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**WEST GOSHEN TOWNSHIP**  
**Chester County, Pennsylvania**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the fiscal year ended**  
**December 31, 2009**

Prepared by:  
Finance Department

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WEST GOSHEN TOWNSHIP  
 WEST CHESTER, PENNSYLVANIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

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## **INTRODUCTORY SECTION**



EDWARD G. MEAKIM, JR., *Chairman*  
DR. ROBERT S. WHITE, *Vice Chairman*  
PATRICIA B. MCILVAINE, *Member*  
CASEY LALONDE, *Township Manager*

## Board of Supervisors

1025 Paoli Pike • West Chester, PA 19380-4699  
610-696-5266 ~ Fax: 610-429-0616  
twp@westgoshen.org  
www.westgoshen.org

May 17, 2010

To the Board of Supervisors and Citizens of West Goshen Township:

We are pleased to submit this Comprehensive Annual Financial Report (CAFR) of West Goshen Township ("the Township"), Chester County, Pennsylvania, for the fiscal year ended December 31, 2009. The financial statements contained within the report are presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

The Township's Finance Department prepared this report. Responsibility for both the accuracy of the data presented and completeness and fairness of the presentation, including all disclosures, rests with the Department's staff. This responsibility is derived from a comprehensive framework of internal controls designed to protect the Township's assets from loss, theft, or misuse, and to provide sufficient reliable information from which the Township's financial statements may be compiled in conformity with GAAP. The control structure is intended to provide reasonable, but not absolute, assurance that these objectives are met.

We assert that the data contained within this report is accurate in all material respects. To the best of our knowledge, the information presented in this report is a fair and accurate portrayal of the financial position and result of operations of the Township as of December 31, 2009. We believe the report contains all disclosures necessary for its readers to gain the maximum understanding of the Township's financial affairs.

Barbacane Thornton & Company, a firm of licensed certified public accountants, audits the Township's financial statements, and has issued an unqualified opinion on West Goshen Township's financial statements for the year ended December 31, 2009. The independent auditor's report is located at the front of the Financial Section of this report.

The purpose of this report is to provide readers with useful information concerning the Township's financial position and operations. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). MD&A is designed to complement this letter of transmittal and should be read in conjunction with it. West Goshen Township's MD&A can be found in the Financial Section immediately following the independent auditors' report.

### REPORT FORMAT

This report is organized into three broad sections:

- **Introductory Section.** This section includes this letter of transmittal; the Township's organizational chart; and a list of elected and appointed Township officials.

- **Financial Section.** This section includes the independent auditors' report; management's discussion and analysis; basic financial statements with notes and required supplementary information; and the financial statements of individual funds.
- **Statistical Section.** This section includes historical financial and general information in order to provide a context within which to understand the Township's financial statements.

## **PROFILE OF WEST GOSHEN TOWNSHIP**

The lands of Goshen were purchased in 1681 from William Penn as part of the Welsh Tract of Westtown. The territory underwent numerous subdivisions and purchases over the next several years to give forth the Township as it is known today; by 1704, Goshen and Westtown had become separate townships; the size of the Township was reduced once more with the formation of the Borough of West Chester in 1788; and in 1817, it was divided still further into East and West Goshen Townships.

The Township was primarily a farming community in its early history. Before long, many different businesses began to appear, including several women-owned enterprises. Trades such as cabinet making, tailoring, weaving, clock making, and wool making characterized the area. The completion of railroads in the 1830s and 1850s facilitated the delivery of goods and services to the Township and marked the migration of many Philadelphians seeking country residences.

By 1950, the Township had been transformed from a farming community to a suburban neighborhood. The Township experienced its most explosive growth during the 1960s and 1970s, and today it can boast a balanced mix of residential, business, office, retail, and industrial uses. The Township occupies 12 square miles and serves a population of 20,495 (2000 Census).

### ***Township Government***

West Goshen Township is a Second Class Township. It is governed by three Supervisors, elected at large for staggered six-year terms. The Board derives its duties and responsibilities from sources like the Second Class Township Code and the Pennsylvania Municipalities Planning Code. These responsibilities include construction and maintenance of roads and bridges; zoning and subdivision of land; regulation of building and construction; highway lighting, signing, and signalization; designating funds for fire and emergency services; parks and recreation programs; construction and maintenance of sewer systems; and regulations to promote the welfare of the community. The Board establishes Township policy, adopts legislation, and grants final approval of the many functions of township government at public meetings.

The Township Manager is appointed by the Board of Supervisors to carry out its policies and to direct the daily administrative functions of the Township. The Manager proposes and implements procedures that will ensure delivery of efficient and effective government. The Manager is the Township's representative to a variety of municipal organizations and acts as a liaison between Township residents and the Board of Supervisors. This position serves as the primary contact for residents requiring conflict resolution.

### ***Reporting Structure***

West Goshen Township organizes its financial activities in a variety of funds, representing its primary government. The Township's financial statements include all funds of the Township as well as its component units. Component units are separate legal entities, but are part of the Township government in substance. The financial statements would be misleading without incorporating component unit information.

The West Goshen Sewer Authority is considered a blended component unit of West Goshen Township because the Township appoints the Authority's governing board. As such, the Township is financially accountable for it. The Authority is included in the financial statements as a proprietary fund.

### ***Budgetary Control***

The Board of Supervisors adopts annual budgets for the general, enterprise, and capital projects funds. Budgets are appropriated by fund, function, department, and object, and budgetary control is generally maintained at the department level. All annual appropriations lapse at year-end. The Township's fiscal year begins on January 1<sup>st</sup> and ends on December 31<sup>st</sup>. The annual budget process officially begins in September of each year when individual departments submit preliminary requests for funding. The Board of Supervisors formally adopts proposed annual budgets in November and final annual budgets in December each year.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### ***Local Economy***

West Goshen Township continues to experience population growth, although at a much slower pace than in previous years. Population estimates project a 5% increase between 2000 and 2009. Only nominal growth is anticipated as the Township becomes fully developed. Chester County per capita personal income ranks second in the state, and is approximately 50% higher than both state and national averages. Although only county-level per capita personal income and total personal income data was available for this report, the Township's historical earned income tax revenues corroborate the county trend. County-level labor force data is also provided as a gauge for the local economy. Chester County has consistently reported the lowest unemployment rate in the surrounding five-county area and lower unemployment rates than state and national averages. Even with the 2008 subprime mortgage market collapse and ensuing recession, West Goshen Township still has a low unemployment rate. West Goshen Township is the second largest municipality in Chester County, so it is not unreasonable to assume that its labor force experience is similar to that of the larger economy.

Economic growth has slowed considerably due to the 2008 through 2009 recession. The federal funds rate has held steady at near zero percent. Inflationary pressure has been limited for some time, but is expected to moderate over time. Housing demand has waned since mid-2006, and although given the sub-prime mortgage market collapse, the Township has not seen the dramatic decreases in home values as other parts of the United States. Chester County is presently experiencing a "buyer's market" condition. Mortgage rates are at historic lows, offering those who qualify excellent mortgage rates. Money Magazine recently again ranked West Goshen as one of their Best Places to Live for 2009, placing the Township as #11 in the nation. Short-term interest rates have been stable, although very low due to the recession. The Township's interest earnings and revenues are flat. On the spending side of the Township's operating budget, costs for services and employment-related costs continue to dominate budget concerns. Employee insurance premiums, in particular, have become a focal point during the budget process and throughout the year. Higher-than-average renewal increases have forced Township management to investigate alternative coverage arrangements and cost-sharing techniques in order to maintain adequate protection for its employees. A more detailed analysis of the Township's overall financial condition during the fiscal year ended 2009 is included as part of MD&A.

### ***Long-Term Financial Planning***

In previous yearly budgets, the Township once consistently generated revenues in excess of budgeted figures and contained expenditures below budgeted amounts year after year, even in the face of struggling national and local economies, and as a result, the Township maintained healthy fund balances. However, due to stagnant revenue growth and interest earnings, the Township has operated at a deficit condition by allocating funds from reserves. The Board of Supervisors authorized a property tax increase for 2010 in an attempt to stabilize revenues in this poor economic climate. In 2006, the Board authorized the establishment of a combined Emergency and Municipal Services Tax (EMS tax) of \$52 per year effective January 1, 2006. Act 7 of 2007 renamed the tax "Local Services Tax" effective January 1, 2008. The Act modified the previously annual collection of the tax to a prorated payroll deduction, and provided for



prospective claims for exemption. This tax revenue is important to the fiscal health of West Goshen, but the changes brought about by Act 7 of 2007 make it slightly more difficult to formulate a reliable projection of this revenue source. The tax affects only individuals employed within the Township, not residents, and is mainly used to subsidize a substantial portion of the annual road-resurfacing program. The tax allows the Township to dedicate significant resources to some of its most important infrastructure. Well-maintained roadways improve the West Goshen experience for everyone who lives, works, and travels in our community.

### **Major Initiatives**

The Board of Supervisors and Township administrators remain committed to providing value to taxpayers by maintaining quality service levels and offering new benefits whenever the opportunity presents itself and the Township's fiscal position permits. The Township broke ground on a new Public Works garage on the existing municipal campus in March of this year. The new building will house the Streets Department's vehicles and heavy equipment, will provide additional office space, and will serve as the Township's Emergency Operations Center. The Township takes advantage of two circumstances during a recession: First, interest rates are low; and second, overall construction costs are lower during economic periods of reduced construction projects. The Township currently rents space off-site. That lease is nearing its end, and the cost savings realized will help to support a loan payment on the new facility. This new building will allow the Township to centralize its operations to one location. Even as the administration trims discretionary spending, it recognizes that some services require additional resources, and it is our duty to address those needs.

Township Manager Casey LaLonde and the Board of Supervisors stay committed to maintaining the high level of services to Township residents.

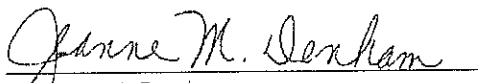
### **AWARDS AND ACKNOWLEDGEMENTS**

West Goshen Township is a four-time past recipient of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting. This prestigious acknowledgement is a testament to a government's financial management. Although West Goshen Township last submitted its comprehensive annual financial report for consideration for the fiscal year ending December 31, 2005, it continues to prepare the report under the GFOA's guidelines for high quality reporting.

West Goshen Township is also a past recipient of the GFOA's Distinguished Budget Presentation Award. In order to qualify for the Award, a budget document must fulfill several criteria in order to be judged a satisfactory policy document, financial plan, operations guide, and communication device.

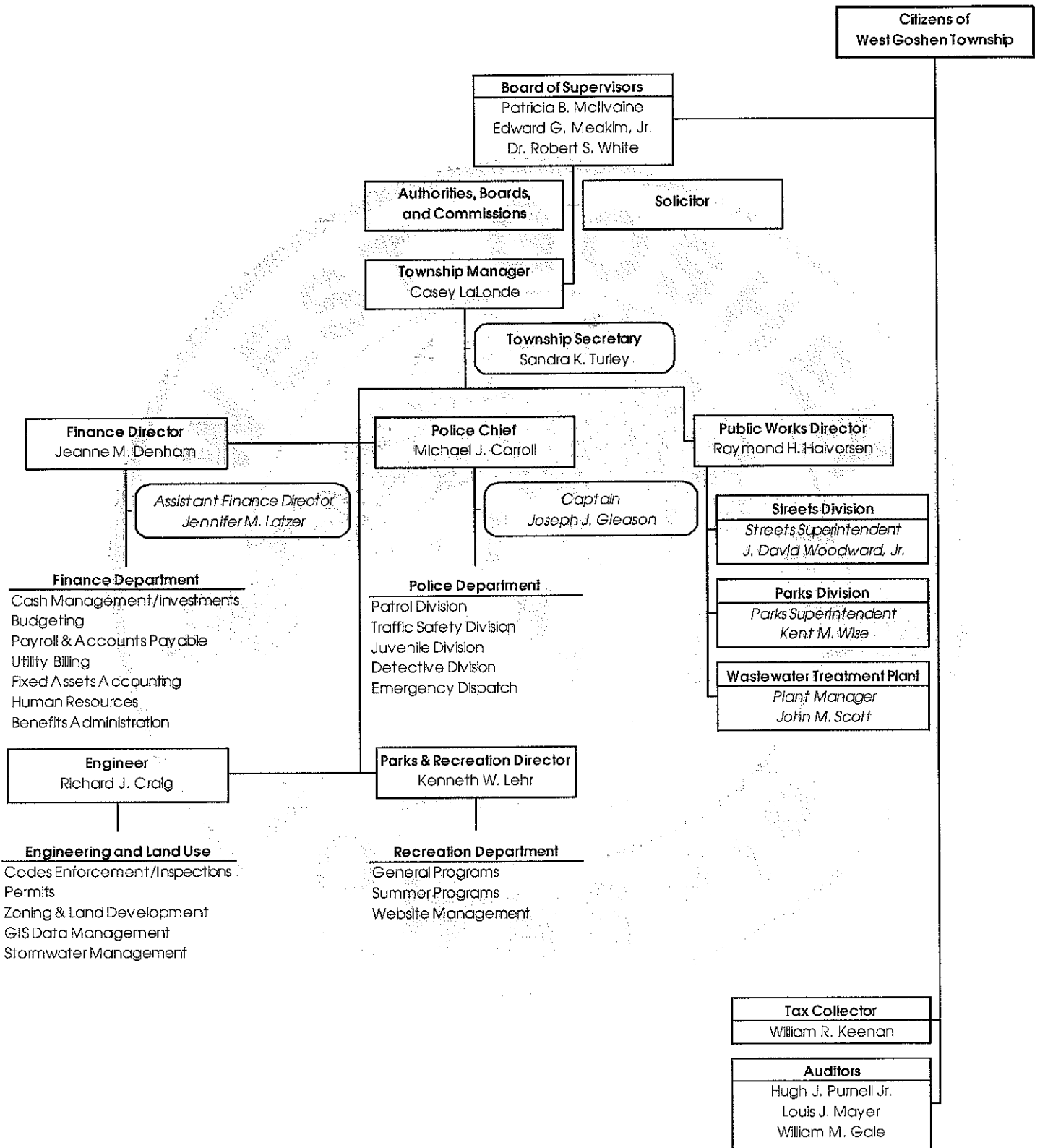
We would like to thank the Board of Supervisors for its support of the efforts of the Finance Department to promote improved accountability and communication through publications such as this. Preparation of a report of this kind could not have been accomplished without the collective contribution of many individuals. Especially deserving of recognition for their participation in this process are the Township's independent auditors, Barbacane Thornton & Company; Assistant Finance Director, Jennifer M. Latzer; and the balance of the Finance Department staff.

Respectfully submitted,

  
Jeanne M. Denham  
Finance Director

  
Casey LaLonde  
Township Manager

# ORGANIZATION OF WEST GOSHEN TOWNSHIP AT 12/31/2009



WEST GOSHEN TOWNSHIP  
Elected and Appointed Officials  
December 31, 2009

ELECTED OFFICIALS

BOARD OF SUPERVISORS

Chairman

Patricia B. McIlvaine

Vice Chairman

Edward G. Meakim, Jr.

Member

Dr. Robert S. White

TAX COLLECTOR

William R. Keenan

AUDITORS

Chairman

Hugh J. Purnell, Jr.

Secretary

Louis J. Mayer

Member

William M. Gale

APPOINTED OFFICIALS

Township Manager

Casey LaLonde

Township Secretary

Sandra K. Turley

Finance Director/Treasurer

Jeanne M. Denham

Assistant Finance Director

Jennifer M. Latzer

Chief of Police

Michael J. Carroll

Township Engineer

Richard J. Craig

Streets Superintendent

J. David Woodward, Jr.

Building/Code Official

John R. Beswick, Jr.

Building/Code Official

Edward M. Hunger

Zoning Officer

Raymond D. McKeeman

Assistant Zoning Officer

Diane E. Clayton

Deputy Zoning Officer

Casey LaLonde

Deputy Zoning Officer

Richard J. Craig

Deputy Zoning Officer

John R. Beswick, Jr.

Township Solicitor

Buckley, Brion, McGuire, Morris & Sommer

Fire Marshal/Emergency Mgm't Coordinator

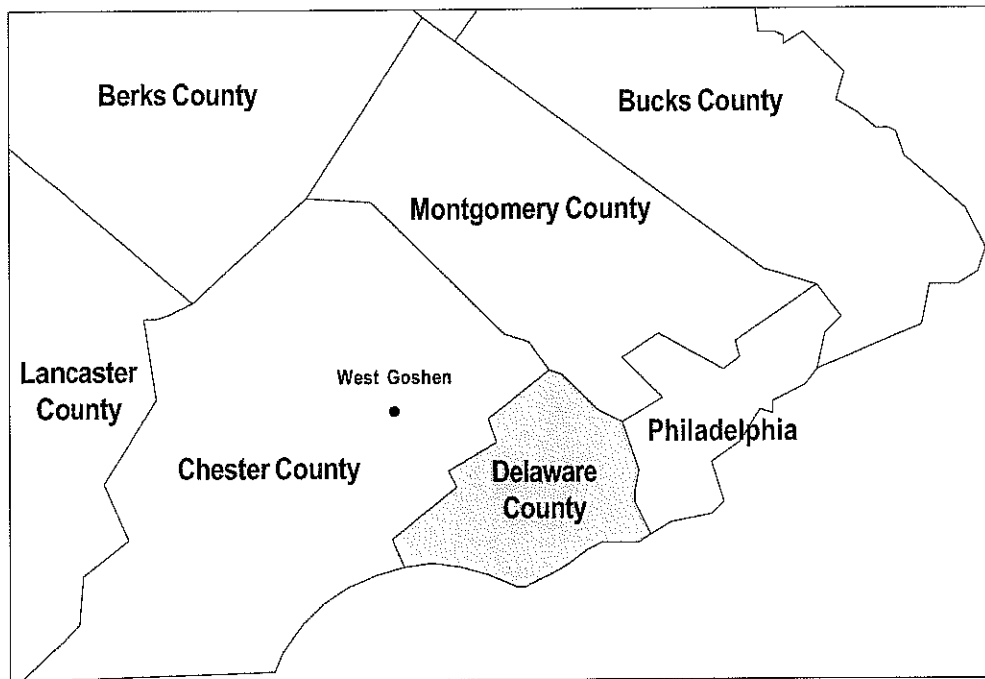
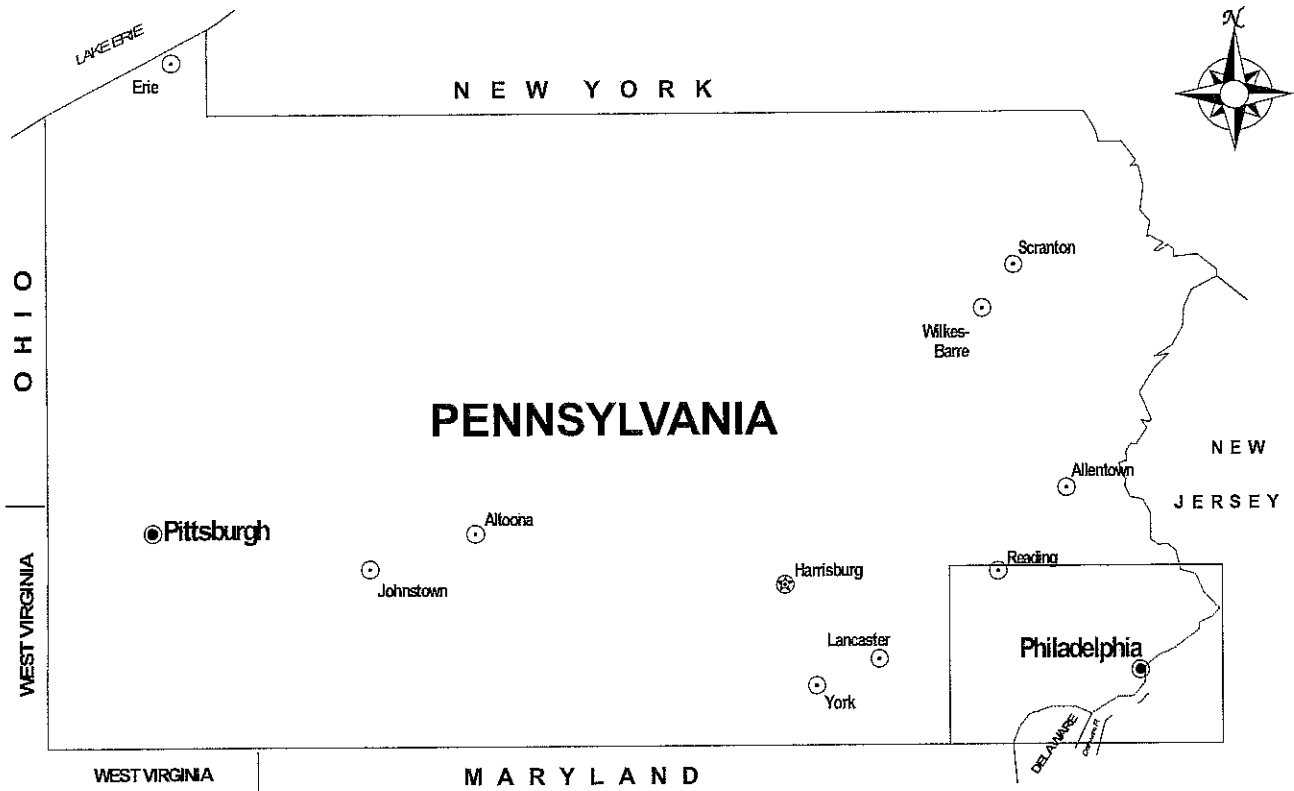
Andrea R. Testa

Assistant Fire Marshal

Edward M. Hunger

Independent Auditor

Barbacane, Thornton & Company LLP



**FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

200 Springer Building  
3411 Silverside Road  
Wilmington, Delaware 19810  
302.478.8940

FAX: 302.477.1607  
www.btcpa.com

June 24, 2010

Board of Supervisors  
West Goshen Township  
West Chester, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of West Goshen Township, West Chester, Pennsylvania, as of and for the year ended December 31, 2009, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of West Goshen Township, West Chester, Pennsylvania's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Township's 2008 financial statements and, in our report dated June 18, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of West Goshen Township, West Chester, Pennsylvania, as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2010 on our consideration of West Goshen Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Supervisors  
West Goshen Township

The Management's Discussion and Analysis on pages 10-24 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and, accordingly, express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Goshen Township, West Chester, Pennsylvania's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Barbacane, Thornton & Company*  
BARBACANE, THORNTON & COMPANY

## WEST GOSHEN TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

This discussion and analysis of the Township of West Goshen, Pennsylvania, provides an overview of the Township's financial performance for the year ended December 31, 2009. Please read it in conjunction with the Township's financial statements, which begin on page 25.

#### FINANCIAL HIGHLIGHTS

- The assets of West Goshen Township exceeded its liabilities at the close of the most recent fiscal year by \$72,335,161 (representing its net assets). Of this amount, \$13,088,417 (or its unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Township's total net assets decreased by \$2,607,328.
- Effective January 1, 2009, the Township implemented Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions," for certain post-employment healthcare benefits and life insurance benefits provided by the Township. This Statement generally provides for prospective implementation – i.e., that employers set the beginning net OPEB obligation at zero as of the beginning of the initial year. Accordingly, for financial reporting purposes, no liability is reported for the post-employment benefits liability at the date of transition. For fiscal year 2009, the Township has recognized an OPEB liability and expense in the amount of \$478,474 in its governmental activities.
- As of December 31, 2009, the Township's governmental funds reported combined ending fund balances of \$14,275,706, a decrease of \$1,358,183 as compared to the prior year. Approximately 65 percent of this total, or \$9,294,731, is available for spending at the Township's discretion (*unreserved fund balance*).
- The Township's total debt decreased by \$1,031,281.

#### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 25 and 26) provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements start on page 27. For governmental activities, these statements explain how services were financed in the short term as well as what remains for future spending. The governmental and proprietary fund financial statements also report the Township's operations in more detail than the entity-wide statements by providing information about the Township's most significant funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

#### Reporting the Township as a Whole

##### *Statement of Net Assets and the Statement of Activities*

The analysis of the Township as a whole begins on pages 25 and 26 with the Statement of Net Assets and the Statement of Activities.



## WEST GOSHEN TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

These statements provide information that will help the reader to determine if the Township is financially better off or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Township's net assets and changes in them during the year. The reader can think of the Township's net assets – the difference between assets and liabilities – as one way to measure the Township's financial health or financial position. Over time, increases or decreases in the Township's net assets are one indicator of whether its financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors, however, such as changes in the Township's property base and the condition of the Township's assets, to assess the overall health of the Township.

