

**KENNETT TOWNSHIP**

**DCED REPORT**

*Year Ended December 31, 2019*

**KENNETT TOWNSHIP**  
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**YEAR ENDED DECEMBER 31, 2019**

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## ***Independent Auditors' Report***

To the Board of Supervisors  
Kennett Township  
Chadds Ford, Pennsylvania

### ***Report on the Financial Statements***

We have audited the accompanying cash basis financial statements included in the Department of Community and Economic Development's (DCED) prescribed form of Kennett Township as of and for the year ended December 31, 2019.

### ***Management's Responsibility for the Financial Statements***

Kennett Township's management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the DCED prescribed form using the cash basis of accounting permitted by the Pennsylvania Department of Community and Economic Development. 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.

### ***Auditors' 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 auditors' 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.

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

To the Board of Supervisors  
Kennett Township  
Chadds Ford, Pennsylvania

***Basis for Qualified Opinion***

Kennett Township's financial statements do not disclose an accounting of General Fixed Assets, which is required for a complete presentation in accordance with the accounting basis described in the Basis of Accounting paragraph below. The effect on this financial report cannot be determined.

***Qualified Opinion***

In our opinion, except for the omission of the information described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances of Kennett Township as of December 31, 2019, and its revenues and expenditures for the year then ended, on the basis of accounting described below.

***Basis of Accounting***

We 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 principles 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, Kennett Township prepares its annual audit and financial report on the cash basis of accounting. Our opinion is not modified with respect to this matter

***Emphasis of Matter***

As discussed in Item C, the spread of the COVID-19 coronavirus is affecting the United States and global economies and may have an impact on Kennett Township's operational and financial performance. At this point, Kennett Township cannot reasonably estimate the impact on its operations or financial results. The accompanying financial statements do not include any adjustments related to the subsequent event. Our opinion is not modified with respect to this matter.



Limerick, Pennsylvania  
February 9, 2021



# 2019 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

Department of Community & Economic Development  
Governor's Center for Local Government Services  
Commonwealth Keystone Building  
400 North Street, 4th Floor  
Harrisburg, PA 17120-0225  
ph: 888-223-6837 | fax: 717-783-1402

City of: \_\_\_\_\_ County: \_\_\_\_\_

Borough of: \_\_\_\_\_ County: \_\_\_\_\_

Township of: Kennett County: Chester

Municipality of: \_\_\_\_\_ County: \_\_\_\_\_

## Section I - Introduction

### Statutory Requirements

- State law, under the provisions of the Borough Code, First Class Township Code and Second Class Township Code, requires that either the borough controller, elected auditors or appointed auditors file an Annual Audit and Financial Report.
- State law, under the provisions of the Third Class City Code, requires a city's Director of Accounts and Finance to file an Annual Audit and Financial Report.
- The state's Administrative Code requires home rule municipalities to file an Annual Audit and Financial Report.
- The Annual Audit and Financial Report forms, supplied by the Pennsylvania Department of Community and Economic Development (DCED), were developed and approved by a Uniform Forms Committee composed of representatives of the respective municipal associations.
- Form DCED-CLGS-30 (See Section IV) is the form adopted by the Committee for use by all municipalities in Pennsylvania to fulfill their statutory reporting requirements.

### One Form

All municipalities are required to submit forms electronically to the DCED. The online form contains the same categories as in previous years: assets, liabilities, revenues and expenditures. Enter data only for those funds that your municipality uses. Leave the remaining columns blank. The online form will automatically calculate the amounts in the "Total" column.

### Submitting the Report

- File one copy by the designated date at each of the places listed on page 9.
- DO NOT submit a paper copy of this report to the DCED. Reports must be submitted online at: [munstats.pa.gov/forms](http://munstats.pa.gov/forms) (Please see the e-filing instructions on page 7.)
- The online system will automatically round all figure to the nearest whole dollar. The system will also add all rows and columns, following basic accounting principles.
- Appointed independent auditors should attach their own opinion in the "Final Review" step of the online form. Additionally, appointed independent auditors should place a checkmark in Section II at the bottom of the "Final Review" step, then choose the "Appointed Auditor/CPA" title from the dropdown and provide a name and contact number in order to submit the form online.
- Elected controllers should place a checkmark in the box in Section I at the bottom of the "Final Review" step of the online form then choose the "Controller" title from the dropdown and provide a name and contact number in order to submit the form online.
- Elected Auditors must place a check mark in the box in Section I of the "Final Review" step of the online form, then choose the "Elected Auditor" title from the dropdown and provide the name and phone number for **at least 2 of the 3 elected auditors**. If you appointed an auditor to fill an elected auditor position, please choose the "Elected Auditor" title, not the "Appointed Auditor/CPA" title when submitting online.
- If you need assistance or have any questions when completing this report, please contact the Governor's Center for Local Government Services (GCLGS) toll-free at 888-223-6837.

