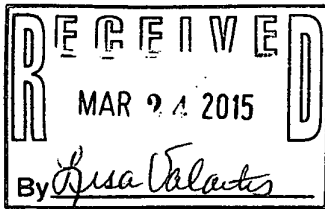


MINGIS, GUTOWSKI & COMPANY, LLP

Certified Public Accountants

791 South Chester Road, Swarthmore, PA 19081

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



March 20, 2015

Mr. Joseph Pomorski
Chairman
Board of Supervisors
East Fallowfield Township
2264 Strasburg Road
East Fallowfield, PA 19320

Dear Joe:

Enclosed find six copies of our report on the Township of East Fallowfield's 2014 financial statements. I have also provided a PDF copy to the Treasurer.

If I can be of assistance during the transition to the new treasurer, please contact me.

We appreciate the opportunity to provide accounting and auditing services to East Fallowfield Township.

Very truly yours,

A handwritten signature in black ink, which appears to be "David J. Barrett".

David J. Barrett

DJB:lmd
Enclosure

MINGIS, GUTOWSKI & COMPANY, LLP

Certified Public Accountants

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610-544-5100

FAX: 610-544-9767

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
East Fallowfield Township
East Fallowfield, PA 19320

We have audited the accompanying financial statements included in the Municipal Annual Audit and Financial Report (DCED-CLGS-30), a prescribed form, of East Fallowfield Township as of December 31, 2014 and for the year then ended.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed or permitted by the Pennsylvania Department of Community and Economic Development (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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Fallowfield Township as of December 31, 2014 and the results of its operations for the year then ended on the prescribed form in conformity with the basis of accounting described below.

Basis of Accounting

East Fallowfield Township's policy is to prepare its financial statements for inclusion in the Municipal Annual Audit and Financial Report (DCED-CLGS-30), a prescribed form, on a basis of accounting that demonstrates compliance with accounting principles prescribed or permitted by the Department of Community and Economic Development, which is a special purpose framework other than accounting principles generally accepted in the United States of America. East Fallowfield Township prepares its annual audit and financial report on the modified accrual basis of accounting but, as permitted by DCED, does not include Management's Discussion and Analysis (MD&A), government-wide statements, budget-to-actual comparisons or footnote disclosures. Our opinion is not modified with respect to this matter.

Restriction on Use

This report is intended solely for the information and use of management and the Supervisors of East Fallowfield Township and for filing with the Department of Community and Economic Development and should not be used by anyone other than these specified parties.

Mingis, Gutowski & Company, LLP

Swarthmore, Pennsylvania
March 16, 2015

2014 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

150365 EAST FALLOWFIELD TWP, CHESTER COUNTY



BALANCE SHEET

DCED-CLOGS-30 (09-09)

EAST FALLOWFIELD TWP, CHESTER COUNTY

BALANCE SHEET

December 31, 2014

	Assets and Other Debits									
	Governmental Funds					Proprietary Funds		Fid. Fund	Account Groups	
	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
100-120 Cash and Investments	766,015	105,713	334,034				418,509			1,624,271
140-144 Tax Receivable	365,555									365,555
121-129, 145-149 Accounts Receivable (excluding taxes)	66,966						22,152			89,118
130-00 Due From Other Funds	5,212									5,212
131-139, 150-159 Other Current Assets	40,605	18								40,623
160-169 Fixed Assets								8,200,022		8,200,022
180-189 Other Debits									41,905	41,905
Total Assets and Other Debits	1,244,353	105,731	334,034				440,661	8,200,022	41,905	10,366,706

Liabilities and Other Credits											
210-229 Payroll Taxes and Other Payroll Withholdings	9,696										9,696
200-209, 231-239 All Other Current Liabilities	102,963						435,449				538,412
230-00 Due To Other Funds							5,212				5,212

BALANCE SHEET

Governmental Funds	Proprietary Funds	Fid. Fund	Account Groups	Total
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Fund and Account Group Equity										
281-284	Contributed Capital									
290.00	Investment in General Fixed Assets								8,200,022	8,200,022
270-289	Fund Balance / Retained Earnings on 12/31	1,131,694	105,731							1,237,425
291-299	Other Equity					334,034				334,034
Total Fund and Account Group Equity		1,131,694	105,731			334,034			8,200,022	9,771,481

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY		10,366,706

EAST FALLOWFIELD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2014

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								
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	132,048							132,048
310.20	Earned Income Taxes / Wage Taxes	1,548,889							1,548,889
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	18,913							18,913
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other Local Tax Enabling Act / Act 511 / Taxes								
	Other: _____								
	Total Taxes	1,699,850							1,699,850

Licenses and Permits									
320-322	All Other Licenses and Permits	52,104							52,104
321.80	Cable Television Franchise Fees	160,750							160,750
	Total Licenses and Permits	212,854							212,854

Fines and Forfeits									
330-332	Fines and Forfeits	21,306							21,306
	Total Fines and Forfeits	21,306							21,306

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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	699	91	212				1,002
342.00	Rents and Royalties							
	Total Interest, Rents and Royalties	699	91	212				1,002

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	699						699
353.00	Federal Payments in Lieu of Taxes							
	Total Federal	699						699

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	3,437						3,437
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	1,809						1,809
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		240,600					240,600
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	81,326						81,326
355.07	Foreign Fire Insurance Tax Distribution	53,957						53,957
355.08	Local Share Assessment/Gaming Proceeds							

