



Department Head Report

Prepared By: Amy Heinrich: Finance & HR Director, Treasurer

Date Prepared: March 13, 2026

Date Presented: March 18, 2026

Financial Performance

Given how early it is in the year, this month's financial package includes February 2026 vs. February 2025 but does not include the monthly budget. Year-end accruals are still being finalized given the natural lag of some revenue and expenses.

Revenue

The total General Fund revenue through February 2026 in comparison to 2025 is not meaningful given tax accruals.

- Real Estate tax bills were sent out 10 days later than expected due to tax collector delays. Therefore, receipts are \$96K below 2025.
- Real Estate Transfer Tax is also strong at \$38K above 2025.
- Cash-based Earned Income Tax and Local Service Tax are coming in strong, which implies strong earnings in our community. However, these are accrued back to 2025 to match when earnings were generated. I adjusted the timing of the accrual to set it up for future, but it is different than what was done in 2024 so there is a negative variance.
- Building and Zoning fees are \$99k (396%) above 2025 given permits for the ongoing land development projects.
- We received \$20k in fraud recovery payments.

Expenses

Expenses are \$198k (17%) higher than 2025.

- The Police department's expenses are \$87K (28%) higher than in 2025, due to higher salaries and timing of health and worker's compensation insurance costs.
- Fire & EMS expenses are \$42K (10%) higher due to budgeted increases in our regional commission contributions and timing of fire hydrant bills and worker's compensation insurance. Public Works' expenses are \$30K (15%) higher than last year due to increased salaries and ice and snow control expenses.
- Employee benefits are \$32K (66%) higher due to the timing of health and dental insurance.
- IT Services are \$27k higher than this time last year, primarily due to timing differences and the purchase of our new budgeted Planning & Zoning software.
- Worker's compensation insurance expenses are lower by \$18K (70%) due to timing of allocation to the Police Department.

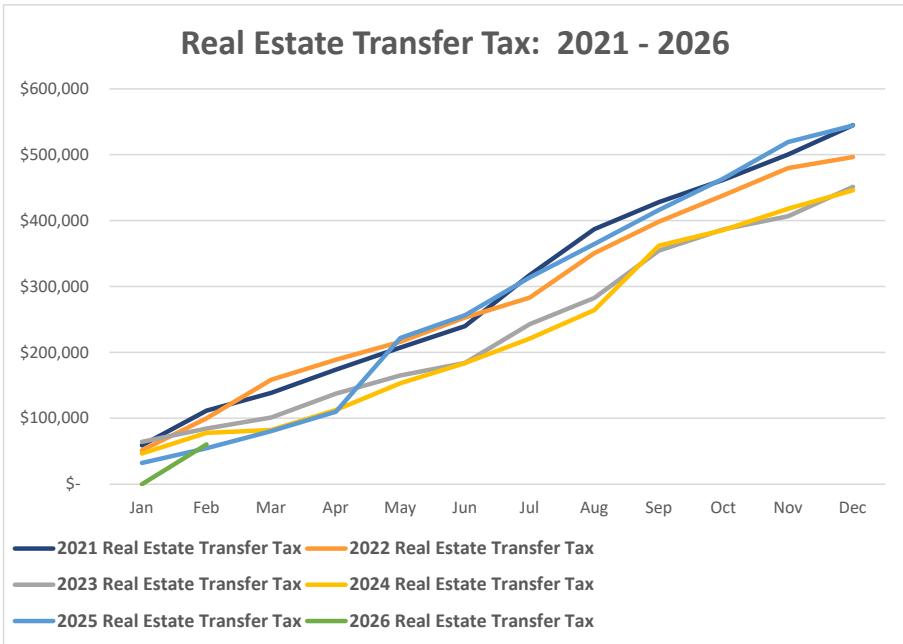
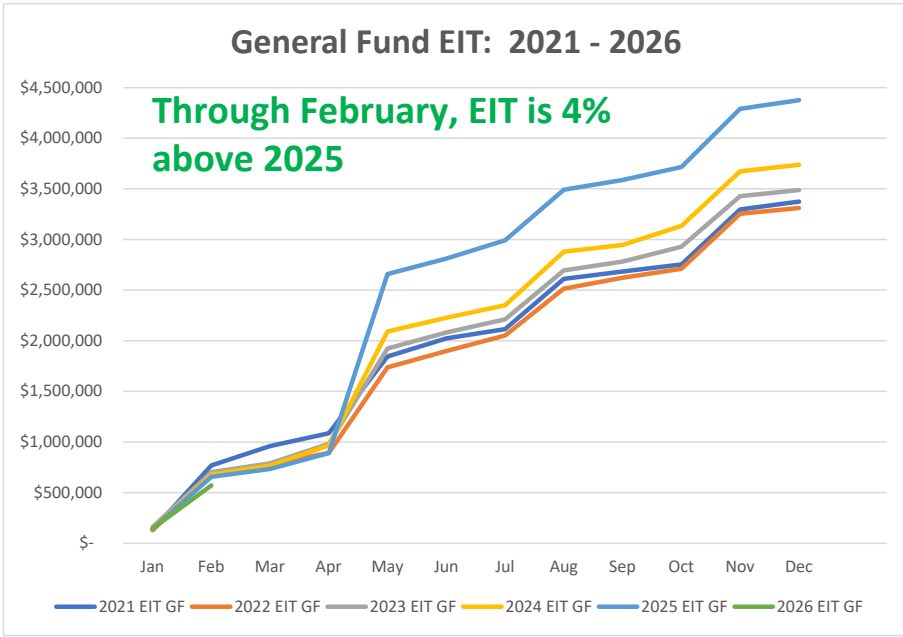
Other Department Activities:

- There are many other accounting and human resource activities that happen behind the scenes in the beginning of a new year, such as closing the year-end books, accounting accruals, and preparation for our annual audit. Audit field work is expect to begin in the first week of April, due to intentional effort to start and complete our audit earlier in the year.

- Sewer bills were mailed February 18, 2026 for the fourth quarter of 2025. These invoices are due March 19, 2026.
- Real Estate tax bills were mailed on February 25, 2026. The discount period ends on May 12, 2026.
- We've reached major milestones in two projects. At this Board meeting, we are presenting an HR, Payroll, & Learning Management system for approval along with an Accounts Payable & Payment Automation project. We completed thorough evaluations and due diligence for both projects and are thrilled to be moving forward.

Tax Revenue Trends

CASH BASIS



2026 General Fund EIT Revenue through December is 4% above 2025 and Open Space EIT in line with 2024.

- EIT Revenue for February is \$572k, fitting regular seasonal trends for taxes received.

Real Estate Tax through February is off to a slow start compared to 2025.

Real Estate Transfer taxes through February are 10% above 2025.

Note: RE Taxes shown above are all Real Estate Taxes for General Fund. 2020-2022 include both General & EMS line items. In 2022, these were combined on the bill to just one general category.



All w/o Escrow

Kennett Township
Balance Sheet by Fund
 As of March 17, 2026

	All Funds								
	General Fund	Capital Fund	Special Grant Revenue Fund	Liquid Fuels Fund	Open Space Fund	Library Fund	Traffic Impact Fee	Sewer Fund	All Funds
	01/01/2026 Through 02/28/2026	01/01/2026 Through 02/28/2026	01/01/2026 Through 02/28/2026	01/01/2026 Through 02/28/2026	01/01/2026 Through 02/28/2026	01/01/2026 Through 02/28/2026	01/01/2026 Through 02/28/2026	01/01/2026 Through 02/28/2026	01/01/2026 Through 02/28/2026
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Assets									
Current Assets	4,790,224	2,195,382	77	579,520	3,134,911	18,204	436,270	2,200,556	13,355,144
Long-term Assets	0	0	0	0	0	0	0	4,207,773	4,207,773
Investments	93,007	5,295	0	0	24,164	0	2,268	10,805	135,539
Interfund Due from									
Due from Open Space Fund	6,871	0	0	0	0	0	0	0	6,871
Due from Traffic Impact Fee	(3,779)	0	0	0	0	0	0	0	(3,780)
Due from Sewer Fund	(29,750)	0	0	0	0	0	0	0	(29,750)
