

**Birmingham Township  
West Chester, Pennsylvania  
Chester County**

Annual Audit  
and  
Financial Report  
December 31, 2020



1835 Market Street, 3rd Floor  
Philadelphia, PA 19103

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



## INDEPENDENT AUDITOR'S REPORT

**Board of Supervisors  
Birmingham Township  
West Chester, Pennsylvania**

We have audited the accompanying annual audit and financial report of Birmingham Township, West Chester, Pennsylvania, Chester County, as of December 31, 2020 and for the year then ended.

### **Management's Responsibility for the Annual Audit and Financial Report**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the annual audit and financial report 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 annual audit and financial report is free from material misstatement.

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

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 annual audit and financial report referred to above presents fairly, in all material respects, the financial position of Birmingham Township, West Chester, Pennsylvania, Chester County, as of December 31, 2020 and the results of its operations for the year then ended, in conformity with the accounting practices prescribed or permitted by DCED as described below.

**Basis of Accounting**

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

**Restriction on Use**

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

**BBD, LLP**

**Philadelphia, Pennsylvania**  
**March 17, 2021**

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<b>Balance Sheet</b>					
December 31, 2020					
		Governmental Funds			
Assets and Other Debits		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
100-120	Cash and Investments	931,134	590		
140-144	Tax Receivable				
121-129 145-149	Accounts Receivable (excluding taxes)				
130	Due From Other Funds				
131-139 150-159	Other Current Assets				
160-169	Fixed Assets				
180-189	Other Debits				
<b>Total Assets and Other Debits</b>		<b>\$ 931,134</b>	<b>\$ 590</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Liabilities and Other Credits</b>					
210-229	Payroll Taxes and Other Payroll Withholdings				
200-209 231-239	All Other Current Liabilities				
230	Due To Other Funds				
260-269	Long-Term Liabilities				
240-259	Current Portion of Long-Term Debt & Other Credits				
<b>Total Liabilities and Other Credits</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Fund and Account Group Equity</b>					
281-284	Contributed Capital				
290	Investment in General Fixed Assets				
270-289	Fund Balance / Retained Earnings on 12/31	931,134	590	-	
291-299	Other Equity				
<b>Total Fund and Account Group Equity</b>		<b>\$ 931,134</b>	<b>\$ 590</b>	<b>\$ -</b>	<b>\$ -</b>

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

DCED-CLGS-30 (12/2020)  
 2020 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | BALANCE SHEET

		Proprietary Funds		Fiduciary Fund	Account Groups		Total
		Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
<b>Assets and Other Debits</b>							
100-120	Cash and Investments	340,190					1,271,914
140-144	Tax Receivable						-
121-129 145-149	Accounts Receivable (excluding taxes)						-
130	Due From Other Funds						-
131-139 150-159	Other Current Assets						-
160-169	Fixed Assets	1,764,055			2,091,354		3,855,409
180-189	Other Debits					91,328	91,328
<b>Total Assets and Other Debits</b>		<b>\$ 2,104,245</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,091,354</b>	<b>\$ 91,328</b>	<b>\$ 5,218,651</b>

<b>Liabilities and Other Credits</b>							
210-229	Payroll Taxes and Other Payroll Withholdings						-
200-209 231-239	All Other Current Liabilities	921					921
230	Due To Other Funds						-
260-269	Long-Term Liabilities	26,000				83,328	109,328
240-259	Current Portion of Long-Term Debt & Other Credits	26,000				8,000	34,000
<b>Total Liabilities and Other Credits</b>		<b>\$ 52,921</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 91,328</b>	<b>\$ 144,249</b>

<b>Fund and Account Group Equity</b>							
281-284	Contributed Capital						-
290	Investment in General Fixed Assets	1,712,055			2,091,354		3,803,409
270-289	Fund Balance / Retained Earnings on 12/31	339,269		-			1,270,993
291-299	Other Equity						-
<b>Total Fund and Account Group Equity</b>		<b>\$ 2,051,324</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,091,354</b>	<b>\$ -</b>	<b>\$ 5,074,402</b>

<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>							<b>\$ 5,218,651</b>
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*Total Assets and Other Debits minus Total Liabilities and Other Credits must equal the Total Fund and Account Group Equity*

