



KENNETT TOWNSHIP
FINANCE & HR DEPARTMENT

TO: Kennett Township Board of Supervisors

FROM: Amy Heinrich, Finance & HR Director, Treasurer
Subject: Department Report – January 19, 2022 BOS Meeting

- The 2022 Budget was approved on December 28, 2021 after the required 20 day waiting period. We have a balanced General Fund Operating budget. The budget includes a Real Estate Tax increase of 2/10th of a mil. The proceeds are expected to be \$162K in total and will go towards funding the Capital Reserve. The increase equates to \$49 for the average parcel, which has a market value of approximately \$550K.
- During the budget process we began to develop a Capital Plan by starting with a comprehensive project list. That project list and ultimately the Capital Plan will be continuously updated in line with priorities, decisions and funding updates.
- 2021 General Fund, our main operating fund, ended with a surplus. At the end of 2021, the Board approved transferring \$570,369 of the 2021 operating surplus to the Capital Fund to fund many of the 2022 expected capital projects.
- A new year comes with a lot of work behind the scenes for every Finance & HR team. We are busily working on finalizing 2021 books, starting a new benefits year, and performing other year-end tasks. A draft of 2021 year-end results is included in this report.
- With Budget behind us, we are turning our attention back to several large projects.
 - 2020 Audit is almost complete; pending one topic to work through with our auditors related to clean-up from the fraud. We will move quickly into 2021 audit-prep with the goal of getting audit timing back on track.
 - There are several clean-up projects related to record keeping during the timeframe of fraud conducted by Lisa Moore. This includes, but is not limited to, sewer billing projects that we have mentioned repeatedly.
 - We have begun to work on a full set of HR policies but have not had sufficient bandwidth to move this forward.
 - We are also working with our pension administrator to make required updates to our pension plan documents.
- Bill Maslanka joined the Finance & HR Department as a new full-time employee. We have already seen great progress on some open projects in his first two weeks.



PRELIMINARY RESULTS

This packet contains preliminary full-year 2021 management reports. The books are not closed yet and final entries will result in some changes.

All w/o Escrow

**Kennett Township
Balance Sheet by Fund
As of January 14, 2022**

	All Funds								
	General Fund	Capital Fund	Special Grant	Liquid Fuels	Open Space	Library Fund	Traffic Impact	Sewer Fund	All Funds
	Year Ending	Year Ending	Revenue	Fund	Fund	Year Ending	Fee	Year Ending	Year Ending
	12/31/2021	12/31/2021	Fund	Year Ending	Year Ending	12/31/2021	Year Ending	12/31/2021	12/31/2021
	Actual	Actual	Year Ending	12/31/2021	12/31/2021	Actual	Actual	Actual	Actual
Assets									
Current Assets	5,015,723	584,065	454,765	(580,535)	3,458,269	6,830	77,619	(12,459)	9,004,277
Interfund Due from									
Due from General Fund	0	0	0	0	767,108	0	0	543,986	1,311,094
Due from Open Space Fund	37,788	0	0	0	0	0	0	0	37,787
Due from Sewer Fund	9,077	0	0	0	0	0	0	0	9,077
Due from Escrow Fund	34,034	0	0	0	0	0	0	0	34,035
Due from Special Grant Revenue	20,126	0	0	0	0	0	0	0	20,125
Total Interfund Due from	101,025	0	0	0	767,108	0	0	543,986	1,412,118
Total Assets	5,116,748	584,065	454,765	(580,535)	4,225,377	6,830	77,619	531,527	10,416,395
Liabilities and Net Assets									
Liabilities									
Short-term Liabilities	94,270	0	0	0	0	0	0	4,419	98,689
Long Term Liabilities	0	0	0	0	4,545,000	0	0	0	4,545,000
Interfund Due to									
Due to General Fund	3,273	0	20,126	0	37,788	0	0	5,804	66,990
Due To Open Space Fund	767,000	0	0	0	0	0	0	0	767,000
Due to Sewer Fund	543,986	0	0	0	0	0	0	0	543,986
Due to Escrow Fund	33,977	0	0	0	0	0	0	0	33,977
Total Interfund Due to	1,348,236	0	20,126	0	37,788	0	0	5,804	1,411,953
Total Liabilities	1,442,506	0	20,126	0	4,582,788	0	0	10,223	6,055,642
Net Assets									
Net Assets									
Fund Balance	2,027,787	60,230	0	30,104	(1,196,666)	6,789	77,492	777,545	1,783,282
Total Net Assets	2,027,787	60,230	0	30,104	(1,196,666)	6,789	77,492	777,545	1,783,282
Change In Net Assets									
Operating Revenue	8,852,950	1,284,141	434,639	25,352	961,689	160,378	127	1,234,278	12,953,553
Expenditures	7,206,495	760,306	0	327,011	122,434	160,337	0	1,490,519	10,067,102
Change In Net Assets	1,646,455	523,835	434,639	(301,659)	839,255	41	127	(256,241)	2,886,451
Total Net Assets	3,674,242	584,065	434,639	(271,555)	(357,411)	6,830	77,619	521,304	4,669,733
Total Liabilities and Net Assets	5,116,748	584,065	454,765	(271,555)	4,225,377	6,830	77,619	531,527	10,725,375