**BALANCE SHEET**

December 31, 2019

		<b>GOVERNMENTAL FUNDS</b>			
		<b>Special Revenue</b> <i>(Including State Liquid Fuels)</i>		<b>Capital</b> <b>Projects</b>	<b>Debt Service</b>
<b>ASSETS AND OTHER DEBITS</b>		<b>General Fund</b>			
100-120	Cash and Investments.....	\$ 2,788,951	\$ 412,948	\$ 131,459	\$ -
140-144	Tax Receivable.....	-	-	-	-
121-129					
145-149	Accounts Receivable (excluding taxes).....	-	-	-	-
130	Due From Other Funds.....	128,995	767,000	-	-
131-139					
150-159	Other Current Assets.....	-	-	-	-
160-169	Fixed Assets.....	-	-	-	-
180-189	Other Debits.....	-	-	-	-
<b>TOTAL ASSETS AND OTHER DEBITS.....</b>		<b>\$ 2,917,946</b>	<b>\$ 1,179,948</b>	<b>\$ 131,459</b>	<b>\$ -</b>

<b>LIABILITIES AND OTHER CREDITS</b>					
210-229	Payroll Taxes and Other Payroll Withholdings.....	\$ 64,544	\$ -	\$ -	\$ -
200-209					
231-239	All Other Current Liabilities.....	-	-	-	-
230	Due To Other Funds.....	1,307,000	-	-	-
260-269	Long-Term Liabilities.....	-	-	-	-
240-259	Current Portion of Long-Term Debt & Other Credits...	-	-	-	-
<b>TOTAL LIABILITIES AND OTHER CREDITS.....</b>		<b>\$ 1,371,544</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>FUND AND ACCOUNT GROUP EQUITY</b>					
281-284	Contributed Capital.....	\$ -	\$ -	\$ -	\$ -
290	Investment in General Fixed Assets.....	-	-	-	-
270-289	Fund Balance/Retained Earnings on 12/31.....	1,546,402	1,179,948	131,459	-
291-299	Other Equity.....	-	-	-	-
<b>TOTAL FUND AND ACCOUNT GROUP EQUITY.....</b>		<b>\$ 1,546,402</b>	<b>\$ 1,179,948</b>	<b>\$ 131,459</b>	<b>\$ -</b>

*Total Assets and Other Debits minus Total Liabilities and Other Credits must equal the Total Fund and Account Group Equity.*

	PROPRIETARY FUNDS		FIDUCIARY FUND	ACCOUNT GROUPS		TOTAL
	Enterprise	Internal Service	Trust and Agency	General	General	Memorandum Only
				Fixed Assets	Long Term Debt	
<b>ASSETS AND OTHER DEBITS</b>						
100-120 Cash and Investments.....	\$ 466,514	\$ -	\$ 25,579	\$ -	\$ -	\$ 3,825,451
140-144 Tax Receivable.....	-	-	-	-	-	-
121-129						
145-149 Accounts Receivable (excluding taxes).....	-	-	-	-	-	-
130 Due From Other Funds.....	540,000	-	-	-	-	1,435,995
131-139						
150-159 Other Current Assets.....	-	-	-	-	-	-
160-169 Fixed Assets.....	-	-	-	-	-	-
180-189 Other Debits.....	-	-	-	-	-	-
<b>TOTAL ASSETS AND OTHER DEBITS.....</b>	<b>\$ 1,006,514</b>	<b>\$ -</b>	<b>\$ 25,579</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,261,446</b>

<b>LIABILITIES AND OTHER CREDITS</b>						
210-229 Payroll Taxes and Other Payroll Withholdings.....	\$ 285	\$ -	\$ -	\$ -	\$ -	\$ 64,829
200-209						
231-239 All Other Current Liabilities.....	-	-	25,579	-	-	25,579
230 Due To Other Funds.....	128,995	-	-	-	-	1,435,995
260-269 Long-Term Liabilities.....	-	-	-	-	-	-
240-259 Current Portion of Long-Term Debt & Other Credits.....	-	-	-	-	-	-
<b>TOTAL LIABILITIES AND OTHER CREDITS.....</b>	<b>\$ 129,280</b>	<b>\$ -</b>	<b>\$ 25,579</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,526,403</b>

<b>FUND AND ACCOUNT GROUP EQUITY</b>						
281-284 Contributed Capital.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
290 Investment in General Fixed Assets.....	-	-	-	-	-	-
270-289 Fund Balance/Retained Earnings on 12/31.....	877,234	-	-	-	-	3,735,043
291-299 Other Equity.....	-	-	-	-	-	-
<b>TOTAL FUND AND ACCOUNT GROUP EQUITY.....</b>	<b>\$ 877,234</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,735,043</b>

<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY.....</b>	<b>\$ 5,261,446</b>
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Total Assets and Other Debits minus Total Liabilities and Other Credits must equal the Total Fund and Account Group Equity.

## STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

REVENUES	GOVERNMENTAL FUNDS			
TAXES	General Fund	Special Revenue <i>(Including State Liquid Fuels)</i>	Capital Projects	Debt Service
301.00 Real Estate Taxes.....	\$ 1,667,057	\$ 156,192	\$ -	\$ -
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.....	509,838	-	-	-
310.20 Earned Income Taxes/Wage Taxes.....	2,788,899	712,012	-	-
310.30 Business Gross Receipts Taxes.....	-	-	-	-
310.40 Occupation Taxes (levied under Act 511).....	-	-	-	-
310.50 Local Services Tax**.....	-	-	-	-
310.60 Amusement/Admission Taxes.....	-	-	-	-
310.70 Mechanical Device Taxes.....	-	-	-	-
310.90 Other Local Tax Enabling Act/Act 511 Taxes.....	-	-	-	-
.....				
.....				
<b>TOTAL TAXES</b> .....	<b>\$ 4,965,794</b>	<b>\$ 868,204</b>	<b>\$ -</b>	<b>\$ -</b>

