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**BETHEL TOWNSHIP**

**AUDIT REPORT  
2013 CURRENT REAL ESTATE,  
FIRE AND LIBRARY TAXES AND  
INTERIM TAXES COLLECTED**

**FOR THE PERIOD  
FEBRUARY 1, 2013 - JANUARY 31, 2014**

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BETHEL TOWNSHIP

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## INDEPENDENT AUDITOR'S REPORT

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May 8, 2014

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 of Bethel Township, Garnet Valley, Pennsylvania, as collected and remitted by the Tax Collector for the period February 1, 2013 to January 31, 2014, and the uncollected tax as submitted to the Tax Claim Bureau as of January 31, 2014.

### 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.

### 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 Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township'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.

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

Board of Supervisors  
Bethel Township

Opinion

In our opinion, the statements of current real estate, fire and library taxes (per original tax duplicate) and interim taxes referred to above present fairly, in all material respects, the revenues collected for Bethel Township by the Tax Collector for the period February 1, 2013 to January 31, 2014, and the uncollected balances as of January 31, 2014, 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 that matter.

Other Matters

The accompanying statements of current real estate, fire and library taxes (per original tax duplicate) and interim taxes 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, 2013 to January 31, 2014. 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)  
FOR THE PERIOD FEBRUARY 1, 2013 THROUGH JANUARY 31, 2014**

|   | <u>Real Estate</u> | <u>Fire</u>      | <u>Library</u>   | <u>Total</u>       |
|---|--------------------|------------------|------------------|--------------------|
| Original Assessed Valuation                             | \$ 703,441,311     | \$ 703,441,311   | \$ 703,441,311   | \$ 703,441,311     |
| Assessment Changes (Net)                                | <u>(330,816)</u>   | <u>(330,816)</u> | <u>(330,816)</u> | <u>(330,816)</u>   |
| Adjusted Assessed Valuation                             | 703,110,495        | 703,110,495      | 703,110,495      | 703,110,495        |
| 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                                       | 1,188,257          | 87,889           | 35,156           | 1,311,302          |
| Less: Tax Collections at Face                           | <u>(1,166,471)</u> | <u>(86,277)</u>  | <u>(34,511)</u>  | <u>(1,287,259)</u> |
| Uncollected Tax Revenues as of January 31, 2014 at Face | 21,786             | 1,612            | 645              | 24,043             |
| Plus Penalty (10%)                                      | <u>2,179</u>       | <u>161</u>       | <u>65</u>        | <u>2,405</u>       |
| Uncollected Tax Revenues as of January 31, 2014         | 23,965             | 1,773            | 710              | 26,448             |
| Immaterial Irreconcilable Difference                    | 615                | 46               | 17               | 678                |
| Uncollected Taxes Submitted to County for Collection    | <u>(24,580)</u>    | <u>(1,819)</u>   | <u>(727)</u>     | <u>(27,126)</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  
FOR THE PERIOD FEBRUARY 1, 2013 THROUGH JANUARY 31, 2014**

|  | <u>Current<br/>Interims</u> | <u>Prior<br/>Interims</u> |
|--|-----------------------------|---------------------------|
| New Interim Assessment                               | \$ 18,197,772               | \$ 7,418,829              |
| Original Assessment for Interim Properties           | <u>9,043,358</u>            | <u>3,117,076</u>          |
| Net Increase in Assessment                           | 9,154,414                   | 4,301,753                 |
| Millage (Per Thousand Dollars of Assessed Valuation) | <u>1.8650</u>               | <u>1.8650</u>             |
| Original Interim Levy                                | <u>\$ 17,073</u>            | <u>\$ 8,023</u>           |
| Prorated Interim Levy                                | \$ 10,940                   | \$ 2,825                  |
| Less: Collections at Face                            | <u>(9,843)</u>              | <u>(2,189)</u>            |
| Uncollected Taxes as of January 31, 2014 at Face     | 1,097                       | 636                       |
| Plus: 10% Penalty                                    | <u>110</u>                  | <u>64</u>                 |
| Uncollected Tax Revenues as of January 31, 2014      | 1,207                       | 700                       |
| Uncollected Taxes Submitted to County for Collection | <u>-</u>                    | <u>700</u>                |
| Taxes to be Collected by Tax Collector               | <u>\$ 1,207</u>             | <u>\$ -</u>               |

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 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, 2014, in order to accurately reflect the amount remaining to be collected for the fiscal year 2013 tax assessment.

Due to many of the interim taxes being billed late in the year, the interim taxes uncollected at year end were not outstanding long enough to be liened with the County. Therefore, the interim taxes uncollected for the year will be pursued by the Tax Collector. If he is unsuccessful in collecting these taxes, the properties will be liened with the County.

**NOTE B SUBSEQUENT EVENTS**

The Township has evaluated all subsequent events through May 8, 2014, the date the financial statements were available to be issued.