All w/o Escrow

Kennett Township
Statement of Revenues and Expenditures
 All Funds Except Escrow
 As of January 14, 2022

	All Funds								
	General Fund	Capital Fund	Special Grant Revenue Fund	Liquid Fuels Fund	Open Space Fund	Library Fund	Traffic Impact Fee	Sewer Fund	All Funds
	Year Ending 12/31/2021	Year Ending 12/31/2021	Year Ending 12/31/2021	Year Ending 12/31/2021	Year Ending 12/31/2021	Year Ending 12/31/2021	Year Ending 12/31/2021	Year Ending 12/31/2021	Year Ending 12/31/2021
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Net income									
Revenue									
Taxes	5,755,282	0	0	0	960,611	160,337	0	0	6,876,231
Fees, Fines, Grants, Interest	1,472,468	43	434,639	312,326	1,078	41	127	1,234,278	3,454,998
Fraud Recovery	1,625,200	0	0	0	0	0	0	0	1,625,200
Total Revenue	8,852,950	43	434,639	312,326	961,689	160,378	127	1,234,278	11,956,429
Expense									
Salaries & Benefits	3,271,214	0	0	0	0	0	0	118,799	3,390,013
Maintenance & Operations	697,500	43,155	0	0	0	160,337	0	1,219,005	2,119,998
Contracted/ Professional Services	678,644	312,065	0	0	31,684	0	0	54,287	1,076,679
Community & Economic Development	302,622	315,380	0	0	90,750	0	0	0	708,752
Fire & Ambulance	678,267	0	0	0	0	0	0	0	678,267
Capital Expense	0	89,706	0	327,011	0	0	0	98,428	515,146
Fraud Investigation	294,150	0	0	0	0	0	0	0	294,150
Total Expense	5,922,397	760,306	0	327,011	122,434	160,337	0	1,490,519	8,783,005
Transfers to Capital Fund									
Capital Transfer/Expense	1,233,099	0	0	0	0	0	0	0	1,233,098
Total Transfers to Capital Fund	1,233,099	0	0	0	0	0	0	0	1,233,098
Total Net income	1,697,454	(760,263)	434,639	(14,685)	839,255	41	127	(256,241)	1,940,326

*Does not include Escrow Fund



General Fund
Revenue vs Budget
As of January 14, 2022
Year Ending 12/31/2021

	Actual	Budget	Actual vs Budget
Revenue			
Taxes			
40111 - RE Taxes - General Millage	158,444	156,000	2,444
40112 - RE Taxes - EMS Millage	1,522,359	1,488,000	34,359
40120 - RE Taxes - Prior Year's	50,434	25,000	25,434
41011 - Real Estate Transfer Tax	544,866	480,000	64,866
41021 - Earned Income Tax	3,374,255	2,877,000	497,255
41050 - Local Service Tax	104,924	200,000	(95,076)
Total Taxes	5,755,282	5,226,000	529,282
Fees, Fines, Grants, Interest			
42180 - Cable Franchise Fee	178,591	180,000	(1,409)
42250 - Road Opening Permits	1,145	500	645
43149 - Fine & Penalties	33,032	53,000	(19,968)
44151 - Interest Income	1,561	3,000	(1,439)
45415 - Recycling Grant	22,118	22,000	118
45417 - State Grants	356,458	0	356,458
45601 - Public Utility Revenue	5,825	6,000	(175)
45604 - Liquor Licenses	800	400	400
45605 - State Pension Aid	129,527	137,867	(8,340)
45607 - Foreign Fire Insurance Act	64,167	71,000	(6,833)
45704 - Private Grant	2,841	0	2,841
46134 - Zoning Hearing Fees	5,800	8,000	(2,200)
46148 - Misc Income	46	0	46
46159 - Sale of Copies, Supplies	2,415	2,300	115
46218 - Overtime Reimbursement	7,752	15,000	(7,248)
46240 - Building & Zoning Fees	449,921	230,000	219,921
46242 - Rental Registration Fees	3,000	3,000	0
46246 - UCC Fees - Act 45	1,049	800	249
46298 - Misc Zoning & Building Fees	2,175	4,500	(2,325)
46299 - Misc Police Income	25	500	(475)
46399 - Misc Public Works Income	6,381	3,500	2,881
46560 - Health Insurance Reimbursement	73,348	55,972	17,376
46561 - Worker's Comp. Insur. Reimb.	19,258	23,105	(3,847)
48311 - Street Light Fees	3,691	5,165	(1,474)
49110 - Proceeds from Sale of Fixed Asset	7,700	0	7,700
49199 - Insurance Reimbursement	93,842	40,377	53,465
Total Fees, Fines, Grants, Interest	1,472,468	865,986	606,482
Fraud Recovery			
43200 - Forfeits/Recovery	1,625,200	0	1,625,200
Total Fraud Recovery	1,625,200	0	1,625,200
Total Revenue	8,852,950	6,091,986	2,760,964



