,122	252,122	236,334

## Caln Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-01-00-486-000	INSURANCE					
1-01-00-486-200	INSURANCE OTHER EXPENSES					
1-01-00-486-331	Liability Insurance	120,000	142,000	142,000	154,188	150,000
	<b>subtotal insurance</b>	<b>120,000</b>	<b>142,000</b>	<b>142,000</b>	<b>154,188</b>	<b>150,000</b>
1-01-00-487-000	Retirement & Statutory Expenses					
1-01-00-487-200	STATUTORY OTHER EXPENSES					
1-01-00-487-411	Pension/Uniform	264,702	287,151	305,500	305,500	344,000
1-01-00-487-412	Pension/Non Uniform	122,856	153,600	169,000	172,680	192,000
1-01-00-487-415	Post Retirement Benefits.					
1-01-00-487-420	Taxes	7,500	7,200	7,200	7,200	7,500
	<b>subtotal retirement/taxes</b>	<b>395,058</b>	<b>447,951</b>	<b>481,700</b>	<b>485,380</b>	<b>543,500</b>
1-01-00-491-000	REFUNDS					
1-01-00-491-200	OTHER EXPENSES					
1-01-00-491-801	Current Year Refund	3,000	3,000	2,500	3,000	2,500
1-01-00-491-802	Prior Year Refund	600	3,000	2,500	90	2,500
	<b>subtotal refunds</b>	<b>3,600</b>	<b>6,000</b>	<b>5,000</b>	<b>3,090</b>	<b>5,000</b>
1-01-00-492-000	TRANSFERS					
1-01-00-492-002	Transfer to Street Light-Exp	2,000	3,000	13,000	13,000	7,500
1-01-00-492-009	Transfer To Golf Fund-Exp	-				
1-01-00-492-012	Transfer to Self Fund-Exp	30,000	30,000			
1-01-00-492-013	Transfer to Self Vision-Exp	-				
1-01-00-492-014	Transfer to Self Dental-Exp	-				
1-01-00-492-019	Transfer to Cap Reserve-Exp	-		75,000	75,000	75,000
1-01-00-492-020	Transfer to Sanitation-Exp	435,000	200,000	-		
1-01-00-492-034	Transfer to Equipment Fund-Exp	75,000		50,000	50,000	-
1-01-00-492-036	Transfer to Cap Bldg Fund-Exp	-				
	<b>subtotal transfers</b>	<b>542,000</b>	<b>233,000</b>	<b>138,000</b>	<b>138,000</b>	<b>82,500</b>
1-01-00-493-000	CONTINGENCIES					
1-01-00-493-960	Contingency	25,120	17,000	7,750	7,254	35,000
	<b>subtotal contingency</b>	<b>25,120</b>	<b>17,000</b>	<b>7,750</b>	<b>7,254</b>	<b>35,000</b>
	<b>TOTAL GENERAL FUND</b>	<b>\$ 6,082,578</b>	<b>\$ 6,082,189</b>	<b>\$ 5,880,553</b>	<b>\$ 5,814,804</b>	<b>\$ 6,107,312</b>

# Caln Township 2011 Proposed Budget Sewer Funds



Sewer Operating Fund  
Sewer Capital Fund  
Sewer Reserve Fund



## Caln Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
0-08-00-000-000	SEWER OPERATING REVENUES:					
1-08-10-000-000	CASH COLLECTIONS:					
1-08-10-351-000	INTEREST EARNINGS:					
1-08-10-351-300	Interest Earnings	15,000	10,000	5,000	700	1,000
1-08-10-351-302	Interest Capital Equipment Investment	-				
1-08-10-364-000	SEWER OPERATING FEES:					
1-08-10-364-120	Residential Fee Current	1,295,620	1,365,336	1,448,940	1,425,000	1,544,500
1-08-10-364-125	Residential Current Penalty	9,000	9,000	10,500	10,500	10,500
1-08-10-364-130	Commercial Fee Current	-			3,250	3,500
1-08-10-364-133	PAWC Commercial Collection	389,000	439,132	405,018	400,000	499,000
1-08-10-364-135	Commercial Current Penalty	-			32	100
1-08-10-364-140	Sewer Rental - Prior	25,000	25,000	35,000	54,600	50,000
1-08-10-364-145	Sewer Rental Prior Penalty	7,500	7,500	6,500	5,044	6,500
1-08-10-364-500	Sewer Liens Residential	30,000	50,000	80,000	75,000	80,000
1-08-10-364-505	Sewer Commercial Delinquent	-	5,000	8,500	3,000	8,500
1-08-10-364-824	Inspection Fees	8,000	3,000	1,500	1,400	1,500
1-08-10-380-000	MISCELLANEOUS REVENUE:					
1-08-10-380-100	Miscellaneous Revenue	1,000	1,000	1,000	3,100	2,500
1-08-10-395-000	REFUNDS:					
1-08-10-395-100	Refunds	500	500	500	100	500
1-08-10-395-110	Refund - Prior	500	500	500	100	500
1-08-20-000-000	BILLINGS:					
1-08-99-000-000	NON BUDGET REVENUES:					
1-08-99-999-999	FUND BALANCE APPROPRIATED	232,418	95,000			
	<b>TOTAL SEWER</b>	<b>\$2,013,538</b>	<b>\$2,010,968</b>	<b>\$ 2,002,958</b>	<b>\$ 1,981,826</b>	<b>\$ 2,208,600</b>

## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-08-00-000-000	SEWER OPERATING FUND					
1-08-00-429-000	WASTEWATER COLLECT & TREATMENT					
1-08-00-429-100	WASTEWATER SALARY					
1-08-00-429-101	Wastewater Salary	392,912	380,000	362,476	360,089	374,493
1-08-00-429-120	Overtime	6,000	6,000	5,000	3,300	4,000
1-08-00-429-170	BENEFITS					
1-08-00-429-179	Benefits, other	172,671	172,000	184,346	185,000	185,000
1-08-00-429-200	WASTEWATER OTHER EXPENSES					
1-08-00-429-202	Education/Train/Personnel	1,500	1,500	1,000	500	1,000
1-08-00-429-211	Office Supplies--Billing	2,000	2,000	1,000	1,000	1,000
1-08-00-429-212	Print & Mail Service	9,200	9,200	9,600	9,700	10,000
1-08-00-429-213	Small Items 0-100	2,000	2,000			
1-08-00-429-221	Computers	7,500	7,500	5,000	5,000	5,000
1-08-00-429-235	Chemicals	4,500	4,500	4,500	4,500	10,000
1-08-00-429-301	PAWVC Treatment Cost	165,000	250,000	285,000	288,000	395,000
1-08-00-429-302	DARA Treatment Cost	730,658	851,821	781,241	780,000	750,000
1-08-00-429-303	PAWVC Bill Fee	2,800	2,500	2,500	2,500	2,500
1-08-00-429-312	Legal	10,000	15,000	10,000	9,500	9,500
1-08-00-429-313	Engineering	5,000	10,000	8,000	8,000	8,000
1-08-00-429-314	Audit	8,700	9,100	9,600	9,600	9,600
1-08-00-429-315	I & I Maintenance	22,854	23,000	23,000	21,500	12,500
1-08-00-429-316	Bill Collection	-	-	6,000	-	500
1-08-00-429-321	Postage	1,000	1,000	500	500	500
1-08-00-429-322	Telephone	2,000	2,000	2,400	1,800	1,900
1-08-00-429-331	Liability Insurance	47,500	45,000	42,000	36,000	39,500
1-08-00-429-352	Electric / Gas	13,200	13,200	13,200	12,500	19,800
1-08-00-429-401	Vehicle Fuel/Oil	8,500	10,500	7,000	7,000	7,000
1-08-00-429-402	Vehicle Maintenance	2,000	2,800	2,800	2,800	3,500
1-08-00-429-501	Repair Equipment	3,000	5,100	3,500	3,200	3,500
1-08-00-429-505	Rental Equipment	1,000	1,000	1,000	500	500
1-08-00-429-506	Pumps & Meter Maint.	13,000	13,000	11,600	11,600	17,300
1-08-00-429-601	Facilities	33,000	33,000	29,000	29,000	44,000
1-08-00-429-615	Lines Maintenance	21,750	21,850	14,050	14,000	11,700
1-08-00-429-998	Authority Expense	8,000	5,800	5,800	3,500	5,600
1-08-00-429-999	General Expense	14,250	14,200	11,600	11,600	11,600
1-08-00-491-801	Current Year Refund	250	250	250	-	250
1-08-00-491-802	Prior Year Refund	250	250	250	-	250
1-08-00-492-001	Management Fee	105,483	117,659	116,135	116,135	128,631
1-08-00-492-012	Transfer to Self Fund-Exp	1,000	1,000			
1-08-00-492-013	Transfer to Self - Unemployment	-	-	1,000	-	1,000
1-08-00-492-014	Transfer to Self Dental-Exp	-	-			
1-08-00-492-033	Transfer to Sewer Equipment	40,110	40,110	40,110	40,110	40,110
1-08-00-492-050	Transfer to Sewer Authority Capital	150,000			-	148,200
1-08-00-493-000	CONTINGENCIES:					
1-08-00-493-960	Contingency	5,000	4,500	2,500	2,500	2,500
	<b>TOTAL...</b>	<b>\$ 2,013,588</b>	<b>\$ 2,078,340</b>	<b>\$ 2,002,958</b>	<b>\$ 1,980,934</b>	<b>\$ 2,265,484</b>

## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-30-00-000-000	SEWER CAPITAL REVENUES:					
1-30-10-345-537	Revenue - State Grant	-				
1-30-10-351-000	INTEREST EARNINGS:					
1-30-10-351-300	Interest Earnings	50,000	4,000	2,000	800	800
1-30-10-357-008	County Grant - Parkside	40,000				
1-30-10-364-000	SANITATION:					
1-30-10-364-129	Capital Revenues - Contributions	290,660				250,000
1-30-10-364-130	CTMA	150,000				
1-30-10-364-140	Construction charges	-				
1-30-10-380-100	Miscellaneous Revenue	15,000	20,000	87,911	128,416	-
1-30-10-387-100		-				
1-30-10-392-031	Transfer From Sewer Reserve	30,000	450,000			
1-30-99-999-999	FUND BALANCE APPROPRIATED	593,729				
	<b>TOTAL CAPITAL RESERVE FUND</b>	<b>\$1,169,389</b>	<b>\$ 474,000</b>	<b>\$ 89,911</b>	<b>\$ 129,216</b>	<b>\$ 250,800</b>

1-31-00-000-000	SEWER RESERVE FUND:					
1-31-10-351-000	INTEREST EARNINGS:					
1-31-10-351-300	Interest Earnings	30,000	5,000	1,000	1,200	1,300
1-31-10-392-008	Transfer From Sewer Operating	-				
1-31-99-999-999	FUND BALANCE APPROPRIATED	500,000				
	<b>TOTAL CAPITAL RESERVE FUND</b>	<b>\$ 530,000</b>	<b>\$ 5,000</b>	<b>\$ 1,000</b>	<b>\$ 1,200</b>	<b>\$ 1,300</b>

**Caln Township  
2011 Proposed Budget**

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-30-00-000-000	SEWER CAPITAL FUND					
1-30-00-429-200	OTHER EXPENSES					
1-30-00-429-301	PAWC Treatment	-				490,000
1-30-00-429-312	Consultant--Eng/Legal	15,000		5,000		5,000
1-30-00-429-501	Repair Equipment	-				
1-30-00-429-508	I & I Repairs	-				
1-30-00-429-509	Act 537	5,000		5,000		5,000
1-30-00-429-511	DARA Capital Projects	175,000				10,000
1-30-00-429-514	Capacity Agreement	750,660	450,000			
1-30-00-429-913	Construction Projects	210,000	100,000	130,000		
1-30-00-493-960	Contingency	10,000		25,000		10,000
	<b>TOTAL...</b>	<b>1,165,660</b>	<b>550,000</b>	<b>165,000</b>	<b>\$ -</b>	<b>\$ 520,000</b>

1-31-00-000-000	SEWER RESERVE FUND					
1-31-00-429-200	OTHER EXPENSES					
1-31-00-429-788	Reserve	30,000	50,000			50,000
1-31-99-005-008	Transfer to Sewer capital	-	450,000			-
	<b>TOTAL...</b>	<b>\$ 30,000</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>



# Caln Township 2011 Proposed Budget Capital Funds

- Capital Reserve Fund
- Open Space Fund
- Capital Bond Fund
- Equipment Fund



Greenway along G.O. Carlson Blvd.



The Dog Park at Lloyd Park



Leaf Turner at Compost Site



**Caln Township  
2011 Proposed Budget**

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-18-00-000-000	CAPITAL BOND FUND REVENUE:					
1-18-10-351-000	INTEREST EARNINGS:					
1-18-10-351-300	Interest Earnings	\$ -	15,000	2,000	175	175
	<b>TOTAL BOND FUND</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ 2,000</b>	<b>\$ 175</b>	<b>\$ 175</b>

**Caln Township  
2011 Proposed Budget**

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-18-00-000-000	CAPITAL BOND FUND					
1-18-00-400-000	CAPITAL BOND					
1-18-00-408-318	Valley Run Study CTCP 08-07	37,000				
1-18-00-408-319	Valley Run Flood Study CTCP 08-08	17,500				
1-18-00-409-318	Ingleside Capital	-	40,000	25,000	2,870	25,000
1-18-00-409-604	Twp Building Improvements	75,000				
1-18-00-430-914	Acme bridge project			70,000	726	
1-18-00-430-928	Olive Street Extension ctcp 08-01	100,000				
1-18-00-430-929	Park Drive Replacement CTCP 08-10	126,000				
1-18-00-430-930	N. Barley Sheaf Rd. Repair CTCP 08-11	240,000	50,000			
1-18-00-430-931	Highway & Bridge Projects	79,500		202,000	101,719	147,000
1-18-00-454-950	Tea 21 Sidewalks CTCP 08-02	200,000				
1-18-00-454-951	Brandywine Homes CTCP 08-04	400,000	200,000			
1-18-00-454-955	Lloyd Park CTCP 08-03	100,000				
1-18-00-493-960	Contingency	-	50,000	5,000		6,231
	<b>TOTAL...</b>	<b>\$ 1,375,000</b>	<b>\$ 340,000</b>	<b>\$ 302,000</b>	<b>\$ 105,315</b>	<b>\$ 178,231</b>

## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-19-00-000-000	CAPITAL RESERVE FUND					
1-19-10-351-000	INTEREST EARNINGS:					
1-19-10-351-300	Interest Earnings	30,000	3,000	2,500	125	900
1-19-10-355-000	STATE GRANTS:					
1-19-10-355-741	PaDEP Recycling	50,000				
1-19-10-355-747	Recreation/State Government	200,000				
1-19-10-355-749	Regional Grants/contributions	-		99,000	56,000	80,000
1-19-10-355-750	Bridge Grant	--		120,000	120,000	
1-19-10-357-000	COUNTY GRANTS:					
1-19-10-357-742	HUD Block Grant	267,000				
1-19-10-357-744	Tier I Grant	525,000				
1-19-10-357-745	Hometown Streets	548,000				
1-19-10-357-746	County Recreation Grant	200,000				
1-19-10-387-000	GENERAL GOVERNMENT:					
1-19-10-387-838	Contributions/Impact Fees	-	10,000	11,000	-	10,000
1-19-10-391-000	SALE OF FIXED ASSETS:					
1-19-10-391-939	Sale of Used Equipment	-				
1-19-10-392-001	Transfer From General Fund	-		75,000	75,000	75,000
1-19-99-000-000	NON BUDGET REVENUES:					
1-19-99-999-999	FUND BALANCE APPROPRIATED	236,000				
	<b>TOTAL CAPITAL RESERVE FUND</b>	<b>\$2,056,000</b>	<b>\$ 13,000</b>	<b>\$ 307,500</b>	<b>\$ 251,125</b>	<b>\$ 165,900</b>

## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-19-00-000-000	CAPITAL RESERVE FUND	-				
1-19-00-402-200	FINANCE OTHER EXPENSES	-				
1-19-00-402-221	Computers/Software	-				20,000
1-19-00-402-921	Capital Equipment	-				
1-19-00-402-922	Telephone System	-				
1-19-00-409-601	Building Improvements	25,000	30,000	20,000	2,313	20,000
1-19-00-410-200	POLICE OTHER EXPENSES	-				
1-19-00-410-923	Police Cars	-				
1-19-00-410-924	Police Equipment	-			31,143	45,000
1-19-00-413-200	CODE OTHER EXPENSES	-				
1-19-00-413-924	Software/computers	25,000	10,000			
1-19-00-414-200	PLANNING OTHER EXPENSES	-				
1-19-00-414-315	Consulting Services	-		15,000	2,485	-
1-19-00-414-320	Chester County GIS	-	5,000	5,000	5,000	5,000
1-19-00-414-612	Valley Run Project	-		5,000	5,000	5,000
1-19-00-414-925	Planning Grants (economic study)	-		100,000	20,000	80,000
1-19-00-414-935	HUD Community Development Block Grant	267,000				
1-19-00-414-939	NPDES	-	5,000			
1-19-00-430-200	ROADS OTHER EXPENSES	-			2,975	
1-19-00-430-601	Building Improvements	10,000	20,000	15,000	7,831	10,000
1-19-00-430-921	storm water	5,000				
1-19-00-430-927	Traffic Signals	50,000		5,000		25,000
1-19-00-430-928	Other Projects	60,000	50,000	10,000		63,000
1-19-00-430-929	Grant Projects (EGGS) (ECON Study)	1,100,000		10,000	40,000	
1-19-00-454-200	PARKS OTHER EXPENSES	-				
1-19-00-454-930	Rehabilitation Grant	400,000			17,266	
	Park Improvements					24,000
1-19-00-454-940	Osborne Bridge	-		145,000	5,000	5,000
1-19-00-493-000	CONTINGENCIES	-				
1-19-00-493-200	OTHER EXPENSES	-				
1-19-00-493-960	Contingency	90,000	60,000	10,000		15,000
	<b>TOTAL...</b>	<b>\$ 2,032,000</b>	<b>\$ 180,000</b>	<b>\$ 340,000</b>	<b>\$ 139,013</b>	<b>\$ 317,000</b>

*F: 50,000*

*- 240,000  
Other*

*- 110,000  
Car Project*

## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-32-00-000-000	OPEN SPACE FUND					
1-32-10-351-000	INTEREST EARNINGS:					
1-32-10-351-300	Interest Earnings	2,000	500	25	15	15
1-32-10-357-007	County Grants	-				
1-32-10-387-000	CONTRIBUTIONS:					
1-32-10-387-200	Sale of Property	-				
1-32-10-387-400	Contributions - Deposits	42,000	7,500	11,000	15,677	5,000
1-32-99-999-999	FUND BALANCE APPROPRIATED	12,500				
	<b>TOTAL OPEN SPACE FUND</b>	<b>\$ 56,500</b>	<b>\$ 8,000</b>	<b>\$ 11,025</b>	<b>\$ 15,692</b>	<b>\$ 5,015</b>

**Cain Township  
2011 Proposed Budget**

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-32-00-000-000	OPEN SPACE FUND					
1-32-00-454-200	OPEN SPACE OTHER EXPENSES					
1-32-00-454-315	Consulting Service -					
1-32-00-454-710	Land Purchase	-				
1-32-00-454-995	Acquisition Activities	-				
1-32-00-454-998	Debt Service	49,000	5,000	11,000	11,000	5,000
1-32-00-493-960	Contingency	-				
	<b>TOTAL...</b>	<b>\$ 49,000</b>	<b>\$ 5,000</b>	<b>\$ 11,000</b>	<b>\$ 11,000</b>	<b>\$ 5,000</b>



## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-34-00-000-000	EQUIPMENT REPLACEMENT FUND:	-				
1-34-10-345-090	Recycling Grant	80,000	410,000			
1-34-10-351-000	INTEREST EARNINGS:	-				
1-34-10-351-300	Interest Earnings	4,000	1,000	1,000	300	300
1-34-10-380-100	Miscellaneous	-				
1-34-10-391-939	Sale of Equipment	-		4,000	2,675	20,000
1-34-10-392-001	Transfer From General Fund	75,000		50,000	50,000	135,000
1-34-99-999-999	FUND BALANCE APPROPRIATED	52,626				
	<b>TOTAL EQUIPMENT FUND:</b>	<b>\$ 211,626</b>	<b>\$ 411,000</b>	<b>\$ 55,000</b>	<b>\$ 52,975</b>	<b>\$ 155,300</b>

## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-34-00-000-000	EQUIPMENT FUND					
1-34-00-410-200	OTHER EXPENSES	-				
1-34-00-410-921	Police Capital Equipment	32,000	60,000	35,000	47,289	62,000
1-34-00-411-200	OTHER EXPENSES	-				
1-34-00-411-921	Capital Equipment	-				
1-34-00-413-921	Capital Equipment.	-				
1-34-00-430-200	OTHER EXPENSES	-				
1-34-00-430-921	Capital Equipment	40,000	33,000	35,200	35,168	75,000
	Recycling/Composting Improvements.	-	410,000			
1-34-00-493-000	CONTINGENCIES	-				
1-34-00-493-200	OTHER EXPENSES	-				
1-34-00-493-960	Contingency	10,000	10,000	10,000	-	
	<b>TOTAL...</b>	<b>\$ 82,000</b>	<b>\$ 513,000</b>	<b>\$ 80,200</b>	<b>\$ 82,457</b>	<b>\$ 137,000</b>

# **Caln Township 2011 Proposed Budget Equipment Fund Purchases/Leases**

- Police Cars – Lease two new police patrol vehicles - \$ 22,000
- Police Cars - Second year of three year lease on four vehicles -\$40,000
- Large Dump Truck – Purchase one new truck for Highway Department - \$110,000 (\$75,000 –Equipment Fund/\$35,000 –Highway Aid Fund)

**Total Equipment Purchases/Leases - \$137,000**



# Caln Township 2011 Proposed Budget Golf Fund





**Caln Township  
2011 Proposed Budget**

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-09-00-000-000	GOLF OPERATING REVENUES:					
1-09-10-342-100	Cart Rentals	99,750	120,000	141,741	120,000	135,000
1-09-10-351-000	INTEREST EARNINGS:					
1-09-10-351-300	Interest Earnings	3,000	1,000	300	85	150
1-09-10-367-100	Seasonal Passes Sold	38,000	32,000	15,000	19,421	15,000
1-09-10-367-101	Greens Fees	472,200	490,000	465,000	390,000	460,000
1-09-10-367-102	Driving Range	30,000	30,000	30,000	25,000	30,000
1-09-10-367-103	Merchandise Sales Non Taxable	34,000	10,000	10,000	16,000	17,000
1-09-10-367-104	Junior Clinic	6,000	7,000	6,500	4,870	6,000
1-09-10-367-105	Ghin Handicap Service	0	500	450	385	500
1-09-10-367-106	Food - Drinks Taxable	62,000	25,000	20,000	17,600	19,000
1-09-10-367-107	Gift Certificates	0	5,000	2,000	2,500	2,000
1-09-10-367-108	Cash Drawer Over/Under	0	100		0	
1-09-10-367-109	Food - Drinks Non Taxable	0	20,000	25,000	26,500	28,000
1-09-10-367-110	Merchandise Sales Taxable	0	35,000	30,000	22,200	25,000
1-09-10-367-112	Advertising/Signs	6,000	3,000	1,000	-	1,000
1-09-10-380-100	Other Income non-taxable	0	4,000	2,000	-	500
1-09-10-380-105	Cigars - Taxable	0	1,500		1,400	1,500
1-09-10-392-001	Transfer from General Fund & Misc.	2,000	2,000			
1-09-99-999-999	FUND BALANCE APPROPRIATED	70,000				
	<b>TOTAL GOLF FUND</b>	<b>\$ 822,950</b>	<b>\$ 786,100</b>	<b>\$ 748,991</b>	<b>\$ 645,961</b>	<b>740,650</b>

## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-09-00-000-000	GOLF COURSE EXPENSES					
1-09-00-452-000	GREENS EXPENSES					
1-09-00-452-100	SALARY GREENS					
1-09-00-452-101	Salary Greens	77,000	79,408	85,514	85,514	90,894
1-09-00-452-120	Greens Overtime	7,000	5,000	4,000	3,000	3,000
1-09-00-452-150	Salary Greens Part - time	79,500	62,000	55,000	45,000	46,106
1-09-00-452-170	BENEFITS					
1-09-00-452-179	Benefits, other	15,000	25,000	18,453	18,453	24,672
1-09-00-452-180	PA Sales Tax Due					
1-09-00-452-202	Education/Dues	3,000	4,000	3,500	3,000	3,000
1-09-00-452-206	Clothing/Uniforms	2,000	1,000	5,000	70	500
1-09-00-452-211	Equipment, Supplies	10,000	8,000	6,000	4,000	5,000
1-09-00-452-213	Small Items/drug tests	1,000	500	500	-	250
1-09-00-452-322	Cell Phones	1,000	1,500	1,000	1,000	1,000
1-09-00-452-352	Electric / Gas	22,000	22,000	22,000	22,000	22,000
1-09-00-452-401	Vehicle Fuel/Oil	12,000	17,500	17,000	15,000	15,000
1-09-00-452-402	Vehicle Maintenance/Tires	10,000	10,000	10,000	8,000	10,000
1-09-00-452-501	Equipment repairs	10,000	10,000	10,000	8,000	10,000
1-09-00-452-505	Rental Equipment	2,000	1,000			
1-09-00-452-710	Chemicals	40,000	42,000	42,000	37,800	37,000
1-09-00-452-715	Fertilizer, Top Dressing, Seed	15,000	18,000	18,000	22,000	21,000
1-09-00-452-913	Grounds Maint. & Repairs	35,000	28,000	25,000	11,000	20,000
1-09-00-452-999	General Expense	5,000	5,000	4,000	2,500	4,000
1-09-00-453-000	Pro Shop Expenses					
1-09-00-453-100	SALARY PRO SHOP					
1-09-00-453-101	Salary Pro Shop	54,000	26,111	28,483	28,483	29,999
1-09-00-453-120	Pro Shop Overtime			500	100	
1-09-00-453-150	Pro Shop Part - Time	80,900	82,000	80,000	73,000	66,300
1-09-00-453-170	BENEFITS					
1-09-00-453-179	Benefits	26,000	42,000	11,268	15,000	17,468
1-09-00-453-205	Dues/licenses	2,000	1,000	1,000	1,500	1,500
1-09-00-453-206	Clothing/Uniforms	1,000	1,000	1,000	800	750
1-09-00-453-211	Office Supplies	4,000	4,500	3,000	2,500	3,000
1-09-00-453-213	Credit Costs/Fees	8,000	8,000	8,000	8,000	7,500
1-09-00-453-221	Computers	10,000	3,000	1,000	722	500
1-09-00-453-322	Telephone	6,000	5,200	4,400	2,500	4,000
1-09-00-453-341	Advertising	3,000	3,000	3,500	2,500	3,500
1-09-00-453-401	Vehicle Fuel/Oil	3,000				
1-09-00-453-460	Food Items	14,000	17,000	18,000	21,000	20,000
1-09-00-453-501	Repair Equipment	3,000	2,000	2,000	1,000	1,000
1-09-00-453-504	Minor Equipment	8,000	5,000	3,000	750	2,500
1-09-00-453-601	Building Maint	2,000	2,500	2,500	3,300	3,000
1-09-00-453-913	Capital Expenses	6,000	5,000	5,000	2,425	4,000
1-09-00-453-988	Clinics		3,000	4,000	2,049	3,000
1-09-00-453-999	General Expense	8,000	10,000	8,000	3,000	6,000
1-09-00-455-921	Golf Carts	7,000	8,000	9,000	8,000	9,000
1-09-00-456-921	Range Expenses	7,000	4,500	3,000	4,500	4,000
1-09-00-457-211	Merchandise	25,000	27,000	27,000	27,000	27,000
1-09-00-458-913	Capital Items	60,000	60,000	55,000	48,000	35,000
1-09-00-472-190	Principal/Interest	97,650	127,000	156,608	156,608	164,193
1-09-00-486-331	Liability Insurance	4,000	5,000	5,000	5,000	5,000
1-09-00-487-420	Taxes	4,000	3,000	3,000	3,000	3,000
1-09-00-492-001	Management Fee					
1-09-00-493-000	CONTINGENCIES					
1-09-00-493-960	Contingency	5,000	5,000	2,000		2,000
	<b>TOTAL...</b>	<b>\$ 795,050</b>	<b>\$ 799,718</b>	<b>\$ 772,227</b>	<b>\$ 707,074</b>	<b>\$ 736,632</b>



## Emergency Vehicle Replacement Plan

	Current	2010	Cost	2011	Cost	2012	Cost	2013	Cost	2014	Cost	2015	Cost	2016	Cost
1	Engine Cost New- \$365,000	Engine	\$ 39,671.88	Engine	\$ 39,672.00	Engine	\$ 39,672.00	Engine	\$ 39,672.00	Engine	\$ 39,672.00	Engine	\$ 35,385.00	Engine	\$ 35,385.00
2	Rescue Cost New- \$650,000											Rescue	\$ 75,172.00	Rescue	\$ 75,172.00
3	Suburban														
4	Traffic														
5	Brush														
			\$ 39,671.88	\$ 39,671.88	\$ 39,672.00	\$ 39,672.00	\$ 39,672.00	\$ 39,672.00	\$ 39,672.00	\$ 39,672.00	\$ 39,672.00	\$ 110,557.00	\$ 110,557.00	\$ 110,557.00	\$ 110,557.00

		2017	Cost	2018	Cost	2019	Cost	2020	Cost	2021	Cost	2022	Cost	2023	Cost	2024	Cost
1	Engine	Engine	\$ 35,385.00	Engine	\$ 35,385.00	Engine	\$ 35,385.00										
2	Rescue	Rescue	\$ 75,172.00	Rescue	\$ 75,172.00	Rescue	\$ 75,172.00	Rescue	\$ 75,172.00	Rescue	\$ 75,172.00	Rescue	\$ 75,172.00	Rescue	\$ 75,172.00	Rescue	\$ 75,172.00
3	Suburban																
4	Traffic																
5	Brush																
			\$ 110,557.00	\$ 110,557.00	\$ 110,557.00	\$ 110,557.00	\$ 75,172.00	\$ 75,172.00	\$ 75,172.00	\$ 75,172.00	\$ 75,172.00	\$ 75,172.00	\$ 75,172.00	\$ 75,172.00	\$ 75,172.00	\$ 75,172.00	\$ 75,172.00

80,000 annually to be budgeted

1st five years put roughly \$40,000 in replacement account

Years 5 to 10 still put \$80,000 in account and pay out \$110,557 from \$80,000 and 30,557 from account





# CALN TOWNSHIP

DEPARTMENT OF ENGINEERING

*Jeffrey W. McClintock, PE, CFM Township Engineer*

*Cheryl A. Lafferty, Administrative Assistant*

[www.calntownship.org](http://www.calntownship.org)

610-384-0600 fax: 610-384-0617 Email: [jmclintock@calntownship.org](mailto:jmclintock@calntownship.org)  
253 Municipal Drive, P.O. Box 72149 Thorndale, Pa. 19372-0149

December 9, 2010

Scott Risbon  
69 Risbon Road  
Honey Brook, PA 19344

RE: GRACELYN ESTATES APARTMENTS SKETCH 2010  
SKETCH PLAN REVIEW 1

Dear Mr. Risbon:

The Township is in receipt of your application and sketch plan for the above project. The Township Zoning Officer and I have performed a cursory review of the application and offer the following comments:

1. Attached to this letter you will find the Zoning Officer's review dated December 9, 2010.
2. The proposal involves four properties, specifically 39-1-32, 39-1-33, 39-1-33.1, and 39-1-34. According to the Township records, you are currently the owner of all of these parcels.
3. The Township's Comprehensive Plan designates the future land use of the four parcels as Low- to Medium-Density Residential and Conservation.
4. As you are aware, the properties included in this sketch plan are all located within the Township's Flood Hazard District. Section 137-44.1 requires, among other items, that the floodplain be delineated on the plan, along with the riparian buffer zones; however, these delineations were not shown on the plan submitted. In reviewing the Flood Insurance Rate Map (FIRM), specifically Panels 140 of 380 and 145 of 380 as adopted on September 29, 2006, base flood elevations were not established for this area of Beaver Creek; however, you will need to file an application for the necessary zoning relief as part of any land development application.
5. In conjunction with Item 4, you will need to perform a detailed flood study from the end of the FEMA detailed study limits (at the south side of the US 30 Bypass) up to and through your property.
6. At the time of filing the Sketch Plan application, the applicable zoning and subdivision ordinances for this project as it relates to Caln Township are as follows: (1) Caln Township Subdivision and Land Development Ordinance of 1978, as amended, through and including Ordinance 2010-01 and (2) Caln Township Zoning Ordinance of 2005, as amended, through and including Ordinance 2010-05.

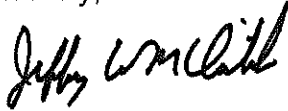
7. It is noted that the project site is not in close proximity to neither public water nor public sewer.
8. In the event the appropriate relief is obtained to allow your proposal to progress to a Preliminary and/or Final Land Development Application, the following items, at a minimum, will need to be addressed:
  - a. Compliance with the Township's stand alone Stormwater Management Ordinance will need to be demonstrated (Section 135);
  - b. The plan will need to be forwarded to the Chester County Planning Commission for their review (Section 137-15);
  - c. The plan will need to be forwarded to the Chester County Conservation District for their review (Section 137-19);
  - d. Private streets shall be designed as fire apparatus access roads (Section 137-24);
  - e. The internal traffic circulation shall be designed to best serve the public, to permit efficient traffic circulation and the parking of cars, to make delivery and pickup efficient, and to reinforce the best design of the units in the commercial or residential area (Section 137-25.B);
  - f. Compliance with the easement standards pertaining to utilities, watercourses, drainage ways, etc. will need to be demonstrated. Further, setbacks are to be measured from the limits of any/all easements (Section 137-29);
  - g. Compliance with the public facilities and open space requirements will need to be demonstrated (Section 137-31);
  - h. Compliance with the monuments and markers requirements will need to be demonstrated (Section 137-34);
  - i. Compliance with the improvement standards pertaining to road grades and access improvements will need to be demonstrated (Section 137-36 thru 137-40);
  - j. Curbing and sidewalks are required along the property frontage and throughout the subdivision as desired by the Board of Commissioners (Sections 137-42 and 43);
  - k. Compliance with the stormwater management requirements will need to be demonstrated (Section 137-44);
  - l. Compliance with the floodplain delineation and Riparian Buffer Zone (RBZ) requirements will need to be demonstrated (Section 137-44.1);
  - m. Compliance with the erosion and sedimentation control requirements will need to be demonstrated (Section 137-45);
  - n. Compliance with the sanitary sewers requirements will need to be demonstrated (Section 137-46);
  - o. Compliance with the water supply requirements will need to be demonstrated (Section 137-47);
  - p. Compliance with the streetlight requirements will need to be demonstrated (Section 137-48);

- q. All utilities serving the proposed subdivision shall be placed underground (Section 137-52);
- r. Compliance with the as-built requirements will need to be demonstrated (Section 137-54);
- s. Compliance with an improvements guarantee will need to be demonstrated (Section 137-55);
- t. Compliance with the Environmental Impact Assessment Report requirements will need to be demonstrated (Section 137-66); and
- u. Compliance with the Traffic Impact Study requirements will need to be demonstrated (Section 137-67).

It is noted that should this application progress to a Preliminary and/or Final Land Development Application, full plan reviews will be conducted at that time. The above comments, in conjunction with those attached, are cursory in nature and in no way represent a final review of the proposal.

In the event you should have any questions, please contact me at the number or email address above.

Sincerely,



Jeffrey W. McClintock, P.E.  
Township Engineer

Attachment

cc: Engineering File  
Board of Commissioners  
Gregory Prowant, Township Manger  
Planning Commission  
Kristin S. Camp, Esquire, Township Solicitor  
Andrew F. Reczek, Zoning Officer  
Steve Miller, Fire Marshal  
Ray Stackhouse, Deputy Fire Marshal  
Vic Kelly, PE, Commonwealth Engineers, Inc.



## CALN TOWNSHIP

### DEPARTMENT OF CODE ENFORCEMENT

Andrew F. Reczek, Director of Code Enforcement

Stephen L. Miller, Code Official / Fire Marshal

Raymond Stackhouse, Code Official / Deputy Fire Marshal

Joseph Arvay, Code Official / Housing Inspector

610.384.0600 fax: 610.384.0689 Email: [andy@calntownship.org](mailto:andy@calntownship.org)

253 Municipal Drive, P.O. Box 72149 Thorndale, Pa 19372-0149

[www.calntownship.org](http://www.calntownship.org)

## MEMORANDUM

TO: Jeffrey W. McClintock, P.E. Township Engineer

CC: Steve Miller; Fire Marshal  
Ray Stackhouse, Superintendent of Life Safety

FROM: Andrew F. Reczek

DATE: December 9, 2010

SUBJECT: Gracelynn Estates / Sketch Plan C

1. The property is currently located in the Low Density Residential District (R-1) and the Historical Preservation Overlay District. The property does not appear to fall within the Route 30 Bypass Overlay District. The plan identifies the project as located in the R-4 district. A rezoning application would be required.
2. Apartment use is not currently permitted within either of the currently identified zoning districts in accordance with Sections 155-21, 155-47 or 155-55.
3. The Property currently consists of approximately six (6) acres although it appears some level of subdivision is proposed. *Additional details are needed establishing the overall affects to adjacent properties in addition to those affects on the proposed density of the project.*
4. A Special Exception hearing is necessary due to the proposed locations of the building and paving within the defined Flood Hazard District in accordance with Section 155-34 H
5. An inadequate number of parking spaces are available in accordance with Section 155-139 R based on the proposed density
6. Accessible parking spaces must also be available in accordance with Section 155-139 T
7. Clarify the number of proposed accessible units.
8. Several variances will be needed in accordance with Section 155-55 of the Caln Township Code; Rezoning alone will not eliminate the need for variance approvals. The applicant should decide whether rezoning is better suited to the project or whether the Board of Commissioners would agree to a Text Amendment.
9. Architectural details shall be offered in accordance with Section 155-55
10. Landscaping and lighting plans are required in accordance with Sections 155-55 E (4) & (5), 155-119, 155-124 and 155-139.
11. The applicant shall provide information and calculations supporting adequate public water and fire flow requirements in accordance with Sections 137-47 C, D, G and Appendix B, Section B105.2 and Table B105.1 of the 2009 International Fire Code. The applicant should also be prepared to discuss the Type of Building Construction to aid in determining the required fire flow needs.
12. Both the required fire hydrant(s) and remote fire department connection (RFDC) locations shall be installed and approved under the direction of the Caln Township Fire Marshal and the Thorndale Fire Department in accordance with Appendix B, Section 137-47 E and Chapter 83, Section 912 (Fire Department Connections). Locations of both the Remote Fire Department Connections and Fire Hydrants will be evaluated once the major plan changes have been made.
13. A plan set shall be provided establishing adequate Fire Apparatus turning movements using the Caln Township Fire Apparatus Turning Details. Apparatus Specifications Provided.
14. Fire Apparatus Turnaround needed for every dead end fire apparatus access road 150' in length or more as per section D 103.4 of the 2009 International Fire Code.

15. Fire Apparatus Access Roads shall be provided within 150' of all portions of the proposed buildings as per section 503.1.1 of the 2009 International Fire Code.
16. Aerial Fire Apparatus Access Roads shall be provided at the front face of every building exceeding 30' in height. Access road shall be a minimum of 26' wide, and not more than 30' away from the building, but not any closer than 15'. Access shall meet Section D 105 of the 2009 International Fire Code.
17. Two separate and approved Fire Apparatus Access Roads are required in accordance with Chapter 83 and Section D106 of the 2009 International Fire Code
18. A note shall be provided on the plan set acknowledging the requirements of Section 137-47 F(2) Knox Box
19. Combustible truss construction, developer shall install and maintain a truss emblem within the public right-of-way as per Chapter 85, Section 85-4.1 (D), Combustible truss construction buildings. Signage will be provided and located at a later date and will be determined based upon construction methods.







# CALN TOWNSHIP

DEPARTMENT OF ENGINEERING

by W. McClintock, PE, CFM Township Engineer  
Cheryl A. Lafferty, Administrative Assistant

[www.calntownship.org](http://www.calntownship.org)

00 fax: 610-384-0617 Email: [jmccclintock@calntownship.org](mailto:jmccclintock@calntownship.org)  
Municipal Drive, P.O. Box 72149 Thorndale, Pa. 19372-0149

December 7, 2010

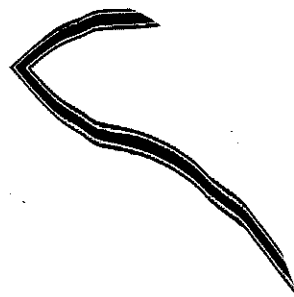
2131 Lincoln Highway  
Attention: Thomas Mc  
PO Box 2006  
Media, PA 19063

RE: 2131 LINCOLN APARTMENTS SKETCH 2010  
SKETCH PLAN

Dear Mr. McMahan:

The Township is in receipt of your application and sketch plan for the above project. The Township Engineer and I have performed a cursory review of the application and offering comments:

1. Attached to this will find the Zoning Officer's review dated December 3, 2010.
2. The proposal involves properties, specifically 39-4-56, 39-4-57, and 39-4J-40. According to Township records, you are currently the owner of all three properties.
3. The Township's Comprehensive Plan designates the future land use of the various parcels as Commercial.
4. At the time of sketch plan application, the applicable zoning and subdivision ordinances for this project as it relates to Caln Township are as follows: (1) Subdivision and Land Development Ordinance of 1998, through and including Ordinance 2010-01 and (2) Caln Zoning Ordinance of 2005, as amended, through and including Ordinance 2010-05.
5. It is noted that the property has access to public water and public sewer.
6. It is noted that the sketch plan as submitted includes 11 variance requests and 1 waiver request.
7. As you are aware, parcel 39-4-57 included in this sketch plan is located within the Township's Flood Hazard District. Section 137-44.1 requires, among other things, that the floodplain be delineated on the plan, along with the river zones. In reviewing the sketch plan, it appears as though the floodplain is labeled as "Existing FEMA 100-Year Floodplain" depicted by a dashed line rather than the 2006 FEMA 100-Year Floodplain limit.
8. In concert with what has been explained to you in the recent past, the Township has submitted a Letter of Map Revision (LOMR) application to the FEMA Region III Office in Philadelphia, PA.



FEMA for Valley Run. It is noted that you have a Year Floodplain delineation on the sketch plan. If the project falls within the Flood Hazard District, you will need to obtain the necessary zoning relief (i.e. Special Exception) and a development application.

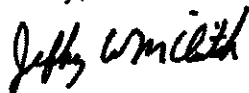
9. In the event the appropriate relief is obtained in progress to a Preliminary and/or Final Land Use Ordinance, the following items, at a minimum, will need to address:
  - a. Compliance with the Township's Standard Management Ordinance will need to be demonstrated (Section 135);
  - b. The plan will need to be forwarded to the Planning Commission for their review (Section 137-21.A);
  - c. The plan will need to be forwarded to the Conservation District for their review (Section 137-21.A);
  - d. The Township's Comprehensive Plan requires the use of the three properties included in the Commercial (Section 137-21.A);
  - e. Private streets shall be designed as fire access roads (Section 137-24);
  - f. The internal traffic circulation shall be designed to serve the public, to permit efficient traffic circulation of cars, to make delivery and pickup efficient, and the best design of the units in the commercial area (Section 137-25.B);
  - g. Compliance with the easement standards for utilities, watercourses, drainage ways, etc. will need to be demonstrated. Further, setbacks are to be measured from any/all easements (Section 137-29);
  - h. Compliance with the public facilities and requirements will need to be demonstrated (Section 137-30);
  - i. Compliance with the monuments and requirements will need to be demonstrated (Section 137-31);
  - j. Compliance with the improvement standards for road grades and access improvements will need to be demonstrated (Section 137-36 thru 137-40);
  - k. Curbing and sidewalks are required along the street frontage and throughout the subdivision as desired by the Commissioners (Sections 137-42 and 137-43);
  - l. Compliance with the stormwater management requirements will need to be demonstrated (Section 137-44);
  - m. Compliance with the floodplain delineation and Riparian Buffer Zone (RBZ) requirements will need to be demonstrated (Section 137-44.1);
  - n. Compliance with the erosion and sediment control requirements will need to be demonstrated (Section 137-45);

- o. Compliance with the sanitary sewers requirements will need to be demonstrated (Section 137-46);
- p. Compliance with the water supply requirements will need to be demonstrated (Section 137-47);
- q. Compliance with the streetlight requirements will need to be demonstrated (Section 137-48);
- r. All utilities serving the proposed subdivision shall be placed underground (Section 137-52);
- s. Compliance with the as-built requirements will need to be demonstrated (Section 137-54);
- t. Compliance with an improvements guarantee will need to be demonstrated (Section 137-55);
- u. Compliance with the Environmental Impact Assessment Report requirements will need to be demonstrated (Section 137-66);
- v. Compliance with the Traffic Impact Study requirements will need to be demonstrated (Section 137-67); and
- w. Compliance with the design requirements and improvements for the Thorndale Station Overlay and Lincoln Highway Overlay Districts will need to be demonstrated (Section 137-68).

It is noted that should this application progress to a Preliminary and/or Final Land Development Application, full plan reviews will be conducted at that time. The above comments, in conjunction with those attached, are cursory in nature and in no way represent a final review of the proposal.

In the event you should have any questions, please contact me at the number or email address above.

Sincerely,



Jeffrey W. McClintock, P.E.  
Township Engineer

#### Attachment

cc: Engineering File  
Board of Commissioners  
Gregory Prowant, Township Manger  
Planning Commission  
Kristin S. Camp, Esquire, Township Solicitor  
Andrew F. Reczek, Zoning Officer  
Steve Miller, Fire Marshal  
Ray Stackhouse, Deputy Fire Marshal  
Denny Howell, PE, DL Howell and Associates, Inc.



www.calntownship.org

## CALN TOWNSHIP

### DEPARTMENT OF CODE ENFORCEMENT

*Andrew F. Reczek, Director of Code Enforcement*

*Stephen L. Miller, Code Official / Fire Marshal*

*Raymond Stackhouse, Code Official / Deputy Fire Marshal*

*Joseph Arvay, Code Official / Housing Inspector*

610.384.0600 fax: 610.384.0689 Email: [andy@calntownship.org](mailto:andy@calntownship.org)

253 Municipal Drive, P.O. Box 72149 Thorndale, Pa 19372-0149

## MEMORANDUM

TO: Jeffrey W. McClintock, P.E. Township Engineer

CC: Steve Miller, Fire Marshal  
Ray Stackhouse, Superintendent of Life Safety

FROM: Andrew F. Reczek

DATE: December 3, 2010

SUBJECT: 2131 Lincoln Highway Apartment Sketch Plan

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1. The affected properties are located in the Highway Commercial (C-1) and the Lincoln Highway Overlay Zoning Districts. Apartment use is being proposed although not currently recognized in either zoning district in accordance with Sections 155-27, 155-43 or 155-55.
2. The property falls outside the current radius of the Thorndale Station Overlay District which does allow Multi-Family apartment uses for those 55 yrs and older. See Section 155-44 E (11). Apartments are limited in this district to no more than 12 units per acre. The applicant is proposing 12.65 per gross acre. In addition, the apartment use is limited to not more than 25% of the gross land area.
3. Several variance needs are identified in accordance with Section 155-55 of the Caln Township Code. The applicant should decide whether the proposed Use and dimensions variances are better suited to the project or whether the Board of Commissioners would agree to a Text Amendment.
4. Architectural details shall be offered in accordance with Section 155-55 D (6)
5. Clarify the number of proposed accessible units.
6. The property is found in the Carbonate Geology District and will required compliance with Section 155-38
7. A Jurisdictional Determination is required in accordance with Section 155-35 D (1) to allow a twenty-five (25) foot wetland buffer
8. A Special Exception hearing is required in accordance with Sections 155-34 H and 155-35 E in order to address the encroachment within the Caln Township Flood Hazard and Wetland District created by the access drive and sidewalk construction, west of the main entrance.
9. The Lincoln Highway Overlay District (155-43) requires that street lighting, street trees, street furniture, crosswalks, curb ramps and other such features be considered
10. Connected internal sidewalks, curb ramps and crosswalks shall also be considered in order to provide an accessible circulation path from all proposed units to both the clubhouse and public sidewalks.
11. Landscaping and lighting plans are required in accordance with Sections 155-55 E (4) & (5), 155-119, 155-124 and 155-139.
12. **The applicant shall provide information and calculations supporting adequate public water and fire flow requirements in accordance with Sections 137-47 C, D, G and Appendix B, Section B105.2 and Table B105.1 of the 2009 International Fire Code. The applicant should also be prepared to discuss the Type of Building Construction to aid in determining the required fire flow needs.**
13. **Both the required fire hydrant(s) and remote fire department connection (RFDC) locations shall be installed and approved under the direction of the Caln Township Fire Marshal and the Thorndale Fire Department in accordance with Appendix B, Section 137-47 E and**

**Chapter 83, Section 912 (Fire Department Connections). Please see the attached (3) page PDF showing our proposed locations for the clustering of Remote Fire Department Connections and Fire Hydrants.**

- 14. A plan set shall be provided establishing adequate Fire Apparatus turning movements using the Caln Township Fire Apparatus Turning Details. Apparatus Specifications Provided.**
- 15. Aerial Fire Apparatus Access Roads shall be provided at the front face of every building exceeding 30' in height. Access road shall be a minimum of 26' wide, and not more than 30' away from the building, but not any closer than 15'. Access shall meet Section D 105 of the 2009 International Fire Code. Please see the attached (3) page PDF to explain locations.**
- 16. Two separate and approved Fire Apparatus Access Roads are required in accordance with Chapter 83 and Section D106 of the 2009 International Fire Code**
- 17. A note shall be provided on the plan set acknowledging the requirements of Section 137-47 F(2) Knox Box**
- 18. Combustible truss construction, developer shall install and maintain a truss emblem within the public right-of-way as per Chapter 85, Section 85-4.1 (D), Combustible truss construction buildings. Signage will be provided and located at a later date and will be determined based upon construction methods.**
- 19. Parking space dimensions are shown as 9' x 20'. Section 155-139 B requires parking space dimensions of 10' x 20'**
- 20. A minimum of 480 parking spaces are required in accordance with Section 155-139 R in addition to 10 accessible spaces. (Total 490). Accessible parking spaces shall be provided serving the proposed office. No more than sixty (60) parking spaces are permitted within any one parking area in accordance with Section 155-55 D (7) (d)**



All prices are per kilowatt (kWh)

<u>date of quote</u>	<u>Exelon Energy 12/9/2010</u>	<u>Liberty Power 12/9/2010</u>	<u>Constellation Energy 12/9/2010</u>	<u>PECO Default rate</u>
1 year contract	0.09609	0.09345	0.082505	0.0992
2 year contract	0.09625	0.09421	0.083650	

1.39 % increase in 2nd year of contract





Street Light Information




Street Light District	2010 PECO		2010		2010		2011	
	monthly Bill	Annual Amount	Assessment (billed)	Actual Revenue	Overage Shortage	Current Assessment/ft	Assessment (billed)	
Beaver Run	\$ 693.97	8,328	6,517	5,854	(2,474)	0.96	7,467	
Branywine Homes	\$ 331.40	3,977	3,924	3,203	(774)	0.67	4,334	
Carver Court	\$ 321.17	3,854	3,533	3,095	(759)	0.7	3,886	
Kings Way	\$ 284.11	3,409	378	356	(3,053)	0.28	405	
Megargee Heights	\$ 562.30	6,748	6,534	6,225	(522)	0.45	7,115	
Thorndale	\$ 723.67	8,684	10,444	11,653	2,969	0.57	10,444	
		34,999	31,330	30,386	(4,614)		33,651	
Barley Sheaf Farms	\$ 714.53	8,574	8,574	8,574	(0)			
Thorndale Heights	\$ 670.24	8,043		-	(8,043)			

2011 Revenue	\$ 32,650.00
Misc. Revenue	\$ 1,000.00
Barley Sheaf revenue	8,574
Transfer From General Fund	7,500
2010 Expenses - PECO	(51,617)
Expenses - Other	(500)
Fund Balance used	\$ (2,393.00)

1280



**RIPARIAN BUFFER LEGEND**

-  RIPARIAN BUFFER ZONE 1
-  RIPARIAN BUFFER ZONE 2
-  RIPARIAN BUFFER ZONE 3

**192 Unit Apartment Community**  
 2131 Lincoln Highway, Cain Township, Chester County, PA



**LINCOLN HIGHWAY ROUTE 30**  
 (S.R. 3070)

PREPARED BY:



**DLHowell**  
 Civil Engineering & Land Planning  
 D.L. Howell & Associates, Inc.  
 1150 Walnut Street, Suite B  
 West Chester, PA 19380  
 Phone: (610) 444-3333  
 Fax: (610) 444-3000  
 www.DLHowell.com



WETLANDS LEGEND

25' WETLAND BUFFER

WETLANDS

# 192 Unit Apartment Community

2131 Lincoln Highway, Cain Township, Chester County, PA

PREPARED BY:



**DLHowell**

Civil Engineering & Land Planning  
D.L. Howell & Assoc., Inc.