**Statement of Revenues and Expenditures  
 December 31, 2020**

REVENUES		GOVERNMENTAL FUNDS			
Taxes		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
301.00	Real Estate Taxes	771,523			
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	273,050			
310.20	Earned Income Taxes/Wage Taxes				
310.30	Business Gross Receipts Taxes				
310.40	Occupation Taxes (levied under Act 511)				
310.50	Local Services Tax**	52,322			
310.60	Amusement/Admission Taxes				
310.70	Mechanical Device Taxes				
310.90	Other Local Tax Enabling Act/Act511 Taxes (Please List)				
<b>Total Taxes</b>		\$ 1,096,895	\$ -	\$ -	\$ -

Licenses and Permits					
320-322	All Other Licenses and Permits	1,250			
321.80	Cable Television Franchise Fees	73,788			
<b>Total Licenses &amp; Permits</b>		\$ 75,038	\$ -	\$ -	\$ -

Fines & Forfeits					
330-332	Fines and Forfeits	20,075			
<b>Total Fines &amp; Forfeits</b>		\$ 20,075	\$ -	\$ -	\$ -

Interest, Rents & Royalties					
341.00	Interest Earnings	4,974	366		
342.00	Rents and Royalties	1,100			
<b>Total Interest, Rents &amp; Royalties</b>		\$ 6,074	\$ 366	\$ -	\$ -

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

DCED-CLGS-30 (12/2020)  
 2020 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

REVENUES		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
		<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
<b>Taxes</b>					
301.00	Real Estate Taxes				771,523
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				273,050
310.20	Earned Income Taxes/Wage Taxes				-
310.30	Business Gross Receipts Taxes				-
310.40	Occupation Taxes (levied under Act 511)				-
310.50	Local Services Tax**				52,322
310.60	Amusement/Admission Taxes				-
310.70	Mechanical Device Taxes				-
310.90	Other Local Tax Enabling Act/Act 511 Taxes (Please List)				-
<b>Total Taxes</b>		\$ -	\$ -	\$ -	\$ 1,096,895

Licenses and Permits					
320-322	All Other Licenses and Permits				1,250
321.80	Cable Television Franchise Fees				73,788
<b>Total Licenses &amp; Permits</b>		\$ -	\$ -	\$ -	\$ 75,038

Fines & Forfeits					
330-332	Fines and Forfeits				20,075
<b>Total Fines &amp; Forfeits</b>		\$ -	\$ -	\$ -	\$ 20,075

Interest, Rents & Royalties					
341.00	Interest Earnings	1,699			7,039
342.00	Rents and Royalties				1,100
<b>Total Interest, Rents &amp; Royalties</b>		\$ 1,699	\$ -	\$ -	\$ 8,139

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

DCED-CLGS-30 (12/2020)  
 2020 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

INTERGOVERNMENTAL REVENUES		GOVERNMENTAL FUNDS			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
<b>Federal</b>					
351.03	Highways and Streets				
351.09	Community Development				
351.00	All Other Federal Capital and Operating Grants	36,858			
352.01	National Forest				
352.00	All Other Federal Shared Revenue & Entitlements				
353.00	Federal Payments in Lieu of Taxes				
<b>Total Federal</b>		\$ 36,858	\$ -	\$ -	\$ -

State					
354.03	Highways and Streets				
354.09	Community Development				
354.15	Recycling/Act 101	1,718			
354.00	All Other State Capital and Operating Grants	758			
355.01	Public Utility Realty Tax (PURTA)	974			
355.02- 355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		164,468		
355.04	Alcoholic Beverage Licenses	1,200			
355.05	General Municipal Pension System State Aid				
355.07	Foreign Fire Insurance Tax Distribution	45,399			
355.08	Local Share Assessment/Gaming Proceeds				
355.09	Marcellus Shale Impact Fee Distribution				
355.00	All Other State Shared Revenues & Entitlements				
356.00	State Payments in Lieu of Taxes				
<b>Total State</b>		\$ 50,049	\$ 164,468	\$ -	\$ -

