



---

**WEST GOSHEN TOWNSHIP  
WEST CHESTER, PENNSYLVANIA  
BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

---

WEST GOSHEN TOWNSHIP

TABLE OF CONTENTS

	<u>PAGE</u>
FINANCIAL SECTION	
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 21
Basic Financial Statements:	
Statement of Net Position	22
Statement of Activities	23
Balance Sheet - Governmental Funds	24
Reconciliation of Balance Sheet - Governmental Funds to Statement of Net Position	25
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	26
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to Statement of Activities	27
Budgetary Comparison Statement - General Fund	28 - 29
Statement of Net Position - Proprietary Funds	30
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	31
Statement of Cash Flows - Proprietary Funds	32 - 33
Statement of Net Position - Fiduciary Funds	34
Statement of Changes in Net Position - Fiduciary Funds	35
Notes to Financial Statements	36 - 65
Required Supplementary Information:	
Schedule of Funding Progress - Post-employment Healthcare Plan	66
Notes to Required Supplementary Information - Post-employment Healthcare Plan	67

## WEST GOSHEN TOWNSHIP

### TABLE OF CONTENTS

	<u>PAGE</u>
Combining Fund Statements and Budgetary Comparison Schedules:	
Combining Balance Sheet - Nonmajor Governmental Fund Types	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Fund Types	69
Budgetary Comparison Schedule - Major Governmental Fund Type - Capital Reserve Fund	70
Budgetary Comparison Schedule - Nonmajor Governmental Fund Type - State Fund	71
Combining Statement of Net Position - Fiduciary Funds	72
Combining Statement of Changes in Net Position - Fiduciary Funds	73
STATISTICAL SECTION	
- Net Position by Component	74
- Changes in Net Position	75 - 76
- Fund Balances of Governmental Funds	77
- Changes in Fund Balances of Governmental Funds	78
- Governmental Activities Tax Revenues by Source	79
- General Governmental Tax Revenues by Source	80
- Assessed Value and Estimated Actual Value of Taxable Property	81
- Property Tax Rates Direct and Overlapping Governments	82
- Principal Property Taxpayers	83
- Property Tax Levies and Collections	84
- Ratios of Outstanding Debt by Type	85
- Direct and Overlapping Governmental Activities Debt	86
- Computation of Borrowing Capacity	87
- Legal Debt Margin Information	88
- Earned Income Tax Revenue	89
- Resident Earned Income Statistics	90
- Principal Employers	91
- Operating Indicators by Function	92
- Capital Assets Statistics by Function	93
- Full-time West Goshen Township Employees by Function	94
- Population Statistics	95
- Total Personal Income	96
- Per Capita Personal Income	97
- Labor Force Data	98
- Miscellaneous Statistics	99

WEST GOSHEN TOWNSHIP

TABLE OF CONTENTS

	<u>PAGE</u>
OTHER REPORT	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	100 - 101

## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

July 23, 2015

Board of Supervisors  
West Goshen Township  
West Chester, Pennsylvania

### Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Board of Supervisors  
West Goshen Township

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, in 2014 the Township adopted new accounting guidance; GASB Statement No. 67, "Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25." Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited West Goshen Township's 2013 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated June 25, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 21 and the supplementary information presented on pages 66 and 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Supervisors  
West Goshen Township

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Goshen Township's basic financial statements. The combining fund 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 fund statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2015 on our consideration of West Goshen Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Goshen Township's internal control over financial reporting and compliance.

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



## 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, 2014. Please read it in conjunction with the Township's financial statements, which begin on page 22.

### FINANCIAL HIGHLIGHTS

- The assets of West Goshen Township exceeded its liabilities at the close of the most recent fiscal year by \$72,841,607 (*net position*). Of this amount, \$21,557,016 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The Township's total net position decreased by \$1,093,467.
- At the close of the current fiscal year, the Township recognized an additional OPEB liability and expense in the amount of \$392,785 in its governmental activities and \$35,672 in its business-type activities.
- As of December 31, 2014, the Township's governmental funds reported combined ending fund balances of \$13,178,616, a decrease of \$475,894 in comparison with the prior year. Approximately 76 percent of this total, or \$9,965,795, is available for spending at the Township's discretion (*assigned and unassigned fund balance*).
- The Township completed a General Obligation Note Refunding (Series A and B of 2014), restructuring the 1998 G.O. Note and the 2010 G.O. Note, to take advantage of lower interest rates and lower annual debt service payments. The refunding of the Notes will result in overall future economic (present value) debt service savings of approximately \$240,000.
- The Township's total debt decreased by \$258,195.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here is intended to serve as an introduction to West Goshen Township's basic financial statements. The Township's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of West Goshen Township's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all the Township's assets and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or

**WEST GOSHEN TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**

deteriorating. You 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.

The *statement of activities* presents information showing how the Township's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick and vacation time).

Both of the government-wide financial statements distinguish functions of the Township that are primarily supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, culture and recreation, and library. The business-type activities of the Township include a Sewer Authority, and the sewer and waste and recycling activities. 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. The Sewer Authority, although legally separate, 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 government-wide financial statements can be found on pages 22 - 23 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. West Goshen Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**WEST GOSHEN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**

The Township maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital reserve fund, which are considered to be major funds. Data from the other four governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the *combining fund statements and budgetary comparison schedules* section of this report.

The Township adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 24 - 27 of this report.

***Proprietary funds.*** Proprietary funds account for operations that are financed primarily by user charges. The Township's only proprietary funds are *Enterprise funds*. *Enterprise funds* are presented as *business-type activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail with additional information, such as cash flows for proprietary funds. The proprietary fund financial statements provide separate information for the Sewer Fund, the Waste and Recycling Fund, and the Sewer Authority, which are considered to be major funds of the Township. Data from one other fund presented in the statements is considered a nonmajor proprietary fund.

The basic proprietary fund financial statements can be found on pages 30 - 33 of this report.

***Fiduciary Funds.*** The Township's fiduciary funds are *trust funds*. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Trust funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to fund the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Township maintains two different types of fiduciary 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.

The fiduciary fund financial statements can be found on pages 34 - 35 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36 - 65 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Township's progress in funding its obligation to provide other post-employment benefits to its employees. Required supplementary information can be found on pages 66 and 67 of this report.

**WEST GOSHEN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information for other post-employment benefits. Combining fund statements and budgetary comparison schedules can be found on pages 68 - 73 of this report.

**Government-wide Overall Financial Analysis**

As noted earlier, net position 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 \$72,841,607 at the close of 2014. This is a decrease of \$1,093,467 from the previous year. Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the Township's governmental and business-type activities.

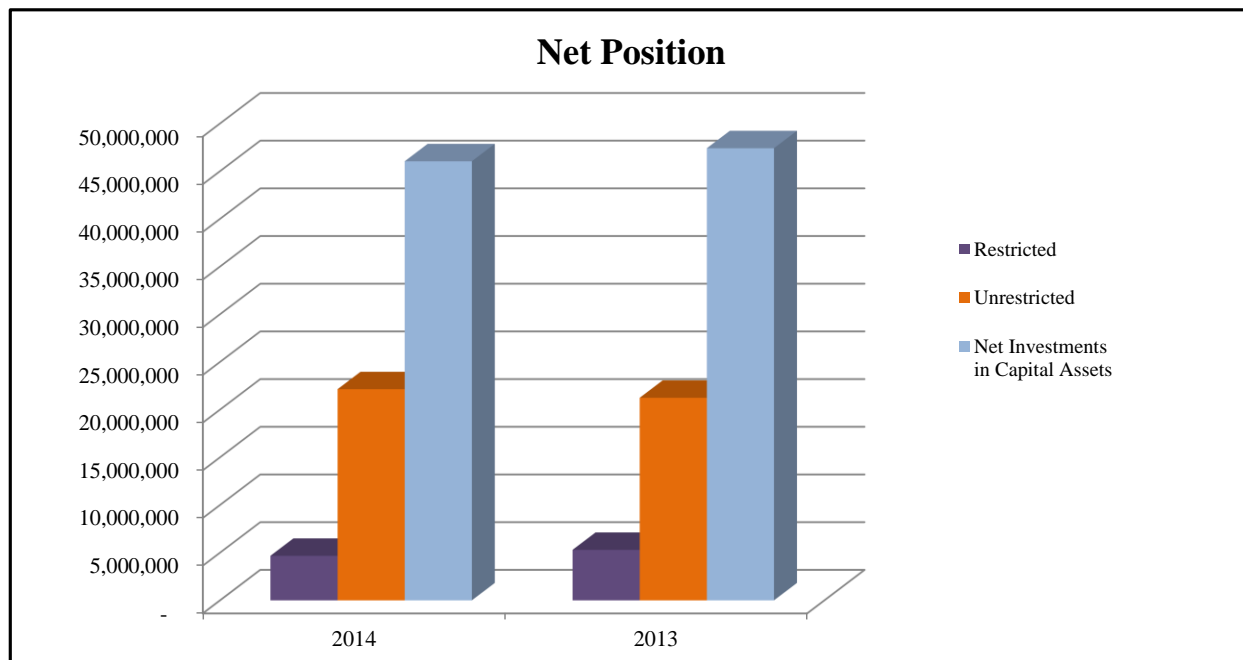
<p style="text-align: center;"><b>Table 1 STATEMENT OF NET POSITION December 31, 2014 and 2013</b></p>						
	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 15,886,263	\$ 16,435,998	\$ 14,170,591	\$ 13,552,910	\$ 30,056,854	\$ 29,988,908
Capital assets	36,580,656	36,981,393	18,430,775	19,075,789	55,011,431	56,057,182
Total Assets	<u>\$ 52,466,919</u>	<u>\$ 53,417,391</u>	<u>\$ 32,601,366</u>	<u>\$ 32,628,699</u>	<u>\$ 85,068,285</u>	<u>\$ 86,046,090</u>
Long-term liabilities outstanding	\$ 9,384,906	\$ 8,332,036	\$ 1,760,306	\$ 2,118,463	\$ 11,145,212	\$ 10,450,499
Other liabilities	541,231	1,029,730	540,235	630,787	1,081,466	1,660,517
Total Liabilities	<u>9,926,137</u>	<u>9,361,766</u>	<u>2,300,541</u>	<u>2,749,250</u>	<u>12,226,678</u>	<u>12,111,016</u>
Net Position:						
Net investment in capital assets	29,937,656	30,468,198	16,678,775	16,935,789	46,616,431	47,403,987
Restricted for:						
Capital reserve	3,127,981	3,800,408	-	-	3,127,981	3,800,408
Streets	84,840	40,281	-	-	84,840	40,281
Sewer	-	-	1,455,339	1,452,764	1,455,339	1,452,764
Unrestricted	9,390,305	9,746,738	12,166,711	11,490,896	21,557,016	21,237,634
Total Net Position	<u>42,540,782</u>	<u>44,055,625</u>	<u>30,300,825</u>	<u>29,879,449</u>	<u>72,841,607</u>	<u>73,935,074</u>
Total Liabilities and Net Position	<u>\$ 52,466,919</u>	<u>\$ 53,417,391</u>	<u>\$ 32,601,366</u>	<u>\$ 32,628,699</u>	<u>\$ 85,068,285</u>	<u>\$ 86,046,090</u>

The largest portion of the Township's net position, \$46,616,431 (or 64 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, the significant upgrade to the Sewer Wastewater Treatment Plant, and the construction of the new Public Works Garage. 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.

## WEST GOSHEN TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

Another portion of the Township's net position, \$4,668,160 (or 6.4 percent), represents resources that are subject to external restrictions on how they may be used. This compares with last year's total restricted net position of \$5,293,453. This decrease is primarily due to capital purchases of infrastructure and major capital equipment.

The remaining balance of unrestricted net position, \$21,557,016 (or 29.6 percent), may be used to meet the Township's ongoing obligations to citizens and creditors. This compares with last year's total unrestricted net position of \$21,237,634.



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

**Governmental activities.** The net decrease from the Township's governmental activities was \$1,514,843 as compared to the previous year increase of \$1,601,841. Table 2 shows the changes in net position for the year ended December 31, 2014.

The cost of all governmental activities this year was \$16,898,680. As shown in the statement of activities on page 23, the amount that our taxpayers ultimately financed for these activities through Township taxes was \$14,456,640. Other costs were paid by those who directly benefited from the programs (\$953,505) or by other governments and organizations that subsidized certain programs with intergovernmental aid and contributions (\$1,488,535).

