

PETERS TOWNSHIP

WASHINGTON COUNTY, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2011

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WASHINGTON COUNTY, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED DECEMBER 31, 2011

PREPARED BY:
DEPARTMENT OF ADMINISTRATION

MICHAEL A. SILVESTRI
TOWNSHIP MANAGER

PAUL F. LAUER
ASSISTANT TOWNSHIP MANAGER

**Peters Township
Comprehensive Annual Financial Report
Year Ended December 31, 2011
Table of Contents**

	<u>Exhibit</u>	<u>Page No.</u>
INTRODUCTORY SECTION		
Letter of Transmittal		1 - 7
Organization Chart		8
List of Principal Officers		9
GFOA Certificate of Achievement		10
FINANCIAL SECTION		
Independent Auditor's Report		11 - 12
Management's Discussion and Analysis		13 - 24
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Assets	1	25
Statement of Activities	2	26
Fund Financial Statements		
Balance Sheet - Governmental Funds	3	27
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	4	28
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5	29
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	6	30 - 31
Statement of Net Assets - Proprietary Fund	7	32
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund	8	33

	<u>Exhibit</u>	<u>Page No.</u>
FINANCIAL SECTION (CONT'D)		
Basic Financial Statements (Cont'd)		
Fund Financial Statements (Cont'd)		
Statement of Cash Flows - Proprietary Fund Type	9	34
Statement of Net Assets - Fiduciary Funds	10	35
Statement of Changes in Net Assets - Fiduciary Funds	11	36
Notes to Financial Statements		37 - 64
Required Supplementary Information		
Schedule of Revenues, Expenditures and Changes in Fund Balance - General Fund - Budget and Actual		65 - 72
Note to Required Supplementary Information		73
Defined Benefit Pension Trust Funds		74
Other Post-Employment Benefits		75
Combining and Individual Fund Statements and Schedules		
Combining Balance Sheet - Nonmajor Governmental Funds		76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds		77
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual		
Special Revenue Fund - Highway Aid Fund		78
Special Revenue Fund - Cable Television Fund		79
Special Revenue Fund - Library Fund		80
Debt Service Fund - Series of 2006		81
Debt Service Fund - Series of 2010		82
Capital Projects Fund		83 - 84

	<u>Table</u>	<u>Page No.</u>
STATISTICAL SECTION		
Net Assets by Component - Last Eight Fiscal Years	1	85
Changes in Net Assets - Last Eight Fiscal Years	2	86 - 87
Fund Balances, Governmental Funds - Last Ten Fiscal Years	3	88
Statement of Revenue, Expenditures and Changes in Fund Balances - Last Ten Fiscal Years	4	89 - 90
General Governmental Expenditures by Function - Last Ten Fiscal Years	5	91
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	6	92
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	7	93
Ten Largest Real Estate Taxpayers - Current and Nine Years Ago	8	94
Property Tax Levies and Collections - Last Ten Fiscal Years	9	95
Taxable Earned Income and Tax Collected - Last Ten Fiscal Years	10	96
Taxable Earned Income Rates - Direct and Overlapping Governments - Last Ten Fiscal Years	11	97
Earned Income Tax Filers and Liability by Income Level	12	98
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	13	99
Computation of Direct and Overlapping Debt	14	100
Legal Debt Margin Information - Last Ten Fiscal Years	15	101
Computation of Legal Debt Margin	16	102

	<u>Table</u>	<u>Page No.</u>
STATISTICAL SECTION (CONT'D)		
Ratio of Annual Debt Service Expenditure for General Bonded Debt to Total General Expenditures - Last Ten Fiscal Years	17	103
Principal Employers - Current Year and Nine Years Ago	18	104
Ten Largest Vendors - Current Year and Nine Years Ago	19	105
Peters Township Indicators	20	106 - 107
Age Distribution Related to Total Population	21	108
Population Growth 1920 - 2010	22	109
Household Incomes	23	109
Educational Characteristics - Education Attainment Persons 25 Years and Older	24	110
Occupation of Employed Persons 16 and Over	25	110
Housing Units by Occupancy - 2000 - 2010 Comparison	26	111
Value of Specified Owner Occupied Housing Units	27	111
Median Housing Value Comparison	28	111

INTRODUCTORY SECTION

Peters Township

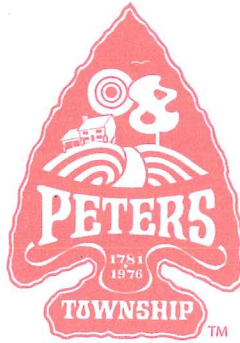
WASHINGTON COUNTY

MICHAEL A. SILVESTRI, *Manager*
PAUL F. LAUER, *Assistant Manager*

610 East McMurray Road
McMurray, Pennsylvania 15317-3420

724 / 941-4180 Fax 942-5022

Dept. Direct Dial No.:



COUNCIL

ROBERT J. LEWIS, *Chairman*
GARY J. STIEGEL, JR., *Vice Chair*
FRANK ARCURI
ROBERT L. ATKISON
DAVID M. BALL
JAMES F. BERQUIST
MONICA R. MERRELL

June 21, 2012

TO: The Citizens of Peters Township

Peters Township's Home Rule Charter requires the annual public presentation of an independent financial audit of the Township conducted by a certified public accountant. I am pleased to submit for your review, the Comprehensive Annual Financial Report of Peters Township for the fiscal year ended December 31, 2011 in fulfillment of this requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a framework of internal controls that is established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements

Hosack, Specht, Muetzel and Wood LLP, Certified Public Accountants, have issued an opinion without qualification on Peters Township's financial statements for the year ended December 31, 2011. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statement. Management's discussion and analysis is intended to complement this letter of transmittal and should be read in conjunction with it.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the government's organizational chart and a list of principal officials. The financial section includes the financial statements with an opinion of the independent certified public accountant based upon their audit. The financial section also includes the management's discussion and analysis (MD&A), which is a narrative introduction, overview and analysis of the basic financial statement. The statistical section includes selected financial and demographic information, generally presented in a multi-year basis.

Profile of Government

Peters Township is a general unit of local government, and as such, provides a wide variety of public services. These services include:

Police Protection
Fire Protection
Road Maintenance
Planning
Code Enforcement
Recreation
Library
Community Television

The Township operates through the authority granted it by the Peters Township Home Rule Charter. The Charter provides that the Township be governed by a seven (7) member elected Council. The Council is vested with a broad-range of policy-making powers. To assist the Council in formulation of policy, a variety of boards have been created. These include:

Planning Commission
Zoning Hearing Board
Park and Recreation Board
Cable T.V. Board
Environmental Quality Board
Library Board
Youth Commission
BOCA Appeals Board

Day-to-day administration is the responsibility of the Township Manager. Council appoints the Manager for an indeterminate period. The Township Manager, in turn, recommends to Council the appointment of all Department Heads.

The Peters Township Organization Chart, which follows this letter, provides a visual representation of the Township's structure.

Local Economy

The level of residential and commercial construction has a dramatic impact on the Township's ability to raise funds needed to provide municipal services to residents, businesses and property owners. The number of new residential construction units in 2011 was 74. While this is similar to 2010, it remains less than historical norms. We are concerned about the lack of new development plans and the impact of a tap freeze in the Peters Creek service area. Only two new residential plans were approved in 2011.

There were a number of new commercial construction projects including the new PNC bank site with 2 buildings, the office building at Wilhaven Drive, and the Paramount Assisted Living Facility. The St. Clair hospital site has received final permitting approval from the Pennsylvania Department of Transportation and construction is commencing in 2012. There was also one major renovation of an existing building for a funeral home at the former Lay Z Boy Furniture store.

Real estate tax assessments continue to be a concern with over 100 active tax appeals. The County has not had an assessment since 1980. The Washington County Court has recognized the problem and

ordered the County to complete a new assessment; however the County has obtained an extension on the 2012 deadline.

Major Initiatives

The purpose of the Home Rule Government of Peters Township is to efficiently serve the residents, businesses and property owners of the community by providing them with a safe and enjoyable community. This requires the various departments of the municipality to do their share in providing a livable community.

The municipal government's role in achieving this vision is through five basic divisions:

1. General Government
2. Protection of Persons and Property
3. Health and Safety
4. Public Works
5. Culture and Recreation

The community needs a sound infrastructure to serve its residents, businesses and property owners, as well as to protect property values in the future. The municipality must also protect its residents, businesses and property owners, as well as their properties. The municipality must provide a social atmosphere that will encourage the community's viability in the forms of recreation, social services, aesthetics, sound economic base and responsiveness to community problems. Finally, the municipal government has a responsibility to inform the public of its activities and plans to permit the residents and property owners the ability to assess the effectiveness of their government and make known their opinions.

GENERAL GOVERNMENT

The basic functions of the municipality need a variety of support and coordinating services to permit them to operate. These services also act as the implementation arm for Council's policies. These services include management, finance, tax collection, communications, and professional services, such as legal, engineering and accounting. The objectives in 2012 include:

1. The Township will implement the recommendation of the energy assessment/audit and enter into contracts to make physical improvements to all buildings and mechanical systems.
2. Communicating to the community through 6 "In Peters Township Magazines" a calendar, the website and cable channels and develop social networking presence through Facebook and Twitter.
3. Provide management oversight in selection of consultants for the comprehensive plan as well as the HVAC/Generator project in the municipal building and replacing the fueling station and field 5 turf/lighting project.

4. The Township will assure a sound financial system by continuing to contract for real estate tax collection services and participate in the County-wide Tax Collection Committee for earned income and local services taxes.
5. Consulting and in-house professional staff will be utilized to conduct an audit, general legal services and engineering services. Solicit proposals for general consulting and traffic engineering services as well as risk management services.
6. Develop flood plain management, street opening and logging ordinances.
7. Provide a sound technological support system by replacing 10 flat panel monitors, 30 desk top computers in the library and municipal building and up to 2 Council laptops as needed as well as 2 copiers.
8. Replace the HVAC system for the Municipal Building as well as install a new generator to permit use of the building as an emergency operations center.
9. Maintain morale of volunteers and paid staff by recognition of service awards.

PROTECTION OF PERSONS AND PROPERTY

The Township provides or finances a variety of services to protect the public and property; these include police, fire, ambulance, planning and inspection. The objectives for 2012 include:

1. To continue a proactive approach to addressing the health and needs of the community, continue to provide prevention programs to students such as DARE, Fatal Vision and Fatal Decision, including the purchase of fatal vision goggles in conjunction with the school as well as 70 fire prevention programs.
2. Provide direction to police officers to ensure they are adequately trained and have the facilities to serve the community by providing at least the minimum MPOETC training and firearms requirements, Purchase 28 batons, 3 AR-15 Rifles, 9 Leatherman tools, 25 Glock parts, and AR-15 magazines, 2 speed display devices for traffic calming ; participate in the SHACOG CIRT Team.
3. Continue to operate the deer management program in conjunction with and the Environmental Quality Board.
4. Continue coordination of protection by conducting quarterly meetings with Fire, EMS and Police, as well as to continue cooperative efforts between Planning and emergency services for plan reviews and commercial inspections.
5. Purchase two replacement police vehicles, one tint meter, 10 flashlights, 9 door unlocking tools, 6 packs of power flares and DUI task force equipment.

6. Conduct a joint operations fire study with North Strabane Township to increase the effectiveness and efficiency of fire protection.
7. Purchase adequate equipment for the firefighters to maintain a safe operation, including 3 sets of turnout gear, 2 gated wyes and 1 gas monitoring meter.
8. Continue and increase funding of Senior Citizen Subscriptions to the Ambulance Service to reflect the higher number of senior citizens.
9. Commence a new comprehensive land use planning process and revise the traffic impact plan.

HEALTH AND SAFETY

Health and safety functions are primarily provided through authorities and private contractors. The Township government must be active in these functions to assure that the community has a healthy environment. The major objectives of 2012 are:

1. Promote the participative nature of our residents by providing a recycling program, 5 fall and 1 spring leaf and 24 year round brush collection pick-ups; continue a volunteer landscaping program and the purchase of a cardboard compactor.
2. Participate with the Peters Township, Peters Creek and Washington County Sewage Council for sewage planning and enforcement.
3. Purchase recycling containers for the parks.

PUBLIC WORKS

The Township maintains a 106.5 mile road network, storm sewers, storm water management facilities and numerous buildings and structures. The objectives in 2012 are:

1. A well maintained road system is key to the safety of residents as well as for the efficient operation of businesses, emergency services and school busing. The increased level of resurfacing financing will continue in 2012, two major transportation projects are planned Center Church/E. McMurray Roads Intersection and replacement of the Bebout Trail Bridge, both traffic bottlenecks. The Valley Brook/Route 19 intersection is expected to also be under construction, Township funding was made in 2010.
2. Install a new vehicle fueling station to increase capacity and capitalize on favorable pricing for larger volumes.
3. Address stormwater issues proactively by renovating three stormwater detention ponds, continuing year 2 of a 10 year storm sewer replacement program for aging corrugated metal pipe.

4. Purchase two replacement trucks.
5. Accelerate replacement of signs to meet state and federal reflectivity requirements.

CULTURE AND RECREATION

The Township provides a well-rounded variety of recreation programs and facilities; it also provides complete Library services and operates and programs multiple cable television channels. The objectives in 2012 include:

1. Continue to provide multiple opportunities for involvement of residents by recruiting over 300 volunteers to assist in recreation, library and cable programming.
2. Maintain a close cooperation with the school district by sharing of recreation facilities and scheduling, coordinating library offerings and an outreach coordinator with the school curriculum and operating a cable studio at the high school, with significant capital equipment including new studio lighting.
3. Continue to provide a wide variety of programs for all interests including 4 summer concerts, increased CRC programming and increased usage of electronic books through the Library. Continued offering of the Silver Sneakers Program will provide affordable programs for the wellness of seniors.
4. Plan for the future needs of our continuing growth in population by installing light and artificial turf in Peterswood Park, as well as a fitness trail.
5. Maintain existing facilities with renovations of the clay courts at the Tennis Center, purchasing a Toro Z Master and Workman. Replacing of the ball field fencing and paving Elm Grove Park Parking lot will also occur.

Financial Operations

Accounting and Budgeting

In developing and evaluating the Township's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurances regarding:

1. The safeguarding of assets against loss from unauthorized uses or disposition.
2. Reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

1. The cost of the control should not exceed the benefits likely to be derived.

2. The evaluation of costs and benefits requires estimates and judgment by management.

All internal control evaluations occur within the above framework. We believe the Township's internal accounting controls adequately safeguard assets and provide reasonable assurance in proper recording of financial transactions.

In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the government's governing body. Activities of the General Fund, Special Revenue Funds and the Capital Projects Fund are included in the annual appropriated budget. The level of budgetary control is established by function within an individual fund. Budgetary control is that level in which expenditures cannot legally exceed the appropriated amount.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for excellence in financial reporting to the government for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2010. This was the eighteenth consecutive year that Peters Township has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

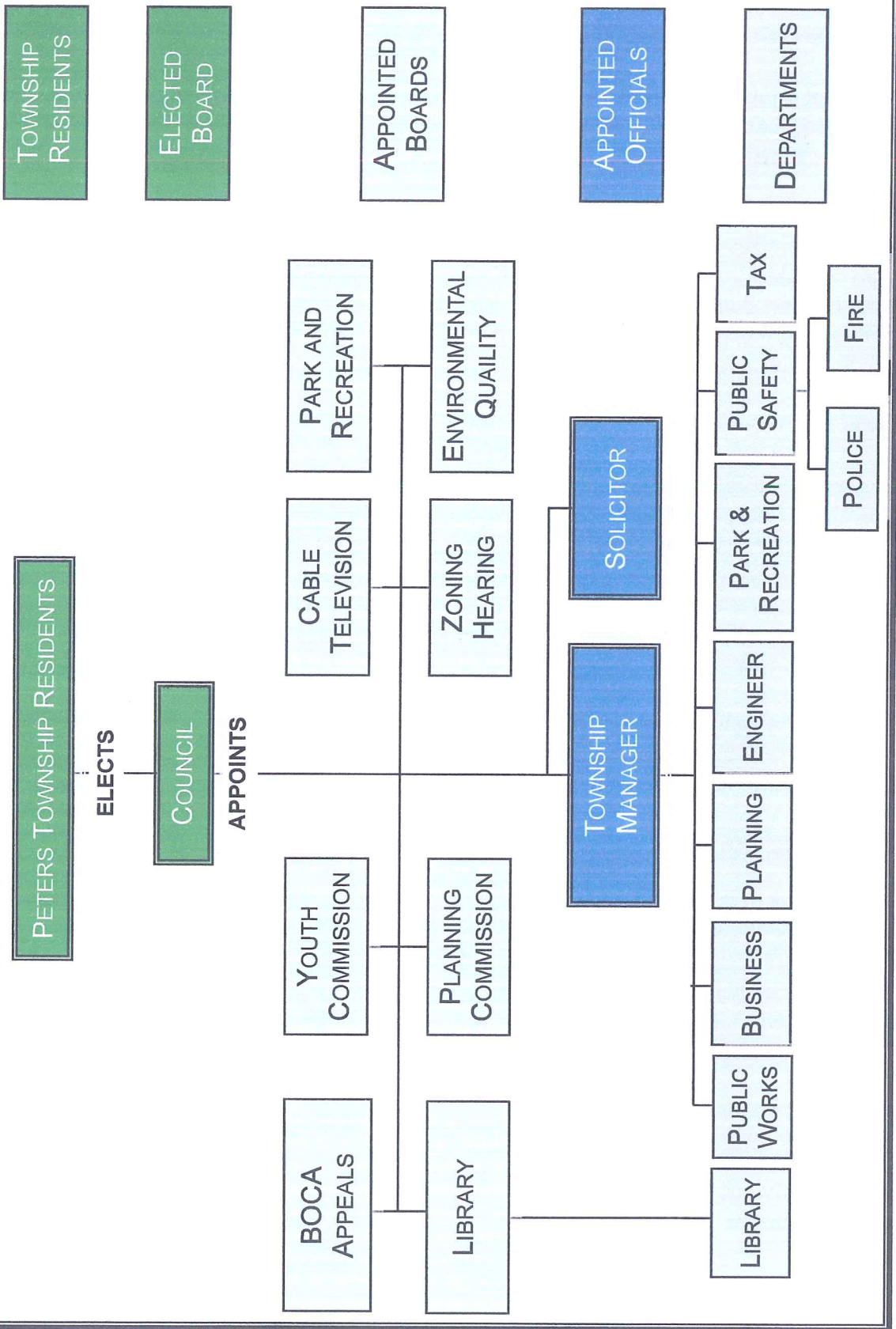
The production of this report was made possible through the efforts of a variety of individuals. The work and cooperation of the Township's administration staff, particularly the Assistant Township Manager, Paul F. Lauer, was instrumental in the completion of this report. I also wish to acknowledge the efforts of Council for its support and encouragement. As in other endeavors, Council has committed itself to insuring that the financial operations of the Township are conducted in a progressive and responsive manner.

Respectfully submitted,

Michael A. Silvestri

Michael A. Silvestri
Township Manager

Peters Township Organizational Chart



PETERS TOWNSHIP

LIST OF PRINCIPAL OFFICIALS

As of June 30, 2012

<u>Title</u>	<u>Name</u>
Chairman, Peters Township Council	Robert Lewis
Vice-Chairman, Peters Township Council	Gary Stiegel, Jr.
Member, Peters Township Council	Frank Arcuri
Member, Peters Township Council	Robert L. Atkison
Member, Peters Township Council	David M. Ball
Member, Peters Township Council	James F. Berquist
Member, Peters Township Council	Monica Merrell
Township Manager	Michael A. Silvestri
Assistant Township Manager	Paul F. Lauer
Public Safety Director	Harry J. Fruecht
Fire Chief	Daniel Coyle
Planning Director	Edward J. Zuk
Public Works Director	Peter C. Overcashier
Parks and Recreation Director	Michele Harmel
Township Engineer	Mark A. Zemaitis
Township Solicitor	William A. Johnson

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Peters Township
Pennsylvania

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Sandison

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

HOSACK, SPECHT, MUETZEL & WOOD LLP

CERTIFIED PUBLIC ACCOUNTANTS

305 MT. LEBANON BOULEVARD, SUITE 301

PITTSBURGH, PENNSYLVANIA 15234-1500

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Independent Auditor's Report

Members of Council
Peters Township
McMurray, Pennsylvania

Dear Members:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Peters Township, as of and for the year ended December 31, 2011, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Peters 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Peters Township as of December 31, 2011, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information, and post-employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted

of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Peters Township's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express any opinion or provide any assurance on them.

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP

June 21, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Peters Township's comprehensive annual financial report presents a narrative overview and analysis of the Township's financial performance for the fiscal year ended December 31, 2011. Please read this management and discussion in conjunction with the preceding transmittal letter and the accompanying financial statements and notes which follow in order to obtain a thorough understanding of the Township's financial condition as of December 31, 2011.

FINANCIAL HIGHLIGHTS

- The Township decreased the property tax rate by 1 mill to 13 mills.
- Peters Township's net assets increased by \$1,469,922 from \$29,361,012 to \$30,830,934. This is an increase of 5%.
- The unrestricted net assets of Peters Township as of December 31, 2010 were \$6,690,834. As of December 31, 2011 the unrestricted net assets of the Township were \$6,783,776.
- In 2012 Standard and Poor's awarded Peters Township a bond rating of AA+.
- The net outstanding debt decreased by \$675,000 from \$13,625,000 in 2010 to \$12,950,000.
- Based on the Township's population estimate for 2011 of 22,750 the per capita debt as of December 31, 2011 is \$576. This is down from \$670 in 2010.
- The Fund Balance for the General Fund as of December 31, 2011 increased by \$44,217 to \$5,831,291 from \$5,787,074.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis section of the comprehensive annual financial report is intended as an introduction to Peters Township's basic financial statements. There are three components to the Township's financial statements. These are: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information designed to enhance the reader's understanding of the Township's finances.