1425 Walnut Street  
Wilmington, DE 19801  
Phone: (303) 996-0002  
Fax: (303) 996-0000

215 Truitt Lane, Suite B  
Parsippany, NJ 07054  
Phone: (973) 444-3333  
Fax: (973) 444-5277

www.DLHowell.com



LINCOLN HIGHWAY ROUTE 30

(S.R. 3070)





# 192 Unit Apartment Community

2131 Lincoln Highway, Cain Township, Chester County, PA



PREPARED BY:

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Civil Engineering & Land Planning

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LINCOLN HIGHWAY ROUTE 30  
 (S.R. 3070)





Caln Township  
Board of Commissioners  
December Business Meeting

9 December 2010

Township Commissioners:

Thank you for agreeing to meet with us, the investors behind the 3729 Hazelwood project, known to Caln Township as "Black Rock Homes LD 2010." Due to the township's 2008 revision of R4 zoning to only allow the construction of duplexes by conditional use, we are concerned that unexpected township fees and development costs will derail this project.

As a condemned eyesore in the neighborhood, 3729 Hazelwood has been vacant for many years, maintained at the expense of the township. When we purchased the property in September, our settlement cleared over \$5,000 of Caln Township municipal liens, paid in full. And today, neighbors in the community are eager for *anything* to be done to redevelop 3729 Hazelwood.

Our inspiration for this project was the 2008 construction of two new duplexes, just one door down the street. Unfortunately, in the short time since the neighboring duplexes were built, R4 zoning has been redefined to not allow similar projects to be built by right. The additional costs of a conditional use application make the redevelopment of 3729 Hazelwood financially unfeasible, especially given our already-slim margins on such a small project.

Because the property is already deeded as two lots, our development would shift the internal lot line to conform to township lot requirements for a duplex. For such a simple project we had anticipated minor subdivision application costs of \$1,200, but were surprised to learn in mid-November that our project would be defined as a major land development project, escalating the costs to over \$3,600.

Last week we were also informed that the redefined zoning would require a conditional use application, raising our projected total application costs to at least \$6,000. This does not include the unknown additional expenses which may be incurred during a drawn-out conditional use hearing. For a project of this small scope, we simply cannot afford to continue with such costs.

In light of these developments, and given the highly valuable nature of our project to the welfare of Caln Township, we are seeking some relief from the Board of Commissioners on the application fees, as well as the conditional use approval process.

Thank you again for meeting with us, and we look forward to discussing the project.

Sincerely,

Gregory R. Wagman  
*Black Rock Homes*



Black Rock Homes LD 2010

11/15/2010

SKETCH							
All Applications	\$500.00	base fee	+	\$15.00	Per lot		
						Acres	1
						Lots	2
MINOR							
Land Development	\$500.00	base fee	+	\$15.00	Per acre (rounded up) Per lot or unit,		
Subdivision	\$500.00	base fee	+	\$15.00	whichever is greater		
PRELIMINARY							
Land Development	\$600.00	base fee	+	\$60.00	Per acre (rounded up) Per lot or unit,	\$660.00	
Subdivision	\$800.00	base fee	+	\$45.00	whichever is greater		
FINAL							
Land Development	\$300.00	base fee	+	\$45.00	Per acre (rounded up) Per lot or unit,	\$345.00	
Subdivision	\$400.00	base fee	+	\$30.00	whichever is greater		
ESCROW							
MINOR							
Land Development	\$500.00	base fee	+	\$50.00	Per acre (rounded up) Per lot or unit,		
Subdivision	\$500.00	base fee	+	\$50.00	whichever is greater	\$600.00	
RESIDENTIAL							
Less than 5 lots	\$2,000.00	base fee	+	\$50.00	Per lot or unit, whichever is greater	\$2,050.00	
5 lots or greater	\$5,000.00	base fee	+	\$50.00	Per lot or unit, whichever is greater		
COMMERCIAL, INDUSTRIAL, INSTITUTIONAL							
To Be Determined by the Township Engineer							
Minimum Fee = \$2,500.00							

Application Fees	(total)	\$1,605.00
Escrow Deposit	(total)	\$2,050.00

Note: Original calculations were based on the interpretation of the project being a Major Subdivision. After discussions with the EOR, these calculations are revised to reflect the plan being a Minor Subdivision.



# Caln Township 2011 Proposed Budget Solid Waste Fund



**In an effort to increase recycling in Caln Township, recycling carts were distributed to all residential property owners.**



## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-20-00-000-000	SOLID WASTE FUND REVENUE					
1-20-10-351-000	INTEREST EARNINGS:					
1-20-10-351-300	Interest Earnings	10,000	1,200	1,500	150	300
1-20-10-355-020	State Grant	-	25,000	28,500	1,850	25,000
1-20-10-364-000	SOLID WASTE OPERATING FEES					
1-20-10-364-120	Sanitation Fee Current	496,320	740,745	816,500	800,000	935,000
1-20-10-364-125	Sanitation Current Penalty	2,000	3,000	5,800	5,800	6,000
1-20-10-364-140	Sanitation Fee Prior	8,000	12,500	81,700	70,000	80,000
1-20-10-364-145	Sanitation Fee Prior Yr Penalty	4,000	1,500	4,700	4,500	4,700
1-20-10-364-500	Sanitation Fee Liens	8,000	20,000	38,500	42,000	40,000
1-20-10-364-850	Recycling Processing Revenue	-	-	10,000	-	12,600
1-20-10-392-001	Transfer From General Fund	435,000	200,000	-	-	
1-20-99-000-000	NON BUDGET REVENUES:					
1-20-99-999-999	FUND BALANCE APPROPRIATED	21,250				
	<b>TOTAL SOLID WASTE FUND</b>	<b>\$ 984,570</b>	<b>\$ 1,003,945</b>	<b>\$ 987,200</b>	<b>\$ 924,300</b>	<b>\$ 1,103,600</b>

**Cain Township  
2011 Proposed Budget**

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-20-00-000-000	SOLID WASTE FUND					
1-20-00-405-000	ADMINISTRATION					
1-20-00-427-000	SOLID WASTE EXPENSE					
1-20-00-427-100	SOLID WASTE EXPENSES	-				
1-20-00-427-211	Supplies	100				
1-20-00-427-321	Postage	4,200	5,000	4,000	5,100	4,400
1-20-00-427-365	Contractor Expenses	675,000	648,338	680,000	680,000	690,000
1-20-00-427-368	Tipping Fees	300,000	315,000	290,000	275,000	272,000
1-20-00-427-999	General Expense	100	32,000	13,200	14,000	5,000
	Debt Service					69,000
1-20-00-492-001	Administration					62,424
	<b>TOTAL...</b>	<b>\$ 979,400</b>	<b>\$ 1,000,338</b>	<b>\$ 987,200</b>	<b>\$ 974,100</b>	<b>\$ 1,102,824</b>



# Caln Township 2011 Proposed Budget Other Funds

- **Street Light Fund**
- **Escrow fund**
- **Self Fund**
- **Highway Aid Fund**



**Highway crew reconstructing S. Bailey Rd.**



## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
	<b>STREET LIGHT FUND REVENUES:</b>					
1-02-10-000-000	CASH COLLECTIONS:					
1-02-10-300-100	Street Light Current	30,000	30,000	29,000	27,500	31,900
1-02-10-300-110	Street Light Current Penalty	400	400	350	400	385
1-02-10-300-200	Street Light Prior	1,200	1,200	1,200	500	1,320
1-02-10-300-210	Street Light Prior Penalty	150	1,150	1,250	200	1,375
	Street Lights - Barley sheaf Farms				3,572	9,400
1-02-10-300-500	Street Light Liens	2,000	2,300	2,300	2,000	2,300
1-02-10-351-000	INTEREST EARNINGS:					
1-02-10-351-300	Interest Earnings	2,000	600	100	45	100
1-02-10-380-000	MISCELLANEOUS REVENUE:					
1-02-10-380-100	Miscellaneous Revenue	0				
	Transfer from General Fund			13,000	13,000	7,500
1-02-99-000-000	NON BUDGET REVENUES:	0				
1-02-99-999-999	FUND BALANCE APPROPRIATED	0				
	<b>TOTAL STREET LIGHT</b>	<b>\$ 37,750</b>	<b>\$ 38,650</b>	<b>\$ 47,200</b>	<b>\$ 47,217</b>	<b>\$ 54,280</b>

## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-02-00-000-000	STREET LIGHT FUND					
1-02-00-434-200	STREET LIGHT OTHER EXPENSES					
1-02-00-434-314	Legal/Bill Collection	1,200	500	-		
1-02-00-434-321	Postage	450	500	500	350	400
1-02-00-434-352	Electricity	42,350	40,000	46,300	45,000	45,000
	Electricity - Barley Sheaf Farms				3,572	9,400
1-02-00-434-602	Supplies	150	150		242	250
1-02-00-434-605	Refund Prior Year	50	50	50	-	50
	Transfer to General Fund					
		\$ 44,200	\$ 41,200	\$ 46,850	\$ 49,164	\$ 55,100

## Caln Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-10-00-000-000	ESCROW FUND REVENUES:					
1-10-10-351-000	INTEREST EARNINGS:					
1-10-10-351-300	Interest Earnings	18,000	8,000	1,000	750	750
1-10-10-361-000	FUND DEPOSITS:					
1-10-10-361-320	Escrow Deposits	250,000	250,000	200,000	250,000	250,000
1-10-99-999-999	FUND BALANCE APPROPRIATED	0				
	<b>TOTAL ESCROW FUND</b>	<b>\$ 268,000</b>	<b>\$ 258,000</b>	<b>\$ 201,000</b>	<b>\$ 250,750</b>	<b>\$ 250,750</b>

**Cain Township  
2011 Proposed Budget**

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-10-00-000-000	ESCROW FUND	-				
1-10-00-489-200	OTHER EXPENSES	-				
1-10-00-489-801	Escrow Expenses	305,159	300,000	250,000	250,000	250,000
	TOTAL...	\$ 305,159	\$ 300,000	\$ 250,000	\$ 250,000	\$ 250,000

## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-12-00-000-000	SELF FUND REVENUES:					
1-12-10-351-000	INTEREST EARNINGS:					
1-12-10-351-300	Interest Earnings	4,000	4,000	1,000	400	400
1-12-10-392-001	Transfer From General Fund	30,000	30,000			
1-12-10-392-008	Transfer From Sewer Operating	1,000	1,000	1,000	1,000	1,000
1-12-10-392-009	Transfer from Golf Fund	-				
1-12-99-000-000	NON BUDGET REVENUES:	-				
1-12-99-999-999	FUND BALANCE APPROPRIATED	-				
	<b>TOTAL SELF FUND</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 2,000</b>	<b>\$ 1,400</b>	<b>\$ 1,400</b>

**Cain Township  
2011 Proposed Budget**

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-12-00-000-000	SELF FUND	-				
1-12-00-486-200	INSURANCE - OTHER EXPENSES	-				
1-12-00-486-291	Insurance - Dental	-				
1-12-00-486-292	Insurance - Vision	-				
1-12-00-486-293	Insurance - Unemployment Comp	2,500	1,500	1,500	1,600	2,000
1-12-00-486-294	Insurance Deductible	2,000		1,000	3,500	3,500
1-12-00-486-960	Contingency	4,000	2,000			
1-12-00-487-415	Post Retirement Health	6,000	6,000	3,000	2,113	5,200
	<b>TOTAL...</b>	<b>\$ 14,500</b>	<b>\$ 9,500</b>	<b>\$ 5,500</b>	<b>\$ 7,213</b>	<b>\$ 10,700</b>



## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-35-00-000-000	STATE FUND REVENUES:					
1-35-10-351-000	INTEREST EARNINGS:					
1-35-10-351-300	Interest Earnings	14,000	2,500	1,000	400	400
1-35-10-355-000	STATE GRANT	-				
1-35-10-355-020	Liquid Fuels Tax		251,771	242,058	241,618	241,639
1-35-99-999-999	FUND BALANCE APPROPRIATED	91,648				
	<b>TOTAL STATE FUND</b>	<b>\$ 105,648</b>	<b>\$ 254,271</b>	<b>\$ 243,058</b>	<b>\$ 242,018</b>	<b>\$ 242,039</b>

## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-35-00-000-000	HIGHWAY AID FUND					
1-35-00-430-	STREETS					
1-35-00-430-100	SALARIES					
1-35-00-430-101	Salary	35,000	35,000	55,000	55,000	55,000
1-35-00-430-120	Overtime	15,000	20,000	30,000	30,000	30,000
1-35-00-430-200	OTHER EXPENSES					
1-35-00-430-504	Minor Equipment	-		5,000	-	
1-35-00-430-508	Major Equipment	35,000	30,000			35,000
1-35-00-432-716	Snow & Ice Removal	18,000	30,000	30,000	32,346	35,000
1-35-00-433-618	Traffic Signal Repair	7,500	2,500	12,000	17,000	20,000
1-35-00-433-620	Street Sign Repair	4,000	3,000	3,000	2,500	3,000
1-35-00-434-622	Street Lights	25,000	24,000	22,000	18,000	21,000
1-35-00-436-626	Storm Sewers	10,000	2,000	4,000	1,000	2,000
1-35-00-438-613	Road Maintenance	120,000	40,000	64,000	25,000	35,000
1-35-00-438-614	Bridge Maintenance	4,000			875	1,000
1-35-00-438-615	Lines Maintenance/Striping	8,000	7,000	7,500	10,000	12,000
1-35-00-439-911	Construction - Roads	85,000	60,000	55,000	-	90,000
1-35-00-439-912	Construction - Bridges	-				
	<b>TOTAL...</b>	<b>\$ 366,500</b>	<b>\$ 253,500</b>	<b>\$ 287,500</b>	<b>\$ 191,721</b>	<b>\$ 339,000</b>

## Cain Township 2011 Proposed Budget

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-36-00-000-000	CAPITAL BUILDING FUND					
1-36-10-351-000	INTEREST EARNINGS:					
1-36-10-351-300	Interest Earnings	1,000	250	0		
1-36-10-392-001	Transfer From General Fund	0		0		
1-36-99-000-000	NON BUDGET REVENUES:	0				
1-36-99-999-999	FUND BALANCE APPROPRIATED	8,154				
	TOTAL CAPITAL BLDG. FUND	\$ 9,154	\$ 250	\$ -	\$ -	\$ -

**Cain Township  
2011 Proposed Budget**

Account Number	Account Description	2008 Budget	2009 Budget	2010 Budget	2010 Estimated	2011 Proposed Budget
1-36-00-000-000	CAPITAL BUILDING FUND					
1-36-00-409-200	OTHER EXPENSES					
1-36-00-409-318	Architect/Engineer	-				
1-36-00-409-604	Building improvements	8,000				
1-36-00-493-960	Contingency	3,500	2,000	454	1,705	-
	<b>TOTAL...</b>	<b>\$ 1,500</b>	<b>\$ 2,000</b>	<b>\$ 454</b>	<b>\$ 1,705</b>	<b>\$ -</b>

# **Caln Township**

## **2011 Proposed Budget**

### **Supplemental Information**





## Real Estate Tax Facts

2010 Real Estate Assessment Caln Township 687,936,315

2009 Real Estate Assessment Caln Township: 683,037,475

2008 Real Estate Assessment Caln Township: 674,792,325

2009 Real Estate Tax Billing: \$1,894,816

2009 Tax Collected: \$1,832,361

### Tax Rate Last Five Years:

2006 Tax Rate 2.808 mills

2007 Tax Rate 2.808 mills

2008 Tax Rate 2.808 mills

2009 Tax Rate 2.808 mills

2010 Tax Rate 2.808 mills

2011 Proposed Tax Rate 2.808 mills

## PRINCIPAL TAXPAYERS AS OF JANUARY 27, 2010

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Coatesville Hospital Corp.	Hospital	\$16,854,300	2.45%
First Montgomery Townhome Development	Appartment Complex	10,850,000	1.58%
500 Meadowlake Drive Assoc.	Appartment Complex	8,822,290	1.28%
AMT-FMP Fairways Assoc. LP	Appartment Complex	7,770,000	1.13%
Caln Village Assoc.	Shopping Center	7,374,390	1.07%
Giant Thorndale Store	Grocery Store	4,576,110	0.67%
Thorndale West LP	Shopping Center	4,354,450	0.63%
Exelon Generation Co. Inc.(PECO)	Utilities	3,103,080	0.45%
Kohl's Thorndale Store	Department Store	2,822,000	0.41%
Coatesville Hospital Corp.	Hospital	<u>2,673,000</u>	0.39%
<b>Total Principal Taxpayers</b>		<b>\$69,199,620</b>	<b>10.06%</b>
Total Caln Township Assessed Valuation	\$688,015,515		

Source: County Assessment Office



## Caln Township's Largest Employers

<u>Business</u>	<u>Number of Employees*</u>
Veterans Administration	1380
Coatesville Hospital Corporation	704
Giant Food Stores	404
Handi Crafters	383
Citadel Federal Credit Union	273
Coatesville Area Senior High/9 - 10 Center	272
Chester County Intermediate Unit	242
St. Martha Manor	230
Downingtown Area School District	215
Kohls Department Store	139

\*Source: Berkheimer Tax Administrator

## Full-Time Authorized Positions By Department

Department	2007	2008	2009	2010	2011 Proposed Budget
Administration	2	2	2	2	2
Buildings	1	1	1	1	1
Code Enforcement	5	5	5	5	4.5
Engineering	2	2	2	2	2
Executive	1	1	1	1	1
Finance	3	3	3	3	3
Fire	1	1	1	1	1.5
Golf Club- Greens	2	2	2	2	2
Golf Club - Pro Shop	2	2	2	1	1
Highway	10	8	8	8	8
Parks	0	2	2	3	3
Police	22	22	22	22	20
Wastewater	5	5	5	5	5
<b>Total</b>	56	56	56	56	54

## TAXING AUTHORITY - FIRST CLASS TOWNSHIPS

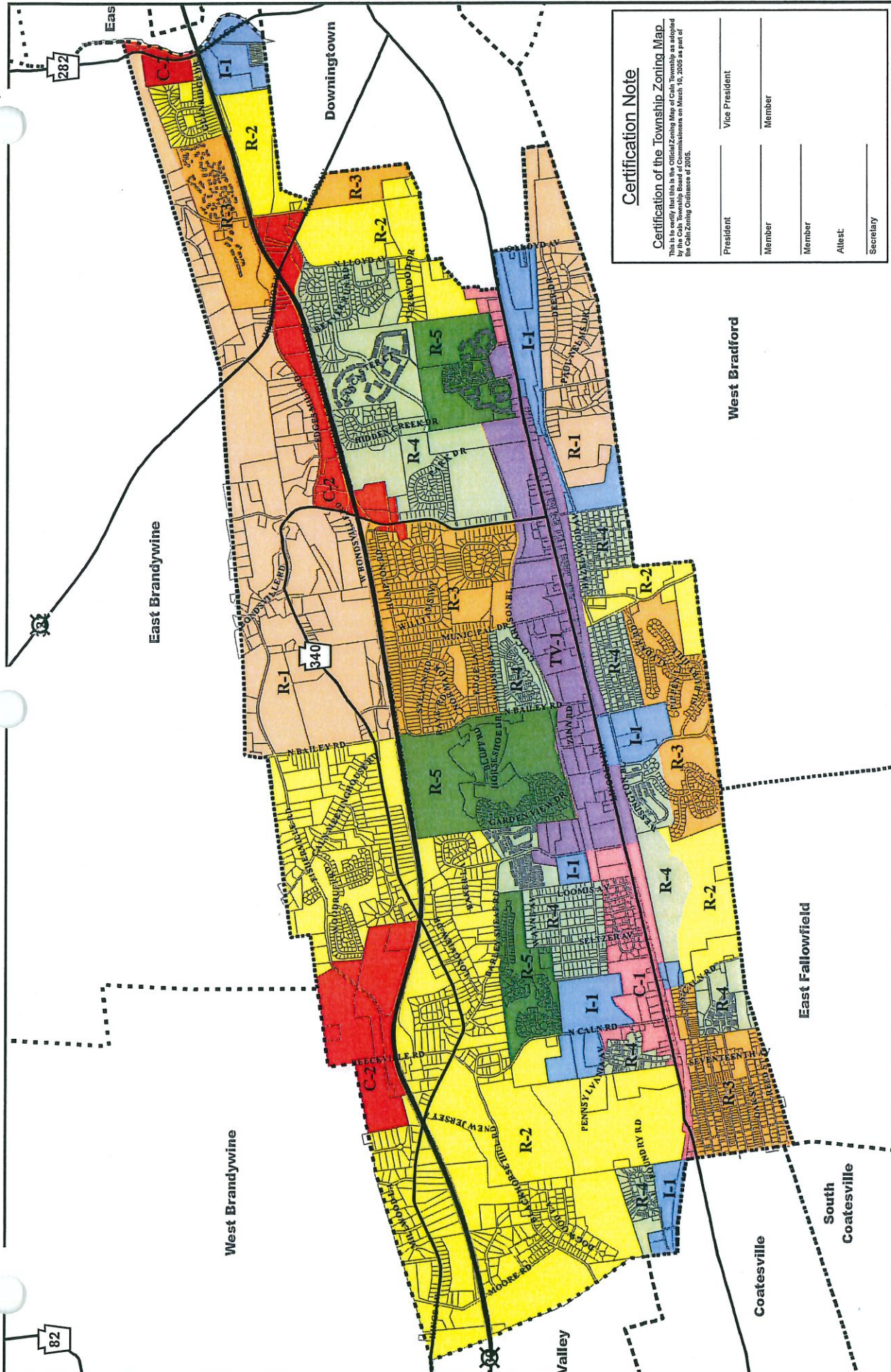
TAX	LIMIT	2011 RATES
Real Property Tax		
General Purposes	30 mills	2.808 mills
Local Services Tax	\$52	\$52
Earned Income Tax	0.0	1%
Real Estate Deed Transfer	1%	0.5%: Note 0.5% is also imposed by school district
Mercantile-Wholesale	1.0 mills	Not Levied
Mercantile-Retail	1.5 mills	Not Levied
Business Privilege	No Limit	Not Levied
Occupation	Flat \$10, or unlimited millage on assessed value of occupation	Not Levied
Per Capita	\$10 each adult	Not Levied
Amusement	10% on admission price	Not Levied
Mechanical Device	No limit on devises providing amusement	Not Levied
Sign Tax	No limit of signs for display or advertising	Not Levied
Lease Rental	5% of lease of tax exempt real estate	Not Levied

# Cain Township 2010 Proposed Budget Fund Structure

Fund Title	Fund Number	Fund Type	Major Revenue Sources	Major Services Provided
General	1	General Operating Fund	Real Estate Taxes Act 511 Taxes Department Earnings Licenses & Permits Fines/ordinance violations Grants/Pension Aid	Police & Fire Public Works/Engineering Parks & Recreation Code Enforcement Administration & Finance
Street Light	2	Special Revenue Fund	Street Light Tax	Streets Lights in various neighborhoods
Sewer Operating	8	Enterprise Fund	Sewer fee charged to resider and businesses	Sanitary Sewer Service
Golf	9	Enterprise Fund	Greens Fees, Cart Rentals	18 Hole Golf Course Driving Range Pro Shop/Concession
Escrow	10	Fiduciary	Developer's Deposits	Inspections/Engineering Legal/Plan Review

Self	12	Internal Service	Transfers from other funds	Post Retirement Health Benefit Unemployment Compensation
Capital Bond	18	Capital Projects Fund	Proceeds from sale of bonds	Purchase of Ingleside Golf Club Road Paving/Reconstruction
Capital Reserve	19	Capital Reserve Fund	Developer's Fees Transfers from other funds	Infrastructure Improvements Acquisition of Long Lived Fixed Assets
Solid Waste	20	Enterprise Fund	Trash Fee	Collection and disposal of solid waste and recyclables
Sewer Capital	30	Capital Reserve Fund	Transfers from other Funds	Capital Construction Costs Capacity Agreements
Sewer Reserve	31	Capital Reserve Fund	Transfers from other Funds	Reserve for Capital Items
Open Space	32	Capital Reserve Fund	Developer's Fees	Acquisition of Land to be used as Open Space
Sewer - Capital Equipment	33	Internal service	Transfer from Sewer Operatiu	Purchase of vehicles and other fixed assets
Equipment Fund	34	Internal service	State Grants Transfer from General Fund	Acquisition of vehicles
Highway Aid	35	Special Revenue Fund	Share of State Gasoline Tax	Snow Plowing Road Maintenance Traffic Signal and Street Lights
Capital Building	36	Capital Projects	Transfers from other funds	Building Improvements





**Certification Note**

Certification of the Township Zoning Map

This is to certify that this is the Official Zoning Map of Caln Township as adopted by the Board of Commissioners on March 10, 2008 as part of the 2008 Zoning Ordinance of 2008.

