

**Application of Pennsylvania-American Water Company for Acquisition of  
the Wastewater Assets of East Coventry Township  
66 Pa. C.S. §1329  
Application Filing Checklist – Water/Wastewater**

**Docket No. A-2025-3053487**

19. Cost of Service.
- a. Provide a copy of the seller's two most recent audited financial statements.

**RESPONSE:** a. See attached the seller's two most recent audited financial statements (2023 and 2024). The financial statements are attached as **Appendices A-19-a.1 (2023)** and **A-19-a.2 (2024)**.

DCED-CLGS-30 (9-09)

Received by DCED: 04/01/2024

Approved by DCED:

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

**2023 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**150335 EAST COVENTRY TWP, CHESTER COUNTY**

DCED-CLGS-30 (9-09)



**BALANCE SHEET**

DCED-CLGS-30 (09-09)

**EAST COVENTRY TWP, CHESTER County**

**BALANCE SHEET**

December 31, 2023

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
<b>Assets and Other Debits</b>											
100-120	Cash and Investments	2,928,154	709,664	4,014,541		3,119,662					10,772,021
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)	291,366									291,366
130.00	Due From Other Funds	10,740									10,740
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets										
180-189	Other Debits		74								74
<b>Total Assets and Other Debits</b>		<b>3,230,260</b>	<b>709,738</b>	<b>4,014,541</b>		<b>3,119,662</b>					<b>11,074,201</b>
<b>Liabilities and Other Credits</b>											
210-229	Payroll Taxes and Other Payroll Withholdings										
200-209, 231-239	All Other Current Liabilities										
230.00	Due To Other Funds		6,625			4,115					10,740

DCED-CLGS-30 (09-09)

## EAST COVENTRY TWP, CHESTER County

## BALANCE SHEET

December 31, 2023

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
<b>Liabilities and Other Credits</b>											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits	1,042,735									1,042,735
<b>Total Liabilities and Other Credits</b>		1,042,735	6,625			4,115					1,053,475
<b>Fund and Account Group Equity</b>											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	2,187,525	703,113	4,014,541		3,115,547					10,020,726
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		2,187,525	703,113	4,014,541		3,115,547					10,020,726
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											11,074,201

**EAST COVENTRY TWP, CHESTER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

Taxes								
301.00	Real Estate Taxes	1,256,618						1,256,618
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	34,261						34,261
310.10	Real Estate Transfer Taxes	374,046						374,046
310.20	Earned Income Taxes / Wage Taxes	1,646,785		802,923				2,449,708
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	74,368						74,368
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
<b>Total Taxes</b>		3,386,078		802,923				4,189,001

Licenses and Permits								
320-322	All Other Licenses and Permits	32,660						32,660
321.80	Cable Television Franchise Fees	125,566						125,566
<b>Total Licenses and Permits</b>		158,226						158,226

Fines and Forfeits								
330-332	Fines and Forfeits	8,825						8,825
<b>Total Fines and Forfeits</b>		8,825						8,825

EAST COVENTRY TWP, CHESTER County  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

Interest, Rents and Royalties							
341.00	Interest Earnings	56,534	18,326	96,663		72,650	244,173
342.00	Rents and Royalties	4,650					4,650
<b>Total Interest, Rents and Royalties</b>		<b>61,184</b>	<b>18,326</b>	<b>96,663</b>		<b>72,650</b>	<b>248,823</b>

Federal							
351.03	Highways and Streets						
351.09	Community Development						
351.00	All Other Federal Capital and Operating Grants						
352.01	National Forest						
352.00	All Other Federal Shared Revenue and Entitlements						
353.00	Federal Payments in Lieu of Taxes						
<b>Total Federal</b>							

State							
354.03	Highways and Streets						
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)	2,876					2,876
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		287,686				287,686
355.04	Alcoholic Beverage Licenses						
355.05	General Municipal Pension System State Aid	140,288					140,288
355.07	Foreign Fire Insurance Tax Distribution	49,867					49,867
355.08	Local Share Assessment/Gaming Proceeds						
355.09	Marcellus Shale Impact Fee Distribution						