400--Board of Supervisors

General Fund
Expenses by Dept vs Budget
As of January 14, 2022
Year Ending 12/31/2021

	<u>Actual</u>	<u>Budget</u>	<u>Actual vs Budget</u>
Expenses - All			
51000 - Salaries	<u>7,500</u>	<u>11,250</u>	<u>(3,750)</u>
Total Expenses - All	<u>7,500</u>	<u>11,250</u>	<u>(3,750)</u>



401--Administration

General Fund
Expenses by Dept vs Budget
As of January 14, 2022
Year Ending 12/31/2021

	Actual	Budget	Actual vs Budget
Expenses - All			
51000 - Salaries	208,275	207,398	877
51800 - Salaries, Overtime	2,676	6,025	(3,349)
52100 - Office, meeting & cleaning supplies, furnit.	(66)	0	(66)
53110 - Auditing Services	14,000	38,000	(24,000)
53140 - Legal Services	62,524	45,000	17,524
53420 - Printing & Advertising	3,313	6,000	(2,687)
53720 - Vehicle Maintenance & Repair	149	0	149
53900 - Bank Service Charges/Fees	5,144	6,240	(1,097)
54200 - Dues & Subscriptions	6,147	6,500	(352)
54500 - Contracted Services	17,632	7,500	10,131
54600 - Training & Conferences	634	12,000	(11,365)
59999 - Miscellaneous Expenses	4,874	8,000	(3,126)
Total Expenses - All	325,302	342,663	(17,361)



402--Finance/HR

General Fund
Expenses by Dept vs Budget
As of January 14, 2022
Year Ending 12/31/2021

	<u>Actual</u>	<u>Budget</u>	<u>Actual vs Budget</u>
Expenses - All			
51000 - Salaries	298,434	299,533	(1,099)
51800 - Salaries, Overtime	2,090	4,730	(2,640)
53900 - Bank Service Charges/Fees	25	0	25
Total Expenses - All	<u>300,549</u>	<u>304,263</u>	<u>(3,714)</u>



406--Twp Building

General Fund
Expenses by Dept vs Budget
As of January 14, 2022
Year Ending 12/31/2021

	Actual	Budget	Actual vs Budget
Expenses - All			
52100 - Office, meeting & cleaning supplies, furnit.	7,905	8,000	(95)
52500 - Maintenance Supplies	1,082	1,500	(418)
53600 - Utilities	36,888	45,000	(8,112)
53601 - Utilities (The Pines)	5,077	2,305	2,771
53700 - Repair & Maintenance Services	1,244	40,000	(38,756)
53704 - Repair & Maintenance (Pines/Fussel)	5,466	0	5,467
54500 - Contracted Services	30,324	48,500	(18,177)
59999 - Miscellaneous Expenses	1,572	2,000	(427)
Total Expenses - All	89,558	147,305	(57,747)



408--Engineering Services

General Fund
Expenses by Dept vs Budget
As of January 14, 2022
Year Ending 12/31/2021

	Actual	Budget	Actual vs Budget
Expenses - All			
53130 - Engineering Services	28,935	18,000	10,935
53131 - Engineering Services - MS4	37,531	217,000	(179,469)
53132 - Engineering Serv -Grant Writing	17,510	17,500	10
53134 - Planning Serv & Landscape Arch	193	5,000	(4,807)
53170 - Trail Consultant	239,755	15,000	224,755
54541 - Grant Expenses (Match)	0	1,000	(1,000)
Total Expenses - All	323,924	273,500	50,424



410--Police

General Fund
Expenses by Dept vs Budget
As of January 14, 2022
Year Ending 12/31/2021