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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								
355.09	Marcellus Shale Impact Fee Distribution							
355.00	All Other State Shared Revenues and Entitlements	46,845						46,845
356.00	State Payments in Lieu of Taxes							
	Total State	187,374	240,600					427,974

Local Government Units								
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 and Authorities Payments in Lieu of Taxes							
	Total Local Government Units							

Charges for Service								
361.00	General Government	58,553						58,553
362.00	Public Safety							
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.)							
364.30	Solid Waste Collection and Disposal Charge (trash)	611,620						611,620
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	200						200

EAST FALLOWFIELD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2014

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									
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								
	Total Charges for Service	670,373							670,373

Unclassified Operating Revenues									
383.00	Special Assessments								
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	5,672							5,672
	Total Unclassified Operating Revenues	5,672							5,672

Other Financing Sources									
391.00	Proceeds of General Fixed Asset Disposition								
392.00	Interfund Operating Transfers	21,340							21,340
393.00	Proceeds of General Long-Term Debt								
394.00	Proceeds of Short Term-Debt								

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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							
	Total Other Financing Sources	21,340						21,340

TOTAL REVENUES	2,798,827	262,031	212					3,061,070
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	10,000						10,000
401.00	Executive (Manager or Mayor)							
402.00	Auditing Services / Financial Administration	14,720						14,720
403.00	Tax Collection	273						273
404.00	Solicitor / Legal Services	53,787						53,787
405.00	Secretary / Clerk	39,151						39,151
406.00	Other General Government Administration	96,769	35,287					132,056
407.00	IT-Networking Services-Data Processing	5,923						5,923
408.00	Engineering Services	24,859						24,859
409.00	General Government Buildings and Plant	17,899						17,899
	Total General Government	263,381	35,287					298,668

Public Safety								
410.00	Police	772,311						772,311
411.00	Fire	143,650						143,650
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	19,912						19,912
414.00	Planning and Zoning	2,461						2,461
415.00	Emergency Management and Communications							

EAST FALLOWFIELD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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									
416.00	Militia and Armories								
417.00	Examination of Licensed Occupations								
418.00	Public Scales (weights and measures)								
419.00	Other Public Safety								
	Total Public Safety	938,334							938,334

Health and Human Services									
420.00-425.00	Health and Human Services	5,320							5,320
	Total Health and Human Services	5,320							5,320

Public Works - Sanitation									
426.00	Recycling Collection and Disposal								
427.00	Solid Waste Collection and Disposal (garbage)	566,451							566,451
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection								
	Total Public Works - Sanitation	566,451							566,451

Public Works - Highways and Streets									
430.00	General Services - Administration	292,194							292,194
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance - Snow Removal		42,487						42,487
433.00	Traffic Control Devices		993						993
434.00	Street Lighting		1,107						1,107
435.00	Sidewalks and Crosswalks								
436.00	Storm Sewers and Drains		2,115						2,115

EAST FALLOWFIELD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2014

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

EXPENDITURES

Public Works - Highways and Streets								
437.00	Repairs of Tools and Machinery	159	42,896					43,055
438.00	Maintenance and Repairs of Roads and Bridges		29,970					29,970
439.00	Highway Construction and Rebuilding Projects		100,469					100,469
	Total Public Works Highways and Streets	292,353	220,037					512,390

Other Public Works Enterprises								
440.00	Airports							
441.00	Cemeteries							
442.00	Electric System							
443.00	Gas System							
444.00	Markets							
445.00	Parking							
446.00	Storm Water and Flood Control							
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
	Total Other Public Works Enterprises							

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	5,321						5,321
455.00	Shade Trees							
456.00	Libraries							

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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								
457.00	Civil and Military Celebrations							
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation	25,487						25,487
	Total Culture and Recreation	30,808						30,808

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

Debt Service								
471.00	Debt Principal (short-term and long-term)							
472.00	Debt Interest (short-term and long-term)		2,312					2,312
475.00	Fiscal Agent Fees							
	Total Debt Service		2,312					2,312

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	84,240						84,240
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	84,108						84,108
484.00	Worker Compensation Insurance	81,847						81,847

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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

487.00	Other Group Insurance Benefits	255,790					255,790
	Total Employer Paid Benefits and Withholding Items	505,985					505,985

Insurance

486.00	Insurance, Casualty, and Surety	44,891					44,891
	Total Insurance	44,891					44,891

Unclassified Operating Expenditures

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

Other Financing Uses

491.00	Refund of Prior Year Revenues						
492.00	Interfund Operating Transfers	21,340					21,340
493.00	All Other Financing Uses						
	Total Other Financing Uses	21,340					21,340

TOTAL EXPENDITURES

2,668,863	220,037	37,599					2,926,499
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES

129,964	41,994	-37,387					134,571
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EAST FALLOWFIELD TWP

December 31, 2014

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Revenue Bonds and Notes											
Lease Rental Debt											
2 police cars	Capital Leases	2013	2016	67,596	49,489		15,728		33,761		33,761
Freightliner dump truck	Capital Leases	2011	2014	136,639	34,661		34,661		0		0
police car	Capital Leases	2012	2015	31,633	22,951		14,807		8,144		8,144
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

41,905

Capitalized lease obligations

Net debt

41,905

EAST FALLOWFIELD TWP, CHESTER County

STATEMENT OF CAPITAL EXPENDITURES

December 31, 2014

Category	Capital Purchases	Capital Construction	Total
Electric			
Fire			
Gas System			
General Government	2,740		2,740
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	9,305		9,305
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: _____			
Community Development			
TOTAL CAPITAL EXPENDITURES	12,045		12,045