Government-wide financial statements are intended to provide readers with a broad overview of Peters Township's finances. There are two government-wide financial statements presented in this report.

The first is the statement of net assets. The statement of net assets presents information on all of Peters Township's assets and liabilities. The difference between the Township's assets and liabilities is shown as the Township's net assets. Increases or decreases in net assets are

financial indicators that when tracked over time can be used as a measure of the Township's financial condition.

The second government-wide financial statement is the statement of activities. This statement shows information on how the Township's net assets have changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the actual cash flow. Revenues and expenses are reported in the statement for some items that will result in cash flows at some future date. For example, taxes that are levied but yet to be collected or sick days accrued but not yet used.

It is the accepted practice in the government-wide financial statements to distinguish governmental activities from business-type activities. Governmental activities are those functions of the Township that are principally supported by tax dollars and intergovernmental revenues. Governmental activities commonly include services such as police, fire, public works, planning, recreation, and administration. Business-type activities are those that are funded through user fees and charges. These would include such municipal services such as solid waste collection, sewage treatment, public water, or other municipally owned utilities. Peters Township does provide solid waste collection and disposal under contract to a third party. The government-wide financial statements therefore include information both on governmental activities and business-type activities.

The government-wide financial statements are required to include financial information not only on the primary governmental unit but also information for any other component unit for which the primary governmental unit is financially responsible. An example of a component unit of a Township (the primary governmental unit) would be a sewer authority where the Township sets user rates and guarantees the authority's bonds. Peters Township (the primary governmental unit) is not financially responsible for other organizations and therefore information on component units is not incorporated into this report.

The fund financial statements provide detailed information about the Township's funds as opposed to the Township as a whole. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Certain funds are required to exist to comply with requirements of the Commonwealth of Pennsylvania. The funds used by Peters Township are divided into three categories. They are governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, the governmental fund statements focus on near term financial activities. Governmental fund statements report information on revenues and expenditures throughout the year as well as the balances of available resources at the year's end. This information allows the reader to evaluate the Township's short-term financial activities.

By viewing information contained in the government-wide financial statements in conjunction with that contained in the governmental fund states the reader can appreciate the impact near term financial activities has on the Township's long-term financial condition. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Peters Township maintains seven individual governmental funds. These include:

General Fund
Cable Television Fund
Capital Projects Fund
Highway Aid Fund
Library Fund
Series of 2006 Debt Service Fund
Series of 2010 Debt Service Fund

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, and the capital projects fund. These two funds are considered major funds. Information on the non-major funds including the highway aid fund, the cable television fund, the library fund, and debt service funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements.

Peters Township annually adopts budgets for all of the governmental funds. A statement comparing revenues and expenditures to the budget is included for all governmental funds.

Proprietary funds are used to account for the Township's activities that are similar to a business operation in the private sector. For proprietary funds a significant portion of the funding is provided from user charges. The Peters Township Solid Waste Services Fund was created in 2006 to account for the financial activity associated with the collection and disposal of solid waste and recyclables. This fund is a proprietary fund. Accounting for this fund is done on a similar basis as the accounting for a business activity.

Fiduciary funds are used to account for resources held for the benefit of parties other than the Township. Fiduciary funds are not reflected in the government-wide financial statements because the resources contained in these funds are not available to support the programs of Peters Township. Peters Township maintains two fiduciary funds. These include:

Police Pension Fund
Employees' Pension Fund

The notes to the financial statements provide additional information essential for a reader to develop a full understating of the information provided in the government-wide and fund financial statements.

In addition to the basic financial statements and the accompanying notes the report also presents certain required supplementary information. The required supplementary information in Peters Township's comprehensive financial report provides the reader information concerning the Township's progress toward funding its pension obligation for the police pension plan, other post-employment benefits and the budgetary comparison schedules.

The combining statements and schedules referred to earlier in connection with non major governmental fund are presented immediately following the required supplementary information

FINANCIAL ANALYSIS OF THE MUNICIPALITY AS A WHOLE

The Township's net assets at December 31, 2011 and December 31, 2010 are presented below:

	Net Assets					
	Year Ended December 31					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2011	2010	2011	2010	2011	2010
ASSETS						
Current and other assets	\$ 11,918,780	\$ 11,771,415	\$ 189,222	\$ 170,767	\$ 12,108,002	\$ 11,942,182
Capital assets	\$ 33,783,993	\$ 32,598,001	\$ 0	\$ 0	\$ 33,783,993	\$ 32,598,001
Long-term prepayments	\$ 165,186	\$ 210,758	\$ 0	\$ 0	\$ 165,186	\$ 210,758
Total Assets	<u>\$ 45,867,959</u>	<u>\$ 44,580,174</u>	<u>\$ 189,222</u>	<u>\$ 170,767</u>	<u>\$ 46,057,181</u>	<u>\$ 44,750,941</u>
LIABILITIES						
Current and other liabilities	\$ 2,025,535	\$ 1,444,792	\$ 32,782	\$ 29,588	\$ 2,058,317	\$ 1,474,380
Non-current liabilities	\$ 13,167,930	\$ 13,915,549	\$ 0	\$ 0	\$ 13,167,930	\$ 13,915,549
Total Liabilities	<u>\$ 15,193,465</u>	<u>\$ 15,360,341</u>	<u>\$ 32,782</u>	<u>\$ 29,588</u>	<u>\$ 15,226,247</u>	<u>\$ 15,389,929</u>
NET ASSETS						
Invested in capital assets, net of related debt	\$ 22,351,241	\$ 21,162,320			\$ 22,351,241	\$ 21,162,320
Restricted	\$ 1,695,917	\$ 1,507,858			\$ 1,695,917	\$ 1,507,858
Unrestricted	\$ 6,627,336	\$ 6,549,655	\$ 156,440	\$ 141,179	\$ 6,783,776	\$ 6,690,834
Total Net Assets	<u>\$ 30,674,494</u>	<u>\$ 29,219,833</u>	<u>\$ 156,440</u>	<u>\$ 141,179</u>	<u>\$ 30,830,934</u>	<u>\$ 29,361,012</u>
Total Liabilities and Net Assets	<u>\$ 45,867,959</u>	<u>\$ 44,580,174</u>	<u>\$ 189,222</u>	<u>\$ 170,767</u>	<u>\$ 46,057,181</u>	<u>\$ 44,750,941</u>

Infrastructure assets:

At December 31, 2011, the Peters Township's total assets are \$46,057,181. Of this amount, \$33,783,993 is accounted for as capital assets. The total assets as of December 31, 2010 were \$44,750,941.

Historically, infrastructure (roads, sewers, etc) have not been reported or depreciated in governmental financial statements. GASB Statement #34 requires that all capital assets, including infrastructure, be valued and reported within the governmental activities column of the government-wide financial statements. Prospective reporting of infrastructure is allowed under GASB statement #34 for smaller municipalities. Peters Township has chosen to report infrastructure on a prospective basis and began doing so in 2004. As a result, investment in capital assets net of related debt stands at \$22,351,241 as of December 31, 2011. This is an increase of \$1,188,921 over the December 31, 2010 value of \$21,162,320.

The following presents the Township's change in net assets for the fiscal years ended December 31, 2011 and December 31, 2010

**Changes in Net Assets
Year Ended December 31**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues:						
Charges for services	\$ 1,520,180	\$ 1,425,001	\$ 1,358,824	\$ 1,317,316	\$ 2,879,004	\$ 2,742,317
Operating grants	\$ 1,472,854	\$ 1,047,494	\$ 0	\$ 0	\$ 1,472,854	\$ 1,047,494
Capital Grants	\$ 784,000	\$ 1,939,062	\$ 0	\$ 0	\$ 784,000	\$ 1,939,062
General Revenues:						
Property taxes	\$ 4,094,648	\$ 4,300,408	\$ 0	\$ 0	\$ 4,094,648	\$ 4,300,408
Earned income taxes	\$ 4,782,082	\$ 4,614,173	\$ 0	\$ 0	\$ 4,782,082	\$ 4,614,173
Real estate transfer taxes	\$ 1,492,956	\$ 1,280,923	\$ 0	\$ 0	\$ 1,492,956	\$ 1,280,923
Other taxes	\$ 303,655	\$ 282,961	\$ 0	\$ 0	\$ 303,655	\$ 282,961
Grants not restricted	\$ 406,685	\$ 593,316	\$ 0	\$ 0	\$ 406,685	\$ 593,316
Investment earning	\$ 105,386	\$ 99,465	\$ 99	\$ 134	\$ 105,485	\$ 99,599
Miscellaneous income	\$ 17,745	\$ 14,185	\$ 0	\$ 0	\$ 17,745	\$ 14,185
Total Revenues	<u>\$14,980,191</u>	<u>\$ 15,596,988</u>	<u>\$ 1,358,923</u>	<u>\$ 1,317,450</u>	<u>\$16,339,114</u>	<u>\$ 16,914,438</u>
Program Expenses						
General government	\$ 1,584,088	\$ 1,527,661	\$ 0	\$ 0	\$ 1,584,088	\$ 1,527,661
Public safety	\$ 5,311,593	\$ 4,929,104	\$ 0	\$ 0	\$ 5,311,593	\$ 4,929,104
Public works - sanitation	\$ 76,492	\$ 49,076	\$ 1,343,662	\$ 1,247,810	\$ 1,420,154	\$ 1,296,886
Public works - highways	\$ 3,144,509	\$ 3,439,842	\$ 0	\$ 0	\$ 3,144,509	\$ 3,439,842
Culture and recreation	\$ 2,907,506	\$ 2,715,179	\$ 0	\$ 0	\$ 2,907,506	\$ 2,715,179
Interest on long-term debt	\$ 501,342	\$ 508,893	\$ 0	\$ 0	\$ 501,342	\$ 508,893
Total Expenses	<u>\$ 13,525,530</u>	<u>\$ 13,169,755</u>	<u>\$ 1,343,662</u>	<u>\$ 1,247,810</u>	<u>\$ 14,869,192</u>	<u>\$ 14,417,565</u>
Change in net assets	\$ 1,454,661	\$ 2,427,233	\$ 15,261	\$ 69,640	\$ 1,469,922	\$ 2,496,873
Net assets-beginning	<u>\$ 29,219,833</u>	<u>\$ 26,792,600</u>	<u>\$ 141,179</u>	<u>\$ 71,539</u>	<u>\$ 29,361,012</u>	<u>\$ 26,864,139</u>
Net assets-ending	<u>\$ 30,674,494</u>	<u>\$ 29,219,833</u>	<u>\$ 156,440</u>	<u>\$ 141,179</u>	<u>\$ 30,830,934</u>	<u>\$ 29,361,012</u>

**Governmental Activities
Revenue Sources**

In 2011 71.3% of Peters Township's total government-wide revenues of \$14,980,191 were derived from taxes. This compares with 67.2% in 2010. This increase in part is a result of decreasing the property tax millage from 14 to 13 mills and increases in the collection of earned income and real estate transfer tax. The Township collected \$10,673,341 in taxes. Of the taxes levied Earned Income Tax and the Real Estate Tax are the most significant.

The Earned Income Tax is a one-half percent (.5%) tax levied against the wages earned by Township residents. In 2011, Earned Income Tax accounted for \$4,782,082 or 44.8% of the taxes levied for general government functions. This was .8% higher than that collected in 2010.

The Real Estate Tax is a tax levied against the assessed valuation of real estate property located in the Township. The assessed valuation of all property in 2011 was \$323,590,796. This represents an increase in assessed property value of approximately \$6,398,225. This increase reflects the value of new construction and additions completed in 2011. The last reassessment of properties in Peters Township occurred in 1981. The court ordered reassessment of properties which was to be completed by 2012 has been postponed. Real Estate Tax receipts totaled \$4,094,648 or 38.4% of tax revenue. Decreased revenues of \$205,760 are the result of a 1 mill decrease in the real estate tax levy in 2011.

The Real Estate Transfer Tax is a tax levied on the value of all real estate transferred in Peters Township. The Township levy is one percent (1%) of the value of property transferred. This tax is collected by the Washington County Recorder of Deeds, who charges a two percent (2%) collection fee. In 2011 revenues from the Deed Transfer Tax increased by \$212,033 from the prior year to \$1,492,956. In 2011 Real Estate Transfer Tax revenues return to the historical norm.

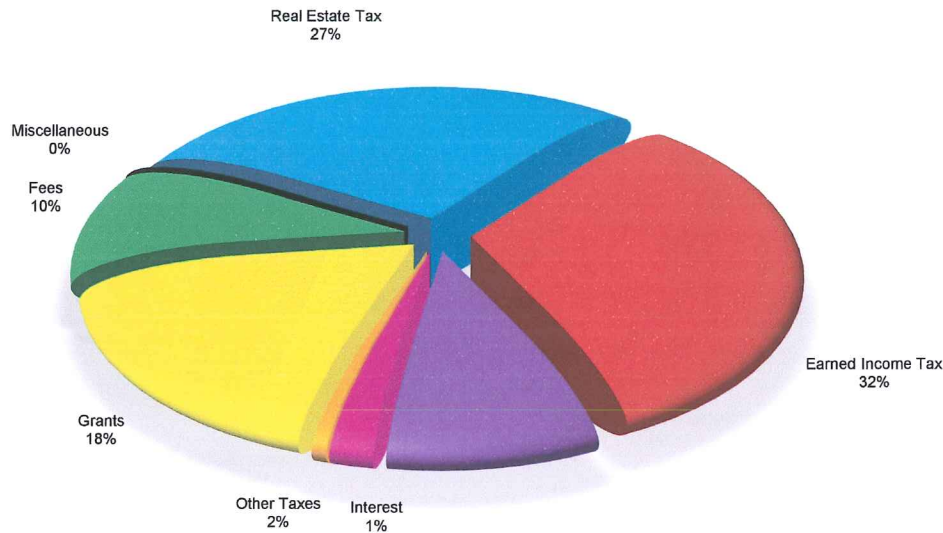
In 2011 the Township collected \$4,306,850 in revenue from non tax sources. This represents 28.7% of the total revenue collected. Charges for services equaled \$1,520,180 or 35.3% of all non tax revenue. It is the Township's policy, whenever possible, to charge fees for specialized services. The Township's goal is to structure these fees in a manner so as to cover the total cost of providing the related service. Zoning and building permit fees offset the cost of municipal services associated with development activity. The cost of recreation activities is largely covered by program fees. The largest source of income from fees is that related to collection and disposal of solid waste and recycling. In 2011 fees for solid waste and recycling totaled \$1,358,824. These fees cover 100% of the cost of collection and disposal.

Grants received by Peters Township in 2011 totaled \$2,663,539 and represent 68% of the Township's non tax revenue. An important ongoing source of grant funds for Peters Township is the Pennsylvania State Liquid Fuel Program. Under this program, the state provides individual municipalities with a portion of the monies derived through the imposition of a statewide gasoline tax. In 2011 Peters Township also began receiving a grant allocation under the local share program for gaming funds.

The Township also receives funds under the Foreign Fire and Foreign Casualty Insurance Programs. Funds received under the Foreign Fire Fund Program are mandated by the state of Pennsylvania to be turned over to the Peters Township Volunteer Fire Company Relief Association. These funds primarily are utilized by the Relief Association to acquire and maintain firefighting equipment and personal protection gear. The Foreign Casualty Insurance Program provides funds to help offset employee pension costs. The amount received does not cover all of the costs associated with employee pensions. The difference is made up by the General Fund and employees' contributions.

The following chart graphically depicts the government-wide sources of the governmental activities revenues for the fiscal year ended December 31, 2011:

Sources of Revenues
Total Revenues: \$14,980,191



Program Expenses

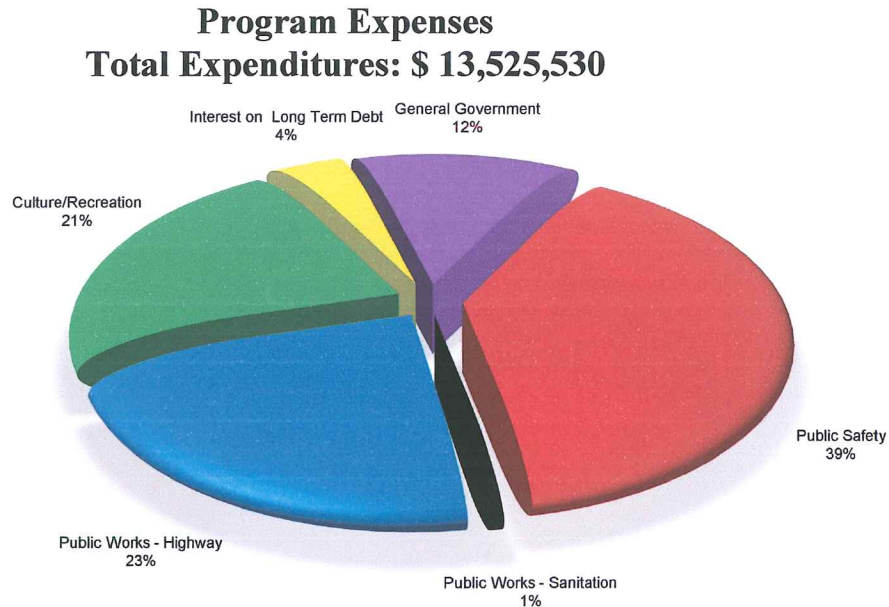
Total program expenses in 2011 were \$13,525,530. This represents a decrease of \$355,775 or approximately 13% over 2010. This decrease in expenditures is primarily attributed to costs associated with a variety of 2010 capital projects including Peterswood Park improvements and contributions toward the cost of the Rt. 19/Valleybrook Road intersection project.

In 2011 expenditures associated with public safety account for \$5,311,593 or 39.3% of all expenses. Programs contained in the Public Safety category include Police Services, Fire Services, Planning, Emergency Medical Services, Animal Control, Zoning Building Inspection and Emergency Medical Services. In 2011 the Township entered into a three year labor contract with the firefighters .

Public Works expenditures in 2011 totaled \$3,221,001 or 23.8% of total expenses. A significant portion of this amount is associated with capital improvements including the resurfacing of roadways and the rehabilitation of storm sewers.

Programs included under the category of Culture and Recreation are the Peters Township Library, Parks and Recreation, and Peters Township Community Television. In 2011, expenditures for Culture and Recreation equaled \$2,907,506 or 21.5% of the expenses. In the late fall of 2009 Peters Township awarded a construction contract in the amount of approximately \$1,705,000 that will result in a significant addition to Peterswood Park. As designed the park expansion project will provide additional softball fields, practice infields, a multipurpose field, concession stand with restrooms and a connection to Arrowhead Trail. Construction of the project was completed in the spring of 2011. The project was financed with the proceeds of a bond issue upon which the Township closed in 2010.

The following chart graphically depicts the government-wide program expenses for the fiscal year ended December 31, 2011:



Net Program Expenses/Revenues:

As one might expect the basic services of Peters Township are primarily financed through general revenues. To the extent one can identify a specific beneficiary of a municipal service, users fees are charged to offset the cost of the service rendered. Examples of the municipal services where it is possible to establish this correlation include services such as recreation programs and building permits.

In 2011 Public Safety expenses required the most general revenue for support, needing \$4,354,418. Culture and recreation required \$1,895,096 in general revenue support while public works required \$1,678,900.

Business-Type Activities

Revenue Sources

To finance the cost of collecting and disposing of solid waste and recyclables the Township charges each homeowner a flat fee that is collected quarterly. In 2011 charges for garbage collection equaled \$1,358,824. This service was instituted in 2006.

Program Expenses

The flat fee charged to the Township by a third party contractor determines the expense related to the collection and disposal of solid waste and recyclables. This service costs \$1,343,662 in 2011. The collection and disposal of solid waste and recyclables is performed under contract with Waste Management. The Township through the South Hills Council of Government entered into a contract with Waste Management which results in enhanced service at a slight decrease over the prior year's costs.

Net Program Expenses/Revenues

Program expenses are intended to be fully offset by revenues generated by user charges. In 2011 charges for services off set all associated expenses.

FINANCIAL ANALYSIS OF THE MUNICIPALITY'S FUNDS

As Peters Township completed the year, its governmental funds reported a combined fund balance of \$10,660,733 a decrease of \$377,482 compared to the previous year. This modest decrease in fund balance is largely attributable to the expenditure of 2010 bond issue proceeds. The Township continues to maintain fund balances well in excess of established standards.

Fund balance is divided into one of five classifications. These are:

- Nonspendable fund balance — amounts that are not in a spendable form such as inventory or are required to be maintained intact
- Restricted fund balance — amounts constrained to specific purposes by their providers through constitutional provisions or by enabling legislation
- Committed fund balance — amounts constrained to specific purposes by Peters Township Council
- Assigned fund balance — amounts a government intends to use for a specific purpose. The assignment can be expressed by Council or the Township Manager
- Unassigned fund balance — amounts that are available for any purpose; these amounts are reported only in the general fund.

Of the total balance \$3,572,901 is restricted and must be used the completion of capital and highway projects. Peters Township Council has committed \$1,376,614 for specific purposes including \$1,024,678 in the Cable Television Fund for public access television and communications. \$938,119 of the fund balance is classified as assigned. This includes \$231,863 which is assigned the Library Fund for library operations. The nonspendable fund balance is \$3,069. The remaining \$4,770,030 is unassigned, meaning it is available to meet the Township's current and future needs.

