

**2012 MUNICIPAL ANNUAL AUDIT  
AND  
FINANCIAL REPORT**

**152165 WESTTOWN TWP, CHESTER COUNTY**



## BALANCE SHEET

DCED-CLGS-30 (09-09)

WESTTOWN TWP, CHESTER County  
BALANCE SHEET  
December 31, 2012

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
<b>Assets and Other Debits</b>											
100-120	Cash and Investments	490,546	4,644	3,210,323	1,418,080	901,553					6,025,146
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds	684,017									684,017
131-139, 150-159	Other Current Assets	199,898									199,898
160-169	Fixed Assets										
180-189	Other Debits									15,920,930	15,920,930
<b>Total Assets and Other Debits</b>		1,374,461	4,644	3,210,323	1,418,080	901,553				15,920,930	22,829,991

<b>Liabilities and Other Credits</b>											
210-229	Payroll Taxes and Other Payroll Withholdings	3,631									3,631
200-209, 231-239	All Other Current Liabilities	199,898									199,898
230.00	Due To Other Funds				684,017						684,017

## WESTTOWN TWP, CHESTER County

## BALANCE SHEET

December 31, 2012

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
<b>Liabilities and Other Credits</b>											
260-269	Long-Term-Liabilities									15,218,301	15,218,301
240-259	Current Portion of Long-Term Debt and Other Credits									702,629	702,629
<b>Total Liabilities and Other Credits</b>		203,529			684,017					15,920,930	16,808,476
<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	1,170,932	4,644	3,210,323	734,063	901,553					6,021,515
291-299	Other Equity										
<b>Total Fund and Account Group Equity</b>		1,170,932	4,644	3,210,323	734,063	901,553					6,021,515
<b>TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY</b>											22,829,991

**WESTTOWN 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	Trust and Agency	Memorandum Only

**REVENUES**

Taxes								
301.00	Real Estate Taxes	1,837,520						1,837,520
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	202,477						202,477
310.20	Earned Income Taxes / Wage Taxes	2,105,565						2,105,565
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	115,204						115,204
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>		4,260,766						4,260,766

Licenses and Permits								
320-322	All Other Licenses and Permits							
321.80	Cable Television Franchise Fees	251,003						251,003
<b>Total Licenses and Permits</b>		251,003						251,003

Fines and Forfeits								
330-332	Fines and Forfeits	66,349						66,349
<b>Total Fines and Forfeits</b>		66,349						66,349

**WESTTOWN 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	Trust and Agency	Memorandum Only

**REVENUES**

Interest, Rents and Royalties								
341.00	Interest Earnings	3,999	122	10,581	1,323	1,128		17,153
342.00	Rents and Royalties	94,750						94,750
<b>Total Interest, Rents and Royalties</b>		98,749	122	10,581	1,323	1,128		111,903

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

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	37,402						37,402
354.00	All Other State Capital and Operating Grants	52,448						52,448
355.01	Public Utility Realty Tax (PURTA)	5,518						5,518
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		264,313					264,313
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	140,491						140,491
355.07	Foreign Fire Insurance Tax Distribution	92,770						92,770
355.08	Local Share Assessment/Gaming Proceeds							

WESTTOWN 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	Trust and Agency	Memorandum Only

**REVENUES**

State								
355.09	Marcellus Shale Impact Fee Distribution							
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
<b>Total State</b>		328,629	264,313					592,942

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				128,367			128,367
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
<b>Total Local Government Units</b>					128,367			128,367

Charges for Service								
361.00	General Government	15,145						15,145
362.00	Public Safety	62,379						62,379
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.)				2,092,163			2,092,163
364.30	Solid Waste Collection and Disposal Charge (trash)	1,039,833						1,039,833
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	2,114						2,114

WESTTOWN 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	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							
<b>Total Charges for Service</b>		1,119,471			2,092,163			3,211,634

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	400		7,857				8,257
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues							
<b>Total Unclassified Operating Revenues</b>		400		7,857				8,257