LICENSES & PERMITS				
320-322 All Other Licenses and Permits.....	\$ 4,825	\$ -	\$ -	\$ -
321.80 Cable Television Franchise Fees.....	186,128	-	-	-
<b>TOTAL LICENSES &amp; PERMITS</b> .....	<b>\$ 190,953</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

FINES & FORFEITS				
330-332 Fines and Forfeits.....	\$ 131,003	\$ -	\$ -	\$ -
<b>TOTAL FINES &amp; FORFEITS</b> .....	<b>\$ 131,003</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

INTEREST, RENTS & ROYALTIES				
341.00 Interest Earnings.....	\$ 112,436	\$ 18,333	\$ 126	\$ -
342.00 Rents and Royalties.....	-	-	-	-
<b>TOTAL INTEREST, RENTS &amp; ROYALTIES</b> .....	<b>\$ 112,436</b>	<b>\$ 18,333</b>	<b>\$ 126</b>	<b>\$ -</b>

\*\*This tax was known as the Occupational Privilege Tax (OPT) prior to 2005 and the Emergency and Municipal Services Tax prior to 2008.



2019 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

REVENUES	PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust and Agency	Memorandum Only
<b>TAXES</b>				
301.00 Real Estate Taxes.....	\$ -	\$ -	\$ -	\$ 1,823,249
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.....	-	-	-	509,838
310.20 Earned Income Taxes/Wage Taxes.....	-	-	-	3,500,911
310.30 Business Gross Receipts Taxes.....	-	-	-	-
310.40 Occupation Taxes (levied under Act 511).....	-	-	-	-
310.50 Local Services Tax**.....	-	-	-	-
310.60 Amusement/Admission Taxes.....	-	-	-	-
310.70 Mechanical Device Taxes.....	-	-	-	-
310.90 Other Local Tax Enabling Act/Act 511 Taxes.....	-	-	-	-
.....				-
.....				-
.....				-
<b>TOTAL TAXES</b> .....	\$ -	\$ -	\$ -	\$ 5,833,998

LICENSES & PERMITS				
320-322 All Other Licenses and Permits.....	\$ -	\$ -	\$ -	\$ 4,825
321.80 Cable Television Franchise Fees.....	\$ -	\$ -	\$ -	186,128
<b>TOTAL LICENSES &amp; PERMITS</b> .....	\$ -	\$ -	\$ -	\$ 190,953

FINES & FORFEITS				
330-332 Fines and Forfeits.....	\$ -	\$ -	\$ -	\$ 131,003
<b>TOTAL FINES &amp; FORFEITS</b> .....	\$ -	\$ -	\$ -	\$ 131,003

INTEREST, RENTS & ROYALTIES				
341.00 Interest Earnings.....	\$ 15,706	\$ -	\$ -	\$ 146,601
342.00 Rents and Royalties.....	-	-	-	-
<b>TOTAL INTEREST, RENTS &amp; ROYALTIES</b> .....	\$ 15,706	\$ -	\$ -	\$ 146,601

\*\*This tax was known as the Occupational Privilege Tax (OPT) prior to 2005 and the Emergency and Municipal Services Tax prior to 2008.

2019 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

INTERGOVERNMENTAL REVENUES		GOVERNMENTAL FUNDS			
		Special Revenue <i>(Including State Liquid Fuels)</i>		Capital Projects	Debt Service
FEDERAL		General Fund			
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 & Entitlements.....	-	-	-	-
353.00	Federal Payments in Lieu of Taxes.....	-	-	-	-
<b>TOTAL FEDERAL</b> .....		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

STATE					
354.03	Highways and Streets.....	\$ -	\$ -	\$ -	\$ -
354.09	Community Development.....	-	-	-	-
354.15	Recycling/Act 101.....	51,559	-	-	-
354.00	All Other State Capital and Operating Grants.....	-	212,054	-	-
355.01	Public Utility Realty Tax (PURTA).....	5,286	-	-	-
355.02 - 355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback.....	-	343,033	-	-
355.04	Alcoholic Beverage Licenses.....	1,200	-	-	-
355.05	General Municipal Pension System State Aid.....	133,133	-	-	-
355.07	Foreign Fire Insurance Tax Distribution.....	73,094	-	-	-
355.08	Local Share Assessment/Gaming Proceeds.....	-	-	-	-
355.09	Marcellus Shale Impact Fee Distribution.....	-	-	-	-
355.00	All Other State Shared Revenues & Entitlements.....	-	-	-	-
356.00	State Payments in Lieu of Taxes.....	-	-	-	-
<b>TOTAL STATE</b> .....		<b>\$ 264,272</b>	<b>\$ 555,087</b>	<b>\$ -</b>	<b>\$ -</b>

LOCAL GOVERNMENT UNITS					
357.03	Highways and Streets.....	\$ -	\$ -	\$ 2,432	\$ -
357.00	All Other Local Governmental Units Capital and Operating Grants.....	20,000	-	-	-
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services.....	-	-	-	-
359.00	Local Governmental Units, Authorities Payments and Payments in Lieu of Taxes.....	-	-	-	-
<b>TOTAL LOCAL GOVERNMENT UNITS</b> .....		<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ 2,432</b>	<b>\$ -</b>