In the Peters Township General Fund, the fund balance increased by \$44,217 from \$5,787,074 to \$5,831,291.

The fund balance in the Peters Township Capital Projects Fund decreased by \$619,365 from \$4,192,244 to \$3,572,879. This is largely attributed to completion of capital projects associated with the proceeds from the 2010 bond issue.

General Fund Budgetary Highlights

In 2011 general fund revenues exceed budgeted revenues by \$1,087,657 or 9.2%. Total revenues in 2011 were budgeted at \$11,864,957 while actual revenues equaled \$12,952,614. The variance is largely attributable to greater than expected grant revenues from the state of Pennsylvania, as well as, higher than anticipated Real Estate Transfer Tax revenues.

General fund expenditures were \$467,000 or 4.7% less than the final budget. The final budget for total expenditures in 2011 was \$10,001,740 while actual expenditures equaled \$9,534,740. The variance between actual and budgeted expenditures was the result of a

continued concerted effort across the board to control spending in light of the general economic condition and its potential effect on revenues.

Other Major Funds

Capital Projects Fund

The capital projects fund accounts for funds provided by Peters Township, most frequently from transfers from the General Fund or bond proceeds. The most significant capital expenditure in 2011 related to highway maintenance, storm sewer maintenance, and completion of the park improvements.

In 2009 Peters Township awarded a contract for the construction of Peterswood Park Expansion project which will include 2 softball fields, two practice infields and a multipurpose field as well as a concession and restroom facility. Work on this project commenced late in 2009 and was completed in 2011.

Cable Television Fund

The Cable Television Fund accounts for funds derived from a 5% franchise fee charged the Township's cable television provider. Peters Township has chosen to segregate these funds and to earmark them for communication, public access operation and cable franchise administration.

In 2011 Peters Township entered into a franchise agreement for cable services with Comcast Communications. Peters Township also has a franchise agreement for cable services with Verizon.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets consist primarily of land, buildings and improvements, equipment and infrastructure. The following is a summary of capital assets at December 31, 2011 and December 31, 2010:

Summary of Capital Assets

	Balance at	Balance at	
	12/31/2011	12/31/2010	Difference
Land	\$ 5,877,316	\$ 5,877,316	\$ 0
Construction in Progress	\$ 0	\$ 2,153,261	(\$2,153,261)
Buildings & improvements	\$ 12,671,289	\$ 12,633,069	\$ 38,220
Land improvements	\$ 5,305,858	\$ 2,367,678	\$ 2,938,180
Machinery and equipment	\$ 4,019,881	\$ 3,890,079	\$ 129,802
Vehicles	\$ 3,545,725	\$ 3,442,469	\$ 103,256
Infrastructure	<u>\$ 15,722,917</u>	<u>\$ 14,012,179</u>	<u>\$ 1,710,738</u>
Total capital assets	<u>\$ 47,142,986</u>	<u>\$ 44,376,051</u>	<u>\$ 2,766,935</u>

Less accumulated depreciation for:			
Buildings and building improvements	\$ 3,707,736	\$ 3,388,706	\$ 319,030
Land improvements	\$ 1,543,416	\$ 1,374,692	\$ 168,725
Machinery and equipment	\$ 2,654,230	\$ 2,451,268	\$ 202,962
Vehicles	\$ 2,558,031	\$ 2,363,576	\$ 194,455
Infrastructure	<u>\$ 2,895,580</u>	<u>\$ 2,199,808</u>	<u>\$ 695,772</u>
Total accumulated depreciation	<u>\$13,358,993</u>	<u>\$11,778,050</u>	<u>\$ 1,580,943</u>
Net capital assets	<u>\$33,783,993</u>	<u>\$32,598,001</u>	<u>\$ 1,185,992</u>

More detailed information about the Township's capital assets can be found in Note 6 of the notes to financial statements.

Long-term Debt

As of December 31, 2011 the Township had \$13,339,889 of debt outstanding. This represents an decrease of \$812,709 or 6% from the previous year. The following details activity related to general obligation bonds and capital leases during 2011

Summary of General Obligation Debt Activity

Beginning Balance at 1/1/2011	\$ 14,152,598
Principal Retirement	\$(812,709)
Ending Balance at 12/31/2011	\$ 13,339,889

More detailed information about the Township long-term debt can be found in Note 9 of the notes to financial statements.

Trust and Agency Operations

Pension Trust Fund

The Township maintains two pension funds related to the activities associated with the Peters Township Police and the Peters Township Employee Pension Systems. As a result of a net appreciation in the fair value of the investments in 2011 both pension funds experienced a modest increase in the value of assets held. Because the Peters Township Employee Pension is a defined contribution plan the amount of the Township's future contribution will be unaffected. The Peters Township Police Pension Plan however is a defined benefit plan. The impact of the net appreciation in the fair value of investments held in this plan on future Township contribution has yet to be ascertained.

Bond Ratings

The Township maintains a strong investment bond rating of Aa+ from Standard and Poor's bond rating service. This rating was issued in 2012. More detailed information about the Township's general long-term debt activity can be found in the notes to the financial statements.

CONTACTING THE MUNICIPALITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate the Township's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

**Peters Township Finance Department
610 East McMurray Road
McMurray, PA 15317**

**Peters Township
Statement of Net Assets
December 31, 2011**

Exhibit 1

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 8,394,817	\$212,079	\$ 8,606,896
Investments	1,935,913	-	1,935,913
Taxes Receivable (Net)	1,156,170	-	1,156,170
Internal Balances	50,000	(50,000)	-
Due from Other Governments	115,565	-	115,565
Other Receivables	172,875	-	172,875
Accounts Receivable	-	27,143	27,143
Prepaid Items	44,732	-	44,732
Other Current Assets	<u>48,708</u>	<u>-</u>	<u>48,708</u>
Total Current Assets	<u>11,918,780</u>	<u>189,222</u>	<u>12,108,002</u>
Noncurrent Assets			
Land	5,877,316	-	5,877,316
Capital Assets, Net of Accumulated Depreciation	15,079,340	-	15,079,340
Infrastructure Assets, Net of Accumulated Depreciation	12,827,337	-	12,827,337
Long-Term Prepayments (Net of Amortization)	<u>165,186</u>	<u>-</u>	<u>165,186</u>
Total Noncurrent Assets	<u>33,949,179</u>	<u>-</u>	<u>33,949,179</u>
TOTAL ASSETS	<u>\$45,867,959</u>	<u>\$189,222</u>	<u>\$46,057,181</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable	\$ 264,052	\$ 32,782	\$ 296,834
Contracts Payable	258,052	-	258,052
Accrued Salaries and Benefits	177,483	-	177,483
Payroll Deductions and Withholdings	12,927	-	12,927
Other Current Liabilities	424,488	-	424,488
Accrued Interest Payable	19,267	-	19,267
Unearned Revenues	23,359	-	23,359
Current Portion of Long-Term Debt	<u>845,907</u>	<u>-</u>	<u>845,907</u>
Total Current Liabilities	<u>2,025,535</u>	<u>32,782</u>	<u>2,058,317</u>
Noncurrent Liabilities			
Bonds Payable	12,224,847	-	12,224,847
Lease Purchase Obligations	247,529	-	247,529
Long-Term Portion of Compensated Absences	556,256	-	556,256
Other Post-Employment Benefits	<u>139,298</u>	<u>-</u>	<u>139,298</u>
Total Noncurrent Liabilities	<u>13,167,930</u>	<u>-</u>	<u>13,167,930</u>
Total Liabilities	<u>15,193,465</u>	<u>32,782</u>	<u>15,226,247</u>
Net Assets			
Invested in Capital Assets (Net of Related Debt)	22,351,241	-	22,351,241
Restricted for Capital Projects	1,695,895	-	1,695,895
Restricted for Public Works - Highways	22	-	22
Unrestricted	<u>6,627,336</u>	<u>156,440</u>	<u>6,783,776</u>
Total Net Assets	<u>30,674,494</u>	<u>156,440</u>	<u>30,830,934</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$45,867,959</u>	<u>\$189,222</u>	<u>\$46,057,181</u>

See Accompanying Notes

**Peters Township
Statement of Activities
Year Ended December 31, 2011**

Exhibit 2

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities						
General Government	\$ 1,584,088	\$ 122,769	\$ 142,579	\$ -	\$(1,318,740)	\$ (1,318,740)
Public Safety	5,311,593	472,241	484,934	-	(4,354,418)	(4,354,418)
Public Works - Sanitation	76,492	10,425	23,184	-	(42,883)	(42,883)
Public Works - Highways	3,144,509	43,413	681,079	784,000	(1,636,017)	(1,636,017)
Culture - Recreation	2,907,506	871,332	141,078	-	(1,895,096)	(1,895,096)
Interest on Long-Term Debt	<u>501,342</u>	-	-	-	<u>(501,342)</u>	<u>(501,342)</u>
Total Governmental Activities	<u>13,525,530</u>	<u>1,520,180</u>	<u>1,472,854</u>	<u>784,000</u>	<u>(9,748,496)</u>	<u>(9,748,496)</u>
Business-Type Activities						
Garbage	<u>1,343,662</u>	<u>1,358,824</u>	-	-	-	<u>15,162</u>
Total Primary Government	<u>\$14,869,192</u>	<u>\$2,879,004</u>	<u>\$1,472,854</u>	<u>\$784,000</u>	<u>(9,748,496)</u>	<u>(9,733,334)</u>
General Revenues						
Taxes						
Property Taxes, Levied for General Purposes (Net)					4,094,648	4,094,648
Earned Income Taxes					4,782,082	4,782,082
Real Estate Transfer Taxes					1,492,956	1,492,956
Other Taxes, Levied for General Purposes (Net)					303,655	303,655
Grants and Contributions					-	-
Not Restricted to Specific Programs					406,685	406,685
Investment Earnings					105,386	105,485
Miscellaneous Income					<u>17,745</u>	<u>17,745</u>
Total General Revenues					<u>11,203,157</u>	<u>11,203,256</u>
Changes in Net Assets					1,454,661	1,469,922
Net Assets - January 1, 2011					<u>29,219,833</u>	<u>29,361,012</u>
Net Assets - December 31, 2011					<u>\$30,674,494</u>	<u>\$30,830,934</u>

See Accompanying Notes

**Peters Township
Balance Sheet
Governmental Funds
December 31, 2011**

Exhibit 3

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$4,477,405	\$2,707,634	\$1,209,778	\$ 8,394,817
Investments	699,394	1,236,519	-	1,935,913
Taxes Receivable (Net)	1,156,170	-	-	1,156,170
Due from Other Funds	52,785	-	-	52,785
Due from Other Governments	115,565	-	-	115,565
Other Receivables	63,815	-	109,060	172,875
Prepaid Items	3,069	-	3,833	6,902
Other Current Assets	<u>48,708</u>	<u>-</u>	<u>-</u>	<u>48,708</u>
TOTAL ASSETS	<u>\$6,616,911</u>	<u>\$3,944,153</u>	<u>\$1,322,671</u>	<u>\$11,883,735</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Due to Other Funds	\$ -	\$ -	\$ 2,785	\$ 2,785
Accounts Payable	147,570	113,222	3,260	264,052
Contracts Payable	-	258,052	-	258,052
Accrued Salaries and Benefits	175,541	-	1,942	177,483
Payroll Deductions and Withholdings	12,558	-	369	12,927
Deferred Revenues	83,215	-	-	83,215
Other Current Liabilities	<u>366,736</u>	<u>-</u>	<u>57,752</u>	<u>424,488</u>
Total Liabilities	<u>785,620</u>	<u>371,274</u>	<u>66,108</u>	<u>1,223,002</u>
Fund Balances				
Nonspendable	3,069	-	-	3,069
Restricted	-	3,572,879	22	3,572,901
Committed	351,936	-	1,024,678	1,376,614
Assigned	706,256	-	231,863	938,119
Unassigned	<u>4,770,030</u>	<u>-</u>	<u>-</u>	<u>4,770,030</u>
Total Fund Balances	<u>5,831,291</u>	<u>3,572,879</u>	<u>1,256,563</u>	<u>10,660,733</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$6,616,911</u>	<u>\$3,944,153</u>	<u>\$1,322,671</u>	<u>\$ 11,883,735</u>

See Accompanying Notes

Peters Township
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
December 31, 2011

Exhibit 4

Total Fund Balances - Governmental Funds \$ 10,660,733

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 \$47,142,986, and the accumulated depreciation is \$13,358,993. 33,783,993

Property taxes receivable will be collected next year but are not available soon enough to pay for the current period's expenditures and therefore, are deferred in the funds. 59,856

The negative pension benefit obligation (asset) is considered an asset in the government-wide financial statements. 37,830

Deferred charges on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net assets. 195,339

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	\$(12,950,000)	
Accrued Interest on the Bonds	(19,267)	
Capital Lease Payable	(389,889)	
Compensated Absences	(564,803)	
Other Post-Employment Benefits (OPEB)	<u>(139,298)</u>	<u>(14,063,257)</u>

Total Net Assets - Governmental Activities \$ 30,674,494

See Accompanying Notes

Peters Township
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2011

Exhibit 5

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$10,765,185	\$ -	\$ -	\$10,765,185
Licenses and Permits	11,100	-	442,532	453,632
Fines and Forfeits	86,277	-	51,404	137,681
Interest, Rents and Royalties	40,542	63,559	1,285	105,386
Intergovernmental	1,097,947	179,045	587,240	1,864,232
Charges for Services	891,919	-	20,192	912,111
Miscellaneous	<u>59,644</u>	<u>139,115</u>	<u>2,668</u>	<u>201,427</u>
Total Revenues	<u>12,952,614</u>	<u>381,719</u>	<u>1,105,321</u>	<u>14,439,654</u>
Expenditures				
Current:				
General Government	1,140,048	-	72,017	1,212,065
Public Safety	4,028,389	-	-	4,028,389
Public Works - Sanitation	56,658	-	-	56,658
Public Works - Highways	1,246,424	-	-	1,246,424
Culture - Recreation	1,155,238	-	1,039,416	2,194,654
Insurance, Employee Benefits and Other	1,754,622	-	-	1,754,622
Debt Service:				
Principal	137,709	-	675,000	812,709
Interest	15,652	-	484,193	499,845
Capital Outlay	<u>-</u>	<u>2,501,084</u>	<u>510,686</u>	<u>3,011,770</u>
Total Expenditures	<u>9,534,740</u>	<u>2,501,084</u>	<u>2,781,312</u>	<u>14,817,136</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,417,874</u>	<u>(2,119,365)</u>	<u>(1,675,991)</u>	<u>(377,482)</u>
Other Financing Sources (Uses)				
Transfers In	7,535	1,500,000	1,881,192	3,388,727
Transfers Out	<u>(3,381,192)</u>	<u>-</u>	<u>(7,535)</u>	<u>(3,388,727)</u>
Total Other Financing Sources (Uses)	<u>(3,373,657)</u>	<u>1,500,000</u>	<u>1,873,657</u>	<u>-</u>
Net Changes in Fund Balances	44,217	(619,365)	197,666	(377,482)
Fund Balances - January 1, 2011 (Restated - See Note 2)	<u>5,787,074</u>	<u>4,192,244</u>	<u>1,058,897</u>	<u>11,038,215</u>
Fund Balances - December 31, 2011	<u>\$ 5,831,291</u>	<u>\$ 3,572,879</u>	<u>\$ 1,256,563</u>	<u>\$10,660,733</u>

See Accompanying Notes

**Peters Township
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended December 31, 2011**

Exhibit 6

Total Net Change in Fund Balances - Governmental Funds \$ (377,482)

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

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

Depreciation Expense	\$(1,589,865)	
Capital Outlays	2,150,415	
Net Book Value of Assets Retired	<u>(6,939)</u>	553,611

Donations of capital assets increases net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 632,381

Because some property taxes will not be collected for several months after the Township's year ends, they are not considered as "available" revenues in the governmental funds. Deferred tax revenues decreased by this amount this year. (25,253)

Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 812,709

In the statement of activities, certain operating expenses - compensated absences (sick pay and vacations) and other post-employment benefit obligations - are measured by the amounts earned during the year. In governmental funds, however, expenditures for the items are measured by the amount of financial resources used (essentially, the amounts actually paid).

Compensated Absences	(76,747)	
Net Other Post-Employment Benefit Obligations (OPEB)	<u>(47,142)</u>	(123,889)

Some expenses reported in the fund financial statements relating to pension expense are recognized based on the annual required contribution or amount actually paid and in the government-wide statements are recognized based on the annual pension cost. (2,878)

(Cont'd)

**Peters Township
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended December 31, 2011**

Exhibit 6

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Net Change in Accrued Interest on Bonds	\$ 881
---	--------

Bond issue costs and bond discount are reported in the statement of revenues and expenditures of governmental funds as expenditures but are capitalized and amortized over the life of the bonds in the statement of activities:

Amortization of Issuance Costs and Bond Discount	<u>(15,419)</u>
--	-----------------

Change in Net Assets of Governmental Activities	<u>\$1,454,661</u>
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See Accompanying Notes

Peters Township
Statement of Net Assets
Proprietary Fund
December 31, 2011

Exhibit 7

	Garbage Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$212,079
Accounts Receivable	<u>27,143</u>
TOTAL ASSETS	<u>\$239,222</u>
LIABILITIES	
Current Liabilities	
Due to Other Funds	\$ 50,000
Accounts Payable	<u>32,783</u>
Total Liabilities	<u>82,783</u>
Net Assets	
Unrestricted	<u>156,439</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$239,222</u>

See Accompanying Notes

**Peters Township
Statement of Revenues, Expenses and
Changes in Fund Net Assets
Proprietary Fund
Year Ended December 31, 2011**

Exhibit 8

	Garbage Fund
Operating Revenues	
Charges for Services	<u>\$1,358,824</u>
Operating Expenses	
Other Services and Charges	<u>1,343,663</u>
Operating Income	15,161
Nonoperating Revenues	
Investment Income	<u>99</u>
Change in Net Assets	15,260
Net Assets - January 1, 2011	<u>141,179</u>
Net Assets - December 31, 2011	<u>\$ 156,439</u>

See Accompanying Notes

**Peters Township
Statement of Cash Flows
Proprietary Fund Type
Year Ended December 31, 2011**

Exhibit 9

	Garbage Fund
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 1,341,368
Cash Payments to Suppliers for Goods and Services	<u>(1,340,468)</u>
Net Cash Provided by Operating Activities	<u>900</u>
Cash Flows from Investing Activities	
Earnings on Investments	<u>99</u>
Net Increase in Cash and Cash Flows	999
Cash and Cash Equivalents - January 1, 2011	<u>211,080</u>
Cash and Cash Equivalents - December 31, 2011	\$ <u>212,079</u>
Operating Income	\$ 15,161
Adjustments to Reconcile Operating Income to Net Cash Used for Operating Activities	
(Increase) Decrease in Accounts Receivable	(17,456)
Increase (Decrease) in Accounts Payable	<u>3,195</u>
Total Adjustments	<u>(14,261)</u>
Cash Provided by Operating Activities	\$ <u><u>900</u></u>

See Accompanying Notes

**Peters Township
Statement of Net Assets
Fiduciary Funds
December 31, 2011**

Exhibit 10

	Pension Trust Funds
ASSETS	
Cash and Cash Equivalents	\$ 144,729
Investments	
Mutual Funds	8,840,572
Guaranteed Interest Accounts	139,836
Receivables - Employees	<u>37,362</u>
TOTAL ASSETS	<u>\$9,162,499</u>
LIABILITIES AND NET ASSETS	
Liabilities	\$ _____ -
Net Assets	
Held in Trust for Pension Benefits	<u>9,162,499</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$9,162,499</u>

See Accompanying Notes

Peters Township
Statement of Changes in Net Assets
Fiduciary Funds
Year Ended December 31, 2011

Exhibit 11

	Pension Trust Funds
Additions	
Contributions	
Employer	\$ 442,122
Plan Members	92,252
Other	<u>9,477</u>
Total Contributions	<u>543,851</u>
Investment Income	
Net Appreciation (Depreciation) in Fair Value of Investments	3,272
Interest and Dividends	<u>3,782</u>
Net Investment Income	<u>7,054</u>
Total Additions	<u>550,905</u>
Deductions	
Benefits	446,445
Administrative Expenses	<u>20,744</u>
Total Deductions	<u>467,189</u>
Change in Net Assets	83,716
Net Assets - January 1, 2011	<u>9,078,783</u>
Net Assets - December 31, 2011	<u>\$9,162,499</u>

See Accompanying Notes

Peters Township
Notes to Financial Statements
December 31, 2011

Note 1 - Summary of Significant Accounting Policies

Peters Township was incorporated in 1781 under the provisions of Article 9, Section 1 of the Constitution of the Commonwealth of Pennsylvania, as amended. Peters Township operates under the Home Rule Charter with a Council/Manager form of government.

The Township's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. The more significant accounting policies established in GAAP and used by the Township are discussed below.