EMPLOYEE COMPENSATION

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

1,075,847

NOTES / COMMENTS

Adjustments have been made to beginning fund balances to report amounts in accordance with DCED special purpose reporting framework

2014 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT

150365 EAST FALLOWFIELD TWP, CHESTER COUNTY



BALANCE SHEET

DCED-CLCS-30 (09-09)

EAST FALLOWFIELD TWP, CHESTER County BALANCE SHEET December 31, 2014

		Governmental Funds								Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Funds)	Capital Projects	Debt Service	Enterprise	Internal Service	General Fixed Assets	General Long-Term Debt						
Assets and Other Debits															
100-120	Cash and Investments	766,015	105,713	334,034						418,509				1,624,271	
140-144	Tax Receivable	365,555												365,555	
121-129, 145-149	Accounts Receivable (excluding taxes)	68,966								22,152				89,118	
130-00	Due From Other Funds	5,212												5,212	
131-139, 150-159	Other Current Assets	40,605	18											40,623	
160-169	Fixed Assets										8,200,022			8,200,022	
180-189	Other Debits											41,905		41,905	
Total Assets and Other Debits		1,244,353	105,731	334,034						440,661	8,200,022	41,905		10,366,708	

Liabilities and Other Credits												
210-229 Payroll Taxes and Other Payroll Withholdings		9,696										9,696
200-209, 231-239 All Other Current Liabilities		102,983							435,449			538,412
230-00 Due To Other Funds									5,212			5,212

EAST FALLOWFIELD TWP, CHESTER County
BALANCE SHEET
 December 31, 2014

	Governmental Funds					Fid. Fund	Account Groups		Total
	General Fund	Special Revenue (including State Liquid Funds)	Capital Projects	Debt Service	Enterprise	Internal Service	General Fixed Assets	General Long Term Debt	
Liabilities and Other Credits									
260-269 Long-Term-Liabilities								15,656	15,656
240-259 Current Portion of Long-Term Debt and Other Credits								26,249	26,249
Total Liabilities and Other Credits	112,659					440,661		41,905	595,225

Fund and Account Group Equity									
281-284	Contributed Capital								
290-00	Investment in General Fixed Assets						8,200,022		8,200,022
270-289	Fund Balance / Retained Earnings on 12/31	1,131,694	105,731						1,237,425
281-289	Other Equity			334,034					334,034
Total Fund and Account Group Equity		1,131,694	105,731	334,034			8,200,022		9,771,481

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	10,366,706
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EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

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

REVENUES

Taxes									
301.00	Real Estate Taxes								
305.00	Occupation Taxes (levied under municipal code)								
308.00	Residence Taxes (levied by cities of the 3rd Class)								
308.00	Regional Asset District Sales Tax (Allegheny County municipalities only)								
310.00	Per Capita Taxes								
310.10	Real Estate Transfer Taxes	132,048							132,048
310.20	Earned Income Taxes / Wage Taxes	1,548,889							1,548,889
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	18,913							18,913
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other Local Tax Enabling Act / Act 511 / Taxes								
	Other:								
	Total Taxes	1,699,850							1,699,850

Licenses and Permits									
320-322	All Other Licenses and Permits	52,104							52,104
321.80	Cable Television Franchise Fees	160,750							160,750
	Total Licenses and Permits	212,854							212,854

Fines and Forfeits									
330-332	Fines and Forfeits	21,306							21,306
	Total Fines and Forfeits	21,306							21,306

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

REVENUES

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

Interest, Rents and Royalties								
341.00	Interest Earnings	699	91	212				1,002
342.00	Rents and Royalties							
	Total Interest, Rents and Royalties	699	91	212				1,002

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	699						699
353.00	Federal Payments in Lieu of Taxes							
	Total Federal	699						699

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	3,437						3,437
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	1,809						1,809
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		240,600					240,600
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	81,326						81,326
355.07	Foreign Fire Insurance Tax Distribution	53,957						53,957
355.08	Local Share Assessment/Gaming Proceeds							

EAST FALLOWFIELD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

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

REVENUES

State							
355.08	Marcellus Shale Impact Fee Distribution						
355.00	All Other State Shared Revenues and Entitlements	46,845					46,845
356.00	State Payments in Lieu of Taxes						
Total State		187,374	240,600				427,974

Local Government Units							
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 and Authorities Payments in Lieu of Taxes						
Total Local Government Units							

Charges for Service							
361.00	General Government	58,553					58,553
362.00	Public Safety						
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.)						
364.30	Solid Waste Collection and Disposal Charge (trash)	611,620					611,620
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	200					200

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

Governmental Funds						Proprietary Funds	Fiduciary Fund	Total
General Fund	Special Revenue (including State/Local Funds)	Capital Projects	Debt Services	Enterprise	Internal Service	Trust and Agency	Memorandum Only	

REVENUES

Charges for Service								
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							
Total Charges for Service		670,373						670,373

Unclassified Operating Revenues								
383.00	Special Assessments							
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	5,672						5,672
Total Unclassified Operating Revenues		5,672						5,672

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers		21,340					21,340
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term Debt							

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

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
	Total Other Financing Sources

2,798,827	262,031	212						3,061,070
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EXPENDITURES

General Government	
400.00	Legislative (Governing) Body
401.00	Executive (Manager or Mayor)
402.00	Auditing Services / Financial Administration
403.00	Tax Collection
404.00	Solicitor / Legal Services
405.00	Secretary / Clerk
406.00	Other General Government Administration
407.00	IT-Networking Services-Data Processing
408.00	Engineering Services
409.00	General Government Buildings and Plant
	Total General Government

