

**2018 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

152165 WESTTOWN TWP, CHESTER COUNTY

MINGIS, GUTOWSKI & COMPANY, LLP

Certified Public Accountants 300 West State Street, Suite 206 • 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, 2018 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, 2018 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 12, 2019



BALANCE SHEET

DCED-CLGS-30 (09-09)

WESTTOWN TWP, CHESTER County
BALANCE SHEET
 December 31, 2018

		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	5,116,059	32,273	8,223,955	1,231,770	1,473,420					16,077,477
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds	23,446				8,580					32,026
131-139, 150-159	Other Current Assets	63,657				4,216					67,873
160-169	Fixed Assets										
180-189	Other Debits									12,910,000	12,910,000
Total Assets and Other Debits		5,203,162	32,273	8,223,955	1,231,770	1,486,216				12,910,000	29,087,376

Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	8,383									8,383
200-209, 231-239	All Other Current Liabilities	61,102				4,216					65,318
230.00	Due To Other Funds	8,580				23,446					32,026

WESTTOWN TWP, CHESTER County

BALANCE SHEET

December 31, 2018

		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									11,745,000	11,745,000
240-259	Current Portion of Long-Term Debt and Other Credits									1,165,000	1,165,000
Total Liabilities and Other Credits		78,065				27,662				12,910,000	13,015,727
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	5,125,097	32,273	8,223,955	1,231,770	1,458,554					16,071,649
291-299	Other Equity										
Total Fund and Account Group Equity		5,125,097	32,273	8,223,955	1,231,770	1,458,554					16,071,649
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											29,087,376

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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	2,717,754						2,717,754
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	514,703						514,703
310.20	Earned Income Taxes / Wage Taxes	2,822,916						2,822,916
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	150,567						150,567
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		6,205,940						6,205,940

Licenses and Permits

320-322	All Other Licenses and Permits							
321.80	Cable Television Franchise Fees	277,507						277,507
Total Licenses and Permits		277,507						277,507

Fines and Forfeits

330-332	Fines and Forfeits	94,164						94,164
Total Fines and Forfeits		94,164						94,164

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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	8,009	144	89,491	2,284	888		100,816
342.00	Rents and Royalties	145,233						145,233
Total Interest, Rents and Royalties		153,242	144	89,491	2,284	888		246,049

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	34,509						34,509
354.00	All Other State Capital and Operating Grants	33,000						33,000
355.01	Public Utility Realty Tax (PURTA)	5,944						5,944
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		392,598					392,598
355.04	Alcoholic Beverage Licenses							
355.05	General Municipal Pension System State Aid	58,629						58,629
355.07	Foreign Fire Insurance Tax Distribution	79,088						79,088
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, 2018

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		211,170	392,598					603,768

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	7,655						7,655
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services				128,268			128,268
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units		7,655			128,268			135,923

Charges for Service								
361.00	General Government	23,162						23,162
362.00	Public Safety	278,398						278,398
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.)					2,575,773		2,575,773
364.30	Solid Waste Collection and Disposal Charge (trash)	1,077,419						1,077,419
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	2,377						2,377
368.00	Airports							

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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							
Total Charges for Service		1,381,356				2,575,773		3,957,129

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	4,130						4,130
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues							
Total Unclassified Operating Revenues		4,130						4,130

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	19,919						19,919
392.00	Interfund Operating Transfers			2,040,000	1,400,100			3,440,100
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, 2018

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	108,194		36,000		33,235		177,429
Total Other Financing Sources		128,113		2,076,000	1,400,100	33,235		3,637,448

TOTAL REVENUES

8,463,277	392,742	2,165,491	1,530,652	2,609,896			15,162,058
-----------	---------	-----------	-----------	-----------	--	--	------------

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	15,513						15,513
401.00	Executive (Manager or Mayor)	337,511			68,469			405,980
402.00	Auditing Services / Financial Administration	13,554						13,554
403.00	Tax Collection	42,004						42,004
404.00	Solicitor / Legal Services	106,504			10,600			117,104
405.00	Secretary / Clerk	123,867						123,867
406.00	Other General Government Administration	78,198			8,328			86,526
407.00	IT-Networking Services-Data Processing	55,729						55,729
408.00	Engineering Services	149,814	29,522		144,324			323,660
409.00	General Government Buildings and Plant	106,840	1,478,977					1,585,817
Total General Government		1,029,534	1,508,499		231,721			2,769,754