The following is a summary of the more significant policies:

A. Financial Reporting Entity

In evaluating how to define a government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP) and more specifically, the provisions of Governmental Accounting Standards Board (GASB) Statement 14, "The Financial Reporting Entity". The following summarizes the guidance provided by GASB in determining the governmental activities, organizations, functions and component units that should be included in the governing entity's financial statements. The criterion for inclusion of a component unit is if the primary government is financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Based upon the application of these criteria, it has been determined that the Township (the primary government) has no potential component units to be included in its financial reporting entity.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Township. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Peters Township
Notes to Financial Statements
December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Cont'd)

B. Government-Wide and Fund Financial Statements (Cont'd)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, net of any uncollectible amounts, are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes levied but collected beyond 60 days after year end are recorded as deferred revenue to be recognized as revenue when the taxes are collected. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues, investment income, rent and certain miscellaneous revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. In applying the susceptible to accrual concept to intergovernmental revenues (state and federal sources), the legal and contractual requirements of the individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Township; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 1 - Summary of Significant Accounting Policies (Cont'd)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)

unrestricted as to purpose of expenditure. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Township reports the following major governmental funds:

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

The *capital projects fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

The Township reports the following major proprietary fund:

The *garbage fund* accounts for the revenues and other costs and expenses providing garbage collection to residents during the year.

Additionally, the Township reports the following fund type:

The *pension trust fund(s)* account for the activities of the Police and Non-Uniform Pension Plans, which accumulate resources for pension benefit payments to covered employees.

The Township also reports as nonmajor governmental funds the following:

Special revenue funds focus on revenues that are restricted or committed to specific purposes. Their revenues serve as the foundation for those funds. The Highway Aid, Cable Television and Library Funds are considered special revenue funds.

Debt service funds account for the resources accumulated and payments made for principal and interest on long-term general obligation bonds of governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Peters Township
Notes to Financial Statements
December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Cont'd)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Township's enterprise funds are charges to residents for collection of garbage and recyclables. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Cash and Cash Equivalents

The Township's policy is to maintain cash balances in interest-bearing accounts such as money market or flex funds. Investments are stated at fair value. Fair value is based on quoted market prices. For the purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

E. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Expenditures may not legally exceed the budgeted appropriation at the function level. As a matter of policy, supplemental appropriations are requested whenever expenditures exceed appropriations at the function level. Only Council may take action to amend appropriations. The budgetary procedures utilized by Peters Township are prescribed in the Township's Home Rule Charter. Those procedures are as follows:

1. Sixty days prior to the close of the fiscal year (December 31), the Township Manager is required to submit to Council a proposed budget.
2. Upon submission to Council, the proposed budget is considered public record and, as such, is available to the public for their review.
3. Council holds a public hearing to obtain input from Township residents on the proposed budget. This hearing must be held no earlier than two weeks after the submittal of the proposed budget to Council, but no later than two weeks prior to the anticipated adoption date.

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 1 - Summary of Significant Accounting Policies (Cont'd)

E. Budgets (Cont'd)

4. No sooner than two weeks after the public hearing, but before the close of the fiscal year (December 31), Council adopts the budget.
5. Budgets are adopted as on-line item basis by departments. At any time during the year, the Township Manager may transfer monies among programs within a function. Appropriation transfers between functions require Council action.
6. Appropriations authorized by the budget or any addendum cannot exceed anticipated income.
7. Budgets are legally adopted for the general fund, all special revenue funds, capital projects funds, and the debt service funds on a basis consistent with generally accepted accounting principles.
8. All appropriations lapse at the end of each fiscal year (December 31).
9. There were no supplemental budgetary appropriations made during the year ended December 31, 2011.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

G. Inventories

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis, and are expensed when used.

Inventories in governmental funds are stated at cost by the first-in, first-out method. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, an estimated value of inventories is reported as an asset in the general fund, if considered material. There were no material inventory balances as of December 31, 2011.

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 1 - Summary of Significant Accounting Policies (Cont'd)

H. Prepaid Items

In both the government-wide and fund financial statements, certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. Capital Assets

Capital assets, which include property, plant, equipment and land improvements are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In accordance with GASB Statement No. 34, infrastructure has been prospectively capitalized, beginning January 1, 2004. The Township, a phase-3 government under GASBS No. 34 implementation guidelines, is not required and has not elected retroactive reporting of infrastructure assets.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Assets	Years
Buildings and Building Improvement	20-40
Land Improvements	20
Furniture	5
Vehicles	5-15
Equipment	5-15
Computers	3
Infrastructure	20-40

J. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums, discounts and issuance costs are reported as deferred charges and amortized over the term of the related debt.

Peters Township
Notes to Financial Statements
December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Cont'd)

J. Long-Term Obligations (Cont'd)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Compensated Absences

The Township's policies regarding vacation time under various contracts, provide for employees to accumulate sick days which they are paid for upon retirement or termination of service. The amount the employee is compensated and the number of days varies based on their contract and their years of service. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, governmental funds report a compensated absence liability only if they have matured; for example, as a result of employee resignations and retirements.

L. Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Fund Statements - Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, fund balance reporting and governmental fund type definitions, the Township classifies governmental funds balances as follows:

Nonspendable - amounts that cannot be spent because they are either (1) not in a spendable form or (2) legally or contractually required to remain intact.

Peters Township
Notes to Financial Statements
December 31, 2011

Note 1 - Summary of Significant Accounting Policies (Cont'd)

L. Equity Classifications (Cont'd)

Fund Statements - Fund Balance (Cont'd)

Restricted - the part of fund balance that is restricted to be spent for a specific purpose. The constraints on these amounts must be externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or by enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payment and includes a legally enforceable requirement on the use of these funds.

Committed - the portion of fund balance that can only be used for specific purposes as a result of formal action by the Township's highest level of authority, Council. Once the item is committed, it cannot be used for any other purpose unless changed by the same procedures used to initially constrain the money, which is the passage of a motion.

Assigned - reflects the Township's intent to use the money for a specific purpose but is not considered restricted or committed. Fund balance may be assigned by the Township's manager or assistant manager.

Unassigned - represents the part of spendable fund balance that has not been categorized as restricted, committed or assigned. The general fund is the only fund permitted to have a positive unassigned fund balance.

The Township's informal policy is that it considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. It also considers committed amounts to be spent first when an expenditure is incurred for purposes for which both committed and unassigned fund balance could be used.

The purposes of the nonspendable, restricted, committed and assigned fund balances as of December 31, 2011, are as follows:

1. The nonspendable fund balance in the general fund in the amount of \$3,069, is for prepaid insurance.
2. The restricted fund balance in the capital projects fund of \$3,572,879 is for future capital construction projects and major capital purchases.
3. The restricted fund balance in the nonmajor funds of \$22 is for highway maintenance, rebuilding and construction.
4. The committed fund balance in the general fund is reserved for other post-employment benefits in the amount of \$351,936 and in the nonmajor funds for the public access channel costs of operation in the amount of \$1,024,678.

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 1 - Summary of Significant Accounting Policies (Cont'd)

L. Equity Classifications (Cont'd)

Fund Statements - Fund Balance (Cont'd)

5. The assigned fund balance in nonmajor funds of \$231,863 is for the public library.
6. The assigned fund balance in the general fund is for the following:

a. Public safety and parks	\$ 67,670
b. Capital projects	638,586

Note 2 - Restatement of Fund Balance

The Township implemented Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions in the year ended December 31, 2011. The Statement, in addition to establishing criteria for classifying fund balances into specifically defined classifications as described above, also clarifies the existing governmental fund type definitions. As a result of this Statement, certain funds were reclassified to meet the fund type definitions in GASB Statement No. 54. The reclassifications are effective January 1, 2011.

The community fund was previously reported as a special revenue fund; however, this fund no longer meets the definitions of a special revenue fund, and the operations of that fund are now reported in the general fund.

A reconciliation of restated fund balance as a result of the implementation of GASB Statement No. 54 is detailed below:

	General Fund
Fund balance December 31, 2010	
Previously reported	\$5,728,124
Reclassification of Community Fund	<u>58,950</u>
Restated Fund Balance	
January 1, 2011	<u>\$5,787,074</u>

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 3 - Deposits and Investments

Pennsylvania statutes provide for investment of governmental and proprietary funds into certain authorized investment types including U. S. Treasury bills, other short-term U. S. and Pennsylvania government obligations, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes.

In addition to the investments authorized for governmental and proprietary funds, fiduciary fund investments may also be made in corporate stocks and bonds, real estate and other investments consistent with sound business practice.

The deposit and investment policy of the Township adheres to state statutes and prudent business practice.

The deposits and investments of the fiduciary funds are administered by trustees and are held separately from those of other municipal funds. Investments are reported at fair value. Fair value is based on quoted market prices. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. There were no deposit or investment transactions during the year that were in violation of either state statutes or the policy of the Township.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution's name. As of December 31, 2011, \$3,037,654 of the Township's bank balance of \$5,639,931 was exposed to custodial credit risk as follows:

Uninsured and Collateral Held by Pledging	
Bank's Agent not in the Township's Name	<u>\$3,037,650</u>

As of December 31, 2011, the Township had the following investments:

Investments	Maturity Date	Fair Value
PLGIT	N/A	\$ 2,959,993
PA Invest	60 days or less	1,070,380
PNC Government Money Market Fund	60 days or less	1,057,828

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 3 - Deposits and Investments (Cont'd)

Custodial Credit Risk - Deposits (Cont'd)

Investments (Cont'd)	Maturity Date	Fair Value
Principal Global Investors		
Money Market Fund	55 days or less	\$ 92,225
Equity Mutual Funds	N/A	8,840,572
Principal Financial Group		
Guaranteed Interest Accounts	12/31/12	65,890
Guaranteed Interest Accounts	12/31/13	20,316
Guaranteed Interest Accounts	12/31/14	15,256
Guaranteed Interest Accounts	12/31/15	25,403
Guaranteed Interest Accounts	12/31/16	10,556
Guaranteed Interest Accounts	12/31/17	<u>2,415</u>
 Total Investments		 <u>\$14,160,834</u>

The investments in the Mutual Funds, Principal Money Market Fund and the Guaranteed Interest Accounts are reported in the Township's fiduciary funds.

Interest Rate Risk - The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The money market funds maintain an average maturity that is less than sixty days.

Credit Risks - Pennsylvania statutes authorize the type of investments allowed and are described above. The Township has no investment policy that would further limit its investments choices. The Township's investments in PA Invest, the Pennsylvania Local Government Investment Trust (PLGIT) and the PNC Government Money Market Fund were rated AAAM by Standard & Poor's. The Principal Money Market Fund and the Principal Guaranteed Interest Accounts held in the fiduciary funds are not rated.

Concentration of Credit Risk - The Township places no limit on the amount it may invest in any one issue.

The Pennsylvania Local Government Investment Trust (PLGIT) was established as a common law trust, organized under laws of the Commonwealth of Pennsylvania and the provision of the Intergovernmental Cooperation Act. Shares of the Fund are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools and municipalities. The purpose of the Fund is to enable such governmental units to pool their available funds for investments. The Trust is governed by an elected board of trustees who are responsible for the overall management of the Trust. The trustees are elected from the several classes of local governments participating in the Trust. The Trust is audited annually by independent auditors. PLGIT is rated AAAM by Standard and Poor's.

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 3 - Deposits and Investments (Cont'd)

PLGIT operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. PLGIT uses amortized cost to report net assets to compute share prices. PLGIT maintains a net asset value of \$1 per share. Accordingly, the fair value of the position in PLGIT is the same as the value of the PLGIT shares.

Note 4 - Real Estate Taxes

The tax collector bills and collects real estate taxes on behalf of the Township based upon assessed values provided by the County. The Township's tax rate for all purposes in 2011 was 13 mills (\$13 per \$1,000 assessed valuation). The tax calendar for real estate taxes levied for 2011 is as follows:

Tax Levy Date	March 7, 2011
2% Discount Period	Through June 7, 2011
Face Payment Period	June 8, 2010 - August 7, 2011
10% Penalty Period	August 8, 2011 until Liened
Lien Filing Date	January 1, 2012

The amounts shown as delinquent real estate taxes receivable have not been recorded as revenue on the fund statements. These taxes are, however, recorded as deferred revenue on the balance sheet until they are received. The amounts reported for this receivable are reported on the balance sheet in the amount of \$59,857 along with other taxes receivable of \$1,096,313.

Note 5 - Due from Other Governments

Amounts due from other governments represent receivables for revenues earned by the Township. At December 31, 2011 the following amounts are due from other governmental units:

	Governmental Funds
State	\$ 6,088
School District	104,287
Other Local Governments	<u>5,190</u>
Total	<u>\$115,565</u>

Peters Township
Notes to Financial Statements
December 31, 2011

Note 6 - Capital Assets

Capital asset activity for the year ended December 31, 2011 was as follows:

	Balance 01/01/11	Additions	Disposals	Transfers	Balance 12/31/11
Governmental Activities					
Capital Assets Not Being Depreciated					
Land	\$ 5,877,316	\$ -	\$ -	\$ -	\$ 5,877,316
Construction in Progress	<u>2,153,261</u>	<u>679,903</u>	<u>-</u>	<u>(2,833,164)</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>8,030,577</u>	<u>679,903</u>	<u>-</u>	<u>(2,833,164)</u>	<u>5,877,316</u>
Capital Assets Being Depreciated					
Buildings and Building					
Improvements	12,633,069	38,220	-	-	12,671,289
Land Improvements	2,367,678	105,016	-	2,833,164	5,305,858
Machinery and Equipment	3,890,079	145,663	15,861	-	4,019,881
Vehicles	3,442,469	103,256	-	-	3,545,725
Infrastructure	<u>14,012,179</u>	<u>1,710,738</u>	<u>-</u>	<u>-</u>	<u>15,722,917</u>
Total Capital Assets Being Depreciated	<u>36,345,474</u>	<u>2,102,893</u>	<u>15,861</u>	<u>2,833,164</u>	<u>41,265,670</u>
Totals	<u>44,376,051</u>	<u>2,782,796</u>	<u>15,861</u>	<u>-</u>	<u>47,142,986</u>
Less Accumulated Depreciation					
Buildings and Building					
Improvements	3,388,706	319,030	-	-	3,707,736
Land Improvements	1,374,692	168,724	-	-	1,543,416
Machinery and Equipment	2,451,268	211,884	8,922	-	2,654,230
Vehicles	2,363,576	194,455	-	-	2,558,031
Infrastructure	<u>2,199,808</u>	<u>695,772</u>	<u>-</u>	<u>-</u>	<u>2,895,580</u>
Total Accumulated Depreciation	<u>11,778,050</u>	<u>1,589,865</u>	<u>8,922</u>	<u>-</u>	<u>13,358,993</u>
Governmental Activities Capital Assets, Net	<u>\$32,598,001</u>	<u>\$1,192,931</u>	<u>\$ 6,939</u>	<u>\$ -</u>	<u>\$33,783,993</u>

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 7 - Interfund Balances

Interfund balances at December 31, 2011 were:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$52,785	\$ -
Enterprise Fund		
Garbage Fund	-	50,000
Nonmajor Funds	<u>-</u>	<u>2,785</u>
	<u>\$52,785</u>	<u>\$52,785</u>

Balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All the balances above are expected to be collected in the subsequent year.

Note 8 - Interfund Transfers

For the year ended December 31, 2011, interfund transfers consisted of the following:

<u>Transfer To</u>	<u>Transfer From</u>		
	General Fund	Nonmajor Governmental Funds	Totals
General Fund	\$ -	\$7,535	\$ 7,535
Capital Projects Funds	1,500,000	-	1,500,000
Nonmajor Governmental Funds	<u>1,881,192</u>	<u>-</u>	<u>1,881,192</u>
	<u>\$3,381,192</u>	<u>\$7,535</u>	<u>\$3,388,727</u>

The general fund transfer to the capital projects fund in the amount of \$1,500,000 is to fund certain capital projects throughout the Township. The cable television fund transfer of \$7,535 to the general fund was for capital purchases.

The general fund transfers to the nonmajor governmental funds in the amount of \$1,881,192 were comprised of \$722,000 to the library fund and is an annual transfer to subsidize the operations of the Township Library and \$1,159,192 to the debt service fund to pay the principal and interest due annually on the Township's general obligation bonds.

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 9 - Long-Term Debt

The following are changes in the long-term liabilities for the year ended December 31, 2011:

	Balance 01/01/11	Additions	Retirements	Balance 12/31/11	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$13,625,000	\$ -	\$675,000	\$12,950,000	\$695,000
Less Bond Discount	<u>(32,531)</u>	<u>-</u>	<u>(2,378)</u>	<u>(30,153)</u>	<u>-</u>
Total Bonds Payable	13,592,469	-	672,622	12,919,847	695,000
Capital Lease	527,598	-	137,709	389,889	142,360
Compensated Absences Payable	<u>488,056</u>	<u>81,299</u>	<u>4,552</u>	<u>564,803</u>	<u>8,547</u>
	<u>\$14,608,123</u>	<u>\$81,299</u>	<u>\$814,883</u>	<u>\$13,874,539</u>	<u>\$845,907</u>

General Obligation Bonds

\$4,405,000 Refunding Issue of 2006 due serially through 2017; interest at 3.55% - 3.80% debt service source - general fund transfers to debt service fund.

\$ 2,210,000

\$11,010,000 Refunding Issue of 2010 due serially through 2028; interest at 2.00% - 4.10%; debt service source - general fund transfers to debt service fund.

10,740,000

\$12,950,000

The general obligation bonds were issued for providing funds for capital projects throughout the Township. The compensated absences and capital leases liabilities will be liquidated primarily by the general fund.

The annual requirements of the Township's funds to amortize all debt outstanding (excluding compensated absences and capital leases) as of December 31, 2011, are as follows:

Year Ended December 31,	Governmental Activities		Totals
	Principal	Interest	
2012	\$ 695,000	\$ 462,405	\$ 1,157,405
2013	620,000	440,420	1,060,420
2014	635,000	422,657	1,057,657

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 9 - Long-Term Debt (Cont'd)

Year Ended December 31,	Governmental Activities		Totals
	Principal	Interest	
2015	\$ 655,000	\$ 402,988	\$ 1,057,988
2016	675,000	383,005	1,058,005
2017-2021	3,730,000	1,559,354	5,289,354
2022-2026	4,460,000	829,588	5,289,588
2027-2028	<u>1,480,000</u>	<u>79,360</u>	<u>1,559,360</u>
	<u>\$12,950,000</u>	<u>\$4,579,777</u>	<u>\$17,529,777</u>

Note 10 - Capital Lease

The Township has entered into lease agreements as lessee for financing the acquisition of fire trucks. The lease agreements qualify as a capital lease for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities
Machinery and Equipment	\$ 754,600
Less: Accumulated Depreciation	<u>(223,166)</u>
Total	<u>\$ 531,434</u>

The future minimum lease obligations and the net present value of these minimum lease payments, as of December 31, 2011, were as follows:

Year Ended December 31,	Governmental Activities
2012	\$ 153,362
2013	86,664
2014	86,664
2015	<u>86,664</u>
Total Minimum Lease Payments	413,354

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 10 - Capital Lease (Cont'd)

Less: Amount Representing Interest	<u>\$(23,465)</u>
Present Value of Minimum Lease Payments	<u>389,889</u>

Note 11 - Defined Benefit Pension Plan

A. Plan Descriptions, Contribution Information, and Funding Policies

The Township contributes to a Defined Benefit Pension Plan. Assets are held separately and may be used only for the payment of benefits to the members of the Plan.

Peters Township Police Pension Plan (PPP) - The Police Pension Plan is a single-employer defined benefit pension trust fund. Any person employed on a full-time basis by the Township as a member of the police force is eligible to participate in the Plan.

Actuarial valuations are performed biannually. For additional information related to basis of accounting and reported investment values, see Notes 1C. and 3. The Plan does not issue stand-alone financial reports.

The following is a summary of funding policies, contribution methods, and benefit provisions:

	<u>PPP</u>
Date Established	November 3, 1958
Governing Authority and Administrator	Peters Township Council and Resolutions
Determination of Contribution Requirements	Actuarially determined
Employer	\$290,417
Plan Members	Contributions are currently 5% of compensation
Funding of Administrative Costs, including Investment and Custodial Fees and Actuarial Services	From investment earnings

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 11 - Defined Benefit Pension Plan (Cont'd)

A. Plan Descriptions, Contribution Information, and Funding Policies (Cont'd)

	<u>PPP</u>
Eligibility Requirements	
Normal Retirement	Hired on or before 01/01/11 Age 50 and completion of 25 years of Service; hired after 01/01/11 attained Age 55 with 25 years of service
Early Retirement	None
Vesting	100% after 12 years of service
Retirement Benefit	50% of average monthly earnings, averaged over the 36 months preceding retirement and accrued benefit adjustment defined as the number of months of service as of a given date divided by the number of complete months of service as of normal retirement date
Service Increment	None
Post Retirement Benefit Increases	Hired on or before 01/01/11 Consumer Price Index with limits; hired after 01/01/11 no cost of living adjustment
Provisions for Disability Benefits	Yes
Provisions for Death Benefits	Yes

Membership of the Plan is as follows, based on the latest actuarial valuation reports dated January 1, 2011:

Nonvested Active Members	8
Fully Vested Active Members	14
Retirees and Beneficiaries Currently Receiving Benefits	9
Deferred not Vested	<u>1</u>
Total	<u>32</u>

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 11 - Defined Benefit Pension Plan (Cont'd)

B. Annual Pension Cost and Net Pension Obligation

Current year annual pension costs for the Police Plan is shown in the trend information provided below. Annual required contributions were made by the Plan. The net pension obligation (asset) for the Plan is also shown below.

The annual pension cost and net pension obligation (asset) to the Police Plan for the current year are as follows:

Annual Required Contribution	\$ 290,417
Interest on Net Pension Obligation	(3,053)
Adjustment to Annual Required Contribution	<u>5,931</u>
Annual Pension Cost	293,295
Contributions Made	<u>(290,417)</u>
Increase (Decrease) in Net Pension Obligation	2,878
Net Pension Obligation (Asset)	
Beginning of Year	<u>(40,708)</u>
End of Year	<u>\$ (37,830)</u>

The Township's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

There are no assets legally reserved for purposes other than the payment of Plan member benefits for the Plan.