Public Safety	
410.00	Police
411.00	Fire
412.00	Ambulance / Rescue
413.00	UCC and Code Enforcement
414.00	Planning and Zoning
415.00	Emergency Management and Communications

EAST FALLOWFIELD TWP, CHESTER COUNTY

December 31, 2014

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

EXPENDITURES

Public Safety												
416.00	Militia and Armories											
417.00	Examination of Licensed Occupations											
418.00	Public Scales (weights and measures)											
419.00	Other Public Safety											
Total Public Safety											938,334	938,334

Health and Human Services					
420.00- 425.00	Health and Human Services	5,320			5,320
Total Health and Human Services		5,320			5,320

Public Works - Sanitation							
426.00	Recycling Collection and Disposal						
427.00	Solid Waste Collection and Disposal (garbage)	566,451					566,451
428.00	Weed Control						
429.00	Wastewater / Sewage Treatment and Collection						
Total Public Works - Sanitation		566,451					566,451

Public Works - Highways and Streets									
430.00	General Services - Administration		292,194						292,194
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal			42,487					42,487
433.00	Traffic Control Devices			993					993
434.00	Street Lighting			1,107					1,107
435.00	Sidewalks and Crosswalks								
436.00	Storm Sewers and Drains			2,115					2,115

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

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

EXPENDITURES

Public Works - Highways and Streets									
437.00	Repairs of Tools and Machinery	159	42,896						43,055
438.00	Maintenance and Repairs of Roads and Bridges		29,970						29,970
439.00	Highway Construction and Rebuilding Projects		100,469						100,469
	Total Public Works - Highways and Streets	292,353	220,037						512,390

Other Public Works Enterprises									
440.00	Airports								
441.00	Cemeteries								
442.00	Electric System								
443.00	Gas System								
444.00	Markets								
445.00	Parking								
446.00	Storm Water and Flood Control								
447.00	Transit System								
448.00	Water System								
449.00	Water Transport and Terminals								
	Total Other Public Works Enterprises								

Culture and Recreation									
451.00	Culture-Recreation Administration								
452.00	Participant Recreation								
453.00	Spectator Recreation								
454.00	Parks	5,321							5,321
455.00	Shade Trees								
456.00	Libraries								

EAST FALLOWFIELD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

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

EXPENDITURES

Culture and Recreation							
457.00	Civil and Military Celebrations						
458.00	Senior Citizens' Centers						
459.00	All Other Culture and Recreation	25,487					25,487
	Total Culture and Recreation	30,808					30,808

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

Debt Service							
471.00	Debt Principal (short-term and long-term)						
472.00	Debt Interest (short-term and long-term)		2,312				2,312
475.00	Fiscal Agent Fees						
	Total Debt Service		2,312				2,312

Employer Paid Benefits and Withholding Items							
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	84,240					84,240
482.00	Judgments and Losses						
483.00	Pension / Retirement Fund Contributions	84,108					84,108
484.00	Worker Compensation Insurance	81,847					81,847

EAST FALLOWFIELD TWP, CHESTER COUNTY

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

EXPENDITURES

Employer Paid Benefits and Withholding Items										
497.00	Other Group Insurance Benefits					255,790				255,790
Total Employer Paid Benefits and Withholding Items						505,985				505,985

Insurance					
486.00	Insurance, Casualty, and Surety				44,891
Total Insurance					44,891

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

Other Financing Uses									
491.00	Refund of Prior Year Revenues								
492.00	Interfund Operating Transfers					21,340			21,340
493.00	All Other Financing Uses								
Total Other Financing Uses						21,340			21,340

TOTAL EXPENDITURES	2,668,863	220,037	37,599				2,926,499
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	129,964	41,994	-37,387		134,571
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EAST FALLOWFIELD TWP

December 31, 2014

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Revenue Bonds and Notes											
Lease Rental Debt											
2 police cars	Capital Leases	2013	2016	67,596	49,489		15,728		33,761		33,761
Freightliner dump truck	Capital Leases	2011	2014	136,639	34,661		34,661		0		0
police car	Capital Leases	2012	2015	31,633	22,951		14,807		8,144		8,144
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

41,905

Capitalized lease obligations

Net debt

41,905

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2014

Category	Capital Purchases	Capital Construction	Total
Electric			
Fire			
Gas System			
General Government	2,740		2,740
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	9,305		9,305
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: _____			
Community Development			
TOTAL CAPITAL EXPENDITURES	12,045		12,045

EMPLOYEE COMPENSATION

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

1,075,847

NOTES / COMMENTS

Adjustments have been made to beginning fund balances to report amounts in accordance with DCED special purpose reporting framework

MINGIS, GUTOWSKI & COMPANY, LLP

Certified Public Accountants 791 South Chester Road, Swarthmore, PA 19081

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

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
East Fallowfield Township
East Fallowfield, PA 19320

We have audited the accompanying financial statements included in the Municipal Annual Audit and Financial Report (DCED-CLGS-30), a prescribed form, of East Fallowfield Township as of December 31, 2014 and for the year then ended.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed or permitted by the Pennsylvania Department of Community and Economic Development (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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Fallowfield Township as of December 31, 2014 and the results of its operations for the year then ended on the prescribed form in conformity with the basis of accounting described below.

