

MINGIS, GUTOWSKI & COMPANY, LLP

Certified Public Accountants 300 West State Street, Suite 206 • Media, PA 19063

610-544-5100
FAX: 610-544-9767

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, 2018 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, 2018 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 21, 2019

**2018 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

150245 EAST BRADFORD TWP, CHESTER COUNTY

EAST BRADFORD TWP, CHESTER County

BALANCE SHEET

December 31, 2018

		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									8,020,000	8,020,000
240-259	Current Portion of Long-Term Debt and Other Credits									809,000	809,000
Total Liabilities and Other Credits		161,441								8,829,000	8,990,441
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	2,414,149	1,907,787	5,009,825		883,535					10,215,296
291-299	Other Equity										
Total Fund and Account Group Equity		2,414,149	1,907,787	5,009,825		883,535					10,215,296
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											19,205,737

EAST BRADFORD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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	13,904					13,904
Total State		236,583	385,206				621,789

Local Government Units							
357.03	Highways and Streets						
357.00	All Other Local Governmental Units Capital and Operating Grants	181	95,000				95,181
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services						
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes			5,780			5,780
Total Local Government Units		181	95,000	5,780			100,961

Charges for Service							
361.00	General Government	120,495					120,495
362.00	Public Safety	55,120					55,120
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.)				1,116,002		1,116,002
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				2,350		2,350
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, 2018

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	72,418	2,800	3,874				79,092
Total Other Financing Sources		216,418	1,493,064	4,928,875				6,638,357

TOTAL REVENUES	4,400,107	3,111,822	4,974,802		1,137,399		20,100	13,644,230
-----------------------	-----------	-----------	-----------	--	-----------	--	--------	------------

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	31,817						31,817
401.00	Executive (Manager or Mayor)	117,589						117,589
402.00	Auditing Services / Financial Administration	153,421						153,421
403.00	Tax Collection	200						200
404.00	Solicitor / Legal Services	26,501	7,405					33,906
405.00	Secretary / Clerk							
406.00	Other General Government Administration	124,483	2,272					126,755
407.00	IT-Networking Services-Data Processing	57,878		3,735				61,613
408.00	Engineering Services	131,432						131,432
409.00	General Government Buildings and Plant	55,536		2,598				58,134
Total General Government		698,857	9,677	6,333				714,867

Public Safety								
410.00	Police	1,280,452		41,364				1,321,816
411.00	Fire	349,454		10,000				359,454
412.00	Ambulance / Rescue	7,000						7,000
413.00	UCC and Code Enforcement	74,873						74,873

EAST BRADFORD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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	126,770						126,770
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	568						568
Total Public Safety		1,840,617		51,364				1,891,981

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)	8,389						8,389
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				1,506,898			1,506,898
Total Public Works - Sanitation		8,389			1,506,898			1,515,287

Public Works - Highways and Streets								
430.00	General Services - Administration	462,229	19,930	50,226				532,385
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	7,200	66,934					74,134
433.00	Traffic Control Devices	6,767	26,603					33,370
434.00	Street Lighting	20,416						20,416

EAST BRADFORD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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	6,805						6,805
437.00	Repairs of Tools and Machinery	1,453						1,453
438.00	Maintenance and Repairs of Roads and Bridges	38,718	51,212	273,135				363,065
439.00	Highway Construction and Rebuilding Projects	6,144	328,171					334,315
Total Public Works - Highways and Streets		549,732	492,850	323,361				1,365,943

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	10,188						10,188
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	154,581		36,764				191,345

EAST BRADFORD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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		172,269	36,764					209,033

Community Development								
461.00	Conservation of Natural Resources		157,108					157,108
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development			157,108					157,108

Debt Service								
471.00	Debt Principal (short-term and long-term)		712,000	131,750			1,395,000	2,238,750
472.00	Debt Interest (short-term and long-term)		240,033	25,170			71,576	336,779
475.00	Fiscal Agent Fees		1,724					1,724
Total Debt Service			953,757	156,920			1,466,576	2,577,253

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	77,963						77,963
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	113,044						113,044

EAST BRADFORD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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	19,321						19,321
487.00	Other Group Insurance Benefits	328,573						328,573
Total Employer Paid Benefits and Withholding Items		538,901						538,901

Insurance

486.00	Insurance, Casualty, and Surety	78,936			6,511			85,447
Total Insurance		78,936			6,511			85,447

Unclassified Operating Expenditures

488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures	612						612
Total Unclassified Operating Expenditures		612						612

Other Financing Uses

491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	550,000	122,000		68,961			740,961
493.00	All Other Financing Uses							
Total Other Financing Uses		550,000	122,000		68,961			740,961

TOTAL EXPENDITURES

4,440,813	1,735,392	574,742		1,582,370		1,466,576	9,799,893
-----------	-----------	---------	--	-----------	--	-----------	-----------

EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES

-40,706	1,376,430	4,400,060		-444,971		-1,446,476	3,844,337
---------	-----------	-----------	--	----------	--	------------	-----------

EAST BRADFORD TWP

December 31, 2018

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	1,625,000		5,000		1,620,000		1,620,000
G.O. Bond	Bond	2013	2028	5,025,000	3,110,000		1,810,000		1,300,000		1,300,000
G.O. Bond	Bond	2017	2028	4,090,000	4,065,000		25,000		4,040,000		4,040,000
Revenue Bonds and Notes											
Guaranteed Revenue Note	Note	2002	2023	12,000,000	2,216,000		347,000		1,869,000		1,869,000
Lease Rental Debt											
Truck Lease	Capital Leases	2016	2018	155,370	51,750		51,750		0		0
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	8,829,000
Capitalized lease obligations	0
Net debt	8,829,000

EAST BRADFORD TWP, CHESTER County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2018

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways	70,156	645,763	715,919
Water			
Other: Open Space Acquisition	138,585		138,585
TOTAL CAPITAL EXPENDITURES	208,741	645,763	854,504

EMPLOYEE COMPENSATION

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

988,825

December 31, 2018

NOTES / COMMENTS

- 1- Other Current Assets and Other Current Liabilities represent escrow deposits of \$161,441 held on behalf of developers
- 2- Proceeds of General Fixed Asset Dispositions include \$1,490,264 relating to the sale of land and \$4,328,040 relating to the sale of the Township's sewer system
- 3- Trust and Agency Fund represents activity from bond proceeds held in escrow used to refund G. O. Bonds