**WEST GOSHEN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**

**Table 2  
STATEMENT OF CHANGES IN NET POSITION  
For the Years Ended December 31, 2014 and 2013**

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
<b>REVENUES:</b>						
Program revenues:						
Charges for services	\$ 953,505	\$ 1,205,746	\$ 6,864,794	\$ 7,452,524	\$ 7,818,299	\$ 8,658,270
Operating grants and contributions	1,124,722	1,090,913	157,564	228,645	1,282,286	1,319,558
Capital grants and contributions	363,813	972,224	-	-	363,813	972,224
General revenues:						
Earned income taxes	7,046,256	7,976,151	-	-	7,046,256	7,976,151
Local services taxes	1,010,067	950,498	-	-	1,010,067	950,498
Property taxes	3,543,584	3,501,219	-	-	3,543,584	3,501,219
Real estate transfer taxes	854,008	1,018,868	-	-	854,008	1,018,868
Franchise taxes	502,959	484,134	-	-	502,959	484,134
Grants and contributions not restricted to specific programs	19,602	18,546	-	-	19,602	18,546
Other	(34,679)	107,439	63,454	39,280	28,775	146,719
<b>TOTAL REVENUES</b>	<b>15,383,837</b>	<b>17,325,738</b>	<b>7,085,812</b>	<b>7,720,449</b>	<b>22,469,649</b>	<b>25,046,187</b>
<b>EXPENSES:</b>						
General government	2,546,127	2,184,861	-	-	2,546,127	2,184,861
Public safety	7,171,353	6,800,503	-	-	7,171,353	6,800,503
Highways/streets	4,899,282	4,667,589	-	-	4,899,282	4,667,589
Other public works	112,722	110,173	-	-	112,722	110,173
Library	10,000	5,000	-	-	10,000	5,000
Culture and recreation	1,714,787	1,645,589	-	-	1,714,787	1,645,589
Interest expense	444,409	310,182	-	-	444,409	310,182
Sewer operations	-	-	4,867,349	4,616,397	4,867,349	4,616,397
Waste and recycling	-	-	1,797,087	2,098,813	1,797,087	2,098,813
<b>TOTAL EXPENSES</b>	<b>16,898,680</b>	<b>15,723,897</b>	<b>6,664,436</b>	<b>6,715,210</b>	<b>23,563,116</b>	<b>22,439,107</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>(1,514,843)</b>	<b>1,601,841</b>	<b>421,376</b>	<b>1,005,239</b>	<b>(1,093,467)</b>	<b>2,607,080</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>44,055,625</b>	<b>42,453,784</b>	<b>29,879,449</b>	<b>28,874,210</b>	<b>73,935,074</b>	<b>71,327,994</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 42,540,782</b>	<b>\$ 44,055,625</b>	<b>\$ 30,300,825</b>	<b>\$ 29,879,449</b>	<b>\$ 72,841,607</b>	<b>\$ 73,935,074</b>

As indicated by governmental program expenses, public safety programs account for approximately 42 percent of the total expenses of the Township's governmental activities. General administration and highways/streets services account for approximately 15 percent and 29 percent, respectively, of the total expenses for 2014.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Noteworthy exceptions, however, included:

- Uniform employee wages increased approximately 3.0 percent.
- Non-exempt employee wages increased approximately 2.5 percent.
- Exempt employee wages increased approximately 1.5 percent.

**WEST GOSHEN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**

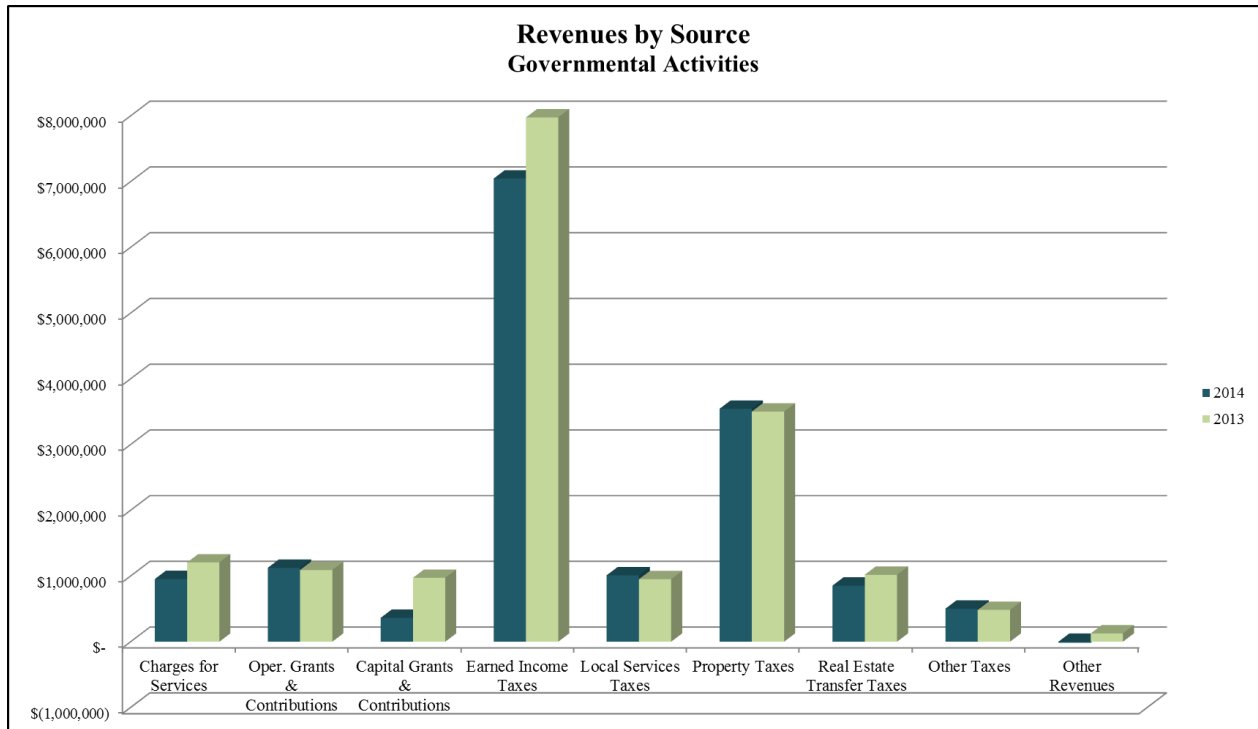
- Employee benefit costs rose by approximately 7.6 percent.
- Adherence to GASB Statement No. 45 resulted in the recognition of an expense for other post-employment benefits in the amount of \$392,785.

Real estate taxes, earned income taxes, and other general revenues not restricted or applicable to specific programs provide the major revenue sources for governmental activities. Revenues generated from the Local Services Tax, enacted by ordinance in 2006, restricts the use of revenue generated from this tax for police, fire, and emergency services; road construction and/or maintenance; or reduction of property taxes. As identified on the previous page and below, earned income tax is the largest revenue source for governmental activities, accounting for approximately 46 percent of total revenues (46 percent in the prior year). Property taxes and real estate transfer taxes provide approximately 23 percent and six percent of total revenues, respectively (20 percent and six percent in the prior year). The Local Services Tax accounted for approximately seven percent of total revenues (six percent in the prior year). The Township relies on these taxes to furnish the quality of life to citizens and businesses to which the Board of Supervisors has always been committed.

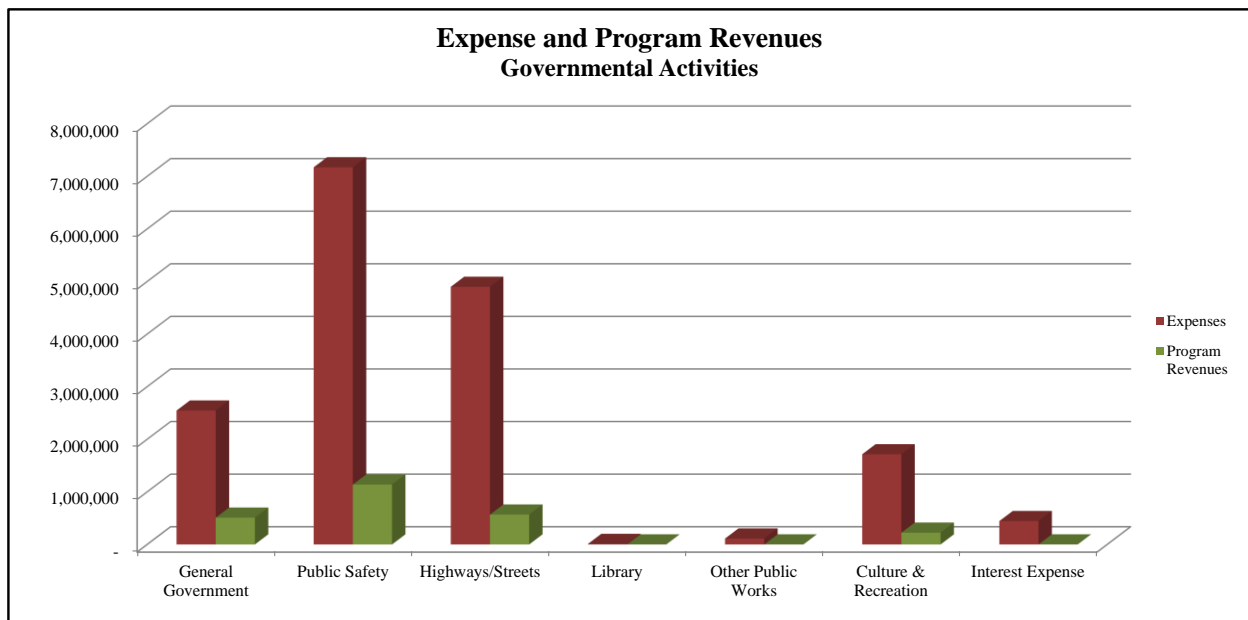
Major revenue factors included:

- Earned income tax revenue decreased by \$929,895 or 11.6 percent, in 2014. This decrease was due to a 2013 one-time occurrence of large tax withholdings for stock option payouts of corporate non-resident incomes that did not reoccur in 2014. In addition, the County EIT Tax Collector expedited collections in November and December 2013 from other outside collection agencies.
- Charges for services decreased by \$252,241 from the prior year. Building permits decreased from the prior year by approximately \$113,961. Commercial building projects along with new single and multi-family residential construction projects increased significantly in 2013. Construction projects in 2014 were back to normal activity levels. Open Space contributions from building contractors of \$97,500 were received in 2014 as compared to \$135,000 for 2013.
- Operating grants and contributions increased by \$33,809.
- Real estate transfer taxes decreased by \$164,860, or 16.2 percent, over the prior year due mainly to fewer commercial properties being sold in 2014.
- Other income decreased by \$142,118 over the prior year due mainly to losses on disposal of capital assets.
- Capital grants and contributions decreased from the prior year by \$608,411. The entire amount for both years is attributed to noncash contributions for land improvements and infrastructure.

**WEST GOSHEN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**



Program revenues support 16 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 the 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 expenses totaled \$4,867,349 for 2014 as compared to \$4,616,397 for the prior year. The Township also paid "Rent to Sewer Authority" of \$407,010 for 2014 (as compared to \$393,665 for the prior year) for payment of the Sewer Authority's bond expense. This amount is shown as a transfer in the proprietary fund financial statements and eliminated for the statement of activities. (See Note 3 to the financial statements.) 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 2014 were \$1,479,467, as compared to \$1,442,055 for the prior year. The Sewer Authority has been funding a legal effort to prevent the Environmental Protection Agency from adopting discharge limitations. These limits will affect all storm water and wastewater dischargers in Goose Creek, including West Goshen Township. In December of 2013, the Sewer Authority entered into an Interim Settlement Agreement with the EPA for the reassessment and reconsideration of Goose Creek. This process should be complete by 2017.

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. The Commonwealth of Pennsylvania also subsidizes the recycling program with a Performance Grant. The grant amount for 2014 was \$71,389, as compared to \$70,700 for the prior year.

Business-type activities increased the Township's net position by \$421,376. The increase of \$421,376 in net position is \$583,863 less than the previous year increase of \$1,005,239.

Major revenue factors include:

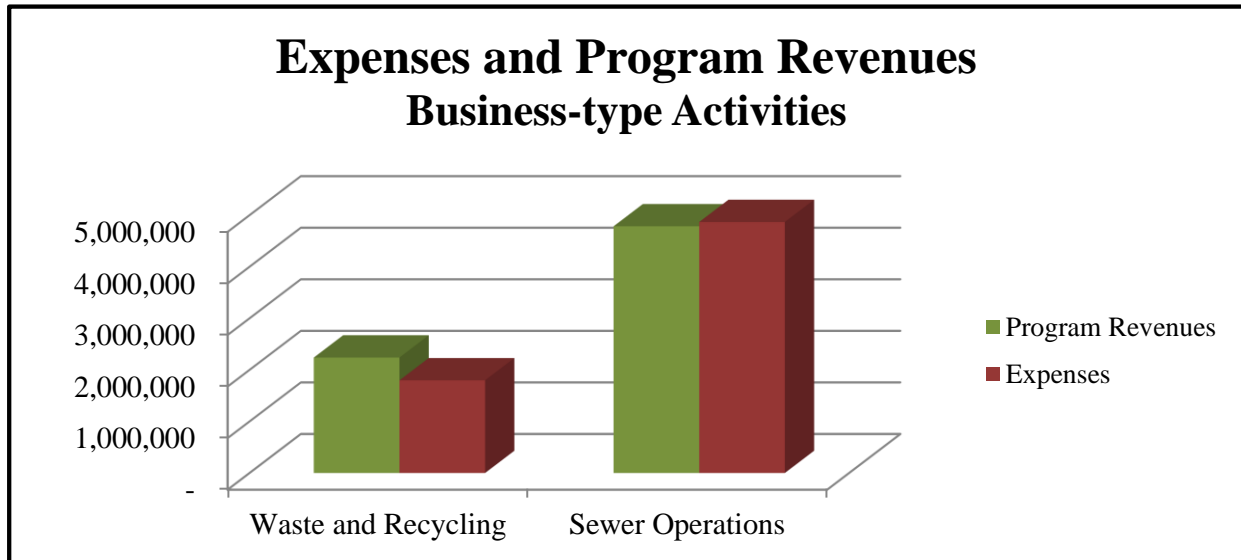
- Sewer operation revenues decreased by \$581,926 in large part to decreases in tap-in fees.

