

EAST BRANDYWINE TOWNSHIP
MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT
DECEMBER 31, 2015

**2015 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

150275 EAST BRANDYWINE TWP, CHESTER COUNTY

Timothy M. Cupitt

Certified Public Accountant

INDEPENDENT AUDITOR REPORT

March 4, 2016

To the Board of Supervisors
East Brandywine Township
Downingtown, Pennsylvania

Report on the Financial Statements

I have audited the accompanying annual audit and financial report (“financial statement”) of East Brandywine Township, Downingtown, Pennsylvania as of December 31, 2015, which comprise the balance sheet for each fund type as of December 31, 2015 and the related statement of revenues and expenditures for the year then ended.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed or permitted by the Department of Community and Economic Development of the Commonwealth of Pennsylvania (“DCEDE”); this includes 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 Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risk 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

To the Board of Supervisors
East Brandywine Township

Opinion

In my opinion, the annual audit and financial report referred to in the first paragraph presents fairly, in all material respects, the balance sheet of each of the fund types of East Brandywine Township, Downingtown, Pennsylvania as of December 31, 2015 and the revenues it received and the expenditures it paid for the year then ended, on the basis of accounting described above.

Basis of Accounting

I draw attention to the basis of accounting, which is described in the second paragraph of this report. The financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by the DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the DCED. As permitted by the DCED, East Brandywine Township, Downingtown, Pennsylvania, presents its annual audit and financial report on the cash basis of accounting; consequently, certain revenues and related assets are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when a liability is incurred. Additionally, in accordance with the prescribed accounting practices permitted by the DCED, the Township does not include footnote disclosures. My opinion is not modified with respect to that matter.

Restriction on Use

This report is intended solely for the information and use of the governing body and management of East Brandywine Townships, Downingtown, Pennsylvania; for filing with the Department of Community and Economic Development and the County Courthouse; and is not intended to be and should not be used by anyone other than these specified parties.

Timothy M. Cupitt, CPA

Timothy M. Cupitt, CPA

EAST BRANDYWINE TWP, CHESTER County

BALANCE SHEET

December 31, 2015

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Liabilities and Other Credits											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits										
Total Liabilities and Other Credits		2,763									2,763
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	1,843,002	2,689,054					4,564,842			9,096,898
291-299	Other Equity										
Total Fund and Account Group Equity		1,843,002	2,689,054					4,564,842			9,096,898
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											9,099,661

EAST BRANDYWINE TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Taxes

301.00	Real Estate Taxes	1,600,621						1,600,621
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)							
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	421,003						421,003
310.20	Earned Income Taxes / Wage Taxes	1,787,007	438,179					2,225,186
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	35,963						35,963
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other Local Tax Enabling Act / Act 511 / Taxes							
	Other: _____							
Total Taxes		3,844,594	438,179					4,282,773

Licenses and Permits

320-322	All Other Licenses and Permits	1,978						1,978
321.80	Cable Television Franchise Fees	187,693						187,693
Total Licenses and Permits		189,671						189,671

Fines and Forfeits

330-332	Fines and Forfeits	46,096						46,096
Total Fines and Forfeits		46,096						46,096

EAST BRANDYWINE TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Interest, Rents and Royalties								
341.00	Interest Earnings	1,861	3,588				150,704	156,153
342.00	Rents and Royalties	1,305						1,305
Total Interest, Rents and Royalties		3,166	3,588				150,704	157,458

Federal								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants							
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements	25,000						25,000
353.00	Federal Payments in Lieu of Taxes							
Total Federal		25,000						25,000

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	301						301
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	4,707						4,707
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		193,847					193,847
355.04	Alcoholic Beverage Licenses	400						400
355.05	General Municipal Pension System State Aid	121,546						121,546
355.07	Foreign Fire Insurance Tax Distribution	61,626						61,626
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

EAST BRANDYWINE TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

State								
356.00	State Payments in Lieu of Taxes							
355.00	All Other State Shared Revenues and Entitlements	272,500						272,500
Total State		461,080	193,847					654,927

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants							
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units								

Charges for Service								
361.00	General Government	260,066	51,000					311,066
362.00	Public Safety	326,435						326,435
363.20	Parking							
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)							
364.30	Solid Waste Collection and Disposal Charge (trash)	683,451						683,451
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation							
368.00	Airports							

EAST BRANDYWINE TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service	80,883	19,526					100,409
Total Charges for Service		1,350,835	70,526					1,421,361

Unclassified Operating Revenues								
383.00	Special Assessments	34,170						34,170
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	16,551	46,005					62,556
388.00	Fiduciary Fund Pension Contributions					281,307		281,307
389.00	All Other Unclassified Operating Revenues	45,156						45,156
Total Unclassified Operating Revenues		95,877	46,005			281,307		423,189

