



**East Marlborough Township  
Kennett Square,  
Pennsylvania  
Chester County**

Annual Audit  
and  
Financial Report  
December 31, 2022



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Philadelphia, PA 19103

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## INDEPENDENT AUDITOR'S REPORT

**Board of Supervisors  
East Marlborough Township  
Kennett Square, Pennsylvania**

### **Opinion**

We have audited the accompanying annual audit and financial report of East Marlborough Township, Kennett Square, Pennsylvania, Chester County, as of December 31, 2022 and for the year then ended.

In our opinion, the annual audit and financial report referred to above presents fairly, in all material respects, the financial position of East Marlborough Township, Kennett Square, Pennsylvania, Chester County, as of December 31, 2022 and the results of its operations for the year then ended, in conformity with the accounting practices prescribed or permitted by DCED as described below.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described under Auditor's Responsibilities for the Audit of the Annual Audit and Financial Report section of our report. We are required to be independent of East Marlborough Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Basis of Accounting**

The annual audit and financial report is prepared in conformity with the accounting practices prescribed or permitted by the Department of Community and Economic Development ("**DCED**") of the Commonwealth of Pennsylvania, which practices differ from accounting principles generally accepted in the United States of America. In accordance with the prescribed accounting practices permitted by DCED, the annual audit and financial report is prepared on the cash basis of accounting. Consequently, revenues are recognized when received rather than when earned and expenditures are recognized when paid rather than when the liability is incurred. In addition, the Township does not include footnote disclosures. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Annual Audit and Financial Report**

Management is responsible for the preparation of the annual audit and financial report in conformity with the accounting practices prescribed or permitted by the Department of Community and Economic Development ("**DCED**") of the Commonwealth of Pennsylvania, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the annual audit and financial report that it is free from material misstatement, whether due to error or fraud.

## **Auditor's Responsibilities for the Audit of the Annual Audit and Financial Report**

Our objectives are to obtain reasonable assurance about whether the annual audit and financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the annual audit and financial report.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the annual audit and financial report, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the annual audit and financial report.
- Obtain an understanding of internal control relevant to the audit 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 East Marlborough Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the annual audit and financial report.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about East Marlborough Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we have identified during the audit.

### **Restriction on Use**

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

**BBD, LLP**

**Philadelphia, Pennsylvania  
June 20, 2023**

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<b>Balance Sheet</b>					
December 31, 2022					
		Governmental Funds			
Assets and Other Debits		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
100-120	Cash and Investments	7,158,263	1,637,789	193,707	
140-144	Tax Receivable				
121-129 145-149	Accounts Receivable (excluding taxes)				
130	Due From Other Funds	15,652	466,315		
131-139 150-159	Other Current Assets				
160-169	Fixed Assets				
180-189	Other Debits				
<b>Total Assets and Other Debits</b>		<b>\$ 7,173,915</b>	<b>\$ 2,104,104</b>	<b>\$ 193,707</b>	<b>\$ -</b>

<b>Liabilities and Other Credits</b>					
210-229	Payroll Taxes and Other Payroll Withholdings	10,021			
200-209 231-239	All Other Current Liabilities	226			
230	Due To Other Funds	466,315		1,834	
260-269	Long-Term Liabilities				
240-259	Current Portion of Long-Term Debt & Other Credits				
<b>Total Liabilities and Other Credits</b>		<b>\$ 476,562</b>	<b>\$ -</b>	<b>\$ 1,834</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	6,697,353	2,104,104	191,873	
291-299	Other Equity				
<b>Total Fund and Account Group Equity</b>		<b>\$ 6,697,353</b>	<b>\$ 2,104,104</b>	<b>\$ 191,873</b>	<b>\$ -</b>

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

DCED-CLGS-30 (12/2022)  
 2022 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | BALANCE SHEET

		Proprietary Funds		Fiduciary Fund	Account Groups		Total
		Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
<b>Assets and Other Debits</b>							
100-120	Cash and Investments	4,519,237		189,723			13,698,719
140-144	Tax Receivable						-
121-129 145-149	Accounts Receivable (excluding taxes)	25,555		61,446			87,001
130	Due From Other Funds						481,967
131-139 150-159	Other Current Assets						-
160-169	Fixed Assets						-
180-189	Other Debits	1,822					1,822
<b>Total Assets and Other Debits</b>		<b>\$ 4,546,614</b>	<b>\$ -</b>	<b>\$ 251,169</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,269,509</b>