EAST COVENTRY TWP, CHESTER County  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

State								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
<b>Total State</b>		193,031	287,686					480,717

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	885	189,100					189,985
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
<b>Total Local Government Units</b>		885	189,100					189,985

Charges for Service								
361.00	General Government	297,083						297,083
362.00	Public Safety	235,684						235,684
363.20	Parking							
363.00	All Other Charges for Highway & Street Services	6,625						6,625
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				817,722			817,722
364.30	Solid Waste Collection and Disposal Charge (trash)							
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	7,320						7,320
368.00	Airports							

EAST COVENTRY TWP, CHESTER County  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service							
<b>Total Charges for Service</b>		546,712			817,722			1,364,434

Unclassified Operating Revenues								
383.00	Special Assessments		179,298					179,298
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors							
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	25,076						25,076
<b>Total Unclassified Operating Revenues</b>		25,076	179,298					204,374

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	17,500						17,500
392.00	Interfund Operating Transfers							
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

**EAST COVENTRY TWP, CHESTER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	7,776						7,776
<b>Total Other Financing Sources</b>		25,276						25,276
<b>TOTAL REVENUES</b>		4,405,293	485,310	1,088,686		890,372		6,869,661

**EXPENDITURES**

General Government								
400.00	Legislative (Governing) Body	13,624						13,624
401.00	Executive (Manager or Mayor)	421,910						421,910
402.00	Auditing Services / Financial Administration	125,259						125,259
403.00	Tax Collection	66,081						66,081
404.00	Solicitor / Legal Services	246,244						246,244
405.00	Secretary / Clerk							
406.00	Other General Government Administration	146,987						146,987
407.00	IT-Networking Services-Data Processing	42,344						42,344
408.00	Engineering Services	328,658						328,658
409.00	General Government Buildings and Plant	52,393						52,393
<b>Total General Government</b>		1,443,500						1,443,500

Public Safety								
410.00	Police	1,472,499						1,472,499
411.00	Fire	126,703						126,703
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	200,457						200,457

EAST COVENTRY TWP, CHESTER County  
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES**

Public Safety								
414.00	Planning and Zoning	58,716						58,716
415.00	Emergency Management and 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>		1,858,375						1,858,375

Health and Human Services								
420.00-425.00	Health and Human Services	17,283						17,283
<b>Total Health and Human Services</b>		17,283						17,283

Public Works - Sanitation								
426.00	Recycling Collection and Disposal	20,160						20,160
427.00	Solid Waste Collection and Disposal (garbage)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				373,127			373,127
<b>Total Public Works - Sanitation</b>		20,160			373,127			393,287

Public Works - Highways and Streets								
430.00	General Services - Administration	626,300		22,247				648,547
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	8,614	1,300					9,914
433.00	Traffic Control Devices		238					238
434.00	Street Lighting							

DCED-CLGS-30 (9-09)

EAST COVENTRY TWP, CHESTER County  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES**

<b>Public Works - Highways and Streets</b>								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains							
437.00	Repairs of Tools and Machinery		21,218					21,218
438.00	Maintenance and Repairs of Roads and Bridges		378,742	185,893				564,635
439.00	Highway Construction and Rebuilding Projects			78,026				78,026
<b>Total Public Works - Highways and Streets</b>		634,914	401,498	286,166				1,322,578

<b>Other Public Works Enterprises</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 Other Public Works Enterprises</b>								

<b>Culture and Recreation</b>								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation	76,378						76,378
453.00	Spectator Recreation							
454.00	Parks							

EAST COVENTRY TWP, CHESTER County  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES**

<b>Culture and Recreation</b>								
455.00	Shade Trees							
456.00	Libraries							
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
<b>Total Culture and Recreation</b>		76,378						76,378

<b>Community Development</b>								
461.00	Conservation of Natural Resources		583,536					583,536
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
<b>Total Community Development</b>			583,536					583,536