In the Statement of Net Assets and the Statement of Activities, the Township is divided into two kinds of activities:

- **Governmental activities** – Most of the Township's basic services are reported here, including the police, fire, general administration, public works, and parks and recreation. Earned income taxes, emergency municipal services taxes, property taxes, intergovernmental revenues and franchise taxes finance most of these activities.
- **Business-type activities** – The Township charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Township's sewer and waste and recycling activities are reported here. The Township also includes a separate legal entity in its report – the West Goshen Sewer Authority. The Sewer Authority is a public authority, which exists to provide facilities for use in the sewer operation of the Township Sewer Fund. The Sewer Authority is considered a blended component unit and is included with the business-type activities. Although legally separate, the Sewer Authority is important because the Township is financially accountable for it, and, therefore, it has been included as an integral part of the primary government. The Authority is audited by Barbacane, Thornton & Company, whose report dated May 19, 2010 is publicly available through the offices of West Goshen Township.

#### Reporting the Township's Most Significant Funds

##### *Fund Financial Statements*

Our analysis of the Township's major funds provides detailed information about the most significant funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Board of Supervisors establishes many other funds to help it control and manage money for particular purposes (Special Revenue Funds) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (Capital Projects Funds). The Township's three kinds of funds – *governmental, proprietary and fiduciary* – use different accounting approaches.

## WEST GOSHEN TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

**Governmental funds.** Most of the Township's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using the *modified accrual accounting method*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Township's general governmental operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is described in reconciliations on pages 28 and 30 of the financial statements.

**Proprietary funds.** When the Township charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Township's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the entity-wide statements but provide more detail and additional information, such as cash flows for proprietary funds.

#### The Township as Trustee

##### *Reporting the Township's Fiduciary Responsibilities*

The Township is the trustee, or fiduciary, responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the Township's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. These activities are excluded from the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

#### THE TOWNSHIP AS A WHOLE

##### *Entity-wide Financial Analysis*

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of West Goshen Township, assets exceeded liabilities by \$72,335,161 at the close of 2009. This is a decrease of \$2,607,328 from the previous year. Our analysis focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Township's governmental and business-type activities.

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

**Table 1**  
**STATEMENT OF NET ASSETS**  
**December 31, 2009 and 2008**

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Current assets	\$ 16,894,924	\$ 18,424,569	\$ 12,110,581	\$ 13,341,524	\$ 29,005,505	\$ 31,766,093
Capital and other assets	33,273,012	34,087,424	21,750,624	21,486,730	55,023,636	55,574,154
<b>Total Assets</b>	<b>\$ 50,167,936</b>	<b>\$ 52,511,993</b>	<b>\$ 33,861,205</b>	<b>\$ 34,828,254</b>	<b>\$ 84,029,141</b>	<b>\$ 87,340,247</b>
Long-term liabilities outstanding	\$ 4,539,165	\$ 4,279,236	\$ 5,124,427	\$ 5,988,564	\$ 9,663,592	\$ 10,267,800
Other liabilities	770,559	1,072,463	1,259,829	1,057,495	2,030,388	2,129,958
<b>Total Liabilities</b>	<b>5,309,724</b>	<b>5,351,699</b>	<b>6,384,256</b>	<b>7,046,059</b>	<b>11,693,980</b>	<b>12,397,758</b>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	29,263,767	29,891,898	15,864,175	14,747,693	45,127,942	44,639,591
Restricted for:						
Capital Reserve	4,980,975	6,336,140	-	-	4,980,975	6,336,140
Sewer			9,137,827	10,201,477	9,137,827	10,201,477
Unrestricted	10,613,470	10,932,256	2,474,947	2,833,025	13,088,417	13,765,281
<b>Total Net Assets</b>	<b>\$ 44,858,212</b>	<b>\$ 47,160,294</b>	<b>\$ 27,476,949</b>	<b>\$ 27,782,195</b>	<b>\$ 72,335,161</b>	<b>\$ 74,942,489</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 50,167,936</b>	<b>\$ 52,511,993</b>	<b>\$ 33,861,205</b>	<b>\$ 34,828,254</b>	<b>\$ 84,029,141</b>	<b>\$ 87,340,247</b>

The largest portion of the Township's net assets, \$45,127,942 (or 62 percent), reflects its investment in capital assets (land, buildings, vehicles, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The majority of the outstanding debt of the Township was incurred for the construction of the Township's Municipal Complex and the significant upgrade to the Sewer Wastewater Treatment Plant. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the Township's net assets, \$14,118,802 (or 20 percent), represents resources that are subject to external restrictions on how they may be used. This compares with last year's total restricted net assets of \$16,537,617. This decrease is due primarily to transfers from the General Fund to offset debt service payments.

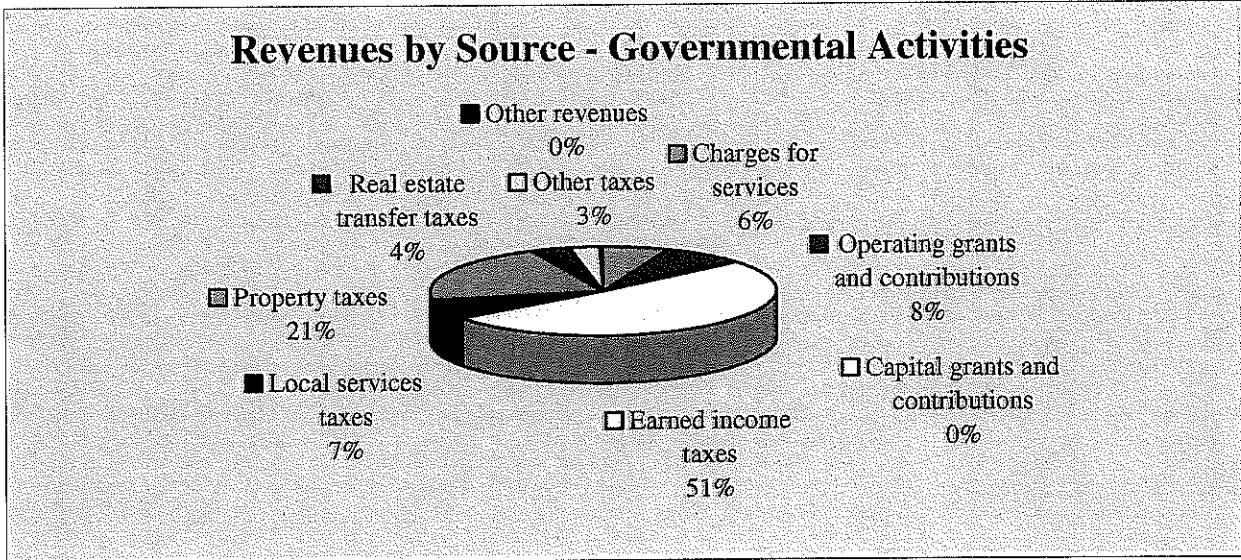
The remaining balance of unrestricted net assets, \$13,088,417 (or 18 percent), may be used to meet the Township's ongoing obligations to citizens and creditors. This compares with last year's total unrestricted net assets of \$13,765,281.

At the end of the current fiscal year, the Township is able to report positive balances in net assets, both for the government as a whole as well for its business-type activities. The same situation held true for the prior fiscal year.

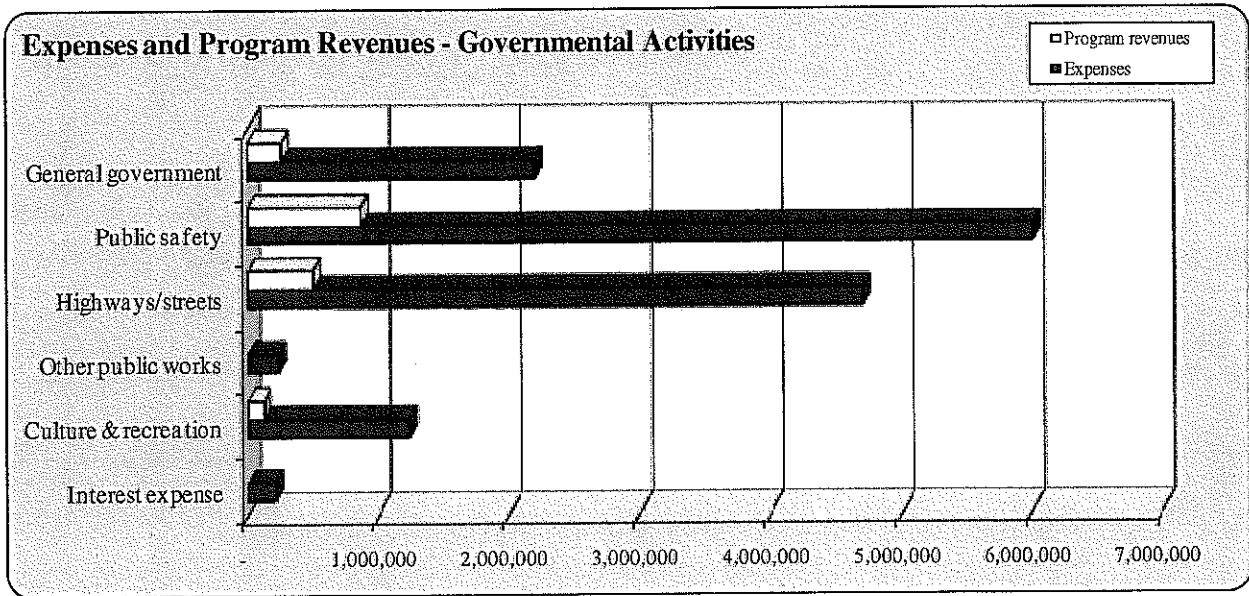
WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

- Capital grants and contributions decreased from the prior year by approximately \$104,726. Noncash contributions of \$25,304 for infrastructure benefited the year 2009 whereas noncash contributions of \$130,030 for infrastructure were received in 2008.
- Property transfer taxes decreased by \$123,009, or 21.8 percent, for the year 2009.



Program revenues support 14.1 percent of activity expenses. The following graph shows how program revenues supported activity expenses.



## WEST GOSHEN TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

#### *Business-type activities*

The West Goshen Township sewer system was constructed by West Goshen Sewer Authority at the request of the Township's Board of Supervisors. The Sewer Authority retains ownership of the system and leases it to the Township, which is responsible for its operation, maintenance and repair. Sewer expenditures totaled \$4,173,511 for 2009 as compared to \$4,099,172 for the prior year. The Township also paid rent to the Sewer Authority of \$1,086,292 for 2009 as compared to \$1,139,423 for the prior year for payment of the Sewer Authority's bond expense. The Board of Supervisors establishes and collects sewer rental fees from users of the system. Both the Authority and the Township have written agreements with East Goshen Township, Westtown Township, West Whiteland Township and Thornbury Township to accept flows from these municipalities into the West Goshen system. The contracting of surplus capacity benefits the residents and business owners of West Goshen Township by distributing the fixed costs among a greater number of users, thereby lowering the costs of treatment. The revenues generated from these agreements for the year 2009 were \$1,540,229 as compared to \$1,369,256 for the prior year. Sewer Fund fees charged to residents and businesses increased from \$45/quarter to \$65/quarter effective with the third quarter billing of 2009. The Sewer Authority has been funding a legal effort to prevent the Environmental Protection Agency from adopting discharge limitations. These limits will affect all stormwater and wastewater dischargers in Chester Creek, including West Goshen Township. The outcome of this effort will have a substantial impact on the future financial picture of West Goshen Sewer Authority. A final decision is expected in 2010.

The Waste and Recycling Fund administers the collection of residential solid waste and recyclable material from Township homes. User fees primarily support the cost of this program. Each household is charged a flat rate for trash collection and unlimited recycling. A rate increase from \$55/quarter to \$85/quarter in the waste and recycling fees charged to residents and businesses became effective with the billing of October 1, 2009. The Commonwealth of Pennsylvania also subsidizes the recycling program with a Performance Grant. The grant amount for 2009 was \$30,636 as compared to \$63,902 for the prior year.

Business-type activities decreased the Township's net assets by \$305,246. The decrease of \$305,246 of net assets is \$622,898 less than the previous year decrease of \$928,144.

Major revenue factors include:

- Operating grants and contributions decreased by \$33,266 over the previous year due primarily to a slight decrease for the Recycling Grant.
- Revenue for capital grants and contributions decreased \$98,854 over the previous year. There were no dedications of sanitary sewer lines in 2009.

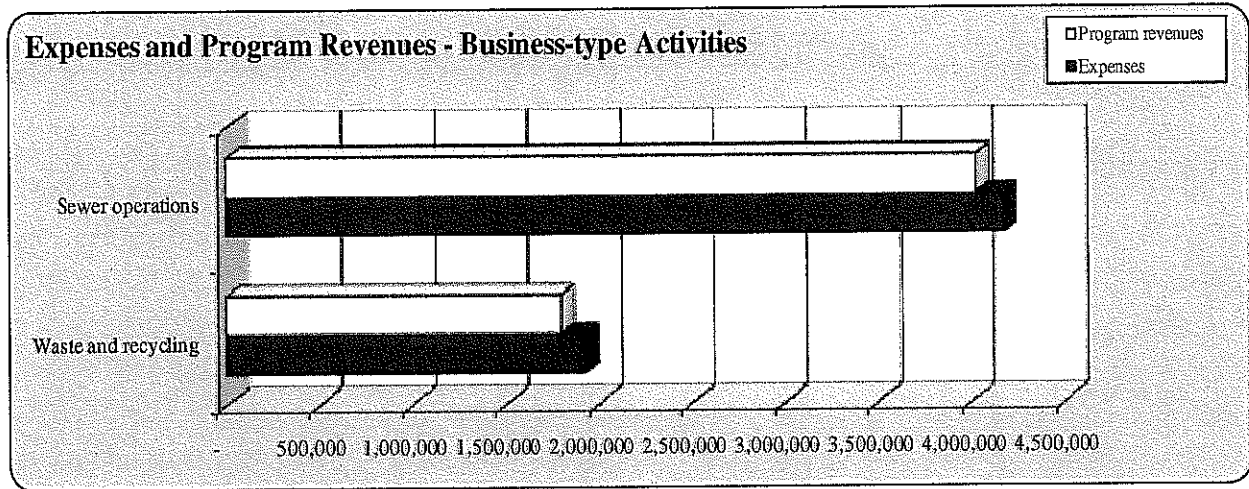
Major expense factors include:

- Increases in employee wages increased approximately 3.5 percent resulting from general wage increases.
- Employee benefits costs increased by approximately 7.4 percent.

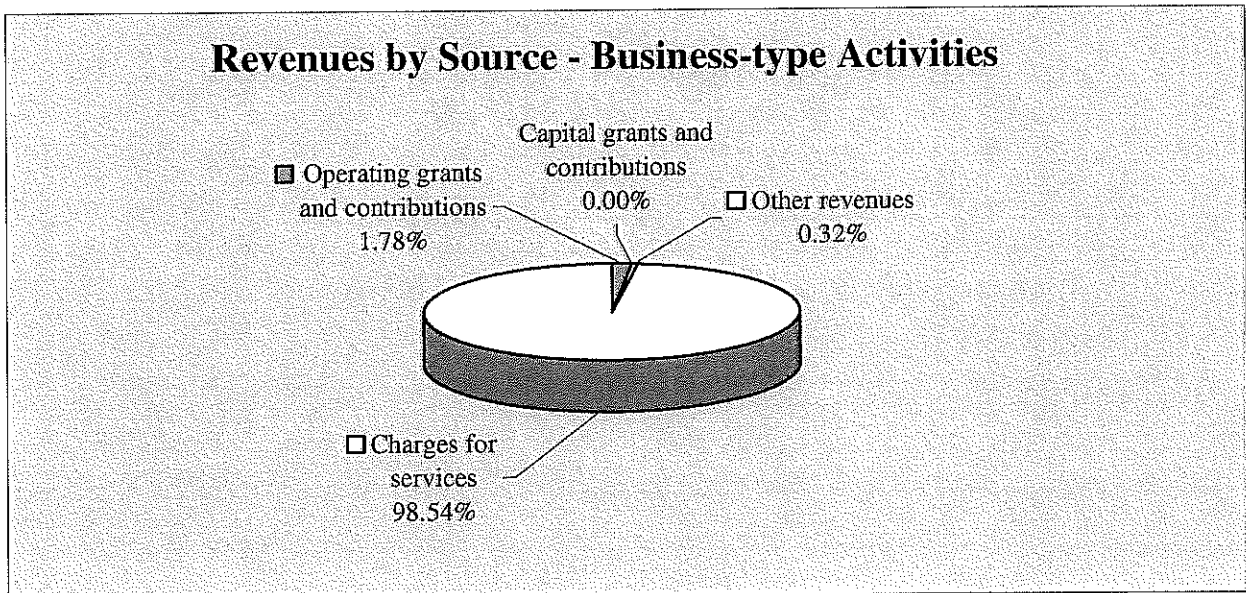
WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

The following graph compares the charges for services to the operating expenses of each fund.



As shown on the following chart, the revenues of the Township's business-type activities included operating grants and investment income in addition to charges for services (operating revenues). Capital grants, operating grants and investment income revenues are not specific to an individual program, but to the activity as a whole.



## WEST GOSHEN TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

#### FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2009, the Township's governmental funds reported combined ending balances of \$14,275,706, a decrease of \$1,358,183 as compared to the prior year. Approximately 65 percent, or \$9,294,731, constitutes unreserved fund balance, which is available for spending at the Township's discretion. The remainder of the fund balance is reserved, which means that it is not available for new spending because it has already been committed to pay for: 1) debt service; 2) capital improvements; or 3) additional security for bonds.

The **General Fund** is the chief operating fund of West Goshen Township. As of December 31, 2009, the total fund balance of the General Fund was \$8,879,327 (as compared to \$8,830,627 for the prior year), all of which is unreserved. The fund balance of the General Fund increased by \$48,700 in fiscal year 2009. Key factors contributing to this growth are as follows:

- Overall revenues were down \$142,778. Fiscal year 2009 reflected a continuing soft residential housing market, continuing nationwide job losses and a recessionary environment. Economic growth improved slightly during the last quarter of 2009; however, tax revenues did not rebound entirely. Earned income taxes increased \$348,760; investment earnings decreased \$178,197 as interest rates remained low; property transfer taxes decreased \$123,008; reimbursement of prior year zoning hearing fees increased \$115,858; and a transfer from the Capital Reserve Fund to offset expenses came in under budget by \$1,375,000.
- Actual expenses were less than anticipated by \$679,884. Actual increases for employee benefits came in under budget by \$43,608. Workers' compensation costs came in under budget \$21,906. Road construction material costs and parks material costs were less than budgeted by approximately \$264,131 and \$31,432, respectively. Building repairs and maintenance were under budget by \$34,383. Major and minor capital expenditures came in under budget by \$152,519. Utilities and vehicle gas came in under budget by \$117,939. Transfers to the Capital Reserve Fund for traffic signal studies and bridge construction were less than budgeted by \$448,349.

**The Capital Reserve Fund** provides funding for debt service, capital improvements or other unique expenditures which are not normal operating or maintenance-type expenditures reportable within the General Fund or other governmental funds. Major revenue sources for the Capital Reserve Fund are transfers from the General Fund and Offsite Development Fund (Restricted Parks account). The General Fund transfers monies to the Capital Reserve Fund to pay for capital expenditures associated with the general operation of the Township, and also for General Obligation debt service payments. The Offsite Development Fund (Restricted Parks account) transfers monies to the Capital Reserve Fund to pay for expenses that are associated with the Township's parks.

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

Capital expenditures financed out of this fund in 2009 totaled \$1,204,637 in the following categories: Administration (\$12,452 - pollution remediation, \$13,961 - minor capital equipment and \$75 - other); Public Works (\$22,677 - traffic studies, \$290,715 - road construction materials and \$322,859 - major capital equipment); and Debt Service (\$541,898 - principal and interest).

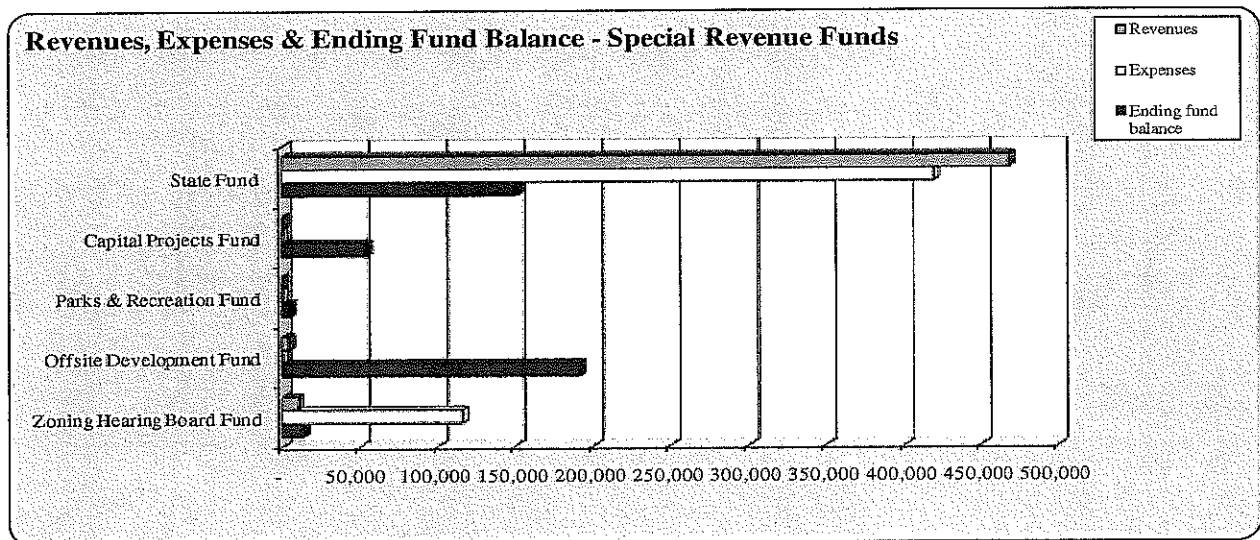
The total fund balance as of December 31, 2009 is \$4,980,975, all of which is reserved as previously explained.

**Capital Projects Funds** are maintained for specific capital improvements and are restricted to expenditures for specified purposes.

- **Cold Springs Bridge Fund** – In 2006, the Township received \$50,000 from a building contractor for future repairs to a newly constructed bridge leading into the new Cold Springs development. It is anticipated that investment earnings will be sufficient to cover future expenditures. Expenditures for this fund are not expected to occur for a minimum of 50 years. The total fund balance as of December 31, 2009 is \$54,324, all of which is reserved as previously explained.

**Special Revenue Funds** are maintained to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. Special Revenue Funds include the State Fund, Parks and Recreation, Offsite Development and the Zoning Hearing Board. Major revenue sources for these funds include grants from the Commonwealth, contributions, charges for services and interest earnings.

- **State Funds** – The Township received \$466,348 (compared to \$484,127 in the prior year) from the Commonwealth of Pennsylvania to pay for various expenses including roadway resurfacing, snow removal and capital purchases for the Public Works department.
- **Offsite Development Fund** – The Township received \$2,500 (compared to \$45,000 in the prior year) from building contractors for open space projects. Expenditures from this fund were minimal of \$27.





## WEST GOSHEN TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

The total fund balance as of December 31, 2009, is \$361,080 (as compared to \$412,972 in the prior year), all of which is unreserved as previously explained.

The financial statements for the governmental funds can be found on pages 27-30 of this report.

**Proprietary Funds.** The Township's proprietary funds provide the same type of information found in the entity-wide financial statements, but in more detail.

Unrestricted net assets of the Sewer, Waste and Recycling, Sewer Authority and Sewer Reserve Funds at the end of the year amounted to \$2,474,947 as compared to \$2,833,025 in the prior year. The total decrease in unrestricted net assets was \$358,078. Factors contributing to the finances of these three funds have already been addressed in the discussion of the Township's business-type activities.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

The statement comparing the Township's budget and actual results can be found on pages 31-32.

For 2009, there were no revisions to the General Fund budget.

The program budget for the General Fund anticipated an increase in fund balance of \$2,450.