Major expense factors include:

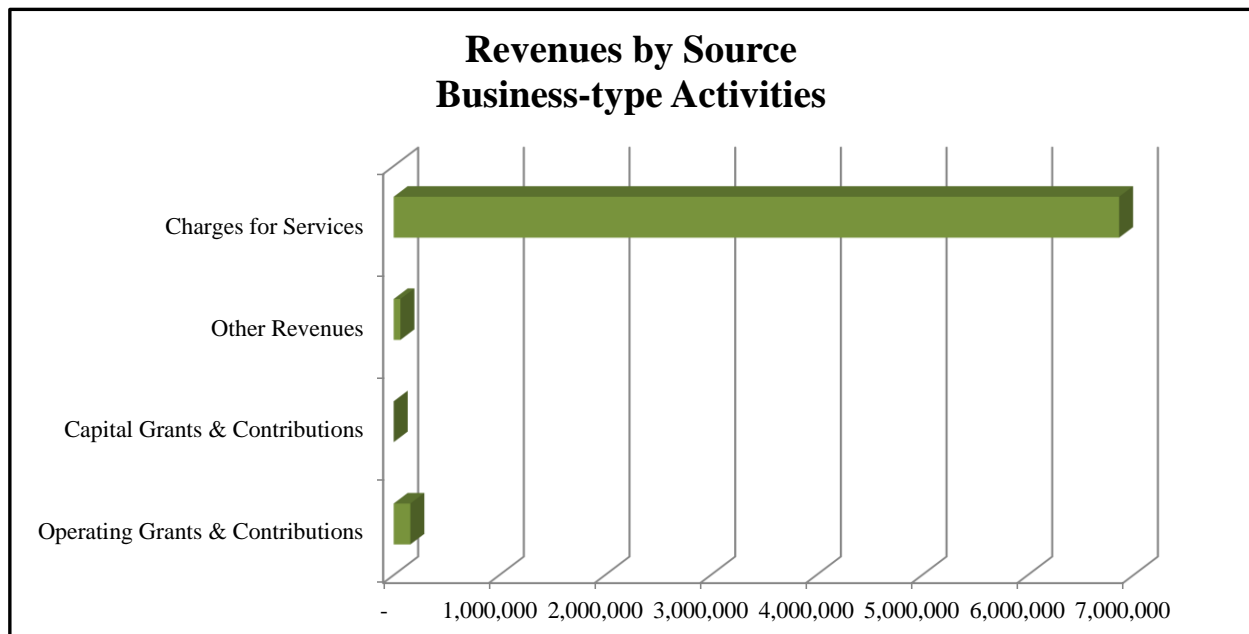
- Employee wages increased approximately 2.5 percent for non-exempt employees and 1.5 percent for exempt employees.
- Employee benefits costs increased by approximately 7.6 percent.

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

**WEST GOSHEN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**



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.



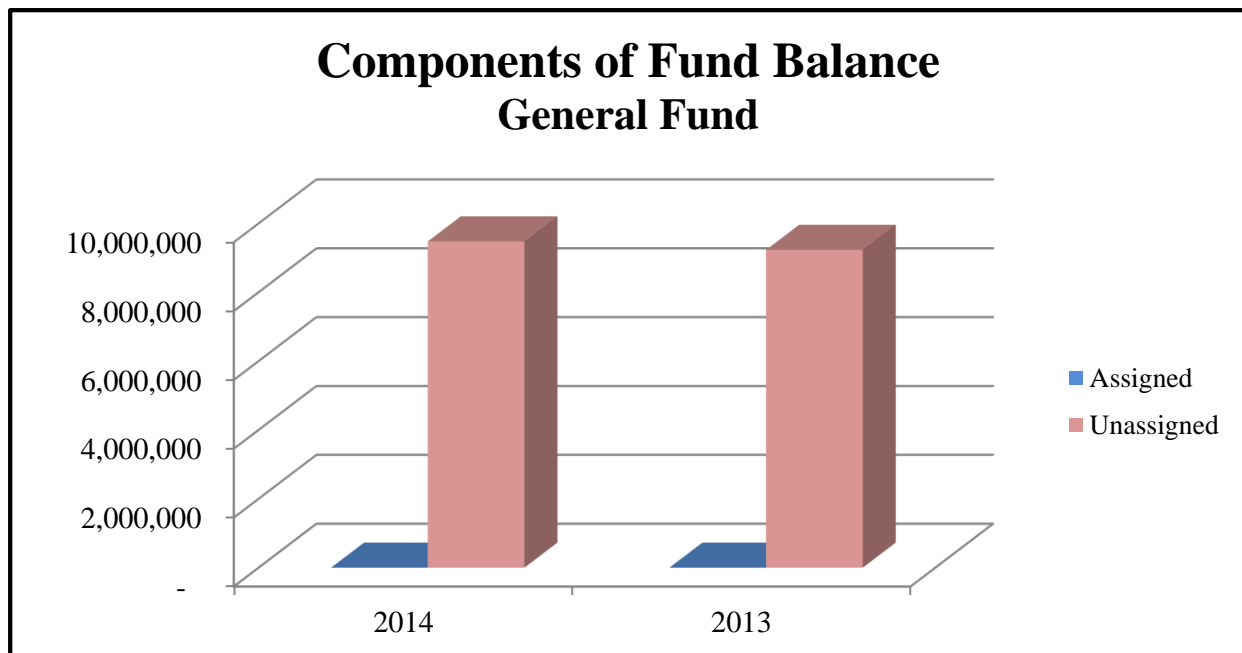
**WEST GOSHEN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**

**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, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Township itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the Township's Board of Supervisors.

At December 31, 2014, the Township's governmental funds reported combined fund balances of \$13,178,616, a decrease of \$475,894 in comparison with the prior year. Approximately 72 percent, or \$9,474,307, constitutes *unassigned fund balance*, which is available for spending at the Township's discretion. Another portion of the fund balance, \$3,212,821, represents resources that are *restricted* for specific purposes: 1) debt service; 2) capital improvements; or 3) additional security for bonds. The remaining balance, \$491,488, represents resources that are *assigned* for specific purposes: 1) appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget (\$0); or 2) resources attributable to Special Revenue Funds (\$491,488).

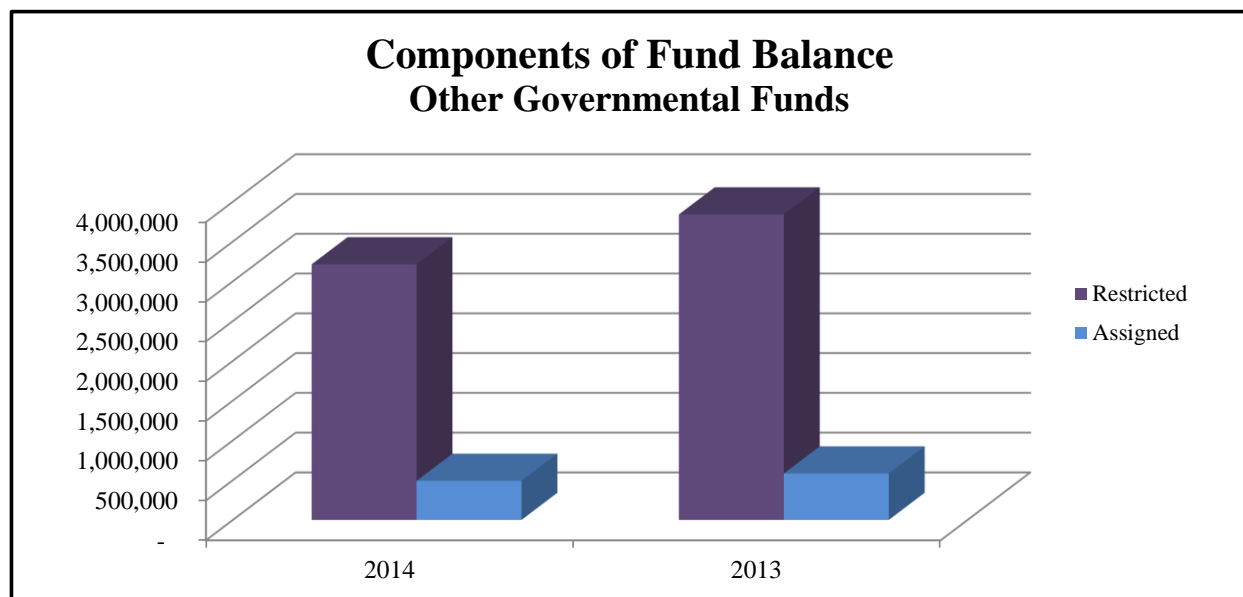


**WEST GOSHEN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**

**The General Fund** is the chief operating fund of West Goshen Township. At the end of the current fiscal year, the general fund balance increased to \$9,474,307, all *unassigned* fund balance. As a measure of the general fund's liquidity, it may be useful to compare both *unassigned* fund balance and total fund balance to total general fund expenditures. *Unassigned* fund balance represents approximately 67.7 percent of total general fund expenditures, as does the total fund balance represents approximately 67.7 percent of that same amount.

The fund balance of the Township's general fund increased by \$244,160 during the current fiscal year. The Township historically generated revenues in excess of budgeted figures and usually contained expenditures below budgeted amounts year after year. Despite a projected nominal surplus for 2014, expenditures and other financing uses came in under budget due mainly to the restructuring of debt. The anticipated budgeted surplus to the general fund was projected to be \$42,733 as compared to the actual realized surplus of \$244,160. Key factors contributing to this growth are as follows:

- Overall revenues were more than anticipated by \$9,131. The following revenues all came in over budget: real estate taxes, \$68,061; local services taxes, \$110,067; property transfer taxes, \$244,008; and cable TV franchise fees, \$38,959. The following revenues all came in under budget: earned income taxes, \$198,844; building permits, \$31,319; land development review fees, \$13,750; summer recreation fees, \$18,840; and miscellaneous revenue, \$190,544.
- Actual expenditures were more than anticipated by \$224,074. The following expenditures all came in under budget: employee insurance, \$104,923; road construction materials, \$217,604; traffic signal maintenance, \$52,148; professional services, \$75,682; storm water materials, \$21,718; and conferences and training, \$20,363. The following expenditures all came in over budget: salaries and wages, \$337,043; snow materials, \$128,904; legal expenses, \$104,966; and contributions - volunteer fire, \$145,953.



**WEST GOSHEN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**

**The Capital Reserve Fund**, a major 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 and other financing sources for the Capital Reserve Fund are proceeds from bonds or municipal borrowings, 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.

In 2014, the Township completed a \$6,643,000 General Obligation Note Refunding (Series A and B of 2014) restructuring the 1998 G.O. Note and the 2010 G.O. Note to take advantage of lower interest rates and lower annual debt service payments.

Expenditures financed out of this fund in 2014 totaled \$7,946,785 in the following categories: General Government (\$544,465 – municipal complex); Public Works (\$34,396 – signal design engineering fees; \$108,000 – stormwater repair; \$16,430 – signal preemptions; \$42,261 – plumbing contracts for Public Works building; and \$6,227 – traffic studies); Parks and Fields (\$181,502 – park improvements; and \$18,828 – major capital equipment); and Debt Service (\$6,994,676– principal, interest, and issuance costs).

The total fund balance as of December 31, 2014, is \$3,127,981, all of which is *restricted* as previously explained.

**Capital Projects Funds**, a nonmajor fund, is maintained for specific capital improvements.

- *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.