Local Governmental Units					
357.03	Highways and Streets				
357.00	All Other Local Governmental Units Capital and Operating Grants				
358.00	Local Governmental Unit Shared Payments for Contracted Intergovernmental Services	2,739			
359.00	Local Governmental Units, Authorities Payments and Payments in Lieu of Taxes				
<b>Total Local Governmental Units</b>		\$ 2,739	\$ -	\$ -	\$ -

DCED-CLGS-30 (12/2020)  
 2020 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

INTERGOVERNMENTAL REVENUES		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
Federal		Enterprise	Internal Service	Trust and Agency	Memorandum Only
351.03	Highways and Streets				-
351.09	Community Development				-
351.00	All Other Federal Capital and Operating Grants				36,858
352.01	National Forest				-
352.00	All Other Federal Shared Revenue & Entitlements				-
353.00	Federal Payments in Lieu of Taxes				-
<b>Total Federal</b>		\$ -	\$ -	\$ -	\$ 36,858

State					
354.03	Highways and Streets				-
354.09	Community Development				-
354.15	Recycling/Act 101				1,718
354.00	All Other State Capital and Operating Grants				758
355.01	Public Utility Realty Tax (PURTA)				974
355.02- 355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback				164,468
355.04	Alcoholic Beverage Licenses				1,200
355.05	General Municipal Pension System State Aid				-
355.07	Foreign Fire Insurance Tax Distribution				45,399
355.08	Local Share Assessment/Gaming Proceeds				-
355.09	Marcellus Shale Impact Fee Distribution				-
355.00	All Other State Shared Revenues & Entitlements				-
356.00	State Payments in Lieu of Taxes				-
<b>Total State</b>		\$ -	\$ -	\$ -	\$ 214,517

Local Governmental 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				2,739
359.00	Local Governmental Units, Authorities Payments and Payments in Lieu of Taxes				-
<b>Total Local Governmental Units</b>		\$ -	\$ -	\$ -	\$ 2,739

<b>TOTAL INTERGOVERNMENTAL REVENUES</b>	\$ 254,114
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DCED-CLGS-30 (12/2020)  
 2020 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

REVENUES		GOVERNMENTAL FUNDS			
Charges For Service		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
361.00	General Government	40			
362.00	Public Safety	139,625			
363.20	Parking				
363.00	All Other Charges for Highway & Streets Services	200			
364.10	Wastewater/Sewage Charges	2,737			
364.30	Solid Waste Collection & Disposal Charge (trash)				
364.60	Host Municipality Benefit Fee for Solid Waste Facility				
364.00	All Other Charges for Sanitation Services				
365.00	Health				
366.00	Human Services				
367.00	Culture and Recreation				
368.00	Airports				
369.00	Bars				
370.00	Cemeteries				
372.00	Electric System				
373.00	Gas System				
374.00	Housing System				
375.00	Markets				
377.00	Transit Systems				
378.00	Water System				
379.00	All Other Charges for Service	31,161			
<b>Total Charges for Service</b>		<b>\$ 173,763</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Unclassified Operating Revenues					
383.00	Assessments				
386.00	Escheats (sale of personal property)				
387.00	Contributions & Donations from Private Sectors				
388.00	Fiduciary Fund Pension Contributions				
389.00	All Other Unclassified Operating Revenues***	5,055			
<b>Total Unclassified Operating Revenues</b>		<b>\$ 5,055</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Other Financing Sources					
391.00	Proceeds of General Fixed Asset Disposition				
392.00	Interfund Operating Transfers**	33,000			
393.00	Proceeds of General Long-Term Debt				
394.00	Proceeds of Short-Term Debt				
395.00	Refunds of Prior Year Expenditures				
<b>Total Other Financing Sources</b>		<b>\$ 33,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>TOTAL REVENUES</b>	<b>\$ 1,499,546</b>	<b>\$ 164,834</b>	<b>\$ -</b>	<b>\$ -</b>
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\*\*The total of line 392.00 must match the total on line 492.00

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

DCED-CLGS-30 (12/2020)  
 2020 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