Actual revenues and other financing sources were under budgeted amounts by \$1,081,983. Actual expenditures and other financing uses were under budgeted expenditures by \$1,128,233. Following are the main components of the increase:

- Actual increases for employee benefits came in under budget (\$43,608);
- Workers' compensation came in under budget (\$21,906);
- Road construction material costs came in under budget (\$264,131);
- Parks material costs came in under budget (\$31,432);
- Building repairs and maintenance came in under budget (\$34,383);
- Major and minor capital expenditures came in under budget (\$152,519);
- Utilities came in under budget (\$43,990);
- Vehicle gas came in under budget (\$73,949);
- Transfers to capital reserve were under budget (\$448,349);
- Transfer taxes reflect a poor housing market (\$143,714);
- Reimbursement of prior year zoning hearing fees (\$115,858);
- Transfers from capital reserve came in under budget (\$1,375,000);
- Below average investment returns from weak economic conditions (\$137,921); and
- Earned income taxes reflect a slowing local economy bolstered by one nonresident stock option buyout (\$468,503).

**WEST GOSHEN TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The Township's investment in capital assets for its governmental and business-type activities as of December 31, 2009 amounts to \$54,995,187, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, machinery and equipment, vehicles, land improvements and infrastructure. The total decrease in the Township's investment in capital assets for the current fiscal year was a total of approximately \$542,930, net of accumulated depreciation, or a one percent decrease.

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Buildings and improvements	\$ 6,937,782	\$ 6,937,782	\$ 11,928,000	\$ 12,011,239	\$ 18,865,782	\$ 18,949,021
Machinery and equipment	3,045,989	2,994,017	7,931,365	8,036,439	10,977,354	11,030,456
Vehicles	2,187,584	1,868,117	540,229	380,379	2,727,813	2,248,496
Land	3,128,045	3,128,044	82,083	82,083	3,210,128	3,210,127
Land improvements	2,047,019	2,047,019	560,571	560,571	2,607,590	2,607,590
Infrastructure	45,973,753	46,067,508	16,366,890	16,366,890	62,340,643	62,434,398
Construction-in-progress	361,895	-	1,170,553	135,250	1,532,448	135,250
Total capital assets	63,682,067	63,042,487	38,579,691	37,572,851	102,261,758	100,615,338
Less accumulated depreciation	(30,409,055)	(28,955,063)	(16,857,516)	(16,122,158)	(47,266,571)	(45,077,221)
<b>CAPITAL ASSETS, NET OF DEPRECIATION</b>	<b>\$ 33,273,012</b>	<b>\$ 34,087,424</b>	<b>\$ 21,722,175</b>	<b>\$ 21,450,693</b>	<b>\$ 54,995,187</b>	<b>\$ 55,538,117</b>

Major capital assets in the governmental funds acquired during the current fiscal year included the following:

- \$49,518 - purchase of two new Police vehicles;
- \$9,495 - purchase of one Parks Department giant leaf vacuum;
- \$77,890 - purchase of one Parks Department dump truck;
- \$46,732 - purchase of one Parks Department crew cab truck;
- \$5,149 - purchase of one Parks Department mower;
- \$5,035 - purchase of a Police Department thermal imager;
- \$29,890 - purchase of one Administration vehicle;

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

- \$39,295 - Construction-in-progress of Administration Department fire suppression system;
- \$128,235 - Construction-in-progress of traffic signal for Paoli Pike and northbound 202;
- \$117,275 - purchase of one Roads Department mini-hydraulic excavator;
- \$19,243 - purchase of one Roads Department 20-ton trailer;
- \$297,150 - purchase of two Roads Department trucks;
- \$25,304 - Portion of South Matlack Street infrastructure dedicated to the Township; and
- \$194,365 - Construction-in-progress of new Public Works building.

Major capital assets in the business-type activities and proprietary funds acquired during the current fiscal year included the following:

- \$7,753 - purchase of a phone and voicemail system;
- \$159,851 - purchase of a Sewer Jet machine truck;
- \$23,035 - replace pump #2 at Westtown Way pumping station #13; and
- \$1,035,303 - Construction-in-progress for pump station upgrades and a 4-bay garage building.

Additional information about the Township's capital assets is presented in Note 4 to the Financial Statements.

**Long-term Debt**

At December 31, 2009, the Township had \$9,867,245 in bonds, notes and capital leases outstanding versus \$10,898,526 last year – a decrease of 9.5 percent – as shown in Table 4 below.

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 3,769,000	\$ 4,101,000	\$ -	\$ -	\$ 3,769,000	\$ 4,101,000
Capital lease	240,245	94,526	-	-	240,245	94,526
Sewer Revenue bonds	-	-	2,340,000	2,880,000	2,340,000	2,880,000
Sewer Revenue notes	-	-	3,518,000	3,823,000	3,518,000	3,823,000
<b>Total outstanding debt</b>	<b>\$ 4,009,245</b>	<b>\$ 4,195,526</b>	<b>\$ 5,858,000</b>	<b>\$ 6,703,000</b>	<b>\$ 9,867,245</b>	<b>\$10,898,526</b>

## WEST GOSHEN TOWNSHIP

### MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (CONT'D)

No new debt was issued in 2009. Other obligations of the Township include compensated absences of \$540,077 and the other post-employment benefit obligation of \$478,474.

West Goshen Township maintains a "Aa3" rating from Moody's for its current debt issuances.

State statutes limit the amount of general obligation debt a governmental entity may issue to 250 percent of its average borrowing base (average revenues over the past three years). The current debt limitation for West Goshen Township is \$49,764,036, which is significantly in excess of the Township's outstanding debt.

Additional information about the Township's long-term debt can be found in Note 6 on pages 49-50 of this report.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The Township continues to maintain a diversified revenue base should there be any short-term fluctuations in any one revenue source.
- Due to the continuing recessionary environment, interest rates for savings and checking accounts continue to be at an all-time low of .3 percent.
- The continued soft residential housing market in 2009 has had a profound effect nationwide. The number of real estate sales in the Township directly affects the revenue streams of real estate transfer taxes.
- Nationwide job losses and a general recessionary environment in recovery mode directly affects the revenue stream of earned income and local services taxes.
- Changes in the pension laws and contractual changes to the pension plans continue to place added financial burdens on the Township to supplement State Aid.
- The Township adopted a 2010 budget in which the portion of its anticipated expenses exceed planned revenues by \$1,269,430. This amount will be offset by relying on fund balance reserves.
- Township real estate taxes were increased for 2010 from 1.5 mils to 2.0 mils.
- Costs for services have continued to rise, far outpacing revenues. The increases are largely attributed to salary increases and the increased cost of providing employee benefits.

All of these factors were considered in preparing the Township's budget for the 2010 fiscal year.

#### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of West Goshen Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Finance Director, West Goshen Township, 1025 Paoli Pike, West Chester, PA 19380.

General information relating to West Goshen Township can be found on its website, <http://www.westgoshen.org>.

**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2009**  
(with Summarized Comparative Data for December 31, 2008)

	Primary Government			
	Governmental	Business-type	Totals	
	Activities	Activities	2009	2008
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 12,624,001	\$ 817,069	\$ 13,441,070	\$ 15,507,127
Cash and cash equivalents, restricted	-	7,833,462	7,833,462	8,910,666
Investments	1,487,190	320,346	1,807,536	2,283,864
Investments, restricted	-	1,414,292	1,414,292	1,397,103
Accounts and other receivables	2,433,733	2,064,591	4,498,324	3,657,578
Internal balances	350,000	(350,000)	-	-
Due from developers	-	10,821	10,821	9,755
Total Current Assets	<u>16,894,924</u>	<u>12,110,581</u>	<u>29,005,505</u>	<u>31,766,093</u>
<b>Noncurrent Assets:</b>				
Depreciable capital assets, net	29,783,072	20,469,539	50,252,611	52,192,740
Land	3,128,045	82,083	3,210,128	3,210,127
Construction-in-progress	361,895	1,170,553	1,532,448	135,250
Bond issuance costs	-	28,449	28,449	36,037
Total Noncurrent Assets	<u>33,273,012</u>	<u>21,750,624</u>	<u>55,023,636</u>	<u>55,574,154</u>
<b>TOTAL ASSETS</b>	<u>\$ 50,167,936</u>	<u>\$ 33,861,205</u>	<u>\$ 84,029,141</u>	<u>\$ 87,340,247</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities:</b>				
Accounts payable and other current liabilities	\$ 281,928	\$ 246,464	\$ 528,392	\$ 735,581
Developers' deposits	-	120,748	120,748	116,047
Compensated absences payable within one year	37,805	12,617	50,422	47,212
Capital leases payable within one year	103,826	-	103,826	54,118
Bonds payable within one year	-	560,000	560,000	540,000
Notes payable within one year	347,000	320,000	667,000	637,000
Total Current Liabilities	<u>770,559</u>	<u>1,259,829</u>	<u>2,030,388</u>	<u>2,129,958</u>
<b>Noncurrent Liabilities:</b>				
Compensated absences	502,272	167,632	669,904	627,249
Other post-employment benefit obligation	478,474	-	478,474	-
Capital leases payable	136,419	-	136,419	40,408
Bonds payable	-	1,780,000	1,780,000	2,340,000
Deferred amount on refunding	-	(21,205)	(21,205)	(26,857)
Notes payable	3,422,000	3,198,000	6,620,000	7,287,000
Total Noncurrent Liabilities	<u>4,539,165</u>	<u>5,124,427</u>	<u>9,663,592</u>	<u>10,267,800</u>
<b>TOTAL LIABILITIES</b>	<u>5,309,724</u>	<u>6,384,256</u>	<u>11,693,980</u>	<u>12,397,758</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	29,263,767	15,864,175	45,127,942	44,639,591
<b>Restricted for:</b>				
Capital reserve	4,980,975	-	4,980,975	6,336,140
Sewer	-	9,137,827	9,137,827	10,201,477
Unrestricted	10,613,470	2,474,947	13,088,417	13,765,281
<b>TOTAL NET ASSETS</b>	<u>44,858,212</u>	<u>27,476,949</u>	<u>72,335,161</u>	<u>74,942,489</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 50,167,936</u>	<u>\$ 33,861,205</u>	<u>\$ 84,029,141</u>	<u>\$ 87,340,247</u>

The accompanying notes are an integral part of these financial statements.

**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
(with Summarized Comparative Data for the Year Ended December 31, 2008)

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
				Governmental Activities	Business-type Activities
Expenses			2009	2008	Totals
<b>GOVERNMENTAL ACTIVITIES</b>					
General government	\$ 2,195,329	\$ 59,716	\$ 25,304	\$ (1,938,467)	\$ (1,725,458)
Public safety	6,010,813	381,729	-	(5,150,288)	(4,344,401)
Public works - highways and streets	4,704,387	492,342	-	(4,212,045)	(3,967,608)
Other public works	234,457	-	-	(234,457)	(169,750)
Culture and recreation	1,240,395	24,516	-	(1,122,394)	(1,031,147)
Interest expense	209,898	-	-	(209,898)	(228,118)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>14,595,279</b>	<b>958,303</b>	<b>25,304</b>	<b>(12,867,549)</b>	<b>(11,466,482)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Sewer operations	4,173,511	72,419	-	(156,908)	(394,107)
Waste and recycling	1,918,726	30,636	-	(129,634)	(790,560)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>6,092,237</b>	<b>103,055</b>	<b>-</b>	<b>(286,542)</b>	<b>(1,184,667)</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$20,687,516</b>	<b>\$ 1,061,358</b>	<b>\$ 25,304</b>	<b>(12,867,549)</b>	<b>(12,651,149)</b>
<b>GENERAL REVENUES</b>					
Taxes:					
Real estate taxes			2,601,082		2,590,007
Real estate transfer taxes			441,286		564,294
Earned income taxes			6,264,503		5,386,742
Emergency municipal services tax			878,489		812,406
Franchise taxes			348,525		335,119
Investment earnings			75,603	33,658	649,450
Grants and contributions not restricted to specific programs			17,515		19,031
Loss on sale of capital assets			(101,610)	(52,362)	(13,328)
Miscellaneous			40,074		14,810
<b>TOTAL GENERAL REVENUES</b>			<b>10,565,467</b>	<b>(18,704)</b>	<b>10,358,531</b>
<b>CHANGE IN NET ASSETS</b>			<b>(2,302,082)</b>	<b>(305,246)</b>	<b>(2,292,618)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>			<b>47,160,294</b>	<b>27,782,195</b>	<b>77,235,107</b>
<b>NET ASSETS, END OF YEAR</b>			<b>\$ 44,858,212</b>	<b>\$27,476,949</b>	<b>\$ 74,942,489</b>

The accompanying notes are an integral part of these financial statements.

**WEST GOSHEN TOWNSHIP  
BALANCE SHEET - GOVERNMENTAL FUNDS**

**DECEMBER 31, 2009**

(with Summarized Comparative Data for December 31, 2008)

	Major Funds		Nonmajor Governmental Funds	Totals	
	General Fund	Capital Reserve Fund		2009	2008
<b>ASSETS</b>					
Cash and cash equivalents	\$ 8,253,937	\$ 3,954,660	\$ 415,404	\$12,624,001	\$14,747,516
Investments	417,663	1,069,527	-	1,487,190	1,470,966
Due from other funds	350,000	-	-	350,000	-
Accounts receivable	48,915	-	-	48,915	36,283
Taxes receivable	2,384,818	-	-	2,384,818	2,169,804
<b>TOTAL ASSETS</b>	<b>\$11,455,333</b>	<b>\$ 5,024,187</b>	<b>\$ 415,404</b>	<b>\$16,894,924</b>	<b>\$18,424,569</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 238,716	\$ 43,212	-	\$ 281,928	\$ 650,982
Deferred revenues	2,337,290	-	-	2,337,290	2,139,698
<b>TOTAL LIABILITIES</b>	<b>2,576,006</b>	<b>43,212</b>	<b>-</b>	<b>2,619,218</b>	<b>2,790,680</b>
<b>FUND BALANCES:</b>					
Reserved for capital projects	-	4,980,975	-	4,980,975	6,336,140
Unreserved:					
General fund	8,879,327	-	-	8,879,327	8,830,627
Special revenue funds	-	-	361,080	361,080	412,972
Capital projects fund	-	-	54,324	54,324	54,150
<b>TOTAL FUND BALANCES</b>	<b>8,879,327</b>	<b>4,980,975</b>	<b>415,404</b>	<b>14,275,706</b>	<b>15,633,889</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$11,455,333</b>	<b>\$ 5,024,187</b>	<b>\$ 415,404</b>	<b>\$16,894,924</b>	<b>\$18,424,569</b>

The accompanying notes are an integral part of these financial statements.

**WEST GOSHEN TOWNSHIP  
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS  
TO STATEMENT OF NET ASSETS  
DECEMBER 31, 2009**

TOTAL GOVERNMENTAL FUND BALANCES \$ 14,275,706

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Depreciable capital assets, net	\$ 29,783,072	
Land	3,128,045	
Construction-in-progress	<u>361,895</u>	33,273,012

Some of the Township's revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

2,337,290

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Capital leases	(240,245)	
Compensated absences	(540,077)	
Other post employment benefit obligation	(478,474)	
Notes payable	<u>(3,769,000)</u>	<u>(5,027,796)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 44,858,212

The accompanying notes are an integral part of these financial statements.



**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
(with Summarized Comparative Data for the Year Ended December 31, 2008)

	Major Funds			Nonmajor Governmental Funds	Totals	
	General Fund	Capital Reserve Fund			2009	2008
<b>REVENUES</b>						
Taxes	\$ 9,987,767	-	-	-	\$ 9,987,767	\$ 9,673,966
Licenses and permits	352,925	-	-	-	352,925	343,409
Fines, forfeits and costs	214,759	-	-	-	214,759	231,412
Investment earnings	65,061	37,447	-	3,915	106,423	430,097
Intergovernmental revenues	509,471	-	-	466,348	975,819	996,882
Charges for services/fees	481,644	-	-	11,000	492,644	506,323
Contributions	-	-	-	2,500	2,500	45,000
Miscellaneous revenue/other	39,874	-	-	-	39,874	14,810
<b>TOTAL REVENUES</b>	<b>11,651,501</b>	<b>37,447</b>	<b>-</b>	<b>483,763</b>	<b>12,172,711</b>	<b>12,241,899</b>
<b>EXPENDITURES</b>						
Current:						
General government	2,108,678	26,488	-	-	2,135,166	1,930,128
Public safety	5,645,437	-	-	-	5,645,437	5,334,087
Public works - highways and streets	2,823,600	636,251	-	418,596	3,878,447	3,805,067
Other public works	173,608	-	-	-	173,608	169,750
Culture and recreation	1,188,772	-	-	-	1,188,772	1,057,111
Miscellaneous expenditures	-	-	-	116,885	116,885	27
Debt Service:						
Principal	127,431	332,000	-	-	459,431	727,054
Interest and other charges	-	209,898	-	-	209,898	228,118
<b>TOTAL EXPENDITURES</b>	<b>12,067,526</b>	<b>1,204,637</b>	<b>-</b>	<b>535,481</b>	<b>13,807,644</b>	<b>13,251,342</b>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<b>(416,025)</b>	<b>(1,167,190)</b>	<b>-</b>	<b>(51,718)</b>	<b>(1,634,933)</b>	<b>(1,009,443)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from capital lease	273,150	-	-	-	273,150	-
Sale of/compensation for sale of capital assets	3,600	-	-	-	3,600	4,000
Transfers in	925,000	737,025	-	-	1,662,025	924,862
Transfers out	(737,025)	(925,000)	-	-	(1,662,025)	(924,862)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>464,725</b>	<b>(187,975)</b>	<b>-</b>	<b>-</b>	<b>276,750</b>	<b>4,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>48,700</b>	<b>(1,355,165)</b>	<b>-</b>	<b>(51,718)</b>	<b>(1,358,183)</b>	<b>(1,005,443)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>8,830,627</b>	<b>6,336,140</b>	<b>-</b>	<b>467,122</b>	<b>15,633,889</b>	<b>16,639,332</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 8,879,327</b>	<b>\$ 4,980,975</b>	<b>\$ 415,404</b>	<b>\$ 415,404</b>	<b>\$ 14,275,706</b>	<b>\$ 15,633,889</b>

The accompanying notes are an integral part of these financial statements.

**WEST GOSHEN TOWNSHIP**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (1,358,183)

Capital outlays are reported in governmental funds as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$1,714,279) exceeded capital outlays (\$1,019,273) in the period. (695,006)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Deferred revenues decreased by this amount this year. 197,592

In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the net book value of the capital assets sold and the fair market value of capital assets traded in. (144,710)

In the statement of activities, contributed assets are recognized as a capital contribution and as a capital asset, whereas in the governmental funds, the transaction is not recognized. 25,304

The issuance of long-term debt (e.g., notes, bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 186,281

In the statement of activities, certain operating expenses -- compensated absences (vacations and sick leave) -- and other post-employment benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). (513,360)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (2,302,082)

The accompanying notes are an integral part of these financial statements.

**WEST GOSHEN TOWNSHIP  
BUDGETARY COMPARISON STATEMENT - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes:			
Real estate - current	\$ 2,500,000	\$ 2,536,082	\$ 36,082
Real estate - delinquent and interest	23,000	45,915	22,915
Real estate - interims	10,000	17,493	7,493
Real estate - transfer	585,000	441,286	(143,714)
Earned income tax	5,600,000	6,068,502	468,502
Emergency municipal services tax	925,000	878,489	(46,511)
Licenses and permits	303,500	352,925	49,425
Fines, forfeits and costs	201,535	214,759	13,224
Interest, dividends and rents	202,790	65,061	(137,729)
Intergovernmental revenues	512,756	509,471	(3,285)
Charges for services/fees	459,653	481,644	21,991
Miscellaneous revenue/other	14,000	39,874	25,874
<b>TOTAL REVENUES</b>	<u>11,337,234</u>	<u>11,651,501</u>	<u>314,267</u>
<b>EXPENDITURES</b>			
Current:			
General government:			
Administration	1,295,121	1,303,137	(8,016)
Auditing	25,273	25,028	245
Tax collection	144,553	155,089	(10,536)
Engineering and legal	242,955	327,005	(84,050)
Building maintenance	334,292	298,419	35,873
Total general government	<u>2,042,194</u>	<u>2,108,678</u>	<u>(66,484)</u>
Public safety:			
Police	4,745,953	4,631,781	114,172
Fire protection	782,381	764,354	18,027
Code enforcement	241,407	232,997	8,410
Planning and zoning	54,947	16,305	38,642
Total public safety	<u>5,824,688</u>	<u>5,645,437</u>	<u>179,251</u>
Public works - highways and streets:			
Administration	1,116,831	997,547	119,284
Winter maintenance	36,930	94,345	(57,415)
Road maintenance	824,547	799,995	24,552
Road construction	1,179,057	913,518	265,539
Storm water management	26,000	18,195	7,805
Total public works - highways and streets	<u>3,183,365</u>	<u>2,823,600</u>	<u>359,765</u>

Continued on next page.

**WEST GOSHEN TOWNSHIP  
BUDGETARY COMPARISON STATEMENT - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Original and Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES (cont'd)			
Other public works:			
Traffic signal maintenance	180,087	138,910	41,177
Street lighting	40,000	34,698	5,302
Total other public works	<u>220,087</u>	<u>173,608</u>	<u>46,479</u>
Culture and recreation:			
Recreation	294,573	281,438	13,135
Parks	1,045,311	907,334	137,977
Total culture and recreation	<u>1,339,884</u>	<u>1,188,772</u>	<u>151,112</u>
Nondepartmental:			
Debt service - principal	137,192	127,431	9,761
TOTAL EXPENDITURES	<u>12,747,410</u>	<u>12,067,526</u>	<u>679,884</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,410,176)</u>	<u>(416,025)</u>	<u>994,151</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital lease	290,000	273,150	(16,850)
Sale of/compensation for capital assets	8,000	3,600	(4,400)
Transfers in	2,300,000	925,000	(1,375,000)
Transfers out	(1,185,374)	(737,025)	448,349
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,412,626</u>	<u>464,725</u>	<u>(947,901)</u>
NET CHANGE IN FUND BALANCES	2,450	48,700	46,250
FUND BALANCE, BEGINNING OF YEAR	<u>8,232,129</u>	<u>8,830,627</u>	<u>(598,498)</u>
FUND BALANCE, END OF YEAR	<u>\$ 8,234,579</u>	<u>\$ 8,879,327</u>	<u>\$ (552,248)</u>

The accompanying notes are an integral part of these financial statements.

**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
(with Summarized Comparative Data for the Year Ended December 31, 2008)

	Major Enterprise Funds				Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2009	2008
<b>OPERATING REVENUES</b>						
Fees	\$3,866,476	\$1,746,530	\$ 13,999	\$ -	\$ 5,627,005	\$ 4,828,120
Other	110,564	11,926	25,564	-	148,054	170,738
<b>TOTAL OPERATING REVENUES</b>	<b>3,977,040</b>	<b>1,758,456</b>	<b>39,563</b>	<b>-</b>	<b>5,775,059</b>	<b>4,998,858</b>
<b>OPERATING EXPENSES</b>						
Contracted services	-	1,827,500	-	-	1,827,500	2,158,999
Sewer collection	162,310	-	-	-	162,310	147,020
Sewer disposal	441,532	-	-	-	441,532	451,248
Salaries and wages	1,063,332	48,123	-	-	1,111,455	1,039,377
Engineering fees	-	-	7,054	-	7,054	15,465
Administration	53,094	23,663	181,329	-	258,086	172,710
Employee benefits	650,680	18,548	-	-	669,228	644,351
Supplies	-	110	-	-	110	111
Fuel and light	418,228	-	-	-	418,228	442,727
Repairs and maintenance	138,278	782	-	-	139,060	153,168
Depreciation	79,846	-	822,052	-	901,898	889,700
<b>TOTAL OPERATING EXPENSES</b>	<b>3,007,300</b>	<b>1,918,726</b>	<b>1,010,435</b>	<b>-</b>	<b>5,936,461</b>	<b>6,114,876</b>
<b>OPERATING INCOME (LOSS)</b>	<b>969,740</b>	<b>(160,270)</b>	<b>(970,872)</b>	<b>-</b>	<b>(161,402)</b>	<b>(1,116,018)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest and investment revenue	11,167	474	4,828	17,189	33,658	256,523
Interest expense	-	-	(142,536)	-	(142,536)	(219,839)
Loss on disposal of capital assets	-	-	(52,362)	-	(52,362)	-
Amortization expense	-	-	(13,240)	-	(13,240)	(13,240)
Other nonoperating revenue	-	30,636	-	-	30,636	65,576
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>11,167</b>	<b>31,110</b>	<b>(203,310)</b>	<b>17,189</b>	<b>(143,844)</b>	<b>89,020</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>980,907</b>	<b>(129,160)</b>	<b>(1,174,182)</b>	<b>17,189</b>	<b>(305,246)</b>	<b>(1,026,998)</b>
Capital contribution	-	-	-	-	-	98,854
Transfers in	-	-	1,109,692	-	1,109,692	1,152,423
Transfers out	(1,109,692)	-	-	-	(1,109,692)	(1,152,423)
<b>CHANGE IN NET ASSETS</b>	<b>(128,785)</b>	<b>(129,160)</b>	<b>(64,490)</b>	<b>17,189</b>	<b>(305,246)</b>	<b>(928,144)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>2,607,764</b>	<b>591,352</b>	<b>23,185,976</b>	<b>1,397,103</b>	<b>27,782,195</b>	<b>28,710,339</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$2,478,979</b>	<b>\$ 462,192</b>	<b>\$23,121,486</b>	<b>\$1,414,292</b>	<b>\$27,476,949</b>	<b>\$27,782,195</b>

The accompanying notes are an integral part of these financial statements.