<b>Liabilities and Other Credits</b>							
210-229	Payroll Taxes and Other Payroll Withholdings						10,021
200-209 231-239	All Other Current Liabilities						226
230	Due To Other Funds	13,818					481,967
260-269	Long-Term Liabilities						-
240-259	Current Portion of Long-Term Debt & Other Credits			251,169			251,169
<b>Total Liabilities and Other Credits</b>		<b>\$ 13,818</b>	<b>\$ -</b>	<b>\$ 251,169</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 743,383</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	4,532,796		-			13,526,126
291-299	Other Equity						-
<b>Total Fund and Account Group Equity</b>		<b>\$ 4,532,796</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,526,126</b>

<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>							<b>\$ 14,269,509</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, 2022**

REVENUES		GOVERNMENTAL FUNDS			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
<b>Taxes</b>					
301.00	Real Estate Taxes	852,159	899,261	21,000	
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	771,056			
310.20	Earned Income Taxes/Wage Taxes				
310.30	Business Gross Receipts Taxes				
310.40	Occupation Taxes (levied under Act 511)				
310.50	Local Services Tax**	193,297	56,501		
310.60	Amusement/Admission Taxes				
310.70	Mechanical Device Taxes				
310.90	Other Local Tax Enabling Act/Act511 Taxes (Please List)				
<b>Total Taxes</b>		\$ 1,816,512	\$ 955,762	\$ 21,000	\$ -

Licenses and Permits					
320-322	All Other Licenses and Permits	79,814			
321.80	Cable Television Franchise Fees	168,546			
<b>Total Licenses &amp; Permits</b>		\$ 248,360	\$ -	\$ -	\$ -

Fines & Forfeits					
330-332	Fines and Forfeits	8,120			
<b>Total Fines &amp; Forfeits</b>		\$ 8,120	\$ -	\$ -	\$ -

Interest, Rents & Royalties					
341.00	Interest Earnings	105,569	27,262	2,954	
342.00	Rents and Royalties	269,669			
<b>Total Interest, Rents &amp; Royalties</b>		\$ 375,238	\$ 27,262	\$ 2,954	\$ -

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

DCED-CLGS-30 (12/2022)  
 2022 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

REVENUES		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
Taxes		Enterprise	Internal Service	Trust and Agency	Memorandum Only
301.00	Real Estate Taxes				1,772,420
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				771,056
310.20	Earned Income Taxes/Wage Taxes				-
310.30	Business Gross Receipts Taxes				-
310.40	Occupation Taxes (levied under Act 511)				-
310.50	Local Services Tax**				249,798
310.60	Amusement/Admission Taxes				-
310.70	Mechanical Device Taxes				-
310.90	Other Local Tax Enabling Act/Act 511 Taxes (Please List)				-
<b>Total Taxes</b>		\$ -	\$ -	\$ -	\$ 2,793,274

Licenses and Permits					
320-322	All Other Licenses and Permits				79,814
321.80	Cable Television Franchise Fees				168,546
<b>Total Licenses &amp; Permits</b>		\$ -	\$ -	\$ -	\$ 248,360

Fines & Forfeits					
330-332	Fines and Forfeits				8,120
<b>Total Fines &amp; Forfeits</b>		\$ -	\$ -	\$ -	\$ 8,120

Interest, Rents & Royalties					
341.00	Interest Earnings	69,461			205,246
342.00	Rents and Royalties				269,669
<b>Total Interest, Rents &amp; Royalties</b>		\$ 69,461	\$ -	\$ -	\$ 474,915

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



2022 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

INTERGOVERNMENTAL REVENUES		GOVERNMENTAL FUNDS			
Federal		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
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	397,520			
353.00	Federal Payments in Lieu of Taxes				
<b>Total Federal</b>		\$ 397,520	\$ -	\$ -	\$ -

State					
354.03	Highways and Streets	17,550			
354.09	Community Development				
354.15	Recycling/Act 101				
354.00	All Other State Capital and Operating Grants				
355.01	Public Utility Realty Tax (PURTA)	1,742			
355.02- 355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		328,148		
355.04	Alcoholic Beverage Licenses	1,600			
355.05	General Municipal Pension System State Aid	56,985			
355.07	Foreign Fire Insurance Tax Distribution	76,641			
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>		\$ 154,518	\$ 328,148	\$ -	\$ -

Local Governmental Units					
357.03	Highways and Streets				
357.00	All Other Local Governmental Units Capital and Operating Grants				
358.00	Local Governmental 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>		\$ -	\$ -	\$ -	\$ -

