

# **2016 MUNICIPAL ANNUAL AUDIT AND FINANCIAL REPORT**

**152165 WESTTOWN TWP, CHESTER COUNTY**

# **MINGIS, GUTOWSKI & COMPANY, LLP**

**Certified Public Accountants**

100 Granite Drive, Suite 7 • Media, PA 19063

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, 2016 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 fraud or error.

### **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, 2016 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*

Media, Pennsylvania  
April 10, 2017



# BALANCE SHEET

DCED-CLGS-30 (09-09)

## WESTTOWN TWP, CHESTER County BALANCE SHEET December 31, 2016

		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	4,744,933	14,742	8,930,481	8,034,418	1,279,969					23,004,543
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds	51,869				12,635					64,504
131-139, 150-159	Other Current Assets	43,732				19,800					63,532
160-169	Fixed Assets										
180-189	Other Debits									22,055,000	22,055,000
<b>Total Assets and Other Debits</b>		4,840,534	14,742	8,930,481	8,034,418	1,312,404				22,055,000	45,187,579
<b>Liabilities and Other Credits</b>											
210-229	Payroll Taxes and Other Payroll Withholdings	9,300				834					10,134
200-209, 231-239	All Other Current Liabilities	52,733				19,800					72,533
230.00	Due To Other Funds	12,635				51,869					64,504



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

December 31, 2016

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	2,624,615							2,624,615
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	567,644							567,644
310.20	Earned Income Taxes / Wage Taxes	2,512,396							2,512,396
310.30	Business Gross Receipts Taxes								
310.40	Occupation Taxes (levied under Act 511)								
310.50	Local Services Tax **	142,776							142,776
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>		5,847,431							5,847,431

Licenses and Permits									
320-322	All Other Licenses and Permits								
321.80	Cable Television Franchise Fees	272,097							272,097
<b>Total Licenses and Permits</b>		272,097							272,097

Fines and Forfeits									
330-332	Fines and Forfeits	67,903							67,903
<b>Total Fines and Forfeits</b>		67,903							67,903

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

December 31, 2016

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	7,404	89	86,353	1,130	766			95,742
342.00	Rents and Royalties	140,033							140,033
<b>Total Interest, Rents and Royalties</b>		147,437	89	86,353	1,130	766			235,775

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	15,356							15,356
354.00	All Other State Capital and Operating Grants								
355.01	Public Utility Realty Tax (PURTA)	6,450							6,450
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		358,514						358,514
355.04	Alcoholic Beverage Licenses								
355.05	General Municipal Pension System State Aid	143,759							143,759
355.07	Foreign Fire Insurance Tax Distribution	95,406							95,406
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, 2016

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>		260,971	358,514						619,485

Local Government Units									
357.03	Highways and Streets								
357.00	All Other Local Governmental Units Capital and Operating Grants	6,500							6,500
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services				126,568				126,568
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes								
<b>Total Local Government Units</b>		6,500			126,568				133,068

Charges for Service									
361.00	General Government	22,867							22,867
362.00	Public Safety	338,020							338,020
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.)					2,408,320			2,408,320
364.30	Solid Waste Collection and Disposal Charge (trash)	1,082,628							1,082,628
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	2,948							2,948
368.00	Airports								

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

December 31, 2016

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>		1,446,463				2,408,320		3,854,783

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	3,350						3,350
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues	14,000						14,000
<b>Total Unclassified Operating Revenues</b>		17,350						17,350

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	41,217						41,217
392.00	Interfund Operating Transfers			3,925,547	1,169,600			5,095,147
393.00	Proceeds of General Long-Term Debt				9,595,000			9,595,000
394.00	Proceeds of Short Term-Debt							

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

December 31, 2016

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	225,331				17,544			242,875
<b>Total Other Financing Sources</b>		266,548		3,925,547	10,764,600	17,544			14,974,239

**TOTAL REVENUES**

8,332,700	358,603	4,011,900	10,892,298	2,426,630			26,022,131
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**EXPENDITURES**

General Government									
400.00	Legislative (Governing) Body	14,160							14,160
401.00	Executive (Manager or Mayor)	299,706				75,419			375,125
402.00	Auditing Services / Financial Administration	13,709							13,709
403.00	Tax Collection	39,327							39,327
404.00	Solicitor / Legal Services	101,219				2,303			103,522
405.00	Secretary / Clerk	86,092							86,092
406.00	Other General Government Administration	67,977				165			68,142
407.00	IT-Networking Services-Data Processing	34,999							34,999
408.00	Engineering Services	306,928				82,152			389,080
409.00	General Government Buildings and Plant	104,109		16,001					120,110
<b>Total General Government</b>		1,068,226		16,001		160,039			1,244,266

**Public Safety**

410.00	Police	2,474,593							2,474,593
411.00	Fire	372,331							372,331
412.00	Ambulance / Rescue								
413.00	UCC and Code Enforcement	208,917							208,917

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

December 31, 2016

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	70,525							70,525
415.00	Emergency Management and Communications								
416.00	Militia and Armories								
417.00	Examination of Licensed Occupations								
418.00	Public Scales (weights and measures)								
419.00	Other Public Safety	4,169							4,169
<b>Total Public Safety</b>		3,130,535							3,130,535