President \_\_\_\_\_ Vice President \_\_\_\_\_

Member \_\_\_\_\_ Member \_\_\_\_\_

Member \_\_\_\_\_

Altest: \_\_\_\_\_

Secretary \_\_\_\_\_

- LEGEND**
- Major Roads
  - Municipalities
  - Parcel Boundaries
  - Zoning
  - R-1 - Low Density Residential
  - R-2 - Low to Medium Density Residential
  - R-3 - Medium Density Residential
  - R-4 - Medium to High Density Residential
  - R-5 - High Density Residential
  - I-1 - Institutional
  - C-1 - Neighborhood Commercial
  - C-2 - Regional Commercial
  - TV-1 - Town Center
  - TX-1 - Township Village

# CALN TOWNSHIP

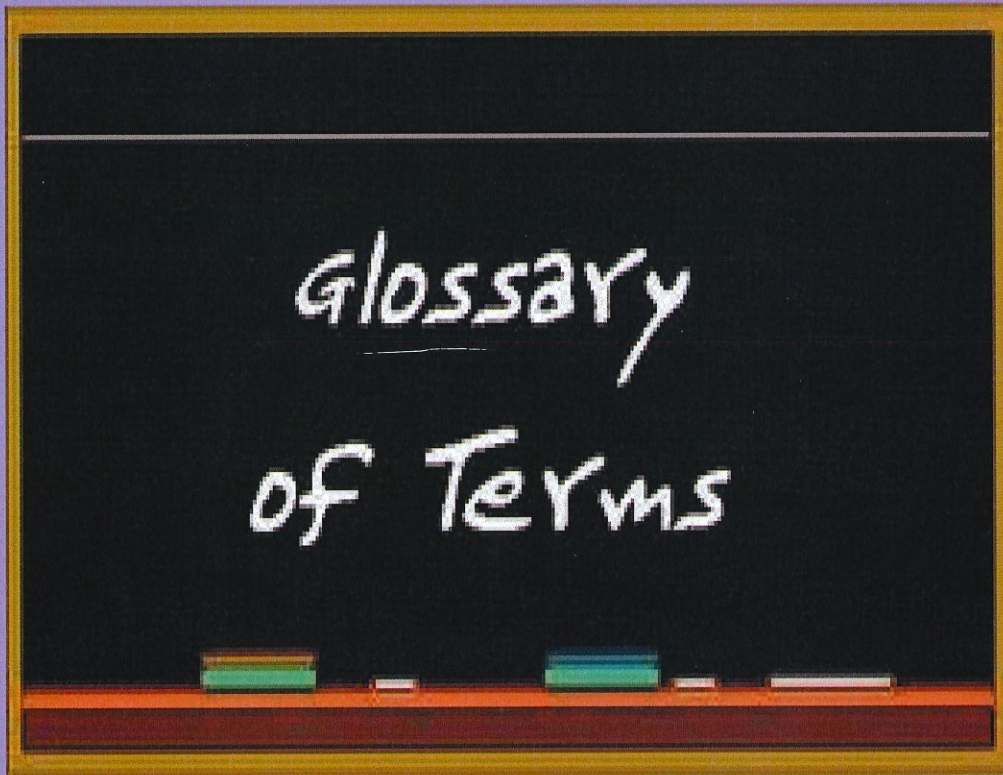
## Zoning Map







# Caln Township 2011 Proposed Budget Glossary





## **GLOSSARY OF KEY TERMS**

**ACCRUAL BASIS OF ACCOUNTING:** The basis of accounting in which revenues are recognized when they are earned and expenses are recognized when they are incurred.

**ACT 247:** Procedure established by state, requiring municipality to forward any land development, subdivision or zoning changes to Chester County Planning Commission.

**ACT 537:** Caln Township Official sewage facilities plan.

**ACTUAL GAP:** Annual expenditures exceed annual revenue of a fund; also referred to as a deficit.

**APPROPRIATION:** A legal authorization granted by the Township Board of Commissioners to make expenditures and to incur obligations for the purposes specified in the annual budget appropriation ordinance. An appropriation is limited in amount and to the time in which it may be expended.

**ASSESSED VALUATION:** The valuation set upon real estate by the county tax assessor as the basis for levying ad valorem real estate taxes.

**ASSETS:** Property owned by the Township which has a monetary value.

**AUTHORITY:** A government or public agency created to perform a single function or a restricted group of related activities. An authority may be completely independent of other governments or be partially dependent upon other governments for its financing or the exercise of certain powers.

**BASIS OF ACCOUNTING:** A term used to refer to when revenues, expenditures, expenses, and transfers are recognized in the accounts and reported in the financial statements. The county's Governmental Fund Types utilize the modified accrual basis of accounting. The Proprietary Fund utilizes the accrual basis of accounting.

**BOND:** A written promise to pay a specified sum of money at a specified future date along with periodic interest paid at a specified rate. Bonds are typically sold to finance long-term debt.

**BUDGET:** The plan of financial operation for each calendar year estimating proposed expenditures and the proposed means of financing them. Upon approval by the Commissioners, the budget appropriation ordinance is the legal basis for expenditures during the budget year.

**BUDGET DOCUMENT:** The official written statement which presents the proposed budget to the Township Board of Commissioners.

**BUDGET GAP:** The amount that budgeted expenditures exceed budgeted revenue, indicating a drawdown of fund balance, also referred to as a budget deficit.

**BUDGET MESSAGE:** A general discussion of the proposed budget presented in writing as a part of the budget document. The budget message explains major budget issues, describes the financial experience during the past period and presents recommendations regarding the financial policy during the coming period.

**CAPITAL PROJECT FUND:** The fund used to account for financial resources to be used for the acquisition or construction of capital assets.

**CAPITAL PROJECTS:** Projects which purchase, construct, or reconstruct capital assets.

**DARA:** Downingtown Area Regional Authority

## **GLOSSARY OF KEY TERM**

**DEBT SERVICE:** Scheduled payments of principal and interest on long and short term debt.

**DELINQUENT REAL ESTATE TAXES:** Real estate taxes that remain unpaid after the last day of the year.

**DEPARTMENT:** A major administrative segment responsible for the provision of services within a functional area.

**DEPRECIATION:** (1) Expiration of the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence; (2) That portion of the cost of a capital asset which is charged as an expense during a particular period.

**EXPENDITURES:** Where accounts are kept on the modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not.

**FISCAL YEAR:** The 12-month period that begins with the first day of any particular month and ends on the last day of the 12<sup>th</sup> month to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. The township's fiscal year begins January 1<sup>st</sup>.

**FIXED ASSETS:** Long-lived tangible assets obtained or controlled as a result of the past transactions, events or circumstances. Fixed assets include: buildings; building improvements; machinery and equipment; infrastructure; land and land improvements. In the private sector, these assets are referred to most often as property, plant and equipment.

**FRINGE BENEFITS:** Expenditures for benefits made on behalf of employees. These benefits include health and dental insurance, life insurance, disability insurance, retirement, FICA and Medicare, prescriptions, vision care, unemployment compensation insurance and workers compensation insurance.

**FULL-TIME POSITION:** Employee who receives full fringe benefits and whose salary in 2009 is calculated either on the basis of 7.5 hours per day, 37.5 hours per week, or 1,950 hours annually or for employees working on the basis of 8.0 hours per day, 40 hours per week, or 2,080 hours annually.

**FUND:** A fiscal and accounting tool with a self-balancing set of accounts to record revenue and expenditures.

**FUND BALANCE:** The excess of a fund's assets over its liabilities. A negative fund balance is sometimes called a deficit. A positive fund balance is sometimes called a surplus. A portion of the Township's General Fund estimated actual ending fund balance may be reappropriated as a source of funds to balance the following year's budget. It is the Township's updated budgetary policy to maintain a General Fund balance at a minimum of twelve percent of average annual revenue of the three previous fiscal year.

**GASB:** Government Accounting Standards Board which is the authoritative accounting and financial reporting standard-setting body for state and local governments.

**GASB 34:** The Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments which is the governmental financial reporting model that incorporates business accounting methods into municipal statements.

## **GLOSSARY OF KEY TERM**

**GENERAL FUND:** A governmental fund used to account for all financial resources not required to be accounted for elsewhere by legal, contractual or administrative requirement. The General Fund is the main operating fund of the township.

**GENERAL OBLIGATION BONDS:** Bonds whose repayment is backed by the full faith and credit of the government issuing them.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPALS (GAAP):** Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. The primary authoritative body on the application of GAAP to governments is the Government Accounting Standards Board.

**GOAL:** A clearly described target or accomplishment which can be achieved within a given time frame.

**GRANT:** A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from State and Federal governments. Grants are usually made for specified purposes.

**HUD:** United States Department of Housing and Urban Development

**I & I:** Inflow and Infiltration

**INTERIM TAX BILL:** An interim tax bill is generated by increasing the improvement assessment due to new construction. The bill covers the period from completion of construction through the end of the tax year.

**LOCAL SERVICES TAX (LST):** A tax on individuals for the privilege of engaging in an occupation in Cain Township. The LST is \$52 per year and is imposed on anyone who earns \$12,000 or more in a year. The Township collects the full tax due and remits a pro-rated share (\$5) of the tax collected, less collection expenses, to Coatesville Area School District.

**MILL:** One one-thousandth of a dollar of assessed value.

**MILLAGE:** Rate used in calculating taxes based upon the value of property, expressed in mills per dollar of property value.

**MISSION STATEMENT:** Provides a clear presentation of a department's function or mandate. A good Mission Statement answers who the stakeholders are, why the program is needed and what services are provided.

**MODIFIED ACCRUAL BASIS:** The basis of accounting under which expenditures are recorded at the time liabilities are incurred and revenue is recorded when received in cash or when measurable and available. Revenue in the General Fund, Capital Projects Fund, Highway Aid Fund, and Special Revenue Fund are accounted for on a modified accrual basis.

**NPDES:** National Pollutant Discharge Elimination System

**ORGANIZATIONAL CHART:** A graphic presentation, by function, of programs and services provided to clients or other township departments.

## **GLOSSARY OF KEY TERM**

**PAWC:** Pennsylvania American Water

**PENSION CONTRIBUTION:** The amount paid into a pension plan by an employer pursuant to actuarial calculations of the required amount to fund future benefits.

**RATING:** The credit worthiness of the Township as evaluated by independent agencies relating to the repayment of debt.

**REVENUE:** Funds received by the Township as income, including tax payments, license and permits, fees for specific services, departmental earnings, receipts from other municipalities, fines, forfeitures, grants, contributions, reimbursed expenses and investment income.

**REVENUE ESTIMATE:** A formal estimate of how much revenue will be earned from a specific revenue source for some future time period.

**SERVICES:** (1) Professional or technical expertise purchased from external sources. (2) Output provided taxpayers by township departments.

**SINGLE AUDIT:** An audit performed in accordance with the Single Audit Act and Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments. The Single Audit Act requires governments to have one audit performed to meet the needs of all Federal grantor agencies.

**SOLID WASTE FEE:** An annual fee charged for solid waste collection and disposal services.

**SURPLUS:** Annual revenue exceeds annual expenditures of a fund, creating an increase in fund balance.

**TAX LEVY:** The total amount to be raised by Township real estate taxes.

**TAX RATE:** The amount of tax stated in terms of a unit of the tax base. For example, one mill represents \$1 of tax per \$1,000 of assessed value.

**TAXES:** Compulsory charges levied by the Township for the purpose of financing services performed for the common benefit of citizens.

**TMACC:** Transportation Management Association of Chester County

**UNDESIGNATED FUND BALANCE:** Undesignated General Fund balance is defined as those financial resources available for spending and therefore not reserved for specific purposes such as encumbrances.

**USER FEE (USER CHARGE):** The payment of a fee for direct receipt of a public service by the party benefiting from the service.

**VNA:** Visiting Nurse Association

**CALN TOWNSHIP MUNICIPAL AUTHORITY  
FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

# CALN TOWNSHIP MUNICIPAL AUTHORITY

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# **Maulo & Company, Ltd.**

*Certified Public Accountants*

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West Chester, PA 19382-3224

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fax: 610.692.7260  
e-mail: mcl@maulo.com

## **Independent Auditor's Report**

Board of Directors  
Calm Township Municipal Authority  
Thorndale, Chester County, Pennsylvania

We have audited the accompanying financial statements of the business-type activities of the Calm Township Municipal Authority (the Authority) a component unit of Calm Township, Chester County, Pennsylvania, as of and for the year ended December 31, 2009, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Calm Township Municipal Authority, as of December 31, 2009, and the results of its operations and the cash flows of its business-type activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

The Management's Discussion and Analysis on pages MD&A 1 through MD&A 5 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Maulo & Company, Ltd.*

West Chester, Pennsylvania  
November 16, 2010

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Management's Discussion and Analysis**  
**December 31, 2009**

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This discussion and analysis of Caln Township Municipal Authority's performance provides an overview review of the Authority's financial activities for the fiscal year ended December 31, 2009. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole. Readers should also review the transmittal letter, notes to the financial statements, and financial statements.

Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

**OVERVIEW OF FINANCIAL STATEMENTS**

The accompanying financial statements of the business-type activities have been prepared in accordance with GASB 34 and present government-wide and fund level financial statements using the accrual basis of accounting. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**Government-wide Financial Statements**

The first two statements are government-wide financial statements – the Statement of Net Assets and the Statement of Activities. These provide both long-term and short-term information about the Authority's overall financial status.

The government-wide statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the Authority's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. The two government-wide statements report the Authority's net assets and how they have changed. Net assets, the difference between the Authority's assets and liabilities, are one way to measure the Authority's financial health or position.

**Fund Level Financial Statements**

The remaining statements are fund financial statements that focus on individual parts of the Authority's operations in more detail than the government-wide statements. The governmental funds statements tell how the Authority's general services were financed in the short-term, as well as, what remains for future spending. The Authority has no governmental funds. Proprietary fund statements offer short-term and long-term financial information about the activities that the Authority operates like a business. The Authority has only one proprietary fund.

**Proprietary Fund** – This fund is used to account for Authority activities that are similar to business operations in the private sector where the reporting is focused on determining net income, financial position, and changes in financial position.

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Management's Discussion and Analysis**  
**December 31, 2009**  
**(continued)**

**FINANCIAL ANALYSIS OF THE AUTHORITY – GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Statement of Net Assets**

The statement of net assets reflects the current "net worth" of the Authority after consideration of total assets and liabilities. Net assets of the Authority were \$ 3,896,849 as of December 31, 2009, and \$3,896,274 as of December 31, 2008. Net assets have increased an insignificant amount over 2008.

**Schedule of Net Assets**  
**Year Ended December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current and other assets	\$ 1,038,426	\$ 1,104,765
Noncurrent assets	<u>3,012,126</u>	<u>2,951,634</u>
Total assets	<u>\$ 4,050,552</u>	<u>\$ 4,056,399</u>
<b>LIABILITIES</b>		
Current and other liabilities	\$ 88,306	\$ 67,068
Noncurrent liabilities	<u>65,397</u>	<u>93,057</u>
Total liabilities	<u>153,703</u>	<u>160,125</u>
<b>NET ASSETS</b>		
Invested in fixed assets	3,012,126	2,951,634
Restricted for capital projects	285,154	239,763
Unrestricted (deficit)	<u>599,569</u>	<u>704,877</u>
Total net assets	<u>3,896,849</u>	<u>3,896,274</u>
Total liabilities and net assets	<u>\$ 4,050,552</u>	<u>\$ 4,056,399</u>

The Authority's assets can be divided into two main categories:

- 1) Pipes, manholes, and other portions of the sewer system.
- 2) Cash and investments.

When the Authority was created, the Township turned over more than \$2,000,000 in fixed assets.

Cash assets are generated from the activities of the sewer operating fund and the connection fees.

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Management's Discussion and Analysis**  
**December 31, 2009**  
**(continued)**

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**Statement of Revenues, Expenses, and Changes in Net Assets**

The Statement of Revenues, Expenses, and Changes in Net Assets has revenue of \$1,988,602 for 2009, and \$2,496,923 for 2008, administrative/operational expenses of \$835,768 for 2009, and \$846,180 for 2008, contractual services of \$1,034,054 for 2009, and \$895,854 for 2008, and depreciation of \$118,205 for 2009, and \$117,358 for 2008. The change in total net assets for the period ending December 31, 2009, was \$575. Unlike 2008, there were no sewer lines dedicated to the Authority in 2009. The annual fee for residential customers was increased from \$282 for 2008 to \$324 for 2009.

**Changes in Net Assets**  
**For the Year Ended December 31, 2009 and 2008**

	2009	2008
<b>REVENUES</b>		
Charges for services	\$ 1,969,660	\$ 1,894,825
Investment income	7,541	17,077
Transfers from other governments	11,401	
Capital contributions		585,021
Total revenues	1,988,602	2,496,923
 <b>EXPENSES</b>		
Administration	734,947	748,523
Contractual services	1,034,054	895,854
General operating	100,821	97,657
Depreciation	118,205	117,358
Total expenses	1,988,027	1,859,392
Increase (decrease) in net assets	\$ 575	\$ 637,531

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Management's Discussion and Analysis**  
**December 31, 2009**  
**(continued)**

**Capital Assets**

At December 31, 2009, the Authority had \$3,012,126 invested in a broad range of capital assets, including land, buildings and furniture, equipment, and infrastructure. This amount represents a net increase (including additions and depreciation) of \$60,192 from last year. The following schedule depicts the capital assets for the period ending December 31, 2009. During this period, the Township had the following significant changes in capital assets.

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital assets:</b>				
Sewer lines	\$ 12,034,974	\$ 42,400	\$ 0	\$ 12,077,374
Equipment	55,422			55,422
Pump station	100,000			100,000
Construction in progress	<u>86,113</u>	<u>136,297</u>		<u>222,410</u>
Total capital assets	<u>12,276,509</u>	<u>178,697</u>	<u>0</u>	<u>12,455,206</u>
<b>Accumulated depreciation for:</b>				
Sewer lines	9,304,891	110,164	0	9,415,055
Equipment	12,484	5,541		18,025
Pump station	<u>7,500</u>	<u>2,500</u>		<u>10,000</u>
Total accumulated depreciation	<u>9,324,875</u>	<u>118,205</u>	<u>0</u>	<u>9,443,080</u>
Net capital assets	<u>\$ 2,951,634</u>	<u>\$ 60,492</u>	<u>\$ 0</u>	<u>\$ 3,012,126</u>

**FINANCIAL HIGHLIGHTS**

Articles of Incorporation were filed on January 12, 2005, for the incorporation of the Caln Township Municipal Authority pursuant to the Authority Act. In a Management Agreement dated May 12, 2005, between the Township and the Authority, the Township agreed to convey all real property and specific personal property interests that the Township owned which comprise the Caln Township Sewer System to the Authority. On July 1, 2005, the Township transferred all of its rights, title, and interest to all sanitary sewers, pump stations, all easements, rights-of-way, and other property interests that the Township owned which are used or useful in connection with the maintenance and operation of sanitary sewers located in Caln.

In June 2005, the Authority adopted a sewer rental fee and a connection fee for users of the system. The connection fee, consistent with Act 57 legislation, will be used for all new connections after July 1, 2005. Increases in Authority Revenues were primarily due to the collection of these fees and additional lines accepted by the Authority from new development.

**CALN TOWNSHIP MUNICIPAL AUTHORITY  
Management's Discussion and Analysis  
December 31, 2009  
(continued)**

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**THE AUTHORITY'S FUTURE**

The Authority will continue to contract with the Township for the ongoing maintenance and operation of the system, as well as, the connection of new land developments. Important tasks for the future include:

- Continuation of an appropriate fee schedule for long-term budgetary needs.
- Financing ongoing maintenance activities and reducing infiltration and inflow.
- Extending service to existing on-lot neighborhoods in a fair and cost effective manner.
- Financing ongoing capital needs to improve and expand the system.
- Depositing annual funds into a capital reserve account for future equipment and capital project expenditures.

**FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens and taxpayers, with a general overview of the Authority's finances and to show the Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact the Township Administrative offices.

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Statement of Net Assets**  
**December 31, 2009**

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**ASSETS**

**Current assets**

Cash and cash equivalents	\$ 291,716
Investments	284,917
Due from other governments	2,500
Accounts receivables	<u>459,293</u>
Total current assets	<u>1,038,426</u>

**Noncurrent assets**

Fixed assets (note 3)	<u>3,012,126</u>
Total noncurrent assets	<u>3,012,126</u>
Total assets	<u>\$ 4,050,552</u>

**LIABILITIES**

**Current liabilities**

Accounts payable	\$ 46,336
Due to other governments	18,706
Current portion of compensated absences	<u>23,264</u>
Total current liabilities	<u>88,306</u>

**Noncurrent liabilities**

Long-term portion of compensated absences	<u>65,397</u>
Total noncurrent liabilities	<u>65,397</u>
Total liabilities	153,703

**Net assets**

Invested in capital assets net of related debt	3,012,126
Restricted for capital projects	384,106
Unrestricted	<u>500,617</u>
Total net assets	<u>3,896,849</u>
Total liabilities and net assets	<u>\$ 4,050,552</u>



**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**For the Year Ended December 31, 2009**

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**OPERATING REVENUES**

Charges for services	\$ 1,969,660
Total operating revenues	<u>1,969,660</u>

**OPERATING EXPENSES**

Salaries and wages	337,988
Employee benefits	168,578
Supplies	19,487
Contractual services	1,034,054
Maintenance	88,427
Utilities	12,394
Administrative and general	208,894
Depreciation	<u>118,205</u>
Total operating expenses	<u>1,988,027</u>
Operating income/(loss)	(18,367)

**NONOPERATING REVENUES AND EXPENSES**

Earnings on investments	7,541
Transfers in (out) from other governments	11,401
Capital contributions	<u>0</u>

Change in net assets	575
Total net assets-January 1, 2009	<u>3,896,274</u>
Total net assets-December 31, 2009	<u>\$ 3,896,849</u>

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Statement of Cash Flows--Proprietary Fund**  
**For the Year End December 31, 2009**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from users	\$ 1,882,594
Cash payments to employees for services	(506,566)
Cash payments to suppliers for goods and services	<u>(1,369,679)</u>
Net cash provided by (used for) operating activities	<u>6,349</u>

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES**

Cash flows from operating transfers - other governments	<u>11,401</u>
Net cash provided by (used for) non-capital financing activities	<u>11,401</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Facilities acquisition/construction	<u>(178,696)</u>
Net cash provided by (used for) capital and related financing activities	<u>(178,696)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Earnings on investments	7,541
Purchase of Investment securities	<u>(50,593)</u>
Net cash provided by (used for) investing activities	<u>(43,052)</u>

Net Increase (Decrease) in cash and cash flows	(203,998)
Cash and cash equivalents beginning of year	<u>495,714</u>
Cash and cash equivalents at year end	<u>\$ 291,716</u>

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**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES**

Operating income (loss) including prior period adjustment	\$ (18,367)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation and net amortization	118,205
(Increase) Decrease in accounts receivable	(84,566)
(Increase) Decrease in advances to other funds	(2,500)
Increase (Decrease) in accounts payable	2,532
Increase (Decrease) in accrued salaries benefits	<u>(8,955)</u>
Total adjustments	<u>24,716</u>
Cash provided by (used for) total	<u>\$ 6,349</u>

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Notes to Financial Statements**  
**December 31, 2009**

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**1. Summary of Significant Accounting Policies**

The accounting policies of Caln Township Municipal Authority (the Authority), Chester County, Pennsylvania conform to United States generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities and to its enterprise fund provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant accounting policies:

**A. Organization**

The Authority is a municipal authority formed for the purpose of having oversight and approval authority over the Caln Township public sewer system and the power to hold, construct, finance, improve, maintain, and operate, own, and lease the sewer system within Caln Township. The Authority receives funding through user fees, grants, borrowings, and other sources. All of the funds collected go towards programs of the Authority. The Authority is governed by a five member Board of the Authority. The Township has determined that the Authority is a component unit of Caln Township.