Basis of Accounting

East Fallowfield Township's policy is to prepare its financial statements for inclusion in the Municipal Annual Audit and Financial Report (DCED-CLGS-30), a prescribed form, on a basis of accounting that demonstrates compliance with accounting principles prescribed or permitted by the Department of Community and Economic Development, which is a special purpose framework other than accounting principles generally accepted in the United States of America. East Fallowfield Township prepares its annual audit and financial report on the modified accrual basis of accounting but, as permitted by DCED, does not include Management's Discussion and Analysis (MD&A), government-wide statements, budget-to-actual comparisons or footnote disclosures. Our opinion is not modified with respect to this matter.

Page 3

Restriction on Use

This report is intended solely for the information and use of management and the Supervisors of East Fallowfield Township and for filing with the Department of Community and Economic Development and should not be used by anyone other than these specified parties.

Mingis, Gutowski & Company, LLP

Swarthmore, Pennsylvania
March 16, 2015

MINGIS, GUTOWSKI & COMPANY, LLP

**2014 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

150365 EAST FALLOWFIELD TWP, CHESTER COUNTY



BALANCE SHEET

DCED-CLGS-30 (09-09)

EAST FALLOWFIELD TWP, CHESTER County
BALANCE SHEET
December 31, 2014

	Governmental Funds					Proprietary Funds		Fid. Fund	Account Groups		Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Services	General Fixed Assets		General Long-Term Debt		
Assets and Other Debits											
100-120 Cash and Investments	766,015	105,713	334,034				418,509				1,624,271
140-144 Tax Receivable	365,555										365,555
121-129, 145-149 Accounts Receivable (excluding taxes)	66,966						22,152				89,118
130-00 Due From Other Funds	5,212										5,212
131-139, 150-159 Other Current Assets	40,605	18									40,623
160-169 Fixed Assets								8,200,022			8,200,022
180-189 Other Debits									41,905		41,905
Total Assets and Other Debits	1,244,353	105,731	334,034				440,661	8,200,022	41,905		10,366,706

Liabilities and Other Credits			
210-229 Payroll Taxes and Other Payroll Withholdings	9,696		9,696
200-209, 231-239 All Other Current Liabilities	102,983	435,449	538,412
230-00 Due To Other Funds		5,212	5,212

December 31, 2014

		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	
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									15,656	15,656
240-259	Current Portion of Long-Term Debt and Other Credits									26,249	26,249
Total Liabilities and Other Credits		112,659						440,661		41,905	595,225

Fund and Account Group Equity												
281-284	Contributed Capital											
290.00	Investment in General Fixed Assets										8,200,022	8,200,022
270-289	Fund Balance / Retained Earnings on 12/31	1,131,594		105,731								1,237,425
291-299	Other Equity		334,034									334,034
Total Fund and Account Group Equity		1,131,594	334,034	105,731							8,200,022	9,771,481

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	10,366,706
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EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

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

REVENUES

Taxes									
301.00	Real Estate Taxes								
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	132,048							132,048
310.20	Earned Income Taxes / Wage Taxes	1,548,889							1,548,889
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	18,913							18,913
310.60	Amusement / Admission Taxes								
310.70	Mechanical Device Taxes								
310.90	Other Local Tax Enabling Act / Act 511 / Taxes								
	Other: _____								
	Total Taxes	1,699,850							1,699,850

Licenses and Permits									
320-322	All Other Licenses and Permits	52,104							52,104
321.80	Cable Television Franchise Fees	160,750							160,750
	Total Licenses and Permits	212,854							212,854

Fines and Forfeits									
330-332	Fines and Forfeits	21,306							21,306
	Total Fines and Forfeits	21,306							21,306

EAST FALLOWFIELD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

REVENUES

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

Interest, Rents and Royalties								
341.00	Interest Earnings	699	91	212				1,002
342.00	Rents and Royalties							
	Total Interest, Rents and Royalties	699	91	212				1,002

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	699						699
353.00	Federal Payments in Lieu of Taxes							
	Total Federal	699						699

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	3,437						3,437
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	1,809						1,809
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		240,600					240,600
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	81,326						81,326
355.07	Foreign Fire Insurance Tax Distribution	53,957						53,957
355.08	Local Share Assessment/Gaming Proceeds							

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

REVENUES

		Governmental Funds					Proprietary Funds		Fiduciary Fund	Total
State		General Fund	Special Revenue (Including State Liquor Fuels)	Capital Projects	Debt Service	Enterprises	Internal Service	Trust and Agency	Memorandum Only	
355.09	Marcellus Shale Impact Fee Distribution									
355.00	All Other State Shared Revenues and Entitlements	46,845								46,845
356.00	State Payments in Lieu of Taxes									
	Total State	187,374	240,600							427,974

Local Government Units										
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 and Authorities Payments in Lieu of Taxes									
	Total Local Government Units									

Charges for Service										
361.00	General Government	58,553								58,553
362.00	Public Safety									
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.)									
364.30	Solid Waste Collection and Disposal Charge (trash)	611,620								611,620
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	200								200

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

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

REVENUES

Charges for Service								
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							
Total Charges for Service		670,373						670,373

Unclassified Operating Revenues								
383.00	Special Assessments							
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	5,672						5,672
Total Unclassified Operating Revenues		5,672						5,672

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers		21,340					21,340
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

EAST FALLOWFIELD TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

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

REVENUES

Other Financing Sources							
395.00	Refunds of Prior Year Expenditures						
	Total Other Financing Sources	21,340					21,340

TOTAL REVENUES	2,798,827	262,031	212				3,061,070
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EXPENDITURES

