

**2017 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

152165 WESTTOWN TWP, CHESTER COUNTY

MINGIS, GUTOWSKI & COMPANY, LLP

Certified Public Accountants

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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, 2017 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, 2017 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
July 19, 2018



BALANCE SHEET

DCED-CLGS-30 (09-09)

WESTTOWN TWP, CHESTER County
BALANCE SHEET
 December 31, 2017

		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
Assets and Other Debits											
100-120	Cash and Investments	5,461,733	39,532	9,169,778	1,160,730	1,327,125					17,158,898
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds	37,455				109,218					146,673
131-139, 150-159	Other Current Assets	56,859				19,800					76,659
160-169	Fixed Assets										
180-189	Other Debits									14,065,000	14,065,000
Total Assets and Other Debits		5,556,047	39,532	9,169,778	1,160,730	1,456,143				14,065,000	31,447,230

Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	8,187									8,187
200-209, 231-239	All Other Current Liabilities	59,149				19,800					78,949
230.00	Due To Other Funds	109,218				37,455					146,673

WESTTOWN TWP, CHESTER County

BALANCE SHEET

December 31, 2017

		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									12,910,000	12,910,000
240-259	Current Portion of Long-Term Debt and Other Credits									1,155,000	1,155,000
Total Liabilities and Other Credits		176,554				57,255				14,065,000	14,298,809
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	5,379,493	39,532	9,169,778	1,160,730	1,398,888					17,148,421
291-299	Other Equity										
Total Fund and Account Group Equity		5,379,493	39,532	9,169,778	1,160,730	1,398,888					17,148,421
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											31,447,230

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	2,662,803						2,662,803
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	462,262						462,262
310.20	Earned Income Taxes / Wage Taxes	2,548,096						2,548,096
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	142,484						142,484
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		5,815,645						5,815,645

Licenses and Permits

320-322	All Other Licenses and Permits							
321.80	Cable Television Franchise Fees	276,818						276,818
Total Licenses and Permits		276,818						276,818

Fines and Forfeits

330-332	Fines and Forfeits	75,528						75,528
Total Fines and Forfeits		75,528						75,528

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	9,939	2	79,500	140,857	542		230,840
342.00	Rents and Royalties	138,453						138,453
Total Interest, Rents and Royalties		148,392	2	79,500	140,857	542		369,293

Federal								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants	45,246						45,246
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements							
353.00	Federal Payments in Lieu of Taxes							
Total Federal		45,246						45,246

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101	19,944						19,944
354.00	All Other State Capital and Operating Grants							
355.01	Public Utility Realty Tax (PURTA)	6,022						6,022
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		374,787					374,787
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	56,905						56,905
355.07	Foreign Fire Insurance Tax Distribution	86,765						86,765
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, 2017

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							
Total State		169,636	374,787					544,423

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	8,075						8,075
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services				124,368			124,368
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units		8,075			124,368			132,443

Charges for Service								
361.00	General Government	14,938						14,938
362.00	Public Safety	363,062						363,062
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.)					2,507,555		2,507,555
364.30	Solid Waste Collection and Disposal Charge (trash)	1,063,866						1,063,866
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	2,898						2,898
368.00	Airports							

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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

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							
Total Charges for Service		1,444,764				2,507,555		3,952,319

Unclassified Operating Revenues

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	3,775						3,775
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues			15,000				15,000
Total Unclassified Operating Revenues		3,775		15,000				18,775

Other Financing Sources

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	4,400						4,400
392.00	Interfund Operating Transfers			1,744,344	1,384,000			3,128,344
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, 2017

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	178,696				2,497		181,193
Total Other Financing Sources		183,096		1,744,344	1,384,000	2,497		3,313,937

TOTAL REVENUES

8,170,975	374,789	1,838,844	1,649,225	2,510,594			14,544,427
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	14,438						14,438
401.00	Executive (Manager or Mayor)	326,905				79,361		406,266
402.00	Auditing Services / Financial Administration	13,548						13,548
403.00	Tax Collection	40,496						40,496
404.00	Solicitor / Legal Services	57,206				9,553		66,759
405.00	Secretary / Clerk	101,854						101,854
406.00	Other General Government Administration	73,994				1,275		75,269
407.00	IT-Networking Services-Data Processing	33,799						33,799
408.00	Engineering Services	232,500				61,349		293,849
409.00	General Government Buildings and Plant	94,330		91,497				185,827
Total General Government		989,070		91,497		151,538		1,232,105