**B. Basis of Presentation**

**Government-wide Financial Statements**

The statement of net assets and the statement of activities display information about the Authority as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Authority that are governmental and those that are considered business-type activities. The Authority has no governmental-type activities.

The statement of net assets presents the financial condition of the governmental activities of the Authority at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the programs, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Authority, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Authority.

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(continued)**

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**Fund Financial Statements**

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

**C. Fund Accounting**

The Authority uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: Governmental, Proprietary, and Fiduciary.

**Governmental Funds**

Governmental Funds are those through which most governmental functions of the Authority are financed. Governmental Fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various Governmental Funds according to the purposes for which they will be paid. The difference between Governmental Fund assets and liabilities is reported as fund balance. The Authority has no Governmental Funds.

**Proprietary Funds**

Proprietary Fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The following is the Authority's Proprietary Fund:

**Operating Fund:**

The Operating Fund is an Enterprise Fund that accounts for the financial transactions related to the Authority's administrative expenses including the accounting for debt service. This fund is the Authority's only Enterprise Fund and it is reported as a major fund.

**Fiduciary Funds**

Trust and Agency Funds are used to account for assets held by the Authority in a trustee capacity or as an agent for individuals. Fiduciary Funds are custodial in nature and do not involve measurement of results of operations. The Authority has no Fiduciary Funds.

**D. Measurement Focus**

**Government-wide Financial Statements**

The government-wide financial statements are prepared using a flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(continued)**

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regardless of the timing of the related cash flows. All assets and all liabilities associated with the operation of the Authority are included on the statement of net assets.

**Fund Financial Statements**

All Governmental Funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental Fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for Governmental Funds.

**E. Basis of Accounting**

The basis of accounting that is used determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental Funds use the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues—Exchange and Nonexchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough, thereafter, to be used to pay liabilities of the current fiscal year. For the Authority, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the Authority receives value without directly giving equal in return, include grants, entitlements, and donations. On the accrual basis, revenue from sewer billing is recognized in the fiscal year which the fees are billed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Authority must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(continued)**

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Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: grants and interest.

**Deferred Revenues**

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**F. Cash and Cash Equivalents and Investments**

Investments with an original maturity of three months or less are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

**G. Capital Assets**

General capital assets are those assets that generally result from expenditures in the Governmental Funds. These assets are reported in the governmental activities column on the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market value on the date donated. The Authority maintains a capitalization threshold of \$1,500.

All capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Sewer lines	30-50 years
Equipment	10 years
Pump stations	40 years

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(continued)**

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**H. Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the Enterprise Fund are reported on the business-type financial statements. In general, Governmental Fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from Governmental Funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year.

**I. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets represent the costs of fixed assets net of related debt and net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**J. Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**K. Compensated Absences**

It is the Authority's policy to permit employees to accumulate sick days, as well as earned, but unused, vacation days. Upon termination, employees will be paid only for unused vacation days at their current pay rate. As of December 31, 2009, the Authority has accrued \$88,661 for compensated absences.

**2. Cash and Investments**

**Deposits**

**Custodial credit risk**—Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. At year end, the total carrying amount of the Authority's checking, savings, and money market deposits was \$576,633 and the corresponding bank balance was \$576,633. Of the bank balance, \$117,658 was covered by federal depository insurance, and \$458,975 was collateralized through pools of securities held by the respective depository institutions. There is no custodial credit risk.

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(continued)**

**Investments**

Statutes authorize the Authority to invest in U.S. Treasury bills, U.S. Government Agency bonds, time or share accounts or institutions insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation, or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, State Treasurer's Investment pools, or mutual funds.

The Authority has as of December 31, 2009, \$284,717 invested in certificates of deposit.

**Interest Rate Risk**—The Authority has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**—The Authority has no investment policy that would limit its investment choices to certain credit ratings. As of December 31, 2009, the Authority has no investments with a rating.

**Concentration of Credit Risk**—The Authority places no limit on the amount the Authority may invest in any one issuer. Of the Authority investments are 100% in certificates of deposit.

**3. Fixed Assets**

Fixed asset activity for the year ended December 31, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital assets:</b>				
Sewer lines	\$ 12,034,974	\$ 42,400	\$ 0	\$ 12,077,374
Equipment	55,422			55,422
Pump station	100,000			100,000
Construction in progress	86,113	136,297		222,410
Total capital assets	12,276,509	178,697	0	12,455,206
<b>Accumulated depreciation for:</b>				
Sewer lines	9,304,891	110,164	0	9,415,055
Equipment	12,484	5,541		18,025
Pump station	7,500	2,500		10,000
Total accumulated depreciation	9,324,875	118,205	0	9,443,080
Net capital assets	\$ 2,951,634	\$ 60,492	\$ 0	\$ 3,012,126



**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(continued)**

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**4. Employee Pension Plans**

The Authority's full time employees participate in the Caln Township non-uniformed defined benefit pension plan. All employees are eligible to participate in the plan after six months of employment. The plan is authorized under Act 205 of 1984 *The Municipal Pension Plan Funding Standard and Recovery Act* and local ordinances. Retirement benefits are as follows:

Retirement at age 60 with monthly benefits of years of service times the final salary times 2%, limited to 50% of final salary (average of final 5 years salary). There are early retirement provisions with reduced benefits. There are limited death benefits. The plan vests after 12 years of service.

The Authority contributed nothing to the plan for 2009. Detailed plan information and funding progress is presented in the Caln Township financial statements.

**5. Management Fee – Caln Township**

The Authority has a management agreement with Caln Township. Under this agreement the Township will provide management services for the Authority. The agreement expires December 31, 2030. For the year ended December 31, 2009, the Authority paid the Township \$117,659 for management services and \$25,000 for rental of facilities.

**6. Subsequent Events**

The Authority has evaluated all events subsequent to the financial statement date of December 31, 2009, through November 16, 2010, which is the date these financial statements were available to be issued, and has determined that there are no subsequent events to be noted.

**SUPPLEMENTAL INFORMATION**

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Balance Sheet by Fund**  
**December 31, 2009**

	<u>Sewer Operating</u>	<u>Sewer Capital Equipment</u>	<u>Tapping Fees</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 173,949	\$ 109	\$ 117,658
Investments		284,917	
Due from other funds	2,500		
Accounts receivable	<u>459,165</u>	<u>128</u>	
Total current assets	<u>635,614</u>	<u>285,154</u>	<u>117,658</u>
<b>Noncurrent assets</b>			
Machinery & equipment (net)		<u>3,012,126</u>	
Total noncurrent assets	<u>0</u>	<u>3,012,126</u>	<u>0</u>
Total assets	<u>\$ 635,614</u>	<u>\$ 3,297,280</u>	<u>\$ 117,658</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 46,336	\$ 0	\$ 0
Due to other funds	0		18,706
Current portion of compensated absences	<u>23,264</u>		
Total current liabilities	<u>69,600</u>	<u>0</u>	<u>18,706</u>
<b>Noncurrent liabilities</b>			
Long-term portion of compensated absences	<u>65,397</u>		
Total noncurrent liabilities	<u>65,397</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>134,997</u>	<u>0</u>	<u>18,706</u>
<b>NET ASSETS</b>			
Invested in fixed assets	0	3,012,126	0
Restricted for capital projects		285,154	98,952
Unrestricted	<u>500,617</u>		
Total net assets	<u>500,617</u>	<u>3,297,280</u>	<u>98,952</u>
Total liabilities and net assets	<u>\$ 635,614</u>	<u>\$ 3,297,280</u>	<u>\$ 117,658</u>

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

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Income Statement by Fund**  
**For the Year Ended December 31, 2009**

	<u>Sewer Operating</u>	<u>Sewer Capital Equipment</u>	<u>Tapping Fees</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,963,126	\$ 0	\$ 0
Tapping Fees and contributions			6,534
Developer contributions		0	
Total operating revenues	<u>1,963,126</u>	<u>0</u>	<u>6,534</u>
<b>OPERATING EXPENSES</b>			
Operating expenses	1,727,163		
Transfers out - Caln Township			
General fund	142,659		
Depreciation expense		118,205	
Total operating expenses	<u>1,869,822</u>	<u>118,205</u>	<u>0</u>
Operating income/(loss)	<u>93,304</u>	<u>(118,205)</u>	<u>6,534</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Earnings on investments	1,143	5,280	1,118
Transfers in (out) - sewer operating		82,510	
Transfers in (out) - sewer capital	(82,512)		(124,895)
Transfers in (out) - tapping fee fund		136,298	0
Total nonoperating revenue/ (expenses)	<u>(81,369)</u>	<u>224,088</u>	<u>(123,777)</u>
Change in net assets	11,935	105,883	(117,243)
Total net assets-January 1, 2009	<u>488,682</u>	<u>3,191,397</u>	<u>216,195</u>
Total net assets- December 31, 2009	\$ <u>500,617</u>	\$ <u>3,297,280</u>	\$ <u>98,952</u>

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

**CALN TOWNSHIP MUNICIPAL AUTHORITY  
 CONCISE FINANCIAL STATEMENTS  
 STATEMENT OF NET ASSETS  
 DECEMBER 31, 2009**

**ASSETS**

Cash and cash equivalents	\$	291,716
Investments		284,917
Accounts receivable		459,293
Other assets		2,500
Fixed assets		<u>3,012,126</u>
Total	\$	<u><u>4,050,552</u></u>

**LIABILITIES AND FUND BALANCE**

Accounts payable	\$	46,336
Current portion of long-term debt		23,264
Intergovernmental payables		18,706
Long-term debt		65,397
Invested in fixed assets		3,012,126
Restricted for Capital Projects		384,106
Unrestricted		<u>500,617</u>
Total	\$	<u><u>4,050,552</u></u>

**STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2009**

Revenue		
Charges for services	\$	1,969,660
Transfer in from Caln Township		11,401
Earnings on investments		<u>7,541</u>
Total revenues		<u>1,988,602</u>
Expenditures		
Operating		<u>1,988,027</u>
Total expenditures		<u>1,988,027</u>
Excess of revenues over expenditures		575
Net assets - beginning of year		<u>3,896,274</u>
Net assets - end of year	\$	<u><u>3,896,849</u></u>

Published in accordance with Pennsylvania Municipal Authorities Act of 1945. Copies of the audit report are available at the executive director's office at 253 Municipal Drive, Thorndale, PA 19372.

Scott Gill  
 Director of Wastewater Operations  
 Caln Township Municipal Authority



**CALN TOWNSHIP MUNICIPAL AUTHORITY  
 CONCISE FINANCIAL STATEMENTS  
 STATEMENT OF NET ASSETS  
 DECEMBER 31, 2009**

**ASSETS**

Cash and cash equivalents	\$	291,716
Investments		284,917
Accounts receivable		459,293
Other assets		2,500
Fixed assets		<u>3,012,126</u>
Total	\$	<u><u>4,050,552</u></u>

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Restricted for Capital Projects		384,106
Unrestricted		<u>500,617</u>
Total	\$	<u><u>4,050,552</u></u>

**STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2009**

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Scott Gill  
 Director of Wastewater Operations  
 Caln Township Municipal Authority





Adjustments to budget

Fuel (20%)	12,480
Prisoner Processing	500
Salaries & Benefits (Baker & Bugar)	(15,810)
Commissioner's office supplies	500
Benefits (Groff)	(2,000)
Libraries	10,000
Fire (per diem)	6,400
OPEB Valuation (consultant)	4,000
Total	16,070



**CALN TOWNSHIP  
FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**DRAFT**

**CALN TOWNSHIP**

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# **Maulo & Company, Ltd.**

*Certified Public Accountants*

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West Chester, PA 19382-3224

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fax: 610.692.7260  
e-mail: mcl@maulo.com

## **Independent Auditor's Report**

To the Board of Commissioners  
Cain Township, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, budgetary comparison information, and the aggregate remaining fund information of Cain Township, Chester County, Pennsylvania (the Township), as of and for the year ended December 31, 2009, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, budgetary comparison information, and the aggregate remaining fund information of Cain Township, Chester County, Pennsylvania, as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages MD&A 1 through MD&A 11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

# **DRAFT**

West Chester, Pennsylvania  
December 8, 2010

**CALN TOWNSHIP  
Management's Discussion and Analysis  
December 31, 2009**

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This discussion and analysis of Caln Township's financial performance provides an overview of the Township's financial activities for the fiscal year ended December 31, 2009. The intent of this discussion and analysis is to look at the Township's financial performance as a whole. Readers should also review the transmittal letter, notes to the financial statements, and financial statements.

Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

**FINANCIAL HIGHLIGHTS**

Revenue for the General Fund totaled \$6,013,512, compared to the \$5,856,961 received in 2008. Revenue also exceeded the budget by \$240,178.

Expenditures for the General Fund totaled \$5,818,991, compared to the \$6,179,551 in 2008. Expenditures were also less than the budget for 2009 by \$263,198.

As of the end of 2009, the Township's General Fund reported an ending fund balance of \$1,154,105, an increase of \$194,521 as compared to 2008.

In 2009, the Township's Net Assets decreased by \$606,975 due primarily to depreciation expense and the transfer of approximately \$140,000 in fixed assets to Caln Township Municipal Authority.

**OVERVIEW OF FINANCIAL STATEMENTS**

The accompanying financial statements have been prepared in accordance with GASB Statement No. 34 and present both government-wide and fund level financial statements using both the accrual and modified accrual basis of accounting, respectively.

**Government-Wide Financial Statements**

The first two statements are government-wide financial statements – the Statement of Net Assets and the Statement of Activities. These provide both long-term and short-term information about the Township's overall financial status.

The government-wide statements report information about the Township as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid.

The two government-wide statements report the Township's net assets and how they have changed. Net assets, the difference between the Township's assets and liabilities, are one way to measure the Township's financial health or position.

Over time, increases or decreases in the Township's net assets are an indication of whether its financial health is improving or deteriorating, respectively.

**CALN TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2009**  
**(Continued)**

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To assess the overall health of the Township, you need to also consider additional non-financial factors, such as changes in the Township's property tax base and the adequacy of Township services.

The government-wide financial statements of the Township are divided into three categories:

- **Governmental Activities** – All of the Township's basic services are included here, such as public safety, public works, and administration. Property taxes, state grants, and charges for services finance most of these activities.
- **Business-type Activities** – The Township runs a golf course and charges fees to players to cover the costs of operations.
- **Component Unit** – The Township has a related Municipal Authority that operates a sewer system and charges fees to customers for operational expenses and tapping fees from new construction for capital related costs.

**Fund Level Financial Statements**

The remaining statements are fund financial statements that focus on individual parts of the Township's operations in more detail than the government-wide statements. The governmental funds statements tell how the Township's general services were financed in the short-term, as well as what remains for future spending. Fiduciary fund statements provide information about financial relationships where the Township acts solely as a trustee or agent for the benefit of others.

- **Governmental Funds** – Most of the Township's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.
- **Proprietary Funds** – These funds are used to account for Township activities that are similar to business operations in the private sector, or where the reporting is on determining net income, financial position, changes in financial position, and a significant portion of funding through user charges. When the Township charges customers for services it provides – whether to outside customers or to other units in the Township – these services are generally reported in proprietary funds. The Golf Course is the Township's proprietary fund and is the same as the business-type activities we report in the government-wide statements.
- **Fiduciary Funds** – The Township is the trustee, or fiduciary, for the pension plans and escrow funds. All of the Township's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. We exclude these activities from the Township's other financial statements because the Township cannot use these assets to finance its operations.

**CALN TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2009**  
**(Continued)**

**Ingleside Golf Club**

On March 15, 2007, Caln Township purchased the Ingleside Golf Club on North Bailey Road. Ingleside Golf Club is 116 acres in size and contains 18 holes, a driving range, and a pro shop, as well as, a number of maintenance buildings. For 2009, operating revenue of \$664,816 exceeded operating expenses of \$593,952 by \$70,864. However, when interest expense and depreciation is factored in, the Golf Club realized a decrease in net assets by \$5,072. It is expected that, as the Township gains more experience in operating a golf course and it analyzes and adjusts its fee schedule, the Ingleside Golf Club will become self-sufficient.

**FINANCIAL ANALYSIS OF THE TOWNSHIP - GOVERNMENT-WIDE STATEMENTS**

The Township's total assets decreased from \$18,640,723 in 2008 to \$17,858,446 in 2009. The reason for this decrease was due primarily to depreciation expense and the transfer of approximately \$140,000 in fixed assets to Caln Township Municipal Authority.

**Schedule of Net Assets**  
**December 31, 2008 and 2009**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
<b>ASSETS</b>						
Current assets	\$ 3,684,191	\$ 3,687,379	\$ 31,257	\$ 43,412	\$ 3,715,448	\$ 3,730,791
Capital assets, net	<u>12,585,991</u>	<u>11,846,953</u>	<u>2,339,284</u>	<u>2,280,702</u>	<u>14,925,275</u>	<u>14,127,655</u>
Total assets	<u>16,270,182</u>	<u>15,534,332</u>	<u>2,370,541</u>	<u>2,324,114</u>	<u>18,640,723</u>	<u>17,858,446</u>
<b>LIABILITIES</b>						
Current liabilities	599,715	374,370	86,589	130,529	686,304	504,899
Noncurrent liabilities	<u>4,454,082</u>	<u>4,545,478</u>	<u>2,394,109</u>	<u>2,308,816</u>	<u>6,848,191</u>	<u>6,854,294</u>
Total liabilities	<u>5,053,797</u>	<u>4,919,848</u>	<u>2,480,698</u>	<u>2,439,345</u>	<u>7,534,495</u>	<u>7,359,193</u>
<b>NET ASSETS</b>						
Invested in capital assets net of related debt	8,681,427	7,909,874	(96,309)	(105,660)	8,585,118	7,804,214
Restricted	1,566,899	1,749,704			1,566,899	1,749,704
Unrestricted	<u>968,059</u>	<u>954,906</u>	<u>(13,848)</u>	<u>(9,571)</u>	<u>954,211</u>	<u>945,335</u>
Total net assets	<u>\$ 11,216,385</u>	<u>\$ 10,614,484</u>	<u>\$ (110,157)</u>	<u>\$ (115,231)</u>	<u>\$ 11,106,228</u>	<u>\$ 10,499,253</u>



**CALN TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2009**  
**(Continued)**

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**GOVERNMENTAL FUNDS**

Most of the Township's activities are reported in Governmental Funds. Governmental Funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental Funds include the General Fund, Liquid Fuels Fund, Street Light Fund, Solid Waste Fund, Sewer Reserve Fund, Capital Reserve Fund, Open Space Fund, Equipment Reserve Fund, Capital Bond Fund, Capital Building Fund, Sewer Capital Fund, and Internal Service Fund. By far, the most prominent fund is the General Fund.

**STATEMENT OF ACTIVITIES OF GOVERNMENTAL ACTIVITIES**

The results of this year's operations for all funds as a whole are reported in the Statement of Activities. All expenses are reported in the first column. Specific charges, grants, revenues, and subsidies that directly relate to specific expense categories are represented to determine the final amount of the Township's activities that are supported by other Township general revenues. The largest revenues are property taxes, earned income taxes, and the real estate transfer tax. The Township also collects a trash fee which was \$180 per year per household. The fee pays for about one half the total cost of the trash/recycling program and is reflected in the Sanitation Fund, not the General Fund. Other activity charges include building permit and subdivision application fees, as well as, police citations, grants, and monies collected under the Street Light Fund and Golf Fund. The following table presents condensed financial information for the Statement of Activities in a different format so that you can see our total revenues for the year.

**CALN TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2009**  
**(Continued)**

**Changes in Net Assets**  
**For the Years Ended December 31, 2008 and 2009**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>
<b>REVENUES</b>						
Program services:						
Charges for services	\$ 1,172,806	\$ 1,363,691	\$ 720,042	\$ 686,063	\$ 1,892,848	\$ 2,049,754
Operating grants and contributions	517,564	507,440			517,564	507,440
Capital grants and contributions	2,054,843	251,001			2,054,843	251,001
General revenues:						
Property taxes	2,277,769	1,981,243			2,277,769	1,981,243
Other taxes	2,270,899	2,133,812			2,270,899	2,133,812
Grants, subsidies, and contributions not restricted	7,511	7,796			7,511	7,796
Other revenue	<u>676,601</u>	<u>1,101,545</u>			<u>676,601</u>	<u>1,101,545</u>
Total revenue	<u>8,977,993</u>	<u>7,346,528</u>	<u>720,042</u>	<u>686,063</u>	<u>9,698,035</u>	<u>8,032,591</u>
<b>EXPENSES</b>						
General Government	42,139	20,941	0	0	42,139	20,941
Operating expenses	1,106,712	992,920			1,106,712	992,920
Public safety	2,462,942	2,545,096			2,462,942	2,545,096
Codes	383,181	314,323			383,181	314,323
Public works - sanitation	1,361,866	1,104,567			1,361,866	1,104,567
Public works - highways	1,313,003	979,925			1,313,003	979,925
Culture and recreation	485,805	370,292			485,805	370,292
Interest on long-term debt	155,594	90,918			155,594	90,918
Miscellaneous expenses	437,433	692,409			437,433	692,409
Unallocated depreciation	699,257	714,245			699,257	714,245
Golf course			823,751	691,135	823,751	691,135
Total expenses	<u>8,447,932</u>	<u>7,825,636</u>	<u>823,751</u>	<u>691,135</u>	<u>9,271,683</u>	<u>8,516,771</u>
Change in net assets	\$ <u>530,061</u>	\$ <u>(479,108)</u>	\$ <u>(103,709)</u>	\$ <u>(5,072)</u>	\$ <u>426,352</u>	\$ <u>(484,180)</u>

**CALN TOWNSHIP  
Management's Discussion and Analysis  
December 31, 2009  
(Continued)**

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**General Fund**

The General Fund is the principal operating fund of the Township. While the world was going through a down economy, overall revenue was increased by over 2% (\$156,551) from 2008. Revenue from Licenses and Permits increased due to increased activity and an increase in fees. Miscellaneous Income was also significantly higher than in 2008, primarily due to a prior year refund and the reclassification of ticket sales from a negative expense in 2008 to revenue in 2009. Tax revenue decreased by 3%. The primary reason for the decrease was the "down" economy and housing market which caused a decrease in both the Earned Income Tax and Real Estate Transfer Tax revenue. As interest rates continued to decline world-wide, so did Caln Township's interest income. Interest income decreased 2% from 2008 to 2009.

Expenditures and transfers were \$360,560 less than in 2008. Most expenditure categories showed a decrease from 2008 to 2009. The largest decrease was for "Other Financing Uses" which includes transfers to other funds. In 2008, \$435,000 was transferred to the Sanitation Fund to help support its operations. In 2009, only \$200,000 was transferred and needed to support sanitation operations.

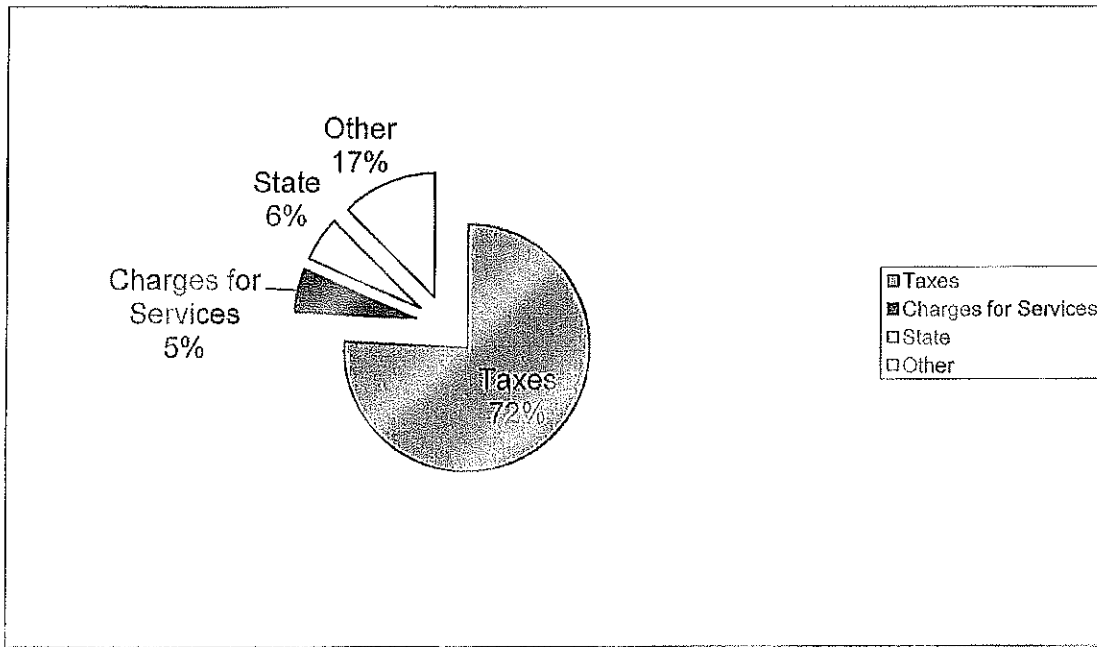
The overall effect on Fund Balance was positive, an increase of \$194,521, leaving a balance of \$1,154,105 going forward into 2010.