**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
(with Summarized Comparative Data for the Year Ended December 31, 2008)

	Major Enterprise Funds				Nonmajor Fund	Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	2009		2008	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Received from customers	\$ 3,552,978	\$ 1,569,418	\$ 38,497	\$ 5,160,893	\$ 4,905,688		
Paid to suppliers for goods and services	(1,041,959)	(1,511,673)	(183,682)	(2,737,314)	(3,537,600)		
Paid to employee for services	(1,702,646)	(67,058)	-	(1,769,704)	(1,675,467)		
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>808,373</u>	<u>(9,313)</u>	<u>(145,185)</u>	<u>653,875</u>	<u>(307,379)</u>		
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Grants received from state	-	30,636	-	30,636	63,902		
Transfer from other funds	-	-	1,109,692	1,109,692	1,152,423		
Transfer to other funds	(1,109,692)	-	-	(1,109,692)	(1,152,423)		
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(1,109,692)</u>	<u>30,636</u>	<u>1,109,692</u>	<u>30,636</u>	<u>63,902</u>		
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Interest paid	-	-	-	-	-		
Principal payments	-	-	(142,536)	(142,536)	(219,839)		
Cash paid for acquisition and construction of capital assets	-	-	(845,000)	(845,000)	(816,000)		
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(167,404)</u>	<u>-</u>	<u>(1,058,338)</u>	<u>(1,225,742)</u>	<u>(283,001)</u>		
	<u>(167,404)</u>	<u>-</u>	<u>(2,045,874)</u>	<u>(2,213,278)</u>	<u>(1,318,840)</u>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Interest and investment earnings	11,167	474	4,828	33,658	256,523		
Sale of investments, net of reinvestment	492,585	(33)	-	492,552	97,379		
Purchases of investments, net of reinvestment	-	-	-	(17,189)	(62,450)		
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>503,752</u>	<u>441</u>	<u>4,828</u>	<u>509,021</u>	<u>291,452</u>		
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>35,029</u>	<u>21,764</u>	<u>(1,076,539)</u>	<u>(1,019,746)</u>	<u>(1,270,865)</u>		
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>620,624</u>	<u>138,444</u>	<u>8,911,209</u>	<u>9,670,277</u>	<u>10,941,142</u>		
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 655,653</u>	<u>\$ 160,208</u>	<u>\$ 7,834,670</u>	<u>\$ 8,650,531</u>	<u>\$ 9,670,277</u>		

**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
(with Summarized Comparative Data for the Year Ended December 31, 2008)

	Major Enterprise Funds				Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2009	2008
(cont'd)						
Operating income (loss)	\$ 969,740	\$ (160,270)	\$ (970,872)	\$ -	\$ (161,402)	\$ (1,116,018)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	79,846	-	822,052	-	901,898	889,700
Changes in net assets and liabilities:						
Accounts receivable	(424,062)	(189,038)	(1,066)	-	(614,166)	(93,170)
Due from developers	-	-	4,701	-	4,701	(7,144)
Accounts payable	171,483	340,382	-	-	511,865	10,992
Compensated absences	11,366	(387)	-	-	10,979	8,261
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 808,373</b>	<b>\$ (9,313)</b>	<b>\$ (145,185)</b>	<b>\$ -</b>	<b>\$ 653,875</b>	<b>\$ (307,379)</b>
<b>SUPPLEMENTAL INFORMATION:</b>						
Cash and cash equivalents	\$ -	\$ -	\$ 7,833,462	\$ -	\$ 7,833,462	\$ 8,910,666
Cash and cash equivalents, restricted	655,653	160,208	1,208	-	817,069	759,611
	<b>\$ 655,653</b>	<b>\$ 160,208</b>	<b>\$ 7,834,670</b>	<b>\$ -</b>	<b>\$ 8,650,531</b>	<b>\$ 9,670,277</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Contributed capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,854
Gain on trade-in of capital assets	-	-	-	-	-	5,000
Amortization expense	-	-	13,240	-	13,240	13,240
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,240</b>	<b>\$ -</b>	<b>\$ 13,240</b>	<b>\$ 117,094</b>

The accompanying notes are an integral part of these financial statements.

**WEST GOSHEN TOWNSHIP  
STATEMENT OF NET ASSETS - FIDUCIARY FUNDS  
DECEMBER 31, 2009**

	<u>Pension and Other Employee Benefit Trust Funds</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,672,042	\$ 66,654
Insurance contracts, at contract value	1,580,408	-
Investments, at market value - mutual funds	<u>12,645,578</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 15,898,028</u></b>	<b><u>\$ 66,654</u></b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Escrow deposits	\$ -	\$ 66,654
 <b>NET ASSETS:</b>		
Assets held in trust for pension and other employee benefits and pool participants	<u>15,898,028</u>	<u>-</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 15,898,028</u></b>	<b><u>\$ 66,654</u></b>

The accompanying notes are an integral part of these financial statements.



**WEST GOSHEN TOWNSHIP  
STATEMENT OF CHANGES IN NET ASSETS - FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

ADDITIONS

Contributions:

State aid	\$ 359,722
Employer contributions	439,283
Member contributions	124,866
Total Contributions	923,871

Investment income:

Interest and dividends	420,660
Realized gain on investment	3,373
Net increase in fair value of investments	2,250,099
Total Investment Income	2,674,132

TOTAL ADDITIONS	3,598,003
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DEDUCTIONS

Pension payments	459,994
Administrative expenses	29,951
Other expenses	85,153
	575,098

TOTAL DEDUCTIONS	575,098
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CHANGE IN NET ASSETS	3,022,905
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NET ASSETS, BEGINNING OF YEAR	12,875,123
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NET ASSETS, END OF YEAR	\$ 15,898,028
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The accompanying notes are an integral part of these financial statements.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

West Goshen Township (the "Township") complies with generally accepted accounting principles ("GAAP"). GAAP includes all relevant Governmental Accounting Standards Board ("GASB") pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

Reporting Entity

For financial reporting purposes, the Township's primary government includes all departments and agencies, bureaus, boards, commissions and certain authorities that make up the Township's legal entity. The Township's reporting entity also is comprised of its component units, which are legally separate organizations for which the Township's elected officials are financially accountable.

Financial accountability is defined in GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB No. 39. The Township is financially accountable for legally separate organizations if it appoints a voting majority of the organization's board and (1) it is able to impose its will on that organization; or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Township. The Township also may be financially accountable if an organization is fiscally dependent on the Township regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board.

Blended Component Unit

The West Goshen Sewer Authority is a public authority, which exists to provide facilities for use in the sewer operations of the Township Sewer Fund. The Authority is considered a blended component unit and is shown in the financial statements as part of the primary government proprietary funds. The Authority is audited by Barbacane, Thornton & Company, whose report dated May 19, 2010 is publicly available through the offices of West Goshen Township.

Basis of Presentation

***Entity-wide Financial Statements***

The statement of net assets and the statement of activities display information about the Township as a whole. These statements distinguish between activities that are governmental and those that are considered business-type. These statements exclude fiduciary activities such as pension and agency funds.

The entity-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting as further defined under proprietary funds below. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the entity-wide statements and the statements of governmental funds.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The entity-wide statement of activities presents a comparison between expenses and program revenues for each different identifiable activity of the business-type activities of the Township and for each governmental program. Expenses are those that are specifically associated with a service or program and are, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each function is self-financing or draws from the general revenues of the Township.

Internal activity is limited to interfund transfers which are eliminated to avoid "doubling up" revenues and expenses. Net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue and capital projects funds and the restrictions on their net asset use.

*Fund Financial Statements*

Fund financial statements report detailed information about the Township. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The two major governmental funds are each presented in a single column on the governmental fund financial statements. Fiduciary fund financial statements are presented by fund type.

The Township reports the following major governmental funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Capital Reserve Fund accounts for the resources accumulated for future capital projects.

The Township reports the following major proprietary funds:

- The Sewer Fund accumulates resources necessary for the operations and payment of lease rentals of the West Goshen Sewer Authority.
- The Waste and Recycling Fund accounts for the activities of the Township for the operation and maintenance of the Township's collection services.
- The Sewer Authority accounts for the activities of the West Goshen Sewer Authority, blended component unit of the Township. The Authority operates the sewage treatment plant, sewage pumping stations and collection systems.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

***Governmental Funds***

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Major governmental funds of the Township include the general fund and the capital reserve fund. All other governmental funds are grouped together and presented in a separate column as nonmajor governmental funds. They include the state fund, parks and recreation fund, offsite development fund, zoning hearing board fund and the capital projects fund.

**Revenue Recognition**

In applying the "susceptible to accrual concept" under the modified accrual basis, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property and earned income tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenues for state and federally funded projects are recognized at the time all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Township must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Township on a reimbursement basis.

Property tax and earned income tax receivables collected after 60 days from year end, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property and earned income tax receivables are recorded and deferred until they become available.

Other revenues, including certain other charges for services and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

**Expenditure Recognition**

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which has not matured, are recognized when paid. Further, as provided in GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, certain governmental fund liabilities and expenditures, such as for compensated absences, are recognized to the extent the liabilities mature (come due for payment) each period. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

***Proprietary Funds***

Proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are financed primarily by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when they are earned and expenses are recognized when they are incurred. Allocations of certain costs, such as depreciation, are recorded in proprietary funds. The Township's only proprietary funds are enterprise funds.

These funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Township's enterprise funds are sewer and waste recycling fees. Operating expenses for the Township's enterprise funds include sewer disposal, recycling, supplies and administrative costs, and depreciation. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are followed in both the entity-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Township has elected not to follow subsequent private-sector guidance.

***Fiduciary Funds***

***Trust and Agency Funds*** - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds. These include Pension Trust, Insurance Trust and Agency Funds. The Pension Trust Funds account for the activities of the Police Pension Fund, the Non-Uniformed Pension Fund and the Sewer Pension Fund. The Insurance Trust Funds account for the activities of the Police Retirement Insurance Fund and the Non-Uniformed Insurance Fund. Pension and Insurance Trust Funds are accounted for in essentially the same manner as proprietary funds since the measurement of the economic resources is critical. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Fund accounts for the escrow account held by the Township.

**Budgets**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund, capital reserve fund and state fund special revenue fund, which is a nonmajor governmental fund. All annual appropriations lapse at fiscal year end. For 2009, there were no revisions to the general fund budget.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash and Cash Equivalents

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Restricted Assets

Certain proceeds of the Sewer Revenue Bonds, as well as resources set aside for their repayment, are classified as restricted assets on the statement of net assets because their use is limited by applicable bond covenants and to fund capital assets.

Investments

Investments consist of money market mutual funds and are recorded at fair value.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the entity-wide financial statements as "internal balances."

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the entity-wide financial statements as well as in the proprietary fund financial statements. Capital assets, other than infrastructure, are defined by the Township as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The Township reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the entity-wide financial statements regardless of their amount.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed, inclusive of ancillary costs.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, plant and equipment of the Township are depreciated using the straight-line method over the following estimated useful lives:

Machinery and equipment	5-20 years
Vehicles	5-10 years
Land improvements	10-20 years
Buildings and improvements	25-40 years
Utility systems	25-40 years
Infrastructure	20-60 years

Compensated Absences

Full-time employees are granted vacation benefits in varying amounts to specified maximums. Sick leave accrues to full-time, permanent employees and can be carried over from year to year. After 20 years of service, employees who retire are entitled to 20 percent of their accrued sick leave. The liability for these compensated absences is recorded as long-term debt in the entity-wide and proprietary fund financial statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report a liability for compensated absences only if they have matured. Historically, the general fund has been responsible for liquidation of compensated absences associated with governmental activities. Compensated absences associated with business-type activities are liquidated from the fund in which the liability was generated.

Long-term Obligations

In the entity-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Deferred amounts are recorded as a decrease to debt payable and amortized over the life of the debt.

In the fund financial statements, governmental fund types report discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received and discounts paid on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures, except for refundings paid from proceeds which are reported as other financing uses.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Restricted Net Assets

Restricted net assets are comprised of assets, net of related liabilities, that are required to be set aside by revenue bond covenants for operations, maintenance and renewal and replacements. When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first and then unrestricted resources as they are needed. Administrative expenses are paid with the use of unrestricted resources.

Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation. However, presentation of prior year totals by fund and activity type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2 DEPOSITS AND INVESTMENTS

*Deposits*

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The Township is required by statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States, the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit excluding the pension funds. At December 31, 2009, the carrying amount of the Township's deposits was \$22,947,546 (excludes the pension funds) and the bank balance was \$23,131,528. Of the bank balance, \$683,556 was covered by federal depository insurance and \$11,624,687 was collateralized by pooled securities in accordance with Act 72. The deposits collateralized in accordance with Act 72 were exposed to custodial credit risk because they were uninsured and the collateral held by the depository's agent was not in the Township's name

As of December 31, 2009, \$3,099,750 of the Township's deposits were in the Pennsylvania Local Government Investment Trust ("PLGIT"). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized rating organization and is subject to an independent annual audit.

As of December 31, 2009, \$7,723,535 of the Township's deposits were in the form of U.S. Treasury obligation money market funds and are not subject to custodial credit risk. Custodial credit risk information for the pension and post-retirement medical benefit funds can be found at Notes 8, 9, 10 and 12.



WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 2      DEPOSITS AND INVESTMENTS (cont'd)

*Investments*

Statutes authorize the Township to invest in obligations of the U.S. Treasury; agencies and instrumentalities; deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation ("FDIC"), the Federal Savings and Loan Insurance Corporation ("FSLIC") or the National Credit Union Share Insurance Fund ("NCUSIF"). The Township also is authorized to invest in obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America or the Commonwealth of Pennsylvania or any of its agencies or instrumentalities.

As of December 31, 2009, the Township had the following investments:

Money market mutual funds	<u>\$ 3,221,828</u>
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Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. As of December 31, 2009, none of Township's investments were subject to custodial credit risk.

NOTE 3      INTERFUND ACTIVITY

The composition of interfund balances as of December 31, 2009 is as follows

<u>Receivable To:</u>	<u>Payable From:</u>	<u>Amount</u>
General fund	Waste and Recycling Fund	\$ 350,000

Interfund balances represent temporary loans which will be repaid shortly after year end.

Interfund transfers:

<u>Transfers out:</u>		<u>Transfers in:</u>	
General Fund	\$ 737,025	General Fund	\$ 925,000
Capital Reserve	925,000	Capital Reserve Fund	737,025
Sewer Fund	<u>1,109,692</u>	Sewer Authority	<u>1,109,692</u>
<b>Total</b>	<b><u>\$ 2,771,717</u></b>		<b><u>\$ 2,771,717</u></b>

General Fund transfers to the Capital Reserve Fund were made to fund debt service payments and to set aside funds for future capital projects. Capital Reserve Fund transfers to the General Fund were necessary to pay for Township operating costs. The Sewer Fund transfer to the Sewer Authority represented the annual lease payment.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
General capital assets not being depreciated:				
Land	\$ 3,128,044	\$ 1	\$ -	\$ 3,128,045
Construction-in-progress	-	361,895	-	361,895
Total general capital assets not being depreciated	<u>3,128,044</u>	<u>361,896</u>	<u>-</u>	<u>3,489,940</u>
General capital assets being depreciated:				
Buildings and improvements	6,937,782	-	-	6,937,782
Vehicles	1,868,117	501,180	(181,713)	2,187,584
Infrastructure	46,067,508	25,304	(119,059)	45,973,753
Land improvements	2,047,019	-	-	2,047,019
Machinery and equipment	2,994,017	156,197	(104,225)	3,045,989
Total general capital assets being depreciated	<u>59,914,443</u>	<u>682,681</u>	<u>(404,997)</u>	<u>60,192,127</u>
Accumulated depreciation:				
Buildings and improvements	1,104,806	132,564	-	1,237,370
Vehicles	778,587	282,147	(163,542)	897,192
Infrastructure	24,934,409	1,049,016	(17,859)	25,965,566
Land improvements	890,629	42,941	-	933,570
Machinery and equipment	1,246,632	207,611	(78,886)	1,375,357
Total accumulated depreciation	<u>28,955,063</u>	<u>1,714,279</u>	<u>(260,287)</u>	<u>30,409,055</u>
Total general capital assets being depreciated, net	<u>30,959,380</u>	<u>(1,031,598)</u>	<u>(144,710)</u>	<u>29,783,072</u>
Governmental Activities, Net	<u>\$34,087,424</u>	<u>\$ (669,702)</u>	<u>\$ (144,710)</u>	<u>\$33,273,012</u>
<b>Business-type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 82,083	\$ -	\$ -	\$ 82,083
Construction-in-progress	135,250	1,035,303	-	1,170,553
Total capital assets not being depreciated, net	<u>217,333</u>	<u>1,035,303</u>	<u>-</u>	<u>1,252,636</u>

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 4 CAPITAL ASSETS (cont'd)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated:				
Collection system -				
Infrastructure	16,366,890	-	-	16,366,890
Land improvements	560,571	-	-	560,571
Buildings and improvements	12,011,239	-	(83,239)	11,928,000
Vehicles	380,379	159,851	-	540,229
Equipment	8,036,439	30,788	(135,663)	7,931,365
Total capital assets being Depreciated	<u>37,355,518</u>	<u>190,439</u>	<u>(218,902)</u>	<u>37,327,055</u>
Accumulated depreciation:				
Collection system -				
Infrastructure	6,905,183	294,604	-	7,199,787
Land improvements	172,377	10,987	-	183,364
Buildings and improvements	5,318,859	275,956	(54,541)	5,540,274
Vehicles	140,383	47,753	-	188,136
Equipment	3,585,356	272,598	(111,999)	3,745,955
Total accumulated Depreciation	<u>16,122,158</u>	<u>901,898</u>	<u>(166,540)</u>	<u>16,857,516</u>
Total capital assets being depreciated, net	<u>21,233,360</u>	<u>(711,459)</u>	<u>(52,362)</u>	<u>20,469,539</u>
Business-type Activities, Net	<u>\$21,450,693</u>	<u>\$ 323,844</u>	<u>\$ (52,362)</u>	<u>\$21,722,175</u>

Depreciation expense was charged to function/programs of the Township as follows:

Governmental Activities:	
General government	\$ 123,977
Public safety	109,099
Public works	1,309,549
Culture and recreation	<u>171,654</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,714,279</u>
Business-type Activities:	
Sewer operations	<u>\$ 901,898</u>

NOTE 5 CAPITAL LEASES - LESSEE

The Township entered into lease agreements as lessee for financing the acquisition of vehicles and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 5      CAPITAL LEASES - LESSEE (cont'd)

Vehicles and equipment acquired through capital leases	\$ 628,783
Less: accumulated amortization	<u>(125,490)</u>
 Total	 <u>\$ 503,293</u>

Future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2009 are as follows:

Year Ending December 31,

2010		\$ 115,878
2011		73,314
2012		<u>73,314</u>
 Total minimum lease payments		 262,506
Less: amount representing interest		<u>(22,261)</u>
 Present value of minimum lease payments		 <u>\$ 240,245</u>

The amortization of leased vehicles and equipment is included under depreciation expense.

NOTE 6      LONG-TERM DEBT

Governmental Activities:

Delaware Valley Regional Finance Authority - General Obligation Note with interest at a fixed rate of 4.909% per annum, payable annually. Maturity date is July 25, 2018.	<u>\$ 3,769,000</u>
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Business-type Activities:

Sewer Revenue Bonds, Series 2003, currently refunded Series 1995, with interest varying from 2.15% to 3.6%, payable semi- annually. Maturity date is September 1, 2013.	2,340,000
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Delaware Valley Regional Finance Authority note with interest at variable rates not to exceed 25% per annum, payable annually. Interest rates change on a weekly basis and are determined by the Bond Market Association Index. As of December 31, 2009, the interest rate is 1.29%. Maturity date is July 25, 2018.	<u>3,518,000</u>
	<u>5,858,000</u>

Grand Total	<u>\$ 9,627,000</u>
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WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (cont'd)

An analysis of debt service requirements including sinking fund requirements to maturity on these obligations is as follows:

Governmental Activities:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Maturities</u>
2010	\$ 347,000	\$ 185,020	\$ 532,020
2011	363,000	167,986	530,986
2012	380,000	150,166	530,166
2013	398,000	131,512	529,512
2014	416,000	111,974	527,974
2015-2018	<u>1,865,000</u>	<u>234,110</u>	<u>2,099,110</u>
	<u>\$ 3,769,000</u>	<u>\$ 980,769</u>	<u>\$ 4,749,769</u>

Business-type Activities:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Maturities</u>
2010	\$ 880,000	\$ 126,847	\$ 1,006,847
2011	911,000	105,006	1,016,006
2012	942,000	81,336	1,023,336
2013	985,000	56,364	1,041,358
2014	388,000	29,364	417,364
2015-2018	<u>1,752,000</u>	<u>63,978</u>	<u>1,815,978</u>
	<u>\$ 5,858,000</u>	<u>\$ 462,889</u>	<u>\$ 6,320,889</u>

A schedule of changes in debt is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>					
General obligation notes	\$4,101,000	\$ -	\$ 332,000	\$ 3,769,000	\$ 347,000
Capital leases payable	94,526	273,150	127,431	240,245	103,826
Compensated absences	505,191	361,183	326,297	540,077	37,805
OPEB obligation	-	<u>478,474</u>	-	<u>478,474</u>	-
<b>Total Governmental Activities</b>	<u>\$4,700,717</u>	<u>\$1,112,807</u>	<u>\$ 785,728</u>	<u>\$ 5,027,796</u>	<u>\$ 488,631</u>
<u>Business-type Activities:</u>					
Sewer revenue bonds	\$2,880,000	\$ -	\$ 540,000	\$ 2,340,000	\$ 560,000
Sewer revenue notes	3,823,000	-	305,000	3,518,000	320,000
Compensated absences	<u>169,270</u>	<u>87,538</u>	<u>76,559</u>	<u>180,249</u>	<u>12,617</u>
<b>Total Business-type Activities</b>	<u>\$6,872,270</u>	<u>\$ 87,538</u>	<u>\$ 921,559</u>	<u>\$ 6,038,249</u>	<u>\$ 892,617</u>

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 7 TAXES

For 2009, the following tax was levied on assessed value of real estate:  
1.50 mills for general purposes

The taxable assessed valuation of property as of December 31, 2009 was \$1,752,550,691.

The real estate tax collection calendar is as follows:

Initial billing	-	March 1
Discount period	-	March 1 - April 30
Face period	-	May - June 30
Penalty period	-	July 1 and thereafter
Lien date	-	February 28

Other taxes levied in 2009:

Real estate transfer tax	-	1% of sale price
Earned income tax	-	1% of gross income
Emergency and municipal services tax	-	\$52 per year

NOTE 8 POLICE PENSION FUND

Plan description and provisions:

The West Goshen Township Police Pension Fund is a single-employer defined benefit pension plan controlled by the provisions of Ordinance No. 5-1977 dated June 14, 1977, as amended. The plan is governed by the Board of Township Supervisors, which is responsible for the management of plan assets. The Board of Township Supervisors has delegated the authority to manage certain plan assets to Aetna Life Insurance Company, Bryn Mawr Trust Company and Vanguard National Trust Company. West Goshen Township issues a stand-alone financial report that includes audited financial statements and required supplementary information. Copies of that report can be obtained at the Township Administration Building.