<b>Debt Service</b>								
471.00	Debt Principal (short-term and long-term)	50,400			345,000			395,400
472.00	Debt Interest (short-term and long-term)	2,702			147,500			150,202
475.00	Fiscal Agent Fees							
<b>Total Debt Service</b>		53,102			492,500			545,602

<b>Employer Paid Benefits and Withholding Items</b>								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	179,806						179,806

DCED-CLGS-30 (9-09)

**EAST COVENTRY TWP, CHESTER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2023

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES**

Employer Paid Benefits and Withholding Items								
484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits							
<b>Total Employer Paid Benefits and Withholding Items</b>		179,806						179,806

Insurance								
486.00	Insurance, Casualty, and Surety	60,448						60,448
<b>Total Insurance</b>		60,448						60,448

Unclassified Operating Expenditures								
488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures	11,803						11,803
<b>Total Unclassified Operating Expenditures</b>		11,803						11,803

Other Financing Uses								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers							
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>								

<b>TOTAL EXPENDITURES</b>	4,355,769	401,498	869,702		865,627			6,492,596
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	49,524	83,812	218,984		24,745			377,065
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DCED-CLGS-30 (9-06)

**EAST COVENTRY TWP**  
**December 31, 2023**

<b>DEBT STATEMENT</b>											
<b>OUTSTANDING BONDS AND NOTES</b>											
Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.											
Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
<b>General Obligation Bonds and Notes</b>											
General Obligation Note	Note	2004	2024	1,000,000	78,223		50,400		27,823		27,823
General Obligation Bonds - 2021	Bond	2021	2041	7,105,000	6,490,000		345,000		6,145,000		6,145,000
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
<b>Other</b>											

(1) - excludes unamortized premium/discount

<b>Total bonds and notes outstanding</b>	6,172,823
<b>Capitalized lease obligations</b>	0
<b>Net debt</b>	6,172,823

DCED-CLGS-30 (9-09)

**EAST COVENTRY TWP, CHESTER County**  
**STATEMENT OF CAPITAL EXPENDITURES**  
 December 31, 2023

Category	Capital Purchases	Capital Construction	Total
Community Development	552,319		552,319
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	36,962		36,962
Recreation			
Sewer			
Solid Waste			
Streets / Highways	75,002	139,036	214,038
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>664,283</b>	<b>139,036</b>	<b>803,319</b>

**EMPLOYEE COMPENSATION**

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

1,879,218

DCED-CLGS-30 (9-09)

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**Independent Public Accountant/Certified Public Accountant Submission Page**  
**Opinion page was provided in lieu of signature page.**

**SIGNATURE AND VERIFICATION**

Signed: Herbein and Company, Inc. Appointed Auditor/CPA

DCED-CLGS-30 (9-09)

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December 31, 2023

**NOTES / COMMENTS**

The Township has two defined benefit pension plans and a defined contribution plan administered through the Pennsylvania Municipal Retirement System (PMRS). The plans are not included on this report because they do not meet the definition of a fiduciary activity. The Township contributed \$129,409 to its police pension and \$50,397 to its nonuniformed plans during 2023.

Included in the fund balance of the general fund is \$120,500 assigned for future benefits at retirement.



***EAST COVENTRY TOWNSHIP***

**ANNUAL AUDIT AND  
FINANCIAL REPORT**

**Year Ended December 31, 2024**



## INDEPENDENT AUDITOR'S REPORT

**Township Supervisors  
East Coventry Township  
Pottstown, Pennsylvania**

**President Judge of the Court of Common Pleas**

**Secretary of the Department of Community and Economic Development**

### **Opinions**

We have audited the accompanying financial statements of East Coventry Township, Pennsylvania, which comprise the balance sheet as of December 31, 2024 and the related statement of revenues and expenditures, debt statement, and statement of capital expenditures for the year then ended in the format prescribed by the Department of Community and Economic Development of the Commonwealth of Pennsylvania (DCED).

### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Coventry Township, as of December 31, 2024, and the changes in financial position and related debt statement and statement of capital expenditures for the year then ended in accordance with the financial reporting provisions of the DCED as described in the Basis of Accounting section of our report.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of East Coventry Township, as of December 31, 2024, or changes in financial position for the year then ended, or the related notes to the financial statements.

### **Basis for Opinions**

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 in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of East Coventry 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 audit opinions.



### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in the Basis of Accounting section of our report, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the DCED. The effects on the financial statements of the variances between the regulatory basis of accounting described in the Basis of Accounting section of our report and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### **Basis of Accounting**

The financial statements are prepared on a regulatory basis of accounting within the format prescribed by the DCED, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As permitted by the DCED, the Township prepares its financial statements on the modified 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, significant differences from accounting principles generally accepted in the United States of America are the omission of the government-wide statement of net position and statement of activities, omission of presentation of major funds, and omission of substantially all the related notes to the financial statements.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the DCED. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 financial statements.



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 risks of material misstatement of the financial statements, 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 financial statements.
- 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 Coventry 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about East Coventry 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 identified during the audit.

#### **Restriction on Use**

This report is intended solely for the information and use of management, the Township Supervisors, President Judge of the Court of the Common Pleas, and the Secretary of the Department of Community and Economic Development of Pennsylvania, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Herbein + Company, Inc.*

**Reading, Pennsylvania**

**April 1, 2025**

# **2024 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT**

**150335 EAST COVENTRY TWP, CHESTER COUNTY**



## BALANCE SHEET

DCED-CLGS-30 (9-09)

**EAST COVENTRY TWP, CHESTER County**  
**BALANCE SHEET**  
 December 31, 2024

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
<b>Assets and Other Debits</b>											
100-120	Cash and Investments	3,785,386	664,832	3,788,118		4,151,479					12,389,815
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds			500,000							500,000
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets										
180-189	Other Debits										
<b>Total Assets and Other Debits</b>		3,785,386	664,832	4,288,118		4,151,479					12,889,815

<b>Liabilities and Other Credits</b>											
210-229	Payroll Taxes and Other Payroll Withholdings										
200-209, 231-239	All Other Current Liabilities		2								2
230.00	Due To Other Funds	489,260	6,625			4,115					500,000

**BALANCE SHEET**

December 31, 2024

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
<b>Liabilities and Other Credits</b>											
260-269	Long-Term-Liabilities										
240-259	Current Portion of Long-Term Debt and Other Credits	1,030,333									1,030,333
<b>Total Liabilities and Other Credits</b>		1,519,593	6,627			4,115					1,530,335
<b>Fund and Account Group Equity</b>											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	2,265,793	658,205	4,288,118		4,147,364					11,359,480
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		2,265,793	658,205	4,288,118		4,147,364					11,359,480
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											12,889,815

EAST COVENTRY TWP, CHESTER County  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

Taxes								
301.00	Real Estate Taxes	1,247,177						1,247,177
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	32,975						32,975
310.10	Real Estate Transfer Taxes	550,669						550,669
310.20	Earned Income Taxes / Wage Taxes	1,673,588	819,352					2,492,940
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	68,977						68,977
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
<b>Total Taxes</b>		<b>3,573,386</b>	<b>819,352</b>					<b>4,392,738</b>

Licenses and Permits								
320-322	All Other Licenses and Permits	27,720						27,720
321.80	Cable Television Franchise Fees	115,188						115,188
<b>Total Licenses and Permits</b>		<b>142,908</b>						<b>142,908</b>

Fines and Forfeits								
330-332	Fines and Forfeits	9,551						9,551
<b>Total Fines and Forfeits</b>		<b>9,551</b>						<b>9,551</b>

EAST COVENTRY TWP, CHESTER County  
STATEMENT OF REVENUES AND EXPENDITURES

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December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

Interest, Rents and Royalties								
341.00	Interest Earnings	87,858	9,608	118,282		129,235		344,983
342.00	Rents and Royalties	7,150						7,150
<b>Total Interest, Rents and Royalties</b>		95,008	9,608	118,282		129,235		352,133