REVENUES		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
Charges For Service		Enterprise	Internal Service	Trust and Agency	Memorandum Only
361.00	General Government				40
362.00	Public Safety				139,625
363.20	Parking				-
363.00	All Other Charges for Highway & Streets Services				200
364.10	Wastewater/Sewage Charges	467,971			470,708
364.30	Solid Waste Collection & Disposal Charge (trash)				-
364.60	Host Municipality Benefit Fee for Solid Waste Facility				-
364.00	All Other Charges for Sanitation Services				-
365.00	Health				-
366.00	Human Services				-
367.00	Culture and Recreation				-
368.00	Airports				-
369.00	Bars				-
370.00	Cemeteries				-
372.00	Electric System				-
373.00	Gas System				-
374.00	Housing System				-
375.00	Markets				-
377.00	Transit Systems				-
378.00	Water System				-
379.00	All Other Charges for Service				31,161
<b>Total Charges for Service</b>		\$ 467,971	\$ -	\$ -	\$ 641,734

Unclassified Operating Revenues					
383.00	Assessments				-
386.00	Escheats (sale of personal property)				-
387.00	Contributions & Donations from Private Sectors				-
388.00	Fiduciary Fund Pension Contributions				-
389.00	All Other Unclassified Operating Revenues***				5,055
<b>Total Unclassified Operating Revenues</b>		\$ -	\$ -	\$ -	\$ 5,055

Other Financing Sources					
391.00	Proceeds of General Fixed Asset Disposition				-
392.00	Interfund Operating Transfers**				33,000
393.00	Proceeds of General Long-Term Debt				-
394.00	Proceeds of Short-Term Debt				-
395.00	Refunds of Prior Year Expenditures				-
<b>Total Other Financing Sources</b>		\$ -	\$ -	\$ -	\$ 33,000

<b>TOTAL REVENUES</b>	\$ 469,670	\$ -	\$ -	\$ 2,134,050
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\*\*The total of line 392.00 must match the total of line 492.00

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

DCED-CLGS-30 (12/2020)  
 2020 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES		GOVERNMENTAL FUNDS			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
<b>General Government</b>					
400.00	Legislative (Governing) Body	24,567			
401.00	Executive (Manager or Mayor)				
402.00	Auditing Services/Financial Administration	5,030			
403.00	Tax Collection	3,906			
404.00	Solicitor/Legal Services	34,410			
405.00	Secretary/Clerk	137,502			
406.00	Other General Government Administration	20			
407.00	IT-Networking Services-Data Processing	6,922			
408.00	Engineering Services	29,069			
409.00	General Government Buildings and Plant	77,059			
<b>Total General Government</b>		\$ 318,485	\$ -	\$ -	\$ -

<b>Public Safety</b>					
410.00	Police	651,936			
411.00	Fire	117,898			
412.00	Ambulance/Rescue	5,675			
413.00	UCC and Code Enforcement	56,692			
414.00	Planning and Zoning	5,711			
415.00	Emergency Management & Communications	1,938			
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>		\$ 839,850	\$ -	\$ -	\$ -

<b>Health and Human Services</b>					
420.00- 425.00	Health and Human Services				

<b>Public Works - Sanitation</b>					
426.00	Recycling Collection and Disposal	819			
427.00	Solid Waste Collection and Disposal (trash)				
428.00	Weed Control				
429.00	Wastewater/Sewage Collection & Treatment				
<b>Total Public Works - Sanitation</b>		\$ 819	\$ -	\$ -	\$ -

DCED-CLGS-30 (12/2020)  
 2020 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
General Government		Enterprise	Internal Service	Trust and Agency	Memorandum Only
400.00	Legislative (Governing) Body				24,567
401.00	Executive (Manager or Mayor)				-
402.00	Auditing Services/Financial Administration				5,030
403.00	Tax Collection				3,906
404.00	Solicitor/Legal Services				34,410
405.00	Secretary/Clerk				137,502
406.00	Other General Government Administration				20
407.00	IT-Networking Services-Data Processing				6,922
408.00	Engineering Services				29,069
409.00	General Government Buildings and Plant				77,059
<b>Total General Government</b>		\$ -	\$ -	\$ -	\$ 318,485

Public Safety		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
410.00	Police				651,936
411.00	Fire				117,898
412.00	Ambulance/Rescue				5,675
413.00	UCC and Code Enforcement				56,692
414.00	Planning and Zoning				5,711
415.00	Emergency Management & Communications				1,938
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>		\$ -	\$ -	\$ -	\$ 839,850