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition							
392.00	Interfund Operating Transfers		762,909	800,000				1,562,909
393.00	Proceeds of General Long-Term Debt			7,390,000				7,390,000
394.00	Proceeds of Short Term-Debt							

**WESTTOWN 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	Trust and Agency	Memorandum Only

**REVENUES**

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	288,015				18,873		306,888
<b>Total Other Financing Sources</b>		288,015	762,909	8,190,000	18,873			9,259,797

**TOTAL REVENUES**

6,413,382	264,435	781,347	8,319,690	2,112,164			17,891,018
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**EXPENDITURES**

General Government								
400.00	Legislative (Governing) Body	17,988						17,988
401.00	Executive (Manager or Mayor)	172,110			88,116			260,226
402.00	Auditing Services / Financial Administration	13,000						13,000
403.00	Tax Collection	37,230						37,230
404.00	Solicitor / Legal Services	129,241			11,541			140,782
405.00	Secretary / Clerk	69,611						69,611
406.00	Other General Government Administration	45,238			1,600			46,838
407.00	IT-Networking Services-Data Processing	53,093						53,093
408.00	Engineering Services	136,017			76,797			212,814
409.00	General Government Buildings and Plant	113,489	41,756					155,245
<b>Total General Government</b>		787,017	41,756		178,054			1,006,827

**Public Safety**

410.00	Police	2,250,181						2,250,181
411.00	Fire	320,120						320,120
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	195,482						195,482
414.00	Planning and Zoning	44,650						44,650
415.00	Emergency Management and Communications	30						30

WESTTOWN 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	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	2,415						2,415
<b>Total Public Safety</b>		2,812,878						2,812,878

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

Public Works - Sanitation								
426.00	Recycling Collection and Disposal	4,259						4,259
427.00	Solid Waste Collection and Disposal (garbage)	949,070						949,070
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				658,937			658,937
<b>Total Public Works - Sanitation</b>		953,329			658,937			1,612,266

Public Works - Highways and Streets								
430.00	General Services - Administration	183,198						183,198
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	35,705						35,705
433.00	Traffic Control Devices	47,759						47,759
434.00	Street Lighting	1,423						1,423
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	8,049						8,049

WESTTOWN 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	Trust and Agency	Memorandum Only

**EXPENDITURES**

Public Works - Highways and Streets							
437.00	Repairs of Tools and Machinery	6,630					6,630
438.00	Maintenance and Repairs of Roads and Bridges	11,510					11,510
439.00	Highway Construction and Rebuilding Projects		292,183				292,183
<b>Total Public Works - Highways and Streets</b>		294,274	292,183				586,457

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	2,500			3,400		5,900
447.00	Transit System						
448.00	Water System						
449.00	Water Transport and Terminals						
<b>Total Other Public Works Enterprises</b>		2,500			3,400		5,900

Culture and Recreation							
451.00	Culture-Recreation Administration	10,790					10,790
452.00	Participant Recreation						
453.00	Spectator Recreation						
454.00	Parks	53,553					53,553
455.00	Shade Trees						
456.00	Libraries						

WESTTOWN 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	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						
<b>Total Culture and Recreation</b>		64,343					64,343

Community Development							
461.00	Conservation of Natural Resources	32,595					32,595
462.00	Community Development and Housing	2,450					2,450
463.00	Economic Development						
464.00	Economic Opportunity						
465-469	All Other Community Development						
<b>Total Community Development</b>		35,045					35,045

Debt Service							
471.00	Debt Principal (short-term and long-term)	21,672		7,635,000			7,656,672
472.00	Debt Interest (short-term and long-term)	4,090		483,175			487,265
475.00	Fiscal Agent Fees			104,858			104,858
<b>Total Debt Service</b>		25,762		8,223,033			8,248,795

Employer Paid Benefits and Withholding Items							
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	44,599			14,339		58,938
482.00	Judgments and Losses				300		300
483.00	Pension / Retirement Fund Contributions	140,563					140,563
484.00	Worker Compensation Insurance	16,310			5,437		21,747

WESTTOWN 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	Trust and Agency	Memorandum Only