Federal								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants							
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements							
353.00	Federal Payments in Lieu of Taxes							
<b>Total Federal</b>								

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants	43,700	6,758					50,458
355.01	Public Utility Realty Tax (PURTA)	3,225						3,225
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		286,021					286,021
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	150,997						150,997
355.07	Foreign Fire Insurance Tax Distribution	50,930						50,930
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution							

EAST COVENTRY TWP, CHESTER County  
STATEMENT OF REVENUES AND EXPENDITURES

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December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

State								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
<b>Total State</b>		248,852	292,779					541,631

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	1,196		3,289				4,485
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
<b>Total Local Government Units</b>		1,196		3,289				4,485

Charges for Service								
361.00	General Government	411,637						411,637
362.00	Public Safety	236,920						236,920
363.20	Parking							
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				1,934,190			1,934,190
364.30	Solid Waste Collection and Disposal Charge (trash)							
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation	9,540						9,540
368.00	Airports							

EAST COVENTRY TWP, CHESTER County  
STATEMENT OF REVENUES AND EXPENDITURES

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December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES****Charges for Service**

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service							
<b>Total Charges for Service</b>		658,097				1,934,190		2,592,287

**Unclassified Operating Revenues**

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	81,500						81,500
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	34,758						34,758
<b>Total Unclassified Operating Revenues</b>		116,258						116,258

**Other Financing Sources**

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	15,101						15,101
392.00	Interfund Operating Transfers			314,893				314,893
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

EAST COVENTRY TWP, CHESTER County  
STATEMENT OF REVENUES AND EXPENDITURES

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December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**REVENUES**

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	21,545						21,545
<b>Total Other Financing Sources</b>		36,646		314,893				351,539
<b>TOTAL REVENUES</b>		4,881,902	302,387	1,255,816		2,063,425		8,503,530

**EXPENDITURES**

General Government								
400.00	Legislative (Governing) Body	16,842						16,842
401.00	Executive (Manager or Mayor)	305,945						305,945
402.00	Auditing Services / Financial Administration	145,238						145,238
403.00	Tax Collection	68,767						68,767
404.00	Solicitor / Legal Services	189,693						189,693
405.00	Secretary / Clerk							
406.00	Other General Government Administration	262,644						262,644
407.00	IT-Networking Services-Data Processing	24,063						24,063
408.00	Engineering Services	461,626						461,626
409.00	General Government Buildings and Plant	42,890						42,890
<b>Total General Government</b>		1,517,708						1,517,708

Public Safety								
410.00	Police	1,505,239						1,505,239
411.00	Fire	135,417						135,417
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	234,809						234,809

EAST COVENTRY TWP, CHESTER County  
STATEMENT OF REVENUES AND EXPENDITURES

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December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES****Public Safety**

414.00	Planning and Zoning	32,017						32,017
415.00	Emergency Management and 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>		1,907,482						1,907,482

**Health and Human Services**

420.00-425.00	Health and Human Services	20,885						20,885
<b>Total Health and Human Services</b>		20,885						20,885

**Public Works - Sanitation**

426.00	Recycling Collection and Disposal	5,220						5,220
427.00	Solid Waste Collection and Disposal (garbage)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				539,458			539,458
<b>Total Public Works - Sanitation</b>		5,220			539,458			544,678

**Public Works - Highways and Streets**

430.00	General Services - Administration	667,091	76,006					743,097
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	42,287						42,287
433.00	Traffic Control Devices		1,389					1,389
434.00	Street Lighting							

EAST COVENTRY TWP, CHESTER County  
STATEMENT OF REVENUES AND EXPENDITURES

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December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES**

<b>Public Works - Highways and Streets</b>								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains		9,104					9,104
437.00	Repairs of Tools and Machinery		25,749					25,749
438.00	Maintenance and Repairs of Roads and Bridges		23,845	238,595				262,440
439.00	Highway Construction and Rebuilding Projects		211,202	676				211,878
<b>Total Public Works - Highways and Streets</b>		709,378	347,295	239,271				1,295,944