Health and Human Services		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
420.00-425.00	Health and Human Services				-

Public Works - Sanitation		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
426.00	Recycling Collection and Disposal				819
427.00	Solid Waste Collection and Disposal (garbage)				-
428.00	Weed Control				-
429.00	Wastewater/Sewage Collection & Treatment	310,843			310,843
<b>Total Public Works - Sanitation</b>		\$ 310,843	\$ -	\$ -	\$ 311,662

DCED-CLGS-30 (12/2020)  
 2020 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES		GOVERNMENTAL FUNDS			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
<b>Public Works - Highways &amp; Streets</b>					
430.00	General Services - Administration	1,803			
431.00	Cleaning of Streets and Gutters	6,371			
432.00	Winter Maintenance - Snow Removal	13,064			
433.00	Traffic Control Devices	1,397			
434.00	Street Lighting	7,019			
435.00	Sidewalks and Crosswalks				
436.00	Storm Sewers and Drains	30,775			
437.00	Repairs of Tools and Machinery				
438.00	Maintenance & Repairs of Roads & Bridges	100,549	773		
439.00	Highway Construction and Rebuilding Projects		164,971		
<b>Total Public Works - Highways &amp; Streets</b>		<b>\$ 160,978</b>	<b>\$ 165,744</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Public Works - Other Services</b>					
440.00	Airports				
441.00	Cemeteries				
442.00	Electric System				
443.00	Gas System				
444.00	Markets				
445.00	Parking				
446.00	Storm Water and Flood Control				
447.00	Transit System				
448.00	Water System	30,948			
449.00	Water Transport and Terminals				
<b>Total Public Works - Other Services</b>		<b>\$ 30,948</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Culture and Recreation</b>					
451.00	Culture-Recreation Administration				
452.00	Participant Recreation				
453.00	Spectator Recreation				
454.00	Parks	11,131			
455.00	Shade Trees				
456.00	Libraries	2,104			
457.00	Civil and Military Celebrations				
458.00	Senior Citizens' Centers				
459.00	All Other Culture and Recreation				
<b>Total Culture and Recreation</b>		<b>\$ 13,235</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

DCED-CLGS-30 (12/2020)  
 2020 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
		<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
<b>Public Works - Highways &amp; Streets</b>					
430.00	General Services - Administration				1,803
431.00	Cleaning of Streets and Gutters				6,371
432.00	Winter Maintenance - Snow Removal				13,064
433.00	Traffic Control Devices				1,397
434.00	Street Lighting				7,019
435.00	Sidewalks and Crosswalks				-
436.00	Storm Sewers and Drains				30,775
437.00	Repairs of Tools and Machinery				-
438.00	Maintenance & Repairs of Roads & Bridges				101,322
439.00	Highway Construction and Rebuilding Projects				164,971
<b>Total Public Works - Highways &amp; Streets</b>		\$ -	\$ -	\$ -	\$ 326,722

<b>Public Works - Other Services</b>					
440.00	Airports				-
441.00	Cemeteries				-
442.00	Electric System				-
443.00	Gas System				-
444.00	Markets				-
445.00	Parking				-
446.00	Storm Water and Flood Control				-
447.00	Transit System				-
448.00	Water System				30,948
449.00	Water Transport and Terminals				-
<b>Total Public Works - Other Services</b>		\$ -	\$ -	\$ -	\$ 30,948

<b>Culture and Recreation</b>					
451.00	Culture-Recreation Administration				-
452.00	Participant Recreation				-
453.00	Spectator Recreation				-
454.00	Parks				11,131
455.00	Shade Trees				-
456.00	Libraries				2,104
457.00	Civil and Military Celebrations				-
458.00	Senior Citizens' Centers				-
459.00	All Other Culture and Recreation				-
<b>Total Culture and Recreation</b>		\$ -	\$ -	\$ -	\$ 13,235