2019 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

INTERGOVERNMENTAL REVENUES	PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust and Agency	Memorandum Only
<b>FEDERAL</b>				
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 & Entitlements.....	-	-	-	-
353.00 Federal Payments in Lieu of Taxes.....	-	-	-	-
<b>TOTAL FEDERAL</b> .....	\$ -	\$ -	\$ -	\$ -

<b>STATE</b>				
354.03 Highways and Streets.....	\$ -	\$ -	\$ -	\$ -
354.09 Community Development.....	-	-	-	-
354.15 Recycling/Act 101.....	-	-	-	51,559
354.00 All Other State Capital and Operating Grants.....	-	-	-	212,054
355.01 Public Utility Realty Tax (PURTA).....	-	-	-	5,286
355.02 - 355.03 Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback.....	-	-	-	343,033
355.04 Alcoholic Beverage Licenses.....	-	-	-	1,200
355.05 General Municipal Pension System State Aid.....	-	-	-	133,133
355.07 Foreign Fire Insurance Tax Distribution.....	-	-	-	73,094
355.08 Local Share Assessment/Gaming Proceeds.....	-	-	-	-
355.09 Marcellus Shale Impact Fee Distribution.....	-	-	-	-
355.00 All Other State Shared Revenues & Entitlements.....	-	-	-	-
356.00 State Payments in Lieu of Taxes.....	-	-	-	-
<b>TOTAL STATE</b> .....	\$ -	\$ -	\$ -	\$ 819,359

<b>LOCAL GOVERNMENT UNITS</b>				
357.03 Highways and Streets.....	\$ -	\$ -	\$ -	\$ 2,432
357.00 All Other Local Governmental Units Capital and Operating Grants.....	-	-	-	20,000
358.00 Local Government Unit Shared Payments for Contracted Intergovernmental Services.....	-	-	-	-
359.00 Local Governmental Units, Authorities Payments and Payments in Lieu of Taxes.....	-	-	-	-
<b>TOTAL LOCAL GOVERNMENT UNITS</b> .....	\$ -	\$ -	\$ -	\$ 22,432

<b>TOTAL INTERGOVERNMENTAL REVENUES</b> .....				\$ 841,791
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2019 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

REVENUES		GOVERNMENTAL FUNDS			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
<b>CHARGES FOR SERVICE</b>					
361.00	General Government.....	\$ 198,461	\$ -	\$ -	\$ -
362.00	Public Safety.....	552,779	-	-	-
363.20	Parking.....	-	-	-	-
363.00	All Other Charges for Highway & Streets Services.....	-	31,869	-	-
364.10	Wastewater/Sewage Charges.....	-	-	-	-
364.30	Solid Waste Collection & Disposal Charge (trash).....	-	-	-	-
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.....	26,176	-	-	-
368.00	Airports.....	-	-	-	-
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.....	-	-	-	-
<b>TOTAL CHARGES FOR SERVICE.....</b>		<b>\$ 777,416</b>	<b>\$ 31,869</b>	<b>\$ -</b>	<b>\$ -</b>

UNCLASSIFIED OPERATING REVENUES					
383.00	Assessments.....	\$ -	\$ -	\$ -	\$ -
386.00	Escheats (sale of personal property).....	-	-	-	-
387.00	Contributions & Donations from Private Sectors.....	-	9,000	-	-
388.00	Fiduciary Fund Pension Contributions.....	<del>-</del>	<del>-</del>	<del>-</del>	<del>-</del>
389.00	All Other Unclassified Operating Revenues***.....	-	-	-	-
<b>TOTAL UNCLASSIFIED OPERATING REVENUES.....</b>		<b>\$ -</b>	<b>\$ 9,000</b>	<b>\$ -</b>	<b>\$ -</b>

OTHER FINANCING SOURCES					
391.00	Proceeds of General Fixed Asset Disposition.....	\$ -	\$ -	\$ 103,000	\$ -
392.00	Interfund Operating Transfers**.....	5,256	767,725	601,158	-
393.00	Proceeds of General Long-Term Debt.....	-	-	-	-
394.00	Proceeds of Short-Term Debt.....	-	-	-	-
395.00	Refunds of Prior Year Expenditures.....	51,121	-	-	-
<b>TOTAL OTHER FINANCING SOURCES.....</b>		<b>\$ 56,377</b>	<b>\$ 767,725</b>	<b>\$ 704,158</b>	<b>\$ -</b>

<b>TOTAL REVENUES.....</b>		<b>\$ 6,518,251</b>	<b>\$ 2,250,218</b>	<b>\$ 706,716</b>	<b>\$ -</b>
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\*\* The total of line 392.00 must match the total of line 492.00

\*\*\* This amount cannot be greater than 1% of "TOTAL REVENUES" in each of the funds.