**CALN TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2009**  
**(Continued)**

**GENERAL FUND 2008—2009**

	<u>2008</u>	<u>2009</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes	\$ 4,478,638	\$ 4,344,171	\$ (134,467)
Licenses and permits	278,420	377,466	99,046
Fines and forfeits	124,592	122,231	(2,361)
Interest earned	50,088	10,199	(39,889)
Intergovernmental revenues	348,929	336,511	(12,418)
Charges for services	337,635	322,839	(14,796)
Transfer from Caln Municipal Authority	130,483	142,659	12,176
Miscellaneous revenues	108,176	357,436	249,260
Total revenues	<u>5,856,961</u>	<u>6,013,512</u>	<u>156,551</u>
<b>EXPENDITURES</b>			
General government	22,339	20,941	(1,398)
Operating expenses	1,025,301	952,827	(72,474)
Public safety	2,462,942	2,506,020	43,078
Codes	383,180	305,838	(77,342)
Public works - highways	640,996	620,127	(20,869)
Culture and recreation	372,116	357,965	(14,151)
Miscellaneous expenditures	569,532	563,232	(6,300)
Debt service (principal & interest)	161,145	195,580	34,435
Other financing uses	542,000	296,461	(245,539)
Total expenditures	<u>6,179,551</u>	<u>5,818,991</u>	<u>\$ (360,560)</u>
Net change in fund balance	(322,590)	194,521	
Fund balance—beginning	<u>1,282,174</u>	<u>959,584</u>	
Fund balance—ending	<u>\$ 959,584</u>	<u>\$ 1,154,105</u>	

**CALN TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2009**  
**(Continued)**



The graph above shows the General Fund revenues broken down into four major revenue sources: Taxes cover 72% of the General Fund revenues and are from the Real Estate Tax, Earned Income Tax, and the Realty Transfer Tax; approximately 5% of the funds are generated by charges for services including building permits, fees, and other charges; 6% of the funds came from the Commonwealth of Pennsylvania; and the remaining 17% came from other sources including licenses and permits, fines and forfeits, interest earnings, transfer from the Authority, and miscellaneous sources. 2009 saw no increase in the tax millage rate.

**GENERAL FUND REVENUES**

The 2009 revenue from taxes were \$25,129 less than budget and \$134,467 less than 2008. Real Estate Transfer Tax revenue decreased \$105,903 from 2007. Interest income dropped considerably as interest rates plummeted and the Township had less money to invest due to a drawdown of fund balance. Charges for services were up but Building permits and other housing and contractor revenue categories were comparable to the results achieved in 2008.

The following table summarizes the past seven years of earned income tax revenues. This revenue category has increased steadily over the past six years.

**Earned Income Tax Revenues**  
**2003 - 2009**

2003	\$ 1,293,356
2004	\$ 1,472,126
2005	\$ 1,529,744
2006	\$ 1,661,766
2007	\$ 1,893,616
2008	\$ 1,925,837
2009	\$ 1,813,939

**CALN TOWNSHIP  
Management's Discussion and Analysis  
December 31, 2009  
(Continued)**

**GENERAL FUND BUDGETED EXPENDITURES**

Expenditures and transfers were less than the budget by \$265,298 or 4%. General Government, Public Safety, and Codes were the only departments to be under budget for the year.

**2009 Summary of Governmental Funds**

	<u>General Fund</u>	<u>Sewer Reserve</u>	<u>Solid Waste</u>	<u>Other Governmental Funds</u>
<b>ASSETS</b>				
Cash & cash equivalents	\$ 956,327	\$ 518,064	\$ 58,209	\$ 1,049,670
Taxes receivable (Net)	393,233			
Other receivables	72,086		207,726	27,661
Due from other funds				18,706
Due from other governments				31,143
Total assets	<u>\$ 1,421,646</u>	<u>\$ 518,064</u>	<u>\$ 265,935</u>	<u>\$ 1,127,180</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	37,697		23,238	25,115
Due to other funds	44,687			2,500
Accrued salaries and benefits	107,815			
Deferred revenues	<u>77,342</u>		<u>75,197</u>	<u>35,425</u>
Total liabilities	<u>267,541</u>	<u>0</u>	<u>98,435</u>	<u>63,040</u>
<b>FUND BALANCES</b>				
Restricted for				
Internal Service Fund				749,871
Special Revenue Fund				184,932
Capital Projects Fund		518,064	167,500	129,337
Unrestricted	<u>1,154,105</u>			
Total fund balance	<u>1,154,105</u>	<u>518,064</u>	<u>167,500</u>	<u>1,064,140</u>
Total liabilities and fund balances	<u>\$ 1,421,646</u>	<u>\$ 518,064</u>	<u>\$ 265,935</u>	<u>\$ 1,127,180</u>

In the previous table, other Governmental Funds include the Sanitation Fund, Highway Fund, Open Space Fund, Equipment Replacement Fund, Capital Building Fund, Sewer Capital Fund, Internal Service Fund, and Street Light Fund. The Solid Waste Fund was primarily funded in 2009 by a \$180 trash fee and a transfer of \$200,000 from the General Fund.

**CALN TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2009**  
**(Continued)**

**CAPITAL ASSETS**

At December 31, 2009, the Township had \$14,127,655 invested in a broad range of capital assets, including land, buildings, furniture, and equipment. This amount represents a net decrease (including additions, disposals, and depreciation) of 6% from last year. The following schedule depicts the capital assets for the period ending December 31, 2009.

<b>GOVERNMENTAL ACTIVITIES</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets:				
Land	\$ 3,203,853	\$	\$	\$ 3,203,853
Buildings & improvements	2,178,191			2,178,191
Infrastructure	15,394,326			15,394,326
Vehicles	2,830,419	114,766		2,945,185
Machinery & equipment	545,100			545,100
Construction-in-process	139,559		139,559	0
Bond issue costs	209,574			209,574
Total capital assets	<u>24,501,022</u>	<u>114,766</u>	<u>139,559</u>	<u>24,476,229</u>
Accumulated depreciation for:				
Buildings & improvements	857,843	68,705		926,548
Infrastructure	8,983,660	413,668		9,397,328
Vehicles	1,705,633	187,703		1,893,336
Machinery & equipment	351,129	35,786		386,915
Total accumulated depreciation	<u>11,898,265</u>	<u>705,862</u>	<u>0</u>	<u>12,604,125</u>
Accumulated amortization for:				
Bond issue costs	<u>16,766</u>	<u>8,383</u>		<u>25,149</u>
Net capital assets for Governmental activities	\$ <u>12,585,991</u>	\$ <u>(599,479)</u>	\$ <u>139,559</u>	\$ <u>11,846,953</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets:				
Land	\$ 1,000,000	\$	\$	\$ 1,000,000
Buildings & Improvements	1,330,230	21,056		1,351,286
Machinery & equipment	157,050			157,050
Total capital assets	<u>2,487,280</u>	<u>21,056</u>	<u>0</u>	<u>2,508,336</u>
Accumulated depreciation for:				
Buildings & improvements	75,356	38,730		114,086
Machinery & equipment	72,640	40,908		113,548
Total accumulated depreciation	<u>147,996</u>	<u>79,638</u>	<u>0</u>	<u>227,634</u>
Net capital assets for Business-type activities	\$ <u>2,339,284</u>	\$ <u>(58,582)</u>	\$ <u>0</u>	\$ <u>2,280,702</u>

**CALN TOWNSHIP**  
**Management's Discussion and Analysis**  
**December 31, 2009**  
**(Continued)**

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**DEBT ADMINISTRATION**

As of December 31, 2009, the Township's governmental and business-type operations had total outstanding bond principal of \$6,235,000. The 2007 Bond Issue included \$2,110,000 of refinancing debt and \$4,200,000 of new debt to purchase Ingleside Golf Course and to undertake capital projects in 2007-2009. The total debt amount represents 31% of our debt limit as determined by the formula included in the Local Government Unit Act. The total debt limit for the Township at December 31, 2009, is \$19,842,271. Other obligations include notes payable, capital lease obligation, accrued vacation pay, and severance for specific employees of the Township. More detailed information about our long-term liabilities is included in the Notes to the Financial Statements.

**THE TOWNSHIP'S FUTURE**

During 2008 and 2009, there was a downturn in new construction and there is a concern that 2010 may have significantly slowing revenues. Future budgets should consider this in the projected revenues. The following are a number of important issues for future budgeting:

- Slowing economic trends and softening revenue streams
- Consistency of revenue streams for all funds
- Charges for services such as trash, street lighting, and sewer that better reflect the actual costs of the service
- Multi-year budgeting and/or projections
- Capital Project and equipment funding and an acceptable debt service strategy
- Further development of funding sources other than the local real estate taxes

**FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens and taxpayers with a general overview of the Township's finances and to show the Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact the Township Manager.



**CALN TOWNSHIP**  
**Statement of Net Assets**  
**December 31, 2009**

<b>ASSETS</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Unit</b>
<b>Current assets</b>				
Cash and cash equivalents	\$ 2,582,270	\$ 32,766	\$ 2,615,036	\$ 291,716
Investments	(28,481)		(28,481)	284,917
Taxes receivable, net	653,841		653,841	459,293
Other receivables	479,749	1,355	481,104	2,500
Inventories		9,291	9,291	
<b>Total current assets</b>	<b>3,687,379</b>	<b>43,412</b>	<b>3,730,791</b>	<b>1,038,426</b>
<b>Noncurrent assets</b>				
Land	3,203,853	1,000,000	4,203,853	
Building & building improvements	1,251,643	1,123,652	2,375,295	90,000
Furniture & equipment	1,210,034	157,050	1,367,084	37,397
Infrastructure assets	5,996,998		5,996,998	2,662,319
Construction in progress	0		0	222,410
Bond issuance costs	184,425		184,425	
<b>Total noncurrent assets</b>	<b>11,846,953</b>	<b>2,280,702</b>	<b>14,127,655</b>	<b>3,012,126</b>
<b>Total assets</b>	<b>\$ 15,534,332</b>	<b>\$ 2,324,114</b>	<b>\$ 17,858,446</b>	<b>\$ 4,050,552</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 86,050	\$ 10,572	\$ 96,622	\$ 65,042
Current portion of long-term debt	143,033	90,479	233,512	23,264
Interest payable	37,472	24,118	61,590	
Accrued salaries and benefits	107,815	5,360	113,175	
<b>Total current liabilities</b>	<b>374,370</b>	<b>130,529</b>	<b>504,899</b>	<b>88,306</b>
<b>Noncurrent liabilities</b>				
Bonds payable	3,761,531	2,298,469	6,060,000	
Notes and capital leases payable	32,515		32,515	
Long-term portion of compensated absences	751,432	10,347	761,779	65,397
<b>Total noncurrent liabilities</b>	<b>4,545,478</b>	<b>2,308,816</b>	<b>6,854,294</b>	<b>65,397</b>
<b>Total liabilities</b>	<b>4,919,848</b>	<b>2,439,345</b>	<b>7,359,193</b>	<b>153,703</b>
<b>NET ASSETS</b>				
Invested in capital assets net of related debt	7,909,874	(105,660)	7,804,214	3,012,126
Restricted for:				
Capital projects	1,267,935		1,267,935	384,106
Self-insurance	184,932		184,932	
Special revenue	296,837		296,837	
Unrestricted (deficit)	954,906	(9,571)	945,335	500,617
<b>Total net assets</b>	<b>10,614,484</b>	<b>(115,231)</b>	<b>10,499,253</b>	<b>3,896,849</b>
<b>Total liabilities and net assets</b>	<b>\$ 15,534,332</b>	<b>\$ 2,324,114</b>	<b>\$ 17,858,446</b>	<b>\$ 4,050,552</b>

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

**CALM TOWNSHIP**  
**Statement of Activities**  
**For the Year Ended December 31, 2009**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets			Component Unit
		Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>GOVERNMENTAL ACTIVITIES</b>								
General government	\$ 20,941	\$ 0	\$ 0	\$ 0	(20,941)	\$ 0	(20,941)	\$ 0
Operating expenses	976,154		240,857		(560,475)		(560,475)	
Public safety	2,545,096		87,858		(2,335,007)		(2,335,007)	
Codes	314,323				(62,622)		(62,622)	
Public works - sanitation/sewer	1,104,567		173,480	0	(116,150)		(116,150)	(1,988,027)
Public works - highways	370,292			251,001	(728,924)		(728,924)	
Culture and recreation	979,925				(326,072)		(326,072)	
Interest on long-term debt	370,292		5,245		(90,918)		(90,918)	
Miscellaneous expenses	90,918				(831,968)		(831,968)	
Unallocated depreciation and amortization expense	831,968				(714,245)		(714,245)	
Total governmental activities	7,948,429	0	1,402,666	251,001	(5,787,322)		(5,787,322)	(1,988,027)
<b>BUSINESS-TYPE ACTIVITIES</b>								
Golf course	691,135		685,872			(5,263)	(5,263)	
Total primary government	\$ 8,639,564	\$ 0	\$ 2,088,538	\$ 251,001	(5,787,322)	(5,263)	(5,792,585)	(1,988,027)
<b>General revenues</b>								
Taxes								
Property taxes, net, levied for general purposes					1,981,243		1,981,243	
Taxes levied for specific purposes					2,133,812		2,133,812	
Grants, subsidies & contributions not restricted					7,796		7,796	
Licenses, permits, and fees					377,466		377,466	1,969,660
Investment earnings					19,169	191	19,360	7,541
Miscellaneous income					665,935		665,935	11,401
Total general revenues, special items, extraordinary items, and transfers					5,185,421	191	5,185,612	1,988,602
Change in net assets					(601,901)	(5,072)	(606,973)	575
Net assets—beginning					11,216,385	(110,159)	11,106,226	2,896,274
Net assets—ending					\$ 10,614,484	\$ (115,231)	\$ 10,499,253	\$ 2,896,849

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

**CALN TOWNSHIP**  
**Balance Sheet--Governmental Funds**  
**December 31, 2009**

	General Fund	Sewer Reserve	Solid Waste	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash & cash equivalents	\$ 956,327	\$ 518,064	\$ 58,209	\$ 1,049,670	\$ 2,582,270
Taxes receivable (net)	393,233				393,233
Accounts receivable	72,086		207,726	27,661	307,473
Due from other funds				18,706	18,706
Receivable from other governments				31,143	31,143
Total assets	\$ 1,421,646	\$ 518,064	\$ 265,935	\$ 1,127,180	\$ 3,332,825

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>					
Accounts payable	\$ 37,697	\$	\$ 23,238	\$ 25,115	\$ 86,050
Accrued salaries and benefits	107,815		0	0	107,815
Due to other funds	44,687		0	2,500	47,187
Compensated absences	0			0	0
Deferred revenues	77,342		75,197	35,425	187,964
Total liabilities	267,541	0	98,435	63,040	429,016

**FUND BALANCES**

Restricted for:					
Capital Projects Fund		518,064		749,871	1,267,935
Internal Service Fund				184,932	184,932
Special Revenue Fund			167,500	129,337	296,837
Unrestricted	1,154,105				1,154,105
Total fund balance	1,154,105	518,064	167,500	1,064,140	2,903,809
Total liabilities and fund balances	\$ 1,421,646	\$ 518,064	\$ 265,935	\$ 1,127,180	\$ 3,332,825

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

**CALN TOWNSHIP**  
**Reconciliation of Total Governmental Fund**  
**Balances to Net Assets of Governmental Activities**  
**December 31, 2009**

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**Total fund balances - governmental funds** \$ 2,903,809

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

Capital Assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of assets is \$24,476,229 and the accumulated depreciation and amortization is \$12,629,274. 11,969,746

Property taxes and earned income taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. 589,705

Some of the Township's operating expenses are reported when paid on the funds statements and are reported when the liability occurs on the government-wide statements. (160,265)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Bonds payable	\$	(3,867,546)	
Notes payable		(35,716)	
		(33,817)	
Compensated absences		(751,432)	(4,688,511)

Total net assets - governmental activities \$ 10,614,484

**CALN TOWNSHIP  
Statement of Revenues, Expenditures, and Changes in Fund Balances--Governmental Funds  
For the Year Ended December 31, 2009**

	General Fund	Sewer Reserve	Solid Waste	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 4,344,171	\$ 0	\$ 0	\$ 31,115	\$ 4,375,286
Licenses and permits	377,466			0	377,466
Fines and forfeits	122,231			0	122,231
Interest earned	10,199	1,070	286	7,614	19,169
Intergovernmental revenues	336,511		27,496	424,481	788,488
Charges for services	322,839		814,937	74,337	1,212,113
Transfer from Caln Municipal Authority	142,659			0	142,659
Miscellaneous revenues	357,436			161,285	518,721
<b>Total revenues</b>	<b>6,013,512</b>	<b>1,070</b>	<b>842,719</b>	<b>698,832</b>	<b>7,556,133</b>
<b>EXPENDITURES</b>					
General government	20,941			0	20,941
Operating expenses	952,827			11,970	964,797
Public safety	2,506,020			52,463	2,558,483
Codes	305,838			3,824	309,662
Public works - sanitation			946,252	158,315	1,104,567
Public works - highways	620,127			416,627	1,036,754
Culture and recreation	357,965			8,361	366,326
Miscellaneous expenditures	563,232			5,034	568,266
Debt service (principal & interest)	195,580			0	195,580
<b>Total expenditures</b>	<b>5,522,530</b>	<b>0</b>	<b>946,252</b>	<b>656,594</b>	<b>7,125,376</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>490,982</b>	<b>1,070</b>	<b>(103,533)</b>	<b>42,238</b>	<b>430,757</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund transfers	(296,461)		200,000	22,944	(73,517)
Proceeds from long-term financing					0
<b>Total other financing sources (uses)</b>	<b>(296,461)</b>	<b>0</b>	<b>200,000</b>	<b>22,944</b>	<b>(73,517)</b>
<b>Net change in fund balances</b>	<b>194,521</b>	<b>1,070</b>	<b>96,467</b>	<b>65,182</b>	<b>357,240</b>
<b>Fund balance--January 1, 2009</b>	<b>959,584</b>	<b>516,994</b>	<b>71,033</b>	<b>998,958</b>	<b>2,546,569</b>
<b>Fund balance--December 31, 2009</b>	<b>\$ 1,154,105</b>	<b>\$ 518,064</b>	<b>\$ 167,500</b>	<b>\$ 1,064,140</b>	<b>\$ 2,903,809</b>

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

**CALN TOWNSHIP**

**Reconciliation of Statement of Revenues, Expenditures, and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2009**

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**Total net change in fund balances - governmental funds** \$ 357,240

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

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

Capital outlays	\$ 114,766	
Depreciation expense	<u>(714,245)</u>	(599,479)

Because some property and earned income taxes will not be collected for several months after the Township's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred tax revenues increased by this amount this year. (260,231)

In the statement of activities, certain operating expenses-compensated absences-are measured by the amounts earned during the year. In the governmental funds expenditures for these items are measured by the amount of financial resources used. (204,093)

In the statements of activities, certain revenue-gain on sale of assets-are measured by the amount of the gain. In the governmental funds, revenue for these items is measured by the amount received. 0

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 104,662

Change in net assets of governmental activities. \$ (601,901)

**CALN TOWNSHIP**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance--Budget and Actual--General Fund**  
**For the Year Ended December 31, 2009**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 4,369,300	\$ 4,369,300	\$ 4,344,171	\$ (25,129)
Licenses and permits	253,000	253,000	377,466	124,466
Fines and forfeits	125,000	125,000	122,231	(2,769)
Interest earned	55,000	55,000	10,199	(44,801)
Intergovernmental revenues	350,547	350,547	336,511	(14,036)
Charges for services	343,400	343,400	322,839	(20,561)
Transfer from Caln Municipal Authority	142,659	142,659	142,659	0
Miscellaneous revenues	127,775	127,775	357,436	229,661
Total revenues	<u>5,766,681</u>	<u>5,766,681</u>	<u>6,013,512</u>	<u>246,831</u>
<b>EXPENDITURES</b>				
General government	22,600	22,600	20,941	1,659
Operating expenses	1,006,921	1,006,921	952,827	54,094
Public safety	2,596,073	2,596,073	2,506,020	90,053
Codes	374,128	374,128	305,838	68,290
Public works - highways	658,358	658,358	620,127	38,231
Culture and recreation	362,244	362,244	357,965	4,279
Debt service	194,653	194,653	195,580	(927)
Miscellaneous expenditures	636,312	636,312	563,232	73,080
Total expenditures	<u>5,851,289</u>	<u>5,851,289</u>	<u>5,522,530</u>	<u>328,759</u>
Excess (deficiency) of revenues over expenditures	<u>(84,608)</u>	<u>(84,608)</u>	<u>490,982</u>	<u>(81,928)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Fund transfers	<u>(233,000)</u>	<u>(233,000)</u>	<u>(296,461)</u>	<u>(63,461)</u>
Total other financing sources (uses)	<u>(233,000)</u>	<u>(233,000)</u>	<u>(296,461)</u>	<u>(63,461)</u>
Net change in fund balances	<u>(317,608)</u>	<u>(317,608)</u>	<u>194,521</u>	<u>512,129</u>
Fund balance--January 1, 2009	<u>317,608</u>	<u>317,608</u>	<u>959,584</u>	<u>641,976</u>
Fund balance--December 31, 2009	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,154,105</u>	<u>\$ 1,154,105</u>

**CALN TOWNSHIP**  
**Statement of Net Assets--Proprietary Fund**  
**December 31, 2009**

<b>ASSETS</b>	<u>Golf Course</u>
<b>Current assets</b>	
Cash and cash equivalents	\$ 32,766
Accounts receivable	1,355
Inventories	<u>9,291</u>
Total current assets	<u>43,412</u>
<b>Noncurrent assets</b>	
Land	1,000,000
Buildings and improvements (net)	1,123,652
Machinery & equipment (net)	<u>157,050</u>
Total noncurrent assets	<u>2,280,702</u>
Total assets	<u>\$ 2,324,114</u>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable	\$ 3,227
Interest payable	24,118
Accrued salaries and benefits	5,360
Deferred revenue	7,345
Current portion of capital lease payable	18,908
Current portion of bond payable	68,985
Current portion of compensated absences	<u>2,586</u>
Total current liabilities	<u>130,529</u>
<b>Noncurrent liabilities</b>	
Capital lease payable	0
Bond payable	2,298,469
Compensated absences	<u>10,347</u>
Total noncurrent liabilities	<u>2,308,816</u>
Total liabilities	<u>2,439,345</u>
<b>NET ASSETS</b>	
Invested in capital assets net of related debt	(105,660)
Unrestricted	<u>(9,571)</u>
Total net assets	<u>(115,231)</u>
Total liabilities and net assets	<u>\$ 2,324,114</u>



**CALN TOWNSHIP**  
**Statement of Revenues, Expenses, and Changes**  
**in Net Assets--Proprietary Fund**  
**For the Year Ended December 31, 2009**

	<u>Golf Course</u>
<b>OPERATING REVENUES</b>	
Fees and charges	\$ <u>664,816</u>
Total operating revenues	<u>664,816</u>
<b>OPERATING EXPENSES</b>	
Salaries and wages	234,572
Employee benefits	43,207
Supplies	100,401
Maintenance	79,640
Utilities	16,764
Administrative and general	39,730
Depreciation	<u>79,638</u>
Total operating expenses	<u>593,952</u>
Operating income (loss)	70,864
<b>NONOPERATING REVENUES/ EXPENSES</b>	
Interest income	191
Interest expense	(97,183)
Interfund transfers	<u>21,056</u>
Total nonoperating revenue (expenses)	<u>(75,936)</u>
Change in net assets	(5,072)
Total net assets - January 1, 2009	<u>(110,159)</u>
Total net assets - December 31, 2009	\$ <u><u>(115,231)</u></u>

**CALN TOWNSHIP**  
**Statement of Cash Flows--Proprietary Fund**  
**For the Year Ended December 31, 2009**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from users	\$ 720,042
Cash payments to employees for services	(327,838)
Cash payments to suppliers for goods and services	(296,445)
	<u>95,759</u>
Net cash provided by operating activities	<u>95,759</u>

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES**

0

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Principal paid on capital lease	(11,178)
Interest paid	(97,574)
	<u>(108,752)</u>
Net cash used for capital and related financing activities	<u>(108,752)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

0

Net increase (decrease) in cash and cash flows	(12,993)
Cash and cash equivalents beginning of year	<u>34,948</u>
Cash and cash equivalents at year end	<u>\$ 21,955</u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES**

Operating Income (loss) including prior period adjustment	\$ 70,864
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	72,682
Increase in inventory	(5,139)
Increase in accounts payable	(4,109)
Increase in accrued salaries benefits	474
Increase in compensated absences	7,712
	<u>71,620</u>
Total adjustments	<u>71,620</u>
Cash provided by (used for) proprietary activities	<u>\$ 142,484</u>

**NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES**

Capital asset added through capital lease	<u>\$ 35,991</u>
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**CALN TOWNSHIP**  
**Statement of Fiduciary Net Assets**  
**December 31, 2009**

	<b>Police Pension Trust</b>	<b>Agency</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,210,768	\$ 130,071
Due from other funds		13,544
Accounts receivable	3,191	0
Investments	<u>1,161,521</u>	<u>0</u>
Total assets	<u>\$ 3,375,480</u>	<u>\$ 143,615</u>
<b>LIABILITIES</b>		
Accounts payable	<u>\$ 24,940</u>	<u>\$ 0</u>
Total liabilities	<u>24,940</u>	<u>0</u>
<b>NET ASSETS</b>		
Reserved for escrows		143,615
Net assets held in trust for pension benefits	3,350,540	
Unrestricted		
Total net assets	<u>3,350,540</u>	<u>143,615</u>
Total liabilities and net assets	<u>\$ 3,375,480</u>	<u>\$ 143,615</u>

**CALN TOWNSHIP**  
**Statement of Changes in Net Assets--Fiduciary Funds**  
**For the Year Ended December 31, 2009**

	<b>Police Pension Trust</b>
<b>ADDITIONS</b>	
Contributions	
State aid	\$ 240,857
Employer	46,294
Employee	<u>71,257</u>
Total contributions	<u>358,408</u>
Investment and other income	
Miscellaneous income	55,140
Investment income	<u>56,100</u>
Total additions	<u>469,648</u>
<b>DEDUCTIONS</b>	
Benefits paid directly to participants	203,605
Refund of member's contribution	1,188
Allocated insurance premiums	5,985
Administrative expenses	<u>11,114</u>
Total deductions	<u>221,892</u>
Net changes in fund balance	247,756
Net assets available for benefits--beginning of year	<u>3,102,784</u>
Net assets available for benefits--end of year	<u>\$ 3,350,540</u>

**CALN TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2009**

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**1. Summary of Significant Accounting Policies**

The accounting policies of Caln Township (the Township) conform to United States generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Township also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise fund provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant accounting policies:

**A. Organization**

The Township is the basic level of government which has oversight responsibility and control over all activities related to the local government in the Township of Caln. The Township receives funding from local, county, and Commonwealth government sources and must comply with the requirements of these funding source entities. However, the Township is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since the Township commissioners are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

The Township has a corresponding Municipal Authority. The Authority is a component unit because the Township appoints the governing body of the Authority. The Authority is also considered a component unit because the Authority has the potential to provide financial benefits to, or impose financial burden on the Township.