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

DCED-CLGS-30 (12/2020)  
 2020 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES		GOVERNMENTAL FUNDS			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
<b>Debt Service</b>					
471.00	Debt Principal (short-term and long-term)	7,000			
472.00	Debt Interest (short-term and long-term)	342			
475.00	Fiscal Agent Fees				
<b>Total Debt Service</b>		\$ 7,342	\$ -	\$ -	\$ -

Employer Paid Benefits & Withholding Items					
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	25,644			
482.00	Judgments and Losses				
483.00	Pension/Retirement Fund Contributions	4,740			
484.00	Worker Compensation Insurance	27,446			
487.00	Group Insurance and Other Benefits	806			
<b>Employer-Paid Benefits &amp; Withholding Items</b>		\$ 58,636	\$ -	\$ -	\$ -

Insurance					
486.00	Insurance, Casualty, and Surety	22,418			

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

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>	\$ 1,452,711	\$ 165,744	\$ -	\$ -
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<b>EXCESS / (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	\$ 46,835	\$ (910)	\$ -	\$ -
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\*\* The total of line 492.00 must match the total of line 392.00

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

DCED-CLGS-30 (12/2020)  
 2020 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT | STATEMENT OF REVENUES AND EXPENDITURES

EXPENDITURES		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
		Enterprise	Internal Service	Trust and Agency	Memorandum Only
471.00	Debt Principal (short-term and long-term)				7,000
472.00	Debt Interest (short-term and long-term)	1,150			1,492
475.00	Fiscal Agent Fees				-
<b>Total Debt Service</b>		\$ 1,150	\$ -	\$ -	\$ 8,492

Employer Paid Benefits & Withholding Items		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
		Enterprise	Internal Service	Trust and Agency	Memorandum Only
481.00	Employer Paid Withholding Taxes and Unemployment Compensation				25,644
482.00	Judgments and Losses				-
483.00	Pension/Retirement Fund Contributions				4,740
484.00	Worker Compensation Insurance				27,446
487.00	Group Insurance and Other Benefits				806
<b>Employer-Paid Benefits &amp; Withholding Items</b>		\$ -	\$ -	\$ -	\$ 58,636

Insurance		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
		Enterprise	Internal Service	Trust and Agency	Memorandum Only
486.00	Insurance, Casualty, and Surety				22,418

Unclassified Operating Expenditures		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
		Enterprise	Internal Service	Trust and Agency	Memorandum Only
488.00	Fiduciary Fund Benefits and Refunds Paid				-
489.00	All Other Unclassified Expenditures***				-
<b>Total Unclassified Operating Expenditures</b>		\$ -	\$ -	\$ -	\$ -

Other Financing Uses		PROPRIETARY FUNDS		FIDUCIARY FUND	TOTAL
		Enterprise	Internal Service	Trust and Agency	Memorandum Only
491.00	Refund of Prior Year Revenues				-
492.00	Interfund Operating Transfers**	33,000			33,000
493.00	All Other Financing Uses				-
<b>Total Other Financing Uses</b>		\$ 33,000	\$ -	\$ -	\$ 33,000

<b>TOTAL EXPENDITURES</b>	\$ 344,993	\$ -	\$ -	\$ -	\$ 1,963,448
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<b>EXCESS / (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	\$ 124,677	\$ -	\$ -	\$ -	\$ 170,602
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\*\* The total of line 492.00 must match the total of line 392.00

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

<b>DEBT STATEMENT</b>											
Purpose	Issuance Type	Issue Date (year)	Maturity Date (year)	Original Amount of Issue	Outstanding Beginning of Year	Principal Incurred This Year (Additions)	Principal Paid This Year	Current Year Accretion of Compound Interest Bonds	Outstanding Year End	Plus (less) Unamortized Premium (Discount)	Total Balance
<b>GENERAL OBLIGATION BONDS AND NOTES</b>											
General Fund - Open Space Land and Improvements	N	2002	2022	110,000	23,000		7,000		16,000		\$ 16,000
Sewer Fund - Acquisition of Sewer Plant	N	2002	2022	410,000	77,000		25,000		52,000		\$ 52,000
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
<b>REVENUE BONDS AND NOTES</b>											
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
<b>LEASE RENTAL DEBT/GENERAL LEASES</b>											
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
<b>OTHER</b>											
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -
									-		\$ -

Total bonds and notes outstanding	\$ 68,000
Capitalized lease obligations	-
Other debt	-
<b>TOTAL OUTSTANDING DEBT</b>	<b>\$ 68,000</b>





March 17, 2021

**Board of Supervisors  
Birmingham Township  
West Chester, Pennsylvania**

We have audited the annual audit and financial report of Birmingham Township, West Chester, Pennsylvania (the "**Township**") for the year ended December 31, 2020, and have issued our report thereon dated March 17, 2021. Professional standards require that we provide you with the following information related to our audit.