	Actual	Budget	Actual vs Budget
Expenses - All			
51000 - Salaries	1,021,418	996,896	24,522
51800 - Salaries, Overtime	94,502	61,000	33,502
51830 - Salaries, Overtime Reimbursable	6,434	15,000	(8,566)
51831 - Salaries, STD (Reimbursable)	40,518	40,376	141
51910 - Uniform Maintenance	3,575	4,750	(1,175)
51920 - Social Security & Medicare	77,814	80,717	(2,903)
51940 - Unemployment Taxes	4,125	4,900	(775)
51960 - Medical & Dental Insurance	155,584	204,994	(49,409)
51970 - Employee Pension Plan	81,100	81,100	0
51980 - Life, Disability, H&L Insurance	16,886	16,740	146
51990 - Employee Savings Plan	27,432	31,741	(4,309)
52100 - Office, meeting & cleaning supplies, furnit.	1,277	2,000	(723)
52102 - Detective Supplies	230	2,500	(2,270)
52170 - Police Equipment	6,964	8,000	(1,036)
52310 - Gasoline/Diesel	25,784	9,000	16,784
52380 - Uniforms	10,254	10,000	254
52470 - Community Policing Supplies	0	1,000	(1,000)
53140 - Legal Services	14,560	50,000	(35,440)
53240 - Cell Phone Expense	7,800	8,580	(780)
53540 - Worker's Comp. Insurance	54,029	54,028	1
53720 - Vehicle Maintenance & Repair	12,354	7,500	4,854
54200 - Dues & Subscriptions	504	2,500	(1,996)
54500 - Contracted Services	45,730	50,000	(4,270)
54520 - IT Services	33,294	40,100	(6,806)
54600 - Training & Conferences	3,456	15,000	(11,544)
54610 - Tuition Reimbursement	4,487	5,000	(513)
55300 - Payments to other Gov't bodies	3,500	2,500	1,000
59999 - Miscellaneous Expenses	14,726	15,000	(274)
Total Expenses - All	1,768,337	1,820,922	(52,585)



411--Fire & EMS

General Fund
Expenses by Dept vs Budget
As of January 14, 2022
Year Ending 12/31/2021

	<u>Actual</u>	<u>Budget</u>	<u>Actual vs Budget</u>
Expenses - All			
51000 - Salaries	1,000	0	1,000
53540 - Worker's Comp. Insurance	19,258	19,258	0
53630 - Hydrant Service	47,916	55,272	(7,356)
55301 - Foreign Fire Tax Contributions	64,167	71,000	(6,833)
55302 - EMS Commission Funding	566,184	566,185	0
Total Expenses - All	<u>698,525</u>	<u>711,715</u>	<u>(13,189)</u>



414--Planning & Zoning

General Fund
Expenses by Dept vs Budget
As of January 14, 2022
Year Ending 12/31/2021

	Actual	Budget	Actual vs Budget
Expenses - All			
51000 - Salaries	173,121	230,933	(57,812)
51170 - Salaries, Planning Commission	5,346	6,600	(1,253)
51800 - Salaries, Overtime	2,398	1,000	1,397
52400 - Act 45 Fees	1,143	1,200	(57)
53072 - Zoning Hearing Board	16,671	17,648	(977)
53140 - Legal Services	0	5,000	(5,000)
54200 - Dues & Subscriptions	970	500	470
54500 - Contracted Services	51,170	57,000	(5,830)
54541 - Grant Expenses (Match)	5,920	5,000	920
54600 - Training & Conferences	125	0	125
59999 - Miscellaneous Expenses	1,748	12,500	(10,752)
Total Expenses - All	258,612	337,381	(78,769)



430--Public Works

General Fund
Expenses by Dept vs Budget
As of January 14, 2022
Year Ending 12/31/2021

	Actual	Budget	Actual vs Budget
Expenses - All			
51000 - Salaries	410,036	434,000	(23,964)
51800 - Salaries, Overtime	25,124	19,000	6,124
51830 - Salaries, Overtime Reimbursable	(150)	0	(150)
52160 - Small Equipment	15,578	5,000	10,578
52310 - Gasoline/Diesel	15,193	10,000	5,193
52380 - Uniforms	8,878	8,000	878
52451 - Stone	20,097	20,000	97
52452 - Skin Patching	13,938	20,000	(6,062)
52453 - Skin Patching Oil	3,431	8,000	(4,569)
52454 - Black Top	5,999	10,000	(4,001)
52455 - Drainage Materials	10,091	10,000	91
52456 - Line Painting	29,358	30,000	(642)
52460 - Supplies, Signs	11,809	6,000	5,809
52461 - Snow & Ice Control Supplies	48,859	45,000	3,859
52500 - Maintenance Supplies	16,708	4,000	12,708
53600 - Utilities	18,307	21,000	(2,693)
53610 - Electric, Street Lights	4,251	1,380	2,871
53680 - PA One Call	762	1,000	(238)
53690 - Household Hazardous Waste Disp	2,461	3,000	(539)
53700 - Repair & Maintenance Services	2,563	0	2,563
53720 - Vehicle Maintenance & Repair	28,398	15,000	13,398
53740 - Maintenance, Traffic Signals	12,315	9,000	3,315
54500 - Contracted Services	18,063	17,500	563
59999 - Miscellaneous Expenses	527	500	27
Total Expenses - All	722,596	697,380	25,216



