

**2012 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**150155 CHARLESTOWN TWP, CHESTER COUNTY**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Supervisors  
Charlestown Township  
Devault, Pennsylvania

We have audited the accompanying financial statements as listed in the table of contents of Charlestown Township, Chester County, Pennsylvania, as of and for the year ended December 31, 2012. These financial statements are the responsibility of Charlestown Township's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

These financial statements do not include the disclosures required by accounting principles generally accepted in the United States of America.

In our opinion, except for the omission of the information discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Charlestown Township as of December 31, 2012, and its revenues and expenditures for the year then ended.

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

*Todd & Todd, LLP*

March 26, 2013



# BALANCE SHEET

DCED-CLGS-30 (09-09)

CHARLESTOWN TWP, CHESTER COUNTY  
**BALANCE SHEET**  
 December 31, 2012

	Governmental Funds						Fid. Fund	Account Groups		Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service		General Fixed Assets	General Long Term Debt	
<b>Assets and Other Debits</b>										
100-120 Cash and Investments	6,920,309	163,770								7,084,079
140-144 Tax Receivable										
121-129, 145-149 Accounts Receivable (excluding taxes)	200									200
130-00 Due From Other Funds										
131-139, 150-159 Other Current Assets	260,023									260,023
160-169 Fixed Assets	19,444,708									19,444,708
180-189 Other Debits										
<b>Total Assets and Other Debits</b>	<b>26,625,240</b>	<b>163,770</b>								<b>26,789,010</b>

<b>Liabilities and Other Credits</b>	
210-229 Payroll Taxes and Other Payroll Withholdings	
200-209, 231-239 All Other Current Liabilities	
230-00 Due To Other Funds	

**CHARLESTOWN TWP, CHESTER County**  
**BALANCE SHEET**  
 December 31, 2012

	Governmental Funds					Proprietary Funds			Fld. Fund	Account Groups		Total
	General Fund	Special Revenue (Including State-Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets		General Long-Term Debt	Memorandum Only	
<b>Liabilities and Other Credits</b>												
260-269 Long-Term-Liabilities												
240-259 Current Portion of Long-Term Debt and Other Credits	14,734,205											14,734,205
<b>Total Liabilities and Other Credits</b>	14,734,205											14,734,205
<b>Fund and Account Group Equity</b>												
281-284 Contributed Capital												
290.00 Investment in General Fixed Assets												
270-289 Fund Balance / Retained Earnings on 12/31	11,891,035	163,770										12,054,805
291-299 Other Equity												
<b>Total Fund and Account Group Equity</b>	11,891,035	163,770										12,054,805
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>												26,789,010

**CHARLESTOWN TWP, CHESTER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2012

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

**REVENUES**

		Taxes								
301.00	Real Estate Taxes	476,506								476,506
306.00	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	143								143
310.10	Real Estate Transfer Taxes	179,362								179,362
310.20	Earned Income Taxes / Wage Taxes	3,073,925								3,073,925
310.30	Business Gross Receipts Taxes									
310.40	Occupation Taxes (levied under Act 511)									
310.50	Local Services Tax **	61,058								61,058
310.60	Amusement / Admission Taxes									
310.70	Mechanical Device Taxes									
310.90	Other Local Tax Enabling Act / Act 511 / Taxes									
	Other:									
	<b>Total Taxes</b>	<b>3,790,994</b>								<b>3,790,994</b>

		Licenses and Permits	
320-322	All Other Licenses and Permits	96,214	96,214
321.80	Cable Television Franchise Fees		
	<b>Total Licenses and Permits</b>	<b>96,214</b>	<b>96,214</b>

		Fines and Forfeits	
330-332	Fines and Forfeits	6,069	6,069
	<b>Total Fines and Forfeits</b>	<b>6,069</b>	<b>6,069</b>

**CHARLESTOWN TWP, CHESTER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2012

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

**REVENUES**

Interest, Rents and Royalties								
341.00	Interest Earnings		3,289	59				3,348
342.00	Rents and Royalties		13,000					13,000
	<b>Total Interest, Rents and Royalties</b>		16,289	59				16,348

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

State								
354.03	Highways and Streets	25,065						25,065
354.09	Community Development							
354.15	Recycling / Act 101	2,100						2,100
354.00	All Other State Capital and Operating Grants	55,000						55,000
355.01	Public Utility Realty Tax (PURTA)	4,441						4,441
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback			129,691				129,691
355.04	Alcoholic Beverage Licenses	400						400
355.06	General Municipal Pension System State Aid	3,576						3,576
355.07	Foreign Fire Insurance Tax Distribution							
355.08	Local Share Assessment/Gaming Proceeds							

**CHARLESTOWN TWP, CHESTER COUNTY**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2012

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

**REVENUES**

State								
355.09	Marcellus Shale Impact Fee Distribution							
355.00	All Other State Shared Revenues and Entitlements	61,256						61,256
356.00	State Payments in Lieu of Taxes							
	<b>Total State</b>	151,838	129,691					281,529

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	883						883
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
	<b>Total Local Government Units</b>	883						883

Charges for Service								
361.00	General Government	9,525						9,525
362.00	Public Safety	216,854						216,854
363.20	Parking							
363.00	All Other Charges for Highway & Streets 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)							
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	1,300						1,300



CHARLESTOWN TWP, CHESTER County  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2012

	Governmental Funds					Fiduciary Fund	Total
	General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise		

**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						
	<b>Total Charges for Service</b>	227,679					227,679

Unclassified Operating Revenues							
383.00	Special Assessments	89,914					89,914
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						
	<b>Total Unclassified Operating Revenues</b>	89,914					89,914

