

# **2015 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, 2015

		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	4,246,515	6,139	5,776,171	1,044,560	1,080,131					12,153,516
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds	1,200				111,358					112,558
131-139, 150-159	Other Current Assets	52,209				22,457					74,666
160-169	Fixed Assets										
180-189	Other Debits									13,380,000	13,380,000
<b>Total Assets and Other Debits</b>		4,299,924	6,139	5,776,171	1,044,560	1,213,946				13,380,000	25,720,740

<b>Liabilities and Other Credits</b>											
210-229	Payroll Taxes and Other Payroll Withholdings	3,170									3,170
200-209, 231-239	All Other Current Liabilities	60,790				22,457					83,247
230.00	Due To Other Funds	111,358				1,200					112,558



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

December 31, 2015

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	2,617,262							2,617,262
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	628,334							628,334
310.20	Earned Income Taxes / Wage Taxes	2,359,967							2,359,967
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	137,431							137,431
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>		5,742,994							5,742,994

Licenses and Permits									
320-322	All Other Licenses and Permits								
321.80	Cable Television Franchise Fees	282,762							282,762
<b>Total Licenses and Permits</b>		282,762							282,762

Fines and Forfeits									
330-332	Fines and Forfeits	103,975							103,975
<b>Total Fines and Forfeits</b>		103,975							103,975

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

December 31, 2015

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	12,967	93	8,318	894	912			23,184
342.00	Rents and Royalties	118,578							118,578
<b>Total Interest, Rents and Royalties</b>		131,545	93	8,318	894	912			141,762

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	92,355							92,355
354.15	Recycling / Act 101								
354.00	All Other State Capital and Operating Grants								
355.01	Public Utility Realty Tax (PURTA)	6,074							6,074
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		306,652						306,652
355.04	Alcoholic Beverage Licenses								
355.05	General Municipal Pension System State Aid	124,871							124,871
355.07	Foreign Fire Insurance Tax Distribution	96,126							96,126
355.08	Local Share Assessment/Gaming Proceeds								
355.09	Marcellus Shale Impact Fee Distribution								

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

December 31, 2015

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									
355.00	All Other State Shared Revenues and Entitlements								
356.00	State Payments in Lieu of Taxes								
<b>Total State</b>		319,426	306,652						626,078

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				123,668				123,668
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes								
<b>Total Local Government Units</b>					123,668				123,668

Charges for Service									
361.00	General Government	13,290							13,290
362.00	Public Safety	471,556							471,556
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.)					2,503,987			2,503,987
364.30	Solid Waste Collection and Disposal Charge (trash)	1,069,851							1,069,851
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	3,454							3,454
368.00	Airports								

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

December 31, 2015

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									
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>		1,558,151				2,503,987			4,062,138

Unclassified Operating Revenues									
383.00	Special Assessments								
386.00	Escheats (sale of personal property)								
387.00	Contributions and Donations from Private Sectors	39,507							39,507
388.00	Fiduciary Fund Pension Contributions								
389.00	All Other Unclassified Operating Revenues	6,500							6,500
<b>Total Unclassified Operating Revenues</b>		46,007							46,007

Other Financing Sources									
391.00	Proceeds of General Fixed Asset Disposition								
392.00	Interfund Operating Transfers			823,814	1,257,600				2,081,414
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, 2015

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	367,426				6,861			374,287
<b>Total Other Financing Sources</b>		367,426		823,814	1,257,600	6,861			2,455,701

**TOTAL REVENUES**

8,552,286	306,745	832,132	1,382,162	2,511,760			13,585,085
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**EXPENDITURES**

General Government									
400.00	Legislative (Governing) Body	14,584							14,584
401.00	Executive (Manager or Mayor)	302,855				46,837			349,692
402.00	Auditing Services / Financial Administration	13,609							13,609
403.00	Tax Collection	36,993							36,993
404.00	Solicitor / Legal Services	118,722				6,097			124,819
405.00	Secretary / Clerk	72,173							72,173
406.00	Other General Government Administration	59,766				5,813			65,579
407.00	IT-Networking Services-Data Processing	47,522		18,660					66,182
408.00	Engineering Services	187,012				64,753			251,765
409.00	General Government Buildings and Plant	121,183		22,111					143,294
<b>Total General Government</b>		974,419		40,771		123,500			1,138,690

**Public Safety**

410.00	Police	2,424,300							2,424,300
411.00	Fire	376,247							376,247
412.00	Ambulance / Rescue								
413.00	UCC and Code Enforcement	298,313							298,313



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

December 31, 2015

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									
414.00	Planning and Zoning	27,491							27,491
415.00	Emergency Management and Communications	60							60
416.00	Militia and Armories								
417.00	Examination of Licensed Occupations								
418.00	Public Scales (weights and measures)								
419.00	Other Public Safety	4,906							4,906
<b>Total Public Safety</b>		3,131,317							3,131,317