2022 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

INTERGOVERNMENTAL REVENUES		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
Federal		Enterprise	Internal Service	Trust and Agency	Memorandum Only
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				397,520
353.00	Federal Payments in Lieu of Taxes				-
<b>Total Federal</b>		\$ -	\$ -	\$ -	\$ 397,520

State		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
354.03	Highways and Streets				17,550
354.09	Community Development				-
354.15	Recycling/Act 101				-
354.00	All Other State Capital and Operating Grants				-
355.01	Public Utility Realty Tax (PURTA)				1,742
355.02- 355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback				328,148
355.04	Alcoholic Beverage Licenses				1,600
355.05	General Municipal Pension System State Aid				56,985
355.07	Foreign Fire Insurance Tax Distribution				76,641
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>		\$ -	\$ -	\$ -	\$ 482,666

Local Governmental Units		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
357.03	Highways and Streets				-
357.00	All Other Local Governmental Units Capital and Operating Grants				-
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services				-
359.00	Local Governmental Units, Authorities Payments and Payments in Lieu of Taxes				-
<b>Total Local Government Units</b>		\$ -	\$ -	\$ -	\$ -

<b>TOTAL INTERGOVERNMENTAL REVENUES</b>	\$ 880,186
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DCED-CLGS-30 (12/2022)  
 2022 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

REVENUES		GOVERNMENTAL FUNDS			
Charges For Service		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
361.00	General Government	350	20,000		
362.00	Public Safety	646,952			
363.20	Parking				
363.00	All Other Charges for Highway & Streets Services	33,690		42,600	
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				
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	16,594			
<b>Total Charges for Service</b>		<b>\$ 697,586</b>	<b>\$ 20,000</b>	<b>\$ 42,600</b>	<b>\$ -</b>

Unclassified Operating Revenues					
383.00	Assessments				
386.00	Escheats (sale of personal property)				
387.00	Contributions & Donations from Private Sectors				
388.00	Fiduciary Fund Pension Contributions				
389.00	All Other Unclassified Operating Revenues***	32,929			
<b>Total Unclassified Operating Revenues</b>		<b>\$ 32,929</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Other Financing Sources					
391.00	Proceeds of General Fixed Asset Disposition	17,514			
392.00	Interfund Operating Transfers**	286,879	20,934		
393.00	Proceeds of General Long-Term Debt				
394.00	Proceeds of Short-Term Debt				
395.00	Refunds of Prior Year Expenditures	3,959		110	
<b>Total Other Financing Sources</b>		<b>\$ 308,352</b>	<b>\$ 20,934</b>	<b>\$ 110</b>	<b>\$ -</b>

<b>TOTAL REVENUES</b>	<b>\$ 4,039,135</b>	<b>\$ 1,352,106</b>	<b>\$ 66,664</b>	<b>\$ -</b>
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\*\*The total of line 392.00 must match the total on line 492.00

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

DCED-CLGS-30 (12/2022)  
 2022 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

REVENUES		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
Charges For Service		Enterprise	Internal Service	Trust and Agency	Memorandum Only
361.00	General Government				20,350
362.00	Public Safety				646,952
363.20	Parking				-
363.00	All Other Charges for Highway & Streets Services				76,290
364.10	Wastewater/Sewage Charges	1,837,731			1,837,731
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				-
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				16,594
<b>Total Charges for Service</b>		<b>\$ 1,837,731</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,597,917</b>

Unclassified Operating Revenues					
383.00	Assessments				-
386.00	Escheats (sale of personal property)				-
387.00	Contributions & Donations from Private Sectors				-
388.00	Fiduciary Fund Pension Contributions				-
389.00	All Other Unclassified Operating Revenues***				32,929
<b>Total Unclassified Operating Revenues</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32,929</b>

Other Financing Sources					
391.00	Proceeds of General Fixed Asset Disposition				17,514
392.00	Interfund Operating Transfers**				307,813
393.00	Proceeds of General Long-Term Debt				-
394.00	Proceeds of Short-Term Debt				-
395.00	Refunds of Prior Year Expenditures				4,069
<b>Total Other Financing Sources</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 329,396</b>

<b>TOTAL REVENUES</b>	<b>\$ 1,907,192</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,365,097</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.

