

**2013 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

152165 WESTTOWN TWP, CHESTER COUNTY

WESTTOWN TWP, CHESTER County

BALANCE SHEET

December 31, 2013

		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
Liabilities and Other Credits											
260-269	Long-Term-Liabilities									14,309,672	14,309,672
240-259	Current Portion of Long-Term Debt and Other Credits									908,629	908,629
Total Liabilities and Other Credits		378,606								15,218,301	15,596,907

Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	2,185,703	247	4,285,614	826,819	1,122,457					8,420,840
291-299	Other Equity										
Total Fund and Account Group Equity		2,185,703	247	4,285,614	826,819	1,122,457					8,420,840

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											24,017,747
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WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES
 December 31, 2013

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	2,596,279						2,596,279
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	315,619						315,619
310.20	Earned Income Taxes / Wage Taxes	2,251,497						2,251,497
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	131,766						131,766
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other Local Tax Enabling Act / Act 511 / Taxes							
	Other: _____							
Total Taxes		5,295,161						5,295,161

Licenses and Permits

320-322	All Other Licenses and Permits							
321.80	Cable Television Franchise Fees	269,192						269,192
Total Licenses and Permits		269,192						269,192

Fines and Forfeits

330-332	Fines and Forfeits	108,632						108,632
Total Fines and Forfeits		108,632						108,632

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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	6,692	108	11,896	1,138	662		20,496
342.00	Rents and Royalties	106,979						106,979
Total Interest, Rents and Royalties		113,671	108	11,896	1,138	662		127,475

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							
Total Federal								

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	18,115						18,115
354.00	All Other State Capital and Operating Grants	13,000						13,000
355.01	Public Utility Realty Tax (PURTA)	5,416						5,416
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		260,496					260,496
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	129,426						129,426
355.07	Foreign Fire Insurance Tax Distribution	105,979						105,979
355.08	Local Share Assessment/Gaming Proceeds							

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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							
Total State		271,936	260,496					532,432

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				135,153			135,153
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units					135,153			135,153

Charges for Service								
361.00	General Government	15,468						15,468
362.00	Public Safety	84,141						84,141
363.20	Parking							
363.00	All Other Charges for Highway & Street Services							
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)				2,771,342			2,771,342
364.30	Solid Waste Collection and Disposal Charge (trash)	1,126,037						1,126,037
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	6,595						6,595

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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

REVENUES

Charges for Service								
368.00	Airports							
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service							
Total Charges for Service		1,232,241			2,771,342			4,003,583

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	39,315						39,315
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues							
Total Unclassified Operating Revenues		39,315						39,315

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	1,200						1,200
392.00	Interfund Operating Transfers		1,125,000	1,033,500				2,158,500
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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	424,477				29,675	454,152
Total Other Financing Sources		425,677	1,125,000	1,033,500	29,675		2,613,852

TOTAL REVENUES	7,755,825	260,604	1,136,896	1,169,791	2,801,679		13,124,795
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EXPENDITURES

General Government							
400.00	Legislative (Governing) Body	15,721					15,721
401.00	Executive (Manager or Mayor)	196,732			90,334		287,066
402.00	Auditing Services / Financial Administration	12,825					12,825
403.00	Tax Collection	36,751					36,751
404.00	Solicitor / Legal Services	127,166			22,775		149,941
405.00	Secretary / Clerk	66,461					66,461
406.00	Other General Government Administration	51,641			665		52,306
407.00	IT-Networking Services-Data Processing	35,316					35,316
408.00	Engineering Services	238,560			100,026		338,586
409.00	General Government Buildings and Plant	110,169	58,585				168,754
Total General Government		891,342	58,585		213,800		1,163,727

Public Safety							
410.00	Police	2,292,522					2,292,522
411.00	Fire	337,967					337,967
412.00	Ambulance / Rescue						
413.00	UCC and Code Enforcement	256,222					256,222
414.00	Planning and Zoning	37,243					37,243
415.00	Emergency Management and Communications	30					30

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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	2,464						2,464
Total Public Safety		2,926,448						2,926,448

Health and Human Services								
420.00-425.00	Health and Human Services							
Total Health and Human Services								

Public Works - Sanitation								
426.00	Recycling Collection and Disposal	2,169						2,169
427.00	Solid Waste Collection and Disposal (garbage)	692,755						692,755
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection				749,086			749,086
Total Public Works - Sanitation		694,924			749,086			1,444,010

Public Works - Highways and Streets								
430.00	General Services - Administration	200,645						200,645
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance - Snow Removal	113,689						113,689
433.00	Traffic Control Devices	40,615						40,615
434.00	Street Lighting	1,392						1,392
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains	5,195						5,195

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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	43,886					43,886
438.00	Maintenance and Repairs of Roads and Bridges	95,844					95,844
439.00	Highway Construction and Rebuilding Projects	363,678	265,000		110,042		738,720
Total Public Works - Highways and Streets		864,944	265,000		110,042		1,239,986

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	500					500
447.00	Transit System						
448.00	Water System						
449.00	Water Transport and Terminals						
Total Other Public Works Enterprises		500					500