The Police Pension Plan investments in Mutual Funds held by Principal Financial Group account for 100% of the total investments at December 31, 2011.

There are no long-term contracts for contributions.

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 11 - Defined Benefit Pension Plan (Cont'd)

C. Trend Information

Year Ended December 31,	Police Pension			
	Annual Pension Cost (APC)	Percentage of APC Contributed	Actual Contributions Made	Net Pension Obligation (NPO) (Asset)
2009	\$148,336	98%	\$146,215	\$(42,729)
2010	161,314	99%	159,293	(40,708)
2011	293,295	99%	290,417	(37,830)

D. Funded Status and Funding Progress

As of January 1, 2011, the most recent actuarial valuation date, the Plan was 79% funded. The actuarial accrued liability for benefits was \$8,628,934 and the actuarial value of assets was \$6,850,868, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,778,066. The covered payroll (annual payroll of active employees covered by the Plan) was \$1,678,251. The ratio of the UAAL to the covered payroll is 106%. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E. Actuarial Methods and Assumptions

In the January 1, 2011 actuarial valuation, the most recent valuation completed, the entry age actuarial cost method was used. The actuarial assumptions included: 7.5% investment rate of return; projected salary increase of 4.75% annually; and an underlying inflation rate of 2.25%. The actuarial value of assets was determined using a four-year smoothing. The amortization method used is a level dollar with a ten year open amortization period.

Note 12 - Defined Contribution Pension Plans

Peters Township Municipal Employees

A. Plan Description

The Township sponsors and contributes to the Peters Township Municipal Employees Pension Plan which is a defined contribution plan. All full-time administrative employees not represented by a bargaining unit are covered by this Plan. The Plan's total membership as of December 31, 2011 is thirty-eight. Administrative costs of the Plan are funded by the general fund.

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 12 - Defined Contribution Pension Plans (Cont'd)

Peters Township Municipal Employees (Cont'd)

A. Plan Description (Cont'd)

The Township is required to contribute for each employee who has 1,000 or more hours of service in the service period, 8.00% of the employee's annual pay. For members of the firefighters union, effective May 1, 2011, they can contribute up to the maximum allowable. The Township, for the firefighters union members only, has an obligation to match an employee's contribution up to 1% in 2011, 2% in 2012 and 3% in 2013. Employees, except as noted above for firefighters, do not contribute to the Plan. Plan participants are 100% vested with five or more years of vesting service.

Benefits can start on the participants:

1. Normal retirement date - the first day of the month on or after the participant reaches age 65; or
2. Early retirement date - the first day of any month a participant chooses which is on or after the latest of:
 - a. The date the participant stops working for the Township;
 - b. The date the participant reaches age 55;
 - c. The date the participant has 10 years of vesting service.

Benefits paid can be in various forms at the option of the participant. The amount of the benefit depends on the amount contributed to the participant's account, earnings on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to the participant's account.

The amount contributed by the Township to the Plan for the year ended December 31, 2011 was \$151,805 or 8.0% of wages. Unallocated forfeitures from participants no longer in the Plan and not fully vested are allocated among current participants and amounted to \$9,377 in 2011. Township Council is responsible for establishing and/or amending the Plan provisions and contribution requirements.

B. Summary of Significant Accounting Policies

The financial statements of the Plan are included as a pension trust fund in this report. For additional information related to basis of accounting reported investment values see Notes 1C. and 3.

C. Concentrations

The Municipal Employees Pension Plan investments in mutual funds held by Principal Financial Group account for 93% of the total investments at December 31, 2011. The balance (7%) of the Plan's investments are in guaranteed interest accounts.

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 12 - Defined Contribution Pension Plans (Cont'd)

Road Department

Plan Description

The Township provides pension benefits for all of its full-time road department employees through a defined contribution plan, by participating in the Laborers' District Council of Western Pennsylvania Pension Fund for Local Union #1058 who administers the Plan.

Payments by the Township are calculated at the rate of \$2.24 through April 30 and then \$2.30 for every hour worked by the road department employees. The total contribution required and made by the Township for the year ended December 31, 2011 was \$70,314 (9.75% of covered payroll).

Employees are eligible to participate from the date of employment.

Plan participants are all union employees for whom 300 hours of employment are credited in the fund for a single calendar year.

On and after January 1, 1987, the normal retirement benefit of an employee eligible for retirement and who applies, therefore, shall be a monthly amount equal to the sum of the following:

1. Fifteen dollars (\$15.00) multiplied by the sum of the employee's years of credited past service, if any; plus
2. Three and three-quarters percent (3.75%) of the total amount contributed for him after his most recent break in service, if any, through December 31, 1987; plus
3. Three percent (3.0%) of the total amount contributed for him from January 1, 1987.

The Local Union #1058 has the authority for establishing and amending Plan provisions, and the contribution rate is negotiated by the Township through the Union employee's contract requirements.

Note 13 - Pension Plans Financial Information

The Township's Police Pension, a defined benefit plan and the Municipal Employees' Pension Plan, a defined contribution plan, do not issue standalone financial reports. The following is a statement of fiduciary net assets and statement of changes in fiduciary net assets for the two plans as of and for the year ended December 31, 2011:

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 13 - Pension Plans Financial Information (Cont'd)

	Pension Trust Funds		Total Pension Trust Funds
	Police Pension Fund	Employees' Pension Fund	
Assets			
Cash and Cash Equivalents	\$ 101	\$ 144,628	\$ 144,729
Investments, at Fair Value			
Mutual Funds	6,924,493	1,916,079	8,840,572
Guaranteed Interest Accounts	-	139,836	139,836
Receivables - Employees	<u>37,362</u>	<u>-</u>	<u>37,362</u>
Total Assets	<u>\$6,961,956</u>	<u>\$2,200,543</u>	<u>\$9,162,499</u>
Liabilities and Net Assets			
Liabilities	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Net Assets			
Held in Trust for Pension Benefits	<u>6,961,956</u>	<u>2,220,543</u>	<u>9,162,499</u>
Total Liabilities and Net Assets	<u>\$6,961,956</u>	<u>\$2,220,543</u>	<u>\$9,162,499</u>
Additions			
Contributions			
Employer	\$ 290,417	\$ 151,805	\$ 442,222
Plan Members	89,369	2,883	92,252
Other	<u>-</u>	<u>9,377</u>	<u>9,377</u>
Total Contributions	<u>379,786</u>	<u>164,065</u>	<u>543,851</u>
Investment Income			
Net Appreciation (Depreciation) in Fair Value of Investments	27,241	(23,969)	3,272
Interest and Dividends	<u>-</u>	<u>3,782</u>	<u>3,782</u>
Net Investment Income	<u>27,241</u>	<u>(20,187)</u>	<u>7,054</u>
Total Additions	<u>407,027</u>	<u>143,878</u>	<u>550,905</u>

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 13 - Pension Plans Financial Information (Cont'd)

	Pension Trust Funds		Total Pension Trust Funds
	Police Pension Fund	Employees' Pension Fund	
Deductions			
Benefits	\$ 187,273	\$ 259,172	\$ 446,445
Administrative Expenses	<u>20,650</u>	<u>94</u>	<u>20,744</u>
Total Deductions	<u>207,923</u>	<u>259,266</u>	<u>467,189</u>
Changes in Net Assets	199,104	(115,388)	83,716
Net Assets - January 1, 2011	<u>6,762,852</u>	<u>2,315,931</u>	<u>9,078,783</u>
Net Assets - December 31, 2011	<u>\$6,961,956</u>	<u>\$2,200,543</u>	<u>\$9,162,499</u>

Note 14 - Post Employment Healthcare Plan

A. Plan Description

Peters Township administers a single-employer defined benefit healthcare plan ("the Supplemental Health Plan"). The plan provides medical, dental and vision for eligible Township police officers. The benefits provided are for the eligible retirees and their spouses through the Township group health insurance plan which covers both active and retired members. Benefit provisions are mostly established through negotiations between the Township and union representing the employees. No post-employment benefits are provided for non-uniform employees. The plan does not issue a publicly available financial report.

B. Funding Policy

The eligibility and the benefits are as follows:

Police Employees

Medical, Dental and Vision Eligibility	Retired from the police pension plan after age 50 and 25 years of service.
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Death Benefit Eligibility	Termination from the police pension plan after 15 years of service.
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**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 14 - Post Employment Healthcare Plan (Cont'd)

B. Funding Policy (Cont'd)

Police Employees (Cont'd)

Persons Covered

Coverage will include retiree, spouse and eligible dependents.

Benefits Provided

The Township will pay 102% of the charged premium for medical, dental and vision coverage for the retiree, spouse and dependents for the first year of retirement. For the next four years, the Township will pay 52% of the charged premiums. During the following five years, the Township will pay the actual cost of premiums up to \$200 per month. In addition, the Township self-funds the difference between the high deductible (\$1,500/\$3,000) and a \$250/\$500 deductible. After 10 years of retirement, medical, dental and vision benefits cease. A death benefit of \$2,000 is payable to the beneficiary of a participant who terminates after 15 years of service, with the benefit amount increasing by \$200 for each additional year of service, to a maximum of \$5,000.

Benefits Provider

Highmark High Deductible \$1,500/\$3,000 PPO Plan or PPO Blue Option 1 Plan (with retirees paying the difference in cost between the two if the Option 1 plan is elected) for medical coverage, United Concordia for dental coverage and Vision Benefits of America (VBA) for vision coverage, all administered through the Municipal Employers Insurance Trust (MEIT). The death benefit is currently self-insured.

Retiree Contributions

Retirees pay the charged premium in excess of the amount paid by the Township. For the second through fifth years of retirement, 48% of the charged premium is paid by the retiree. For years six through ten, premiums in excess of \$2,400 annually are paid by the retiree.

For the year ended December 31, 2011, the Township contributed \$15,627. Plan members receiving benefits contributed \$9,602. The plan is financed on a pay-as-you-go basis.

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 14 - Post Employment Healthcare Plan (Cont'd)

C. Annual OPEB Cost and Net OPEB Obligation

The Township's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (funding excess) over a period not to exceed thirty years. The following table shows the components of the Township's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Township's net OPEB obligation.

Annual Required Contribution	\$ 86,909
Interest on Net OPEB Obligation	4,147
Adjustment to Annual Required Contribution	<u>(5,658)</u>
Annual OPEB Cost (Expense)	85,398
Contributions Made	<u>(38,256)</u>
Increase in OPEB Obligation	47,142
Net OPEB Obligation - Beginning of Year	<u>92,156</u>
Net OPEB Obligation - End of Year	<u>\$139,298</u>

The Township's OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the years ended December 31, 2011, 2010 and 2009, is as follows.

The Township implemented the statement prospectively.

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/11	\$85,398	44.8%	\$139,298
12/31/10	86,252	39.6%	92,156
12/31/09	86,909	53.9%	40,069

D. Funded Status and Funding Progress

As of January 1, 2009, the actuarial accrued liability for benefits was \$885,131, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$1,469,703 and the ratio of unfunded actuarial accrued liability to the covered payroll was 60.2%.

**Peters Township
Notes to Financial Statements
December 31, 2011**

Note 14 - Post Employment Healthcare Plan (Cont'd)

D. Funded Status and Funding Progress (Cont'd)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Multi-year information will be presented in future years.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

In the January 1, 2009 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included an investment return of 4.5%, an annual healthcare cost trend rate of 14%, reducing to 9% the next year, and reducing by 1% thereafter to an ultimate rate of 5% after seven years, and a 5% rate for dental/vision with no change over the period and no separate rate for inflation. The method used to determine the actuarial value of assets is not applicable since there are no plan assets. The unfunded actuarial accrued liability is being amortized using the level dollar method. The amortization period for the most recent actuarial valuation is thirty years. The period is open.

Note 15 - Risk Management

Peters Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The Township does participate in the Municipal Risk Management (MRM) program for the purchase of certain insurance policies. The MRM is comprised of a number of municipalities which have combined their purchasing power to receive more favorable rates from independent insurance companies. There is no transfer or pooling of risk among the members and each member purchases its own insurance policies from an independent company.

Peters Township
Notes to Financial Statements
December 31, 2011

Note 15 - Risk Management (Cont'd)

The Township also purchases commercial insurance for its employee health and accident insurance coverage.

Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

Note 16 - Subsequent Events

In March 2012, Council approved the issuance of \$2,470,000 of general obligation bonds to advance refund the 2006 general obligation bonds.

In April 2012, Council awarded a bid for the Field 5 Turf Project in the amount of \$895,430.

**REQUIRED SUPPLEMENTARY
INFORMATION SECTION**

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes				
Real Estate Taxes				
Current	\$ 4,027,000	\$ 4,027,000	\$ 4,087,531	\$ 60,531
Delinquent	18,000	18,000	24,310	6,310
Liened	50,000	50,000	74,651	24,651
Real Estate Transfer Taxes	1,100,000	1,100,000	1,492,956	392,956
Earned Income Taxes/Wage Taxes	4,695,000	4,695,000	4,782,082	87,082
Mechanical Device Taxes	4,500	4,500	5,700	1,200
Local Services Taxes	<u>280,000</u>	<u>280,000</u>	<u>297,955</u>	<u>17,955</u>
Total Taxes	<u>10,174,500</u>	<u>10,174,500</u>	<u>10,765,185</u>	<u>590,685</u>
Licenses and Permits				
Street and Curb Permits	<u>8,000</u>	<u>8,000</u>	<u>11,100</u>	<u>3,100</u>
Fines and Forfeits				
Vehicle Code Violations	65,000	65,000	76,169	11,169
Violations of Ordinances	30,000	30,000	7,865	(22,135)
Court Fines	<u>1,500</u>	<u>1,500</u>	<u>2,243</u>	<u>743</u>
Total Fines and Forfeits	<u>96,500</u>	<u>96,500</u>	<u>86,277</u>	<u>(10,223)</u>
Interest, Rents and Royalties				
Interest Earnings	<u>32,500</u>	<u>32,500</u>	<u>40,542</u>	<u>8,042</u>
Intergovernmental				
State				
Beverage Licenses	7,250	7,250	7,225	(25)
Public Utility Realty Tax	13,672	13,672	14,709	1,037
Foreign Casualty Insurance	295,000	295,000	481,293	186,293
Foreign Fire Insurance Premium Tax	121,000	121,000	196,835	75,835
Gaming Funds	200,660	200,660	237,130	36,470
Other Grants	<u>62,000</u>	<u>62,000</u>	<u>160,755</u>	<u>98,755</u>
Total Intergovernmental Revenues	<u>699,582</u>	<u>699,582</u>	<u>1,097,947</u>	<u>398,365</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues (Cont'd)				
Charges for Services				
General Government				
Zoning & Subdivision	\$ 30,000	\$ 30,000	\$ 30,301	\$ 301
Sale of Materials	50,000	50,000	13,540	(36,460)
Tax Collection Fees	98,375	98,375	99,519	1,144
Public Safety				
Special Police Services	12,000	12,000	17,528	5,528
Building Permits	200,000	200,000	283,015	83,015
Fire Hall Rental	42,000	42,000	42,000	-
Household Waste Fees	-	-	5,199	5,199
Burning Permits	-	-	200	200
Highways and Streets				
Contracted Highway & Street Work				
Contracted Snow Removal for PennDOT	41,500	41,500	43,413	1,913
Culture - Recreation				
Park & Recreation Fees	215,000	215,000	216,384	1,384
Tennis Fees	<u>140,000</u>	<u>140,000</u>	<u>140,820</u>	<u>820</u>
 Total Charges for Services	 <u>828,875</u>	 <u>828,875</u>	 <u>891,919</u>	 <u>63,044</u>
 Miscellaneous Revenue				
Contributions & Donations from				
Private Sources	-	-	25,143	25,143
Other Miscellaneous Revenue	<u>25,000</u>	<u>25,000</u>	<u>34,501</u>	<u>9,501</u>
 Total Miscellaneous Revenue	 <u>25,000</u>	 <u>25,000</u>	 <u>59,644</u>	 <u>34,644</u>
 Total Revenues	 <u>11,864,957</u>	 <u>11,864,957</u>	 <u>12,952,614</u>	 <u>1,087,657</u>
 Expenditures				
Current:				
General Government				
Legislative Body				
Personal Services	22,607	22,607	19,950	2,657
Executive				
Personal Services	355,030	355,030	354,266	764
Supplies	17,300	17,300	16,488	812
Other Services & Charges	57,100	57,100	65,592	(8,492)

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
General Government (Cont'd)				
Special Project Administration				
Supplies	\$ 3,000	\$ 3,000	\$ 2,354	\$ 646
Other Services & Charges	6,500	6,500	4,608	1,892
Tax Collection				
Supplies	750	750	1,878	(1,128)
Other Services & Charges	196,000	196,000	197,161	(1,161)
Professional Services				
Personal Services	100,653	100,653	93,421	7,232
Supplies	3,500	3,500	1,227	2,273
Other Services & Charges	167,250	167,250	163,691	3,559
Information Technology				
Personal Services	28,204	28,204	27,808	396
Supplies	13,500	13,500	13,202	298
Other Services & Charges	82,960	82,960	72,205	10,755
Administration Vehicle Maintenance				
Personal Services	2,153	2,153	1,798	355
Supplies	3,000	3,000	4,039	(1,039)
Other Services & Charges	1,000	1,000	-	1,000
Municipal Building				
Personal Services	19,377	19,377	11,457	7,920
Supplies	4,000	4,000	7,817	(3,817)
Other Services & Charges	<u>83,000</u>	<u>83,000</u>	<u>81,086</u>	<u>1,914</u>
Total General Government	<u>1,166,884</u>	<u>1,166,884</u>	<u>1,140,048</u>	<u>26,836</u>
Public Safety				
Police				
Administration				
Personal Services	270,740	270,740	267,103	3,637
Supplies	9,000	9,000	2,742	6,258
Other Services & Charges	26,250	26,250	29,812	(3,562)
Patrol				
Personal Services	1,550,698	1,550,698	1,520,311	30,387
Supplies	40,000	40,000	35,909	4,091
Other Services & Charges	7,450	7,450	5,450	2,000

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
Public Safety (Cont'd)				
Police (Cont'd)				
Investigations				
Personal Services	\$ 162,013	\$ 162,013	\$ 161,492	\$ 521
Supplies	4,400	4,400	2,433	1,967
Other Services & Charges	1,000	1,000	-	1,000
Police Community Relations				
Personal Services	80,199	80,199	81,015	(816)
Supplies	8,000	8,000	5,504	2,496
Other Services & Charges	1,500	1,500	-	1,500
Vehicle Maintenance				
Personal Services	10,980	10,980	8,718	2,262
Supplies	96,000	96,000	103,257	(7,257)
Other Services & Charges	10,000	10,000	13,865	(3,865)
Capital Purchase	70,000	70,000	77,966	(7,966)
Animal Control				
Other Services & Charges	14,000	14,000	10,670	3,330
School Guards				
Personal Services	12,810	12,810	13,214	(404)
Supplies	400	400	-	400
Other Services & Charges	500	500	416	84
Fire				
Administration/Prevention				
Personal Services	152,863	152,863	160,289	(7,426)
Supplies	20,600	20,600	4,527	16,073
Other Services & Charges	15,000	15,000	6,182	8,818
Fire Suppression				
Personal Services	554,398	554,398	454,614	99,784
Supplies	49,700	49,700	30,824	18,876
Other Services & Charges	148,000	148,000	153,151	(5,151)
Contributions, Grants & Subs.	121,000	121,000	196,835	(75,835)
Fire Vehicle Maintenance				
Personal Services	131,010	131,010	137,754	(6,744)
Supplies	46,100	46,100	28,469	17,631
Other Services & Charges	15,000	15,000	7,526	7,474
Fire Stations				
Supplies	8,500	8,500	6,985	1,515
Other Services & Charges	36,000	36,000	31,486	4,514

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
Public Safety (Cont'd)				
Emergency Medical Service				
Other Services & Charges	\$ 79,990	\$ 79,990	\$ 79,990	\$ -
Planning				
Personal Services	194,308	194,308	193,689	619
Supplies	8,500	8,500	6,539	1,961
Other Services & Charges	35,500	35,500	27,803	7,697
Building Inspection				
Personal Services	136,177	136,177	138,981	(2,804)
Supplies	250	250	-	250
Other Services & Charges	19,800	19,800	14,082	5,718
Zoning Hearing Board				
Other Services & Charges	<u>15,000</u>	<u>15,000</u>	<u>8,786</u>	<u>6,214</u>
Total Public Safety	<u>4,163,636</u>	<u>4,163,636</u>	<u>4,028,389</u>	<u>135,247</u>
Public Works - Sanitation				
Recycling Collection and Disposal				
Personal Services	22,607	22,607	19,614	2,993
Supplies	5,000	5,000	5,169	(169)
Other Services & Charges	<u>52,500</u>	<u>52,500</u>	<u>31,875</u>	<u>20,625</u>
Total Sanitation	<u>80,107</u>	<u>80,107</u>	<u>56,658</u>	<u>23,449</u>
Public Works - Highways				
Highway Maintenance				
Administration				
Personal Services	188,817	188,817	186,849	1,968
Supplies	9,350	9,350	10,289	(939)
Other Services & Charges	9,500	9,500	9,348	152
Maintenance of Building				
Personal Services	11,842	11,842	11,240	602
Supplies	3,000	3,000	4,583	(1,583)
Other Services & Charges	32,000	32,000	18,493	13,507
Snow and Ice Removal				
Personal Services	107,650	107,650	94,550	13,100
Supplies	303,750	303,750	218,803	84,947
Other Services & Charges	9,000	9,000	4,574	4,426