Due from Escrow Fund	(2,896)	0	0	0	0	0	0	0	(2,895)
Due from Capital Fund	(169,986)	0	0	0	0	0	0	0	(169,986)
Due from Special Grant Revenue	2,261	0	0	0	0	0	0	0	2,261
Total Interfund Due from	(197,279)	0	0	0	0	0	0	0	(197,279)
Total Assets	4,685,952	2,200,677	77	579,520	3,159,075	18,204	438,538	6,419,134	17,501,177
Liabilities and Net Assets									
Liabilities									
Short-term Liabilities	11,652	(8,200)	0	0	0	0	0	(89,241)	(85,789)
Other Liabilities	0	0	0	0	25,000	0	0	0	25,000
Interfund Due to									
Due to General Fund	0	(169,986)	2,261	0	6,871	0	(3,780)	(29,750)	(194,383)
Total Interfund Due to	0	(169,986)	2,261	0	6,871	0	(3,780)	(29,750)	(194,383)
Total Liabilities	11,652	(178,186)	2,261	0	31,871	0	(3,780)	(118,991)	(255,172)
Net Assets									
Net Assets	5,748,255	2,460,827	(2,185)	552,310	2,922,900	16,802	427,480	6,431,608	18,557,996
Change In Net Assets	(1,073,955)	(81,964)	1	27,210	204,304	1,402	14,838	106,517	(801,647)
Total Net Assets	4,674,300	2,378,863	(2,184)	579,520	3,127,204	18,204	442,318	6,538,125	17,756,349
Total Liabilities and Net Assets	4,685,952	2,200,677	77	579,520	3,159,075	18,204	438,538	6,419,134	17,501,177



All w/o Escrow

Kennett Township Statement of Revenues and Expenditures All Funds Except Escrow As of March 17, 2026

	All Funds							All Funds 01/01/2026 Through 02/28/2026 Actual
	General Fund 01/01/2026 Through 02/28/2026 Actual	Capital Fund 01/01/2026 Through 02/28/2026 Actual	Liquid Fuels Fund 01/01/2026 Through 02/28/2026 Actual	Open Space Fund 01/01/2026 Through 02/28/2026 Actual	Library Fund 01/01/2026 Through 02/28/2026 Actual	Traffic Impact Fee 01/01/2026 Through 02/28/2026 Actual	Sewer Fund 01/01/2026 Through 02/28/2026 Actual	
Net income								
Revenue								
Taxes	86,740	0	0	207,595	1,338	0	0	295,672
Fees, Fines, Grants, Interest	194,359	13,873	27,211	17,651	65	14,838	237,543	505,541
Fraud Recovery	20,000	0	0	0	0	0	0	20,000
Total Revenue	301,099	13,873	27,211	225,246	1,403	14,838	237,543	821,213
Expense								
Salaries & Benefits	644,077	0	0	0	0	0	28,506	672,583
Maintenance & Operations	175,768	10,009	0	271	0	0	98,983	285,030
Contracted/ Professional Services	102,198	26,545	0	0	0	0	3,537	132,280
Community & Economic Development	0	0	0	20,672	0	0	0	20,672
Fire & Ambulance	453,011	0	0	0	0	0	0	453,011
Capital Expense	0	59,284	0	0	0	0	0	59,284
Total Expense	1,375,054	95,838	0	20,943	0	0	131,026	1,622,860
Total Net income	(1,073,955)	(81,965)	27,211	204,304	1,403	14,838	106,517	(801,647)