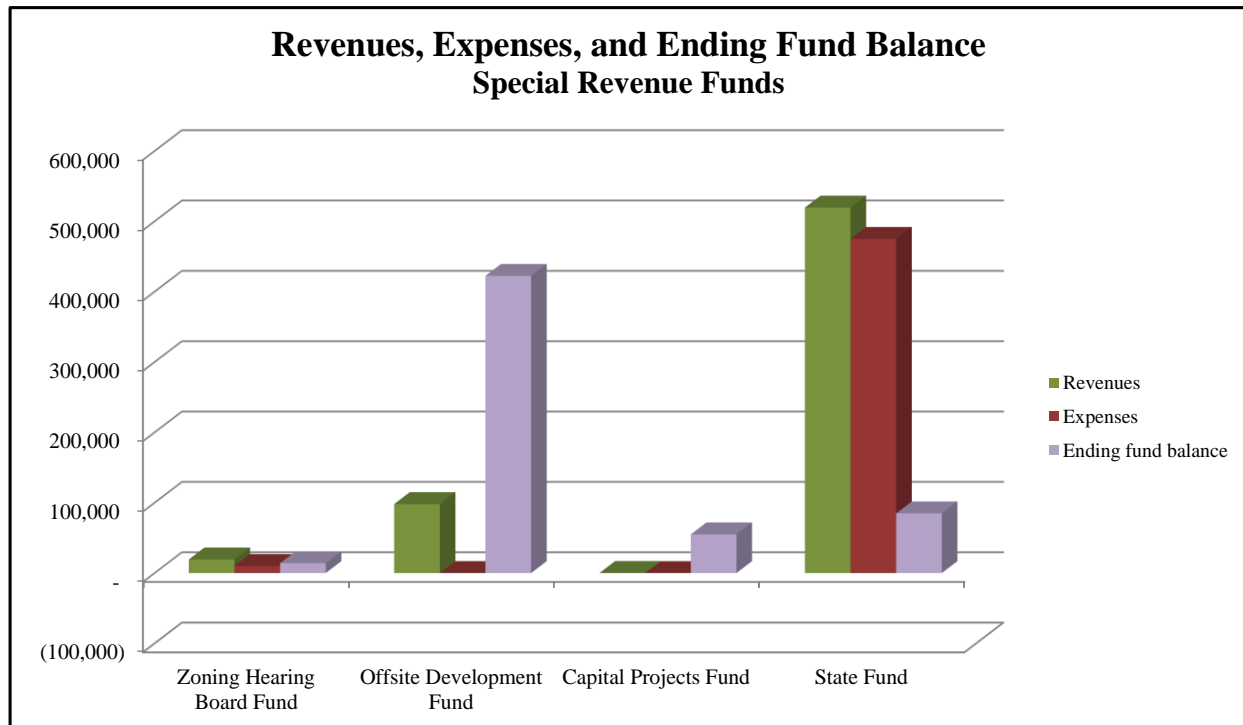
The total fund balance as of December 31, 2014, is \$55,002, all of which is *assigned* as previously explained.

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

- *State Fund* – The Township received \$519,144 (compared to \$474,133 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 \$97,500 (compared to \$135,000 in the prior year) from building contractors for open space projects.

## WEST GOSHEN TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

The total fund balance of the Special Revenue Funds as of December 31, 2014 is \$521,326 as compared to \$569,063 in the prior year. Of the current year fund balance of \$521,326, \$84,840 (State Fund) is *restricted*, and the balance of \$436,486 (all other Special Revenue Funds) is *assigned* as previously explained.



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

*Unrestricted* net position of the Sewer, Waste and Recycling, Sewer Authority, and Sewer Reserve Funds at the end of the year amounted to \$12,166,711 as compared to \$11,490,896 in the prior year. The total increase in net position was \$421,376. 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 28 - 29.

For 2014, there was no need for any amendments to increase either the original estimated revenues or original budgeted appropriations to the general fund budget.

The program budget for the general fund anticipated an increase in fund balance of \$42,733.

**WEST GOSHEN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**

Actual revenues and other financing sources exceeded budgeted amounts by \$19,631. Actual expenditures and other financing uses were under budgeted expenditures by \$181,796. Below are the significant budget variances:

- Legal expenses came in over budget (\$104,966);
- Storm water materials came in under budget (\$21,718);
- Transfers to capital reserve were under budget (\$405,870);
- Snow materials came in over budget (\$128,904);
- Real estate taxes came in over budget (\$68,061);
- Local services taxes came in over budget (\$110,067);
- Cable TV franchise fees came in over budget (\$38,959);
- Summer recreation fees came in under budget (\$18,840);
- Land development review fees came in under budget (\$13,750);
- Transfer taxes came in over budget (\$244,008);
- Building permits came in under budget (\$31,319);
- Professional services came in under budget (\$75,682);
- Wages and salaries came in over budget (\$337,043);
- Sale of capital assets came in over budget (\$10,500);
- Contribution from Traditions came in under budget (\$200,000);
- Traffic signal maintenance came in under budget (\$52,148);
- Conferences and training came in under budget (\$20,363);
- Employee insurance came in under budget (\$104,923);
- Contributions - Volunteer Fire came in over budget (\$145,953);
- Road construction materials came in under budget (\$217,604); and
- Earned income taxes came in under budget (\$198,844).

**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, 2014, amounts to \$55,011,431, 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 \$1,045,751, net of accumulated depreciation, or a 1.9 percent decrease.

**WEST GOSHEN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**

**Table 3  
CAPITAL ASSETS  
December 31, 2014 and 2013**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Buildings and improvements	\$ 11,985,822	\$ 11,985,822	\$ 12,660,768	\$ 12,660,768	\$ 24,646,590	\$ 24,646,590
Machinery and equipment	5,823,259	5,955,714	9,131,518	9,025,227	14,954,777	14,980,941
Vehicles	2,953,946	2,812,611	625,461	575,868	3,579,407	3,388,479
Land	3,128,045	3,128,045	82,083	82,083	3,210,128	3,210,128
Land improvements	1,978,175	1,954,306	603,665	603,665	2,581,840	2,557,971
Infrastructure	48,343,379	47,979,566	16,387,300	16,387,300	64,730,679	64,366,866
Construction-in-progress	470,906	136,166	-	54,073	470,906	190,239
Total capital assets	74,683,532	73,952,230	39,490,795	39,388,984	114,174,327	113,341,214
Less accumulated depreciation	(38,102,876)	(36,970,837)	(21,060,020)	(20,313,195)	(59,162,896)	(57,284,032)
Capital assets, net of depreciation	<u>\$ 36,580,656</u>	<u>\$ 36,981,393</u>	<u>\$ 18,430,775</u>	<u>\$ 19,075,789</u>	<u>\$ 55,011,431</u>	<u>\$ 56,057,182</u>

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

- \$79,825 – purchase of an In-Car Video System for the Police Department;
- \$22,090 – purchase of two Hustler Z mowers for the Parks Department;
- \$5,438 – purchase of an Exmark walk behind mower for the Parks Department;
- \$6,138 – purchase of an IT RBA Tax server for the Administration Department;
- \$42,261 – additional plumbing for the Public Works building;
- \$17,400 – purchase of Skate Park equipment for Lambert Park;
- \$23,676 – purchase of one vehicle for the Administration Department;
- \$34,940 – purchase of Playground equipment for Coopersmith Park;
- \$118,400 – purchase of HVAC Controls for the Public Works building;
- \$335,470 – purchase of two Roads Department trucks;
- \$6,876 – purchase of Fleet software for the Roads Department;
- \$6,434 – purchase of an Imaging Station for the Engineering Department;
- \$10,718 – purchase of a Brake Lathe for the Roads Department;
- \$117,905 – purchase of a Backhoe Loader for the Roads Department;
- \$149,094 – purchase of a Small Wheel Loader for the Roads Department;
- \$363,813 – Developer donation of two roadways to the Roads Department;
- \$3,009 – construction-in-progress of the Burke Road Traffic signal;



**WEST GOSHEN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**

- \$4,226 – construction-in-progress of the Boot Road/Route 202 Adaptive Signal Project; and
- \$404,780 – construction-in-progress of the HVAC system for the Administration and Police Departments.

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

- \$24,431 – purchase of Infrared Cameras;
- \$18,145 – purchase of two mowers;
- \$6,019 – purchase of a Thermal Imager;
- \$130,511 – purchase of two trucks;
- \$5,628 – purchase of a Lab Sampler; and
- \$7,857 – purchase of a Flask Scrubber.

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

***Long-term Debt***

At December 31, 2014, the Township had \$8,395,000 in bonds and notes outstanding versus \$8,653,195 last year – a decrease of 3.0 percent – as shown in Table 4 below.

<p style="text-align: center;"><b>Table 4 OUTSTANDING DEBT For the Year Ended December 31, 2014</b></p>						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation notes	\$ 6,643,000	\$ 6,513,195	\$ -	\$ -	\$ 6,643,000	\$ 6,513,195
Sewer Revenue notes	-	-	1,752,000	2,140,000	1,752,000	2,140,000
Total outstanding debt	<u>\$ 6,643,000</u>	<u>\$ 6,513,195</u>	<u>\$ 1,752,000</u>	<u>\$ 2,140,000</u>	<u>\$ 8,395,000</u>	<u>\$ 8,653,195</u>

In 2014, the Township completed a General Obligation Note Refunding (Series A and B of 2014) restructuring the 1998 G.O. Note and the 2010 G.O. Note to take advantage of lower interest rates and lower annual debt service payments. Other obligations of the Township include compensated absences of \$919,064 and other post-employment benefit obligations of \$2,693,483.

West Goshen Township was assigned an "AA+" rating from Kroll'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 \$62,313,440, which is significantly in excess of the Township's outstanding debt.

## **WEST GOSHEN TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**

Additional information about the Township's long-term debt can be found in Note 5 on pages 47 - 48 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The following economic factors currently affect the Township and were considered in developing the 2015 fiscal year budget.

- The Township continues to maintain a diversified revenue base should there be any short-term fluctuations in any one revenue source.
- Interest rates for savings and checking accounts continue to remain near historic lows.
- The overall improvement, both in economic activity and housing market opportunities, continues to be vibrant. The number of real estate sales in the Township directly affects the revenue streams of real estate transfer taxes.
- The national unemployment rate decreased slightly from around 6.7 percent to approximately 6.2 percent, while the unemployment rate in Chester County is at a more modest 4.1 percent. That lower rate has provided a larger projected increase in earned income and local services taxes for 2015.
- 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.
- Restructuring of the Township's current health insurance coverage to a new \$1,500 single/\$3,000 family deductible plan provides some insurance premium relief for the Township as it faces the excise tax threat looming in 2018.
- The Township adopted a 2015 budget that projects a modest surplus.
- Township Real Estate Taxes were not increased for 2015.

### **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 POSITION**  
**DECEMBER 31, 2014**  
**(With Summarized Comparative Data for December 31, 2013)**

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	
			2014	2013
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 11,869,680	\$ 3,812,472	\$ 15,682,152	\$ 15,634,687
Cash and cash equivalents, restricted	-	28,300	28,300	68,586
Investments	1,178,436	3,037,073	4,215,509	5,222,820
Investments, restricted	-	1,455,339	1,455,339	1,452,764
Accrued interest	-	9,811	9,811	11,951
Accounts receivable	139,560	2,111,842	2,251,402	2,250,389
Taxes receivable	2,698,587	-	2,698,587	2,827,863
Due from developers	-	7,054	7,054	13,147
Total Current Assets	<u>15,886,263</u>	<u>10,461,891</u>	<u>26,348,154</u>	<u>27,482,207</u>
Noncurrent Assets				
Investments	-	3,708,700	3,708,700	2,506,701
Depreciable capital assets, net	32,981,705	18,348,692	51,330,397	52,656,815
Land	3,128,045	82,083	3,210,128	3,210,128
Construction-in-progress	470,906	-	470,906	190,239
Total Noncurrent Assets	<u>36,580,656</u>	<u>22,139,475</u>	<u>58,720,131</u>	<u>58,563,883</u>
<b>TOTAL ASSETS</b>	<u>\$ 52,466,919</u>	<u>\$ 32,601,366</u>	<u>\$ 85,068,285</u>	<u>\$ 86,046,090</u>
<b>LIABILITIES AND NET POSITION</b>				
Current Liabilities:				
Accounts payable and other current liabilities	\$ 102,856	\$ 80,921	\$ 183,777	\$ 208,013
Developers' deposits	-	35,354	35,354	81,733
Compensated absences payable within one year	47,375	16,960	64,335	63,214
Notes payable within one year	391,000	407,000	798,000	1,307,557
Total Current Liabilities	<u>541,231</u>	<u>540,235</u>	<u>1,081,466</u>	<u>1,660,517</u>
Noncurrent Liabilities:				
Compensated absences	629,407	225,322	854,729	839,835
Other post-employment benefits obligation	2,503,499	189,984	2,693,483	2,265,026
Notes payable	6,252,000	1,345,000	7,597,000	7,345,638
Total Noncurrent Liabilities	<u>9,384,906</u>	<u>1,760,306</u>	<u>11,145,212</u>	<u>10,450,499</u>
<b>TOTAL LIABILITIES</b>	<u>9,926,137</u>	<u>2,300,541</u>	<u>12,226,678</u>	<u>12,111,016</u>
<b>NET POSITION</b>				
Net investment in capital assets	29,937,656	16,678,775	46,616,431	47,403,987
Restricted for:				
Capital reserve	3,127,981	-	3,127,981	3,800,408
Streets	84,840	-	84,840	40,281
Sewer	-	1,455,339	1,455,339	1,452,764
Unrestricted	9,390,305	12,166,711	21,557,016	21,237,634
<b>TOTAL NET POSITION</b>	<u>42,540,782</u>	<u>30,300,825</u>	<u>72,841,607</u>	<u>73,935,074</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 52,466,919</u>	<u>\$ 32,601,366</u>	<u>\$ 85,068,285</u>	<u>\$ 86,046,090</u>

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

**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Summarized Comparative Data for the Year Ended December 31, 2013)**

