

**2019 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, 2019 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, 2019 and the revenue it received and expenditures it paid for the year then ended in 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
May 21, 2020

WESTTOWN TWP, CHESTER County

BALANCE SHEET

December 31, 2019

		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									10,599,995	10,599,995
240-259	Current Portion of Long-Term Debt and Other Credits									1,233,201	1,233,201
Total Liabilities and Other Credits		82,186				11,310				11,833,196	11,926,692

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	5,144,249	35,667	8,118,607	574,876	1,680,850					15,554,249
291-299	Other Equity										
Total Fund and Account Group Equity		5,144,249	35,667	8,118,607	574,876	1,680,850					15,554,249

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											27,480,941
--	--	--	--	--	--	--	--	--	--	--	------------

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	2,811,259						2,811,259
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	361,279						361,279
310.20	Earned Income Taxes / Wage Taxes	2,700,997						2,700,997
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	145,579						145,579
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		6,019,114						6,019,114

Licenses and Permits

320-322	All Other Licenses and Permits							
321.80	Cable Television Franchise Fees	275,853						275,853
Total Licenses and Permits		275,853						275,853

Fines and Forfeits

330-332	Fines and Forfeits	65,294						65,294
Total Fines and Forfeits		65,294						65,294

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	62,704	1,692	81,573	7,546	4,877		158,392
342.00	Rents and Royalties	159,351						159,351
Total Interest, Rents and Royalties		222,055	1,692	81,573	7,546	4,877		317,743

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				23,363			23,363
354.00	All Other State Capital and Operating Grants	25,000			210,975			235,975
355.01	Public Utility Realty Tax (PURTA)	5,708						5,708
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		401,701					401,701
355.04	Alcoholic Beverage Licenses	200						200
355.05	General Municipal Pension System State Aid	73,523						73,523
355.07	Foreign Fire Insurance Tax Distribution	86,601						86,601
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, 2019

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		191,032	401,701			234,338		827,071

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants	6,950						6,950
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services				126,772			126,772
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units		6,950			126,772			133,722

Charges for Service								
361.00	General Government	24,039						24,039
362.00	Public Safety	270,404						270,404
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.)					2,749,449		2,749,449
364.30	Solid Waste Collection and Disposal Charge (trash)					1,068,547		1,068,547
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	1,310						1,310
368.00	Airports							

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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		295,753				3,817,996		4,113,749

Unclassified Operating Revenues								
383.00	Special Assessments	188,335						188,335
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	4,900						4,900
388.00	Fiduciary Fund Pension Contributions							
389.00	All Other Unclassified Operating Revenues			17,000				17,000
Total Unclassified Operating Revenues		193,235		17,000				210,235

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	9,119						9,119
392.00	Interfund Operating Transfers			2,520,000	1,344,000			3,864,000
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, 2019

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	81,967				98,559		180,526
Total Other Financing Sources		91,086		2,520,000	1,344,000	98,559		4,053,645

TOTAL REVENUES

		7,360,372	403,393	2,618,573	1,478,318	4,155,770		16,016,426
--	--	-----------	---------	-----------	-----------	-----------	--	------------

EXPENDITURES

General Government								
400.00	Legislative (Governing) Body	13,856						13,856
401.00	Executive (Manager or Mayor)	288,234				182,769		471,003
402.00	Auditing Services / Financial Administration	13,766						13,766
403.00	Tax Collection	39,427						39,427
404.00	Solicitor / Legal Services	111,262				19,614		130,876
405.00	Secretary / Clerk	63,332						63,332
406.00	Other General Government Administration	84,618				7,896		92,514
407.00	IT-Networking Services-Data Processing	32,003						32,003
408.00	Engineering Services	211,892		117,806		82,002		411,700
409.00	General Government Buildings and Plant	111,873		724,652				836,525
Total General Government		970,263		842,458		292,281		2,105,002

Public Safety

410.00	Police	3,092,723						3,092,723
411.00	Fire	370,124						370,124
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	168,622						168,622

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	65,042						65,042
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	2,023						2,023
Total Public Safety		3,698,534						3,698,534