General Fund
Revenue & Expense Year-to-Date vs Prior Year
 As of March 17, 2026

	Year To Date 02/28/2026 <u>YTD Actual</u>	Prior YTD 02/28/2025 <u>Prior YTD</u>	Variance <u>YTD Act vs Prior YTD</u>
Net income			
Revenue			
Taxes			
40111 - RE Taxes - General Millage	10,099	105,831	(95,731)
40120 - RE Taxes - Prior Year's	1,900	2,220	(320)
41011 - Real Estate Transfer Tax	60,288	22,055	38,232
41021 - Earned Income Tax	18,343	656,924	(638,581)
41050 - Local Service Tax	(3,890)	48,115	(52,005)
Total Taxes	<u>86,740</u>	<u>835,145</u>	<u>(748,405)</u>
Fees, Fines, Grants, Interest			
42180 - Cable Franchise Fee	66	0	65
42250 - Road Opening Permits	1,020	90	930
43149 - Fine & Penalties	4,886	3,461	1,426
44151 - Interest Income	31,983	30,042	1,941
45604 - Liquor Licenses	600	0	600
46134 - Zoning Hearing Fees	5,500	0	5,500
46148 - Misc Income	0	1,178	(1,177)
46159 - Sale of Copies, Supplies	720	895	(175)
46218 - Overtime Reimbursement	552	0	552
46240 - Building & Zoning Fees	124,058	25,012	99,045
46242 - Rental Registration Fees	1,375	1,625	(250)
46246 - UCC Fees - Act 45	184	162	23
46298 - Misc Zoning & Building Fees	6,496	725	5,771
46399 - Misc Public Works Income	666	3,870	(3,204)
46560 - Health Insurance Reimbursement	13,706	11,610	2,095
48311 - Street Light Fees	0	3,324	(3,324)
49199 - Insurance Reimbursement	2,547	8,757	(6,210)
Total Fees, Fines, Grants, Interest	<u>194,359</u>	<u>90,751</u>	<u>103,608</u>
Fraud Recovery			
43200 - Forfeits/Recovery	20,000	0	20,000
Total Fraud Recovery	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total Revenue	<u>301,099</u>	<u>925,896</u>	<u>(624,797)</u>
Expense			
Salaries & Benefits	644,077	542,741	101,337
Maintenance & Operations	175,768	143,124	32,644
Contracted/ Professional Services	102,198	70,073	32,125
Community & Economic Development	0	1,475	(1,475)
Fire & Ambulance	453,011	417,381	35,630
Total Expense	<u>1,375,054</u>	<u>1,174,794</u>	<u>200,261</u>
Total Net income	<u>(1,073,955)</u>	<u>(248,898)</u>	<u>(825,057)</u>



400--Board of Supervisors

General Fund
Expenses by Dept vs Prior Year
As of March 17, 2026

Expenses by Dept vs Prior Year



401--Administration

General Fund
Expenses by Dept vs Prior Year
As of March 17, 2026

	01/01/2026 Through 02/28/2026 <u>YTD Actual</u>	Prior Year To Date 02/28/2025 <u>Prior YTD</u>	<u>YTD Act vs Prior YTD</u>
Expenses			
51000 - Salaries	36,534	32,311	4,224
53140 - Legal Services	7,500	7,500	0
53420 - Printing & Advertising	558	264	293
54200 - Dues & Subscriptions	2,739	1,861	878
54500 - Contracted Services	525	0	525
54600 - Training & Conferences	549	435	114
59999 - Miscellaneous Expenses	273	(122)	395
Total Expenses	<u>48,678</u>	<u>42,249</u>	<u>6,429</u>



402--Finance/HR

General Fund
Expenses by Dept vs Prior Year
As of March 17, 2026

	01/01/2026 Through 02/28/2026 <u>YTD Actual</u>	Prior Year To Date 02/28/2025 <u>Prior YTD</u>	<u>YTD Act vs Prior YTD</u>
Expenses			
51000 - Salaries	55,476	56,518	(1,042)
51800 - Salaries, Overtime	490	0	490
53110 - Auditing Services	0	112	(112)
53900 - Bank Service Charges/Fees	3,097	4,703	(1,606)
54200 - Dues & Subscriptions	834	339	496
54600 - Training & Conferences	395	80	315
59999 - Miscellaneous Expenses	297	0	296
Total Expenses	<u>60,589</u>	<u>61,752</u>	<u>(1,163)</u>



406--Twp Building

General Fund
Expenses by Dept vs Prior Year
As of March 17, 2026

	01/01/2026 Through 02/28/2026 <u>YTD Actual</u>	Prior Year To Date 02/28/2025 <u>Prior YTD</u>	<u>YTD Act vs Prior YTD</u>
Expenses			
52100 - Office, meeting & cleaning supplies, furnit.	622	763	(141)
52500 - Maintenance Supplies	0	(108)	108
53600 - Utilities	5,214	4,204	1,010
53601 - Utilities (The Pines)	400	0	400
53700 - Repair & Maintenance Services	56	0	56
54500 - Contracted Services	3,513	3,819	(306)
59999 - Miscellaneous Expenses	0	3	(3)
Total Expenses	<u>9,805</u>	<u>8,681</u>	<u>1,124</u>