Culture and Recreation							
451.00	Culture-Recreation Administration	19,236					19,236
452.00	Participant Recreation						
453.00	Spectator Recreation						
454.00	Parks	47,109					47,109
455.00	Shade Trees						
456.00	Libraries						

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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							
Total Culture and Recreation		66,345						66,345

Community Development								
461.00	Conservation of Natural Resources	60,212						60,212
462.00	Community Development and Housing	450						450
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development		60,662						60,662

Debt Service								
471.00	Debt Principal (short-term and long-term)	22,629		680,000				702,629
472.00	Debt Interest (short-term and long-term)	3,133		396,035				399,168
475.00	Fiscal Agent Fees			1,000				1,000
Total Debt Service		25,762		1,077,035				1,102,797

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	47,836			14,837			62,673
482.00	Judgments and Losses	465	3,020		8,300			11,785
483.00	Pension / Retirement Fund Contributions	130,613						130,613
484.00	Worker Compensation Insurance	20,804			6,787			27,591

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2013

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

EXPENDITURES

Employer Paid Benefits and Withholding Items							
487.00	Other Group Insurance Benefits	186,761				44,090	230,851
Total Employer Paid Benefits and Withholding Items		386,479		3,020		74,014	463,513

Insurance							
486.00	Insurance, Casualty, and Surety	53,709				28,047	81,756
Total Insurance		53,709				28,047	81,756

Unclassified Operating Expenditures							
488.00	Fiduciary Fund Benefits and Refunds Paid						
489.00	All Other Unclassified Expenditures	42					42
Total Unclassified Operating Expenditures		42					42

Other Financing Uses							
491.00	Refund of Prior Year Revenues	17,299					17,299
492.00	Interfund Operating Transfers	752,500			1,406,000		2,158,500
493.00	All Other Financing Uses						
Total Other Financing Uses		769,799			1,406,000		2,175,799

TOTAL EXPENDITURES		6,740,956	265,000	61,605	1,077,035	2,580,989	10,725,585
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		1,014,869	-4,396	1,075,291	92,756	220,690	2,399,210
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WESTTOWN TWP
December 31, 2013

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

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

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
General Obligation Bond 2011 (Refunding of GOB 2006)	Bond	2011	2029	8,945,000	8,935,000	0	240,000		8,695,000		8,695,000
General Obligation Bond 2012 (Refunding of GOB 2004 & Sewer Revenue Bond 2005)	Bond	2012	2027	7,390,000	6,915,000	0	440,000		6,475,000		6,475,000
Revenue Bonds and Notes											
Lease Rental Debt											
Capital Lease	Capital Leases	2011	2015	115,751	70,930	0	22,629		48,301		48,301
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	15,218,301
Capitalized lease obligations	0
Net debt	15,218,301

WESTTOWN TWP, CHESTER County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2013

Category	Capital Purchases	Capital Construction	Total
Electric			
Fire			
Gas System			
General Government	38,640	57,850	96,490
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer		249,947	249,947
Solid Waste			
Streets / Highways		720,134	720,134
Water			
Other: _____			
Community Development			
TOTAL CAPITAL EXPENDITURES	38,640	1,027,931	1,066,571

EMPLOYEE COMPENSATION

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

796,558

Independent Public Accountant/Certified Public Accountant Submission Page
Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: David Barrett Appointed Auditor/CPA

WESTTOWN TWP, CHESTER County
December 31, 2013

NOTES / COMMENTS

Note 1: Other Current Assets (150-159) and Other Current Liabilities (231-239) represent escrow deposits maintained on behalf of developers.

Note 2: Pension information has been omitted from the Fiduciary Fund because the independent audit firm was not engaged to audit the pension fund.

Note 3: General Fund account 395.00, Refund of Prior Year Expenditures, represents proceeds of \$128,442 resulting from a legal settlement related to environmental remediation.

MINGIS, GUTOWSKI & COMPANY, LLP

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

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

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Westtown Township
Westtown, PA 19382

We have audited the accompanying financial statements included in the Municipal Annual Audit and Financial Report (DCED-CLGS-30), a prescribed form, of Westtown Township as of December 31, 2013 and for the year then ended.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Pennsylvania Department of Community and Economic Development and with the basis of accounting described below; this includes determining that the presentation and the use of the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the modified cash basis financial position of Westtown Township as of December 31, 2013 and the revenue it received and expenditures it paid for the year then ended on the prescribed form in conformity with the basis of accounting described below.

Basis of Accounting

Westtown Township's policy is to prepare its financial statements for inclusion in the Municipal Annual Audit and Financial Report (DCED-CLGS-30), a prescribed form, on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and budget laws of the Department of Community and Economic Development, which is a special purpose framework other than accounting principles generally accepted in the United States of America. As permitted by DCED, Westtown Township prepares its annual audit and financial report on the modified cash basis of accounting; consequently, certain revenue and related assets are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the liability is incurred. Additionally, in accordance with the prescribed accounting practices permitted by DCED, Westtown 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 management and the Supervisors of Westtown Township 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
August 15, 2014