<b>Other Public Works Enterprises</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 Other Public Works Enterprises</b>								

<b>Culture and Recreation</b>								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation	108,816						108,816
453.00	Spectator Recreation							
454.00	Parks							

EAST COVENTRY TWP, CHESTER County  
STATEMENT OF REVENUES AND EXPENDITURES

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December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES**

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries							
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
<b>Total Culture and Recreation</b>		108,816						108,816

Community Development								
461.00	Conservation of Natural Resources			742,968				742,968
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development	225						225
<b>Total Community Development</b>		225		742,968				743,193

Debt Service								
471.00	Debt Principal (short-term and long-term)	27,823				355,000		382,823
472.00	Debt Interest (short-term and long-term)	461				137,150		137,611
475.00	Fiscal Agent Fees							
<b>Total Debt Service</b>		28,284				492,150		520,434

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	8,100						8,100
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	119,272						119,272

EAST COVENTRY TWP, CHESTER County  
STATEMENT OF REVENUES AND EXPENDITURES

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December 31, 2024

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

**EXPENDITURES**

<b>Employer Paid Benefits and Withholding Items</b>								
484.00	Worker Compensation Insurance							
487.00	Other Group Insurance Benefits	1,124						1,124
<b>Total Employer Paid Benefits and Withholding Items</b>		128,496						128,496
<b>Insurance</b>								
486.00	Insurance, Casualty, and Surety	55,124						55,124
<b>Total Insurance</b>		55,124						55,124
<b>Unclassified Operating Expenditures</b>								
488.00	Fiduciary Fund Benefits and Refunds Paid							
489.00	All Other Unclassified Expenditures	7,123						7,123
<b>Total Unclassified Operating Expenditures</b>		7,123						7,123
<b>Other Financing Uses</b>								
491.00	Refund of Prior Year Revenues							
492.00	Interfund Operating Transfers	314,893						314,893
493.00	All Other Financing Uses							
<b>Total Other Financing Uses</b>		314,893						314,893
<b>TOTAL EXPENDITURES</b>		4,803,634	347,295	982,239		1,031,608		7,164,776
<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>		78,268	-44,908	273,577		1,031,817		1,338,754

**DEBT STATEMENT**

**OUTSTANDING BONDS AND NOTES**

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
<b>General Obligation Bonds and Notes</b>											
General Obligation Note	Note	2004	2024	1,000,000	27,823		27,823		0		0
General Obligation Bonds - 2021	Bond	2021	2041	7,105,000	6,145,000		355,000		5,790,000		5,790,000
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
<b>Other</b>											

(1) - excludes unamortized premium/discount

<b>Total bonds and notes outstanding</b>	5,790,000
<b>Capitalized lease obligations</b>	0
<b>Net debt</b>	5,790,000

EAST COVENTRY TWP, CHESTER County  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2024

Category	Capital Purchases	Capital Construction	Total
Community Development	726,734		726,734
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	37,244		37,244
Recreation			
Sewer			
Solid Waste			
Streets / Highways	76,496	238,595	315,091
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	840,474	238,595	1,079,069

**EMPLOYEE COMPENSATION**

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

1,817,466

**Independent Public Accountant/Certified Public Accountant Submission Page**  
**Opinion page was provided in lieu of signature page.**

**SIGNATURE AND VERIFICATION**

Signed: Herbein and Company Appointed Auditor/CPA

December 31, 2024

**NOTES / COMMENTS**

The Township has two defined benefit pension plans and a defined contribution plan administered through the Pennsylvania Municipal Retirement System (PMRS). The plans are not included on this report because they do not meet the definition of a fiduciary activity. The Township contributed \$71,634 to its police pension and \$47,638 to its nonuniformed plans during 2024.

Included in the fund balance of the general fund is \$119,924 assigned for future benefits at retirement.