**B. Basis of Presentation**

**Government-Wide Financial Statements**

The statements of net assets and the statements of activities display information about the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Township that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities of the Township at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Township's governmental activities and for the single business-type activity of the Township. Direct expenses are those that are specifically associated with a service, program, or department and, therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Township, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Township.

**CALN TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(Continued)**

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**Fund Financial Statements**

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

**C. Fund Accounting**

The Township uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds; governmental, proprietary, and fiduciary.

**Governmental Funds**

Governmental funds are those through which most governmental functions of the Township are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The general fund and the capital projects funds are the Township's only major governmental funds:

**General Fund**

The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Fund**

Special Revenue Funds generally account for the expenditure of revenues that have been restricted to specific programs or projects.

**Capital Project Fund**

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

**Internal Service Fund**

Internal Service Funds are used to account for goods or services provided by a central service department or agency to other departments or agencies of the governmental unit, usually on a cost recovery basis.

**Proprietary Funds**

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The following is the Township's only proprietary fund:

**CALN TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(Continued)**

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**Enterprise Fund**

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Fiduciary Funds**

Trust and Agency and Activity Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals. Fiduciary Funds are custodial in nature and do not involve measurement of results of operations.

**D. Measurement Focus**

**Government-Wide Financial Statements**

The government-wide financial statements are prepared using a flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred regardless of the timing of the related cash flows. All assets and all liabilities associated with the operation of the Township are included on the statement of net assets while excluding fiduciary activities such as student accounts.

**Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise fund is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of net assets. The statement of changes in revenues, expenses, and changes in net assets presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. The statement of cash flows reflects how the Township finances and meets the cash flow needs of its enterprise fund.

The private purpose trust fund is accounted for using the flow of economic resources measurement focus.

**CALN TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(Continued)**

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**E. Basis of Accounting**

The basis of accounting that is used determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues—Exchange and Nonexchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Township, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the Township receives value without directly giving equal in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year which the taxes are levied.

Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Township must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Township on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, income taxes, grants, and interest.

**Deferred Revenues**

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but will be collected after March 1, 2009, are recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period are reported as deferred revenue.



**CALN TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(Continued)**

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**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**F. Budgets**

The Township is required by state law to adopt annual budgets for the General Fund. The budget is presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Prior to November 15 of the preceding fiscal year, the Township prepares a budget for the next succeeding calendar year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board of Commissioners is then called for the purpose of adopting the proposed budget.
3. Prior to December 31, the budget is legally enacted through passage of an ordinance by the Board of Commissioners.
4. The budget must be filed with the Pennsylvania Department of Community Affairs by January 31.

Once a budget is approved, it can be amended at the Function and Fund level only by approval of a majority of the members of the Board of Commissioners. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board.

**G. Cash and Cash Equivalents and Investments**

Investments with an original maturity of three months or less at the time they are issued are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which the services are consumed.

**CALN TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(Continued)**

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**I. Interfund Receivables/Payables**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as Interfund Receivables/Payables. Interfund balances within the governmental activities and within the business-type activities are eliminated on the government-wide statement of net assets.

**J. Property Tax**

Property taxes are attached as an enforceable lien on property as of December 31. Taxes are levied on following periods:

Discount Period	March 1 to April 30 - 2% of Gross Levy
Flat Period	May 1 to June 30
Penalty Period	July 1 to Collection - 10% of Gross Levy

**K. Compensated Absences**

It is the Township's policy to permit employees to accumulate sick days, as well as earned, but unused, vacation benefits. Upon termination, employees will be paid only for unused vacation days at their current pay rate. As of December 31, 2009, the Township has accrued ~~\$764,364~~ for compensated absences.

**L. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column on the government-wide statement of net assets but are not reported on the fund financial statements. Capital assets used by the enterprise fund are reported in both the business-type activities column on the government-wide statement of net assets and in the fund statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market value on the date donated. The Township maintains a capitalization threshold of \$5,000.

All capital assets, except land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	15-40 years
Buildings and Building Improvements	15-40 years
Infrastructure	40-50 years
Furniture and Fixtures	5-20 years
Vehicles	5-15 years
Equipment	5-20 years

**CALN TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(Continued)**

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**M. Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise fund are reported on the business-type financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**N. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets represent the costs of fixed assets net of related debt and net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Township's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**O. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the Township, these revenues are from the sewer fund. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**P. Interfund Transactions**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

**Q. Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**R. Fund Balance Reserves**

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**S. Inventory**

Inventory consists of resale merchandise at the golf course. Inventory is stated at the lower of cost or market using the first-in first-out method.

**CALN TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(Continued)**

**2. Fixed Assets**

Fixed asset activity for the year ended December 31, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets:				
Land	\$ 3,203,853	\$ 0	\$ 0	\$ 3,203,853
Buildings & improvements	2,178,191			2,178,191
Infrastructure	15,394,326			15,394,326
Vehicles	2,830,419	114,766		2,945,185
Machinery & equipment	545,100			545,100
Construction-in-process	139,559		139,559	0
Bond issuance costs	209,574			209,574
Total capital assets	<u>24,501,022</u>	<u>114,766</u>	<u>139,559</u>	<u>24,476,229</u>
Accumulated depreciation for:				
Buildings & Improvements	857,843	68,705		926,548
Infrastructure	8,983,660	413,668		9,397,328
Vehicles	1,705,633	187,703		1,893,336
Machinery & equipment	351,129	35,786		386,915
Total accumulated depreciation	<u>11,898,265</u>	<u>705,862</u>	<u>0</u>	<u>12,604,127</u>
Accumulated amortization for:				
Bond Issue costs	<u>16,766</u>	<u>8,383</u>		<u>25,149</u>
Net capital assets for Governmental activities	<u>\$ 12,585,991</u>	<u>\$ (599,479)</u>	<u>\$ 139,559</u>	<u>\$ 11,846,953</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets:				
Land	\$ 1,000,000	\$ 0	\$ 0	\$ 1,000,000
Buildings & improvements	1,330,230	21,056		1,351,286
Machinery & equipment	157,050			157,050
Total capital assets	<u>2,487,280</u>	<u>21,056</u>	<u>0</u>	<u>2,508,336</u>
Accumulated depreciation for:				
Buildings & improvements	75,356	38,731		114,087
Machinery & equipment	72,640	40,908		113,548
Total accumulated depreciation	<u>147,996</u>	<u>79,638</u>	<u>0</u>	<u>227,634</u>
Net capital assets for business-type activities	<u>\$ 2,339,284</u>	<u>\$ (58,582)</u>	<u>\$ 0</u>	<u>\$ 2,280,702</u>

**CALN TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(Continued)**

**3. Interfund Receivables/Payables and Transfers**

The balances of short-term Interfund receivables and payables at December 31, 2009 are as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 0	\$ 44,687
Liquid Fuels Fund		
Light Fund		
Solid Waste Fund		
Sewer Reserve Fund		
Capital Reserve Fund	31,143	
Open Space Program		
Equipment Replacement Fund		
Capital Bond Fund		
Capital Building Fund		
Sewer Capital Fund		
Internal Service Fund		
Escrow	<u>13,544</u>	<u>0</u>
Totals	\$ <u>44,687</u>	\$ <u>44,687</u>

The Sewer Reserve Fund advanced the Capital Reserve Fund funds until grant funds were received.

Interfund transfers for the year ending December 31, 2009 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 0	\$ 244,000
Liquid Fuels Fund		
Light Fund	14,000	
Solid Waste Fund	200,000	
Sewer Reserve Fund		
Capital Reserve Fund		
Open Space Program		
Equipment Replacement Fund		
Capital Bond Fund		
Capital Building Fund		
Sewer Capital Fund		
Internal Service Fund	<u>30,000</u>	<u>0</u>
Totals	\$ <u>244,000</u>	\$ <u>244,000</u>

The transfers in and transfers out were in accordance with the transfers approved in the budget process.

**CALN TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(Continued)**

**4. Employee Pension Plans**

The Township's employee retirement plans are defined benefit plans covering substantially all full-time employees of the Township. The Township has two separate plans covering the police and the non-uniformed employees.

As of December 31, 2009, retirement plan membership consisted of:

	<u>Police</u>	<u>Non-Uniform Employees</u>
Retirees	10	9
Terminated employees entitled to, but not receiving benefits		3
Current employees: vested and non-vested	<u>19</u>	<u>36</u>
Total membership	<u>29</u>	<u>48</u>
2009 covered payroll	\$ <u>1,475,100</u>	\$ <u>2,037,072</u>

As of December 31, 2009, all police and non-uniformed employees were participating in their respective plans. All employees are eligible to participate in the plans after six months of employment. The plans are authorized and enacted under authority of Act 205 of Pennsylvania and local ordinances. Retirement benefits are as follows:

**Police**—retirement at age 52 with 25 years of service with monthly benefits of 50% of the average monthly compensation. There are death, disability, and surviving spouse benefits. Mandatory contributions are five percent of salary. The participants are eligible for vesting upon completion of 12 years of service.

**Non-Uniformed employees**—retirement at age 60 with monthly benefits of years of service times the final salary times 2% limited to 50% of final salary (average of final 5 years salary). There are early retirement provisions with reduced benefits. There are limited death benefits. The plan vests after 12 years of service.

Funding Status, Progress, and Policy are as follows:

The amount shown as "Total actuarial present value of accumulated plan benefits" is a disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure for the plans is the actuarial accrued liability produced by the Entry Age Normal Actuarial Cost Method. This method is used for plan funding and is allowed, in lieu of the standardized measure, for smaller municipalities. It is intended to help users assess the Pension Plan's funding status on a going-concern basis, to assess progress made in accumulating sufficient assets to pay benefits when due, and to make comparisons among Public Employee Retirement Systems (PERS).

**CALN TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(Continued)**

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Accumulated Plan Benefits are those future periodic payments including lump-sum distributions that are attributable under the plan's provisions to the services employees have rendered. Significant actuarial assumptions utilized in the determination of accumulated plan benefits are as follows:

**Police (January 1, 2009, valuation):**

- Interest—7.5% per year
- Salary Scale—5% increase per year
- Post-retirement Adjustments—Not applicable
- Actuarial Value of Assets—Fair market value
- Pre-retirement Mortality—No pre-retirement deaths assumed
- Post-retirement Mortality—1994 uninsured pensioner mortality table
- Retirement Age—Age 55 or earliest date which member is eligible

**Non-Uniformed employees (January 1, 2007, valuation):**

- Interest—6.0% per year
- Salary Scale—4.5% increase per year
- Disability Rates—50% of the 1964 OASIS experience for males
- Pre-retirement Mortality Rate—1983 Group Annuity Mortality Tables
- Post-retirement Mortality Rate—1983 Group Annuity Mortality Tables
- Retirement Age—Age at which full benefits are payable

The actuarial present value of accumulated plan benefits and the net assets available for benefits are shown on the next page.

The actuarial present value of accumulated plan benefits and the net assets available for benefits are as follows:

	<u>Police Pension Fund</u>	<u>Non-Uniformed Pension Fund</u>
Actuarial accrued liability	\$ 5,088,535 *	\$ 3,625,056 *
Net assets available for benefits	\$ 3,720,199 *	\$ 3,550,459 *
Unfunded actuarial accrued liability	\$ 1,368,336 *	\$ 74,597 *

\* This information is from the most recent actuarial report, dated January 1, 2009. A negative unfunded actuarial accrued liability means that the actuarial value of the assets exceeds the actuarial accrued liability by the specified amount.

Investments are shown at market value. Ten-year historical trend information is not available.

**CALN TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(Continued)**

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The Township funds the plans with the actuarially determined normal costs each year. In 2009, they were as follows:

	<u>Normal Cost</u>	<u>Contribution Made</u>
Police Plan	\$ <u>287,151</u>	\$ <u>287,151</u>
Non-uniformed employees	\$ <u>153,608</u>	\$ <u>153,608</u>

**5. Reserve Accounts**

**Reserve for Capital Expenditures**

The Township has set aside certain funds for future capital expenditures, such as sewer line construction or repairs, additions to municipal buildings, highway construction, etc. As of December 31, 2009, the Township has set aside \$1,267,935.

**Reserve for Self-Insurance**

The Township self insures its employees for unemployment compensation. The township also uses this fund to pay post-retirement health care costs for eligible retired police officers and for other insurance policies' deductibles. To fund these programs the Township periodically contributes to the reserve funds. As of December 31, 2009, the Township has set aside \$184,932.

**6. Deposits and Investments**

**Deposits**

**Custodial credit risk**—Custodial credit risk is the risk that in the event of a bank failure the Township's deposits may not be returned to it. At year end, the total carrying amount of the Township's checking, savings, and money market deposits was \$4,955,875 and the corresponding bank balance was \$5,218,401. Of the bank balance, \$250,000 was covered by Federal Depository Insurance, and the balance was collateralized under Act 72 through pools of securities held by the respective depository institutions. There is no custodial credit risk.

**Investments**

Statutes authorize the Township to invest in U.S. Treasury bills, U.S. Government Agency bonds, time or share accounts or institutions insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, State Treasurer's Investment pools, or mutual funds. At December 31, 2009, the Township had no investments.

**Interest Rate Risk**—The Township has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**—The Township has no investment policy that would limit its investment choices to certain credit ratings.



**CALN TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(Continued)**

**Concentration of Credit Risk**—The Township places no limit on the amount the Township may invest in any one issuer. The Township's investments are distributed among Certificates of Deposit.

**7. Statement of Borrowing Base**

The borrowing base of the Township is calculated as follows:

<u>Total Net Revenues (gross revenues less exclusions)</u>	
Year 2007	\$ 7,314,707
Year 2008	8,940,412
Year 2009	<u>7,556,133</u>
Total net revenues (last 3 years)	<u>23,811,252</u>
Average net revenues	7,937,084
Base percent per Act 185	<u>X 250%</u>
Total non-electoral debt allowance	\$ <u>19,842,710</u>

**8. Unemployment Compensation**

The Township has elected the reimbursement method of paying unemployment compensation benefits. This method requires the Township to reimburse the State Unemployment Compensation Fund on a dollar-for-dollar basis for all claims and other charges made to its account. Repayments are made quarterly for claims paid by the state. The Township has incurred no claims for the year-ended December 31, 2009.

**9. Notes Payable**

On July 1, 1995, the Township borrowed \$100,000 at 2% as a 15-year note for the purchase of a fire truck.

The following is a summary of principal and interest requirements:

<u>Year Ending</u> <u>December 31,</u>	<u>Total</u> <u>Requirements</u>
2010	\$ <u>3,218</u>
Total	3,218
Less interest	<u>17</u>
Outstanding principal	<u>3,201</u>
Less current portion	<u>3,201</u>
Long-term portion	\$ <u>0</u>

The Township has pledged its full faith, credit, and taxing powers as collateral for the note. Payments on the note are made by the Thorndale Volunteer Fire Company.

**CALN TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(Continued)**

**10. Bonds Payable**

	<u>Balance</u> <u>1/1/09</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/09</u>
General Obligation Bonds:				
Series 2007				
\$6,310,000 originally issued				
with interest rates from				
3.40% - 4.20%	\$ 6,310,000	\$ 0	\$ 75,000	\$ 6,235,000
Totals	\$ <u>6,310,000</u>	\$ <u>0</u>	\$ <u>75,000</u>	\$ <u>6,235,000</u>

The Township has pledged its full faith, credit, and taxing powers as collateral for the note.

The following is a summary of bond maturities and interest requirements:

<u>Year Ending</u> <u>December 31,</u>	<u>Total</u> <u>Requirements</u>
2010	\$ 419,730
2011	423,692
2012	422,310
2013	420,660
2014	423,835
2015-2019	2,105,140
2020-2024	2,100,738
2025-2029	2,104,840
2030-2032	<u>1,258,910</u>
Total	9,679,855
Less interest	<u>3,444,855</u>
Outstanding principal	<u>6,235,000</u>
Less current portion	<u>175,000</u>
Long-term portion	\$ <u>6,060,000</u>

**11. Capitalized Leases Payable**

The Township had capitalized lease obligations totaling \$55,076 at December 31, 2009, related to equipment purchases. The capitalized cost of the equipment under capital lease is \$157,415 at December 31, 2009, and is included in the property and equipment account on the balance sheet. Amortization of the capitalized cost of the equipment is charged to depreciation expense. The accumulated depreciation on the equipment at December 31, 2009, was \$28,367.

**CALN TOWNSHIP**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(Continued)**

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Future minimum payments under capitalized lease obligations are due as follows:

<u>Year Ending December 31,</u>	<u>Total Requirements</u>
2010	\$ <u>54,076</u>
Total	54,076
Less interest	<u>5,576</u>
Outstanding principal	<u>48,500</u>
Less current portion	<u>48,500</u>
Long-term portion	\$ <u><u>0</u></u>

**12. Subsequent Event**

In accordance with ASC 855, the Township has evaluated all events subsequent to the financial statement date of December 31, 2009, through December 8, 2010, which is the date these financial statements were available to be issued, and has determined that there are no subsequent events that require recognition or disclosure.

**13. Commitments and Contingencies**

The Township received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and a condition specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Township as of December 31, 2009.

**14. Deficit Fund Balance**

The Township's enterprise fund represents the operations of the Ingleside Golf Course. While the golf course operated with a positive cash flow, the golf course had an accrual basis deficit during 2009, and had a deficit fund balance of \$115,231 at December 31, 2009. The Township has implemented plans to eliminate the deficit which include increasing usage of the course by added marketing of the course, improving the course, and by increasing some of the fees charged for usage.



# Maulo & Company, Ltd.

*Certified Public Accountants*

27 South High Street  
West Chester, PA 19382-3224

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November 16, 2010

To the Board of Directors  
Cain Township Municipal Authority  
Thorndale, Pennsylvania

We have completed the financial audit of the Authority for the year ended December 31, 2009. The audit report and management letter are attached. We suggest that you first skim through the report, read the Management Discussion and Analysis on page MD&A 1 (this presents a summary of all of the financial data which was prepared by the administration), and finally look closer at the rest of the report.

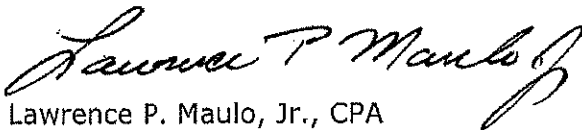
We would like to point out several items:

- The financial audit resulted in a clean opinion. The opinion is presented on page 1.
- Pages 14 and 15 show the four components of operations. Page 15 shows income and expenses for each component of the sewer operations. The sewer operating component shows operating revenues of \$1,963,126, operating expenses of \$1,869,822 with total revenues exceeding expenses by \$11,935. The Sewer Capital component shows depreciation expense of \$118,205. The Tapping Fees account had revenue of \$6,534 and a transfer to sewer capital of \$124,895. This transfer represents money spent on capital equipment for the pump station project and the Wendy's sewer line major repair.
- Page 3 shows the ending consolidated balance sheet. **This full accrual basis statement shows that the unrestricted balance of the Authority at December 31, 2009, was \$500,617 a decrease from \$704,877 at December 31, 2008.**
- Page 4 shows the Authority's consolidated income statement. The expense total was \$1,988,027, charges for services were \$1,969,660, investment earnings and transfers totaled \$18,942 and total equity was \$3,896,849.
- Page 11 shows the detail of the fixed assets that the Authority owns.

Tonight, I will highlight certain items that I believe are important, and will answer any questions that you may have. We appreciate the opportunity to serve you and your Authority.

Sincerely,

MAULO & COMPANY, LTD.



Lawrence P. Maulo, Jr., CPA  
President



# **Maulo & Company, Ltd.**

*Certified Public Accountants*

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November 16, 2010

Board of Directors  
Caln Township Municipal Authority  
Thorndale, Chester County, Pennsylvania

In planning and performing our audit of the financial statements of the business-type activities of Caln Township Municipal Authority as of and for the year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered Caln Township Municipal Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Caln Township Municipal Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Caln Township Municipal Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in Caln Township Municipal Authority's internal control to be significant deficiencies:

## **Financial Statement Adjustments**

During our audit, we proposed and management posted journal entries that were material in the aggregate and represented a material misstatement in the financial statements for the period under audit that were not identified by the Authority's internal controls.

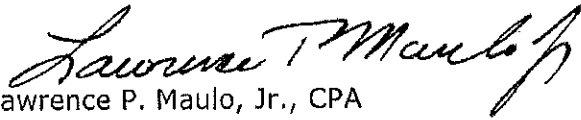
We recommend that the year end closing process be reviewed and procedures be established to ensure that all the items that need to be adjusted are identified in order to provide accurate statements.

Page 2 of 2  
Caln Township Municipal Authority  
November 16, 2010

This communication is intended solely for the information and use of management, Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

MAULO & COMPANY, LTD.

A handwritten signature in cursive script that reads "Lawrence P. Maulo, Jr." The signature is written in black ink and is positioned above the printed name and title.

Lawrence P. Maulo, Jr., CPA  
President



**CALN TOWNSHIP MUNICIPAL AUTHORITY  
FINANCIAL STATEMENTS  
DECEMBER 31, 2009**



# CALN TOWNSHIP MUNICIPAL AUTHORITY

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# **Maulo & Company, Ltd.**

*Certified Public Accountants*

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## **Independent Auditor's Report**

Board of Directors  
Caln Township Municipal Authority  
Thorndale, Chester County, Pennsylvania

We have audited the accompanying financial statements of the business-type activities of the Caln Township Municipal Authority (the Authority) a component unit of Caln Township, Chester County, Pennsylvania, as of and for the year ended December 31, 2009, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Caln Township Municipal Authority, as of December 31, 2009, and the results of its operations and the cash flows of its business-type activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

The Management's Discussion and Analysis on pages MD&A 1 through MD&A 5 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Maulo & Company, Ltd.*

West Chester, Pennsylvania  
November 16, 2010

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Management's Discussion and Analysis**  
**December 31, 2009**

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This discussion and analysis of Caln Township Municipal Authority's performance provides an overview review of the Authority's financial activities for the fiscal year ended December 31, 2009. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole. Readers should also review the transmittal letter, notes to the financial statements, and financial statements.

Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

**OVERVIEW OF FINANCIAL STATEMENTS**

The accompanying financial statements of the business-type activities have been prepared in accordance with GASB 34 and present government-wide and fund level financial statements using the accrual basis of accounting. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

**Government-wide Financial Statements**

The first two statements are government-wide financial statements – the Statement of Net Assets and the Statement of Activities. These provide both long-term and short-term information about the Authority's overall financial status.

The government-wide statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the Authority's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. The two government-wide statements report the Authority's net assets and how they have changed. Net assets, the difference between the Authority's assets and liabilities, are one way to measure the Authority's financial health or position.

**Fund Level Financial Statements**

The remaining statements are fund financial statements that focus on individual parts of the Authority's operations in more detail than the government-wide statements. The governmental funds statements tell how the Authority's general services were financed in the short-term, as well as, what remains for future spending. The Authority has no governmental funds. Proprietary fund statements offer short-term and long-term financial information about the activities that the Authority operates like a business. The Authority has only one proprietary fund.

**Proprietary Fund** – This fund is used to account for Authority activities that are similar to business operations in the private sector where the reporting is focused on determining net income, financial position, and changes in financial position.

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Management's Discussion and Analysis**  
**December 31, 2009**  
**(continued)**

**FINANCIAL ANALYSIS OF THE AUTHORITY – GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Statement of Net Assets**

The statement of net assets reflects the current "net worth" of the Authority after consideration of total assets and liabilities. Net assets of the Authority were \$ 3,896,849 as of December 31, 2009, and \$3,896,274 as of December 31, 2008. Net assets have increased an insignificant amount over 2008.