DCED-CLGS-30 (12/2022)  
 2022 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES		GOVERNMENTAL FUNDS			
General Government		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
400.00	Legislative (Governing) Body	16,575			
401.00	Executive (Manager or Mayor)	137,001			
402.00	Auditing Services/Financial Administration	47,545			
403.00	Tax Collection	11,123			
404.00	Solicitor/Legal Services	120,350			
405.00	Secretary/Clerk	84,383			
406.00	Other General Government Administration	35,973			
407.00	IT-Networking Services-Data Processing	31,988			
408.00	Engineering Services	220,425			
409.00	General Government Buildings and Plant	61,440			
<b>Total General Government</b>		<b>\$ 766,803</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Public Safety					
410.00	Police	622,623	1,550		
411.00	Fire	164,030	631,552		
412.00	Ambulance/Rescue				
413.00	UCC and Code Enforcement	157,071			
414.00	Planning and Zoning	69,165			
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>\$ 1,012,889</b>	<b>\$ 633,102</b>	<b>\$ -</b>	<b>\$ -</b>

Health and Human Services					
420.00-425.00	Health and Human Services	3,039			

Public Works - Sanitation					
426.00	Recycling Collection and Disposal				
427.00	Solid Waste Collection and Disposal (trash)	11,405			
428.00	Weed Control	2,132			
429.00	Wastewater/Sewage Collection & Treatment	97,806			
<b>Total Public Works - Sanitation</b>		<b>\$ 111,343</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

DCED-CLGS-30 (12/2022)  
 2022 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
General Government		Enterprise	Internal Service	Trust and Agency	Memorandum Only
400.00	Legislative (Governing) Body				16,575
401.00	Executive (Manager or Mayor)	2,533			139,534
402.00	Auditing Services/Financial Administration	14,148			61,693
403.00	Tax Collection				11,123
404.00	Solicitor/Legal Services				120,350
405.00	Secretary/Clerk				84,383
406.00	Other General Government Administration	3,677			39,650
407.00	IT-Networking Services-Data Processing				31,988
408.00	Engineering Services	48,187			268,612
409.00	General Government Buildings and Plant				61,440
<b>Total General Government</b>		\$ 68,545	\$ -	\$ -	\$ 835,348

Public Safety					
410.00	Police				624,173
411.00	Fire				795,582
412.00	Ambulance/Rescue				-
413.00	UCC and Code Enforcement				157,071
414.00	Planning and Zoning				69,165
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>		\$ -	\$ -	\$ -	\$ 1,645,991

Health and Human Services					
420.00-425.00	Health and Human Services				3,039

Public Works - Sanitation					
426.00	Recycling Collection and Disposal				-
427.00	Solid Waste Collection and Disposal (garbage)				11,405
428.00	Weed Control				2,132
429.00	Wastewater/Sewage Collection & Treatment	550,569			648,375
<b>Total Public Works - Sanitation</b>		\$ 550,569	\$ -	\$ -	\$ 661,912

DCED-CLGS-30 (12/2022)  
 2022 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

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	571,932			
431.00	Cleaning of Streets and Gutters				
432.00	Winter Maintenance - Snow Removal	58,940			
433.00	Traffic Control Devices	90,218	14,556		
434.00	Street Lighting	2,433			
435.00	Sidewalks and Crosswalks				
436.00	Storm Sewers and Drains	65,967			
437.00	Repairs of Tools and Machinery	2,118			
438.00	Maintenance & Repairs of Roads & Bridges	134,196	208,202		
439.00	Highway Construction and Rebuilding Projects		107,617		
<b>Total Public Works - Highways &amp; Streets</b>		<b>\$ 925,804</b>	<b>\$ 330,375</b>	<b>\$ -</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	18,169			
447.00	Transit System				
448.00	Water System				
449.00	Water Transport and Terminals				
<b>Total Public Works - Other Services</b>		<b>\$ 18,169</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	1,115		52,237	
455.00	Shade Trees				
456.00	Libraries	105,575	128,000		
457.00	Civil and Military Celebrations				
458.00	Senior Citizens' Centers				
459.00	All Other Culture and Recreation	3,354			
<b>Total Culture and Recreation</b>		<b>\$ 110,044</b>	<b>\$ 128,000</b>	<b>\$ 52,237</b>	<b>\$ -</b>

<b>Community Development</b>					
461.00	Conservation of Natural Resources				
462.00	Community Development and Housing				
463.00	Economic Development				
464.00	Economic Opportunity				
465.00-469.00	All Other Community Development				
<b>Total Community Development</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