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
			Primary Government		Totals	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>GOVERNMENTAL ACTIVITIES</b>	<b>Expenses</b>					
General government	\$ 2,546,127	\$ 66,251	\$ 79,851	\$ (2,036,212)	\$ -	\$ (1,020,011)
Public safety	7,171,353	706,796	432,970	(6,031,587)	-	(5,472,995)
Public works - highways and streets	4,899,282	-	568,125	(4,331,157)	-	(4,146,296)
Other public works	112,722	-	-	(112,722)	-	(110,173)
Library	10,000	-	-	(10,000)	-	(5,000)
Culture and recreation	1,714,787	180,458	43,776	(1,490,553)	-	(1,390,357)
Interest expense	444,409	-	-	(444,409)	-	(310,182)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>16,898,680</b>	<b>953,505</b>	<b>1,124,722</b>	<b>(14,456,640)</b>	<b>-</b>	<b>(12,455,014)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>						
Sewer operations	4,867,349	4,697,741	86,175	-	(83,433)	749,445
Waste and recycling	1,797,087	2,167,053	71,389	-	441,355	216,514
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>6,664,436</b>	<b>6,864,794</b>	<b>157,564</b>	<b>-</b>	<b>357,922</b>	<b>965,959</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 23,563,116</b>	<b>\$ 7,818,299</b>	<b>\$ 1,282,286</b>	<b>(14,456,640)</b>	<b>357,922</b>	<b>(11,489,055)</b>
<b>GENERAL REVENUES</b>						
Taxes:						
Real estate taxes				3,543,584	-	3,501,219
Real estate transfer taxes				854,008	-	1,018,868
Earned income taxes				7,046,256	-	7,976,151
Local services tax				1,010,067	-	950,498
Franchise taxes				502,959	-	484,134
Investment earnings				27,788	38,245	65,637
Grants and contributions not restricted to specific programs				19,602	-	18,546
Gain (loss) on sale of capital assets				(88,763)	25,209	17,777
Miscellaneous				26,296	-	63,305
<b>TOTAL GENERAL REVENUES</b>				<b>12,941,797</b>	<b>63,454</b>	<b>14,096,135</b>
<b>CHANGE IN NET POSITION</b>				<b>(1,514,843)</b>	<b>421,376</b>	<b>2,607,080</b>
<b>NET POSITION, BEGINNING OF YEAR</b>				<b>44,055,625</b>	<b>29,879,449</b>	<b>71,327,994</b>
<b>NET POSITION, END OF YEAR</b>				<b>\$ 42,540,782</b>	<b>\$ 30,300,825</b>	<b>\$ 73,935,074</b>

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

**WEST GOSHEN TOWNSHIP**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2014**  
**(With Summarized Comparative Data for December 31, 2013)**

	Major Funds		Nonmajor Governmental Funds	Totals	
	General Fund	Capital Reserve Fund		2014	2013
<b>ASSETS</b>					
Cash and cash equivalents	\$ 8,897,983	\$ 2,395,369	\$ 576,328	\$ 11,869,680	\$ 12,294,484
Investments	429,784	748,652	-	1,178,436	1,176,351
Accounts receivable	139,560	-	-	139,560	137,300
Taxes receivable	2,698,587	-	-	2,698,587	2,827,863
<b>TOTAL ASSETS</b>	<b>\$ 12,165,914</b>	<b>\$ 3,144,021</b>	<b>\$ 576,328</b>	<b>\$ 15,886,263</b>	<b>\$ 16,435,998</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 63,724	\$ 16,040	\$ -	\$ 79,764	\$ 61,226
Payroll withholdings	23,092	-	-	23,092	1,702
<b>TOTAL LIABILITIES</b>	<b>86,816</b>	<b>16,040</b>	<b>-</b>	<b>102,856</b>	<b>62,928</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	2,604,791	-	-	2,604,791	2,718,560
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,604,791</b>	<b>-</b>	<b>-</b>	<b>2,604,791</b>	<b>2,718,560</b>
<b>FUND BALANCES</b>					
Restricted	-	3,127,981	84,840	3,212,821	3,840,689
Assigned	-	-	491,488	491,488	583,674
Unassigned	9,474,307	-	-	9,474,307	9,230,147
<b>TOTAL FUND BALANCES</b>	<b>9,474,307</b>	<b>3,127,981</b>	<b>576,328</b>	<b>13,178,616</b>	<b>13,654,510</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 12,165,914</b>	<b>\$ 3,144,021</b>	<b>\$ 576,328</b>	<b>\$ 15,886,263</b>	<b>\$ 16,435,998</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 POSITION  
DECEMBER 31, 2014**

TOTAL GOVERNMENTAL FUND BALANCES	\$ 13,178,616
----------------------------------	---------------

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	\$ 32,981,705	
Land	3,128,045	
Construction-in-progress	<u>470,906</u>	36,580,656

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 unavailable in the funds.	2,604,791
---	-----------

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

Compensated absences	(676,782)	
Other post-employment benefits obligation	(2,503,499)	
Notes payable	<u>(6,643,000)</u>	<u>(9,823,281)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 42,540,782</u></u>
---	-----------------------------

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, 2014**  
**(With Summarized Comparative Data for the Year Ended December 31, 2013)**

	Major Funds		Nonmajor	Totals	
	General Fund	Capital Reserve Fund	Governmental Funds	2014	2013
<b>REVENUES</b>					
Taxes	\$ 12,567,683	\$ -	\$ -	\$ 12,567,683	\$ 12,995,470
Licenses and permits	508,464	-	-	508,464	489,642
Fines, forfeits, and costs	174,803	-	-	174,803	214,466
Investment earnings	58,544	5,867	1,096	65,507	61,827
Intergovernmental revenues	625,181	-	519,144	1,144,325	1,109,459
Charges for services/fees	618,628	-	19,350	637,978	815,302
Contributions	-	-	97,500	97,500	135,000
Miscellaneous revenue/other	26,296	-	-	26,296	63,305
<b>TOTAL REVENUES</b>	<b>14,579,599</b>	<b>5,867</b>	<b>637,090</b>	<b>15,222,556</b>	<b>15,884,471</b>
<b>EXPENDITURES</b>					
Current:					
General government	2,350,033	544,465	-	2,894,498	2,050,430
Public safety	6,861,716	-	-	6,861,716	6,427,841
Public works - highways and streets	3,274,321	207,314	475,000	3,956,635	3,629,061
Other public works	119,957	-	-	119,957	157,169
Culture and recreation	1,376,001	200,330	-	1,576,331	1,632,447
Library	10,000	-	-	10,000	5,000
Miscellaneous	-	-	10,137	10,137	20,537
Debt Service:					
Principal	-	6,513,195	-	6,513,195	882,267
Interest	-	444,409	-	444,409	310,182
Issuance costs	-	37,072	-	37,072	-
<b>TOTAL EXPENDITURES</b>	<b>13,992,028</b>	<b>7,946,785</b>	<b>485,137</b>	<b>22,423,950</b>	<b>15,114,934</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>587,571</b>	<b>(7,940,918)</b>	<b>151,953</b>	<b>(7,201,394)</b>	<b>769,537</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from general obligation note	-	6,643,000	-	6,643,000	-
Sale of/compensation for sale of capital assets	82,500	-	-	82,500	6,652
Transfers in	-	625,491	-	625,491	1,573,565
Transfers out	(425,911)	-	(199,580)	(625,491)	(1,573,565)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(343,411)</b>	<b>7,268,491</b>	<b>(199,580)</b>	<b>6,725,500</b>	<b>6,652</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>244,160</b>	<b>(672,427)</b>	<b>(47,627)</b>	<b>(475,894)</b>	<b>776,189</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>9,230,147</b>	<b>3,800,408</b>	<b>623,955</b>	<b>13,654,510</b>	<b>12,878,321</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 9,474,307</b>	<b>\$ 3,127,981</b>	<b>\$ 576,328</b>	<b>\$ 13,178,616</b>	<b>\$ 13,654,510</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, 2014**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (475,894)
--	--------------

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 (\$1,906,267) exceeded capital outlays (\$1,388,680) in the period.	(517,587)
---	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Unavailable revenue decreased by this amount this year.	(113,769)
--	-----------

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 position 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.	(246,963)
---	-----------

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.	363,813
---	---------

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. This amount is the net effect of these differences in the treatment of long-term debt.	(129,805)
---	-----------

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).	(394,638)
---	-----------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (1,514,843)</u>
---	-----------------------

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



**WEST GOSHEN TOWNSHIP  
BUDGETARY COMPARISON STATEMENT - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes:			
Real estate - current	\$ 3,400,000	\$ 3,468,061	\$ 68,061
Real estate - delinquent and interest	43,000	53,990	10,990
Real estate - interims	25,000	30,401	5,401
Real estate - transfer	610,000	854,008	244,008
Earned income tax	7,350,000	7,151,156	(198,844)
Local services tax	900,000	1,010,067	110,067
Licenses and permits	468,000	508,464	40,464
Fines, forfeits, and costs	190,000	174,803	(15,197)
Interest, dividends and rents	54,752	58,544	3,792
Intergovernmental revenues	635,326	625,181	(10,145)
Charges for services/fees	677,550	618,628	(58,922)
Miscellaneous revenue/other	216,840	26,296	(190,544)
<b>TOTAL REVENUES</b>	<u>14,570,468</u>	<u>14,579,599</u>	<u>9,131</u>
<b>EXPENDITURES</b>			
Current:			
General government:			
Administration	1,429,584	1,364,609	64,975
Auditing	29,277	29,388	(111)
Tax collection	152,941	158,497	(5,556)
Engineering and legal	243,448	323,144	(79,696)
Building maintenance	459,622	474,395	(14,773)
Total general government	<u>2,314,872</u>	<u>2,350,033</u>	<u>(35,161)</u>
Public safety:			
Police	5,461,284	5,583,504	(122,220)
Fire protection	823,630	961,543	(137,913)
Code enforcement	270,798	268,320	2,478
Planning and zoning	24,780	48,349	(23,569)
Total public safety	<u>6,580,492</u>	<u>6,861,716</u>	<u>(281,224)</u>
Public works - highways and streets:			
Administration	1,387,397	1,388,476	(1,079)
Winter maintenance	185,000	358,356	(173,356)
Road maintenance	886,212	955,981	(69,769)
Road construction	765,165	546,411	218,754
Storm water management	87,000	25,097	61,903
Total public works - highways and streets	<u>3,310,774</u>	<u>3,274,321</u>	<u>36,453</u>

Continued on next page.

**WEST GOSHEN TOWNSHIP**  
**BUDGETARY COMPARISON STATEMENT - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
EXPENDITURES (cont'd)			
Other public works:			
Traffic signal maintenance	141,124	84,952	56,172
Street lighting	38,100	35,005	3,095
Total other public works	179,224	119,957	59,267
Library	10,000	10,000	-
Culture and recreation:			
Recreation	303,378	288,237	15,141
Parks	1,069,214	1,087,764	(18,550)
Total culture and recreation	1,372,592	1,376,001	(3,409)
TOTAL EXPENDITURES	13,767,954	13,992,028	(224,074)
EXCESS OF REVENUES OVER EXPENDITURES	802,514	587,571	(214,943)
OTHER FINANCING SOURCES (USES)			
Sale of/compensation for capital assets	72,000	82,500	10,500
Transfers out	(831,781)	(425,911)	405,870
TOTAL OTHER FINANCING USES	(759,781)	(343,411)	416,370
NET CHANGE IN FUND BALANCE	42,733	244,160	201,427
FUND BALANCE, BEGINNING OF YEAR	8,737,694	9,230,147	492,453
FUND BALANCE, END OF YEAR	\$ 8,780,427	\$ 9,474,307	\$ 693,880

**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**DECEMBER 31, 2014**  
**(With Summarized Comparative Data for December 31, 2013)**