## 2019 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

REVENUES		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
		Enterprise	Internal Service	Trust and Agency	Memorandum Only
<b>CHARGES FOR SERVICE</b>					
361.00	General Government.....	\$ -	\$ -	\$ -	\$ 198,461
362.00	Public Safety.....	-	-	-	552,779
363.20	Parking.....	-	-	-	-
363.00	All Other Charges for Highway & Streets Services.....	-	-	-	31,869
364.10	Wastewater/Sewage Charges.....	2,041,693	-	-	2,041,693
364.30	Solid Waste Collection & Disposal Charge (trash).....	-	-	-	-
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.....	-	-	-	26,176
368.00	Airports.....	-	-	-	-
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.....	-	-	-	-
<b>TOTAL CHARGES FOR SERVICE.....</b>		<b>\$ 2,041,693</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,850,978</b>
<b>UNCLASSIFIED OPERATING REVENUES</b>					
383.00	Assessments.....	\$ -	\$ -	\$ -	\$ -
386.00	Escheats (sale of personal property).....	-	-	-	-
387.00	Contributions & Donations from Private Sectors.....	-	-	-	9,000
388.00	Fiduciary Fund Pension Contributions.....	<del>                    </del>	<del>                    </del>	-	-
389.00	All Other Unclassified Operating Revenues***.....	1,414	-	-	1,414
<b>TOTAL UNCLASSIFIED OPERATING REVENUES.....</b>		<b>\$ 1,414</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,414</b>
<b>OTHER FINANCING SOURCES</b>					
391.00	Proceeds of General Fixed Asset Disposition.....	\$ -	\$ -	\$ -	\$ 103,000
392.00	Interfund Operating Transfers**.....	585,000	-	-	1,959,139
393.00	Proceeds of General Long-Term Debt.....	-	-	-	-
394.00	Proceeds of Short-Term Debt.....	-	-	-	-
395.00	Refunds of Prior Year Expenditures.....	-	-	-	51,121
<b>TOTAL OTHER FINANCING SOURCES.....</b>		<b>\$ 585,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,113,260</b>
<b>TOTAL REVENUES.....</b>		<b>\$ 2,643,813</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,118,998</b>

\*\* The total of line 392.00 must match the total of line 492.00

\*\*\* This amount cannot be greater than 1% of "TOTAL REVENUES" in each of the funds.

EXPENDITURES		GOVERNMENTAL FUNDS			
		Special Revenue <i>(Including State Liquid Fuels)</i>		Capital Projects	Debt Service
		General Fund			
<b>GENERAL GOVERNMENT</b>					
400.00	Legislative (Governing) Body.....	\$ 7,500	\$ -	\$ -	\$ -
401.00	Executive (Manager or Mayor).....	51,650	-	-	-
402.00	Auditing Services/Financial Administration.....	453,690	-	-	-
403.00	Tax Collection.....	3,090	-	-	-
404.00	Solicitor/Legal Services.....	69,812	-	-	-
405.00	Secretary/Clerk.....	447,486	-	-	-
406.00	Other General Government Administration.....	263,473	-	-	-
407.00	IT-Networking Services-Data Processing.....	78,500	-	-	-
408.00	Engineering Services.....	373,630	-	-	-
409.00	General Government Buildings and Plant.....	83,551	-	-	-
<b>TOTAL GENERAL GOVERNMENT</b> .....		<b>\$ 1,832,382</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>PUBLIC SAFETY</b>					
410.00	Police.....	\$ 1,190,846	\$ -	\$ -	\$ -
411.00	Fire.....	605,218	-	-	-
412.00	Ambulance/Rescue.....	-	-	-	-
413.00	UCC and Code Enforcement.....	94,724	-	-	-
414.00	Planning and Zoning.....	150,588	-	-	-
415.00	Emergency Management & Communications.....	-	-	-	-
416.00	Militia and Armories.....	-	-	-	-
417.00	Examination of Licensed Occupations.....	-	-	-	-
418.00	Public Scales (weights and measures).....	-	-	-	-
419.00	Other Public Safety.....	-	-	-	-
<b>TOTAL PUBLIC SAFETY</b> .....		<b>\$ 2,041,376</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>HEALTH AND HUMAN SERVICES</b>					
420.00-425.00	Health and Human Services.....	\$ -	\$ -	\$ -	\$ -

<b>PUBLIC WORKS - SANITATION</b>					
426.00	Recycling Collection and Disposal.....	\$ -	\$ -	\$ -	\$ -
427.00	Solid Waste Collection and Disposal (trash).....	-	-	-	-
428.00	Weed Control.....	-	-	-	-
429.00	Wastewater/Sewage Collection & Treatment.....	-	-	-	-
<b>TOTAL PUBLIC WORKS - SANITATION</b> .....		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

2019 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES	PROPRIETARY FUNDS			FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust and Agency	Memorandum Only	
<b>GENERAL GOVERNMENT</b>					
400.00 Legislative (Governing) Body.....	\$ -	\$ -	\$ -	\$ -	7,500
401.00 Executive (Manager or Mayor).....	-	-	-	-	51,650
402.00 Auditing Services/Financial Administration.....	-	-	-	-	453,690
403.00 Tax Collection.....	-	-	-	-	3,090
404.00 Solicitor/Legal Services.....	-	-	-	-	69,812
405.00 Secretary/Clerk.....	-	-	-	-	447,486
406.00 Other General Government Administration.....	-	-	-	-	263,473
407.00 IT-Networking Services-Data Processing.....	-	-	-	-	78,500
408.00 Engineering Services.....	-	-	-	-	373,630
409.00 General Government Buildings and Plant.....	-	-	-	-	83,551
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,832,382</b>