DCED-CLGS-30 (12/2022)  
 2022 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
		<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
<b>Public Works - Highways &amp; Streets</b>					
430.00	General Services - Administration				571,932
431.00	Cleaning of Streets and Gutters				-
432.00	Winter Maintenance - Snow Removal				58,940
433.00	Traffic Control Devices				104,774
434.00	Street Lighting				2,433
435.00	Sidewalks and Crosswalks				-
436.00	Storm Sewers and Drains				65,967
437.00	Repairs of Tools and Machinery				2,118
438.00	Maintenance & Repairs of Roads & Bridges				342,398
439.00	Highway Construction and Rebuilding Projects				107,617
<b>Total Public Works - Highways &amp; Streets</b>		\$ -	\$ -	\$ -	\$ 1,256,179

<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				18,169
447.00	Transit System				-
448.00	Water System				-
449.00	Water Transport and Terminals				-
<b>Total Public Works - Other Services</b>		\$ -	\$ -	\$ -	\$ 18,169

<b>Culture and Recreation</b>					
451.00	Culture-Recreation Administration				-
452.00	Participant Recreation				-
453.00	Spectator Recreation				-
454.00	Parks				53,352
455.00	Shade Trees				-
456.00	Libraries				233,575
457.00	Civil and Military Celebrations				-
458.00	Senior Citizens' Centers				-
459.00	All Other Culture and Recreation				3,354
<b>Total Culture and Recreation</b>		\$ -	\$ -	\$ -	\$ 290,281

<b>Community Development</b>					
461.00	Conservation of Natural Resources				-
462.00	Community Development and Housing				-
463.00	Economic Development				-
464.00	Economic Opportunity				-
465.00-					
469.00	All Other Community Development				-
<b>Total Community Development</b>		\$ -	\$ -	\$ -	\$ -



DCED-CLGS-30 (12/2022)  
 2022 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

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)				
472.00	Debt Interest (short-term and long-term)				
475.00	Fiscal Agent Fees				
<b>Total Debt Service</b>		\$ -	\$ -	\$ -	\$ -

Employer Paid Benefits & Withholding Items					
481.00	Employer Paid Withholding Taxes and Unemployment Compensation				
482.00	Judgments and Losses				
483.00	Pension/Retirement Fund Contributions	87,451			
484.00	Worker Compensation Insurance	22,644	5,135		
487.00	Group Insurance and Other Benefits	180,981			
<b>Employer-Paid Benefits &amp; Withholding Items</b>		\$ 291,076	\$ 5,135	\$ -	\$ -

Insurance					
486.00	Insurance, Casualty, and Surety	85,831			

Unclassified Operating Expenditures					
488.00	Fiduciary Fund Benefits and Refunds Paid				
489.00	All Other Unclassified Expenditures***	1,106			
<b>Total Unclassified Operating Expenditures</b>		\$ 1,106	\$ -	\$ -	\$ -

Other Financing Uses					
491.00	Refund of Prior Year Revenues	493			
492.00	Interfund Operating Transfers**	23,432	58,631	22,500	
493.00	All Other Financing Uses				
<b>Total Other Financing Uses</b>		\$ 23,925	\$ 58,631	\$ 22,500	\$ -

<b>TOTAL EXPENDITURES</b>	\$ 3,350,029	\$ 1,155,243	\$ 74,737	\$ -
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<b>EXCESS / (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	\$ 689,106	\$ 196,863	\$ (8,073)	\$ -
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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.

DCED-CLGS-30 (12/2022)  
 2022 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
471.00	Debt Principal (short-term and long-term)	425,000			425,000
472.00	Debt Interest (short-term and long-term)	138,127			138,127
475.00	Fiscal Agent Fees				-
<b>Total Debt Service</b>		\$ 563,127	\$ -	\$ -	\$ 563,127

Employer Paid Benefits & Withholding Items					
481.00	Employer Paid Withholding Taxes and Unemployment Compensation				-
482.00	Judgments and Losses				-
483.00	Pension/Retirement Fund Contributions				87,451
484.00	Worker Compensation Insurance				27,779
487.00	Group Insurance and Other Benefits	60,325			241,306
<b>Employer-Paid Benefits &amp; Withholding Items</b>		\$ 60,325	\$ -	\$ -	\$ 356,536

Insurance					
486.00	Insurance, Casualty, and Surety	10,072			95,903

Unclassified Operating Expenditures					
488.00	Fiduciary Fund Benefits and Refunds Paid				-
489.00	All Other Unclassified Expenditures***	3			1,109
<b>Total Unclassified Operating Expenditures</b>		\$ 3	\$ -	\$ -	\$ 1,109