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	2,536							2,536
427.00	Solid Waste Collection and Disposal (garbage)	701,495							701,495
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection					711,912			711,912
<b>Total Public Works - Sanitation</b>		704,031				711,912			1,415,943

Public Works - Highways and Streets									
430.00	General Services - Administration	227,378							227,378
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal	233,560							233,560
433.00	Traffic Control Devices	63,675							63,675
434.00	Street Lighting	1,143							1,143

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

December 31, 2015

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**

435.00	Sidewalks and Crosswalks								
436.00	Storm Sewers and Drains	4,121							4,121
437.00	Repairs of Tools and Machinery	173,912			28,912				202,824
438.00	Maintenance and Repairs of Roads and Bridges	11,357							11,357
439.00	Highway Construction and Rebuilding Projects	396,172	330,000						726,172
<b>Total Public Works - Highways and Streets</b>		1,111,318	330,000		28,912				1,470,230

**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	10,129							10,129
447.00	Transit System								
448.00	Water System								
449.00	Water Transport and Terminals								
<b>Total Other Public Works Enterprises</b>		10,129							10,129

**Culture and Recreation**

451.00	Culture-Recreation Administration	23,788							23,788
452.00	Participant Recreation								
453.00	Spectator Recreation								
454.00	Parks	45,718							45,718

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

December 31, 2015

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									
455.00	Shade Trees								
456.00	Libraries	5,500							5,500
457.00	Civil and Military Celebrations								
458.00	Senior Citizens' Centers								
459.00	All Other Culture and Recreation								
<b>Total Culture and Recreation</b>		75,006							75,006

Community Development									
461.00	Conservation of Natural Resources	107,383							107,383
462.00	Community Development and Housing	525							525
463.00	Economic Development								
464.00	Economic Opportunity								
465-469	All Other Community Development								
<b>Total Community Development</b>		107,908							107,908

Debt Service									
471.00	Debt Principal (short-term and long-term)	24,672			905,000				929,672
472.00	Debt Interest (short-term and long-term)	1,090			371,950				373,040
475.00	Fiscal Agent Fees			3,001	1,000				4,001
<b>Total Debt Service</b>		25,762		3,001	1,277,950				1,306,713

Employer Paid Benefits and Withholding Items									
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	53,385				11,722			65,107
482.00	Judgments and Losses			5,360					5,360
483.00	Pension / Retirement Fund Contributions	115,354							115,354

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

December 31, 2015

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									
484.00	Worker Compensation Insurance	25,376				8,459			33,835
487.00	Other Group Insurance Benefits	175,552				47,558			223,110
<b>Total Employer Paid Benefits and Withholding Items</b>		369,667		5,360		67,739			442,766

Insurance									
486.00	Insurance, Casualty, and Surety	66,504				36,497			103,001
<b>Total Insurance</b>		66,504				36,497			103,001

Unclassified Operating Expenditures									
488.00	Fiduciary Fund Benefits and Refunds Paid								
489.00	All Other Unclassified Expenditures	419							419
<b>Total Unclassified Operating Expenditures</b>		419							419

Other Financing Uses									
491.00	Refund of Prior Year Revenues	25,781							25,781
492.00	Interfund Operating Transfers	625,414				1,456,000			2,081,414
493.00	All Other Financing Uses								
<b>Total Other Financing Uses</b>		651,195				1,456,000			2,107,195

<b>TOTAL EXPENDITURES</b>	7,227,675	330,000	49,132	1,277,950	2,424,560				11,309,317
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	1,324,611	-23,255	783,000	104,212	87,200				2,275,768
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**WESTTOWN TWP**  
**December 31, 2015**

**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	8,260,000	0	455,000		7,805,000		7,805,000
General Obligation Bond 2012 (Refunding of GOB 2004 & Sewer Revenue Bond 2005)	Bond	2012	2027	7,390,000	6,025,000	0	450,000		5,575,000		5,575,000
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
Capital Lease	Capital Leases	2011	2015	115,751	24,672	0	24,672		0		0
<b>Other</b>											

(1) - excludes unamortized premium/discount

**Total bonds and notes outstanding** 13,380,000

**Capitalized lease obligations** 0

**Net debt** 13,380,000

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

December 31, 2015

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	243,541	104,846	348,387
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer	35,912	77,971	113,883
Solid Waste			
Streets / Highways		726,172	726,172
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	279,453	908,989	1,188,442

**EMPLOYEE COMPENSATION**

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

853,640

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

**SIGNATURE AND VERIFICATION**

Signed:

David J Barrett Appointed Auditor/CPA

December 31, 2015

**NOTES / COMMENTS**

Other Current Assets (150-159) and Other Current Liabilities (231-239) include escrow deposits of \$74,666 maintained on behalf of developers.

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

# **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, 2015 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, 2015 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  
May 17, 2016