<b>PUBLIC SAFETY</b>					
410.00 Police.....	\$ -	\$ -	\$ -	\$ -	1,190,846
411.00 Fire.....	-	-	-	-	605,218
412.00 Ambulance/Rescue.....	-	-	-	-	-
413.00 UCC and Code Enforcement.....	-	-	-	-	94,724
414.00 Planning and Zoning.....	-	-	-	-	150,588
415.00 Emergency Management & Communications.....	-	-	-	-	-
416.00 Militia and Armories.....	-	-	-	-	-
417.00 Examination of Licensed Occupations.....	-	-	-	-	-
418.00 Public Scales (weights and measures).....	-	-	-	-	-
419.00 Other Public Safety.....	-	-	-	-	-
<b>TOTAL PUBLIC SAFETY.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>2,041,376</b>

<b>HEALTH AND HUMAN SERVICES</b>					
420.00-425.00 Health and Human Services.....	\$ -	\$ -	\$ -	\$ -	-

<b>PUBLIC WORKS - SANITATION</b>					
426.00 Recycling Collection and Disposal.....	\$ -	\$ -	\$ -	\$ -	-
427.00 Solid Waste Collection and Disposal (garbage).....	-	-	-	-	-
428.00 Weed Control.....	-	-	-	-	-
429.00 Wastewater/Sewage Collection & Treatment.....	1,593,641	-	-	-	1,593,641
<b>TOTAL PUBLIC WORKS - SANITATION.....</b>	<b>\$ 1,593,641</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,593,641</b>

EXPENDITURES		GOVERNMENTAL FUNDS			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
<b>PUBLIC WORKS - HIGHWAYS &amp; STREETS</b>					
430.00	General Services - Administration.....	\$ 5,696	\$ 402	\$ -	\$ -
431.00	Cleaning of Streets and Gutters.....	-	-	-	-
432.00	Winter Maintenance - Snow Removal.....	82,957	-	-	-
433.00	Traffic Control Devices.....	11,901	-	-	-
434.00	Street Lighting.....	2,070	-	-	-
435.00	Sidewalks and Crosswalks.....	-	-	138,249	-
436.00	Storm Sewers and Drains.....	-	-	-	-
437.00	Repairs of Tools and Machinery.....	72,677	-	-	-
438.00	Maintenance & Repairs of Roads & Bridges.....	647,428	-	6,418	-
439.00	Highway Construction and Rebuilding Projects.....	-	343,364	182,795	-
<b>TOTAL PUBLIC WORKS - HIGHWAYS &amp; STREETS</b>		<b>\$ 822,729</b>	<b>\$ 343,766</b>	<b>\$ 327,462</b>	<b>\$ -</b>

<b>PUBLIC WORKS - OTHER SERVICES</b>					
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.....	-	-	-	-
<b>TOTAL PUBLIC WORKS - OTHER SERVICES</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>CULTURE AND RECREATION</b>					
451.00	Culture-Recreation Administration.....	\$ -	\$ -	\$ -	\$ -
452.00	Participant Recreation.....	-	-	-	-
453.00	Spectator Recreation.....	-	-	-	-
454.00	Parks.....	-	142,724	-	-
455.00	Shade Trees.....	-	-	-	-
456.00	Libraries.....	-	145,157	-	-
457.00	Civil and Military Celebrations.....	-	-	-	-
458.00	Senior Citizens' Centers.....	-	-	-	-
459.00	All Other Culture and Recreation.....	71,320	-	-	-
<b>TOTAL CULTURE AND RECREATION</b>		<b>\$ 71,320</b>	<b>\$ 287,881</b>	<b>\$ -</b>	<b>\$ -</b>

<b>COMMUNITY DEVELOPMENT</b>					
461.00	Conservation of Natural Resources.....	\$ -	\$ 560,499	\$ -	\$ -
462.00	Community Development and Housing.....	-	-	118,488	-
463.00	Economic Development.....	127,559	-	-	-
464.00	Economic Opportunity.....	-	-	-	-
465.00 - 469.00	All Other Community Development.....	-	-	-	-
<b>TOTAL COMMUNITY DEVELOPMENT</b>		<b>\$ 127,559</b>	<b>\$ 560,499</b>	<b>\$ 118,488</b>	<b>\$ -</b>



## 2019 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES	PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust and Agency	Memorandum Only
<b>PUBLIC WORKS - HIGHWAYS &amp; STREETS</b>				
430.00 General Services - Administration.....	\$ -	\$ -	\$ -	\$ 6,098
431.00 Cleaning of Streets and Gutters.....	-	-	-	-
432.00 Winter Maintenance - Snow Removal.....	-	-	-	82,957
433.00 Traffic Control Devices.....	-	-	-	11,901
434.00 Street Lighting.....	-	-	-	2,070
435.00 Sidewalks and Crosswalks.....	-	-	-	138,249
436.00 Storm Sewers and Drains.....	-	-	-	-
437.00 Repairs of Tools and Machinery.....	-	-	-	72,677
438.00 Maintenance & Repairs of Roads & Bridges.....	-	-	-	653,846
439.00 Highway Construction and Rebuilding Projects.....	-	-	-	526,159
<b>TOTAL PUBLIC WORKS - HIGHWAYS &amp; STREETS</b> .....	\$ -	\$ -	\$ -	\$ 1,493,957