General Government							
400.00	Legislative (Governing) Body	10,000					10,000
401.00	Executive (Manager or Mayor)						
402.00	Auditing Services / Financial Administration	14,720					14,720
403.00	Tax Collection	273					273
404.00	Solicitor / Legal Services	53,787					53,787
405.00	Secretary / Clerk	39,151					39,151
406.00	Other General Government Administration	96,769	35,287				132,056
407.00	IT-Networking Services-Data Processing	5,923					5,923
408.00	Engineering Services	24,859					24,859
409.00	General Government Buildings and Plant	17,899					17,899
	Total General Government	263,381	35,287				298,668

Public Safety							
410.00	Police	772,311					772,311
411.00	Fire	143,650					143,650
412.00	Ambulance / Rescue						
413.00	UCC and Code Enforcement	19,912					19,912
414.00	Planning and Zoning	2,461					2,461
415.00	Emergency Management and Communications						

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2014

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

EXPENDITURES

Public Safety									
415.00	Militia and Ammunitions								
417.00	Examination of Licensed Occupations								
418.00	Public Scales (weights and measures)								
419.00	Other Public Safety								
Total Public Safety		938,334							938,334

Health and Human Services									
420.00-425.00	Health and Human Services	5,320							5,320
Total Health and Human Services		5,320							5,320

Public Works - Sanitation									
426.00	Recycling Collection and Disposal								
427.00	Solid Waste Collection and Disposal (garbage)	566,451							566,451
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection								
Total Public Works - Sanitation		566,451							566,451

Public Works - Highways and Streets									
430.00	General Services - Administration	292,194							292,194
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance - Snow Removal		42,487						42,487
433.00	Traffic Control Devices		993						993
434.00	Street Lighting		1,107						1,107
435.00	Sidewalks and Crosswalks								
436.00	Storm Sewers and Drains		2,115						2,115

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2014

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

EXPENDITURES

Public Works - Highways and Streets								
437.00	Repairs of Tools and Machinery	159	42,896					43,055
438.00	Maintenance and Repairs of Roads and Bridges		29,970					29,970
439.00	Highway Construction and Rebuilding Projects		100,469					100,469
	Total Public Works - Highways and Streets	292,353	220,037					512,390

Other Public Works Enterprises								
440.00	Airports							
441.00	Cemeteries							
442.00	Electric System							
443.00	Gas System							
444.00	Markets							
445.00	Parking							
446.00	Storm Water and Flood Control							
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
	Total Other Public Works Enterprises							

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	5,321						5,321
455.00	Shade Trees							
456.00	Libraries							

EAST FALLOWFIELD TWP, CHESTER COUNTY

December 31, 2014

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

[illegible]

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

Debt Service									
471.00	Debt Principal (short-term and long-term)								
472.00	Debt Interest (short-term and long-term)			2,312					2,312
475.00	Fiscal Agent Fees								
	Total Debt Service			2,312					2,312

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	84,240						84,240
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	84,108						84,108
484.00	Worker Compensation Insurance	81,847						81,847

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF REVENUES AND EXPENDITURES
December 31, 2014

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							
487.00	Other Group Insurance Benefits	255,790					255,790
	Total Employer Paid Benefits and Withholding Items	505,985					505,985

Insurance							
488.00	Insurance, Casualty, and Surety	44,891					44,891
	Total Insurance	44,891					44,891

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

Other Financing Uses							
491.00	Refund of Prior Year Revenues						
492.00	Interfund Operating Transfers	21,340					21,340
493.00	All Other Financing Uses						
	Total Other Financing Uses	21,340					21,340

TOTAL EXPENDITURES	2,668,863	220,037	37,599				2,926,499
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	129,964	41,994	-37,387				134,571
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EAST FALLOWFIELD TWP

December 31, 2014

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
Capital Obligation Bonds and Notes											
Revenue Bonds and Notes											
Lease Rental Debt											
2 police cars	Capital Leases	2013	2016	67,596	49,489		15,728		33,761		33,761
Freightliner dump truck	Capital Leases	2011	2014	136,639	34,661		34,661		0		0
police car	Capital Leases	2012	2015	31,633	22,951		14,807		8,144		8,144
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

41,905

Capitalized lease obligations

Not debt

41,905

EAST FALLOWFIELD TWP, CHESTER COUNTY
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2014

Category	Capital Purchases	Capital Construction	Total
Electric			
Fire			
Gas System			
General Government	2,740		2,740
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police	9,305		9,305
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other: _____			
Community Development			
TOTAL CAPITAL EXPENDITURES	12,045		12,045

EMPLOYEE COMPENSATION

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

1,075,847

December 31, 2014

NOTES / COMMENTS

Adjustments have been made to beginning fund balances to report amounts in accordance with DCED special purpose reporting framework

MINGIS, GUTOWSKI & COMPANY, LLP

Certified Public Accountants 791 South Chester Road, Swarthmore, PA 19081

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

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
East Fallowfield Township
East Fallowfield, PA 19320

We have audited the accompanying financial statements included in the Municipal Annual Audit and Financial Report (DCED-CLGS-30), a prescribed form, of East Fallowfield Township as of December 31, 2014 and for the year then ended.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed or permitted by the Pennsylvania Department of Community and Economic Development (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 Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Fallowfield Township as of December 31, 2014 and the results of its operations for the year then ended on the prescribed form in conformity with the basis of accounting described below.