407--IT Services

General Fund
Expenses by Dept vs Prior Year
As of March 17, 2026

	01/01/2026 Through 02/28/2026 YTD Actual	Prior Year To Date 02/28/2025 Prior YTD	YTD Act vs Prior YTD
Expenses			
52130 - IT Supplies & Equipment	475	36	440
54520 - IT Services	20,070	10,023	10,046
54521 - IT Systems - Finance/Accounting	17,530	1,225	16,304
Total Expenses	38,075	11,284	26,790



408--Engineering Services

General Fund
Expenses by Dept vs Prior Year
As of March 17, 2026

Expenses by Dept vs Prior Year



410--Police

General Fund
Expenses by Dept vs Prior Year
 As of March 17, 2026

	01/01/2026 Through 02/28/2026	Prior Year To Date 02/28/2025	
	YTD Actual	Prior YTD	YTD Act vs Prior YTD
Expenses			
51000 - Salaries	205,147	173,070	32,078
51720 - Salaries, Holiday	17,724	26,847	(9,124)
51800 - Salaries, Overtime	19,763	8,539	11,223
51880 - Other Compensation/Reimbursement	690	0	690
51910 - Uniform Maintenance	0	690	(690)
51920 - Social Security & Medicare	17,240	16,374	867
51940 - Unemployment Taxes	3,701	2,580	1,121
51960 - Medical & Dental Insurance	47,315	18,541	28,773
51980 - Life, Disability, H&L Insurance	1,932	2,303	(370)
51990 - Employee Savings Plan	6,285	6,852	(567)
52100 - Office, meeting & cleaning supplies, furnit.	187	597	(410)
52130 - IT Supplies & Equipment	244	40	203
52170 - Police Equipment	298	699	(400)
52310 - Gasoline/Diesel	3,709	3,283	426
52380 - Uniforms	662	2,170	(1,508)
52500 - Maintenance Supplies	0	228	(228)
53240 - Cell Phone Expense	1,135	715	420
53540 - Worker's Comp. Insurance	16,322	0	16,322
53541 - Worker's Comp Payment (Reimb.)	0	5,506	(5,505)
53720 - Vehicle Maintenance & Repair	930	1,024	(95)
54200 - Dues & Subscriptions	1,325	0	1,325
54500 - Contracted Services	34,115	33,367	748
54520 - IT Services	9,586	1,862	7,723
54521 - IT Systems - Finance/Accounting	3,537	0	3,538
54600 - Training & Conferences	2,554	1,916	638
54610 - Tuition Reimbursement	0	784	(785)
55300 - Payments to other Gov't bodies	3,630	3,300	330
59999 - Miscellaneous Expenses	35	35	0
Total Expenses	398,066	311,322	86,743



411--Fire & EMS

General Fund
Expenses by Dept vs Prior Year
As of March 17, 2026

	01/01/2026 Through 02/28/2026 YTD Actual	Prior Year To Date 02/28/2025 Prior YTD	YTD Act vs Prior YTD
Expenses			
53420 - Printing & Advertising	105	0	105
53540 - Worker's Comp. Insurance	5,767	0	5,767
53630 - Hydrant Service	4,611	330	4,281
55302 - EMS Commission Funding	448,400	417,051	31,349
Total Expenses	458,883	417,381	41,502



414--Planning & Zoning

General Fund
Expenses by Dept vs Prior Year
 As of March 17, 2026

	01/01/2026 Through 02/28/2026 YTD Actual	Prior Year To Date 02/28/2025 Prior YTD	YTD Act vs Prior YTD
Expenses			
51000 - Salaries	29,742	30,615	(873)
52400 - Act 45 Fees	671	0	670
53420 - Printing & Advertising	0	364	(363)
54200 - Dues & Subscriptions	1,194	911	283
54500 - Contracted Services	4,094	6,475	(2,380)
54541 - Grant Expenses (Match)	0	2,500	(2,500)
54600 - Training & Conferences	834	448	386
59999 - Miscellaneous Expenses	55	0	55
Total Expenses	36,590	41,313	(4,722)