Plan Membership

Actuarial valuation report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2009, the most recent actuarial date, disclosed that pension plan membership consisted of the following:

Active employees	27
Retirees and beneficiaries currently receiving benefits	12
Vested terminated members	<u>1</u>
Total	<u>40</u>

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 8      POLICE PENSION FUND (cont'd)

Benefit Provisions

Actuarial valuation report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2009, disclosed that the pension plan benefit provisions are as follows:

Employees are eligible for normal retirement at age 55 with 25 years of continuous service and are entitled to a monthly pension equal to 50 percent of average monthly pay, plus a service increment of \$25 per month for each year of service in excess of 25 years but not more than \$100 additional per month. A member becomes 100 percent vested in the benefit accrued after 12 or more years of continued service. Payments continue after the member's death to the surviving spouse, or eligible child, equal to 50 percent of the monthly pension payable to the member at the time of death.

Employees are eligible for early retirement after 20 years of service. The monthly early retirement pension benefit is equal to the actuarial equivalent of the benefit accrued to the early retirement date.

If an employee continues working after the normal retirement date, the pension benefit does not start until the employee actually retires. The monthly late retirement pension benefit is equal to the actuarial equivalent of the benefit accrued to the late retirement date.

If an active member dies in the line of duty, the member's surviving spouse or eligible child will receive a monthly death benefit equal to 100 percent of the member's monthly salary at the time of death. If a member is eligible for retirement at the time of death, a monthly death benefit is payable to his surviving spouse, or eligible child, equal to 50 percent of the monthly pension benefit the member would have been receiving had he been retired at the time of death.

An active member is eligible for a monthly disability benefit if the member is disabled in the line of duty. The disability pension is equal to 50 percent of the member's monthly salary at the time of disability.

Members' contributions are to be five percent of monthly regular salary, overtime, extra duty and longevity pay. Members' contributions are credited with 5.0 percent annual interest.

Basis of Accounting

The plan's policy is to prepare its financial statements on the accrual basis of accounting.

Method Used to Value Investments

In accordance with GASB No. 25, investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 8 POLICE PENSION FUND (cont'd)

The pension plan's unallocated insurance contracts are valued at contract value. Contract value represents contributions made under the contract plus interest at the contract rate, less funds used to purchase annuities and pay administrative expenses charged by the insurance company. Funds under the contract that have been allocated and applied to purchase annuities are excluded from the pension plan's assets.

Deposits and Investments

*Deposits*

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2009, the carrying amount of the Police Pension Plan's deposits was \$ 37,760, which is equal to the deposits in a Federated Prime obligations fund held by the trustee of the pension in the Township's name. None of this balance was subject to custodial credit risk.

*Investments*

The Investment objective of the West Goshen Township Police Pension Plan is to maintain a balanced portfolio comprised of equity, fixed income and cash equivalent securities and, as such, is intended to be structured less aggressively than equity-oriented portfolios.

As of December 31, 2009, the Township Police Pension Plan had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than One Year</u>
Equity mutual funds	\$ 5,233,960	\$ 5,233,960
Fixed income funds	2,227,091	2,227,091
Unallocated insurance contract	747,317	747,317
Money market mutual fund	<u>116,037</u>	<u>116,037</u>
<b>TOTAL</b>	<b><u>\$ 8,324,405</u></b>	<b><u>\$ 8,324,405</u></b>

Investments in external investment pools, such as those in mutual funds, are disclosed but not subject to interest rate, custodial, credit or concentration risks because they are not evidenced by securities that exist in physical or book entry form.

Contributions

Act 205 requires that annual contributions be based upon the minimum municipal obligation (M.M.O.). The M.M.O. is based upon the plan's biennial actuarial valuation. Employees were required to contribute five percent to the plan during 2009. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the M.M.O. which exceeds the state and employee contributions must be funded by the employer in accordance with Act 205.



WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 8 POLICE PENSION FUND (cont'd)

Administrative Costs

Administrative costs, including the investment manager, custodial trustee and actuarial services, are charged to the plan and paid from the general fund, which is reimbursed as pension investments are liquidated.

Annual Pension Cost

The required contribution was determined as part of the January 1, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.0 percent investment rate of return (net of administrative expenses) and (b) projected salary increases due to inflation of 5.0 percent per year, compounded annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a level dollar closed basis. The remaining amortization period at December 31, 2009 was 3 years.

Three-Year Trend Information

The actuarial information is required by Act 205 biennially, except for distressed pension plans, which require annual reporting. The three-year historical information required to be disclosed, beginning as of January 1, 2007 is as follows:

Calendar Year	Actuarial Value of Assets	Actuarial Accrued Liability	Percentage Funded (1)/(2)	Unfunded (assets in excess of) Accrued Liability (2)-(1)	Annual Covered Payroll	Unfunded (assets in excess of) Accrued Liability as a % of Payroll (4)/(5)
1/1/07	\$7,735,661	\$8,369,244	92.4%	\$633,583	\$2,131,465	29.7%
1/1/08	*	*	*	*	*	*
1/1/09	\$8,706,023	\$8,864,026	98.2%	\$158,003	\$2,260,154	7.0%

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER  
AND OTHER CONTRIBUTING ENTITIES

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2007	\$380,134	100.0%
2008	\$317,189	100.0%
2009	\$323,737	100.0%

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 9      NON-UNIFORMED PENSION FUND

Plan description and provisions:

The West Goshen Township Non-Uniformed Pension Fund is a single-employer defined benefit pension plan covering the Township's full-time administrative and road employees. The plan is governed by the Board of Township Supervisors, which is responsible for the management of plan assets. The Board of Township Supervisors has delegated the authority to manage certain plan assets to Aetna Life Insurance Company, Bryn Mawr Trust Company and Vanguard National Trust Company. West Goshen Township issues a stand-alone financial report that includes audited financial statements and required supplementary information. Copies of that report can be obtained at the Township Administration Building.

Plan Membership

Actuarial valuation report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2009, the most recent actuarial date, disclosed that pension plan membership consisted of the following:

Active employees	44
Retirees and beneficiaries currently receiving benefits	12
Vested terminated members	<u>10</u>
Total	<u>66</u>

Benefit Provisions

Actuarial valuation report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2009, disclosed that the pension plan benefit provisions are as follows:

Employees are eligible for normal retirement at age 65 with 10 years of service, or at age 60 with 20 years of service, and are entitled to 1.5 percent of average base earnings for the last 36 months of employment multiplied by service up to 35 years; for employees hired before July 1, 1980, 35 percent of average base earnings for the highest 60 consecutive months out of the final 120 months of employment.

Employees are eligible for early retirement at age 50 with 15 years of service. The monthly early retirement pension benefit is equal to the actuarial equivalent of the benefit accrued to the early retirement date.

If an employee continues working after the normal retirement date, the pension benefit does not start until the employee actually retires. The monthly late retirement pension benefit is equal to the actuarial equivalent of the benefit accrued to the late retirement date.

Active members who become totally and permanently disabled receive accrued benefits immediately, based on a five-year minimum service requirement.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 9 NON-UNIFORMED PENSION FUND (cont'd)

Vesting starts at 50 percent after five years, increasing 10 percent each year for five years, then to 100 percent after 10 years of service.

Members are not required to contribute to the plan.

Basis of Accounting

The plan's policy is to prepare its financial statements on the accrual basis of accounting.

Method Used to Value Investments

In accordance with GASB No. 25, investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The pension plan's unallocated insurance contracts are valued at contract value. Contract value represents contributions made under the contract plus interest at the contract rate, less funds used to purchase annuities and pay administrative expenses charged by the insurance company. Funds under the contract that have been allocated and applied to purchase annuities are excluded from the pension plan's assets.

Deposits and Investments

***Deposits***

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2009, the carrying amount of the Non-Uniformed Pension Plan's deposits was \$21,964, which is equal to the deposits in a Federated Prime obligations fund held by the trustee of the pension in the Township's name. None of this balance was subject to custodial credit risk.

***Investments***

The investment objective of the West Goshen Township Non-Uniformed Pension Plan is to maintain a balanced portfolio comprised of equity, fixed income and cash equivalent securities and, as such, is intended to be structured less aggressively than equity-oriented portfolios.

As of December 31, 2009, the Township Non-Uniformed Pension Plan had the following investments:

	<u>Fair Value</u>	<u>Less Than One Year</u>
Equity mutual funds	\$ 2,515,151	\$ 2,515,151
Fixed income funds	581,505	581,505
Unallocated insurance contract	432,157	432,157
Money market mutual fund	<u>38,312</u>	<u>38,312</u>
<b>TOTAL</b>	<b><u>\$ 3,567,125</u></b>	<b><u>\$ 3,567,125</u></b>

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 9 NON-UNIFORMED PENSION FUND (cont'd)

Investments in external investment pools, such as those in mutual funds, are disclosed but not subject to interest rate, custodial, credit or concentration risks because they are not evidenced by securities that exist in physical or book entry form.

Contributions

Act 205 requires that annual contributions be based upon the minimum municipal obligation (M.M.O.). The M.M.O. is based upon the plan's biennial actuarial valuation. Employees were not required to contribute to the plan during 2009. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the M.M.O. which exceeds the state and employee contributions must be funded by the employer in accordance with Act 205.

Administrative Costs

Administrative costs, including the investment manager, custodial trustee and actuarial services, are charged to the plan and paid from the general fund, which is reimbursed as pension investments are liquidated.

Annual Pension Cost

The required contribution was determined as part of the January 1, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.0 percent investment rate of return (net of administrative expenses) and (b) projected salary increases due to inflation of 5.0 percent per year, compounded annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period. The remaining amortization period at December 31, 2009 was 16 years.

Three-Year Trend Information

The actuarial information is required by Act 205 biennially, except for distressed pension plans, which require annual reporting. The three-year historical information required to be disclosed, beginning as of January 1, 2007 is as follows:

Calendar Year	Actuarial Value of Assets	Actuarial Accrued Liability	Percentage Funded (1)/(2)	Unfunded (assets in excess of) Accrued Liability (2)-(1)	Annual Covered Payroll	Unfunded (assets in excess of) Accrued Liability as a % of Payroll (4)/(5)
1/1/07	\$3,338,214	\$3,135,654	106.5%	\$(202,560)	\$1,854,366	(10.9)%
1/1/08	*	*	*	*	*	*
1/1/09	\$3,706,323	\$3,763,518	98.5%	\$ 57,195	\$2,041,108	2.8 %

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 9 NON-UNIFORMED PENSION FUND (cont'd)

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER  
AND OTHER CONTRIBUTING ENTITIES

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2007	\$211,794	100%
2008	\$166,814	100%
2009	\$181,383	100%

NOTE 10 SEWER PENSION PLAN

Plan description and provisions:

The West Goshen Township Sewer Pension Fund is a single-employer defined benefit pension plan covering the Township's full-time sewer employees. The plan is governed by the Board of Township Supervisors, which is responsible for the management of plan assets. The Board of Township Supervisors has delegated the authority to manage certain plan assets to Aetna Life Insurance Company and Vanguard National Trust Company. West Goshen Township issues a stand-alone financial report that includes audited financial statements and required supplementary information. Copies of that report can be obtained at the Township Administration Building.

Plan Membership

Actuarial valuation report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2009, the most recent actuarial date, disclosed that pension plan membership consisted of the following:

Active employees	23
Retirees and beneficiaries currently receiving benefits	7
Vested terminated members	<u>4</u>
Total	<u>34</u>

Benefit Provisions

Actuarial valuation report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2009, disclosed that the pension plan benefit provisions are as follows:

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 10 SEWER PENSION PLAN (cont'd)

Employees are eligible for normal retirement at age 65 with 10 years of service, or at age 60 with 20 years of service, and are entitled to 1.5 percent of average base earnings for the last 36 months of employment multiplied by service up to 35 years; for employees hired before July 1, 1980, 35 percent of average base earnings for the highest 60 consecutive months out of the final 120 months of employment.

Employees are eligible for early retirement at age 50 with 15 years of service. The monthly early retirement pension benefit is equal to the actuarial equivalent of the benefit accrued to the early retirement date.

If an employee continues working after the normal retirement date, the pension benefit does not start until the employee actually retires. The monthly late retirement pension benefit is equal to the actuarial equivalent of the benefit accrued to the late retirement date.

Active members who become totally and permanently disabled receive accrued benefits immediately, based on a five-year minimum service requirement.

Vesting starts at 50 percent in the fifth year, increasing 10 percent each year for five years, then to 100 percent after 10 years of service.

Members are not required to contribute to the plan.

Basis of Accounting

The Plan's policy is to prepare its financial statements on the accrual basis of accounting.

Method Used to Value Investments

In accordance with GASB No. 25, investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

The pension plan's unallocated insurance contracts are valued at contract value. Contract value represents contributions made under the contract plus interest at the contract rate, less funds used to purchase annuities and pay administrative expenses charged by the insurance company. Funds under the contract that have been allocated and applied to purchase annuities are excluded from the pension plan's assets.

Deposits and Investments

***Deposits***

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2009, the carrying amount of the Sewer Pension Plan's deposits was \$5,958 which is equal to the deposits in a Federated Prime obligations fund held by the trustee of the pension in the Township's name. None of this balance was subject to custodial credit risk.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10 SEWER PENSION PLAN (cont'd)

***Investments***

The Investment objective of the West Goshen Township Sewer Pension Plan is to maintain a balanced portfolio comprised of equity, fixed income and cash equivalent securities and, as such, is intended to be structured less aggressively than equity-oriented portfolios.

As of December 31, 2009, the Township Sewer Pension Plan had the following investments:

	<u>Fair Value</u>	<u>Less Than One Year</u>
Equity mutual funds	\$ 1,449,042	\$ 1,449,042
Fixed income funds	461,512	461,512
Unallocated insurance contract	400,934	400,934
Money market mutual fund	<u>22,968</u>	<u>22,968</u>
 TOTAL	 <u>\$ 2,334,456</u>	 <u>\$ 2,334,456</u>

Investments in external investment pools, such as those in mutual funds, are disclosed but not subject to interest rate, custodial, credit or concentration risks because they are not evidenced by securities that exist in physical or book entry form.

Contributions

Act 205 requires that annual contributions be based upon the minimum municipal obligation (M.M.O.). The M.M.O. is based upon the plan's biennial actuarial valuation. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the M.M.O. which exceeds the state and employee contributions must be funded by the employer in accordance with Act 205.

Administrative Costs

Administrative costs, including the investment manager, custodial trustee and actuarial services, are charged to the plan and paid from the general fund, which is reimbursed as pension investments are liquidated.

Annual Pension Cost

The required contribution was determined as part of the January 1, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.0 percent investment rate of return (net of administrative expenses) and (b) projected salary increases due to inflation of 5.0 percent per year, compounded annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period. The unfounded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a level dollar closed bases. The remaining amortization period at December 31, 2009 was five years.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10 SEWER PENSION PLAN (cont'd)

Three-Year Trend Information

The actuarial information is required by Act 205 biennially, except for distressed pension plans, which require annual reporting. The three-year historical information required to be disclosed, beginning as of January 1, 2007 is as follows:

Calendar Year	Actuarial Value of Assets	Actuarial Accrued Liability	Percentage Funded (1)/(2)	Unfunded (assets in excess of) Accrued Liability (2)-(1)	Annual Covered Payroll	Unfunded (assets in excess of) Accrued Liability as a % of Payroll (4)/(5)
1/1/07	\$2,118,752	\$2,365,063	89.6%	\$246,311	\$880,513	28.0%
1/1/08	*	*	*	*	*	*
1/1/09	\$2,424,428	\$2,629,514	92.2%	\$205,086	\$976,927	21.0%

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER  
AND OTHER CONTRIBUTING ENTITIES

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2007	\$ 148,467	100.0%
2008	\$ 130,534	100.0%
2009	\$ 134,681	100.0%

NOTE 11 VILLAGE OF SHANNON

The Village of Shannon Homeowners' Association maintains an escrow account with West Goshen Township. The money that West Goshen is holding for the Village of Shannon is currently invested in a savings account. Any interest earned is forwarded to the Association at its request. As of December 31, 2009, the carrying value of the escrow account is \$66,654.



WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 12     OTHER POST-EMPLOYMENT BENEFITS

In addition to the pension benefits described in the preceding notes, the Township has established benefits for eligible employees to have health care benefits provided after retirement.

Plan Description

The Township's Police and Non-Uniformed Post-Retirement Medical Benefit Plans are single-employer plans controlled by Township ordinances, as amended. The plan is governed by the Board of Township Supervisors, which is responsible for the management of plan assets. The plan does not issue any financial report. Administrative costs, including the investment manager, custodial trustee and actuarial services, are charged to the plan and paid from the general fund, which is reimbursed as pension investments are liquidated.

Medical Benefits Payable Upon Retirement

A police officer is eligible for post-retirement benefits if he or she retires after attainment of age 55 and completion of 25 years of service.

A non-uniformed employee is eligible for post-retirement benefits if he or she retires after completion of the following requirements:

1. attainment of age 55 and completion of 25 years of service, or
2. attainment of age 60 and completion of 20 years of service.

For eligible retirees, the plans will pay 100 percent of the retiree's medical insurance premiums until age 65. The medical coverages provided include comprehensive medical, vision, dental and prescription drug coverage. If the retiree should die, premiums paid by the plan for the retiree shall cease. Police officers or non-uniformed employees who die or terminate employment prior to reaching the retirement requirements described above will not receive benefits under the plans.

Life-Insurance Payable Upon Retirement

A police officer or non-uniformed employee who is eligible for post-retirement benefits (as described above) will be provided with the employer-paid life and accidental death and dismemberment insurance until age 65. The amount of coverage will be \$10,000.

Funding Policy

The contribution requirements of plan members are established and may be amended by the Board of Supervisors. The required contribution is based on projected pay-as-you-go financing requirements, with any additional amount to prefund as determined annually by the Board of Supervisors. Member contributions are not required under the plan.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS (cont'd)

Annual OPEB Cost and Net OPEB Obligation

The Township's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Township's OPEB cost for the year, the amount actually contributed to the plan and changes in the Township's net OPEB obligation to the plan.

Annual required contribution	\$ 529,228
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
	-
Annual OPEB cost (expense)	529,228
Contributions made	(50,754)
	478,474
Increase in net OPEB obligation	478,474
Net OPEB obligation - beginning of year	-
	-
Net OPEB obligation - end of year	\$ 478,474
	\$ 478,474

Funded Status and Funding Progress

As of January 1, 2009, the most recent actuarial valuation date, the plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$3,849,976, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability ("UAAL") of \$3,849,976. The covered payroll (annual payroll of active employees covered by the plan) was \$5,277,559, and the ratio of the UAAL to the covered payroll was 72.95 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 12     OTHER POST-EMPLOYMENT BENEFITS (cont'd)

In the January 1, 2009 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.50 percent investment rate of return and an annual healthcare cost trend rate of 8.0 percent, reduced by decrements of 0.5% per year to an ultimate rate of 5.5 percent in 2014. The UAAL is being amortized based on the level dollar, 30-year open period. The remaining amortization period at December 31, 2009 was 29 years.

NOTE 13     CONTINGENT LIABILITIES

The Township is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Township's legal counsel the resolution of these matters will not have a material adverse effect on the financial condition of the Township.

The Township participates in state and county assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Township is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

The West Goshen Sewer Authority has been funding a legal effort to prevent the Environmental Protection Agency from adopting new nutrient discharge limitations. These limits will affect all stormwater and wastewater dischargers in Chester Creek, including the West Goshen Sewer Authority. The outcome of this effort could have a substantial impact on the future financial picture of the Authority since significant modifications to the sewage treatment plant may be necessary in the future.

NOTE 14     RISK MANAGEMENT

The Township has purchased commercial insurance policies for various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; injuries to employees; or acts of God. Payments of premiums for these policies are recorded as expenses of the Township. Insurance settlements have not exceeded insurance coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

NOTE 15     ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

The Township recognizes as revenue and expenses contributions made by the Commonwealth of Pennsylvania to the Township's Police, Non-Uniformed and Sewer Pension Funds on behalf of the Township's employees. In fiscal years 2009 and 2008, the State made contributions of \$359,722 and \$340,937, respectively. For the Police and Non-Uniformed Pension Funds, these contributions are recorded in the General Fund as revenue and expenditures. For the Sewer Pension Fund, these contributions are recorded in the Sewer Fund as revenue and expenses.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 16 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended December 31, 2009:

**General Fund:**

*General government:*

Administration	\$ 8,016
Tax Collection	10,536
Engineering	84,050

*Public works – highways and streets:*

Winter Maintenance	\$ 57,415
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The excess expenditures were covered by the available fund balance in the funds.

NOTE 17 COMMITMENTS

Governmental Activities

At December 31, 2009, the Township had the following construction commitments related to street and traffic signal construction services:

<u>Contract Amount</u>	<u>Completed through 12/31/2009</u>	<u>Balance</u>
<u>\$ 126,665</u>	<u>\$ 107,291</u>	<u>\$ 19,374</u>

In addition, the Township has incurred costs in the amount of \$254,604 related to other construction projects that are not under a formal commitment as of December 31, 2009.

During fiscal year 2009, the Township entered into a fire protection contract with the Borough of West Chester to provide fire protection services to the Township through 2013 at a cost of \$240,332 per year.

Future minimum contract obligations as of December 31, 2009 are as follows:

Year Ending December 31,

2010	\$ 240,332
2011	240,332
2012	230,332
2013	<u>240,332</u>
<b>Total Commitment</b>	<b><u>\$ 961,328</u></b>

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 17 COMMITMENTS (cont'd)

Business-type Activities

At December 31, 2009, the West Goshen Sewer Authority had the following construction commitments related to expansion of the sewer plant:

Contract Amount	Completed through 12/31/2009	Balance
<u>\$ 1,262,193</u>	<u>\$ 811,366</u>	<u>\$ 450,827</u>

In addition, the Authority has incurred costs in the amount of \$359,187 related to the construction projects not under a formal commitment as of December 31, 2009.

NOTE 18 SUBSEQUENT EVENTS

In April 2010, the Township entered into a note agreement with TD bank in the amount of \$5,500,000 to fund the construction of a new public works garage. In connection with this project, the Township has also entered in various construction contracts.