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

**CHARLESTOWN TWP, CHESTER COUNTY**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2012

General Fund	Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
	Special Revenue (Including State, Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service			

**REVENUES**

Other Financing Sources		TOTAL REVENUES	
395.00	Refunds of Prior Year Expenditures		
	<b>Total Other Financing Sources</b>		

	4,379,880	129,750						4,509,630
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**EXPENDITURES**

General Government		TOTAL REVENUES	
400.00	Legislative (Governing) Body	5,535	
401.00	Executive (Manager or Mayor)		
402.00	Auditing Services / Financial Administration	7,391	7,391
403.00	Tax Collection	5,530	5,530
404.00	Solicitor / Legal Services	54,770	54,770
405.00	Secretary / Clerk	102,883	102,883
406.00	Other General Government Administration	36,896	36,896
407.00	IT-Networking Services-Data Processing	22,632	22,632
408.00	Engineering Services	210,169	210,169
409.00	General Government Buildings and Plant	75,397	75,397
	<b>Total General Government</b>	521,203	521,203

**Public Safety**

410.00	Police		
411.00	Fire	175,701	175,701
412.00	Ambulance / Rescue		
413.00	UCC and Code Enforcement	140,021	140,021
414.00	Planning and Zoning	21,946	21,946
415.00	Emergency Management and Communications	1,385	1,385

**CHARLESTOWN TWP, CHESTER County**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2012

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

**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	50,290						50,290
	<b>Total Public Safety</b>	<b>389,343</b>						<b>389,343</b>

Health and Human Services								
420.00-425.00	Health and Human Services	2,147						2,147
	<b>Total Health and Human Services</b>	<b>2,147</b>						<b>2,147</b>

Public Works - Sanitation								
426.00	Recycling Collection and Disposal	965						965
427.00	Solid Waste Collection and Disposal (garbage)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection							
	<b>Total Public Works - Sanitation</b>	<b>965</b>						<b>965</b>

Public Works - Highways and Streets								
430.00	General Services - Administration	119,592						119,592
431.00	Cleaning of Streets and Gutters	2,990						2,990
432.00	Winter Maintenance - Snow Removal	7,275	18,555					25,830
433.00	Traffic Control Devices	12,656						12,656
434.00	Street Lighting	4,021						4,021
435.00	Sidewalks and Crosswalks	874						874
436.00	Storm Sewers and Drains							

**CHARLESTOWN TWP, CHESTER COUNTY**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2012

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

**EXPENDITURES**

<b>Public Works - Highways and Streets</b>								
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges							
439.00	Highway Construction and Rebuilding Projects	368,847						368,847
	<b>Total Public Works - Highways and Streets</b>	516,255	18,555					534,810

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

<b>Culture and Recreation</b>								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	221,590						221,590
455.00	Shade Trees							
456.00	Libraries							

**CHARLESTOWN TWP, CHESTER COUNTY**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
 December 31, 2012

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

**EXPENDITURES**

Culture and Recreation		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary Fund	Total
457.00	Civil and Military Celebrations								
458.00	Senior Citizens' Centers								
459.00	All Other Culture and Recreation	3,246							3,246
	<b>Total Culture and Recreation</b>	224,836							224,836

Community Development		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary Fund	Total
461.00	Conservation of Natural Resources	85,807							85,807
462.00	Community Development and Housing								
463.00	Economic Development								
464.00	Economic Opportunity								
465-469	All Other Community Development								
	<b>Total Community Development</b>	85,807							85,807

Debt Service		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary Fund	Total
471.00	Debt Principal (short-term and long-term)								
472.00	Debt Interest (short-term and long-term)	490,546							490,546
475.00	Fiscal Agent Fees	15,254							15,254
	<b>Total Debt Service</b>	505,800							505,800

Employer Paid Benefits and Withholding Items		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Fiduciary Fund	Total
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	11,235							11,235
482.00	Judgments and Losses								
483.00	Pension / Retirement Fund Contributions	8,144							8,144
484.00	Worker Compensation Insurance								

**CHARLESTOWN TWP, CHESTER COUNTY**  
**STATEMENT OF REVENUES AND EXPENDITURES**

December 31, 2012

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

**EXPENDITURES**

<b>Employer Paid Benefits and Withholding Items</b>	
487.00	Other Group Insurance Benefits
	19,379
<b>Total Employer Paid Benefits and Withholding Items</b>	
	19,379

<b>Insurance</b>	
486.00	Insurance, Casualty, and Surety
	31,995
<b>Total Insurance</b>	
	31,995

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

<b>Other Financing Uses</b>	
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>	2,297,730	18,555						2,316,285
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	2,082,150	111,195						2,193,345
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CHARLESTOWN TWP

December 31, 2012

DEBT STATEMENT

**OUTSTANDING BONDS AND NOTES**

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (YYYY)	Maturity Year (YYYY)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
<b>General Obligation Bonds and Notes</b>											
General Obligation Bond - 2010 Series	Bond	2010	2030	14,960,000	14,740,000		575,000		14,165,000		14,165,000
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
<b>Other</b>											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

14,165,000

Capitalized lease obligations

0

Net debt

14,165,000

**CHARLESTOWN TWP, CHESTER County**  
**STATEMENT OF CAPITAL EXPENDITURES**

December 31, 2012

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways			
Water			
Other:			
<b>TOTAL CAPITAL EXPENDITURES</b>			

**EMPLOYEE COMPENSATION**

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

142,689