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				8,625			8,625
427.00	Solid Waste Collection and Disposal (garbage)				702,433			702,433
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection		370,177		1,219,149			1,589,326
Total Public Works - Sanitation			370,177		1,930,207			2,300,384

Public Works - Highways and Streets								
430.00	General Services - Administration	265,520						265,520
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance – Snow Removal	86,158						86,158
433.00	Traffic Control Devices	70,966						70,966
434.00	Street Lighting	1,334						1,334

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	7,145						7,145
437.00	Repairs of Tools and Machinery	42,550						42,550
438.00	Maintenance and Repairs of Roads and Bridges	10,149		751,714				761,863
439.00	Highway Construction and Rebuilding Projects	453,703	400,000					853,703
Total Public Works - Highways and Streets		937,525	400,000	751,714				2,089,239

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	1,000						1,000
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises		1,000						1,000

Culture and Recreation								
451.00	Culture-Recreation Administration	24,185						24,185
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	99,312						99,312

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	11,149						11,149
458.00	Senior Citizens' Centers							
459.00	All Other Culture and Recreation							
Total Culture and Recreation		145,646						145,646

Community Development								
461.00	Conservation of Natural Resources	198,640						198,640
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		198,940						198,940

Debt Service								
471.00	Debt Principal (short-term and long-term)	46,862			1,165,000			1,211,862
472.00	Debt Interest (short-term and long-term)				289,212			289,212
475.00	Fiscal Agent Fees		9,573	1,000				10,573
Total Debt Service		46,862	9,573	1,455,212				1,511,647

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation	56,841				28,276		85,117
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions	47,667						47,667

WESTTOWN TWP, CHESTER County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2019

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	28,389			9,463		37,852
487.00	Other Group Insurance Benefits	233,178			70,442		303,620
Total Employer Paid Benefits and Withholding Items		366,075			108,181		474,256

Insurance							
486.00	Insurance, Casualty, and Surety	71,003			32,801		103,804
Total Insurance		71,003			32,801		103,804

Unclassified Operating Expenditures							
488.00	Fiduciary Fund Benefits and Refunds Paid						
489.00	All Other Unclassified Expenditures	800					800
Total Unclassified Operating Expenditures		800					800

Other Financing Uses							
491.00	Refund of Prior Year Revenues	37,168					37,168
492.00	Interfund Operating Transfers	864,000	750,000	680,000	1,570,000		3,864,000
493.00	All Other Financing Uses						
Total Other Financing Uses		901,168	750,000	680,000	1,570,000		3,901,168

TOTAL EXPENDITURES		7,337,816	400,000	2,723,922	2,135,212	3,933,470		16,530,420
---------------------------	--	-----------	---------	-----------	-----------	-----------	--	------------

EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		22,556	3,393	-105,349	-656,894	222,300		-513,994
---	--	--------	-------	----------	----------	---------	--	----------

WESTTOWN TWP
December 31, 2019

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	4,080,000		535,000		3,545,000		3,545,000
General Obligation Bond 2016 Refunding of GOB 2011	Bond	2016	2036	9,595,000	8,830,000		630,000		8,200,000		8,200,000
Revenue Bonds and Notes											
Lease Rental Debt											
International HV507 Truck	Capital Leases	2019	2021	135,058	0	135,058	46,862		88,196		88,196
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	11,833,196
Capitalized lease obligations	0
Net debt	11,833,196

WESTTOWN TWP, CHESTER County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2019

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government	87,863	747,628	835,491
Health			
Housing			
Libraries			
Mass Transit			
Parks		243,127	243,127
Police			
Recreation			
Sewer		847,109	847,109
Solid Waste			
Streets / Highways		1,605,417	1,605,417
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES	87,863	3,443,281	3,531,144

EMPLOYEE COMPENSATION

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

1,076,100

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

December 31, 2019

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.

The beginning Fund Balance for the General Fund has been restated by \$2,556 to reflect the elimination of prior year Other Debits (180-189) relating to prepaid utility bills.