<b>PUBLIC WORKS - OTHER SERVICES</b>				
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.....	-	-	-	-
<b>TOTAL PUBLIC WORKS - OTHER SERVICES</b> .....	\$ -	\$ -	\$ -	\$ -

<b>CULTURE AND RECREATION</b>				
451.00 Culture-Recreation Administration.....	\$ -	\$ -	\$ -	\$ -
452.00 Participant Recreation.....	-	-	-	-
453.00 Spectator Recreation.....	-	-	-	-
454.00 Parks.....	-	-	-	142,724
455.00 Shade Trees.....	-	-	-	-
456.00 Libraries.....	-	-	-	145,157
457.00 Civil and Military Celebrations.....	-	-	-	-
458.00 Senior Citizens' Centers.....	-	-	-	-
459.00 All Other Culture and Recreation.....	-	-	-	71,320
<b>TOTAL CULTURE AND RECREATION</b> .....	\$ -	\$ -	\$ -	\$ 359,201

<b>COMMUNITY DEVELOPMENT</b>				
461.00 Conservation of Natural Resources.....	\$ -	\$ -	\$ -	\$ 560,499
462.00 Community Development and Housing.....	-	-	-	118,488
463.00 Economic Development.....	-	-	-	127,559
464.00 Economic Opportunity.....	-	-	-	-
465.00 - 469.00 All Other Community Development.....	-	-	-	-
<b>TOTAL COMMUNITY DEVELOPMENT</b> .....	\$ -	\$ -	\$ -	\$ 806,546

EXPENDITURES	GOVERNMENTAL FUNDS			
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
<b>DEBT SERVICE</b>				
471.00 Debt Principal (short-term and long-term).....	\$ -	\$ 300,000	\$ -	\$ -
472.00 Debt Interest (short-term and long-term).....	-	132,935	-	-
475.00 Fiscal Agent Fees.....	-	-	-	-
<b>TOTAL DEBT SERVICE.....</b>	<b>\$ -</b>	<b>\$ 432,935</b>	<b>\$ -</b>	<b>\$ -</b>

EMPLOYER PAID BENEFITS & WITHHOLDING ITEMS				
481.00 Employer Paid Withholding Taxes and Unemployment Compensation.....	\$ 170,010	\$ -	\$ -	\$ -
482.00 Judgments and Losses.....	458,034	-	-	-
483.00 Pension/Retirement Fund Contributions.....	216,358	-	-	-
484.00 Worker Compensation Insurance.....	131,692	-	-	-
487.00 Group Insurance and Other Benefits.....	354,551	-	-	-
<b>EMPLOYER PAID BENEFITS &amp; WITHHOLDING ITEMS.....</b>	<b>\$ 1,330,645</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

INSURANCE				
486.00 Insurance, Casualty and Surety.....	\$ 90,531	\$ -	\$ -	\$ -

UNCLASSIFIED OPERATING EXPENDITURES				
488.00 Fiduciary Fund Benefits and Refunds Paid.....				
489.00 All Other Unclassified Expenditures***.....	\$ 37,713	\$ -	\$ 27,633	\$ -
<b>TOTAL UNCLASSIFIED OPERATING EXPENDITURES.....</b>	<b>\$ 37,713</b>	<b>\$ -</b>	<b>\$ 27,633</b>	<b>\$ -</b>

OTHER FINANCING USES				
491.00 Refund of Prior Year Revenues.....	\$ -	\$ -	\$ -	\$ -
492.00 Interfund Operating Transfers**.....	1,266,789	488,000	104,350	-
493.00 All Other Financing Uses.....	-	-	-	-
<b>TOTAL OTHER FINANCING USES.....</b>	<b>\$ 1,266,789</b>	<b>\$ 488,000</b>	<b>\$ 104,350</b>	<b>\$ -</b>

<b>TOTAL EXPENDITURES.....</b>	<b>\$ 7,621,044</b>	<b>\$ 2,113,081</b>	<b>\$ 577,933</b>	<b>\$ -</b>
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES.....</b>	<b>\$ (1,102,793)</b>	<b>\$ 137,137</b>	<b>\$ 128,783</b>	<b>\$ -</b>
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\*\* The total of line 492.00 must match the total of line 392.00

\*\*\* This amount cannot be greater than 1% of "TOTAL EXPENDITURES" in each of the funds.

2019 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES	PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
	Enterprise	Internal Service	Trust and Agency	Memorandum Only
<b>DEBT SERVICE</b>				
471.00 Debt Principal (short-term and long-term).....	\$ -	\$ -	\$ -	\$ 300,000
472.00 Debt Interest (short-term and long-term).....	-	-	-	132,935
475.00 Fiscal Agent Fees.....	-	-	-	-
<b>TOTAL DEBT SERVICE</b> .....	\$ -	\$ -	\$ -	\$ 432,935

EMPLOYER PAID BENEFITS & WITHHOLDING ITEMS				
481.00 Employer Paid Withholding Taxes and Unemployment Compensation.....	\$ -	\$ -	\$ -	\$ 170,010
482.00 Judgments and Losses.....	-	-	-	458,034
483.00 Pension/Retirement Fund Contributions.....	-	-	-	216,358
484.00 Worker Compensation Insurance.....	-	-	-	131,692
487.00 Group Insurance and Other Benefits.....	-	-	-	354,551
<b>EMPLOYER PAID BENEFITS &amp; WITHHOLDING ITEMS</b> .....	\$ -	\$ -	\$ -	\$ 1,330,645

