

MINGIS, GUTOWSKI & COMPANY, LLP

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INDEPENDENT AUDITORS' REPORT

Board of Supervisors
East Bradford Township
East Bradford, PA 19380

We have audited the accompanying financial statements included in the Municipal Annual Audit and Financial Report (DCED-CLGS-30), a prescribed form, of East Bradford Township as of December 31, 2017 and for the year then ended.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Pennsylvania Department of Community and Economic Development and with the basis of accounting described below; this includes determining that the presentation and the use of the modified 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 of 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of East Bradford Township as of December 31, 2017 and the revenue it received and expenditures it paid for the year then ended on the prescribed form in conformity with the basis of accounting described below.

Basis of Accounting

East Bradford Township's policy is to prepare its financial statements for inclusion in the Municipal Annual Audit and Financial Report (DCED-CLGS-30), a prescribed form, on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and budget laws of the Department of Community and Economic Development, which is a special purpose framework other than accounting principles generally accepted in the United States of America. As permitted by DCED, East Bradford Township prepares its annual audit and financial report on the modified cash basis of accounting; consequently, certain revenue and related assets are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the liability is incurred. Additionally, in accordance with the prescribed accounting practices permitted by DCED, East Bradford Township does not include footnote disclosures. Our opinion is not modified with respect to this matter.

Restriction on Use

This report is intended solely for the information and use of management and the Supervisors of East Bradford Township and for filing with the Department of Community and Economic Development and the Office of the Prothonotary and should not be used by anyone other than these specified parties.

Mingis, Gutowski & Company, LLP

Media, Pennsylvania
March 19, 2018

**2017 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

150245 EAST BRADFORD TWP, CHESTER COUNTY

EAST BRADFORD TWP, CHESTER County

BALANCE SHEET

December 31, 2017

		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									10,229,000	10,229,000
240-259	Current Portion of Long-Term Debt and Other Credits									838,750	838,750
Total Liabilities and Other Credits		129,048								11,067,750	11,196,798
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	2,454,855	531,357	609,766		1,328,506		1,446,476			6,370,960
291-299	Other Equity										
Total Fund and Account Group Equity		2,454,855	531,357	609,766		1,328,506		1,446,476			6,370,960
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											17,567,758

EAST BRADFORD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	7,747	1,112	1,988		3,470		14,317
342.00	Rents and Royalties							
Total Interest, Rents and Royalties		7,747	1,112	1,988		3,470		14,317

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							
353.00	Federal Payments in Lieu of Taxes							
Total Federal								

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	24,349						24,349
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	4,817						4,817
355.02- 355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		368,914					368,914
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	59,647						59,647
355.07	Foreign Fire Insurance Tax Distribution	85,112						85,112
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

EAST BRADFORD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	11,704						11,704
Total State		185,629	368,914					554,543

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	169						169
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		169						169

Charges for Service								
361.00	General Government	142,386						142,386
362.00	Public Safety	74,986						74,986
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.)				1,098,411			1,098,411
364.30	Solid Waste Collection and Disposal Charge (trash)							
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services				1,850			1,850
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation							
368.00	Airports							

EAST BRADFORD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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							
Total Charges for Service		217,372				1,100,261		1,317,633

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	470	14,000	18,678				33,148
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	3,685		240				3,925
Total Unclassified Operating Revenues		4,155	14,000	18,918				37,073

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	20,713		179,000				199,713
392.00	Interfund Operating Transfers	142,000		550,000			1,446,476	2,138,476
393.00	Proceeds of General Long-Term Debt		4,090,000					4,090,000
394.00	Proceeds of Short Term-Debt							

EAST BRADFORD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	73,334						73,334
Total Other Financing Sources		236,047	4,090,000	729,000			1,446,476	6,501,523

TOTAL REVENUES

4,507,780	5,625,068	749,906		1,103,731		1,446,476	13,432,961
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	30,758						30,758
401.00	Executive (Manager or Mayor)	230,189						230,189
402.00	Auditing Services / Financial Administration	20,226						20,226
403.00	Tax Collection							
404.00	Solicitor / Legal Services	21,961	2,923					24,884
405.00	Secretary / Clerk							
406.00	Other General Government Administration	124,454	12,539					136,993
407.00	IT-Networking Services-Data Processing	59,913		7,889				67,802
408.00	Engineering Services	176,032						176,032
409.00	General Government Buildings and Plant	48,078		47,267				95,345
Total General Government		711,611	15,462	55,156				782,229