**EXPENDITURES**

<b>Employer Paid Benefits and Withholding Items</b>							
487.00	Other Group Insurance Benefits	175,947				38,252	214,199
<b>Total Employer Paid Benefits and Withholding Items</b>		377,419				58,328	435,747

<b>Insurance</b>							
486.00	Insurance, Casualty, and Surety	49,916				24,548	74,464
<b>Total Insurance</b>		49,916				24,548	74,464

<b>Unclassified Operating Expenditures</b>							
488.00	Fiduciary Fund Benefits and Refunds Paid						
489.00	All Other Unclassified Expenditures	146					146
<b>Total Unclassified Operating Expenditures</b>		146					146

<b>Other Financing Uses</b>							
491.00	Refund of Prior Year Revenues	13,972					13,972
492.00	Interfund Operating Transfers	394,000	17,909		1,151,000		1,562,909
493.00	All Other Financing Uses						
<b>Total Other Financing Uses</b>		407,972	17,909		1,151,000		1,576,881

<b>TOTAL EXPENDITURES</b>	5,810,601	292,183	59,665	8,223,033	2,074,267		16,459,749
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	602,781	-27,748	721,682	96,657	37,897		1,431,269
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**WESTTOWN 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 2011 (Refunding of GOB 2006)	Bond	2011	2029	8,945,000	8,945,000	0	10,000		8,935,000		8,935,000
General Obligation Bond	Bond	2004	2023	4,000,000	2,815,000	0	2,815,000		0		0
GO Bond 2012 (Refunding of GOB 2004 and Sewer Rev Bond 2005)	Bond	2012	2027	7,390,000	0	7,390,000	475,000		6,915,000		6,915,000
<b>Revenue Bonds and Notes</b>											
Sewer Revenue Bond	Bond	2005	2027	8,955,000	4,335,000	0	4,335,000		0		0
<b>Lease Rental Debt</b>											
Capital Lease	Capital Leases	2011	2015	115,751	92,602	0	21,672		70,930		70,930
<b>Other</b>											

(1) - excludes unamortized premium/discount

<b>Total bonds and notes outstanding</b>	<b>15,920,930</b>
<b>Capitalized lease obligations</b>	<b>0</b>
<b>Net debt</b>	<b>15,920,930</b>

WESTTOWN TWP, CHESTER County  
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2012

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	13,286	41,029	54,315
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer		9,890	9,890
Solid Waste			
Streets / Highways		292,183	292,183
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	13,286	343,102	356,388

**EMPLOYEE COMPENSATION**

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

745,704

# MINGIS, GUTOWSKI & COMPANY, LLP

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## INDEPENDENT AUDITORS' REPORT

Board of Supervisors  
Westtown Township  
West Chester, PA 19382

We have audited the accompanying Municipal Annual Audit and Financial Report (DCED-CLGS-30) of Westtown Township as of December 31, 2012 and for the year then ended.

### **Basis of Accounting**

The Township's policy is to prepare its Municipal Annual Audit and Financial Report (DCED-CLGS-30) on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the Department of Community and Economic Development (DCEED) of the Commonwealth of Pennsylvania, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, certain revenues and related assets are recorded when received rather than when earned, and certain expenses are recognized when paid rather than when the liability is incurred. Additionally, in accordance with the prescribed accounting practices permitted by DCEED, the Township does not include applicable disclosures. Accordingly, the accompanying financial report is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

### **Management's Responsibility for the Financial Report**

Management is responsible for the preparation and fair presentation of this financial report in accordance with the basis of accounting described above; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial reports that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on this 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 financial report is free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 aforementioned financial report presents fairly in all material respects, the financial position of Westtown Township as of December 31, 2012 and the results of its operations for the year then ended in conformity with the basis of accounting described above.

This report is intended solely for the information and use of the Board of Supervisors and management of Westtown Township; its lending institutions; and for filing with the Department of Community and Economic Development and the Office of the Prothonotary and should not be used by anyone other than these specified parties.

*Mingis, Gutowski & Company, LLP*

Swarthmore, Pennsylvania  
April 2, 2013