The Township has evaluated all subsequent events through June 24, 2010, the date the financial statements were available to be issued.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**WEST GOSHEN TOWNSHIP**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUND TYPES**  
**DECEMBER 31, 2009**  
**(With Summarized Comparative Data for December 31, 2008)**

	Special Revenue Funds					Totals	
	State Fund	Parks and Recreation Fund	Offsite Development Fund	Zoning Hearing Board Fund	Capital Projects Fund	2009	2008
<b>ASSETS</b>							
Cash and cash equivalents	\$ 150,755	\$ 4,805	\$ 191,520	\$ 14,000	\$ 54,324	\$ 415,404	\$ 892,122
<b>TOTAL ASSETS</b>	<u>\$ 150,755</u>	<u>\$ 4,805</u>	<u>\$ 191,520</u>	<u>\$ 14,000</u>	<u>\$ 54,324</u>	<u>\$ 415,404</u>	<u>\$ 892,122</u>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES:</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 425,000
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>425,000</u>
<b>FUND BALANCE:</b>							
Unreserved	150,755	4,805	191,520	14,000	54,324	415,404	467,122
Total Fund Balance	<u>150,755</u>	<u>4,805</u>	<u>191,520</u>	<u>14,000</u>	<u>54,324</u>	<u>415,404</u>	<u>467,122</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 150,755</u>	<u>\$ 4,805</u>	<u>\$ 191,520</u>	<u>\$ 14,000</u>	<u>\$ 54,324</u>	<u>\$ 415,404</u>	<u>\$ 892,122</u>

**WEST GOSHEN TOWNSHIP**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**  
**(With Summarized Comparative Data for the Year Ended December 31, 2008)**

	Special Revenue Funds					Totals	
	State Fund	Parks and Recreation Fund	Offsite Development Fund	Zoning Hearing Board Fund	Capital Projects Fund	2009	2008
<b>REVENUES:</b>							
Interest and rent	\$ 2,055	\$ 42	\$ 1,644	\$ -	\$ 174	\$ 3,915	\$ 20,188
Intergovernmental revenues	466,348	-	-	-	-	466,348	484,127
Charges for services	-	-	-	11,000	-	11,000	23,500
Contributions	-	-	2,500	-	-	2,500	45,000
Miscellaneous	-	-	-	-	-	-	60
<b>TOTAL REVENUES</b>	<u>468,403</u>	<u>42</u>	<u>4,144</u>	<u>11,000</u>	<u>174</u>	<u>483,763</u>	<u>572,875</u>
<b>EXPENDITURES:</b>							
Public works - highways and streets	418,596	-	-	-	-	418,596	921,842
Miscellaneous	-	-	27	116,858	-	116,885	27
<b>TOTAL EXPENDITURES</b>	<u>418,596</u>	<u>-</u>	<u>27</u>	<u>116,858</u>	<u>-</u>	<u>535,481</u>	<u>921,869</u>
<b>NET CHANGE IN FUND BALANCES</b>	49,807	42	4,117	(105,858)	174	(51,718)	(348,994)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>100,948</u>	<u>4,763</u>	<u>187,403</u>	<u>119,858</u>	<u>54,150</u>	<u>467,122</u>	<u>816,116</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 150,755</u>	<u>\$ 4,805</u>	<u>\$ 191,520</u>	<u>\$ 14,000</u>	<u>\$ 54,324</u>	<u>\$ 415,404</u>	<u>\$ 467,122</u>



**WEST GOSHEN TOWNSHIP  
BUDGETARY COMPARISON SCHEDULE - CAPITAL RESERVE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Original and Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Interest earnings	\$ 163,221	\$ 37,447	\$ (125,774)
<b>TOTAL REVENUES</b>	<u>163,221</u>	<u>37,447</u>	<u>(125,774)</u>
<b>EXPENDITURES</b>			
General government	2,313,951	220,853	2,093,098
Public works - highways and streets	1,397,173	441,886	955,287
Debt service:			
Principal	332,000	332,000	-
Interest	213,374	209,898	3,476
<b>TOTAL EXPENDITURES</b>	<u>4,256,498</u>	<u>1,204,637</u>	<u>3,051,861</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(4,093,277)</u>	<u>(1,167,190)</u>	<u>2,926,087</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
General Obligation Notes	2,000,000	-	(2,000,000)
Interfund transfers	(1,114,626)	(187,975)	926,651
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>885,374</u>	<u>(187,975)</u>	<u>(1,073,349)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(3,207,903)	(1,355,165)	1,852,738
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>6,336,140</u>	<u>6,336,140</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 3,128,237</u>	<u>\$ 4,980,975</u>	<u>\$ 1,852,738</u>

**WEST GOSHEN TOWNSHIP  
BUDGETARY COMPARISON SCHEDULE -  
NONMAJOR GOVERNMENTAL FUND TYPE - STATE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Original and Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest earnings	\$ 23,573	\$ 2,055	\$ (21,518)
State grants	467,006	466,348	(658)
TOTAL REVENUES	<u>490,579</u>	<u>468,403</u>	<u>(22,176)</u>
EXPENDITURES			
Public works - highways and streets	<u>916,000</u>	<u>418,596</u>	<u>497,404</u>
TOTAL EXPENDITURES	<u>916,000</u>	<u>418,596</u>	<u>497,404</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(425,421)</u>	<u>49,807</u>	<u>475,228</u>
NET CHANGE IN FUND BALANCES	(425,421)	49,807	475,228
FUND BALANCE, BEGINNING OF YEAR	<u>100,948</u>	<u>100,948</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ (324,473)</u>	<u>\$ 150,755</u>	<u>\$ 475,228</u>

**WEST GOSHEN TOWNSHIP  
COMBINING STATEMENT OF NET ASSETS - FIDUCIARY FUNDS  
DECEMBER 31, 2009**

	Police Retirement Insurance Fund	Non- Uniformed Insurance Fund	Police Pension Fund	Non- Uniformed Pension Fund	Sewer Pension Fund	Totals
	2009	2008	2009	2008	2009	2008
<u>ASSETS</u>						
Cash and cash equivalents	\$ 753,339	\$ 853,021	\$ 37,760	\$ 21,964	\$ 5,958	\$ 1,492,616
Insurance contracts, at contract value	-	-	747,317	432,157	400,934	1,680,249
Investments, at market value - mutual funds	-	-	7,577,088	3,134,968	1,933,522	9,702,258
<b>TOTAL ASSETS</b>	<u>\$ 753,339</u>	<u>\$ 853,021</u>	<u>\$ 8,362,165</u>	<u>\$ 3,589,089</u>	<u>\$ 2,340,414</u>	<u>\$ 12,875,123</u>
<u>LIABILITIES AND NET ASSETS</u>						
LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET ASSETS	753,339	853,021	8,362,165	3,589,089	2,340,414	12,875,123
Assets held in trust for pension benefits						
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 753,339</u>	<u>\$ 853,021</u>	<u>\$ 8,362,165</u>	<u>\$ 3,589,089</u>	<u>\$ 2,340,414</u>	<u>\$ 12,875,123</u>

**WEST GOSHEN TOWNSHIP  
COMBINING STATEMENT OF CHANGES IN NET ASSETS - FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Police Retirement Insurance Fund	Non-Uniformed Insurance Fund	Police Pension Fund	Non-Uniformed Pension Fund	Sewer Pension Fund	Totals
						2009
						2008
<b>ADDITIONS AND INVESTMENT INCOME (LOSSES)</b>						
Contributions:						
State aid	\$ -	\$ -	\$ 182,018	\$ 101,981	\$ 75,723	\$ 340,937
Employer contribution	63,628	95,576	141,719	79,402	58,958	427,420
Employee contribution	-	-	124,866	-	-	112,853
Total Contributions	<u>63,628</u>	<u>95,576</u>	<u>448,603</u>	<u>181,383</u>	<u>134,681</u>	<u>881,210</u>
Investment income (loss):						
Net increase (decrease) in fair value of investments	-	-	1,305,991	596,616	347,492	(3,725,293)
Realized gain on investment	-	-	2,299	637	437	-
Interest	5,997	6,763	242,152	97,135	68,613	498,888
Net Investment Income (Loss)	<u>5,997</u>	<u>6,763</u>	<u>1,550,442</u>	<u>694,388</u>	<u>416,542</u>	<u>(3,226,405)</u>
<b>TOTAL ADDITIONS AND INVESTMENT INCOME (LOSSES)</b>	<u>69,625</u>	<u>102,339</u>	<u>1,999,045</u>	<u>875,771</u>	<u>551,223</u>	<u>(2,345,195)</u>
<b>DEDUCTIONS</b>						
Benefits paid	-	-	276,931	117,577	65,486	440,382
Administrative expenses	-	-	13,638	8,434	7,879	37,775
Other expenses	216	20,306	45,887	13,963	4,781	77,427
<b>TOTAL DEDUCTIONS</b>	<u>216</u>	<u>20,306</u>	<u>336,456</u>	<u>139,974</u>	<u>78,146</u>	<u>555,584</u>
<b>CHANGE IN PLAN ASSETS</b>	<u>69,409</u>	<u>82,033</u>	<u>1,662,589</u>	<u>735,797</u>	<u>473,077</u>	<u>(2,900,779)</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>683,930</u>	<u>770,988</u>	<u>6,699,576</u>	<u>2,853,292</u>	<u>1,867,337</u>	<u>15,775,902</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 753,339</u>	<u>\$ 853,021</u>	<u>\$ 8,362,165</u>	<u>\$ 3,589,089</u>	<u>\$ 2,340,414</u>	<u>\$ 12,875,123</u>

**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	Balance December 31, 2008	Additions	Deductions	Balance December 31, 2009
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 66,669</u>	<u>\$ 91</u>	<u>\$ (106)</u>	<u>\$ 66,654</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 66,669</u></u>	<u><u>\$ 91</u></u>	<u><u>\$ (106)</u></u>	<u><u>\$ 66,654</u></u>
<b>LIABILITIES</b>				
Escrow deposits	<u>\$ 66,669</u>	<u>\$ 91</u>	<u>\$ (106)</u>	<u>\$ 66,654</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 66,669</u></u>	<u><u>\$ 91</u></u>	<u><u>\$ (106)</u></u>	<u><u>\$ 66,654</u></u>

**STATISTICAL SECTION**

**West Goshen Township**  
**Net Assets by Component**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Governmental activities</b>								
Invested in capital assets, net of related debt	\$ 6,845,656	\$ 7,177,865	\$ 29,362,825 <sup>1</sup>	\$ 29,291,900	\$ 30,458,442	\$ 29,894,890	\$ 29,891,898	\$ 29,263,767
Restricted	3,402,147	4,601,458	4,912,249	5,206,353	4,914,618	7,074,261	6,336,140	4,980,975
Unrestricted	6,522,056	5,862,544	6,800,461	7,621,651	9,811,142	11,555,617	10,932,256	10,613,470
<b>Total governmental activities net assets</b>	<b>\$ 16,769,859</b>	<b>\$ 17,641,867</b>	<b>\$ 41,075,535</b>	<b>\$ 42,119,904</b>	<b>\$ 45,184,202</b>	<b>\$ 48,524,768</b>	<b>\$ 47,160,294</b>	<b>\$ 44,858,212</b>
<b>Business-type activities</b>								
Invested in capital assets, net of related debt	\$ 12,865,122	\$ 12,570,041	\$ 12,890,021	\$ 13,432,273	\$ 13,794,285	\$ 14,437,864	\$ 14,747,693	\$ 15,864,175
Restricted	7,878,389	7,931,475	7,711,315	9,151,259	9,288,289	9,930,033	10,201,477	9,137,827
Unrestricted	6,327,851	6,886,863	6,779,101	5,373,688	5,148,304	4,342,442	2,833,025	2,474,947
<b>Total business-type activities net assets</b>	<b>\$ 27,071,362</b>	<b>\$ 27,388,399</b>	<b>\$ 27,380,437</b>	<b>\$ 27,957,220</b>	<b>\$ 28,230,878</b>	<b>\$ 28,710,339</b>	<b>\$ 27,782,195</b>	<b>\$ 27,476,949</b>
<b>Primary government</b>								
Invested in capital assets, net of related debt	\$ 19,710,778	\$ 19,747,906	\$ 42,252,846	\$ 42,724,173	\$ 44,252,727	\$ 44,332,754	\$ 44,639,591	\$ 45,127,942
Restricted	11,280,536	12,532,933	12,623,564	14,357,612	14,202,907	17,004,294	16,537,617	14,118,802
Unrestricted	12,849,907	12,749,427	13,579,562	12,995,339	14,959,446	15,898,059	13,765,281	13,088,417
<b>Total primary government net assets</b>	<b>\$ 43,841,221</b>	<b>\$ 45,030,266</b>	<b>\$ 68,455,972</b>	<b>\$ 70,077,124</b>	<b>\$ 73,415,080</b>	<b>\$ 77,235,107</b>	<b>\$ 74,942,489</b>	<b>\$ 72,335,161</b>

**Notes:**

Eighth full year of full-accrual basis accounting.

Prior year statistics are not available.

<sup>1</sup> First year valuation of infrastructure incorporated in the year 2004.

**West Goshen Township**  
**Changes in Net Assets**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>								
<b>Governmental activities:</b>								
General Government	\$ 1,555,814	\$ 1,686,167	\$ 1,669,859	\$ 1,645,510	\$ 1,786,077	\$ 1,801,333	\$ 1,962,787	\$ 2,195,329
Public Safety	3,848,571	4,217,326	4,481,480	4,880,795	4,875,689	5,030,088	5,392,394	6,010,813
Public Works - highways and streets	1,161,725	1,203,438	2,556,659	2,293,828	3,564,444	2,508,014	4,476,834	4,704,387
Other Public Works	96,828	110,063	135,560	114,056	128,088	161,236	169,760	234,457
Library	5,250	5,000	5,000	5,000	2,500	-	-	-
Culture and Recreation	875,077	853,745	924,619	944,821	974,352	1,138,543	1,172,675	1,240,395
Interest Expense	312,537	298,320	289,813	296,603	285,034	259,426	228,118	209,898
Total governmental activities expenses	7,855,802	8,374,059	10,062,990	10,180,613	11,616,184	10,898,640	13,402,556	14,595,279
<b>Business-type activities:</b>								
Sewer Operations	3,218,839	3,797,503	3,709,370	3,629,272	3,832,230	3,946,488	4,099,172	4,173,511
Waste and Recycling	1,240,565	1,342,917	1,368,059	1,384,567	1,513,684	1,866,119	2,248,783	1,918,726
Total business-type activities expenses	4,459,404	5,140,420	5,077,429	5,013,839	5,345,914	5,812,607	6,347,955	6,092,237
Total Primary Government Expenses	\$ 12,315,206	\$ 13,514,479	\$ 15,140,419	\$ 15,194,452	\$ 16,962,098	\$ 16,711,247	\$ 19,750,513	\$ 20,687,516
<b>Program Revenues</b>								
<b>Governmental activities:</b>								
Charges for services:								
General Government	\$ 47,686	\$ 56,340	\$ 54,377	\$ 84,648	\$ 59,730	\$ 46,597	\$ 50,765	\$ 171,842
Public Safety	428,825	411,057	461,000	449,618	571,772	666,253	656,706	478,796
Culture and Recreation	183,887	166,835	103,152	72,081	156,726	127,436	120,724	93,485
Operating Grants and Contributions	765,037	861,059	799,994	851,335	900,305	932,610	977,851	958,303
Capital Grants and Contributions	526,850	74,841	40,000	187,413	403,396	740,071	130,030	25,304
Total governmental activities program revenues	1,952,285	1,570,132	1,458,523	1,645,095	2,091,929	2,512,967	1,936,076	1,727,730
Business-type activities:								
Charges for services:								
Sewer Operations	3,300,360	3,594,812	3,248,029	3,307,995	3,742,250	3,523,981	3,533,792	3,944,184
Waste and Recycling	1,318,833	1,346,757	1,358,002	1,365,572	1,370,204	1,377,304	1,394,321	1,758,456
Operating Grants and Contributions	145,069	134,824	246,287	108,451	134,571	139,267	136,321	103,055
Capital Grants and Contributions	401,655	71,540	-	424,427	245,954	-	98,654	-
Total business-type activities program revenues	5,165,917	5,144,933	4,852,318	5,206,445	5,492,979	5,040,552	5,163,288	5,805,695
Total Primary Government Program Revenues	\$ 7,118,202	\$ 6,715,065	\$ 6,310,841	\$ 6,851,540	\$ 7,584,908	\$ 7,553,519	\$ 7,099,364	\$ 7,533,425
<b>Net (expense)/revenue</b>								
Governmental activities	\$ (5,903,517)	\$ (6,803,927)	\$ (8,604,467)	\$ (8,535,518)	\$ (9,524,255)	\$ (8,385,673)	\$ (11,466,482)	\$ (12,867,549)
Business-type activities	706,513	4,513	(225,111)	192,606	147,065	(772,055)	(1,184,667)	(286,542)
Total primary government net expense	\$ (5,197,004)	\$ (6,799,414)	\$ (8,829,578)	\$ (8,342,912)	\$ (9,377,190)	\$ (9,157,728)	\$ (12,651,149)	\$ (13,154,091)



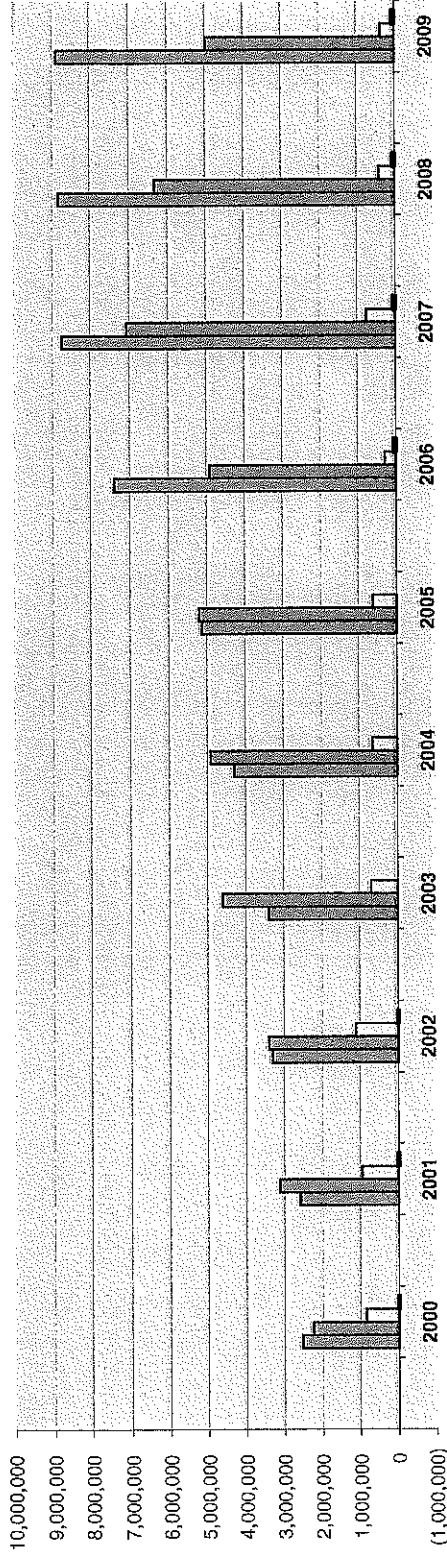
**West Goshen Township**  
**Changes in Net Assets**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
(continued)								
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities:								
Taxes								
Real estate taxes	\$ 1,410,361	\$ 1,402,116	\$ 2,481,655 <sup>3</sup>	\$ 2,523,930	\$ 2,554,040	\$ 2,551,015	\$ 2,590,007	\$ 2,601,082
Real estate transfer taxes	786,958	807,367	921,849	744,094	783,750	861,761	564,294	441,286
Earned income taxes	5,228,193	5,071,263	5,113,634	5,632,133	6,708,791	6,530,198	5,386,742	6,264,503
Emergency Municipal Services Tax	-	-	-	-	942,371	1,197,356	812,406	878,489
Franchise fees	214,797	239,504	245,451	260,776	283,398	314,316	335,119	348,525
Investment earnings	165,213	106,601	145,472	360,705	627,618	718,742	392,927	75,603
Unrestricted grants and contributions	14,294	16,509	13,984	17,538	18,225	20,357	19,031	17,515
Gain (Loss) on sale of capital assets						21,448	(13,328)	(101,610)
Miscellaneous	23,463	32,575	42,570	40,711	79,360	102,046	14,810	40,074
<b>Total governmental activities</b>	<b>7,843,279</b>	<b>7,675,935</b>	<b>8,964,615</b>	<b>9,579,887</b>	<b>11,997,553</b>	<b>12,317,239</b>	<b>10,102,008</b>	<b>10,565,467</b>
Business-type activities:								
Investment earnings	453,061	263,501	179,542	346,754	659,514	660,865	256,523	33,658
Miscellaneous	50,033	49,023	37,607	37,423	58,079	(349)	-	(52,362)
<b>Total business-type activities</b>	<b>503,094</b>	<b>312,524</b>	<b>217,149</b>	<b>384,177</b>	<b>717,593</b>	<b>660,516</b>	<b>256,523</b>	<b>(18,704)</b>
<b>Total primary government</b>	<b>\$ 8,346,373</b>	<b>\$ 7,988,459</b>	<b>\$ 9,181,764</b>	<b>\$ 9,964,064</b>	<b>\$ 12,715,146</b>	<b>\$ 12,977,755</b>	<b>\$ 10,358,531</b>	<b>\$ 10,546,763</b>
<b>Change in Net Assets</b>								
Governmental activities	\$ 1,939,762	\$ 872,008	\$ 360,148	\$ 1,044,369	\$ 2,473,298	\$ 3,931,566	\$ (1,364,474)	\$ (2,302,082)
Business-type activities	1,209,607	317,037	(7,962)	576,783	864,658	(111,539)	(928,144)	(305,246)
<b>Total primary government</b>	<b>\$ 3,149,369</b>	<b>\$ 1,189,045</b>	<b>\$ 352,186</b>	<b>\$ 1,621,152</b>	<b>\$ 3,337,956</b>	<b>\$ 3,820,027</b>	<b>\$ (2,292,618)</b>	<b>\$ (2,607,328)</b>

Notes:

- <sup>1</sup> The increase reflects depreciation expense from the valuation of infrastructure.
- <sup>2</sup> The increase from the prior year was caused by an increase in Recycling Grant revenue.
- <sup>3</sup> The increase from the prior year was the result of a 76% Real Estate Tax increase.
- <sup>4</sup> Dedication of sanitary sewer lines from the Wiltshire and Westtown Chase developments to the Sewer Authority. Eighth full year of full-accrual basis accounting. Prior year statistics are not available.

**West Goshen Township**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
 (modified accrual basis of accounting)

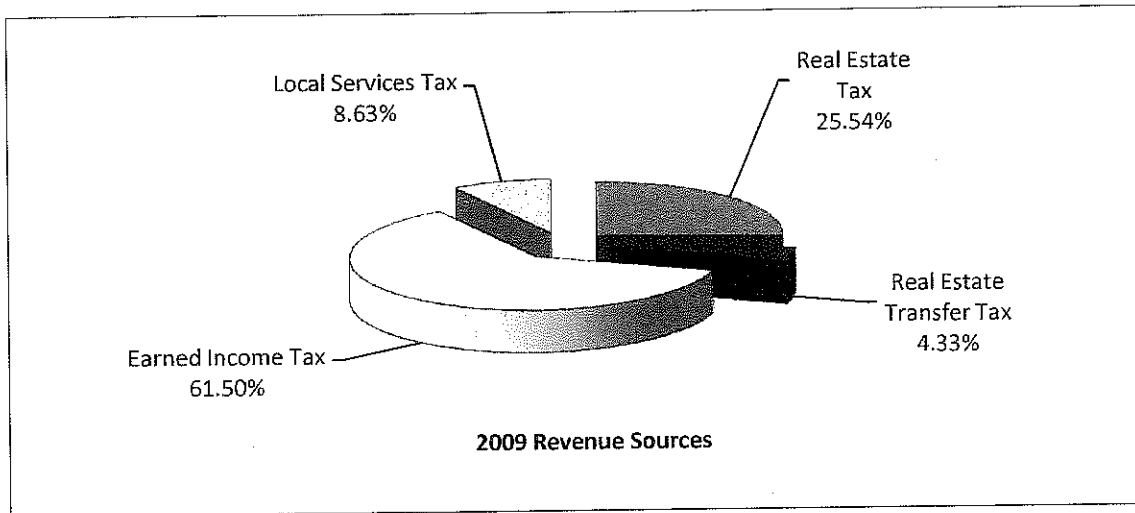


	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	2,530,597	2,579,729	3,300,757	3,405,106	4,292,181	5,127,853	7,415,233	8,748,955	8,830,627	8,879,327
Unreserved	2,530,597	2,579,729	3,300,757	3,405,106	4,292,181	5,127,853	7,415,233	8,748,955	8,830,627	8,879,327
Total general fund	\$ 2,242,594	\$ 3,121,816	\$ 3,402,147	\$ 4,601,172	\$ 4,912,249	\$ 5,206,353	\$ 4,914,618	\$ 7,074,261	\$ 6,336,140	\$ 4,980,975
All other governmental funds										
Reserved - Capital Reserve Fund	843,159	949,567	1,108,966	688,940	642,688	605,133	286,668	763,108	412,972	361,080
Unreserved, reported in:	(286)	(286)	(286)	-	-	-	50,651	53,008	54,150	54,324
Special revenue funds	(286)	(286)	(286)	-	-	-	50,651	53,008	54,150	54,324
Capital projects fund	3,085,467	4,071,097	4,510,827	5,290,112	5,554,937	5,811,486	5,251,937	7,890,377	6,803,262	5,396,379
Total all other governmental funds	\$ 3,085,467	\$ 4,071,097	\$ 4,510,827	\$ 5,290,112	\$ 5,554,937	\$ 5,811,486	\$ 5,251,937	\$ 7,890,377	\$ 6,803,262	\$ 5,396,379