Public Safety

410.00	Police	2,729,118						2,729,118
411.00	Fire	372,082						372,082
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	272,091						272,091

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	121,806						121,806
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	2,554						2,554
Total Public Safety		3,497,651						3,497,651

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	2,461						2,461
427.00	Solid Waste Collection and Disposal (garbage)	719,193						719,193
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection			212,551		726,162		938,713
Total Public Works - Sanitation		721,654		212,551		726,162		1,660,367

Public Works - Highways and Streets

430.00	General Services - Administration	253,063						253,063
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	92,291						92,291
433.00	Traffic Control Devices	47,503						47,503
434.00	Street Lighting	1,285						1,285

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	6,932						6,932
437.00	Repairs of Tools and Machinery	16,370						16,370
438.00	Maintenance and Repairs of Roads and Bridges	13,423		99,760				113,183
439.00	Highway Construction and Rebuilding Projects	665,628	350,000					1,015,628
Total Public Works - Highways and Streets		1,096,495	350,000	99,760				1,546,255

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	3,000						3,000
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises		3,000						3,000

Culture and Recreation								
451.00	Culture-Recreation Administration	32,724						32,724
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	47,368		8,958				56,326

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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							
Total Culture and Recreation		91,092		8,958				100,050

Community Development								
461.00	Conservation of Natural Resources	34,506						34,506
462.00	Community Development and Housing	300						300
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development		34,806						34,806

Debt Service								
471.00	Debt Principal (short-term and long-term)				7,990,000			7,990,000
472.00	Debt Interest (short-term and long-term)				530,005			530,005
475.00	Fiscal Agent Fees		16,140	3,000				19,140
Total Debt Service			16,140	8,523,005				8,539,145

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	63,625				19,812		83,437
482.00	Judgments and Losses		21,297					21,297
483.00	Pension / Retirement Fund Contributions	37,685						37,685

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2017

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	46,138			16,191		62,329
487.00	Other Group Insurance Benefits	227,085			78,167		305,252
Total Employer Paid Benefits and Withholding Items		374,533	21,297		114,170		510,000

Insurance							
486.00	Insurance, Casualty, and Surety	72,855			39,737		112,592
Total Insurance		72,855			39,737		112,592

Unclassified Operating Expenditures							
488.00	Fiduciary Fund Benefits and Refunds Paid						
489.00	All Other Unclassified Expenditures	484					484
Total Unclassified Operating Expenditures		484					484

Other Financing Uses							
491.00	Refund of Prior Year Revenues	17,682					17,682
492.00	Interfund Operating Transfers	659,000	1,149,344		1,320,000		3,128,344
493.00	All Other Financing Uses						
Total Other Financing Uses		676,682	1,149,344		1,320,000		3,146,026

TOTAL EXPENDITURES		7,558,322	350,000	1,599,547	8,523,005	2,351,607		20,382,481
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		612,653	24,789	239,297	-6,873,780	158,987		-5,838,054
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WESTTOWN TWP
December 31, 2017

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	7,345,000	0	7,345,000		0		0
General Obligation Bond 2012 (Refunding of GOB 2004 & Sewer Revenue Bond 2005)	Bond	2012	2027	7,390,000	5,115,000	0	510,000		4,605,000		4,605,000
General Obligation Bond 2016 Refunding of GOB 2011	Bond	2016	2036	9,595,000	9,595,000	0	135,000		9,460,000		9,460,000
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	14,065,000
Capitalized lease obligations	0
Net debt	14,065,000

WESTTOWN TWP, CHESTER County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2017

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	17,563		17,563
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer		11,116	11,116
Solid Waste			
Streets / Highways		1,015,628	1,015,628
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	17,563	1,026,744	1,044,307

EMPLOYEE COMPENSATION

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

991,754

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, 2017

NOTES / COMMENTS

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

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