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
Public Works - Highways (Cont'd)				
Highway Maintenance (Cont'd)				
Traffic Signals and Signs				
Personal Services	\$ 15,071	\$ 15,071	\$ 14,078	\$ 993
Supplies	15,900	15,900	16,078	(178)
Other Services & Charges	28,000	28,000	27,194	806
Street Lighting				
Other Services & Charges	15,500	15,500	13,087	2,413
Storm Sewer Maintenance				
Personal Services	37,678	37,678	72,909	(35,231)
Supplies	15,700	15,700	20,172	(4,472)
Other Services & Charges	5,000	5,000	3,890	1,110
Vehicle Maintenance				
Personal Services	53,825	53,825	66,294	(12,469)
Supplies	77,000	77,000	93,267	(16,267)
Other Services & Charges	8,000	8,000	17,465	(9,465)
Highway Maintenance				
Personal Services	300,882	300,882	262,837	38,045
Supplies	69,150	69,150	70,589	(1,439)
Other Services & Charges	<u>15,000</u>	<u>15,000</u>	<u>9,835</u>	<u>5,165</u>
Total Highways	<u>1,331,615</u>	<u>1,331,615</u>	<u>1,246,424</u>	<u>85,191</u>
Total Public Works	<u>1,411,722</u>	<u>1,411,722</u>	<u>1,303,082</u>	<u>108,640</u>
Culture - Recreation				
Administration				
Personal Services	107,650	107,650	95,071	12,579
Supplies	3,800	3,800	2,539	1,261
Other Services & Charges	14,016	14,016	-	14,016
Recreation Programming				
Personal Services	33,910	33,910	25,210	8,700
Supplies	14,000	14,000	14,145	(145)
Other Services & Charges	133,400	133,400	113,277	20,123
Parks Maintenance				
Personal Services	312,001	312,001	306,893	5,108
Supplies	81,000	81,000	29,361	51,639
Other Services & Charges	86,800	86,800	64,128	22,672

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Current: (Cont'd)				
Culture - Recreation (Cont'd)				
Community Center				
Personal Services	\$ 107,650	\$ 107,650	\$ 76,860	\$ 30,790
Supplies	19,350	19,350	12,105	7,245
Other Services & Charges	151,200	151,200	126,821	24,379
Tennis Center				
Personal Services	128,104	128,104	124,206	3,898
Supplies	20,550	20,550	16,596	3,954
Other Services & Charges	8,000	8,000	4,348	3,652
Libraries				
Personal Services	40,907	40,907	35,539	5,368
Supplies	4,000	4,000	5,742	(1,742)
Other Services & Charges	<u>107,000</u>	<u>107,000</u>	<u>102,397</u>	<u>4,603</u>
 Total Culture - Recreation	 <u>1,373,338</u>	 <u>1,373,338</u>	 <u>1,155,238</u>	 <u>218,100</u>
 Ins., Employee Benefits & Other				
Retirement Fund Contributions	512,200	512,200	518,157	(5,957)
Workers' Comp. Contributions	153,000	153,000	183,436	(30,436)
Unemployment Compensation	13,000	13,000	11,929	1,071
Hospitalization Ins. Premiums	833,000	833,000	811,383	21,617
Group Life Ins. Premiums	12,000	12,000	11,386	614
Sickness & Accident Ins. Premiums	34,200	34,200	34,444	(244)
Insurance Premiums - Other				
Fire & Liability	115,000	115,000	112,342	2,658
Other Employee Benefits	-	-	4,954	(4,954)
Miscellaneous	<u>60,000</u>	<u>60,000</u>	<u>66,591</u>	<u>(6,591)</u>
 Total Insurance, Employee Benefits & Other	 <u>1,732,400</u>	 <u>1,732,400</u>	 <u>1,754,622</u>	 <u>(22,222)</u>
 Debt Service:				
Principal Retirement	137,709	137,709	137,709	-
Interest	<u>16,051</u>	<u>16,051</u>	<u>15,652</u>	<u>399</u>
 Total Debt Service	 <u>153,760</u>	 <u>153,760</u>	 <u>153,361</u>	 <u>399</u>
 Total Expenditures	 <u>10,001,740</u>	 <u>10,001,740</u>	 <u>9,534,740</u>	 <u>467,000</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,863,217</u>	<u>\$ 1,863,217</u>	<u>\$ 3,417,874</u>	<u>\$1,554,657</u>
Other Financing Sources (Uses)				
Transfers In	-	-	7,535	7,535
Transfers Out				
Special Revenue Fund	(722,000)	(722,000)	(722,000)	-
Debt Service Fund	(1,159,043)	(1,159,043)	(1,159,192)	(149)
Capital Projects Fund	<u>(2,136,564)</u>	<u>(2,136,564)</u>	<u>(1,500,000)</u>	<u>636,564</u>
Total Other Financing Sources (Uses)	<u>(4,017,607)</u>	<u>(4,017,607)</u>	<u>(3,373,657)</u>	<u>643,950</u>
Net Change in Fund Balance	(2,154,390)	(2,154,390)	44,217	2,198,607
Fund Balance - January 1, 2011 (Restated - See Note 2)	<u>5,735,982</u>	<u>5,735,982</u>	<u>5,787,074</u>	<u>51,092</u>
Fund Balance - December 31, 2011	<u>\$ 3,581,592</u>	<u>\$ 3,581,592</u>	<u>\$ 5,831,291</u>	<u>\$ 2,249,699</u>

See Accompanying Note to the Budgetary Comparison Schedule

Peters Township
Note to the Required Supplementary Information
Budget Comparison
December 31, 2011

Note 1 - Budgetary Information

Budgets are adopted on a basis consistent with U. S. generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at year-end.

All budget amounts presented in the accompanying required supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budget during the year).

**Peters Township
Required Supplementary Information
Defined Benefit Pension Trust Funds
December 31, 2011**

1. Schedules of Funding Progress

Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll [(b-a)/c]
01/01/01	\$4,954,564	\$3,947,575	\$(1,006,989)	126%	\$1,052,946	N/A
01/01/03	3,996,570	4,954,999	958,429	81%	1,171,823	82%
01/01/05	5,362,366	5,771,608	409,242	93%	1,272,340	32%
01/01/07	6,696,926	6,561,981	(134,945)	102%	1,414,747	N/A
01/01/09	5,889,878	7,615,283	1,725,405	77%	1,498,023	115%
01/01/11	6,850,868	8,628,934	1,778,066	79%	1,678,251	106%

Note: State law requires biennial valuations on the odd numbered years. Interim year valuations were not performed.

2. Schedules of Employer's Contributions

Year Ended December 31,	Police Pension Plan	
	Annual Required Contribution	Percentage Contributed
2006	\$163,528	100%
2007	173,663	100%
2008	137,840	100%
2009	146,215	100%
2010	159,293	100%
2011	290,417	100%

**Peters Township
Required Supplementary Information
Other Post-Employment Benefits
December 31, 2011**

Schedule of Funding Progress for Retiree Health Plan

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (AVA/AAL)	Covered Payroll	UAAL as Percentage of Covered Payroll
01/01/09	\$ -	\$885,131	\$885,131	0.0%	\$1,469,703	60.2%

Note: December 31, 2009 was the first year of implementation of the new standards for accounting and reporting of post-employment benefits; therefore, only one actuarial valuation has been completed. (Future reports will include additional valuations as they are performed.)

**COMBINING AND INDIVIDUAL
FUND SECTION**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Highway Aid Fund - To account for resources received from the Commonwealth of Pennsylvania as the Township's share of the proceeds from the state gasoline tax and the related expenditures.

Cable Television Fund - To account for revenues received under the cable television franchise agreement and to be used for the operation of the public access channel.

Library Fund - To account for revenues and expenditures related to the operation of the Peters Township Library.

DEBT SERVICE FUNDS

Series of 2006 - To account for accumulation of resources for and payment of debt principal, interest and fees of the 2006 Series bonds.

Series of 2010 - To account for accumulation of resources for and payment of debt principal, interest and fees of the 2010 Series bonds.

**Peters Township
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011**

	Special Revenue Funds			Total
	Highway Aid Fund	Cable Television Fund	Library Fund	Nonmajor Govern- mental Funds
ASSETS				
Cash and Cash Equivalents	\$22	\$ 978,604	\$231,152	\$1,209,778
Other Receivables	-	109,060	-	109,060
Prepaid Items	-	-	3,833	3,833
TOTAL ASSETS	<u>\$22</u>	<u>\$1,087,664</u>	<u>\$234,985</u>	<u>\$1,322,671</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Due to Other Funds	\$ -	\$ 2,785	\$ -	\$ 2,785
Accounts Payable	-	138	3,122	3,260
Accrued Salaries and Benefits	-	1,942	-	1,942
Payroll Deductions and Withholdings	-	369	-	369
Other Current Liabilities	-	57,752	-	57,752
Total Liabilities	<u>-</u>	<u>62,986</u>	<u>3,122</u>	<u>66,108</u>
Fund Balances				
Restricted	22	-	-	22
Committed	-	1,024,678	-	1,024,678
Assigned	-	-	231,863	231,863
Total Fund Balances	<u>22</u>	<u>1,024,678</u>	<u>231,863</u>	<u>1,256,563</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$22</u>	<u>\$1,087,664</u>	<u>\$234,985</u>	<u>\$1,322,671</u>

**Peters Township
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2011**

	Special Revenue Funds			Debt Service Funds		Total Nonmajor Governmental Funds
	Highway Aid Fund	Cable Television Fund	Library Fund	Series of 2006	Series of 2010	
Revenues						
Licenses & Permits	\$ -	\$ 442,532	\$ -	\$ -	\$ -	\$ 442,532
Fines and Forfeits	-	-	51,404	-	-	51,404
Interest, Rents & Royalties	72	370	842	1	-	1,285
Intergovernmental	465,467	-	121,773	-	-	587,240
Charges for Services	-	-	20,192	-	-	20,192
Miscellaneous	-	960	1,708	-	-	2,668
Total Revenues	<u>465,539</u>	<u>443,862</u>	<u>195,919</u>	<u>1</u>	<u>-</u>	<u>1,105,321</u>
Expenditures						
Current:						
General Government	-	72,017	-	-	-	72,017
Culture - Recreation	-	103,327	936,089	-	-	1,039,416
Debt Service:						
Principal	-	-	-	470,000	205,000	675,000
Interest	-	-	-	98,783	385,410	484,193
Capital Outlay	465,626	45,060	-	-	-	510,686
Total Expenditures	<u>465,626</u>	<u>220,404</u>	<u>936,089</u>	<u>568,783</u>	<u>590,410</u>	<u>2,781,312</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(87)</u>	<u>223,458</u>	<u>(740,170)</u>	<u>(568,782)</u>	<u>(590,410)</u>	<u>(1,675,991)</u>
Other Financing Sources (Uses)						
Transfers In	-	-	722,000	568,782	590,410	1,881,192
Transfers Out	-	(7,535)	-	-	-	(7,535)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(7,535)</u>	<u>722,000</u>	<u>568,782</u>	<u>590,410</u>	<u>1,873,657</u>
Net Changes in Fund Balances	<u>(87)</u>	<u>215,923</u>	<u>(18,170)</u>	<u>-</u>	<u>-</u>	<u>197,666</u>
Fund Balances - January 1, 2011	<u>109</u>	<u>808,755</u>	<u>250,033</u>	<u>-</u>	<u>-</u>	<u>1,058,897</u>
Fund Balances - December 31, 2011	<u>\$ 22</u>	<u>\$1,024,678</u>	<u>\$ 231,863</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,256,563</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Special Revenue Fund
Highway Aid Fund
Budget and Actual
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest, Rents and Royalties				
Interest Earnings	\$ 250	\$ 250	\$ 72	\$ (178)
Intergovernmental				
Liquid Fuels Tax	<u>450,672</u>	<u>450,672</u>	<u>465,467</u>	<u>14,795</u>
 Total Revenues	 <u>450,922</u>	 <u>450,922</u>	 <u>465,539</u>	 <u>14,617</u>
 Expenditures				
Capital Outlay	<u>451,031</u>	<u>451,031</u>	<u>465,626</u>	<u>(14,595)</u>
 Net Change in Fund Balance	 (109)	 (109)	 (87)	 22
 Fund Balance - January 1, 2011	 <u>109</u>	 <u>109</u>	 <u>109</u>	 <u>-</u>
 Fund Balance - December 31, 2011	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 22</u>	 <u>\$ 22</u>

**Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Special Revenue Fund
Cable Television Fund
Budget and Actual
Year Ended December 31, 2011**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Licenses and Permits				
Cable TV Franchise Fees	\$452,568	\$452,568	\$ 442,532	\$(10,036)
Interest, Rents & Royalties				
Interest Earnings	750	750	370	(380)
Miscellaneous - Other	<u>200</u>	<u>200</u>	<u>960</u>	<u>760</u>
Total Revenues	<u>453,518</u>	<u>453,518</u>	<u>443,862</u>	<u>(9,656)</u>
Expenditures				
Current:				
General Government - Administrative				
Other Services & Charges	41,500	41,500	72,017	(30,517)
Culture - Recreation				
Cable Television				
Personal Services	65,419	65,419	66,667	(1,248)
Supplies	20,500	20,500	21,109	(609)
Other Services & Charges	26,000	26,000	15,551	10,449
Capital Outlay	<u>50,000</u>	<u>50,000</u>	<u>45,060</u>	<u>4,940</u>
Total Expenditures	<u>203,419</u>	<u>203,419</u>	<u>220,404</u>	<u>(16,985)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>250,099</u>	<u>250,099</u>	<u>223,458</u>	<u>(26,641)</u>
Other Financing Sources (Uses)				
Transfers Out				
Capital Projects Fund	(99,500)	(99,500)	(7,535)	91,965
Net Change in Fund Balance	150,599	150,599	215,923	65,324
Fund Balance - January 1, 2011	<u>808,753</u>	<u>808,753</u>	<u>808,755</u>	<u>2</u>
Fund Balance - December 31, 2011	<u>\$959,352</u>	<u>\$959,352</u>	<u>\$1,024,678</u>	<u>\$ 65,326</u>

**Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Special Revenue Fund
Library Fund
Budget and Actual
Year Ended December 31, 2011**

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines and Forfeits				
Library Fines	\$ 32,320	\$ 32,320	\$ 51,404	\$ 19,084
Interest, Rents and Royalties				
Interest Earnings	3,000	3,000	842	(2,158)
Intergovernmental				
State Grant	78,000	78,000	78,125	125
County Grant	37,640	37,640	43,648	6,008
Charges for Services				
Library Use Fees	20,000	20,000	20,192	192
Miscellaneous				
Contributions & Donations from Private Sources	<u>10,000</u>	<u>10,000</u>	<u>1,708</u>	<u>(8,292)</u>
Total Revenues	<u>180,960</u>	<u>180,960</u>	<u>195,919</u>	<u>14,959</u>
Expenditures				
Current:				
Culture - Recreation				
Libraries				
Personal Services	670,860	670,860	617,637	53,223
Supplies	187,100	187,100	263,305	(76,205)
Other Services & Charges	<u>45,000</u>	<u>45,000</u>	<u>55,147</u>	<u>(10,147)</u>
Total Expenditures	<u>902,960</u>	<u>902,960</u>	<u>936,089</u>	<u>(33,129)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(722,000)</u>	<u>(722,000)</u>	<u>(740,170)</u>	<u>(18,170)</u>
Other Financing Sources (Uses)				
Transfers In				
General Fund	<u>722,000</u>	<u>722,000</u>	<u>722,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	(18,170)	(18,170)
Fund Balance - January 1, 2011	<u>230,782</u>	<u>230,782</u>	<u>250,033</u>	<u>19,251</u>
Fund Balance - December 31, 2011	<u>\$ 230,782</u>	<u>\$ 230,782</u>	<u>\$ 231,863</u>	<u>\$ 1,081</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Debt Service Fund
Series of 2006
Budget and Actual
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest, Rents and Royalties				
Interest Earnings	\$ _____	\$ _____	\$ _____	\$ _____
Expenditures				
Debt Service:				
Principal	470,000	470,000	470,000	-
Interest	<u>98,783</u>	<u>98,783</u>	<u>98,783</u>	-
Total Expenditures	<u>568,783</u>	<u>568,783</u>	<u>568,783</u>	-
Excess (Deficiency) of				
Revenues Over Expenditures	<u>(568,783)</u>	<u>(568,783)</u>	<u>(568,782)</u>	1
Other Financing Sources (Uses)				
Transfers In				
General Fund	<u>568,783</u>	<u>568,783</u>	<u>568,782</u>	(1)
Net Change in Fund Balance	-	-	-	-
Fund Balance - January 1, 2011	-	-	-	-
Fund Balance - December 31, 2011	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Debt Service Fund
Series of 2010
Budget and Actual
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest, Rents and Royalties				
Interest Earnings	\$ _____	\$ _____	\$ _____	\$ _____
Expenditures				
Debt Service:				
Principal	205,000	205,000	205,000	-
Interest	<u>385,260</u>	<u>385,260</u>	<u>385,410</u>	<u>(150)</u>
Total Expenditures	<u>590,260</u>	<u>590,260</u>	<u>590,410</u>	<u>(150)</u>
Excess (Deficiency) of				
Revenues Over Expenditures	<u>(590,260)</u>	<u>(590,260)</u>	<u>(590,410)</u>	<u>(150)</u>
Other Financing Sources (Uses)				
Transfers In				
General Fund	<u>590,260</u>	<u>590,260</u>	<u>590,410</u>	<u>150</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - January 1, 2011	_____	_____	_____	_____
Fund Balance - December 31, 2011	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

CAPITAL PROJECTS FUND

Capital Reserve Fund - To account for the financing and construction of a variety of capital projects in Peters Township. General Fund revenues, state grants, and debt proceeds provide the financing for projects included in this fund.

**Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Capital Projects Fund
Budget and Actual
Year Ended December 31, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues				
Interest, Rents and Royalties				
Interest Earnings	\$ 40,000	\$ 40,000	\$ 63,559	\$ 23,559
Intergovernmental				
State Grants	380,500	380,500	179,045	(201,455)
Miscellaneous Revenue				
Contributions & Donations	<u> -</u>	<u> -</u>	<u>139,115</u>	<u>139,115</u>
Total Revenues	<u>420,500</u>	<u>420,500</u>	<u>381,719</u>	<u>(38,781)</u>
Expenditures				
Capital Outlay:				
General Government				
Administration				
Capital Purchase	16,000	16,000	2,664	13,336
Network Administration				
Capital Purchase	99,500	99,500	70,388	29,112
Municipal Building				
Capital Purchase	180,976	180,976	14,299	166,677
Public Safety				
Police Administration				
Capital Purchase	15,000	15,000	8,530	6,470
Police Patrol				
Capital Purchase	9,820	9,820	-	9,820
Fire Station				
Capital Purchase	-	-	9,944	(9,944)
Planning				
Capital Purchase	50,000	50,000	-	50,000
Public Works - Sanitation				
Recycling				
Capital Purchase	52,500	52,500	15,280	37,220
Public Works - Highways				
Maintenance Building				
Capital Construction	5,000	5,000	5,570	(570)
Traffic Signals & Signs				
Capital Purchase	10,000	10,000	-	10,000

(Cont'd)

Peters Township
Schedule of Revenues, Expenditures
and Changes in Fund Balance
Capital Projects Fund
Budget and Actual
Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures (Cont'd)				
Capital Outlay: (Cont'd)				
Public Works - Highways (Cont'd)				
Storm Sewers and Drains				
Capital Construction	\$ 252,000	\$ 252,000	\$ 238,321	\$ 13,679
Vehicle Maintenance				
Capital Purchase	178,000	178,000	156,672	21,328
Highway Maintenance				
Capital Construction	2,298,970	2,298,970	1,096,371	1,202,599
Culture - Recreation				
Park Maintenance				
Capital Construction	<u>713,825</u>	<u>713,825</u>	<u>883,045</u>	<u>(169,220)</u>
Total Expenditures	<u>3,881,591</u>	<u>3,881,591</u>	<u>2,501,084</u>	<u>1,380,507</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,461,091)</u>	<u>(3,461,091)</u>	<u>(2,119,365)</u>	<u>1,341,726</u>
Other Financing Sources (Uses)				
Proceeds from Debt	314,980	314,980	-	(314,980)
Transfers In				
General Fund	1,928,956	1,928,956	1,500,000	(428,956)
Cable Television Fund	<u>99,500</u>	<u>99,500</u>	<u>-</u>	<u>(99,500)</u>
Total Other Financing Sources (Uses)	<u>2,343,436</u>	<u>2,343,436</u>	<u>1,500,000</u>	<u>(843,436)</u>
Net Change in Fund Balance	(1,117,655)	(1,117,655)	(619,365)	498,290
Fund Balance - January 1, 2011	<u>3,673,262</u>	<u>3,673,262</u>	<u>4,192,244</u>	<u>518,982</u>
Fund Balance - December 31, 2011	<u>\$ 2,555,607</u>	<u>\$ 2,555,607</u>	<u>\$ 3,572,879</u>	<u>\$ 1,017,272</u>

STATISTICAL SECTION

This part of Peters Township's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township's overall financial health.

CONTENTS

TABLE

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time.

1 - 5

REVENUE CAPACITY

These schedules contain information to help the reader assess the factors affecting the Township's ability to generate its property and earned income taxes.