Public Safety

410.00	Police	1,233,332		39,834				1,273,166
411.00	Fire	357,471		10,000				367,471
412.00	Ambulance / Rescue	7,000						7,000
413.00	UCC and Code Enforcement	122,379						122,379

EAST BRADFORD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	86,826						86,826
415.00	Emergency Management and Communications	1,500						1,500
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety	2,068						2,068
Total Public Safety		1,810,576		49,834				1,860,410

Health and Human Services								
420.00-425.00	Health and Human Services	2,500						2,500
Total Health and Human Services		2,500						2,500

Public Works - Sanitation								
426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)	8,121						8,121
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				1,047,154			1,047,154
Total Public Works - Sanitation		8,121			1,047,154			1,055,275

Public Works - Highways and Streets								
430.00	General Services - Administration	429,347		126,625				555,972
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance - Snow Removal	9,062	43,960					53,022
433.00	Traffic Control Devices	20,237	27,215					47,452
434.00	Street Lighting	11,762						11,762

EAST BRADFORD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	6,944						6,944
437.00	Repairs of Tools and Machinery	3,292						3,292
438.00	Maintenance and Repairs of Roads and Bridges	40,338		9,819				50,157
439.00	Highway Construction and Rebuilding Projects	4,609	341,535	160,866				507,010
Total Public Works - Highways and Streets		525,591	412,710	297,310				1,235,611

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	7,920						7,920
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	127,487		22,869				150,356

EAST BRADFORD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	7,500						7,500
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		142,907		22,869				165,776

Community Development								
461.00	Conservation of Natural Resources		438,015					438,015
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development			438,015					438,015

Debt Service								
471.00	Debt Principal (short-term and long-term)		3,191,047	122,281				3,313,328
472.00	Debt Interest (short-term and long-term)		301,286	27,950				329,236
475.00	Fiscal Agent Fees		92,631					92,631
Total Debt Service			3,584,964	150,231				3,735,195

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	77,852						77,852
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	130,656						130,656

EAST BRADFORD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	17,631					17,631
487.00	Other Group Insurance Benefits	299,445					299,445
Total Employer Paid Benefits and Withholding Items		525,584					525,584

Insurance							
486.00	Insurance, Casualty, and Surety	78,478			6,540		85,018
Total Insurance		78,478			6,540		85,018

Unclassified Operating Expenditures							
488.00	Fiduciary Fund Benefits and Refunds Paid						
489.00	All Other Unclassified Expenditures						
Total Unclassified Operating Expenditures							

Other Financing Uses							
491.00	Refund of Prior Year Revenues				158		158
492.00	Interfund Operating Transfers	550,000	1,568,476		20,000		2,138,476
493.00	All Other Financing Uses						
Total Other Financing Uses		550,000	1,568,476		20,158		2,138,634

TOTAL EXPENDITURES	4,355,368	6,019,627	575,400		1,073,852		12,024,247
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	152,412	-394,559	174,506		29,879	1,446,476	1,408,714
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EAST BRADFORD TWP

December 31, 2017

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											
G.O. Bond	Bond	2011	2028	4,150,000	4,125,000		2,500,000		1,625,000		1,625,000
G.O. Bond	Bond	2013	2028	5,025,000	3,510,000		400,000		3,110,000		3,110,000
G.O. Bond	Bond	2017	2028	4,090,000	0	4,090,000	25,000		4,065,000		4,065,000
Revenue Bonds and Notes											
Guaranteed Revenue Note	Note	2002	2023	12,000,000	2,555,000		339,000		2,216,000		2,216,000
Lease Rental Debt											
Truck Lease	Capital Leases	2016	2018	155,370	101,078		49,328		51,750		51,750
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding 11,067,750

Capitalized lease obligations 0

Net debt 11,067,750

EAST BRADFORD TWP, CHESTER County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2017

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government		72,618	72,618
Health			
Housing			
Libraries			
Mass Transit			
Parks	22,869		22,869
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways	100,627	486,258	586,885
Water			
Other: Open Space Acquisition	402,000		402,000
TOTAL CAPITAL EXPENDITURES	525,496	558,876	1,084,372

EMPLOYEE COMPENSATION

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

980,184

December 31, 2017

NOTES / COMMENTS

1-Other Current Assets and Other Current Liabilities represent escrow deposits of \$129,048 held on behalf of developers

2-Proceeds of General Fixed Asset Dispositions include insurance proceeds of \$70,713 relating to damaged township property and \$129,000 relating to proceeds from the sale of a building lot the township acquired through sheriff sale

3-Trust and Agency Fund activity represents escrow from bond proceeds to be used to refund G.O. Bonds