INSURANCE				
486.00 Insurance, Casualty and Surety.....	\$ -	\$ -	\$ -	\$ 90,531

UNCLASSIFIED OPERATING EXPENDITURES				
488.00 Fiduciary Fund Benefits and Refunds Paid.....	<del>                    </del>	<del>                    </del>	-	-
489.00 All Other Unclassified Expenditures***.....	\$ -	\$ -	\$ -	\$ 65,346
<b>TOTAL UNCLASSIFIED OPERATING EXPENDITURES</b> .....	\$ -	\$ -	\$ -	\$ 65,346

OTHER FINANCING USES				
491.00 Refund of Prior Year Revenues.....	\$ -	\$ -	\$ -	\$ -
492.00 Interfund Operating Transfers**.....	100,000	-	-	1,959,139
493.00 All Other Financing Uses.....	-	-	-	-
<b>TOTAL OTHER FINANCING USES</b> .....	\$ 100,000	\$ -	\$ -	\$ 1,959,139

<b>TOTAL EXPENDITURES</b> .....	\$ 1,693,641	\$ -	\$ -	\$ 12,005,699
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b> .....	\$ 950,172	\$ -	\$ -	\$ 113,299
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\*\* The total of line 492.00 must match the total of line 392.00

\*\*\* This amount cannot be greater than 1% of "TOTAL EXPENDITURES" in each of the funds.

# DEBT STATEMENT

Purpose	Bond (B) Note (N)	Issue Date (year)	Maturity Date (year)	Original Amount of Issue	Outstanding Beginning of Year	Principal Incurred This Year (Additions)	Principal Paid This Year	Current Year Accretion of Compound Interest Bonds	Outstanding Year End	Plus (less) Unamortized Premium (Discount)	Total Balance
<b>GENERAL OBLIGATION BONDS AND NOTES</b>											
Note - Series 2018	N	2018	2028	\$ 3,129,309.00	\$ 3,129,309.00	-	\$ 300,000.00	-	\$ 2,829,309.00	-	\$ 2,829,309
									-		-
									-		-
									-		-
									-		-
									-		-
									-		-
									-		-
									-		-
<b>REVENUE BONDS AND NOTES</b>											
									-		-
									-		-
									-		-
									-		-
									-		-
<b>LEASE RENTAL DEBT/GENERAL LEASES</b>											
								-	-	-	-
								-	-	-	-
								-	-	-	-
								-	-	-	-
<b>OTHER</b>											
									-		-
									-		-
									-		-
									-		-
Total bonds and notes outstanding.....										\$	2,829,309
Capitalized lease obligations.....											-
Other debt.....											
TOTAL OUTSTANDING DEBT.....										\$	2,829,309

### STATEMENT OF CAPITAL EXPENDITURES

CATEGORY:	Capital Purchases	Capital Construction	Total
Community Development.....		\$ 111,062	\$ 111,062
Electric.....			-
Fire.....			-
Gas System.....			-
General Government.....			-
Health.....			-
Housing.....			-
Libraries.....			-
Mass Transit.....			-
Parks.....			-
Police.....	\$ 45,268		45,268
Recreation.....		224,528	224,528
Sewer.....			-
Solid Waste.....			-
Streets/Highways.....		728,848	728,848
Water.....			-
Other (Please specify)			-
.....			-
.....			-
.....			-
.....			-
.....			-
.....			-
.....			-
.....			-
.....			-
.....			-
.....			-
.....			-
.....			-
.....			-
TOTAL CAPITAL EXPENDITURES*			\$ 1,109,706

\*Capital expenditures are generally considered to be those which result in additions to the value of fixed assets (land, buildings and other structures, machinery and equipment) .

### EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)\*\* ..... \$ 2,038,642

\*\*Use income from box 16 of the W-3 Statement

**KENNETT TOWNSHIP**  
OTHER SUPPLEMENTARY INFORMATION  
TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

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**ITEM A - BASIS OF ACCOUNTING**

The accompanying financial statements conform to the financial reporting provisions prescribed or permitted by the Pennsylvania Department of Community and Economic Development (DCED).

**ITEM B - PRIOR PERIOD RESTATEMENT**

The Township payroll taxes and other payroll withholdings liability on the December 31, 2018 financial statement was understated by \$53,925, which resulted in a \$53,925 overstatement of fund balance in the prior year.

Also in the prior year, the EMS fund was erroneously reported under Special Revenue on the DCED report, when it should have been reported as part of the General Fund. At December 31, 2018, ending fund balance for EMS was \$35,232, which has been restated to the beginning balance of the General Fund for the year ending December 31, 2019.

These prior period restatements resulted in General Fund fund balance decreasing by \$18,693 from \$2,667,888 to \$2,649,195. The Special Revenue fund balance decreased by \$35,232 from \$1,078,043 to \$1,042,811.

**ITEM C - SUBSEQUENT EVENT**

The Township has evaluated its financial statements for subsequent events through the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to have an effect on daily operations. Financial impact could occur though such potential impact is unknown at this time.

In August 2020 the Township issued General Obligation Bonds, Series of 2020 for \$5,000,000 at an interest rate of 1.34%. Proceeds of the bond will be used to refund the Township's Series of 2018 Note and fund various capital projects including but not limited to the purchase of open spaces.