6 - 12

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.

13 - 17

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place and to help make comparisons over time and with other governments.

18 - 19

OPERATING INFORMATION

These schedules contain information about the Township's operations and resources to help the reader understand how the Township's financial information relates to the services the Township provides and the activities it performs.

20 - 28

PETERS TOWNSHIP
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS ¹
(accrual basis of accounting)

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities								
Invested in capital assets (net of related debt)	\$9,327,652	\$11,787,504	\$14,068,912	\$16,901,010	\$18,472,602	\$20,739,176	\$21,162,320	\$22,351,241
Restricted	\$2,202,354	\$2,237,508	\$1,819,580	\$1,414,653	\$1,217,202	\$1,114,460	\$1,507,858	\$1,695,917
Unrestricted	\$3,725,876	\$4,295,936	\$4,753,115	\$5,196,852	\$5,545,759	\$4,938,964	\$6,549,655	\$6,627,336
Total Governmental Activities Net Assets	<u>\$15,255,882</u>	<u>\$18,320,948</u>	<u>\$20,641,607</u>	<u>\$23,512,515</u>	<u>\$25,235,563</u>	<u>\$26,792,600</u>	<u>\$29,219,833</u>	<u>\$30,674,494</u>
Business-type Activities								
Unrestricted			\$27,288	\$4,851	\$19,651	\$71,539	\$141,179	\$156,440
Total Business-type Net Assets			<u>\$27,288</u>	<u>\$4,851</u>	<u>\$19,651</u>	<u>\$71,539</u>	<u>\$141,179</u>	<u>\$156,440</u>
Total Primary Government								
Invested in capital assets (net of related debt)	\$9,327,652	\$11,787,504	\$14,068,912	\$16,901,010	\$18,472,602	\$20,739,176	\$21,162,320	\$22,351,241
Restricted	\$2,202,354	\$2,237,508	\$1,819,580	\$1,414,653	\$1,217,202	\$1,114,460	\$1,507,858	\$1,695,917
Unrestricted	\$3,725,876	\$4,295,936	\$4,780,403	\$5,201,703	\$5,565,410	\$5,010,503	\$6,690,834	\$6,783,776
Total Net Assets	<u>\$15,255,882</u>	<u>\$18,320,948</u>	<u>\$20,668,895</u>	<u>\$23,517,366</u>	<u>\$25,255,214</u>	<u>\$26,864,139</u>	<u>\$29,361,012</u>	<u>\$30,830,934</u>

(1) Peters Township began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004

PETERS TOWNSHIP
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS ¹
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Governmental Activities								
General Government	\$1,157,018	\$1,270,901	\$1,285,731	\$1,424,457	\$1,409,361	\$1,449,339	\$1,527,661	\$1,584,088
Public Safety	\$3,846,925	\$3,920,206	\$4,059,150	\$4,134,975	\$4,462,287	\$4,775,435	\$4,929,104	\$5,311,593
Public Works-Sanitation	\$35,903	\$110,672	\$43,507	\$91,034	\$43,890	\$64,389	\$49,076	\$76,492
Public Works - Highway	\$1,369,490	\$2,325,172	\$1,787,352	\$2,565,780	\$2,625,321	\$2,491,604	\$3,439,842	\$3,144,509
Culture - Recreation	\$2,322,769	\$2,473,190	\$2,386,836	\$2,567,790	\$2,799,125	\$2,774,708	\$2,715,179	\$2,907,506
Interest on Long Term Debt	\$426,310	\$404,347	\$384,466	\$346,570	\$340,874	\$320,188	\$508,893	\$501,342
Total Governmental	\$9,158,415	\$10,504,488	\$9,947,042	\$11,130,606	\$11,680,858	\$11,875,663	\$13,169,755	\$13,525,530
Activities Expenses								
Business-Type Activities								
Solid Waste Collection ²	\$528,206	\$1,227,538	\$1,283,842	\$1,283,842	\$1,283,842	\$1,253,927	\$1,247,810	\$1,343,662
Total Business-Type Expenses	\$528,206	\$1,227,538	\$1,283,842	\$1,283,842	\$1,283,842	\$1,253,927	\$1,247,810	\$1,343,662
Total Primary Government Expenses	\$9,158,415	\$10,504,488	\$10,475,248	\$12,358,144	\$12,964,700	\$13,129,590	\$14,417,565	\$14,869,192
Program Revenue								
Governmental Activities								
General Government								
Charges for Services	\$96,201	\$84,088	\$108,877	\$113,532	\$117,375	\$120,458	\$108,932	\$122,769
Operating Grants	\$76,869	\$93,990	\$93,536	\$67,963	\$109,873	\$118,570	\$119,422	\$142,579
Public Safety								
Charges for Services	\$353,665	\$402,039	\$349,037	\$328,529	\$277,986	\$311,509	\$403,066	\$472,241
Operating Grants	\$254,953	\$241,289	\$247,038	\$273,071	\$285,857	\$258,502	\$276,399	\$484,934
Capital Grants and Contributions						\$534,321		
Public Works - Sanitation								
Charges for Services		\$3,788		\$6,366	\$0	\$11,368	\$5,461	\$10,425
Operating Grants		\$60,000		\$67,330	\$41,273	\$73,136	\$32,688	\$23,184
Public Works - Highway								
Charges for Services	\$32,098	\$34,352	\$36,609	\$38,305	\$47,575	\$56,160	\$52,597	\$43,413
Operating Grants	\$421,674	\$406,104	\$493,901	\$489,345	\$530,477	\$511,714	\$493,678	\$681,079
Capital Grants and Contributions		\$2,418,772	\$601,416	\$944,375	\$738,487	\$809,395	\$1,932,556	\$784,000

	2004	2005	2006	2007	2008	2009	2010	2011
Culture - Recreation								
Charges for Services	\$467,057	\$525,087	\$573,985	\$651,854	\$738,552	\$771,609	\$854,945	\$871,332
Operating Grants	\$188,607	\$240,314	\$180,309	\$190,499	\$190,268	\$165,315	\$125,307	\$141,078
Capital Grants and Contributions	\$750,000	\$0	\$0	\$651,918	\$331,504	\$0	\$6,506	\$0
Total Governmental	\$2,641,124	\$4,509,823	\$2,684,708	\$3,823,087	\$3,409,227	\$3,742,057	\$4,411,557	\$3,777,034
Activities Program Revenues								
Business-Type Activities								
Solid Waste Collection		\$555,494	\$555,494	\$1,204,652	\$1,296,969	\$1,305,633	\$1,317,316	\$1,358,824
Total Business-type Expenses		\$555,494	\$555,494	\$1,204,652	\$1,296,969	\$1,305,633	\$1,317,316	\$1,358,824
Total Primary Government Revenues	\$2,641,124	\$4,509,823	\$3,240,202	\$5,027,739	\$4,706,196	\$5,047,690	\$5,728,873	\$5,135,858
Governmental Activities and Business Type Net (Expense)/Revenue	(\$6,517,291)	(\$5,994,665)	(\$7,235,046)	(\$7,330,405)	(\$8,258,504)	(\$8,081,900)	(\$8,688,692)	(\$9,733,334)
General Revenues and Other Changes in Net Assets								
Taxes								
Property Taxes	\$3,158,032	\$3,271,106	\$3,457,588	\$3,496,267	\$3,583,129	\$3,652,450	\$4,300,408	\$4,094,648
Earned Income Taxes	\$3,418,622	\$3,539,279	\$3,920,769	\$4,264,794	\$4,348,038	\$4,462,747	\$4,614,173	\$4,782,082
Other Taxes	\$1,554,755	\$1,942,447	\$1,659,969	\$1,931,693	\$1,741,025	\$1,397,666	\$1,563,884	\$1,796,611
Grants and Contributions	\$838,621	\$19,619	\$20,617	\$19,280	\$22,712	\$28,033	\$593,316	\$406,685
Investment Earnings	\$61,408	\$187,018	\$345,081	\$372,659	\$197,551	\$109,784	\$99,599	\$105,386
Miscellaneous Income	\$124,524	\$100,262	\$178,969	\$93,734	\$103,897	\$40,145	\$14,185	\$17,745
Total Governmental Activities	\$9,155,962	\$9,059,731	\$9,582,993	\$10,178,427	\$9,996,352	\$9,690,825	\$11,185,565	\$11,203,157
Business-Type Activities								
Investment Earnings								\$99
Total Business-type Expenses								\$99
Total General Revenues and Other Changes in Net Assets	\$9,155,962	\$9,059,731	\$9,582,993	\$10,178,427	\$9,996,352	\$9,690,825	\$11,185,565	\$11,203,256
Change in Net Assets								
Governmental Activities and Business-type	\$2,638,671	\$3,065,066	\$2,347,947	\$2,848,022	\$1,737,848	\$1,608,925	\$2,496,873	\$1,469,922

(1) Peters Township began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004

(2) Peters Township in 2006 began billing homeowners for solid waste collection

PETERS TOWNSHIP
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Nonspendable										\$3,069
Committed										\$351,936
Assigned										\$706,256
Unassigned	\$3,072,128	\$3,307,456	\$3,395,271	\$3,846,938	\$4,164,188	\$4,654,146	\$4,935,648	\$4,350,296	\$5,787,074	\$4,770,030
Total General Fund	\$3,072,128	\$3,307,456	\$3,395,271	\$3,846,938	\$4,164,188	\$4,654,146	\$4,935,648	\$4,350,296	\$5,787,074	\$5,831,291
All Other Governmental Funds										
Restricted										
Capital Projects Fund	\$2,023,138	\$4,393,088	\$2,147,566	\$2,181,375	\$1,819,580	\$1,414,653	\$1,217,202	\$1,114,460	\$4,192,244	\$3,572,879
Highway Aid Fund	\$776	\$425	\$975	\$2,302	\$42	\$5,799	\$1,883	\$542	\$109	\$22
Committed										
Cable Television Fund	\$296,506	\$346,062	\$405,080	\$515,281	\$639,710	\$521,793	\$644,914	\$702,594	\$808,755	\$1,024,678
Assigned										
Library Fund	\$388,110	\$346,339	\$246,792	\$240,367	\$190,595	\$262,160	\$240,344	\$253,962	\$250,033	\$231,863
Total All Other Governmental Funds	\$2,708,530	\$5,085,914	\$2,800,413	\$2,939,325	\$2,649,927	\$2,204,405	\$2,104,343	\$2,071,558	\$5,251,141	\$4,829,442
Fund Balance - All Funds	\$5,780,658	\$8,393,370	\$6,195,684	\$6,786,263	\$6,814,115	\$6,858,551	\$7,039,991	\$6,421,854	\$11,038,215	\$10,660,733

The fund balances presented have been restated to reflect the implementation of GASB Statement No. 54

PETERS TOWNSHIP
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$7,303,594	\$7,355,138	\$8,136,209	\$8,765,977	\$9,055,135	\$9,735,998	\$9,714,247	\$9,581,898	\$10,550,017	\$10,765,185
Licenses and Permits	\$198,679	\$203,004	\$222,614	\$242,621	\$273,664	\$298,403	\$329,642	\$341,375	\$442,426	\$453,632
Fines and Forfeits	\$89,359	\$87,033	\$105,758	\$114,282	\$110,661	\$115,203	\$122,569	\$152,904	\$159,876	\$137,681
Interest, Rents and Royalties	\$150,265	\$115,608	\$61,408	\$187,018	\$345,081	\$372,659	\$195,878	\$116,602	\$99,465	\$105,386
Grants	\$998,075	\$921,275	\$1,708,747	\$1,061,316	\$1,035,401	\$1,453,074	\$1,331,513	\$1,147,859	\$1,469,737	\$1,864,232
Charges for Services	\$423,791	\$446,558	\$620,649	\$692,451	\$684,183	\$724,980	\$729,277	\$754,335	\$798,791	\$912,111
Special Assessments	\$22,849	\$1,757	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$147,257	\$142,756	\$107,880	\$219,806	\$178,969	\$400,066	\$284,348	\$198,655	\$215,672	\$201,427
Total Revenue	\$9,333,869	\$9,273,129	\$10,963,265	\$11,283,471	\$11,683,094	\$13,100,383	\$12,707,474	\$12,293,628	\$13,735,984	\$14,439,654
Expenditures										
General Government	\$802,696	\$882,382	\$913,192	\$993,932	\$1,043,269	\$1,099,669	\$1,101,122	\$1,115,194	\$1,313,478	\$1,212,065
Public Safety	\$2,494,576	\$2,658,345	\$2,803,693	\$2,958,966	\$3,147,379	\$3,284,247	\$3,479,248	\$3,705,732	\$3,786,951	\$4,028,389
Public Work - Sanitation	\$26,083	\$82,431	\$31,487	\$106,744	\$39,609	\$86,570	\$39,276	\$59,703	\$40,930	\$56,658
Public Works -Highways	\$742,436	\$919,185	\$874,782	\$964,942	\$869,433	\$1,092,375	\$1,167,846	\$1,048,960	\$1,222,455	\$1,246,424
Culture - Recreation	\$1,347,619	\$1,441,794	\$1,765,060	\$1,926,925	\$1,867,561	\$1,961,445	\$2,150,739	\$2,183,937	\$2,159,507	\$2,194,654
Insurance and Employee Benefits	\$838,682	\$979,752	\$1,301,874	\$1,322,076	\$1,322,232	\$1,314,728	\$1,322,512	\$1,487,122	\$1,575,491	\$1,754,622
Capital Outlays	\$2,592,797	\$3,982,286	\$4,571,487	\$1,516,811	\$2,624,353	\$3,613,517	\$2,296,014	\$2,340,077	\$4,884,073	\$3,011,770
Debt Service										
Principal	\$552,439	\$427,781	\$468,398	\$494,408	\$515,000	\$550,000	\$628,573	\$650,973	\$578,480	\$812,709
Interest and Fees	\$285,267	\$329,722	\$429,978	\$408,088	\$386,183	\$346,360	\$340,704	\$320,067	\$488,756	\$499,845
Total Expenditures	\$9,682,595	\$11,703,678	\$13,159,951	\$10,692,892	\$11,815,019	\$13,348,911	\$12,526,034	\$12,911,765	\$16,050,121	\$14,817,136
Excess of Revenues over (under) Expenditures	(\$348,726)	(\$2,430,549)	(\$2,196,686)	\$590,579	(\$131,925)	(\$248,528)	\$181,440	(\$618,137)	(\$2,314,137)	(\$377,482)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing Sources (Uses)										
Proceeds from Capital Lease	\$0	\$0	\$0	\$0	\$0	\$292,964	\$0	\$0	\$402,660	\$0
Proceeds from General	\$0	\$5,042,261	\$0	\$0	\$4,405,000	\$0	\$0	\$0	\$11,010,000	\$0
Long Term Debt					(\$10,223)				(\$27,505)	\$0
Discount on Bonds Issued	\$0	\$0	\$0	\$0	(\$4,235,000)	\$0	\$0	\$0	(\$4,454,657)	\$0
Payment to Refunded Bond Agent	\$0	\$5,042,261	\$0	\$0	\$159,777	\$292,964	\$0	\$0	\$6,930,498	\$0
Total Other Financing Sources (Uses)										
Net Change in Fund Balance	(\$348,726)	\$2,611,712	(\$2,196,686)	\$590,579	\$27,852	\$44,436	\$181,440	(\$618,137)	\$4,616,361	(\$377,482)
Fund Balance 1/1	\$6,129,384	\$5,780,658	\$8,392,370	\$6,195,684	\$6,786,263	\$6,814,115	\$6,858,551	\$7,039,991	\$6,421,854	\$11,038,215
Fund Balance 12/31	\$5,780,658	\$8,392,370	\$6,195,684	\$6,786,263	\$6,814,115	\$6,858,551	\$7,039,991	\$6,421,854	\$11,038,215	\$10,660,733
Total Noncapital Expenditure	\$7,089,798	\$7,721,392	\$8,588,464	\$9,176,081	\$9,542,340	\$10,602,981	\$11,049,816	\$11,223,213	\$12,533,022	\$12,666,721
Debt Service as a % of										
Noncapital Expenditures	11.8%	9.8%	10.5%	9.8%	9.4%	8.5%	8.8%	8.7%	8.5%	10.4%

PETERS TOWNSHIP
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION¹
LAST TEN FISCAL YEARS

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenditures ²										
General Government	\$839,361	\$978,957	\$989,120	\$1,095,436	\$1,108,092	\$1,178,281	\$1,141,943	\$1,170,221	\$1,438,031	\$1,299,416
Public Safety	\$2,582,598	\$2,759,583	\$2,841,603	\$2,959,216	\$3,177,910	\$3,677,176	\$3,613,014	\$3,828,379	\$4,240,815	\$4,046,863
Public Work - Sanitation	\$26,083	\$82,431	\$31,487	\$106,744	\$39,609	\$86,570	\$39,276	\$59,703	\$40,930	\$71,938
Public Works - Highways	\$2,730,315	\$1,925,578	\$2,139,349	\$2,052,981	\$2,350,409	\$3,094,180	\$2,835,506	\$2,896,720	\$3,477,961	\$3,208,984
Culture - Recreation	\$1,827,850	\$4,219,874	\$4,958,142	\$2,253,923	\$2,915,574	\$3,101,616	\$2,604,505	\$2,498,580	\$4,209,657	\$3,122,759
Insurance and Employee Benefits	\$838,682	\$979,752	\$1,301,874	\$1,322,076	\$1,322,232	\$1,314,728	\$1,322,512	\$1,487,122	\$1,575,491	\$1,754,622
Debt Service	\$837,706	\$757,503	\$898,376	\$902,496	\$901,183	\$896,360	\$969,277	\$971,040	\$1,067,236	\$1,312,554
Total Expenditure	\$9,682,595	\$11,703,678	\$13,159,951	\$10,692,872	\$11,815,009	\$13,348,911	\$12,526,034	\$12,911,765	\$16,050,121	\$14,817,136

(1) Included General, Special Revenue, Debt Service, and Capital Projects Funds

(2) The amounts include operating, as well as, capital

Table 6

**PETERS TOWNSHIP
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Taxable Assessed Value ¹	Estimated Market Value ²	Total Direct Tax Rate	Ratio of	
				Total Assessed Value to	Estimated Market Value
2002	\$245,804,250	\$1,489,573,755	12 mills		16.5%
2003	\$256,769,417	\$1,584,267,301	12 mills		16.2%
2004	\$266,753,167	\$1,731,228,052	12 mills		15.4%
2005	\$279,048,917	\$1,936,599,482	12 mills		14.4%
2006	\$292,099,167	\$2,132,323,917	12 mills		13.7%
2007	\$299,072,039	\$2,266,966,056	12 mills		13.2%
2008	\$306,615,839	\$2,222,964,834	12 mills		13.8%
2009	\$312,816,022	\$1,830,086,400	12 mills		17.1%
2010	\$317,192,571	\$1,943,754,522	14 mills		16.3%
2011	\$323,590,796	Not Available	13 mills		Not Available

(1) Source - Washington County Assessment Office. The assessment office does not have data which separates commercial and residential assessments values.

(2) Source - Pennsylvania State Tax Equalization Board

Table 7

**PETERS TOWNSHIP
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(Tax Rate Per \$1,000 of Assessed Valuation)
LAST TEN FISCAL YEARS**

Fiscal Year	Peters Township	Overlapping Rates			Total Direct and Overlapping Rates
		Peters Township School District	Washington County		
2002	12.0	75.0	17.5		104.5
2003	12.0	75.0	17.5		104.5
2004	12.0	80.0	21.4		113.4
2005	12.0	87.0	21.4		120.4
2006	12.0	87.0	21.4		120.4
2007	12.0	89.5	21.4		122.9
2008	12.0	89.5	21.4		122.9
2009	12.0	92.5	24.9		129.4
2010	14.0	95.2	24.9		134.1
2011	13.0	96.5	24.9		134.4

Tax rate is expressed in mills. One mill of tax is equal to \$1.00 for every \$1,000 of assessed property value.