#### **Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated April 3, 2020, our responsibility, as described by professional standards, is to express an opinion about whether the annual audit and financial report prepared by management with your oversight is fairly presented, in all material respects, in conformity with the accounting practices prescribed or permitted by the Department of Community and Economic Development of the Commonwealth of Pennsylvania which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our audit of the annual audit and financial report does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the annual audit and financial report is free of material misstatement.

As part of our audit, we considered the Township's internal control. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters, related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

#### **Significant Audit Findings**

##### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. No new accounting policies were adopted and the application of existing policies was not changed during 2020. 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 annual audit and financial report in the proper period.

Accounting estimates are an integral part of the annual audit and financial reports 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 annual audit and financial report and because of the possibility that future events affecting them may differ significantly from those expected. We did not identify any significant estimates during our audit.

***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. We did not identify any misstatements during our audit.

***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 annual audit or financial report or the auditor's 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 March 17, 2021.

***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 annual audit or financial report or a determination of the type of auditor's opinion that may be expressed on that report, 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.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year 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.

***Restriction on Use***

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

Very truly yours,

**BBD, LLP**

**BBD, LLP**

**Birmingham Township  
West Chester, Pennsylvania  
Chester County**

Condensed Annual Audit and  
Financial Report  
For the Year Ended December 31, 2020



1835 Market Street, 3rd Floor  
Philadelphia, PA 19103

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



## INDEPENDENT AUDITOR'S REPORT

**Board of Supervisors  
Birmingham Township  
West Chester, Pennsylvania**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the annual audit and financial report of Birmingham Township, West Chester, Pennsylvania, Chester County, as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated March 17, 2021.

### **Basis of Accounting**

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

### **Opinion**

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

**BBD, LLP**

**Philadelphia, Pennsylvania  
March 17, 2021**

Annual Audit and Financial Report  
of Birmingham Township  
of Chester County, Pennsylvania  
for the year ended December 31, 2020

The condensed presentation is published in accordance with Section 904 of the Township Code. A complete copy of the audit report for the year ended December 31, 2020 is on file and available for inspection at the Township office.

FUND BALANCE, All Funds, January 1, 2020	<u>\$ 2,812,446</u>
REVENUES AND OTHER FINANCING SOURCES	
Taxes	1,096,895
Licenses & Permits	75,038
Fines & Forfeits	20,075
Interest, Rents & Royalties	8,139
Intergovernmental Revenues	254,114
Charges for Services	641,734
Unclassified Operating Revenues	5,055
Other Financing Sources	33,000
Total Revenues and Other Financing Sources	<u>2,134,050</u>
EXPENDITURES AND OTHER FINANCING USES	
General Government	318,485
Public Safety	839,850
Public Works	
--Sanitation	311,662
--Highway, Roads and Streets	326,722
--Other Services	30,948
Culture and Recreation	13,235
Debt Service	8,492
Employer Paid Benefits & Withholding Items	58,636
Insurance	22,418
Other Financing Uses	33,000
Total Expenditures and Other Financing Uses	<u>1,963,448</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>170,602</u>
FUND BALANCE, All Funds, December 31, 2020	<u>\$ 2,983,048</u>
TOTAL ASSETS, All Funds, December 31, 2020	\$ 3,035,969
TOTAL LIABILITIES, All Funds, December 31, 2020	<u>\$ 52,921</u>
FUND BALANCE, All Funds, December 31, 2020	<u>\$ 2,983,048</u>
The Gross Debt of the Township at December 31, 2020	<u>\$ 68,000</u>
The Assessed Valuation of the Township at December 31, 2020	<u>\$ 479,886,700</u>