**West Goshen Township**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Taxes	\$ 6,304,170	\$ 6,629,442	\$ 7,272,386	\$ 7,395,577	\$ 8,392,482	\$ 8,856,569	\$ 10,819,333	\$ 11,258,617	\$ 9,673,966	\$ 9,987,767
Licenses and permits	141,097	294,757	219,950	243,859	273,814	266,385	288,043	318,926	343,409	352,925
Fines, forfeits and costs	213,787	190,680	187,112	152,729	180,887	181,130	212,941	243,004	231,412	214,759
Investment Earnings	366,426	279,155	177,501	118,727	156,984	388,986	660,280	750,290	430,097	106,423
Intergovernmental revenues	673,151	697,907	759,700	952,408	853,978	917,001	1,143,530	952,967	996,882	975,819
Charges for services/fees	347,598	313,302	320,845	351,463	340,268	378,827	455,480	513,624	506,323	492,644
Contributions	171,994	77,500	135,000	113,560	57,500	12,500	82,500	47,500	45,000	2,500
Miscellaneous revenue/other	47,090	26,177	23,463	33,753	31,718	20,804	18,420	102,046	14,810	39,874
<b>Total Revenue</b>	<b>8,265,313</b>	<b>8,508,920</b>	<b>9,095,957</b>	<b>9,352,076</b>	<b>10,287,631</b>	<b>11,022,202</b>	<b>13,680,527</b>	<b>14,186,974</b>	<b>12,241,899</b>	<b>12,172,711</b>
<b>Expenditures</b>										
General Government	876,714	1,097,701	1,386,408	1,550,790	1,582,454	1,680,525	1,662,389	1,749,317	1,930,128	2,135,166
Public Safety	3,075,046	3,495,538	3,816,987	4,030,854	4,416,172	4,839,827	4,832,442	4,974,334	5,334,087	5,645,437
Public Works - highways and streets	934,985	943,540	618,378	1,130,538	1,359,534	1,455,812	2,859,642	1,340,066	3,805,067	3,878,447
Other public works	64,523	96,498	96,828	110,063	133,130	114,056	150,047	168,736	169,750	173,608
Library	5,250	5,250	5,250	5,000	5,000	5,000	2,500	-	-	-
Culture and Recreation	732,637	660,295	759,634	775,966	858,351	1,087,112	1,813,080	1,028,470	1,057,111	1,188,772
Insurance/employee benefits/payroll taxes	329,902	436,642	459,518	158,976	-	-	-	-	-	-
Capital Outlay	482,466	-	27,655	27	27	27	27	27	27	116,885
Miscellaneous expenditures	82,544	21,660	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	400,000	423,000	481,719	517,759	563,267	641,163	725,416	744,525	727,315	459,431
Interest and other charges	399,598	354,973	312,537	298,320	289,813	296,603	285,034	259,426	228,118	209,898
<b>Total expenditures</b>	<b>7,383,665</b>	<b>7,535,097</b>	<b>7,964,914</b>	<b>8,578,293</b>	<b>9,207,748</b>	<b>10,120,125</b>	<b>12,330,577</b>	<b>10,264,901</b>	<b>13,251,603</b>	<b>13,807,644</b>
Excess of revenues over (under) expenditures	881,648	973,823	1,131,043	773,783	1,079,883	902,077	1,349,950	3,922,073	(1,009,704)	(1,634,933)
<b>Other financing sources (uses)</b>										
Transfers in	2,324,292	1,561,959	1,072,126	2,159,012	1,113,231	1,354,962	1,440,070	2,839,719	924,862	1,662,025
Transfers out	(2,324,292)	(1,561,959)	(1,072,126)	(2,159,012)	(1,113,231)	(1,354,962)	(1,440,070)	(2,839,719)	(924,862)	(1,662,025)
Proceeds from debt	-	-	-	-	-	-	-	-	-	-
Proceeds from Capital leases	-	-	29,715	104,907	57,127	170,835	336,506	50,089	(2,739)	273,150
Sales of capital assets	-	-	-	4,944	14,890	19,309	41,375	-	4,000	3,600
Total other financing sources (uses)	-	-	29,715	109,851	72,017	190,144	377,881	50,089	1,261	276,750
<b>Net change in fund balances</b>	<b>\$ 881,648</b>	<b>\$ 973,823</b>	<b>\$ 1,160,758</b>	<b>\$ 883,634</b>	<b>\$ 1,151,900</b>	<b>\$ 1,092,221</b>	<b>\$ 1,727,831</b>	<b>\$ 3,972,162</b>	<b>\$ (1,008,443)</b>	<b>\$ (1,358,183)</b>
Debt service as a percentage of noncapital expenditures	5.8%	5.6%	6.4%	6.1%	6.1%	6.3%	5.9%	7.3%	5.5%	3.3%

**West Goshen Township  
Governmental Activities Tax Revenues By Source  
Last Ten Fiscal Years  
(accrual basis of accounting)**



<b>Fiscal Year</b>	<b>Real Estate Tax</b>	<b>Real Estate Transfer Tax</b>	<b>Earned Income Tax</b>	<b>Local Services Tax</b>	<b>Total</b>
2000	1,306,588	797,793	4,199,789	-	\$ 6,304,170
<i>% of total</i>	<i>20.73%</i>	<i>12.66%</i>	<i>66.62%</i>		<i>100.00%</i>
2001	1,356,405	565,623	4,707,414	-	\$ 6,629,442
<i>% of total</i>	<i>20.46%</i>	<i>8.53%</i>	<i>71.01%</i>		<i>100.00%</i>
2002	1,410,361	786,958	5,228,193	-	\$ 7,425,512
<i>% of total</i>	<i>18.99%</i>	<i>10.60%</i>	<i>70.41%</i>		<i>100.00%</i>
2003	1,402,116	807,367	5,071,263	-	\$ 7,280,746
<i>% of total</i>	<i>19.26%</i>	<i>11.09%</i>	<i>69.65%</i>		<i>100.00%</i>
2004	2,481,655	921,849	5,113,634	-	\$ 8,517,138
<i>% of total</i>	<i>29.14%</i>	<i>10.82%</i>	<i>60.04%</i>		<i>100.00%</i>
2005	2,523,930	744,094	5,632,133	-	\$ 8,900,157
<i>% of total</i>	<i>28.36%</i>	<i>8.36%</i>	<i>63.28%</i>		<i>100.00%</i>
2006	2,554,040	783,750	6,708,791	942,371	\$ 10,988,952
<i>% of total</i>	<i>23.24%</i>	<i>7.13%</i>	<i>61.05%</i>	<i>8.58%</i>	<i>100.00%</i>
2007	2,551,015	861,761	6,530,198	1,197,356	\$ 11,140,330
<i>% of total</i>	<i>22.90%</i>	<i>7.74%</i>	<i>58.62%</i>	<i>10.75%</i>	<i>100.00%</i>
2008	2,590,007	564,294	5,386,742	812,406	\$ 9,353,449
<i>% of total</i>	<i>27.69%</i>	<i>6.03%</i>	<i>57.59%</i>	<i>8.69%</i>	<i>100.00%</i>
2009	2,601,082	441,286	6,264,503	878,489	\$ 10,185,360
<i>% of total</i>	<i>25.54%</i>	<i>4.33%</i>	<i>61.50%</i>	<i>8.63%</i>	<i>100.00%</i>

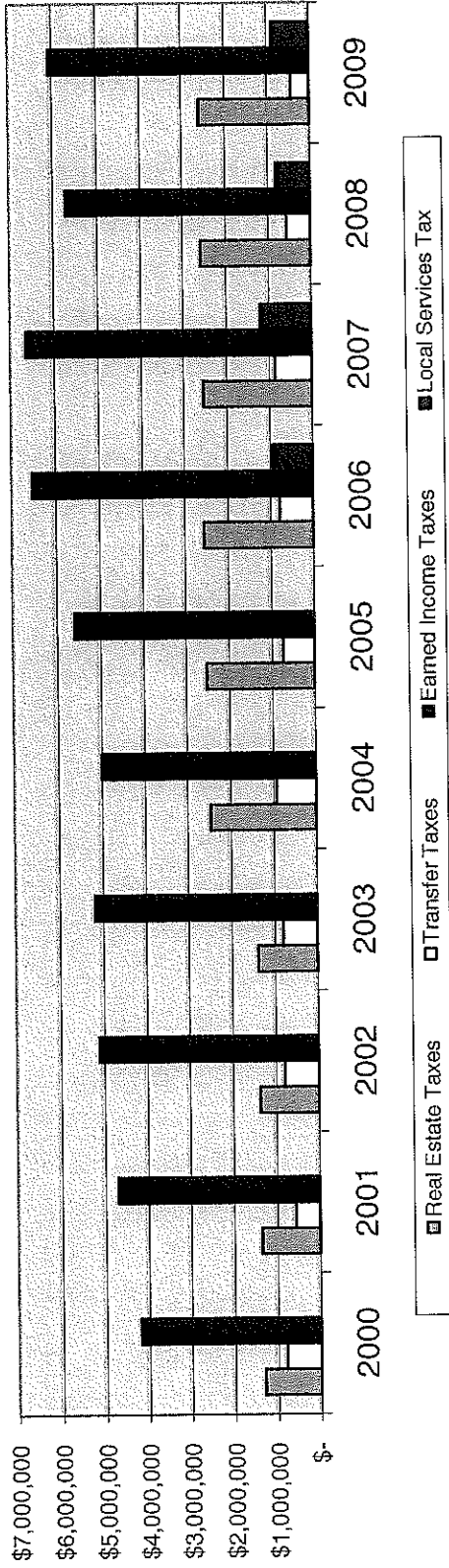
**Notes:**

Eighth year of full-accrual basis accounting.

Prior years statistics are not available.

Emergency Municipal Services Tax enacted on 1/1/2006 and further enacted by Act 7 of 2007 as Local Services Tax, effective 1/1/2008.

**West Goshen Township**  
**General Governmental Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**



Fiscal Year	Real Estate		Earned Income		Local Services		Total
	Taxes	Transfer Taxes	Taxes	Tax	Tax		
2000	\$ 1,306,588	\$ 797,793	\$ 4,199,789	\$ -	\$ -	\$ 6,304,170	
2001	\$ 1,356,405	\$ 565,623	\$ 4,707,414	\$ -	\$ -	\$ 6,629,442	
2002	\$ 1,374,891	\$ 786,958	\$ 5,110,537	\$ -	\$ -	\$ 7,272,386	
2003	\$ 1,396,947	\$ 807,367	\$ 5,181,263	\$ -	\$ -	\$ 7,385,577	
2004	\$ 2,466,999	\$ 921,849	\$ 5,003,634	\$ -	\$ -	\$ 8,392,482	
2005	\$ 2,524,343	\$ 744,094	\$ 5,588,133	\$ -	\$ -	\$ 8,856,570	
2006	\$ 2,560,421	\$ 783,750	\$ 6,532,791	\$ 942,371	\$ 2	\$ 10,819,335	
2007	\$ 2,544,302	\$ 861,761	\$ 6,655,198	\$ 1,197,356	\$ -	\$ 11,258,617	
2008	\$ 2,577,524	\$ 564,294	\$ 5,719,742	\$ 812,406	\$ -	\$ 9,673,966	
2009	\$ 2,599,489	\$ 441,286	\$ 6,068,503	\$ 878,489	\$ -	\$ 9,987,767	

Notes:

<sup>1</sup> Tax increase of 76% over prior year.

<sup>2</sup> Emergency Municipal Services Tax enacted 1/1/2006 and further enacted by Act 7 of 2007 as Local Services Tax, effective 1/1/08.

**West Goshen Township  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

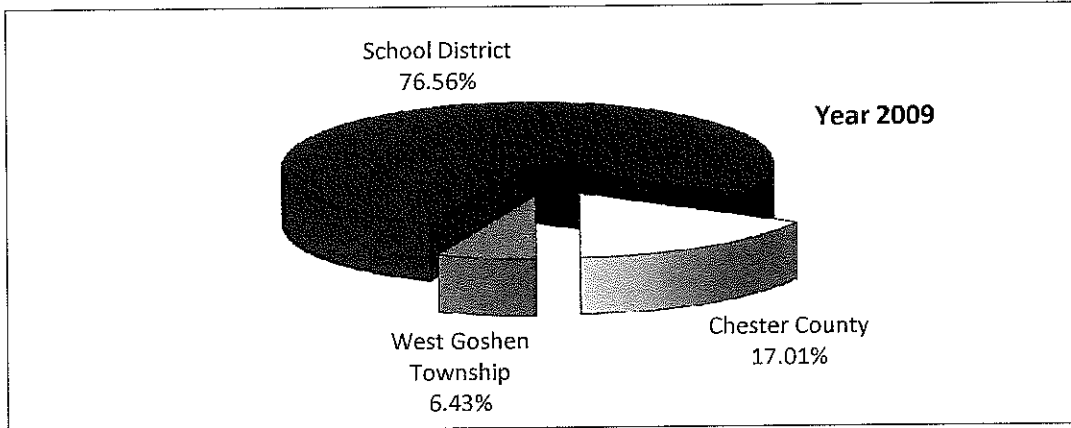
<u>Fiscal Year</u>	<u>Real Estate Assessed Value</u>	<u>Ratio of Total Assessed Value to Total Estimated Actual Value</u>	<u>Estimated Actual Value <sup>1</sup></u>	<u>Real Estate Millage Rate</u>
2000	\$ 1,496,154,060	90.09%	\$ 1,660,731,007	0.85
2001	\$ 1,557,579,980	85.47%	\$ 1,822,368,577	0.85
2002	\$ 1,610,621,475	80.65%	\$ 1,997,170,629	0.85
2003	\$ 1,662,970,630	74.07%	\$ 2,245,010,351	0.85
2004 <sup>2</sup>	\$ 1,663,883,667	68.03%	\$ 2,445,908,990	1.50
2005	\$ 1,686,941,565	60.61%	\$ 2,783,453,582	1.50
2006	\$ 1,720,874,612	54.95%	\$ 3,131,991,794	1.50
2007	\$ 1,732,148,172	51.81%	\$ 3,343,045,972	1.50
2008	\$ 1,747,526,471	51.81%	\$ 3,372,726,089	1.50
2009	\$ 1,752,550,691	52.91%	\$ 3,312,320,806	1.50

Note: (1) Common level ratio reciprocal factor used by Chester County, Pennsylvania, Board of Assessments and the Pennsylvania Department of Revenue Realty Transfer Tax department.

Note (2) Real Estate tax increase of 76% over prior year.

Sources: Township of West Goshen, Pennsylvania, annual financial statements, Chester County Board of Assessments, and the Pennsylvania Department of Revenue.

**West Goshen Township  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**



<u>Fiscal Year</u>	<u>West Goshen Township</u>	<u>School District</u>	<u>Chester County</u>	<u>Total Millage</u>
2000	0.850	11.380	3.014	15.244
<i>Percent of total</i>	5.58%	74.65%	19.77%	100.00%
2001	0.850	11.630	3.103	15.583
<i>Percent of total</i>	5.45%	74.63%	19.91%	100.00%
2002	0.850	12.110	3.178	16.138
<i>Percent of total</i>	5.27%	75.04%	19.69%	100.00%
2003	0.850	12.590	3.273	16.713
<i>Percent of total</i>	5.09%	75.33%	19.58%	100.00%
2004	1.500	13.550	3.414	18.464
<i>Percent of total</i>	8.12%	73.39%	18.49%	100.00%
2005	1.500	14.320	3.558	19.378
<i>Percent of total</i>	7.74%	73.90%	18.36%	100.00%
2006	1.500	15.160	3.699	20.359
<i>Percent of total</i>	7.37%	74.46%	18.17%	100.00%
2007	1.500	15.7900	3.804	21.094
<i>Percent of total</i>	7.11%	74.86%	18.03%	100.00%
2008	1.500	16.8500	3.804	22.154
<i>Percent of total</i>	6.77%	76.06%	17.17%	100.00%
2009	1.500	17.8500	3.965	23.315
<i>Percent of total</i>	6.43%	76.56%	17.01%	100.00%

Source: Chester County Board of Assessments and Township Finance Department.  
 Note: Under Countywide reassessment, which became effective January 1, 1998, millage rates decreased monumentally because real estate was assessed at 100% of market value.

**West Goshen Township  
Principal Property Taxpayers  
December 31, 2009**

Taxpayer	2009			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
QVC Realty, Inc	\$ 48,669,780	1	2.78%	\$ 48,669,780	1	2.79%
Fern Hill LLC	\$ 16,617,370	2	0.95%	\$ 12,706,870	5	0.73%
Home Properties Golf Club, LLC	\$ 14,780,750	3	0.84%	\$ 14,780,750	2	0.85%
Goshen Terrace Apartments	\$ 14,198,300	4	0.81%	\$ 14,198,300	3	0.81%
Capital Enterprises, Inc	\$ 13,832,000	5	0.79%	\$ 13,832,000	4	0.79%
Cephalon, Inc.	\$ 9,411,460	6	0.54%	\$ 9,411,460	6	0.54%
Cambridge Apartments	\$ 7,948,790	7	0.45%	\$ 7,948,790	7	0.45%
TGM Halstead LLC	\$ 7,454,310	8	0.43%	\$ 7,454,310	8	0.43%
Pyle Corporation	\$ 7,336,950	9	0.42%	\$ 7,336,950	9	0.42%
Turks Head Health Services, Inc.	\$ 6,799,320	10	0.39%	\$ 6,799,320	10	0.39%
	<u>\$ 147,049,030</u>		<u>8.39%</u>	<u>\$ 143,138,530</u>		<u>8.19%</u>

Note: Total taxable assessed value, all real property in West Goshen Township, December 31, 2009, \$1,752,550,691.

Source: West Goshen Township Finance Department based on data from Chester County Board of Assessments.



West Goshen Township  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

Fiscal Year Ended December 31,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 1,271,731	\$ 1,282,083	100.81%	\$ 24,505	\$ 1,306,588	102.74%
2001	\$ 1,323,943	\$ 1,333,601	100.73%	\$ 22,804	\$ 1,356,405	102.45%
2002	\$ 1,368,700	\$ 1,350,665	98.68%	\$ 24,226	\$ 1,374,891	100.45%
2003	\$ 1,419,530	\$ 1,369,537	96.48%	\$ 27,410	\$ 1,396,947	98.41%
2004	\$ 2,527,722	\$ 2,441,287	96.58%	\$ 25,712	\$ 2,466,999	97.60%
2005	\$ 2,530,429	\$ 2,493,327	98.53%	\$ 31,016	\$ 2,524,343	99.76%
2006	\$ 2,565,346	\$ 2,522,936	98.35%	\$ 37,484	\$ 2,560,420	99.81%
2007	\$ 2,582,711	\$ 2,508,145	97.11%	\$ 36,157	\$ 2,544,302	98.51%
2008	\$ 2,625,094	\$ 2,536,749	96.63%	\$ 40,775	\$ 2,577,524	98.19%
2009	\$ 2,636,729	\$ 2,553,575	96.85%	\$ 45,914	\$ 2,599,490	98.59%

**West Goshen Township**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>General Obligation Debt</u>	<u>Capital Leases</u>	<u>Total Primary Government</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2000	20,495	\$ 1,496,154,060	\$ 8,246,000	\$ -	\$ 8,246,000	0.55%	\$ 402
2001	20,727	\$ 1,557,579,980	\$ 7,823,000	\$ -	\$ 7,823,000	0.50%	\$ 377
2002	20,876	\$ 1,610,621,475	\$ 7,376,000	\$ 19,246	\$ 7,395,246	0.46%	\$ 354
2003	21,017	\$ 1,662,970,630	\$ 6,904,000	\$ 78,394	\$ 6,982,394	0.42%	\$ 332
2004	21,144	\$ 1,663,883,667	\$ 6,404,000	\$ 72,254	\$ 6,476,254	0.39%	\$ 306
2005	21,138	\$ 1,686,941,565	\$ 5,876,000	\$ 129,926	\$ 6,005,926	0.36%	\$ 284
2006	21,168	\$ 1,720,874,612	\$ 5,317,000	\$ 300,016	\$ 5,617,016	0.33%	\$ 265
2007	21,140	\$ 1,732,148,172	\$ 4,726,000	\$ 196,578	\$ 4,922,578	0.28%	\$ 233
2008	21,321	\$ 1,747,526,471	\$ 4,101,000	\$ 94,526	\$ 4,195,526	0.24%	\$ 197
2009	21,339	\$ 1,752,550,691	\$ 3,769,000	\$ 240,245	\$ 4,009,245	0.23%	\$ 188

Note: US Census Bureau 2009 population estimate not yet available. Projection established using 10-year trend.

Sources: US Census Bureau Population Estimates Program (2001-2008) and Census 2000.  
Chester County Board of Assessments.  
West Goshen Township Annual financial statements.

**West Goshen Township  
Direct and Overlapping Governmental Activities Debt  
as of December 31, 2009**

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to West Goshen Township</u>	<u>Amount Applicable to West Goshen Township</u>
<b>DIRECT DEBT:</b>			
West Goshen Township	\$ 3,769,000	100.00%	\$ 3,769,000
<b>OVERLAPPING DEBT:</b>			
County of Chester	\$ 461,428,000 <sup>1</sup>	4.86%	<u>22,404,898</u>
<b>TOTAL</b>			<u><u>\$ 26,173,898</u></u>

Note<sup>1</sup>: County of Chester data not yet available for 2009, amount reflects 2008 gross bonded debt. The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**West Goshen Township**  
**Computation of Borrowing Capacity <sup>1</sup>**  
**December 31, 2009**

	Year Ended December 31,		
	2009	2008	2007
Total Revenues	\$ 21,841,424	\$ 18,644,127	\$ 21,578,509
Deduct excludable items under Section 8002©(16) of the Act:			
Nonrecurring items:			
Grants and gifts in aid	666,059	699,441	650,878
Proceeds from general long-term debt	276,750	4,000	50,089
Total Revenues as Defined in Section 8002©(16) of the Act	\$ 20,898,615	\$ 17,940,686	\$ 20,877,542
Total Revenues as Defined in Section 8002[c][16] of the Act for the three years ended December 31, 2009			\$ 59,716,843
Borrowing Base - Arithmetic Average of Total Revenues			\$ 19,905,614
Debt Limit			250%
Debt Limitation			\$ 49,764,036

Note<sup>1</sup>: Calculation in accordance with the Commonwealth of Pennsylvania Local Government Unit Debt Act.

**West Goshen Township**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

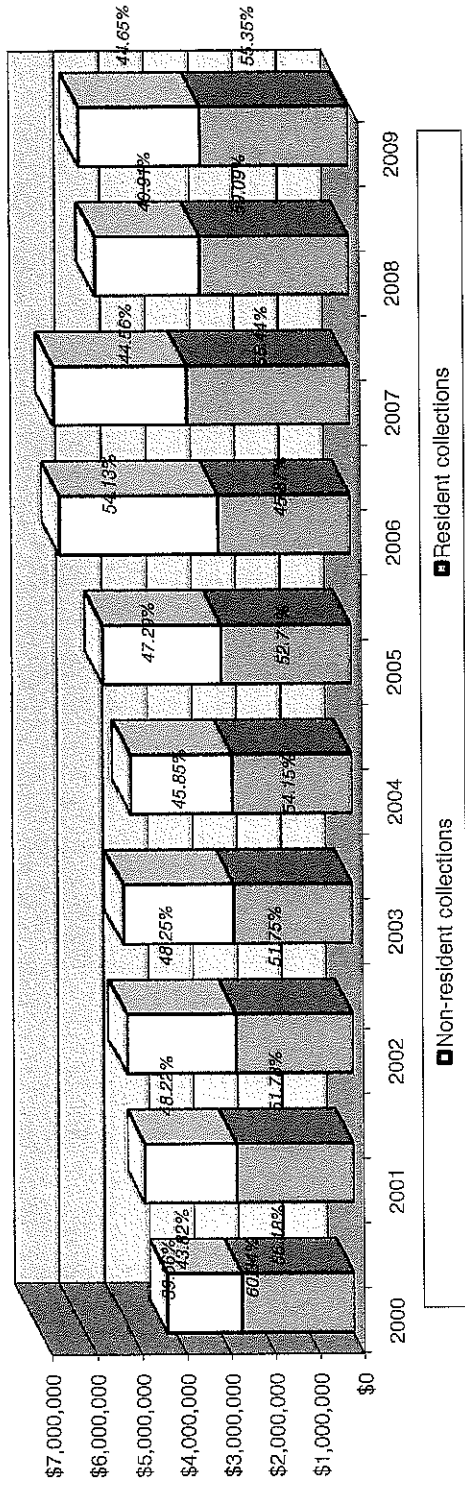
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 167,662	\$ 175,353	\$ 181,622	\$ 187,822	\$ 188,425	\$ 191,549	\$ 194,693	\$ 197,751	\$ 199,115	\$ 199,727
Total net debt applicable to limit	8,246	7,823	7,376	6,904	6,404	5,876	5,317	4,726	4,101	3,769
Legal debt margin	\$ 159,416	\$ 167,530	\$ 174,246	\$ 180,918	\$ 182,021	\$ 185,673	\$ 189,376	\$ 193,025	\$ 195,014	\$ 195,958
Total net debt applicable to the limit as a percentage of debt limit	4.92%	4.46%	4.06%	3.68%	3.40%	3.07%	2.73%	2.39%	2.06%	1.89%

**Legal Debt Margin Calculation for Fiscal Year 2009**

Assessed value	\$ 1,752,551
Add back: exempt real property	\$ 244,720
Total assessed value	\$ 1,997,271
Debt limit (10% of total assessed value)	199,727
Debt applicable to limit:	
General obligation bonds	3,769
Total net debt applicable to limit	3,769
Legal debt margin	\$ 195,958

Assessed value	1,496,154	1,557,580	1,610,621	1,662,971	1,663,884	1,686,942	1,720,875	1,732,148	1,747,526	1,752,551
Add back: exempt real property	180,463	195,955	205,600	215,245	220,367	228,544	226,058	245,361	243,625	244,720
Total assessed value	1,676,617	1,753,535	1,816,222	1,878,216	1,884,251	1,915,485	1,946,933	1,977,509	1,991,151	1,997,271
@ 10%	167,662	175,353	181,622	187,822	188,425	191,549	194,693	197,751	199,115	199,727

**West Goshen Township  
Earned Income Tax Revenue  
Last Ten Fiscal Years  
(Modified accrual basis of accounting)**



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Resident collections	\$2,534,051	\$2,644,805	\$2,645,989	\$2,681,341	\$2,709,509	\$2,945,330	\$2,996,875	\$3,689,404	\$3,379,784	\$3,358,935
% of total	60.34%	56.18%	51.78%	51.75%	54.15%	52.71%	45.87%	55.44%	59.09%	55.35%
Non-resident collections	1,665,738	2,062,609	2,464,548	2,499,922	2,294,125	2,642,803	3,535,916	2,965,794	2,339,958	2,709,567
% of total	39.66%	43.82%	48.22%	48.25%	45.85%	47.29%	54.13%	44.56%	40.91%	44.65%
Total earned income tax collected	\$4,199,789	\$4,707,414	\$5,110,537	\$5,181,263	\$5,003,634	\$5,588,133	\$6,532,791	\$6,655,198	\$5,719,742	\$6,068,502

Notes:  
 The Earned Income Tax rate is levied at 1%.  
 Both the West Chester Area School District and West Goshen Township levy the tax; therefore the 1% is shared 50/50.  
 The School District may not levy earned income taxes on nonresidents - the full 1% is received by the Township.  
 Nonresidents liable for an earned income tax at their place of residence receive a credit against any nonresident levy in their place of employment.