486--Insurance

General Fund
Expenses by Dept vs Budget
As of January 14, 2022
Year Ending 12/31/2021

	<u>Actual</u>	<u>Budget</u>	<u>Actual vs Budget</u>
Expenses - All			
53510 - Property & Liability Insurance	81,591	86,500	(4,909)
53530 - Bonds	5,480	8,800	(3,320)
53540 - Worker's Comp. Insurance	42,431	29,990	12,441
Total Expenses - All	<u>129,502</u>	<u>125,290</u>	<u>4,212</u>



487--Employee Benefits (non-uniform)

**General Fund
Expenses by Dept vs Budget**
As of January 14, 2022
Year Ending 12/31/2021

	Actual	Budget	Actual vs Budget
Expenses - All			
51000 - Salaries	74,429	0	74,429
51832 - Auto Allowance	3,600	3,600	0
51920 - Social Security & Medicare	104,036	91,792	12,244
51940 - Unemployment Taxes	7,309	7,350	(42)
51960 - Medical & Dental Insurance	217,818	235,714	(17,894)
51961 - Medical Expenses (Reimb. Insur)	27,759	37,011	(9,253)
51962 - Post Employment Medical (COBRA)	0	10,738	(10,738)
51970 - Employee Pension Plan	116,545	116,545	0
51980 - Life, Disability, H&L Insurance	12,598	12,843	(245)
51990 - Employee Savings Plan	37,395	34,215	3,180
59999 - Miscellaneous Expenses	60	2,000	(1,940)
Total Expenses - All	601,549	551,808	49,741



492--Interfund Transfers

General Fund
Expenses by Dept vs Budget
As of January 14, 2022
Year Ending 12/31/2021

	Actual	Budget	Actual vs Budget
Expenses - All			
57001 - Trns to Capital (PW Veh-Equip)	99,000	0	99,000
57002 - Trns to Capital (Police Veh-Equip)	45,406	0	45,406
57010 - Trns to Capital (Rt82/1/Ccroft)	344,345	0	344,345
57020 - Trns to Capital (Greenway)	367,853	230,000	137,853
57051 - Trns to Capital (Other Road Resurfacing)	43,155	33,000	10,155
57060 - Trns to Capital (Drainage)	214,989	150,000	64,989
57070 - Trns to Capital (Bldgs PW)	118,350	85,000	33,350
57071 - Trns to Capital (Bldgs Twp)	51,000	0	51,000
Total Expenses - All	1,284,098	498,000	786,098



Expense Central GF--Expense Central Mgmt GF

General Fund
Expenses by Dept vs Budget
As of January 14, 2022
Year Ending 12/31/2021

Expense	Actual	Budget	Actual vs Budget
Community & Economic Development			
52462 - Supplies - Barkingfield Park	4,156	0	4,156
52463 - Supplies - Spar Hill	316	0	316
55200 - Mushroom Festival	2,500	2,500	0
55303 - Contribution - Park & Rec Board	10,000	10,000	0
55304 - Contribution - Library Bldg	121,000	121,000	0
55305 - Deer Management Committee	0	250	(250)
55400 - Parks & Prop - Anson Nxn Author	65,000	0	65,000
55401 - Kennett Area Senior Center	2,000	2,000	0
55402 - Historic Kennett Square	20,000	20,000	0
55403 - Brandywine Red Clay Alliance	1,950	1,950	0
55405 - SCCOOT transportation service	2,000	4,000	(2,000)
55407 - Brandywine Vly Scenic Byway Com	500	600	(100)
55411 - Historic Commission	1,200	1,500	(300)
55413 - Contributions - TLC	72,000	0	72,000
Total Community & Economic Development	302,622	163,800	138,822
Fraud Investigation			
53140 - Legal Services	205,241	0	205,241
54500 - Contracted Services	88,909	0	88,909
Total Fraud Investigation	294,150	0	294,150
Total Expense	596,772	163,800	432,972