Public Safety

410.00	Police	4,070,371						4,070,371
411.00	Fire	372,184						372,184
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	176,329						176,329

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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	43,656						43,656
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	5,091						5,091
Total Public Safety		4,667,631						4,667,631

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	3,705						3,705
427.00	Solid Waste Collection and Disposal (garbage)	729,968						729,968
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection		85,078		791,190			876,268
Total Public Works - Sanitation		733,673	85,078		791,190			1,609,941

Public Works - Highways and Streets

430.00	General Services - Administration	262,937						262,937
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	139,477						139,477
433.00	Traffic Control Devices	42,333						42,333
434.00	Street Lighting	1,242						1,242

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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	6,612						6,612
437.00	Repairs of Tools and Machinery	184,349						184,349
438.00	Maintenance and Repairs of Roads and Bridges	11,212						11,212
439.00	Highway Construction and Rebuilding Projects	468,713	400,000		16,614			885,327
Total Public Works - Highways and Streets		1,116,875	400,000		16,614			1,533,489

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	28,643						28,643
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	41,179						41,179

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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		80,822						80,822

Community Development								
461.00	Conservation of Natural Resources	26,684						26,684
462.00	Community Development and Housing	500						500
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development		27,184						27,184

Debt Service								
471.00	Debt Principal (short-term and long-term)				1,155,000			1,155,000
472.00	Debt Interest (short-term and long-term)				302,611			302,611
475.00	Fiscal Agent Fees				2,000			2,000
Total Debt Service					1,459,611			1,459,611

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	68,156				19,182		87,338
482.00	Judgments and Losses			3,310				3,310
483.00	Pension / Retirement Fund Contributions	30,737						30,737

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2018

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	26,331			8,777		35,108
487.00	Other Group Insurance Benefits	245,268			72,622		317,890
Total Employer Paid Benefits and Withholding Items		370,492	3,310		100,581		474,383

Insurance							
486.00	Insurance, Casualty, and Surety	74,825			35,125		109,950
Total Insurance		74,825			35,125		109,950

Unclassified Operating Expenditures							
488.00	Fiduciary Fund Benefits and Refunds Paid						
489.00	All Other Unclassified Expenditures	927	14,427				15,354
Total Unclassified Operating Expenditures		927	14,427				15,354

Other Financing Uses							
491.00	Refund of Prior Year Revenues	43,055					43,055
492.00	Interfund Operating Transfers	565,100	1,500,000		1,375,000		3,440,100
493.00	All Other Financing Uses						
Total Other Financing Uses		608,155	1,500,000		1,375,000		3,483,155

TOTAL EXPENDITURES		8,710,618	400,000	3,111,314	1,459,611	2,550,231		16,231,774
---------------------------	--	-----------	---------	-----------	-----------	-----------	--	------------

EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		-247,341	-7,258	-945,823	71,041	59,665		-1,069,716
---	--	----------	--------	----------	--------	--------	--	------------

WESTTOWN TWP
December 31, 2018

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 2012 (Refunding of GOB 2004 & Sewer Revenue Bond 2005)	Bond	2012	2027	7,390,000	4,605,000		525,000		4,080,000		4,080,000
General Obligation Bond 2016 Refunding of GOB 2011	Bond	2016	2036	9,595,000	9,460,000		630,000		8,830,000		8,830,000
Revenue Bonds and Notes											
Lease Rental Debt											
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding 12,910,000

Capitalized lease obligations 0

Net debt 12,910,000

WESTTOWN TWP, CHESTER County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2018

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	192,830	1,471,777	1,664,607
Health			
Housing			
Libraries			
Mass Transit			
Parks			
Police			
Recreation			
Sewer		102,601	102,601
Solid Waste			
Streets / Highways		868,713	868,713
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	192,830	2,443,091	2,635,921

EMPLOYEE COMPENSATION

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

1,052,663

December 31, 2018

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.