Other Financing Uses					
491.00	Refund of Prior Year Revenues				493
492.00	Interfund Operating Transfers**	203,250			307,813
493.00	All Other Financing Uses				-
<b>Total Other Financing Uses</b>		\$ 203,250	\$ -	\$ -	\$ 308,306

<b>TOTAL EXPENDITURES</b>	\$ 1,455,891	\$ -	\$ -	\$ 6,035,900
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<b>EXCESS / (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	\$ 451,301	\$ -	\$ -	\$ 1,329,197
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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

<b>DEBT STATEMENT</b>											
Purpose	Issuance Type	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>											
General Obligation Bonds	B	2019	2032	6,235,000	5,405,000		425,000		4,980,000		\$ 4,980,000
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
<b>REVENUE BONDS AND NOTES</b>											
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
<b>LEASE RENTAL DEBT/GENERAL LEASES</b>											
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
<b>OTHER</b>											
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -

Total bonds and notes outstanding	\$ 4,980,000
Capitalized lease obligations	-
Other debt	-
<b>TOTAL OUTSTANDING DEBT</b>	<b>\$ 4,980,000</b>





**East Marlborough Township  
Kennett Square,  
Pennsylvania  
Chester County**

Condensed Annual Audit  
and  
Financial Report  
December 31, 2022



1835 Market Street, 3rd Floor  
Philadelphia, PA 19103

215/567-7770 | [bbdcpa.com](http://bbdcpa.com)



## INDEPENDENT AUDITOR'S REPORT

**Board of Supervisors  
East Marlborough Township  
Kennett Square, Pennsylvania**

### **Opinion**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the annual audit and financial report of East Marlborough Township, Kennett Square, Pennsylvania, Chester County, as of and for the year ended December 31, 2022 (not presented herein), and have issued our report thereon dated June 20, 2023.

In our opinion, the information set forth in the accompanying condensed annual audit and financial report is fairly stated, in all material respects, in relation to the annual audit and financial report from which it has been derived.

### **Basis of Accounting**

The accompanying condensed annual audit and financial report was prepared in accordance with the accounting practices prescribed or permitted by the Department of Community and Economic Development ("**DCED**") of the Commonwealth of Pennsylvania, which practices differ from accounting principles generally accepted in the United States of America. In accordance with prescribed practices permitted by DCED, the Borough does not include footnote disclosures. Our opinion is not modified with respect to this matter.

**BBD, LLP**

**Philadelphia, Pennsylvania  
June 20, 2023**

Annual Audit and Financial Report  
of East Marlborough Township  
of Chester County, Pennsylvania  
for the year ended December 31, 2022

The condensed presentation is published in accordance with Section 904 of the Township Code. A complete copy of the audit report for the year ended December 31, 2022 is on file and available for inspection at the Township office.

FUND BALANCE, All Funds, January 1, 2022 \$ 12,196,929

REVENUES AND OTHER FINANCING SOURCES

Taxes	2,793,274
Licenses & Permits	248,360
Fines & Forfeits	8,120
Interest, Rents & Royalties	474,915
Intergovernmental Revenues	880,186
Charges for Services	2,597,917
Unclassified Operating Revenues	32,929
Other Financing Sources	329,396
Total Revenues and Other Financing Sources	7,365,097

EXPENDITURES AND OTHER FINANCING USES

General Government	835,348
Public Safety	1,645,991
Health and Human Services	3,039
Public Works	
--Sanitation	661,912
--Highway, Roads and Streets	1,256,179
--Other Services	18,169
Culture and Recreation	290,281
Debt Service	563,127
Employer Paid Benefits & Withholding Items	356,536
Insurance	95,903
Unclassified Operating Expenditures	1,109
Other Financing Uses	308,306
Total Expenditures and Other Financing Uses	6,035,900

EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES 1,329,197

FUND BALANCE, All Funds, December 31, 2022 \$ 13,526,126

TOTAL ASSETS, All Funds, December 31, 2022 \$ 14,269,509

TOTAL LIABILITIES, All Funds, December 31, 2022 \$ 743,383

FUND BALANCE, All Funds, December 31, 2022 \$ 13,526,126

The Gross Debt of the Township at December 31, 2022 \$ 4,980,000

The Assessed Valuation of the Township at December 31, 2022 \$ 779,566,230