Source:  
 West Goshen Township Finance Department and Berkheimer Administrators.

**West Goshen Township**  
**Resident Earned Income Statistics**  
**Direct and Overlapping Resident Statistics**  
**Last Available Ten Fiscal Years**

	DIRECT:											OVERLAPPING:															
	West Goshen Township											West Chester Area School District Municipalities															
	# of Residents		Total		# of Empls			Employers			Average			Individuals		Total			Employers			Average					
On file	Exempts	Exempts	Taxables	On file	Empls	On file	Bankrupt	Closed/	Total Open	Employers	Earnings	On file	Exempts	Taxables	On file	Bankrupt	Total Open	Employers	Earnings	On file	Exempts	Taxables	On file	Bankrupt	Total Open	Employers	Earnings
1999	22,008	5,593	16,415	2,453	1,176	1,277	\$42,685	114,236	25,468	88,768	8,183	3,760	4,423	\$43,141													
2000	23,145	5,755	17,390	2,364	979	1,385	\$44,726	119,272	26,277	92,995	7,757	2,887	4,870	\$76,316													
2001	23,504	5,794	17,710	2,489	1,027	1,462	\$46,064	120,444	26,414	94,030	8,139	3,058	5,081	\$53,360													
2002	23,580	5,794	17,786	2,619	1,065	1,554	\$43,597	122,758	25,785	96,973	8,735	3,184	5,551	\$50,593													
2003	23,939	5,681	18,258	2,709	1,089	1,620	\$43,713	127,787	26,407	101,380	9,248	3,299	5,949	\$44,626													
2004	25,481	5,799	19,682	2,829	1,161	1,668	\$50,507	129,601	26,709	102,892	9,510	3,464	6,046	\$52,434													
2005	25,466	5,818	19,648	2,929	1,168	1,761	\$50,249	132,767	27,387	105,380	10,081	3,608	6,473	\$55,343													
2006	24,965	5,983	18,982	3,032	1,224	1,808	\$52,492	130,461	23,359	107,102	10,527	3,803	6,724	\$57,552													
2007	25,928	6,045	19,883	3,148	1,272	1,876	\$52,820	131,793	28,465	103,328	11,068	3,952	7,116	\$57,160													
2008	25,849	6,203	19,646	3,294	1,330	1,964	\$53,544	132,338	29,272	103,066	11,363	4,191	7,172	\$57,394													

**Notes:**

2009 statistics are not available.  
 Exempt individuals include disabled, homemaker, non-adult, and retired statuses.  
 Municipalities included in the West Chester area school district: West Chester Township, East Goshen Township, East Bradford Township, West Whiteland Township, Westtown Township, Thornbury Township (Chester and Delaware County).  
 All municipalities share resident Earned Income Tax revenue levied at 1%, 50/50 with the School District.

**Sources:**

West Goshen Township Finance Department and Berkheimer Tax Administrators.

**West Goshen Township  
Principal Employers  
Current Year and Prior Year**

Taxpayer	2009			2008		
	Number of Employees	Rank	Percent of Total Employees	Number of Employees	Rank	Percent of Total Employees
QVC Network, Inc.	2,019	1	8.0%	2,118	2	8.4%
United Parcel Service, Inc.	1,702	2	6.8%	3,086	1	12.3%
West Chester School W Goshen	859	4	3.4%	910	3	3.6%
Chester County Court House	835	3	3.3%	885	5	3.5%
A. Duie Pyle, Inc.	793	5	3.1%	904	4	3.6%
People 2.0 Global, Inc.	715	6	2.8%	844	6	3.4%
PA State System of Higher Education	546	7	2.2%	563	7	2.2%
Nobel Learning Communities	526	8	2.1%	496	8	2.0%
Atlantic Coast Athletic Club	380	9	1.5%	451	9	1.8%
P & A Marketing, Inc.	356	10	1.4%	380	10	1.5%
Krapfs Coaches Inc.						
Cephalon, Inc.						
<b>Total, 10 largest employers</b>	<u>8,731</u>		<u>34.7%</u>	<u>10,637</u>		<u>35.8%</u>
<b>Note: Total employment in West Goshen Township subject to Earned Income Tax</b>	<u>25,175</u>			<u>29,727</u>		

Source: West Goshen Township Finance Department and Berkheimer Tax Administrators.



**West Goshen Township  
Operating Indicators by Function  
Last Ten Fiscal Years**

<b>Function</b>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Code Enforcement</b>										
Building permits	499	474	457	413	633	757	918	1,084	1,252	773
New construction	102	70	91	46	36	15	36	37	26	11
Additions and alterations	225	228	242	220	287	200	204	219	245	200
Subdivision plans	25	20	9	9	2	8	2	5	2	2
Lots approved	113	43	14	65	11	2	246	13	9	8
Zoning appeals	12	12	10	11	8	10	8	5	8	4
Land development	7	7	9	14	10	17	16	10	11	9
<b>Police</b>										
Physical arrests	1,542	838	1,142	1,384	1,330	944	938	1,734	956	1,065
Traffic violations	3,924	3,129	3,130	2,738	3,090	3,042	2,898	3,063	3,308	3,396
Parking violations	424	549	382	321	486	346	340	195	197	281
Alarm violations	1,604	1,299	1,478	1,348	1,287	1,151	1,255	941	1,006	883
<b>Fire</b>										
Number of calls answered	n/a	n/a	n/a	n/a	65	77	72	63	75	54
Inspections	n/a	n/a	n/a	n/a	286	474	466	463	404	340
<b>Highways and streets</b>										
Street resurfacing (miles)	3.07	3.38	2.10	3.40	3.66	1.92	4.08	0.00	10.32	5.19
<b>Culture and Recreation</b>										
Summer recreation program registrations	333	315	364	335	294	317	347	332	314	270
Summer sports clinic registrations	146	168	143	84	102	102	119	99	91	89
Park/pavilion permits issued	130	107	116	102	104	110	87	95	89	81

Sources: Various township departments.  
Note: Indicators are not available for the general government function.

**West Goshen Township  
Capital Assets Statistics by Function  
Last Ten Fiscal Years**

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government										
Building	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police:										
Building	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Building	1	1	1	1	1	1	1	1	1	1
Streets (miles)	79.73	80.92	82.49	82.49	84.69	84.69	84.69	85.64	85.93	87.56
Bridges	1	1	1	1	1	2	2	2	2	2
Traffic Signals	25	25	26	26	26	27	27	27	27	27
Culture and recreation										
Parks acreage	109.5	109.5	112.7	112.7	112.7	112.7	112.7	112.7	112.7	112.7
Parks	12	12	13	13	13	13	13	13	13	13
Tennis courts	4	4	4	4	4	4	6	6	6	6
Baseball fields	4	4	4	4	4	4	4	4	4	4
Basketball courts	3	3	3	3	3	3	3	3	3	3
Volleyball court	2	2	2	2	2	2	2	2	2	2
Soccer/multipurpose field	1	1	1	1	1	1	1	1	1	1
Amphitheaters	1	1	1	1	1	1	1	1	1	1
Pavilions	3	3	3	3	2	2	2	2	2	2
Maintenance garage	0	0	0	0	1	1	1	1	1	1

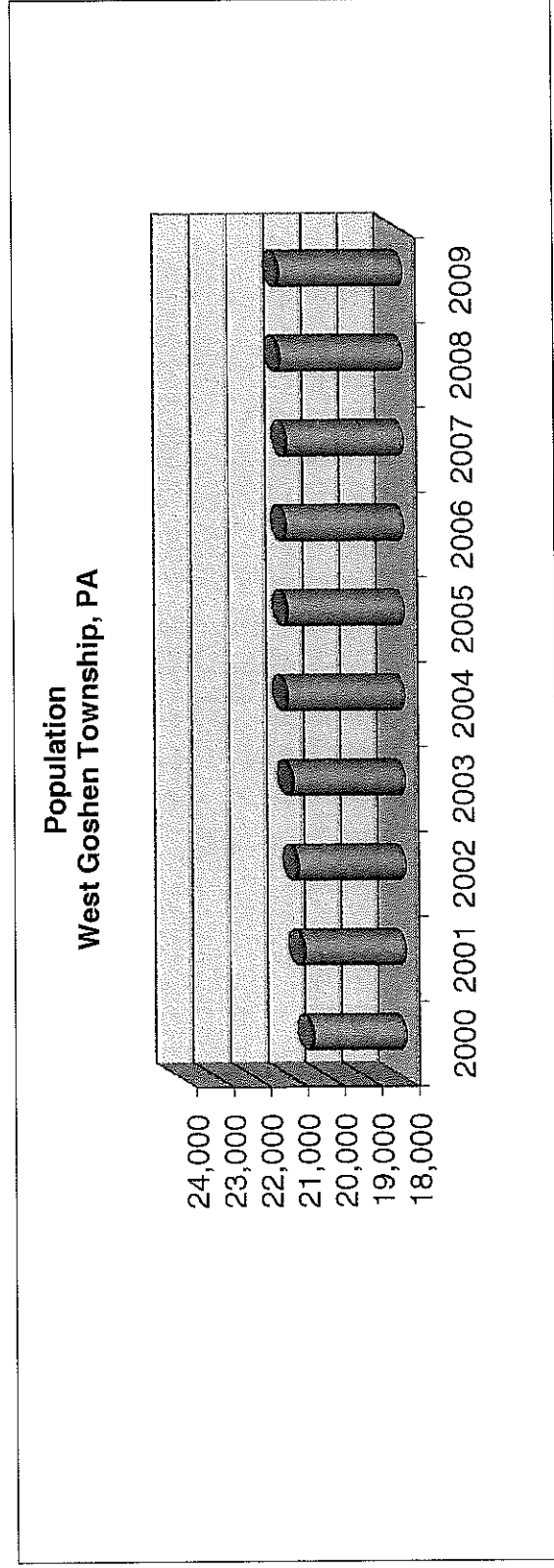
Source: Various township departments.  
Note: No capital assets indicators are available for the general government function.

**West Goshen Township  
Full-time West Goshen Township Employees by Function  
Last Ten Years**

<b>Function</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
General Government	13	13	15	15	14	14	15	15	15	15
Public Safety	26	26	26	26	26	26	25	25	27	29
Officers	2	4	4	4	4	4	2	2	2	2
Dispatchers	2	2	2	2	3	3	3	3	2	2
Administration	1	1	1	1	2	2	2	2	2	2
Code Inspectors	0	0	0	0	1	1	1	1	1	1
Fire Marshal										
Highways and streets	7	8	8	9	9	9	10	10	12	13
Culture and recreation	6	8	9	9	8	9	10	11	11	11
Sewer	<u>16</u>	<u>13</u>	<u>15</u>	<u>15</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>16</u>
Total	73	75	80	81	81	82	82	84	88	91

**West Goshen Township  
Population Statistics  
Last Ten Fiscal Years**

Population statistics - West Goshen Township, PA



Population 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

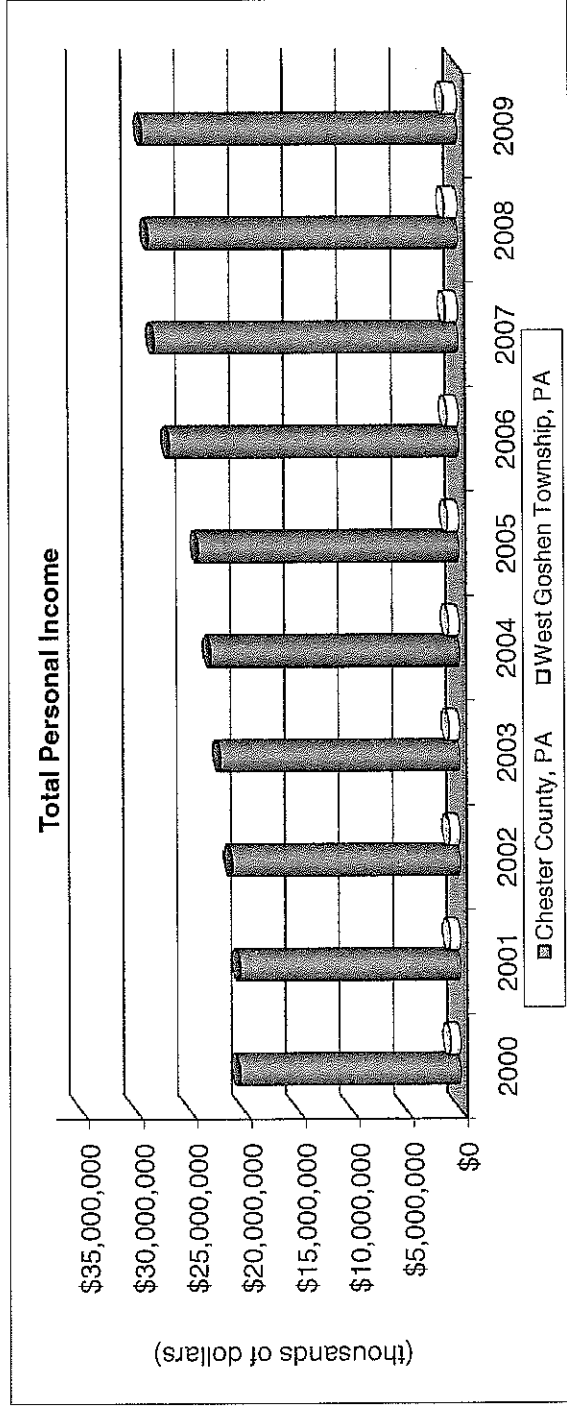
West Goshen Township, PA 20,495 20,727 20,876 21,017 21,144 21,138 21,168 21,140 21,321 21,339

Note: US Census Bureau 2009 population estimate not yet available. Projection established using 10-year trend.

Source: US Census Bureau Population Estimates Program (2001-2008) and Census 2000.

**West Goshen Township  
Total Personal Income  
Last Ten Fiscal Years**

Total personal income - Chester County, PA



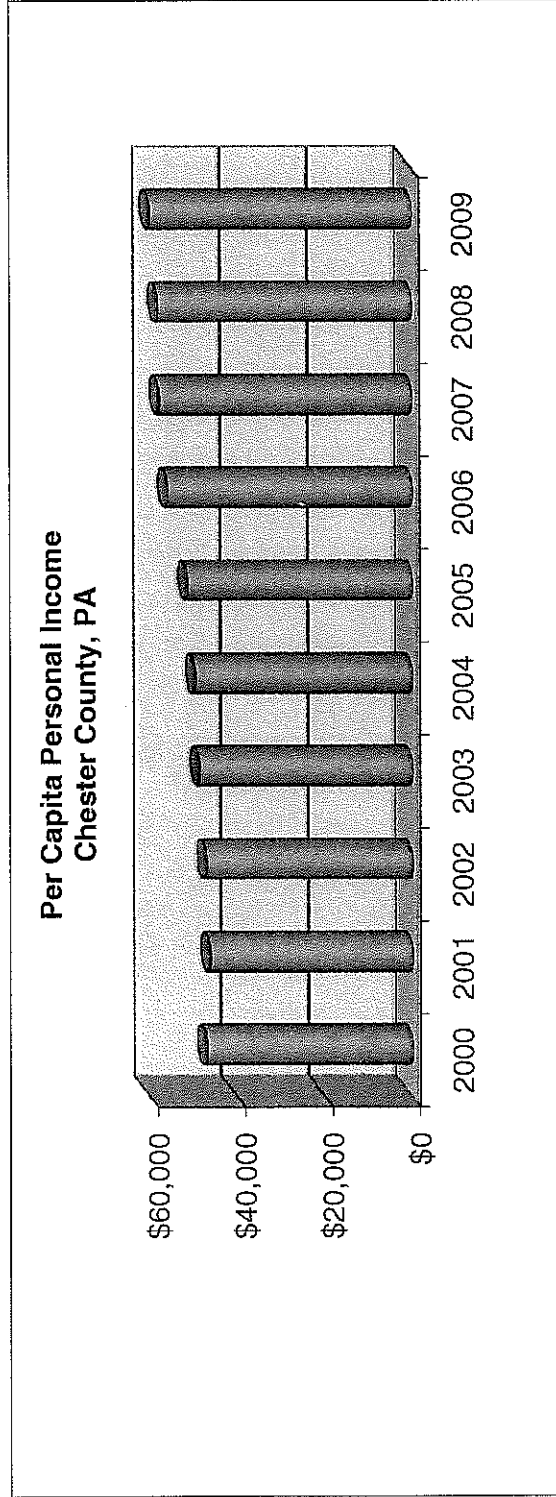
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Personal Income (thousands of dollars)	\$20,478,569	\$21,121,652	\$22,148,197	\$23,041,601	\$24,182,047	\$26,832,608	\$28,181,348	\$29,263,395	\$29,263,395	\$29,263,395
Chester County, PA	10.6%	-0.2%	3.4%	4.9%	4.0%	4.9%	11.0%	5.0%	1.8%	2.0%
West Goshen Township, PA	\$957,146	\$974,766	\$1,011,334	\$1,034,289	\$1,073,542	\$1,116,253	\$1,179,564	\$1,273,561	\$1,273,561	\$1,312,861

Note: Total personal income data not available by minor civil division. County data is provided since it is generally representative of the area's economic climate. Township data is estimated.  
Bureau of Economic Analysis 2009 local area personal income estimate not yet available. Projection established using 10-y Amounts are not adjusted for inflation.

Source: Bureau of Economic Analysis Local Area Personal Income estimates (2000-2008) with revisions to years 2000-2007; West Goshen Township Finance Department projection (2009).

**West Goshen Township  
Per Capital personal Income  
Last Ten Fiscal years**

Per capita personal income - Chester County, PA



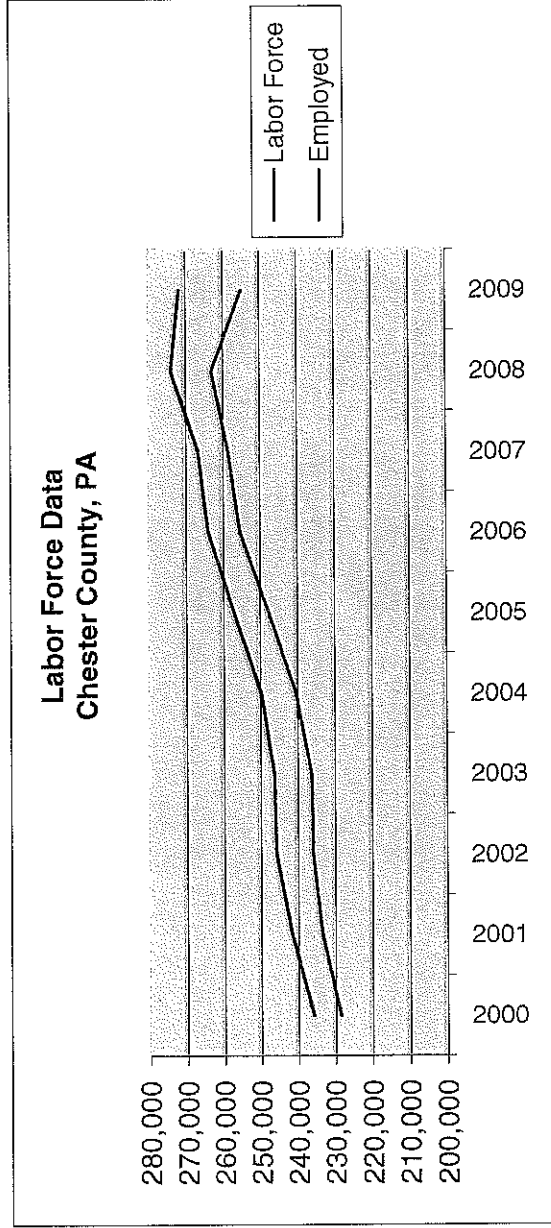
Per Capita Personal Income Chester County, PA	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	\$46,988	\$46,246	\$47,068	\$48,584	\$49,669	\$51,281	\$55,878	\$57,800	\$58,156	\$59,951
	9.7%	-1.6%	1.8%	3.2%	2.2%	3.2%	9.0%	3.4%	0.6%	3.1%

Note: Per capita personal income data not available by minor civil division. County data is provided since it is generally representative of the area's economic climate. Local area per capita personal income data was revised by the Bureau of Economic Analysis for years 2000-2007.

Source: Bureau of Economic Analysis Local Area Personal Income estimates (2000-2008); West Goshen Township Finance Department projection (2009).

West Goshen Township  
 Labor Force Data  
 Last Ten Fiscal Years

Labor Force Data - Chester County, PA



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Chester County, PA	235,802	241,603	245,855	246,405	249,758	257,087	263,994	266,716	273,893	271,636
Labor Force	228,596	233,453	235,820	236,234	240,360	247,706	255,274	258,488	263,035	254,770
Employed	3.1%	3.4%	4.1%	4.1%	3.8%	3.6%	3.3%	3.1%	4.0%	6.2%
Unemployment Rate	4.2%	4.8%	5.6%	5.7%	5.4%	5.0%	4.7%	4.4%	5.4%	8.1%
Pennsylvania Rate	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%
US Rate										

Note: Labor force data not available by minor civil division. County data is provided since it is generally representative of the area's economic climate. Years 2005 - 2008 reflect revisions. State and national rates are provided, when available, for reference only.

Source: Bureau of Labor Statistics Local Area Unemployment Statistics (2000-2009).

# West Goshen Township

## Miscellaneous Statistics

December 31, 2009

Date founded:	December 6, 1817	
Form of government:	Second Class Township	
Area:	12 square miles	
Miles of Roads:	88 miles - municipal roads 40 miles - state roads	
Fire/Ambulance protection:	1 volunteer fire department 1 volunteer ambulance service	Fame Fire Company Good Fellowship
Police Protection:	27 full-time police personnel and officers	
Education:	2 Elementary schools 2 Middle Schools 1 High Schools	
Main Township Parks:	West Goshen Community Park Stoneybrook Park Coopersmith Park Barker Park Hallowell Park Robert E. Lambert Park	32.0 acres 22.2 acres 15.2 acres 11.5 acres 8.2 acres 3.2 acres



## OTHER REPORTS

REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

200 Springer Building  
3411 Silverside Road  
Wilmington, Delaware 19810  
302.478.8940

FAX: 302.477.1607  
www.btcpa.com

June 24, 2010

Board of Supervisors  
West Goshen Township  
West Chester, Pennsylvania

We have audited the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of West Goshen Township, West Chester, Pennsylvania as of and for the year ended December 31, 2009, which collectively comprise West Goshen Township's basic financial statements, and have issued our report thereon dated June 24, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered West Goshen Township's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters


As part of obtaining reasonable assurance about whether West Goshen Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and

Board of Supervisors  
West Goshen Township  
West Chester, Pennsylvania

material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the Board of Supervisors of West Goshen Township, and is not intended to be and should not be used by anyone other than these specified parties.

  
BARBACANE, THORNTON & COMPANY