430--Public Works

General Fund
Expenses by Dept vs Prior Year
As of March 17, 2026

	01/01/2026 Through 02/28/2026	Prior Year To Date 02/28/2025	
	YTD Actual	Prior YTD	YTD Act vs Prior YTD
Expenses			
51000 - Salaries	101,447	83,859	17,588
51800 - Salaries, Overtime	18,918	28,149	(9,231)
52160 - Small Equipment	262	2,166	(1,905)
52310 - Gasoline/Diesel	4,271	3,653	619
52380 - Uniforms	2,398	1,286	1,112
52455 - Drainage Materials & Projects	0	560	(560)
52460 - Supplies, Signs	0	288	(288)
52461 - Snow & Ice Control Supplies	80,655	60,999	19,656
52500 - Maintenance Supplies	4,415	541	3,874
53600 - Utilities	3,402	5,449	(2,048)
53680 - PA One Call	269	0	270
53700 - Repair & Maintenance Services	535	186	349
53720 - Vehicle Maintenance & Repair	3,332	3,295	36
53721 - Vehicle Maintenance & Repair (in-house)	6,914	4,331	2,583
53740 - Maintenance, Traffic Signals	594	0	594
54200 - Dues & Subscriptions	200	3,064	(2,864)
54500 - Contracted Services	396	5,460	(5,063)
54600 - Training & Conferences	5,500	0	5,500
59999 - Miscellaneous Expenses	209	0	210
Total Expenses	233,717	203,286	30,432



482--Fraud Investigation

General Fund
Expenses by Dept vs Prior Year
As of March 17, 2026

Expenses by Dept vs Prior Year



486--Insurance

General Fund
Expenses by Dept vs Prior Year
As of March 17, 2026

	01/01/2026 Through 02/28/2026 YTD Actual	Prior Year To Date 02/28/2025 Prior YTD	YTD Act vs Prior YTD
Expenses			
53540 - Worker's Comp. Insurance	8,152	26,571	(18,419)
Total Expenses	8,152	26,571	(18,419)



487--Employee Benefits (non-uniform)

General Fund
Expenses by Dept vs Prior Year
As of March 17, 2026

	01/01/2026 Through 02/28/2026 <u>YTD Actual</u>	Prior Year To Date 02/28/2025 <u>Prior YTD</u>	<u>YTD Act vs Prior YTD</u>
Expenses			
51832 - Auto Allowance	600	300	300
51920 - Social Security & Medicare	19,493	18,453	1,040
51940 - Unemployment Taxes	6,751	3,642	3,109
51960 - Medical & Dental Insurance	46,260	16,821	29,439
51961 - Medical Expenses (Reimb. Insur)	0	3,536	(3,536)
51962 - Post Employment Medical (COBRA)	0	(1,994)	1,994
51980 - Life, Disability, H&L Insurance	2,128	2,209	(82)
51990 - Employee Savings Plan	6,441	6,237	205
Total Expenses	<u>81,673</u>	<u>49,204</u>	<u>32,469</u>



492--Interfund Transfers

General Fund
Expenses by Dept vs Prior Year
As of March 17, 2026

Expenses by Dept vs Prior Year



Expense Central GF--Expense Central Mgmt GF

General Fund

Expenses by Department vs Budget & Prior Year

As of March 17, 2026

	01/01/2026 Through 02/28/2026 YTD Actual	Prior Year To Date 02/28/2025 Prior YTD	YTD Act vs Prior YTD
Expenses			
53600 - Utilities	230	115	115
54500 - Contracted Services	460	153	307
54503 - Contracted Services - Spar Hill	154	0	153
55300 - Payments to other Gov't bodies	0	9	(8)
55403 - Brandywine Red Clay Alliance	0	1,000	(1,000)
55411 - Historic Commission	0	475	(475)
Total Expenses	844	1,752	(908)