Table 8

**PETERS TOWNSHIP
TEN LARGEST REAL ESTATE TAXPAYERS
CURRENT AND NINE YEARS AGO**

	As of December 31, 2011		As of December 31, 2002	
	Assessed Valuation	Percent of Total Valuation	Assessed Valuation	Percent of Total Valuation
1 Waterdam Plaza Associates	\$3,801,459	1.2%	\$3,771,970	1.6%
2 Donaldson's Crossroads Associates	\$1,709,515	0.5%	\$1,459,747	0.6%
3 HCR Manorcare	\$1,089,000	0.3%	\$1,220,684	0.5%
4 Gallery Shoppes (I,II,III,Ltd.)	\$1,037,885	0.3%		
5 K-Mart	\$904,200	0.3%	\$1,106,700	0.5%
6 Valleybrook Country Club	\$708,651	0.2%	\$731,293	0.3%
Food Gallery			\$634,012	0.3%
7 Murphy, Robert	\$493,849	0.2%	\$586,907	0.2%
8 Rolling Hills Country Club	\$488,418	0.2%	\$488,418	0.2%
9 Levin Family Partnership LP	\$487,675	0.2%		
Central States/McMurray Hills			\$437,625	0.2%
Frederick P Baker			\$387,887	0.2%
10 Miller, Mark	\$432,278	0.1%		
Total	\$11,152,930	3.4%	\$10,825,243	4.5%

Table 9

**PETERS TOWNSHIP
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent & Liened Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
		Amount	Percentage			
2002	\$2,949,651	\$2,827,513	95.86%	\$82,818	\$2,910,331	98.67%
2003	\$3,081,233	\$2,938,148	95.36%	\$83,442	\$3,021,590	98.06%
2004	\$3,201,038	\$3,072,612	95.99%	\$90,220	\$3,162,832	98.81%
2005	\$3,348,587	\$3,200,180	95.57%	\$84,071	\$3,284,251	98.08%
2006	\$3,505,190	\$3,378,444	96.38%	\$95,953	\$3,474,397	99.12%
2007	\$3,588,864	\$3,468,492	96.65%	\$71,019	\$3,539,511	98.62%
2008	\$3,679,390	\$3,550,756	96.50%	\$74,428	\$3,625,184	98.53%
2009	\$3,753,792	\$3,642,788	97.04%	\$78,697	\$3,721,485	99.14%
2010	\$4,440,696	\$4,297,078	96.77%	\$74,882	\$4,371,960	98.45%
2011	\$4,206,680	\$4,087,531	97.17%	\$98,961	\$4,186,492	99.52%

Table 10

**PETERS TOWNSHIP
TAXABLE EARNED INCOME AND TAX COLLECTED
LAST TEN FISCAL YEARS**

Fiscal Year	Taxable Earned Income	Tax Collected
2002	\$601,024,800	\$3,005,124
2003	\$574,013,600	\$2,870,068
2004	\$683,724,400	\$3,418,622
2005	\$707,855,800	\$3,539,279
2006	\$784,153,800	\$3,920,769
2007	\$852,958,800	\$4,264,794
2008	\$869,607,600	\$4,348,038
2009	\$892,549,400	\$4,462,747
2010	\$922,834,600	\$4,614,173
2011	\$956,416,400	\$4,782,082

Table 11

**PETERS TOWNSHIP
TAXABLE EARNED INCOME RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	Peters Township	Peters Township School District
2002	0.05%	0.05%
2003	0.05%	0.05%
2004	0.05%	0.05%
2005	0.05%	0.05%
2006	0.05%	0.05%
2007	0.05%	0.05%
2008	0.05%	0.05%
2009	0.05%	0.05%
2010	0.05%	0.05%
2011	0.05%	0.05%

Table 12

**PETERS TOWNSHIP
EARNED INCOME TAX FILERS AND LIABILITY
BY INCOME LEVEL**

Income Level	2006			2007			2008		
	Number of Filers	% of Total	% of Total Income	Number of Filers	% of Total	% of Total Income	Number of Filers	% of Total	% of Total Income
\$100,001-and higher	2,045	20.2%	64.4%	2,230	20.8%	67.2%	2,355	22.0%	66.9%
\$70,001-\$100,000	1,168	11.5%	13.5%	1,208	11.3%	12.3%	1,267	11.8%	12.7%
\$50,001-70,000	1,043	10.3%	8.5%	1,091	10.2%	7.8%	1,123	10.5%	8.0%
\$30,001-50,000	1,362	13.4%	7.5%	1,387	12.9%	6.7%	1,383	12.9%	6.6%
\$10,001-30,000	1,842	18.2%	4.9%	2,000	18.7%	4.6%	1,983	18.5%	4.5%
\$10,000 and lower	2,670	26.3%	1.3%	2,795	26.1%	1.3%	2,965	27.7%	1.3%
Total	10,130	100.0%	100.0%	10,711	100.0%	100.0%	11,076	103.4%	100.0%

2009-2011 information not available

Note: Beginning with the 2006 year, the Township of Peters implemented GASB Statement 44 "Economic Condition Reporting: The Statistical Section." Since the information reported in this schedule was not required in 2006 or in previous years, the report only includes readily available information. Future reports will continue to include the presented data until a maximum of ten years of information is accumulated.

Table 13

**PETERS TOWNSHIP
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Capital Leases Outstanding	Governmental Activities General Obligation Bonds	Percentage of Earned Income	Per Capita	Ratio of Bonds Outstanding to Assessed Value
2002		\$5,945,587	1.0%	\$322	2.4%
2003		\$10,607,806	1.8%	\$562	4.1%
2004		\$10,139,408	1.5%	\$524	3.8%
2005		\$9,645,000	1.4%	\$486	3.5%
2006		\$9,300,000	1.2%	\$454	3.2%
2007	\$292,964	\$8,750,000	1.0%	\$419	2.9%
2008	\$239,391	\$8,175,000	0.9%	\$381	2.7%
2009	\$183,418	\$7,580,000	0.8%	\$351	2.4%
2010	\$527,598	\$13,625,000	1.5%	\$626	4.3%
2011	\$389,889	\$12,950,000	1.4%	\$576	4.0%

**PETERS TOWNSHIP
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2011**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Peters Township*	Amount Applicable to Peters Township**
Direct Debt			
Peters Township	\$13,339,889	100.0%	\$13,339,889
Total Direct Debt			<u>\$13,339,889</u>
Overlapping Debt			
Peters Township School District	\$44,680,000	100.0%	\$44,680,000
Washington County	<u>\$50,335,427</u>	20.2%	<u>\$10,191,410</u>
Total Overlapping Debt	<u>\$108,355,316</u>		<u>\$54,871,410</u>
			<u>TOTAL DIRECT AND OVERLAPPING DEBT</u> <u>\$68,211,299</u>

* For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the Township's boundaries and dividing it by each unit's total taxable assessed value.

** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Township. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Township. This process recognizes that, when considering the Township's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**PETERS TOWNSHIP
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS ¹**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$21,713,160	\$22,129,410	\$23,440,910	\$25,126,672	\$27,605,077	\$30,428,498	\$32,455,848	\$33,600,307	\$34,833,803	\$36,518,623
Outstanding Debt Applicable to the Debt Limit	<u>\$5,945,587</u>	<u>\$10,607,806</u>	<u>\$10,139,408</u>	<u>\$9,645,000</u>	<u>\$9,300,000</u>	<u>\$8,750,000</u>	<u>\$8,175,000</u>	<u>\$7,580,000</u>	<u>\$13,625,000</u>	<u>\$12,950,000</u>
Legal Debt Margin	<u>\$15,767,573</u>	<u>\$11,521,604</u>	<u>\$13,301,502</u>	<u>\$15,481,672</u>	<u>\$18,305,077</u>	<u>\$21,678,498</u>	<u>\$24,280,848</u>	<u>\$26,020,307</u>	<u>\$21,208,803</u>	<u>\$23,568,623</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	27.4%	47.9%	43.3%	38.4%	33.7%	28.8%	25.2%	22.6%	39.1%	35.5%

(1) The non-electoral debt limit is set forth in the Pennsylvania Local Government Unit Debt Act and is defined as the average net revenues for the three most recent years multiplied

**PETERS TOWNSHIP
COMPUTATION OF LEGAL DEBT MARGIN AS OF DECEMBER 31, 2011**

	Nonelectoral Debt	Lease Rental Debt	Total
Total Gross Debt	\$12,950,000	\$0	\$12,950,000
Less: Debt Minus Exclusions	\$0	\$0	\$0
Gross Debt Minus Exclusions	\$12,950,000	\$0	\$12,950,000
Applicable Debt Limitations (1) Nonelectoral Regular			
Borrowing Base (2) x 250%	\$36,518,623		
\$14,607,449			
Nonelectoral Plus Lease Rental			
Borrowing Base (2) x 350%			\$51,126,072
\$14,607,449			
Additional Borrowing Capability			
- Nonelectoral Regular	\$23,568,623		
- Nonelectoral Plus Lease Rental			\$38,176,072

(1) As set forth in the Pennsylvania Local Government Unit Debt Act (LGUDA)

(2) Borrowing based defined in Act as average net revenues for three most recent years

(3) Capital leases are not considered in the calculation under the PA LGUDA

PETERS TOWNSHIP
RATIO OF ANNUAL DEBT SERVICE EXPENDITURE FOR GENERAL BONDED DEBT
TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest & Other Fees	Total Debt Service	Total General Expenditures ¹	Ratio of Debt Service to General Expenditures
2002	\$552,439	\$285,267	\$837,706	\$9,682,595	8.65%
2003	\$427,781	\$329,722	\$757,503	\$11,703,678	6.47%
2004	\$468,398	\$429,978	\$898,376	\$13,159,951	6.83%
2005	\$494,408	\$408,088	\$902,496	\$10,692,872	8.44%
2006	\$515,000	\$386,183	\$901,183	\$11,815,009	7.63%
2007	\$550,000	\$346,360	\$896,360	\$13,348,911	6.71%
2008	\$628,573	\$340,704	\$969,277	\$12,526,034	7.74%
2009	\$650,973	\$320,067	\$971,040	\$12,911,765	7.52%
2010	\$578,480	\$488,756	\$1,067,236	\$16,050,121	6.65%
2011	\$812,709	\$499,845	\$1,312,554	\$14,817,136	8.86%

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds

**PETERS TOWNSHIP
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

As of December 31, 2011		As of December 31, 2002	
Name	Type of Business	Name	Type of Business
Peters Township School District	Education	Peters Township School District	Education
Giant Eagle Markets Inc.	Grocery Store	Giant Eagle Markets, Inc.	Grocery Store
Heartland Employment Service	Nursing Home	Peter Scozios Food Ilc	Grocery Store
Sears Roebuck & Co	Service Center	Sears Roebuck & Co	Service Center
Trigon Holdings	Manufacturing	K Mart	Retail Store
American Health Foundation	Nursing Home	Valleybrook Country Club	Country Club
Valleybrook Country Club	Country Club	American Health Foundation	Nursing Home
Peters Township	Government	Heartland Employment Service	Nursing Home
First Student	Transportation	Laidlaw Transit	Transportation
Kmart	Retailer	Eat N Park	Restaurant

**PETERS TOWNSHIP
TEN LARGEST VENDORS
CURRENT YEAR AND NINE YEARS AGO**

As of December 31, 2011		As of December 31, 2002			
Total Expenditure	Company Name	Expenditure Category	Total Expenditure	Company Name	Expenditure Category
1 \$1,317,279	Waste Management	Public Works - Garbage	1 \$720,892	J. P. Morgan	Debt Service
2 \$1,130,996	Morgan Excavating	Public Works -Paving	2 \$660,820	Oakdale Construction	Construction
3 \$737,192	MEIT	Health Insurance	3 \$664,069	Pompei and Sons, Inc.	Public Works -Paving
4 \$722,000	Peters Twp. Library	Contribution	4 \$341,130	MEIT	Insurance
5 \$590,000	Bank of New York	Debt Service	5 \$236,226	Gateway Engineers	Professional Services
6 \$486,182	Masco Construction	Construction	6 \$142,404	MRM Pooled Trust	Insurance
7 \$387,407	Principal Financial	Pension	7 \$126,814	Jordan Tax Service	Tax Collection
8 \$296,846	Jordan Tax Service	Tax Collection	8 \$115,880	PA American Water	Utility
9 \$258,051	Marrico Construction	Construction	9 \$115,343	National City Bank	Debt Service
10 \$236,835	Peters Twp. Fire Company	Contribution	10 \$91,721	Peters Twp. Fire Company	Contribution
<u>\$6,162,788</u>			<u>\$3,215,299</u>		

PETERS TOWNSHIP INDICATORS

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Population	18,443	18,889	19,343	19,840	20,500	20,900	21,430	21,595	21,750	22,500
Permanent Employees - All Departments	65	67	70	73	72	75	77	79	79	79

Public Works Department	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Number of Permanent Employees	12	13	13	13	13	13	13	13	13	13

Miles of Streets	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Municipal Owned	88.0	96.0	98.0	98.0	98.9	102.5	103.0	104.4	105.0	106.5
State Owned	29.0	29.0	29.0	29.1	29.1	29.1	29.1	29.1	29.1	29.1
Private	5.0	8.1	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total Miles of Streets	122.0	133.1	132.0	132.1	133.0	136.6	137.1	138.5	139.1	140.6

Road Treatment	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Resurfaced & Overlayd (Miles)	5.2	4.0	3.2	3.8	2.8	4.0	4.3	4.2	4.5	5.4
Rejuvenator Treatment (Miles)	9.1	10.4	8.2	0.0	4.6	7.8	7.7	8.0	6.4	9.8
Total Road Treatment (Miles)	14.2	14.4	11.5	3.8	7.4	11.8	12.0	12.2	10.8	15.2

Storm Sewer Installation/Replace (Feet)	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	136	236	881	1,460	1,375	1,852	1,215	2,581	135	2,991

Public Safety	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Number of Permanent Employees	24	24	24	25	26	26	26	27	27	27
Number of Stations	1	1	1	1	1	1	1	1	1	1

Services Rendered	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Traffic Tickets Issued	1,349	961	1,959	2,669	1,469	1,566	2,352	3,874	3,904	2,505
Parking Tickets Issued	417	369	318	378	543	402	317	550	417	411
Part I Offenses	232	245	284	268	228	166	192	128	114	183
Part II Offenses	528	580	562	510	482	330	439	252	253	511
Driving Under the Influence	111	89	111	103	80	74	75	80	95	95

Offenses Cleared	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
% of Part 1 Offenses Cleared	52%	47%	50%	49%	49%	39%	22%	27%	30%	17%
% of Part 2 Offenses Cleared	71%	66%	77%	72%	76%	52%	46%	64%	73%	53%

Fire Department	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Number of Permanent Employees	7	8	9	9	9	11	12	12	12	12
Number of Volunteers	24	25	26	28	25	24	21	25	21	17
Number Stations	2	2	2	2	2	2	2	2	2	2

Response Time	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Number of Response Calls	870	880	925	832	958	923	1030	1022	1194	942
Average Response Time										
7 AM to 11 PM	5.3	5.3	5.0	5.2	5.4	5.2	5.0	4.6	4.5	4.3
11 PM to 7 AM	12.7	13.5	12.1	12.6	12.7	13.4	12.7	11.5	10.9	10.5
Average Manpower Responses										
7 AM to 11 PM	5	4	6	4	4	5	4	4	4	4
11 PM to 7 AM	6	5	6	6	7	3	2	3	2	3

PETERS TOWNSHIP INDICATORS

2002 2003 2004 2005 2006 2007 2008 2009 2010 2011

Planning Department

Number of Permanent Employees	6	6	6	6	6	6	6	6	6	6
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Number of New Residential Lots Approved	370	230	161	114	191	170	31	59	29	101
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Zoning Hearing Board

Number of Appeals	24	21	12	16	19	22	22	13	19	23
Zoning Enforcement Notifications	66	21	99	98	161	164	117	151	123	160

Building Permits

Building Permits Issued	600	647	594	629	563	566	340	286	331	347
Building Permits New Homes	181	164	168	197	132	100	80	62	76	86

Library

Number of Card Holders	19,613	22,159	24,716	26,905	29,018	30,946	32,927	34,772	36,562	38,209
Circulation	341,686	364,886	394,127	397,672	411,846	387,777	390,202	413,856	406,325	395,101
Library Volumes	104,374	111,703	117,590	120,604	118,893	125,175	130,172	138,886	145,287	149,891
Library Volumes per Resident	6	6	6	6	6	6	6	6	7	7
Children and Young Adults Programs	604	675	282	739	868	477	719	762	724	585

Cable Television

Local Programs Hours Produced	1,198	1,049	1,052	1,201	1,756	2,667	2,174	2,832	2,373	4,220
Community Events Hours Produced	1,644	2,044	1,798	1,603	1,499	2,316	1,854	1,813	2,361	2,413
Program Hours Aired	3,537	3,846	3,652	3,606	3,989	8,396	7,402	7,850	7,857	8,046

Tax Collection

Assessed Value	\$245,804,250	\$256,769,417	\$266,753,167	\$279,048,917	\$292,099,167	\$299,072,039	\$306,615,839	\$312,816,022	\$317,192,571	\$323,590,796
Total Property Tax Collection	\$2,827,513	\$2,938,148	\$3,072,612	\$3,200,180	\$3,378,444	\$3,539,511	\$3,625,184	\$3,721,485	\$4,371,960	\$4,186,492
Property Tax Collected as a % of Levy	95.9%	95.4%	96.0%	95.6%	96.4%	96.4%	98.5%	99.1%	98.5%	99.5%
Earned Income Tax Collection	\$2,911,278	\$2,930,339	\$3,239,621	\$3,542,021	\$3,806,119	\$4,160,987	\$4,376,357	\$4,462,747	\$4,614,173	\$4,782,082

Table 21

AGE DISTRIBUTION RELATED TO TOTAL POPULATION

AGE	2000		2010	
	Number	Percent	Number	Percent
Under 5 years	1,170	6.7%	1,224	5.8%
5 to 9 years	1,521	8.7%	1,813	8.5%
10 to 14 years	1,564	8.9%	2,005	9.5%
15 to 19 years	1,204	6.9%	1,543	7.3%
20 to 24 years	416	2.4%	582	2.7%
25 to 34 years	1,221	7.0%	1,253	5.9%
35 to 44 years	3,243	18.5%	2,931	13.8%
45 to 54 years	3,162	18.0%	4,025	19.0%
55 to 59 years	1,020	5.8%	1,626	7.7%
60 to 64 years	766	4.4%	1,362	6.4%
65 to 74 years	1,287	7.3%	1,574	7.4%
75 to 84 years	736	4.2%	906	4.3%
85 years and over	256	1.5%	369	1.7%
	17,566	100.0%	21,213	100.0%
2010 Median Age	43.0			
2000 Median Age	40.6			
1990 Median Age	37.8			
1980 Median Age	33.1			

Source: United States Census

Table 22

**PETERS TOWNSHIP
POPULATION GROWTH
1920 -2010**

Year	Population	Change	% Change
1920	1,660		
1930	1,771	111	6.7%
1940	2,137	366	20.7%
1950	3,004	867	40.6%
1960	7,126	4,122	137.2%
1970	10,672	3,546	49.8%
1980	13,104	2,432	22.8%
1990	14,467	1,363	10.4%
2000	17,566	3,099	21.4%
2010	21,213	3,647	20.8%

Source: United States Census

Table 23

**PETERS TOWNSHIP
HOUSEHOLD INCOMES**

Income (\$000)	2000		2010	
	Households	%	Household	%
Less than \$10,000	106	1.8%	281	4.7%
\$10,000 to \$14,999	121	2.0%	70	1.2%
\$15,000 to \$24,999	344	5.7%	238	4.0%
\$25,000 to \$34,999	509	8.5%	237	3.9%
\$35,000 to \$49,999	661	11.0%	441	7.3%
\$50,000 to \$74,999	1,165	19.4%	1,280	21.3%
\$75,000 to \$99,000	909	15.1%	972	16.2%
\$100,000 to \$149,999	1,169	19.4%	1,594	26.5%
\$150,000 to \$199,999	452	7.5%	826	13.7%
\$200,000 or more	580	9.6%	582	9.7%
Total	6,016	100.0%	6,521	108.4%

Source: United States Census

Table 24

EDUCATIONAL CHARACTERISTICS
Education Attainment - Persons 25 Years and Older

	2000		2010	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th Grade	250	2.1%	550	4.1%
9th to 12th, no diploma	346	3.0%	523	3.9%
High School Graduate	2,584	22.2%	2,551	19.0%
Some College, no degree	1,933	16.6%	1,943	14.5%
Associates Degree	695	6.0%	897	6.7%
Bachelor's Degree	3,809	32.8%	3,952	29.5%
Graduate or Professional	<u>2,011</u>	<u>17.3%</u>	<u>2,980</u>	<u>22.2%</u>
Totals	11,628	100.0%	13,396	100.0%
Percent high school graduate or higher		94.9%		92.0%
Percent bachelor's degree or higher		50.1%		51.7%

Source: United States Census

Table 25

OCCUPATION OF EMPLOYED PERSONS 16 AND OVER

<u>Occupation</u>	2000		2010	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Management, Professional, Other Related	4,305	53.8%	4,499	50.9%
Service Occupations	602	7.5%	887	10.0%
Sales and Office Occupations	2,314	28.9%	2,500	28.3%
Farming, Fishing, & Forestry	10	0.1%	7	0.1%
Construction, Extraction, Maintenance	438	5.5%	520	5.9%
Production, Transportation, Material Moving	<u>328</u>	<u>4.1%</u>	<u>420</u>	<u>4.8%</u>
Totals	7,997	100.0%	8,833	100.0%

Source: United States Census

Table 26

HOUSING UNITS BY OCCUPANCY

	2000		2010	
	<u>Total</u>	<u>% Total</u>	<u>Total</u>	<u>% Total</u>
Occupied Units	6,026		7,292	
Owner Occupied Units	5,681	91%	6,869	91%
Renter Occupied	345	6%	423	6%
Vacant Units	195	3%	267	4%
Total Units	6,221		7,559	

Source: United States Census

Table 27

VALUE OF SPECIFIED OWNER OCCUPIED HOUSING UNITS

<u>Value</u>	2000		2010	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 50,000	32	1%	81	1%
50,000 to 99,999	554	10%	228	4%
100,000 to 149,999	1,115	20%	459	7%
150,000 to 199,999	1,302	24%	908	15%
200,000 to 299,999	1,303	24%	1,874	30%
300,000 to 499,999	1,010	18%	1,932	31%
500,000 to 999,999	137	3%	630	10%
1,000,000 or more	9	0%	51	1%
Total	5,462	100%	6,163	100%

Source: United States Census

Table 28

MEDIAN HOUSING VALUE COMPARISON

	<u>Peters</u>	<u>Washington</u> <u>County</u>	<u>SMSA</u>
Median Value 1970	27,700	12,000	15,300
Median Value 1980	81,500	38,700	42,600
Median Value 1990	124,500	53,500	57,100
Median Value 2000	189,100	87,500	86,100

Source: 1970, 1980, 1990, 2000 United States Census