	Major Enterprise Funds				Nonmajor Fund	Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority			2014	2013
<b>ASSETS</b>							
Current Assets:							
Cash and cash equivalents	\$ 2,792,126	\$ 827,353	\$ 192,993	\$ -		\$ 3,812,472	\$ 3,340,203
Cash and cash equivalents, restricted	-	-	28,300	-		28,300	68,586
Investments	326,884	2,743	2,707,446	-		3,037,073	4,046,469
Investments, restricted	-	-	-	1,455,339		1,455,339	1,452,764
Accrued interest	-	-	9,811	-		9,811	11,951
Accounts receivable	1,337,329	739,991	34,522	-		2,111,842	2,113,089
Due from developers	-	-	7,054	-		7,054	13,147
Total Current Assets	<u>4,456,339</u>	<u>1,570,087</u>	<u>2,980,126</u>	<u>1,455,339</u>		<u>10,461,891</u>	<u>11,046,209</u>
Noncurrent Assets:							
Land	-	-	82,083	-		82,083	82,083
Construction-in-progress	-	-	-	-		-	54,073
Depreciable capital assets, net	580,621	-	17,768,071	-		18,348,692	18,939,633
Investments	-	-	3,708,700	-		3,708,700	2,506,701
Total Noncurrent Assets	<u>580,621</u>	<u>-</u>	<u>21,558,854</u>	<u>-</u>		<u>22,139,475</u>	<u>21,582,490</u>
<b>TOTAL ASSETS</b>	<u>\$ 5,036,960</u>	<u>\$ 1,570,087</u>	<u>\$ 24,538,980</u>	<u>\$ 1,455,339</u>		<u>\$ 32,601,366</u>	<u>\$ 32,628,699</u>
<b>LIABILITIES AND NET POSITION</b>							
Current Liabilities:							
Accounts payable	\$ 55,306	\$ 25,615	\$ -	\$ -		\$ 80,921	\$ 145,085
Developer deposits	-	-	35,354	-		35,354	81,733
Compensated absences	16,721	239	-	-		16,960	15,969
Notes payable within one year	-	-	407,000	-		407,000	388,000
Total Current Liabilities	<u>72,027</u>	<u>25,854</u>	<u>442,354</u>	<u>-</u>		<u>540,235</u>	<u>630,787</u>
Noncurrent Liabilities:							
Compensated absences	222,149	3,173	-	-		225,322	212,151
Other post-employment benefits obligation	189,984	-	-	-		189,984	154,312
Notes payable	-	-	1,345,000	-		1,345,000	1,752,000
Total Noncurrent Liabilities	<u>412,133</u>	<u>3,173</u>	<u>1,345,000</u>	<u>-</u>		<u>1,760,306</u>	<u>2,118,463</u>
<b>TOTAL LIABILITIES</b>	<u>484,160</u>	<u>29,027</u>	<u>1,787,354</u>	<u>-</u>		<u>2,300,541</u>	<u>2,749,250</u>
<b>NET POSITION</b>							
Net investment in capital assets							
Restricted	580,621	-	16,098,154	-		16,678,775	16,935,789
Unrestricted	3,972,179	1,541,060	6,653,472	1,455,339		12,166,711	11,490,896
Total NET POSITION	<u>4,552,800</u>	<u>1,541,060</u>	<u>22,751,626</u>	<u>1,455,339</u>		<u>30,300,825</u>	<u>29,879,449</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 5,036,960</u>	<u>\$ 1,570,087</u>	<u>\$ 24,538,980</u>	<u>\$ 1,455,339</u>		<u>\$ 32,601,366</u>	<u>\$ 32,628,699</u>

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

**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Summarized Comparative Data for the Year Ended December 31, 2013)**

	Major Enterprise Funds					Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund		2014	2013
<b>OPERATING REVENUES</b>							
Fees	\$ 4,472,848	\$ 2,159,107	\$ 122,533	\$ -		\$ 6,754,488	\$ 7,254,945
Other	117,179	7,946	71,356	-		196,481	285,475
<b>TOTAL OPERATING REVENUES</b>	<u>4,590,027</u>	<u>2,167,053</u>	<u>193,889</u>	<u>-</u>		<u>6,950,969</u>	<u>7,540,420</u>
<b>OPERATING EXPENSES</b>							
Contracted services	-	1,681,987	-	-		1,681,987	1,991,021
Sewer collection	149,721	-	-	-		149,721	90,035
Sewer disposal	501,261	-	-	-		501,261	504,530
Salaries and wages	1,418,195	51,016	-	-		1,469,211	1,283,443
Engineering fees	-	-	22,487	-		22,487	27,562
Administration	76,803	38,784	179,270	-		294,857	454,675
Employee benefits	965,194	23,944	-	-		989,138	865,447
Fuel and light	462,924	-	-	-		462,924	385,648
Repairs and maintenance	230,963	1,356	-	-		232,319	216,196
Depreciation	60,608	-	780,919	-		841,527	872,988
<b>TOTAL OPERATING EXPENSES</b>	<u>3,865,669</u>	<u>1,797,087</u>	<u>982,676</u>	<u>-</u>		<u>6,645,432</u>	<u>6,691,545</u>
<b>OPERATING INCOME (LOSS)</b>	<u>724,358</u>	<u>369,966</u>	<u>(788,787)</u>	<u>-</u>		<u>305,537</u>	<u>848,875</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Interest and investment revenue	5,790	1,420	36,178	2,575		45,963	47,145
Interest expense	-	-	(19,004)	-		(19,004)	(23,665)
Gain on disposal of capital assets	25,209	-	-	-		25,209	-
Unrealized loss on investments	-	-	(7,718)	-		(7,718)	(7,865)
Grant revenue	-	71,389	-	-		71,389	140,749
<b>TOTAL NONOPERATING REVENUES</b>	<u>30,999</u>	<u>72,809</u>	<u>9,456</u>	<u>2,575</u>		<u>115,839</u>	<u>156,364</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>755,357</u>	<u>442,775</u>	<u>(779,331)</u>	<u>2,575</u>		<u>421,376</u>	<u>1,005,239</u>
Transfers in	-	-	436,102	-		436,102	422,605
Transfers out	(436,102)	-	-	-		(436,102)	(422,605)
<b>CHANGE IN NET POSITION</b>	<u>319,255</u>	<u>442,775</u>	<u>(343,229)</u>	<u>2,575</u>		<u>421,376</u>	<u>1,005,239</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>4,233,545</u>	<u>1,098,285</u>	<u>23,094,855</u>	<u>1,452,764</u>		<u>29,879,449</u>	<u>28,874,210</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 4,552,800</u>	<u>\$ 1,541,060</u>	<u>\$ 22,751,626</u>	<u>\$ 1,455,339</u>		<u>\$ 30,300,825</u>	<u>\$ 29,879,449</u>

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, 2014**  
**(With Summarized Comparative Data for the Year Ended December 31, 2013)**

	Major Enterprise Funds				Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Received from customers	\$ 4,536,814	\$ 2,215,806	\$ 205,689	\$ -	\$ 6,958,309	\$ 7,471,949
Paid to suppliers for goods and services	(1,441,137)	(1,714,782)	(248,136)	-	(3,404,055)	(3,860,709)
Paid to employees for services	(2,333,926)	(74,589)	-	-	(2,408,515)	(2,113,628)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>761,751</u>	<u>426,435</u>	<u>(42,447)</u>	<u>-</u>	<u>1,145,739</u>	<u>1,497,612</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Grants received from state	-	71,389	-	-	71,389	140,749
Transfer from other funds	-	-	436,102	-	436,102	422,605
Transfer to other funds	(436,102)	-	-	-	(436,102)	(422,605)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(436,102)</u>	<u>71,389</u>	<u>436,102</u>	<u>-</u>	<u>71,389</u>	<u>140,749</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Interest paid	-	-	(19,004)	-	(19,004)	(23,665)
Principal payments	-	-	(388,000)	-	(388,000)	(370,000)
Proceeds from sale of capital assets	36,500	-	-	-	36,500	-
Cash paid for acquisition and construction of capital assets	(192,591)	-	(67,257)	-	(259,848)	(171,733)
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(156,091)</u>	<u>-</u>	<u>(474,261)</u>	<u>-</u>	<u>(630,352)</u>	<u>(565,398)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest and investment earnings	5,790	1,420	38,318	2,575	48,103	47,400
Purchases of investments, net of reinvestment	(579)	(2)	(199,740)	(2,575)	(202,896)	(291,172)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>5,211</u>	<u>1,418</u>	<u>(161,422)</u>	<u>-</u>	<u>(154,793)</u>	<u>(243,772)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>174,769</u>	<u>499,242</u>	<u>(242,028)</u>	<u>-</u>	<u>431,983</u>	<u>829,191</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>2,617,357</u>	<u>328,111</u>	<u>463,321</u>	<u>-</u>	<u>3,408,789</u>	<u>2,579,598</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 2,792,126</u>	<u>\$ 827,353</u>	<u>\$ 221,293</u>	<u>\$ -</u>	<u>\$ 3,840,772</u>	<u>\$ 3,408,789</u>

Continued on next page.

**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Summarized Comparative Data for the Year Ended December 31, 2013)**

	Major Enterprise Funds				Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2014	2013
Operating income (loss)	\$ 724,358	\$ 369,966	\$ (788,787)	\$ -	\$ 305,537	\$ 848,875
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	60,608	-	780,919	-	841,527	872,988
Changes in net assets and liabilities:						
Accounts receivable	(53,213)	48,753	5,707	-	1,247	(71,173)
Due from developers	-	-	6,093	-	6,093	2,702
Developers' deposits	-	-	(46,379)	-	(46,379)	(37,296)
Accounts payable	(19,465)	7,345	-	-	(12,120)	(153,746)
Compensated absences	13,791	371	-	-	14,162	18,065
Other-post employment benefits obligation	35,672	-	-	-	35,672	17,197
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 761,751</b>	<b>\$ 426,435</b>	<b>\$ (42,447)</b>	<b>\$ -</b>	<b>\$ 1,145,739</b>	<b>\$ 1,497,612</b>
<b>SUPPLEMENTAL INFORMATION:</b>						
Cash and cash equivalents	\$ 2,792,126	\$ 827,353	\$ 192,993	\$ -	\$ 3,812,472	\$ 3,340,203
Cash and cash equivalents, restricted	-	-	28,300	-	28,300	68,586
	<b>\$ 2,792,126</b>	<b>\$ 827,353</b>	<b>\$ 221,293</b>	<b>\$ -</b>	<b>\$ 3,840,772</b>	<b>\$ 3,408,789</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Capital assets acquired through the incurrence of accounts payable	\$ -	\$ -	\$ (52,044)	\$ -	\$ (52,044)	\$ 52,044
Unrealized loss on investments	\$ -	\$ -	\$ (7,718)	\$ -	\$ (7,718)	\$ (7,865)

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

**WEST GOSHEN TOWNSHIP  
STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
DECEMBER 31, 2014**

	Pension and Other Employee Benefit Trust Funds
ASSETS	
Cash and cash equivalents	\$ 3,471,692
Insurance contracts, at contract value	1,322,723
Investments, at market value: mutual funds	<u>22,010,031</u>
TOTAL ASSETS	<u>\$ 26,804,446</u>
LIABILITIES AND NET POSITION	
LIABILITIES	\$ -
NET POSITION	
Restricted for pension benefits	24,421,243
Restricted for other post-employment benefits	<u>2,383,203</u>
TOTAL NET POSITION	<u>26,804,446</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 26,804,446</u>

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

**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

CONTRIBUTIONS AND INVESTMENT INCOME

Contributions:

State aid	\$ 460,849
Employer contributions	691,041
Member contributions	134,380
Total Contributions	<u>1,286,270</u>

Investment earnings:

Net increase in fair value of investments	584,665
Realized loss on investments	(10,251)
Interest and dividends	911,241
Total Investment Income	<u>1,485,655</u>

TOTAL CONTRIBUTIONS AND INVESTMENT INCOME	<u>2,771,925</u>
---	------------------

DEDUCTIONS

Benefits paid	758,828
Administrative expenses	<u>87,655</u>

TOTAL DEDUCTIONS	<u>846,483</u>
------------------	----------------

CHANGE IN NET POSITION	1,925,442
------------------------	-----------

NET POSITION, BEGINNING OF YEAR	<u>24,879,004</u>
---------------------------------	-------------------

NET POSITION, END OF YEAR	<u><u>\$ 26,804,446</u></u>
---------------------------	-----------------------------

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

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, and the ability to significantly influence operations and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, West Goshen Township is considered to be an independent reporting entity.

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 LLP; whose report dated May 19, 2015 is publicly available through the offices of West Goshen Township.

Basis of Presentation

***Entity-wide Financial Statements***

The statement of net position 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.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the entity-wide statements and the statements of governmental funds.

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 position is reported as restricted when constraints placed on net position 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 position restricted for other purposes results from special revenue and capital projects funds and the restrictions on their net position 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.

Special revenue funds account for the proceeds of specific revenue sources that are restricted or assigned to expenditures for specified purposes. The special revenue funds of the Township are:

- The **State Fund** accounts for state revenues used primarily for building, improving, and maintaining the Township's streets and bridges.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

- The **Offsite Development Fund** accounts for revenues received from building contractors for open space projects. Expenditures consist of improvements to the Township's parks either by major capital installations or minor repairs to ball fields, tennis courts, etc.
- The **Zoning Hearing Board Fund** accounts for revenues received from third parties used to cover the costs of zoning appeals (e.g. attorney fees, advertising notices, court reporter fees, etc.).

All of the Township's special revenue funds are considered to be nonmajor governmental funds. In addition, the Township also maintains a nonmajor capital projects fund.

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, a blended component unit of the Township. The Authority operates the sewage treatment plant, sewage pumping stations, and collection systems.

***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, 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.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

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 generally are 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.

***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.

**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 and Insurance Trust 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

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

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.

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.

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

Restricted assets consist of developers' deposits and an operating reserve account established pursuant to the lease agreement between the Township and the Sewer Authority.

Investments

Investments 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.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

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.

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. Employees who retire under the normal or early retirement definitions of the pension plans shall be paid 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. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

Deferred Inflows and Deferred Outflows of Resources

In addition to assets and liabilities, the statement of net position and fund statements will sometimes report separate sections for deferred inflows and deferred outflows of resources. These separate financial statement elements represent acquisition or use of net position/fund

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

balance that applies to a future period(s) and so will not be recognized as an inflow or outflow of resources (revenue or expense/expenditure) until that time. The governmental funds balance sheet reports delinquent taxes not collected within 60 days of year end as deferred inflows of resources since they are not considered available to liquidate liabilities of the current period in accordance with modified accrual reporting.