Basis of Accounting

East Fallowfield Township's policy is to prepare its financial statements for inclusion in the Municipal Annual Audit and Financial Report (DCED-CLGS-30), a prescribed form, on a basis of accounting that demonstrates compliance with accounting principles prescribed or permitted by the Department of Community and Economic Development, which is a special purpose framework other than accounting principles generally accepted in the United States of America. East Fallowfield Township prepares its annual audit and financial report on the modified accrual basis of accounting but, as permitted by DCED, does not include Management's Discussion and Analysis (MD&A), government-wide statements, budget-to-actual comparisons or footnote disclosures. Our opinion is not modified with respect to this matter.

Restriction on Use

This report is intended solely for the information and use of management and the Supervisors of East Fallowfield Township and for filing with the Department of Community and Economic Development and should not be used by anyone other than these specified parties.

Mingis, Gutowski & Company, LLP

Swarthmore, Pennsylvania
March 16, 2015

MINGIS, GUTOWSKI & COMPANY, LLP

Certified Public Accountants

791 South Chester Road, Swarthmore, PA 19081

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

August 18, 2014

Ms. Rosemary Moore
Treasurer
East Fallowfield Township
2264 Strasburg Road
East Fallowfield, PA 19320

Dear Rosemary:

Enclosed find six copies of our report on the Township of East Fallowfield's 2013 financial statements. I have also provided you a PDF copy.

Thank you for your assistance in the completion of this audit.

Very truly yours,



David J. Barrett

DJB:imd
Enclosure

EAST FALLOWFIELD TOWNSHIP

REPORT TO THE BOARD OF SUPERVISORS

GOVERNANCE LETTER

AUGUST 2014

MINGIS, GUTOWSKI & COMPANY, LLP
Certified Public Accountants
Swarthmore, Pennsylvania 19081

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Required Communication to Those Charged with Governance	1
Communication Regarding a Material Weakness in Internal Control	4

July _____, 2014

Board of Supervisors
East Fallowfield Township
East Fallowfield, Pennsylvania

Our responsibility under U.S. Generally Accepted Auditing Standards

We have audited the financial statements of East Fallowfield Township (The Township) for the year ended December 31, 2013, and have issued our report thereon dated August 15, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 19, 2012 for 2012 and 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013. We noted no transactions entered into by the Township during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because

Board of Supervisors
East Fallowfield Township
July _____, 2014

of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting The Township's financial statements were:

Management's estimates of the allowances for uncollected and delinquent trash fees and deferred revenues resulting from earned income tax and trash fees estimated using actual collections in a subsequent year.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. All significant misstatements identified during our audit have been corrected.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 14, 2014.

Board of Supervisors
East Fallowfield Township
July ____, 2014

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to The Township’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants for this purpose.

Other Significant Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as The Township’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of East Fallowfield Township and Township management and is not intended to be and should not be used by anyone other than these specified parties.

Swarthmore, Pennsylvania

EAST FALLOWFIELD TOWNSHIP

REPORT TO THE BOARD OF SUPERVISORS

COMMUNICATION OF MATERIAL WEAKNESS

AUGUST 2014

MINGIS, GUTOWSKI & COMPANY, LLP
Certified Public Accountants
Swarthmore, Pennsylvania 19081

COMMUNICATION OF SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESSES

Board of Supervisors
East Fallowfield Township
East Fallowfield, Pennsylvania

In planning and performing our audit of the financial statements of the governmental activities and each major fund of East Fallowfield Township as of and for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered East Fallowfield Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of East Fallowfield Township's internal control. Accordingly, we do not express an opinion on the effectiveness of East Fallowfield Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and a deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in East Fallowfield Township's internal control to be material weaknesses:

Board of Supervisors
East Fallowfield Township
July _____, 2014

Lack of Segregation of Duties

The absence of or inadequate segregation of duties within the accounting function represents a material weakness in internal control. Due to the size of the Township's staff, the same individual who is responsible for processing accounting transactions is also responsible for reconciliation and monitoring procedures. We recommend that staffing within the department be evaluated to determine whether adequate segregation of duties can be achieved. We would be pleased to discuss and assist in this evaluation.

Reconciliation of Escrow Funds

Prior to 2010, the Township had not adequately performed collection procedures for reimbursement of costs incurred, which resulted in a significant number of individual escrow accounts not being closed out on a timely basis. In addition, the Township did not separately record the assets and liabilities associated with the escrow accounts and, as a result, the Township's ledger reflects a negative asset of approximately \$768,000.

The total of the ending balance per the escrow account should be reconciled to the general ledger on a monthly basis. In addition, we recommend the Township review the detail of the escrow deposits currently outstanding. The disposition of any old deposit balances should be reviewed and a policy should be established to collect amounts owed and return the unused portion on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in East Fallowfield Township's internal control to be a significant deficiency.

Unclaimed Funds are Not Reconciled on a Timely Basis

Numerous old checks are listed as outstanding on the Township's bank reconciliation. Approximately 50 of these checks date back to the period 2005-2008. Pennsylvania escheat laws require unclaimed property to be reported to the state annually and to be remitted after 5 years. The Township maintains an account on its books titled Unclaimed Funds, which has a balance of \$17,656 at December 31, 2013. It is possible that certain unclaimed checks included in the total represent bookkeeping errors (such as voided checks that were re-issued) and

Board of Supervisors
East Fallowfield Township
July _____, 2014

do not represent unclaimed funds.

We believe that the Township Treasurer has revised the process and reviews unclaimed funds on an annual basis. It is imperative that this account be reviewed and adjusted, as appropriate, before any funds are remitted to the state.