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	2,198							2,198
427.00	Solid Waste Collection and Disposal (garbage)	734,904							734,904
428.00	Weed Control								
429.00	Wastewater / Sewage Treatment and Collection			306,427		806,697			1,113,124
<b>Total Public Works - Sanitation</b>		737,102		306,427		806,697			1,850,226

Public Works - Highways and Streets									
430.00	General Services - Administration	245,502							245,502
431.00	Cleaning of Streets and Gutters								
432.00	Winter Maintenance – Snow Removal	73,869							73,869
433.00	Traffic Control Devices	75,892							75,892
434.00	Street Lighting	1,278							1,278

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

December 31, 2016

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	188,280							188,280
437.00	Repairs of Tools and Machinery	128,109							128,109
438.00	Maintenance and Repairs of Roads and Bridges	13,288							13,288
439.00	Highway Construction and Rebuilding Projects	575,925	350,000						925,925
<b>Total Public Works - Highways and Streets</b>		1,302,143	350,000						1,652,143

**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	2,572							2,572
447.00	Transit System								
448.00	Water System								
449.00	Water Transport and Terminals								
<b>Total Other Public Works Enterprises</b>		2,572							2,572

**Culture and Recreation**

451.00	Culture-Recreation Administration	20,484							20,484
452.00	Participant Recreation								
453.00	Spectator Recreation								
454.00	Parks	65,783							65,783

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

December 31, 2016

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	11,000							11,000
457.00	Civil and Military Celebrations								
458.00	Senior Citizens' Centers								
459.00	All Other Culture and Recreation								
<b>Total Culture and Recreation</b>		97,267							97,267

Community Development									
461.00	Conservation of Natural Resources	19,444							19,444
462.00	Community Development and Housing	575							575
463.00	Economic Development								
464.00	Economic Opportunity								
465-469	All Other Community Development								
<b>Total Community Development</b>		20,019							20,019

Debt Service									
471.00	Debt Principal (short-term and long-term)				920,000				920,000
472.00	Debt Interest (short-term and long-term)				432,469				432,469
475.00	Fiscal Agent Fees	619		11,630	37,957				50,206
<b>Total Debt Service</b>		619		11,630	1,390,426				1,402,675

Employer Paid Benefits and Withholding Items									
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	59,423				19,840			79,263
482.00	Judgments and Losses								
483.00	Pension / Retirement Fund Contributions	143,759							143,759

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

December 31, 2016

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	34,553				11,518			46,071
487.00	Other Group Insurance Benefits	203,585				73,367			276,952
<b>Total Employer Paid Benefits and Withholding Items</b>		441,320				104,725			546,045

Insurance									
486.00	Insurance, Casualty, and Surety	69,286				37,561			106,847
<b>Total Insurance</b>		69,286				37,561			106,847

Unclassified Operating Expenditures									
488.00	Fiduciary Fund Benefits and Refunds Paid								
489.00	All Other Unclassified Expenditures	892							892
<b>Total Unclassified Operating Expenditures</b>		892							892

Other Financing Uses									
491.00	Refund of Prior Year Revenues	23,939							23,939
492.00	Interfund Operating Transfers	791,600	523,533	2,512,014	1,268,000				5,095,147
493.00	All Other Financing Uses								
<b>Total Other Financing Uses</b>		815,539	523,533	2,512,014	1,268,000				5,119,086

<b>TOTAL EXPENDITURES</b>	7,685,520	350,000	857,591	3,902,440	2,377,022				15,172,573
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<b>EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES</b>	647,180	8,603	3,154,309	6,989,858	49,608				10,849,558
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## WESTTOWN TWP

December 31, 2016

## 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	7,805,000	0	460,000		7,345,000		7,345,000
General Obligation Bond 2012 (Refunding of GOB 2004 & Sewer Revenue Bond 2005)	Bond	2012	2027	7,390,000	5,575,000	0	460,000		5,115,000		5,115,000
General Obligation Bond 2016 Refunding of GOB 2011	Bond	2016	2036	9,595,000	0	9,595,000	0		9,595,000		9,595,000
<b>Revenue Bonds and Notes</b>											
<b>Lease Rental Debt</b>											
<b>Other</b>											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding

22,055,000

Capitalized lease obligations

0

Net debt

22,055,000



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

December 31, 2016

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	186,073	181,405	367,478
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer		50,620	50,620
Solid Waste			
Streets / Highways		925,925	925,925
Water			
Other: _____			
<b>TOTAL CAPITAL EXPENDITURES</b>	186,073	1,157,950	1,344,023

**EMPLOYEE COMPENSATION**

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

947,977

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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 Barrett, CPA Appointed Auditor/CPA

**December 31, 2016**

**NOTES / COMMENTS**

Note 1: Pension information has been omitted from the Fiduciary Fund because the independent audit firm was not engaged to audit the Pension Fund.

Note 2: Other Current Assets (150-159) and Other Current Liabilities (231-239) represent escrow deposits maintained on behalf of developers.

Note 3: Fiscal Agent Fee (475.00) is the net of the cost of bond issuance (\$116,368) less Bond Premium (\$79,412).