Fund Balances

Fund balances of the governmental funds are classified, if applicable, as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributions, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by formal action of the Board of Township Supervisors. The Board is the highest level of decision-making authority for West Goshen Township. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has designated the Township Manager and Finance Director the authority to assign amounts for specific purposes.

Unassigned – all other spendable amounts.

It is the policy of the Township to maintain a minimum general fund unassigned fund balance to be used for unanticipated emergencies of approximately 20 percent of all general operating expenditures in the preceding fiscal year measured on a generally accepted accounting principles ("GAAP") basis. In the event the unassigned fund balance drops below this minimum level, the Township shall plan to adjust budgeted resources in the subsequent fiscal years to restore the balance.

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. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Township considers amounts to have been spent first out of committed funds, then assigned funds and, finally, unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

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 has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Summarized comparative information should be read in conjunction with the Township's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Implementation of GASB Statement

During the current year, the Township implemented GASB Statement No. 67, "Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25." The objective of this statement is to improve financial reporting by state and local governmental pension plans. The implementation of this statement had no effect on the financial position of the Township.

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 of America, 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, 2014, the carrying amount of the Township's deposits was \$18,093,655 (excludes the pension funds which are disclosed at Notes 8, 9, and 10), and the bank balance was \$18,615,854. Of the bank balance, \$1,000,000 was covered by federal depository insurance, and \$16,506,907 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.



WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 2      DEPOSITS AND INVESTMENTS (cont'd)

As of December 31, 2014, \$1,108,947 of the Township's deposits was 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 (Standard & Poor's rating of AAAM as of December 31, 2014), and is subject to an independent annual audit.

***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, 2014, the Township had the following investments and maturities:

Investment Type	Investment Maturities (in years)				
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
Certificates of deposit	\$ 6,416,146	\$ 2,707,446	\$ 3,708,700	\$ -	\$ -
Money market funds	<u>2,963,402</u>	<u>2,963,402</u>	-	-	-
TOTAL	<u>\$ 9,379,548</u>	<u>\$ 5,670,848</u>	<u>\$ 3,708,700</u>	<u>\$ -</u>	<u>\$ -</u>

Information on the investments of the pension funds can be found in Notes 8, 9, and 10.

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, 2014, none of Township's investments were subject to custodial credit risk.

Interest Rate Risk

The Township has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At December 31, 2014, all of the Township's investments had maturity dates of less than five years.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 3 INTERFUND ACTIVITY

There are no interfund balances as of December 31, 2014.

Interfund transfers for the year ended December 31, 2014 consisted of the following:

<u>Transfers Out:</u>		<u>Transfers In:</u>	
General Fund	\$ 425,911	Capital Reserve	\$ 625,491
Sewer Fund	436,102	Sewer Authority	<u>436,102</u>
Nonmajor governmental funds	<u>199,580</u>		
Total	<u>\$ 1,061,593</u>	Total	<u>\$ 1,061,593</u>

General fund transfers to the capital reserve fund were made to fund debt service payments and to set aside funds for future capital projects. The nonmajor governmental fund transfers to the capital reserve fund were made to fund current and future capital projects. The Sewer Fund transfer to the Sewer Authority represented the annual lease payment in the amount of \$407,010 and funds for administrative costs in the amount of \$29,092.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
General capital assets not being depreciated:				
Land	\$ 3,128,045	\$ -	\$ -	\$ 3,128,045
Construction-in-progress	<u>136,166</u>	<u>412,015</u>	<u>(77,275)</u>	<u>470,906</u>
Total general capital assets not being depreciated	<u>3,264,211</u>	<u>412,015</u>	<u>(77,275)</u>	<u>3,598,951</u>
General capital assets being depreciated:				
Buildings and improvements	11,985,822	-	-	11,985,822
Vehicles	2,812,611	359,146	(217,811)	2,953,946
Infrastructure	47,979,566	363,813	-	48,343,379
Land improvements	1,954,306	52,340	(28,471)	1,978,175
Machinery and equipment	<u>5,955,714</u>	<u>642,454</u>	<u>(774,909)</u>	<u>5,823,259</u>
Total general capital assets being depreciated	<u>70,688,019</u>	<u>1,417,753</u>	<u>(1,021,191)</u>	<u>71,084,581</u>

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 4      CAPITAL ASSETS (cont'd)

	Beginning Balance	Increases	Decreases	Ending Balance
Accumulated depreciation:				
Buildings and improvements	1,931,739	238,626	-	2,170,365
Vehicles	1,612,683	330,045	(196,029)	1,746,699
Infrastructure	30,046,058	931,219	-	30,977,277
Land improvements	1,022,363	36,552	(25,624)	1,033,291
Machinery and equipment	2,357,994	369,825	(552,575)	2,175,244
Total accumulated depreciation	<u>36,970,837</u>	<u>1,906,267</u>	<u>(774,228)</u>	<u>38,102,876</u>
Total general capital assets being depreciated, net	<u>33,717,182</u>	<u>(488,514)</u>	<u>(246,963)</u>	<u>32,981,705</u>
Governmental Activities, Net	<u>\$36,981,393</u>	<u>\$ (76,499)</u>	<u>\$ (324,238)</u>	<u>\$36,580,656</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 82,083	\$ -	\$ -	\$ 82,083
Construction-in-progress	54,073	-	(54,073)	-
Total capital assets not being depreciated, net	<u>136,156</u>	<u>-</u>	<u>(54,073)</u>	<u>82,083</u>
Capital assets being depreciated:				
Collection system - infrastructure	16,387,300	-	-	16,387,300
Land improvements	603,665	-	-	603,665
Buildings and improvements	12,660,768	-	-	12,660,768
Vehicles	575,869	130,511	(80,919)	625,461
Equipment	9,025,227	131,366	(25,075)	9,131,518
Total capital assets being depreciated	<u>39,252,829</u>	<u>261,877</u>	<u>(105,994)</u>	<u>39,408,712</u>
Accumulated depreciation:				
Collection system - infrastructure	8,348,090	257,899	-	8,605,989
Land improvements	227,299	11,065	-	238,364
Buildings and improvements	6,670,032	270,416	-	6,940,448
Vehicles	405,396	32,174	(72,828)	364,742
Equipment	4,662,379	269,973	(21,875)	4,910,477
Total accumulated depreciation	<u>20,313,196</u>	<u>841,527</u>	<u>(94,703)</u>	<u>21,060,020</u>
Total capital assets being depreciated, net	<u>18,939,633</u>	<u>(579,650)</u>	<u>(11,291)</u>	<u>18,348,692</u>
Business-type Activities, Net	<u>\$19,075,789</u>	<u>\$ (579,650)</u>	<u>\$ (65,364)</u>	<u>\$18,430,775</u>

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 4      CAPITAL ASSETS (cont'd)

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

Governmental Activities:

General government	\$      129,823
Public safety	122,361
Public works	1,447,860
Culture and recreation	<u>206,223</u>

Total Depreciation Expense - Governmental Activities	<u>\$    1,906,267</u>
--	------------------------

Business-type Activities:

Sewer operations	<u>\$      841,527</u>
------------------	------------------------

NOTE 5      LONG-TERM DEBT

Governmental Activities:

Delaware Valley Regional Finance Authority - General Obligation Note Series A and B of 2014 with interest at a fixed rate of 2.787% per annum, payable annually. Maturity date is January 25, 2028. This Note refunded the 1998 G.O. and the 2010 G.O. Notes and will result in an overall future economic (present value) debt service savings of approximately \$240,000.

	<u>\$    6,643,000</u>
--	------------------------

Business-type Activities:

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, 2014, the interest rate is 0.953%. Maturity date is July 25, 2018.

	<u>1,752,000</u>
--	------------------

Grand Total	<u>\$    8,395,000</u>
-------------	------------------------

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

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 5 LONG-TERM DEBT (cont'd)

Governmental Activities:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Maturities</u>
2015	\$ 391,000	\$ 184,112	\$ 575,112
2016	403,000	174,243	577,243
2017	414,000	163,012	577,012
2018	426,000	151,473	577,473
2019	439,000	139,601	578,601
2020 - 2024	2,393,000	507,206	2,900,206
2025 - 2028	2,177,000	153,898	2,330,898
	<u>\$ 6,643,000</u>	<u>\$ 1,473,545</u>	<u>\$ 8,116,545</u>

Business-type Activities:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Maturities</u>
2015	\$ 407,000	\$ 21,187	\$ 428,187
2016	427,000	17,229	444,229
2017	448,000	13,077	461,077
2018	470,000	8,721	478,721
	<u>\$ 1,752,000</u>	<u>\$ 60,214</u>	<u>\$ 1,812,214</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	\$ 6,513,195	\$ 6,643,000	\$ 6,513,195	\$ 6,643,000	\$ 391,000
Compensated absences	674,929	1,853	-	676,782	47,375
OPEB obligation	2,110,714	392,785	-	2,503,499	-
Total Governmental Activities	<u>\$ 9,298,838</u>	<u>\$ 7,037,638</u>	<u>\$ 6,513,195</u>	<u>\$ 9,823,281</u>	<u>\$ 438,375</u>
<u>Business-type Activities:</u>					
Sewer revenue notes	\$ 2,140,000	\$ -	\$ 388,000	\$ 1,752,000	\$ 407,000
Compensated absences	228,120	14,162	-	242,282	16,960
OPEB obligation	154,312	35,672	-	189,984	-
Total Business-type Activities	<u>\$ 2,522,432</u>	<u>\$ 49,834</u>	<u>\$ 388,000</u>	<u>\$ 2,184,266</u>	<u>\$ 423,960</u>

For the year ended December 31, 2014, interest expense was \$463,413, of which \$19,004 was recorded as a direct expense of the sewer function.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 6 TAXES

For 2014, the following tax was levied on assessed value of real estate:

2.00 mills for general purposes

The taxable assessed valuation of property as of December 31, 2014 was \$1,782,308,943.

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 2014:

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

NOTE 7 FUND BALANCES

As of December 31, 2014, fund balances are composed of the following:

	General Fund	Capital Reserve Fund	Nonmajor Funds	Total Governmental Funds
Restricted:				
Capital projects	\$ -	\$ 3,127,981	\$ -	\$ 3,127,981
Highways and streets	-	-	84,840	84,840
Assigned:				
Open space projects	-	-	422,485	422,485
Zoning hearing	-	-	14,001	14,001
Capital projects	-	-	55,002	55,002
Unassigned	9,474,307	-	-	9,474,307
Total Fund Balances	<u>\$ 9,474,307</u>	<u>\$ 3,127,981</u>	<u>\$ 576,328</u>	<u>\$ 13,178,616</u>

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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, 2013, the most recent actuarial date, disclosed that plan membership consisted of the following:

Active employees	28
Retirees and beneficiaries currently receiving benefits	<u>14</u>
Total	<u>42</u>

Benefit Provisions

Actuarial valuation report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2013, disclosed that the pension plan benefit provisions are as follows:

Members 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 \$100 per month for each year of service in excess of 25 years but not more than \$500 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.

Members 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.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 8      POLICE PENSION FUND (cont'd)

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

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.

Any member who has been a regularly appointed employee for a period of at least six months and who, thereafter, enters into active military service of the United States of America shall receive credit for all such active military services if he or she returns to employment within six months after his or her separation from active military service.

If a member enters into active military duty prior to becoming an active employee of the Township, he or she shall receive credit for each year of active military service or a fraction thereof for a period not to exceed five years.

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

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 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.



WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 8      POLICE PENSION FUND (cont'd)

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, 2014, the carrying amount of the plan's deposits was \$789,266, of which \$667,021 was invested in a Federated Prime obligations fund held by the trustee of the pension in the plan's name and \$122,245 was invested in a money market account with Vanguard. None of the plan's deposits were subject to custodial credit risk.

***Investments***

The investment objective of the 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, 2014, the plan had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Equity mutual funds	\$ 8,584,551
Fixed income funds	4,139,964
Unallocated insurance contract	<u>586,339</u>
 TOTAL	 <u>\$ 13,310,854</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

The Commonwealth of Pennsylvania Act 205 ("Act 205") requires that annual contributions be based upon the minimum municipal obligation ("MMO"). The MMO 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 MMO which exceeds the state contribution must be funded by the employer in accordance with Act 205. In addition to the MMO, employees were required to contribute five percent to the plan during 2014.

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.

Actuarial Methods and Assumptions

The required contribution was determined as part of the January 1, 2013 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 was at seven years.

Funded Status and Funding Progress

The funded status of the plan as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/2013	\$11,655,084	\$12,769,408	\$1,114,324	91.3%	\$2,886,813	38.6%

Three-Year Trend Information

Year Ended December 31	Annual Pension Cost (APC)	Percentage Contributed
2012	\$ 386,005	100.0%
2013	\$ 449,876	100.0%
2014	\$ 444,790	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, 2013, the most recent actuarial date, disclosed that plan membership consisted of the following:

Active employees	47
Retirees and beneficiaries currently receiving benefits	12
Vested terminated members	<u>13</u>
Total	<u>72</u>

Benefit Provisions

Actuarial valuation report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2013, disclosed that the pension plan benefit provisions are as follows:

Members 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.