This communication is intended solely for the information and use of management, the Board of Supervisors, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Swarthmore, Pennsylvania

August ____, 2014

Mr. Joseph Pomorski
Chairman, Board of Supervisors
East Fallowfield Township
2264 Strasburg Road
East Fallowfield, PA 19320

Dear Mr. Pomorski:

Enclosed is a copy of our governance letter, which is a requirement of the Auditing Standards Board of the American Institute of Certified Public Accountants. If you have any questions, please contact me.

Very truly yours,

David J. Barrett

DJB:imd
Enclosure

July _____, 2014

To the Board of Supervisors
East Fallowfield Township
2264 Strasburg Road
East Fallowfield, PA 19320

We are pleased to present this report related to our audit of the financial statements of East Fallowfield Township for the year ended December 31, 2013. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Township's financial reporting process.

This report is intended solely for the information and use of the Board of Supervisors and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to be of service to East Fallowfield Township.

Very truly yours,

East Fallowfield Township
Meeting with Board
August 26, 2014

1.
 - Independent audit of SDCA in accordance with *Government Auditing Standards Board #34*
 - Significant improvement noted over the last couple years ✓
2. 2013 Financial Statements:
 - New accounting pronouncement implemented in 2013 (GASB 65)
 - Requires the Township to identify and account for transactions that qualify as “deferred outflows” or “deferred inflows” of resources
 - This standard changed prior terminology but had no impact to the Township.
3. Financial Highlights: 2013
 - Government wide essentially break-even-\$31K reduction in Net Position
 - General Fund -\$124K increase
 - Total Governmental Funds-\$86K increase-mostly 68k grant.
 - General Fund has an unassigned fund balance of \$504k
4. Audit Timing
 - GASB #34 requires information through May actual results
 - Consider DCED Annual Audit and Municipal Report only-Prescribed form by DCED-Simplified reporting
5. Requirement to communicate certain information to those charged with governance. A letter will be issued regarding general communication items.

*Thank you
for noting*

good

EAST FALLOWFIELD TOWNSHIP

REPORT TO THE BOARD OF SUPERVISORS

GOVERNANCE LETTER

AUGUST 2014

MINGIS, GUTOWSKI & COMPANY, LLP
Certified Public Accountants
Swarthmore, Pennsylvania 19081

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July _____, 2014

Board of Supervisors
East Fallowfield Township
East Fallowfield, Pennsylvania

Our responsibility under U.S. Generally Accepted Auditing Standards

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Board of Supervisors
East Fallowfield Township
July _____, 2014

of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting The Township's financial statements were:

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Board of Supervisors
East Fallowfield Township
July _____, 2014

Management Consultations with Other Independent Accountants

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This information is intended solely for the use of East Fallowfield Township and Township management and is not intended to be and should not be used by anyone other than these specified parties.

Swarthmore, Pennsylvania

August ____, 2014

Mr. Joseph Pomorski
Chairman, Board of Supervisors
East Fallowfield Township
2264 Strasburg Road
East Fallowfield, PA 19320

Dear Mr. Pomorski:

Enclosed is a copy of our governance letter, which is a requirement of the Auditing Standards Board of the American Institute of Certified Public Accountants. If you have any questions, please contact me.

Very truly yours,

David J. Barrett

DJB:lmd
Enclosure

July _____, 2014

To the Board of Supervisors
East Fallowfield Township
2264 Strasburg Road
East Fallowfield, PA 19320

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This report is intended solely for the information and use of the Board of Supervisors and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to be of service to East Fallowfield Township.

Very truly yours,

EAST FALLOWFIELD TOWNSHIP

REPORT TO THE BOARD OF SUPERVISORS

COMMUNICATION OF MATERIAL WEAKNESS

AUGUST 2014

MINGIS, GUTOWSKI & COMPANY, LLP
Certified Public Accountants
Swarthmore, Pennsylvania 19081

COMMUNICATION OF SIGNIFICANT DEFICIENCIES AND MATERIAL WEAKNESSES

Board of Supervisors
East Fallowfield Township
East Fallowfield, Pennsylvania

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Board of Supervisors
East Fallowfield Township
July _____, 2014

Lack of Segregation of Duties

The absence of or inadequate segregation of duties within the accounting function represents a material weakness in internal control. Due to the size of the Township's staff, the same individual who is responsible for processing accounting transactions is also responsible for reconciliation and monitoring procedures. We recommend that staffing within the department be evaluated to determine whether adequate segregation of duties can be achieved. We would be pleased to discuss and assist in this evaluation.

OK

Reconciliation of Escrow Funds

The Township was not performing collection procedures for reimbursement of costs incurred, which resulted in a significant number of individual escrow accounts not being resolved on a timely basis. In addition, the Township did not separately record the assets and liabilities associated with the escrow accounts. All accounts were recorded together as a negative asset.

Can you
identify
time
frame
as prior to
2009
::

The total of the ending balance per the escrow account should be reconciled to the general ledger on a monthly basis. In addition, we recommend the Township review the detail of the escrow deposits currently outstanding. The disposition of any old deposit balances should be reviewed and a policy should be established to collect amounts owed and return the unused portion on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in East Fallowfield Township's internal control to be a significant deficiency.

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This is
something
that I
am
currently
doing
each year
and have
done since becoming
treasurer.

Not done by prior
treasurers →

Board of Supervisors
East Fallowfield Township
July _____, 2014

We recommend that the Township develop a process to review unclaimed funds on an annual basis and properly report and remit these funds to the state, as required.

We do

This communication is intended solely for the information and use of management, the Board of Supervisors, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Swarthmore, Pennsylvania