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers							
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

EAST BRANDYWINE TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures							
Total Other Financing Sources								
TOTAL REVENUES		6,016,319	752,145				432,011	7,200,475

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	4,700						4,700
401.00	Executive (Manager or Mayor)	158,055						158,055
402.00	Auditing Services / Financial Administration	9,000						9,000
403.00	Tax Collection	43,387						43,387
404.00	Solicitor / Legal Services	159,205						159,205
405.00	Secretary / Clerk	123,080						123,080
406.00	Other General Government Administration	236,046						236,046
407.00	IT-Networking Services-Data Processing							
408.00	Engineering Services	471,242						471,242
409.00	General Government Buildings and Plant	160,056	624					160,680
Total General Government		1,364,771	624					1,365,395

Public Safety								
410.00	Police	1,967,015						1,967,015
411.00	Fire	234,786						234,786
412.00	Ambulance / Rescue	9,000						9,000
413.00	UCC and Code Enforcement							

EAST BRANDYWINE TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Safety

414.00	Planning and Zoning	77,018						77,018
415.00	Emergency Management and Communications	1,256						1,256
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
Total Public Safety		2,289,075						2,289,075

Health and Human Services

420.00-425.00	Health and Human Services	1,750						1,750
Total Health and Human Services		1,750						1,750

Public Works - Sanitation

426.00	Recycling Collection and Disposal	157,240						157,240
427.00	Solid Waste Collection and Disposal (garbage)	430,432						430,432
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
Total Public Works - Sanitation		587,672						587,672

Public Works - Highways and Streets

430.00	General Services - Administration	233,137	16,066					249,203
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal		35,395					35,395
433.00	Traffic Control Devices	2,297	6,683					8,980
434.00	Street Lighting							

EAST BRANDYWINE TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Works - Highways and Streets								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains							
437.00	Repairs of Tools and Machinery	8,304	23,567					31,871
438.00	Maintenance and Repairs of Roads and Bridges	111,645	52,973					164,618
439.00	Highway Construction and Rebuilding Projects	655,374	160,000					815,374
Total Public Works - Highways and Streets		1,010,757	294,684					1,305,441

Other Public Works Enterprises								
440.00	Airports							
441.00	Cemeteries							
442.00	Electric System							
443.00	Gas System							
444.00	Markets							
445.00	Parking							
446.00	Storm Water and Flood Control							
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises								

Culture and Recreation								
451.00	Culture-Recreation Administration	108,448						108,448
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks							

EAST BRANDYWINE TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries	9,600						9,600
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	1,615	3,000					4,615
Total Culture and Recreation		119,663	3,000					122,663

Community Development								
461.00	Conservation of Natural Resources	35,500						35,500
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development		35,500						35,500

Debt Service								
471.00	Debt Principal (short-term and long-term)	361,478	194,128					555,606
472.00	Debt Interest (short-term and long-term)	144,085	38,333					182,418
475.00	Fiscal Agent Fees	539						539
Total Debt Service		506,102	232,461					738,563

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	139,500						139,500
482.00	Judgments and Losses	148,825					241,715	390,540
483.00	Pension / Retirement Fund Contributions							

EAST BRANDYWINE TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2015

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance	15,486						15,486
487.00	Other Group Insurance Benefits	235,108						235,108
Total Employer Paid Benefits and Withholding Items		538,919					241,715	780,634

Insurance								
486.00	Insurance, Casualty, and Surety	32,142						32,142
Total Insurance		32,142						32,142

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid						145,134	145,134
489.00	All Other Unclassified Expenditures						26,946	26,946
Total Unclassified Operating Expenditures							172,080	172,080

Other Financing Uses								
491.00	Refund of Prior Year Revenues	31,463						31,463
492.00	Interfund Operating Transfers							
493.00	All Other Financing Uses							
Total Other Financing Uses		31,463						31,463

TOTAL EXPENDITURES	6,517,814	530,769					413,795	7,462,378
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	-501,495	221,376					18,216	-261,903
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EAST BRANDYWINE TWP

December 31, 2015

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Municipal Bldg/Open Space	Bond	2012	2030	9,350,000	8,800,000		515,000		8,285,000		8,285,000
General Obligation Note	Note	2013	2018	250,000	190,942		40,606		150,336		150,336
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	8,435,336
Capitalized lease obligations	0
Net debt	8,435,336

EAST BRANDYWINE TWP, CHESTER County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2015

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	77,394		77,394
Recreation			
Sewer			
Solid Waste			
Streets / Highways	99,898	655,374	755,272
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	177,292	655,374	832,666

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

1,825,901

December 31, 2015

NOTES / COMMENTS