**Schedule of Net Assets**  
**Year Ended December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current and other assets	\$ 1,038,426	\$ 1,104,765
Noncurrent assets	<u>3,012,126</u>	<u>2,951,634</u>
Total assets	<u>\$ 4,050,552</u>	<u>\$ 4,056,399</u>
<b>LIABILITIES</b>		
Current and other liabilities	\$ 88,306	\$ 67,068
Noncurrent liabilities	<u>65,397</u>	<u>93,057</u>
Total liabilities	<u>153,703</u>	<u>160,125</u>
<b>NET ASSETS</b>		
Invested In fixed assets	3,012,126	2,951,634
Restricted for capital projects	285,154	239,763
Unrestricted (deficit)	<u>599,569</u>	<u>704,877</u>
Total net assets	<u>3,896,849</u>	<u>3,896,274</u>
Total liabilities and net assets	<u>\$ 4,050,552</u>	<u>\$ 4,056,399</u>

The Authority's assets can be divided into two main categories:

- 1) Pipes, manholes, and other portions of the sewer system.
- 2) Cash and investments.

When the Authority was created, the Township turned over more than \$2,000,000 in fixed assets.

Cash assets are generated from the activities of the sewer operating fund and the connection fees.

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Management's Discussion and Analysis**  
**December 31, 2009**  
**(continued)**

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**Statement of Revenues, Expenses, and Changes in Net Assets**

The Statement of Revenues, Expenses, and Changes in Net Assets has revenue of \$1,988,602 for 2009, and \$2,496,923 for 2008, administrative/operational expenses of \$835,768 for 2009, and \$846,180 for 2008, contractual services of \$1,034,054 for 2009, and \$895,854 for 2008, and depreciation of \$118,205 for 2009, and \$117,358 for 2008. The change in total net assets for the period ending December 31, 2009, was \$575. Unlike 2008, there were no sewer lines dedicated to the Authority in 2009. The annual fee for residential customers was increased from \$282 for 2008 to \$324 for 2009.

**Changes in Net Assets**  
**For the Year Ended December 31, 2009 and 2008**

	2009	2008
<b>REVENUES</b>		
Charges for services	\$ 1,969,660	\$ 1,894,825
Investment income	7,541	17,077
Transfers from other governments	11,401	
Capital contributions		585,021
Total revenues	1,988,602	2,496,923
<b>EXPENSES</b>		
Administration	734,947	748,523
Contractual services	1,034,054	895,854
General operating	100,821	97,657
Depreciation	118,205	117,358
Total expenses	1,988,027	1,859,392
Increase (decrease) in net assets	\$ 575	\$ 637,531



**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Management's Discussion and Analysis**  
**December 31, 2009**  
**(continued)**

**Capital Assets**

At December 31, 2009, the Authority had \$3,012,126 invested in a broad range of capital assets, including land, buildings and furniture, equipment, and infrastructure. This amount represents a net increase (including additions and depreciation) of \$60,192 from last year. The following schedule depicts the capital assets for the period ending December 31, 2009. During this period, the Township had the following significant changes in capital assets.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Capital assets:</b>				
Sewer lines	\$ 12,034,974	\$ 42,400	\$ 0	\$ 12,077,374
Equipment	55,422			55,422
Pump station	100,000			100,000
Construction in progress	<u>86,113</u>	<u>136,297</u>		<u>222,410</u>
Total capital assets	<u>12,276,509</u>	<u>178,697</u>	<u>0</u>	<u>12,455,206</u>
<b>Accumulated depreciation for:</b>				
Sewer lines	9,304,891	110,164	0	9,415,055
Equipment	12,484	5,541		18,025
Pump station	<u>7,500</u>	<u>2,500</u>		<u>10,000</u>
Total accumulated depreciation	<u>9,324,875</u>	<u>118,205</u>	<u>0</u>	<u>9,443,080</u>
Net capital assets	<u>\$ 2,951,634</u>	<u>\$ 60,492</u>	<u>\$ 0</u>	<u>\$ 3,012,126</u>

**FINANCIAL HIGHLIGHTS**

Articles of Incorporation were filed on January 12, 2005, for the incorporation of the Caln Township Municipal Authority pursuant to the Authority Act. In a Management Agreement dated May 12, 2005, between the Township and the Authority, the Township agreed to convey all real property and specific personal property interests that the Township owned which comprise the Caln Township Sewer System to the Authority. On July 1, 2005, the Township transferred all of its rights, title, and interest to all sanitary sewers, pump stations, all easements, rights-of-way, and other property interests that the Township owned which are used or useful in connection with the maintenance and operation of sanitary sewers located in Caln.

In June 2005, the Authority adopted a sewer rental fee and a connection fee for users of the system. The connection fee, consistent with Act 57 legislation, will be used for all new connections after July 1, 2005. Increases in Authority Revenues were primarily due to the collection of these fees and additional lines accepted by the Authority from new development.

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Management's Discussion and Analysis**  
**December 31, 2009**  
**(continued)**

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**THE AUTHORITY'S FUTURE**

The Authority will continue to contract with the Township for the ongoing maintenance and operation of the system, as well as, the connection of new land developments. Important tasks for the future include:

- Continuation of an appropriate fee schedule for long-term budgetary needs.
- Financing ongoing maintenance activities and reducing infiltration and inflow.
- Extending service to existing on-lot neighborhoods in a fair and cost effective manner.
- Financing ongoing capital needs to improve and expand the system.
- Depositing annual funds into a capital reserve account for future equipment and capital project expenditures.

**FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens and taxpayers, with a general overview of the Authority's finances and to show the Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact the Township Administrative offices.

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Statement of Net Assets**  
**December 31, 2009**

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**ASSETS**

**Current assets**

Cash and cash equivalents	\$ 291,716
Investments	284,917
Due from other governments	2,500
Accounts receivables	<u>459,293</u>
Total current assets	<u>1,038,426</u>

**Noncurrent assets**

Fixed assets (note 3)	<u>3,012,126</u>
Total noncurrent assets	<u>3,012,126</u>
Total assets	<u>\$ 4,050,552</u>

**LIABILITIES**

**Current liabilities**

Accounts payable	\$ 46,336
Due to other governments	18,706
Current portion of compensated absences	<u>23,264</u>
Total current liabilities	<u>88,306</u>

**Noncurrent liabilities**

Long-term portion of compensated absences	<u>65,397</u>
Total noncurrent liabilities	<u>65,397</u>
Total liabilities	153,703

**Net assets**

Invested in capital assets net of related debt	3,012,126
Restricted for capital projects	384,106
Unrestricted	<u>500,617</u>
Total net assets	<u>3,896,849</u>
Total liabilities and net assets	<u>\$ 4,050,552</u>

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**For the Year Ended December 31, 2009**

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<b>OPERATING REVENUES</b>	
Charges for services	\$ <u>1,969,660</u>
Total operating revenues	<u>1,969,660</u>
<b>OPERATING EXPENSES</b>	
Salaries and wages	337,988
Employee benefits	168,578
Supplies	19,487
Contractual services	1,034,054
Maintenance	88,427
Utilities	12,394
Administrative and general	208,894
Depreciation	<u>118,205</u>
Total operating expenses	<u>1,988,027</u>
Operating income/(loss)	(18,367)
<b>NONOPERATING REVENUES AND EXPENSES</b>	
Earnings on investments	7,541
Transfers in (out) from other governments	11,401
Capital contributions	<u>0</u>
Change in net assets	575
Total net assets-January 1, 2009	<u>3,896,274</u>
Total net assets-December 31, 2009	<u>\$ 3,896,849</u>

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

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Statement of Cash Flows--Proprietary Fund**  
**For the Year End December 31, 2009**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from users	\$ 1,882,594
Cash payments to employees for services	(506,566)
Cash payments to suppliers for goods and services	<u>(1,369,679)</u>
Net cash provided by (used for) operating activities	<u>6,349</u>

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES**

Cash flows from operating transfers - other governments	<u>11,401</u>
Net cash provided by (used for) non-capital financing activities	<u>11,401</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Facilities acquisition/construction	<u>(178,696)</u>
Net cash provided by (used for) capital and related financing activities	<u>(178,696)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Earnings on investments	7,541
Purchase of investment securities	<u>(50,593)</u>
Net cash provided by (used for) investing activities	<u>(43,052)</u>

Net Increase (Decrease) In cash and cash flows	(203,998)
Cash and cash equivalents beginning of year	<u>495,714</u>
Cash and cash equivalents at year end	<u>\$ 291,716</u>

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**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES**

Operating Income (loss) Including prior period adjustment	\$ (18,367)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation and net amortization	118,205
(Increase) Decrease in accounts receivable	(84,566)
(Increase) Decrease in advances to other funds	(2,500)
Increase (Decrease) in accounts payable	2,532
Increase (Decrease) in accrued salaries benefits	<u>(8,955)</u>
Total adjustments	<u>24,716</u>
Cash provided by (used for) total	<u>\$ 6,349</u>

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Notes to Financial Statements**  
**December 31, 2009**

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**1. Summary of Significant Accounting Policies**

The accounting policies of Caln Township Municipal Authority (the Authority), Chester County, Pennsylvania conform to United States generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority also applies Financial Accounting Standards Board (FASB) statements and Interpretations issued on or before November 30, 1989, to its governmental activities and to its enterprise fund provided they do not conflict with or contradict GASB pronouncements. The following is a summary of the more significant accounting policies:

**A. Organization**

The Authority is a municipal authority formed for the purpose of having oversight and approval authority over the Caln Township public sewer system and the power to hold, construct, finance, improve, maintain, and operate, own, and lease the sewer system within Caln Township. The Authority receives funding through user fees, grants, borrowings, and other sources. All of the funds collected go towards programs of the Authority. The Authority is governed by a five member Board of the Authority. The Township has determined that the Authority is a component unit of Caln Township.

**B. Basis of Presentation**

**Government-wide Financial Statements**

The statement of net assets and the statement of activities display information about the Authority as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Authority that are governmental and those that are considered business-type activities. The Authority has no governmental-type activities.

The statement of net assets presents the financial condition of the governmental activities of the Authority at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the programs, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Authority, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Authority.

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(continued)**

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**Fund Financial Statements**

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

**C. Fund Accounting**

The Authority uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: Governmental, Proprietary, and Fiduciary.

**Governmental Funds**

Governmental Funds are those through which most governmental functions of the Authority are financed. Governmental Fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various Governmental Funds according to the purposes for which they will be paid. The difference between Governmental Fund assets and liabilities is reported as fund balance. The Authority has no Governmental Funds.

**Proprietary Funds**

Proprietary Fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The following is the Authority's Proprietary Fund:

**Operating Fund:**

The Operating Fund is an Enterprise Fund that accounts for the financial transactions related to the Authority's administrative expenses including the accounting for debt service. This fund is the Authority's only Enterprise Fund and it is reported as a major fund.

**Fiduciary Funds**

Trust and Agency Funds are used to account for assets held by the Authority in a trustee capacity or as an agent for individuals. Fiduciary Funds are custodial in nature and do not involve measurement of results of operations. The Authority has no Fiduciary Funds.

**D. Measurement Focus**

**Government-wide Financial Statements**

The government-wide financial statements are prepared using a flow of economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(continued)**

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regardless of the timing of the related cash flows. All assets and all liabilities associated with the operation of the Authority are included on the statement of net assets.

**Fund Financial Statements**

All Governmental Funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental Fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for Governmental Funds.

**E. Basis of Accounting**

The basis of accounting that is used determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental Funds use the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Revenues—Exchange and Nonexchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough, thereafter, to be used to pay liabilities of the current fiscal year. For the Authority, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the Authority receives value without directly giving equal in return, include grants, entitlements, and donations. On the accrual basis, revenue from sewer billing is recognized in the fiscal year which the fees are billed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Authority must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.



**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(continued)**

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Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: grants and interest.

**Deferred Revenues**

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

**F. Cash and Cash Equivalents and Investments**

Investments with an original maturity of three months or less are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

**G. Capital Assets**

General capital assets are those assets that generally result from expenditures in the Governmental Funds. These assets are reported in the governmental activities column on the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market value on the date donated. The Authority maintains a capitalization threshold of \$1,500.

All capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Sewer lines	30-50 years
Equipment	10 years
Pump stations	40 years

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(continued)**

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**H. Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the Enterprise Fund are reported on the business-type financial statements. In general, Governmental Fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from Governmental Funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year.

**I. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets represent the costs of fixed assets net of related debt and net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Authority's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**J. Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**K. Compensated Absences**

It is the Authority's policy to permit employees to accumulate sick days, as well as earned, but unused, vacation days. Upon termination, employees will be paid only for unused vacation days at their current pay rate. As of December 31, 2009, the Authority has accrued \$88,661 for compensated absences.

**2. Cash and Investments**

**Deposits**

**Custodial credit risk**—Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. At year end, the total carrying amount of the Authority's checking, savings, and money market deposits was \$576,633 and the corresponding bank balance was \$576,633. Of the bank balance, \$117,658 was covered by federal depository insurance, and \$458,975 was collateralized through pools of securities held by the respective depository institutions. There is no custodial credit risk.

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(continued)**

**Investments**

Statutes authorize the Authority to invest in U.S. Treasury bills, U.S. Government Agency bonds, time or share accounts or institutions insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation, or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, State Treasurer's investment pools, or mutual funds.

The Authority has as of December 31, 2009, \$284,717 invested in certificates of deposit.

**Interest Rate Risk**—The Authority has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**—The Authority has no investment policy that would limit its investment choices to certain credit ratings. As of December 31, 2009, the Authority has no investments with a rating.

**Concentration of Credit Risk**—The Authority places no limit on the amount the Authority may invest in any one issuer. Of the Authority investments are 100% in certificates of deposit.

**3. Fixed Assets**

Fixed asset activity for the year ended December 31, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital assets:</b>				
Sewer lines	\$ 12,034,974	\$ 42,400	\$ 0	\$ 12,077,374
Equipment	55,422			55,422
Pump station	100,000			100,000
Construction in progress	<u>86,113</u>	<u>136,297</u>		<u>222,410</u>
Total capital assets	<u>12,276,509</u>	<u>178,697</u>	<u>0</u>	<u>12,455,206</u>
<b>Accumulated depreciation for:</b>				
Sewer lines	9,304,891	110,164	0	9,415,055
Equipment	12,484	5,541		18,025
Pump station	<u>7,500</u>	<u>2,500</u>		<u>10,000</u>
Total accumulated depreciation	<u>9,324,875</u>	<u>118,205</u>	<u>0</u>	<u>9,443,080</u>
Net capital assets	<u>\$ 2,951,634</u>	<u>\$ 60,492</u>	<u>\$ 0</u>	<u>\$ 3,012,126</u>

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Notes to Financial Statements**  
**December 31, 2009**  
**(continued)**

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**4. Employee Pension Plans**

The Authority's full time employees participate in the Caln Township non-uniformed defined benefit pension plan. All employees are eligible to participate in the plan after six months of employment. The plan is authorized under Act 205 of 1984 *The Municipal Pension Plan Funding Standard and Recovery Act* and local ordinances. Retirement benefits are as follows:

Retirement at age 60 with monthly benefits of years of service times the final salary times 2%, limited to 50% of final salary (average of final 5 years salary). There are early retirement provisions with reduced benefits. There are limited death benefits. The plan vests after 12 years of service.

The Authority contributed nothing to the plan for 2009. Detailed plan information and funding progress is presented in the Caln Township financial statements.

**5. Management Fee - Caln Township**

The Authority has a management agreement with Caln Township. Under this agreement the Township will provide management services for the Authority. The agreement expires December 31, 2030. For the year ended December 31, 2009, the Authority paid the Township \$117,659 for management services and \$25,000 for rental of facilities.

**6. Subsequent Events**

The Authority has evaluated all events subsequent to the financial statement date of December 31, 2009, through November 16, 2010, which is the date these financial statements were available to be issued, and has determined that there are no subsequent events to be noted.

**SUPPLEMENTAL INFORMATION**

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Balance Sheet by Fund**  
**December 31, 2009**

	<u>Sewer Operating</u>	<u>Sewer Capital Equipment</u>	<u>Tapping Fees</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 173,949	\$ 109	\$ 117,658
Investments		284,917	
Due from other funds	2,500		
Accounts receivable	<u>459,165</u>	<u>128</u>	
Total current assets	<u>635,614</u>	<u>285,154</u>	<u>117,658</u>
<b>Noncurrent assets</b>			
Machinery & equipment (net)		<u>3,012,126</u>	
Total noncurrent assets	<u>0</u>	<u>3,012,126</u>	<u>0</u>
Total assets	<u>\$ 635,614</u>	<u>\$ 3,297,280</u>	<u>\$ 117,658</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 46,336	\$ 0	\$ 0
Due to other funds	0		18,706
Current portion of compensated absences	<u>23,264</u>		
Total current liabilities	<u>69,600</u>	<u>0</u>	<u>18,706</u>
<b>Noncurrent liabilities</b>			
Long-term portion of compensated absences	<u>65,397</u>		
Total noncurrent liabilities	<u>65,397</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>134,997</u>	<u>0</u>	<u>18,706</u>
<b>NET ASSETS</b>			
Invested in fixed assets	0	3,012,126	0
Restricted for capital projects		285,154	98,952
Unrestricted	<u>500,617</u>		
Total net assets	<u>500,617</u>	<u>3,297,280</u>	<u>98,952</u>
Total liabilities and net assets	<u>\$ 635,614</u>	<u>\$ 3,297,280</u>	<u>\$ 117,658</u>

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

**CALN TOWNSHIP MUNICIPAL AUTHORITY**  
**Income Statement by Fund**  
**For the Year Ended December 31, 2009**

	Sewer Operating	Sewer Capital Equipment	Tapping Fees
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,963,126	\$ 0	\$ 0
Tapping Fees and contributions			6,534
Developer contributions		0	
Total operating revenues	<u>1,963,126</u>	<u>0</u>	<u>6,534</u>
<b>OPERATING EXPENSES</b>			
Operating expenses	1,727,163		
Transfers out - Caln Township			
General fund	142,659		
Depreciation expense		118,205	
Total operating expenses	<u>1,869,822</u>	<u>118,205</u>	<u>0</u>
Operating Income/(loss)	<u>93,304</u>	<u>(118,205)</u>	<u>6,534</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Earnings on investments	1,143	5,280	1,118
Transfers in (out) - sewer operating		82,510	
Transfers in (out) - sewer capital	(82,512)		(124,895)
Transfers in (out) - tapping fee fund		136,298	0
Total nonoperating revenue/ (expenses)	<u>(81,369)</u>	<u>224,088</u>	<u>(123,777)</u>
Change in net assets	11,935	105,883	(117,243)
Total net assets-January 1, 2009	<u>488,682</u>	<u>3,191,397</u>	<u>216,195</u>
Total net assets- December 31, 2009	<u>\$ 500,617</u>	<u>\$ 3,297,280</u>	<u>\$ 98,952</u>

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





- Full-Time positions are reduced from the 2010 budget level of 56 to 54. We will start the year with one open police position. That position will remain frozen for the entire year. A second police position will be open in late July 2011. That position will also remain frozen for the balance of 2011.
- The manager is exploring early retirement opportunities for one or more Township employees as well as reconfiguring responsibilities for existing personnel along with the increased usage of contractors to reduce costs.
- The 2011 Budget reflects a 2% salary increase for all employees.

#### Capital Reserve Expenditures

- A total of \$300,000 is budgeted (\$90,000 Highway Aid Fund; \$63,000 Capital Reserve Fund; \$147,000 Capital Bond Fund) for road paving and reconstruction.
- Expenditures for Police Ballistic Vests \$5,000 (Bulletproof vests) and Mobile Video Recorders \$40,000.
- A total of \$24,000 is budgeted for Tennis court resurfacing and the addition of lighting at Municipal Park.
- Other Capital Reserve Expenditures includes \$20,000 for server improvements, \$80,000 Economic Study Grant Program, \$25,000 for traffic signals, \$20,000 for building related improvements.

#### Other Expenditures in Other Funds

- The Capital Bond Fund, established in 2007 will expend \$25,000 at the Ingleside Golf Club and \$147,000 for other Capital Projects. This will utilize the remaining bond remaining funds.
- A capital expenditure is budgeted in the amount of \$490,000 (Sewer Capital Fund) as required by Pennsylvania American Water Company (PAWC) towards improvement of the East End Trunk Line.
- The lease of two new Police cars (\$22,000), the payment on four existing police car leases (\$40,000) and purchase of one large dump truck for the Highway Department is budgeted for \$110,000 (Equipment Fund - \$75,000, Highway Aid Fund - \$35,000).
- The Solid Waste Fund will expend \$69,000 for debt service to reimburse Fund Balance for the recycling cart purchase and \$62,424 to the General Fund to cover its share of administrative expenses.

# Caln Township

## 2011 Proposed Budget

### Highlights

#### Budget Overview

Balanced Operating Budget--The General Fund Revenues will be greater than the budgeted operating expenses for 2011. However, the General Fund Budget will also include \$210,000 in transfers to the Capital Reserve and Equipment Reserve Funds. Therefore we will be drawing approximately \$200,000 from the Fund Balance.

#### Revenue Highlights

General Fund 2011 Proposed Revenue is budgeted at \$5.944 million or 5.17% more than the 2010 budget.

- Real Estate Tax rate to remain 2.808 mils for the seventh straight year. Trash and Recycling fee to increase \$5, bi-monthly Authority Sewer Fee to increase \$5 bi-monthly, Street Light Fee to increase \$4.38 for the average property with street lights (700 properties).
- Ingleside Golf Club will institute a \$1 per round in increase in cost.
- No proposed increases for any other Township/Authority fees or charges.

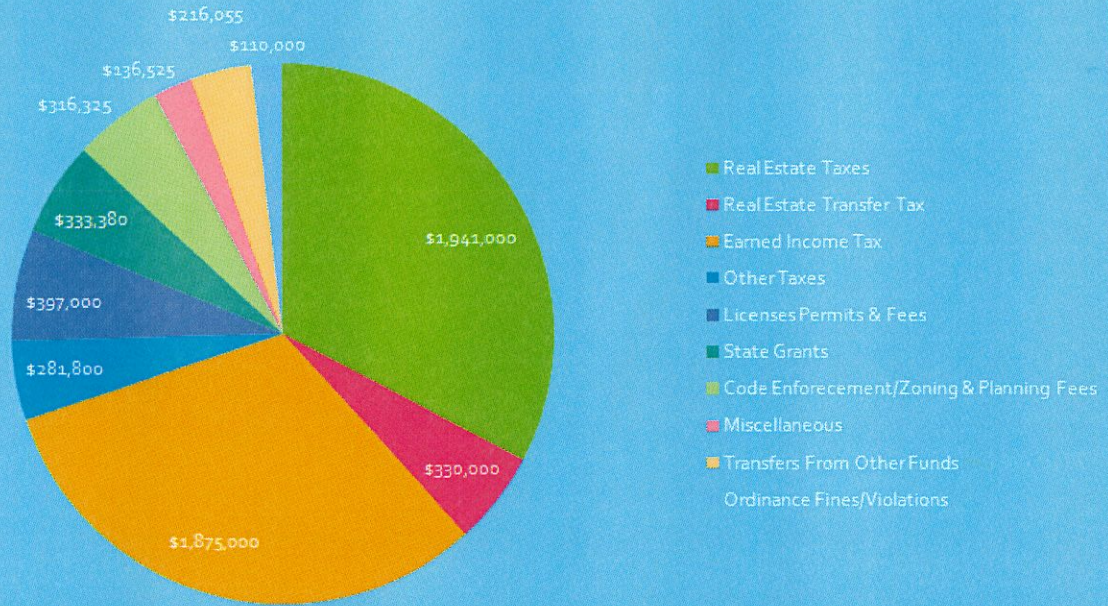
#### Expenditure Highlights

- General Fund Expenditures of \$6,138,000 or 4.13 greater than 2010 due to transfers to capital accounts.
- Capital Contribution for Equipment--Each Department in the General Fund to contribute \$3,000 for each car, \$7,000 for each truck to the Equipment Fund towards the replacement costs of vehicles. \$135,000.
- Capital Contribution for Projects--The 2010 Budget includes \$75,000 transfer to the Capital Reserve Fund.
- Division of fire related accounts into two sub-areas: The 411 accounts are now called the Life Safety Budget. This area includes direct Township expenses such as salaries, emergency management, and fire hydrant fees. A new 419 set of accounts are expenditures directly related to the Thorndale Volunteer Fire Company.
- The Police Uniform Account has been increased to provide for the purchase of additional seasonal uniforms (Total \$10,000).
- Annual contributions to Senior Citizens-\$4,000, Historical Society-\$150, Twinning-\$1,000, Town Watch-\$1,250, Coatesville-\$13,000 and Downingtown Library-\$7,000.

<b>Caln Township Funds</b>	<b>+</b>	<b>2011 Proposed Revenue</b>	<b>-</b>	<b>2011 Proposed Expenditures</b>
General		\$ 5,944,260		\$ 6,107,312
Street Light		54,280		55,100
Sewer Operating		2,208,600		2,265,484
Golf***		740,650		736,632
Escrow		250,750		250,000
Internal Service		1,400		10,700
Capital Bond		175		178,231
Capital Reserve		165,900		317,000
Sanitation		1,103,600		1,102,824
Sewer Capital		250,800		520,000
Sewer Reserve		1,300		50,000
Open Space		5,015		5,000
Equipment		155,300		137,000
State		242,039		339,000
Building		-		-
<b>Total</b>		<b>\$ 11,124,069</b>		<b>\$ 12,074,283</b>



## 2011 General Fund Revenue



## General Fund Expenditures

