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**BETHEL TOWNSHIP**

**AUDIT REPORT  
2016 CURRENT REAL ESTATE, FIRE,  
AND LIBRARY TAXES (PER ORIGINAL  
TAX DUPLICATE) AND INTERIM  
TAXES COLLECTED - CASH BASIS**

**FOR THE PERIOD  
FEBRUARY 1, 2016 - JANUARY 31, 2017**

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BETHEL TOWNSHIP

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## INDEPENDENT AUDITOR'S REPORT

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March 7, 2017

Board of Supervisors  
Bethel Township  
Garnet Valley, Pennsylvania

### Report on the Financial Statements

We have audited the accompanying statements of current real estate, fire, and library taxes (per original tax duplicate) and interim taxes collected - cash basis ("the financial statements") of Bethel Township, Garnet Valley, Pennsylvania, as collected and remitted by the Tax Collector for the period February 1, 2016 through January 31, 2017, and the uncollected tax as submitted to the Tax Claim Bureau as of January 31, 2017 and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

BARBACANE  
THORNTON  
& COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Board of Supervisors  
Bethel Township

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

Opinion

In our opinion, the statements of current real estate, fire, and library taxes (per original tax duplicate) and interim taxes collected - cash basis referred to above present fairly, in all material respects, the revenues collected for Bethel Township by the Tax Collector for the period February 1, 2016 through January 31, 2017, and the uncollected balances as of January 31, 2017, on the basis of accounting described in Note A.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The Bethel Township Tax Collector prepares its financial statements on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

The accompanying statements of current real estate, fire, and library taxes (per original tax duplicate) and interim taxes collected - cash basis were prepared for the purpose of verifying the accuracy of the Township's current real estate levy and interim taxes collected by the Tax Collector for the period February 1, 2016 through January 31, 2017. This verification included the audit of tax collections deposited with the Township and reconciliation of the uncollected taxes. The statements are not intended to be a complete presentation of the Tax Collector's revenues and expenses.

*Barbacane, Thornton & Company LLP*  
BARBACANE, THORNTON & COMPANY LLP

**BETHEL TOWNSHIP**  
**STATEMENT OF CURRENT REAL ESTATE, FIRE, AND LIBRARY TAXES (PER ORIGINAL TAX DUPLICATE) - CASH BASIS**  
**FOR THE PERIOD FEBRUARY 1, 2016 THROUGH JANUARY 31, 2017**

	<u>Real Estate</u>	<u>Fire</u>	<u>Library</u>	<u>Total</u>
Original Assessed Valuation	\$724,362,644	\$724,362,644	\$724,362,644	\$724,362,644
Assessment Changes (Net)	<u>(1,458,976)</u>	<u>(1,458,976)</u>	<u>(1,458,976)</u>	<u>(1,458,976)</u>
Adjusted Assessed Valuation	722,903,668	722,903,668	722,903,668	722,903,668
Millage (Per Thousand Dollars of Assessed Valuation)	<u>1.690</u>	<u>0.125</u>	<u>0.050</u>	<u>1.865</u>
Original Tax Levy	1,221,707	90,363	36,145	1,348,215
Less: Tax Collections at Face	<u>(1,194,650)</u>	<u>(88,362)</u>	<u>(35,344)</u>	<u>(1,318,356)</u>
Uncollected Tax Revenues as of January 31, 2017 at Face	27,057	2,001	801	29,859
Plus: Penalty (10%)	<u>2,706</u>	<u>200</u>	<u>80</u>	<u>2,986</u>
Uncollected Tax Revenues as of January 31, 2017	29,763	2,201	881	32,845
Immaterial Irreconcilable Difference	251	19	7	277
Uncollected Taxes Submitted to County for Collection	<u>(30,014)</u>	<u>(2,220)</u>	<u>(888)</u>	<u>(33,122)</u>
Taxes to be Collected by Tax Collector	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**BETHEL TOWNSHIP  
STATEMENT OF INTERIM TAXES COLLECTED - CASH BASIS  
FOR THE PERIOD FEBRUARY 1, 2016 THROUGH JANUARY 31, 2017**

	<u>2016 Interim Taxes</u>	<u>2015 Interim Taxes</u>
New Interim Assessment	\$ 6,923,501	\$ 2,378,271
Original Assessment for Interim Properties	<u>4,569,135</u>	<u>1,020,284</u>
Net Increase in Assessment	2,354,366	1,357,987
Millage (Per Thousand Dollars of Assessed Valuation)	<u>1.865</u>	<u>1.865</u>
Original Interim Levy	<u>\$ 4,391</u>	<u>\$ 2,533</u>
Prorated Interim Levy	\$ 3,179	\$ 634
Less: Collections at Face	<u>(1,850)</u>	<u>(634)</u>
Uncollected Taxes as of January 31, 2017 at Face	1,329	-
Plus: 10% Penalty	<u>133</u>	<u>-</u>
Uncollected Tax Revenues as of January 31, 2017	1,462	-
Uncollected Taxes Submitted to County for Collection	<u>-</u>	<u>-</u>
Taxes to be Collected by Tax Collector	<u>\$ 1,462</u>	<u>\$ -</u>

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

BETHEL TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE A BASIS OF ACCOUNTING

The statements of current real estate, fire, and library taxes (per original tax duplicate) and interim taxes collected - cash basis have been prepared on the cash basis of accounting. All collections were recorded when received; any discounts or penalties associated with a collection were also recognized at this time.

A penalty of 10 percent has been added to the uncollected current real estate, fire, and library taxes (per original tax duplicate) and interim taxes past due as of January 31, 2017, in order to accurately reflect the amount remaining to be collected for the fiscal year 2016 tax assessment.

Due to some of the 2016 interim taxes being billed late in the year, the interim taxes uncollected at year end were not outstanding long enough to be liened by the County. Therefore, the interim taxes uncollected for the year will be pursued by the Tax Collector. If the Tax Collector is unsuccessful in collecting these taxes, the properties will be submitted to the County for lien as of January 31, 2018.

NOTE B SUBSEQUENT EVENTS

The Tax Collector has evaluated all subsequent events through March 7, 2017, the date the financial statements were available to be issued.