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

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

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 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

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 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, 2014, the carrying amount of the plan's deposits was \$79,057, of which \$24,552 was invested in a Federated Prime obligations fund held by the trustee of the pension in the plan's name and \$54,505 was invested in a money market account with Vanguard. None of the plan's deposits were subject to custodial credit risk.

***Investments***

The investment objective of the 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.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

As of December 31, 2014, the plan had the following investments:

	<u>Fair Value</u>
Equity mutual funds	\$ 3,866,929
Fixed income funds	1,798,646
Unallocated insurance contract	<u>365,416</u>
 TOTAL	 <u>\$ 6,030,991</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

The Commonwealth of Pennsylvania Act 205 ("Act 205") requires that annual contributions be based upon the minimum municipal obligation ("MMO"). The MMO 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 MMO which exceeds the state contribution 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.

Actuarial Methods and Assumptions

The required contribution was determined as part of the January 1, 2013 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 was 13 years.

Funded Status and Funding Progress

The funded status of the plan as of the most recent actuarial valuation date is as follows:

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/2013	\$4,888,014	\$5,701,500	\$ 813,486	85.7%	\$2,379,505	34.2%

Three-Year Trend Information

Year Ended December 31	Annual Pension Cost (APC)	Percentage Contributed
2012	\$ 219,956	100.0%
2013	\$ 322,581	100.0%
2014	\$ 343,115	100.0%

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, 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, 2013, the most recent actuarial date, disclosed that plan membership consisted of the following:

Active employees	24
Retirees and beneficiaries currently receiving benefits	7
Vested terminated members	<u>2</u>
Total	<u>33</u>

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10     SEWER PENSION PLAN (cont'd)

Benefit Provisions

Actuarial valuation report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2013, disclosed that the pension plan benefit provisions are as follows:

Members 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.

Members 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 a member 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

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 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.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10     SEWER PENSION PLAN (cont'd)

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, 2014, the carrying amount of the plan's deposits was \$220,166, of which \$185,437 was invested in a Federated Prime obligations fund held by the trustee of the pension in the plan's name and \$34,729 was invested in a money market account with Vanguard. None of the plan's deposits were subject to custodial credit risk.

***Investments***

The investment objective of the 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, 2014, the plan had the following investments:

	<u>Fair Value</u>
Equity mutual funds	\$ 2,543,580
Fixed income mutual funds	1,076,361
Unallocated insurance contract	<u>370,968</u>
 TOTAL	 <u>\$ 3,990,909</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

The Commonwealth of Pennsylvania Act 205 ("Act 205") requires that annual contributions be based upon the minimum municipal obligation ("MMO"). The MMO 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 MMO which exceeds the state contribution 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.



WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10 SEWER PENSION PLAN (cont'd)

Actuarial Methods and Assumptions

The required contribution was determined as part of the January 1, 2013 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 was five years.

Funded Status and Funding Progress

The funded status of the plan as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/2013	\$3,369,146	\$3,584,209	\$ 215,063	94%	\$1,114,305	19.3%

Three-Year Trend Information

Year Ended December 31	Annual Pension Cost (APC)	Percentage Contributed
2012	\$ 157,737	100.0%
2013	\$ 180,815	100.0%
2014	\$ 181,217	100.0%

NOTE 11 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 healthcare benefits provided after retirement.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11     OTHER POST-EMPLOYMENT BENEFITS (cont'd)

Description of Plans

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

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

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (cont'd)

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 plans, and changes in the Township's net OPEB obligation to the plans.

Annual required contribution	\$ 640,860
Interest on net OPEB obligation	101,927
Adjustment to annual required contribution	<u>(139,053)</u>
Annual OPEB cost (expense)	603,734
Contributions made	<u>(175,277)</u>
Increase in net OPEB obligation	428,457
Net OPEB obligation - beginning of year	<u>2,265,026</u>
Net OPEB obligation - end of year	<u><u>\$ 2,693,483</u></u>

The Township's annual OPEB cost, contributions, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Year Ended June 30	Annual OPEB Cost	Contributions	Percentage Contributed	Net OPEB Obligation
2012	\$ 619,163	\$ 120,542	19.47%	\$ 1,822,315
2013	\$ 610,989	\$ 168,278	27.54%	\$ 2,265,026
2014	\$ 603,734	\$ 175,277	29.03%	\$ 2,693,483

Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the plans were 0.00 percent funded. The actuarial accrued liability for benefits was \$4,844,519, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability ("UAAL") of \$4,844,519. The covered payroll (annual payroll of active employees covered by the plans) was \$6,261,206, and the ratio of the UAAL to the covered payroll was 77.37 percent.

The schedule of funding progress presented as required supplementary information ("RSI") immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11     OTHER POST-EMPLOYMENT BENEFITS (cont'd)

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.

In the January 1, 2012 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 7.5 percent, reduced by decrements of 0.5 percent per year to an ultimate rate of 5.5 percent in 2016. The UAAL is being amortized based on the level dollar, 30-year open period. The remaining amortization period at December 31, 2013 was 26 years.

NOTE 12     CONTINGENT LIABILITIES

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 expenditure 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 United States Environmental Protection Agency ("EPA") from adopting new nutrient discharge limitations. In 2012, the Authority filed Civil Action against the EPA, to challenge action taken by the EPA in its establishment of a TMDL (phosphorus) for Goose Creek. These limits will affect all stormwater and wastewater dischargers in Chester Creek, including the West Goshen Sewer Authority. The outcome of these efforts 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.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 13     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 14     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 2014 and 2013, the state made contributions of \$460,849 and \$462,239, 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.

NOTE 15     EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended December 31, 2014:

**General Fund:**

*General Government*

Auditing	\$	111
Tax collection	\$	5,556
Engineering and legal	\$	79,696
Building and maintenance	\$	14,773

*Public Safety*

Police	\$	122,220
Fire protection	\$	137,913
Planning and zoning	\$	23,569

*Public Works - highway and streets:*

Police	\$	1,079
Winter maintenance	\$	173,356
Road maintenance	\$	69,769

*Culture and Recreation:*

Parks	\$	18,550
-------	----	--------

The excess expenditures in the general fund were covered by savings in other budgeted expenditure and other financing use line items.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 16     COMMITMENTS

As of December 31, 2014, the Township incurred costs of \$470,906 for capital improvement projects that are not under formal commitments.

NOTE 17     SUBSEQUENT EVENTS

The Township has evaluated all subsequent events through July 23, 2015, the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

WEST GOSHEN TOWNSHIP  
SCHEDULE OF FUNDING PROGRESS - POST-EMPLOYMENT HEALTHCARE PLAN  
REQUIRED SUPPLEMENTARY INFORMATION

Historical trend information about the plan is presented herewith as required supplementary information. It is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

The historical trend information required to be disclosed is below. The January 1, 2009 valuation was the first time a valuation for the plan was required.

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b)-(a)</b>	<b>Funded Ratio (a)/(b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll [(b)-(a)]/(c)</b>
01/01/09	\$ -	\$ 3,849,976	\$ 3,849,976	0.0%	\$ 5,277,559	72.95%
01/01/12	-	\$ 4,844,519	\$ 4,844,519	0.0%	\$ 6,261,206	77.37%



WEST GOSHEN TOWNSHIP  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -  
POST-EMPLOYMENT HEALTHCARE PLAN

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation date follows:

Actuarial valuation date	January 1, 2012
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	27 years
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	4.5% per annum, compounded annually
Healthcare and prescription drug cost trend rate	7.5 % per annum, initially decreasing by .5% per year to an ultimate level of 5.5% in 2016

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND BUDGETARY COMPARISON  
SCHEDULES**

**WEST GOSHEN TOWNSHIP**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUND TYPES**  
**DECEMBER 31, 2014**  
**(With Summarized Comparative Data for December 31, 2013)**

	Special Revenue Funds				Totals	
	State Fund	Offsite Development Fund	Zoning Hearing Board Fund	Capital Projects Fund	2014	2013
ASSETS:						
Cash and cash equivalents	\$ 84,840	\$ 422,485	\$ 14,001	\$ 55,002	\$ 576,328	\$ 623,955
TOTAL ASSETS	\$ 84,840	\$ 422,485	\$ 14,001	\$ 55,002	\$ 576,328	\$ 623,955
LIABILITIES AND FUND BALANCES						
LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES:						
Restricted	84,840	-	-	-	84,840	40,281
Assigned	-	422,485	14,001	55,002	491,488	583,674
Total Fund Balances	84,840	422,485	14,001	55,002	576,328	623,955
TOTAL LIABILITIES AND FUND BALANCES	\$ 84,840	\$ 422,485	\$ 14,001	\$ 55,002	\$ 576,328	\$ 623,955

**WEST GOSHEN TOWNSHIP**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(With Summarized Comparative Data for the Year Ended December 31, 2013)**

	Special Revenue Funds				Capital Projects Fund	Totals	
	State Fund	Offsite Development Fund	Hearing Board Fund	Zoning Fund		2014	2013
<b>REVENUES:</b>							
Investment earnings	\$ 415	\$ 571	\$ -	-	\$ 110	\$ 1,096	\$ 1,381
Intergovernmental revenues	519,144	-	-	-	-	519,144	474,133
Charges for services	-	-	19,350	19,350	-	19,350	24,250
Contributions	-	97,500	-	-	-	97,500	135,000
<b>TOTAL REVENUES</b>	<u>519,559</u>	<u>98,071</u>	<u>19,350</u>	<u>19,350</u>	<u>110</u>	<u>637,090</u>	<u>634,764</u>
<b>EXPENDITURES:</b>							
Public works - highways and streets	475,000	-	-	-	-	475,000	478,173
Miscellaneous	-	37	10,100	10,100	-	10,137	20,537
<b>Total Expenditures</b>	<u>475,000</u>	<u>37</u>	<u>10,100</u>	<u>10,100</u>	<u>-</u>	<u>485,137</u>	<u>498,710</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>44,559</u>	<u>98,034</u>	<u>9,250</u>	<u>9,250</u>	<u>110</u>	<u>151,953</u>	<u>136,054</u>
<b>OTHER FINANCING USES:</b>							
Interfund transfers	-	(199,580)	-	-	-	(199,580)	(176,530)
<b>TOTAL OTHER FINANCING USES</b>	<u>-</u>	<u>(199,580)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(199,580)</u>	<u>(176,530)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>44,559</u>	<u>(101,546)</u>	<u>9,250</u>	<u>9,250</u>	<u>110</u>	<u>(47,627)</u>	<u>(40,476)</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>40,281</u>	<u>524,031</u>	<u>4,751</u>	<u>4,751</u>	<u>54,892</u>	<u>623,955</u>	<u>664,431</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 84,840</u>	<u>\$ 422,485</u>	<u>\$ 14,001</u>	<u>\$ 14,001</u>	<u>\$ 55,002</u>	<u>\$ 576,328</u>	<u>\$ 623,955</u>

**WEST GOSHEN TOWNSHIP  
BUDGETARY COMPARISON SCHEDULE -  
MAJOR GOVERNMENTAL FUND TYPE - CAPITAL RESERVE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES:			
Interest earnings	\$ 3,450	\$ 5,867	\$ 2,417
Grants	244,000	-	(244,000)
TOTAL REVENUES	<u>247,450</u>	<u>5,867</u>	<u>(241,583)</u>
EXPENDITURES:			
General government	1,410,000	544,465	865,535
Public works - highways and streets	557,500	207,314	350,186
Culture and recreation	286,356	200,330	86,026
Debt Service:			
Principal	198,570	6,513,195	(6,314,625)
Interest	595,711	444,409	151,302
Issuance costs	-	37,072	(37,072)
TOTAL EXPENDITURES	<u>3,048,137</u>	<u>7,946,785</u>	<u>(4,898,648)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(2,800,687)</u>	<u>(7,940,918)</u>	<u>(5,140,231)</u>
OTHER FINANCING SOURCES:			
Proceeds from general obligation note	-	6,643,000	6,643,000
Interfund transfers	1,118,137	625,491	(492,646)
TOTAL OTHER FINANCING SOURCES	<u>1,118,137</u>	<u>7,268,491</u>	<u>6,150,354</u>
NET CHANGE IN FUND BALANCE	(1,682,550)	(672,427)	1,010,123
FUND BALANCE, BEGINNING OF YEAR	<u>4,044,130</u>	<u>3,800,408</u>	<u>243,722</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,361,580</u>	<u>\$ 3,127,981</u>	<u>\$ 1,253,845</u>

**WEST GOSHEN TOWNSHIP  
BUDGETARY COMPARISON SCHEDULE -  
NONMAJOR GOVERNMENTAL FUND TYPE - STATE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES			
Investment earnings	\$ 300	\$ 415	\$ 115
State grants	450,000	519,144	69,144
TOTAL REVENUES	<u>450,300</u>	<u>519,559</u>	<u>69,259</u>
EXPENDITURES			
Public works - highways and streets	475,000	475,000	-
TOTAL EXPENDITURES	<u>475,000</u>	<u>475,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(24,700)</u>	<u>44,559</u>	<u>69,259</u>
NET CHANGE IN FUND BALANCE	(24,700)	44,559	69,259
FUND BALANCE, BEGINNING OF YEAR	<u>43,457</u>	<u>40,281</u>	<u>(3,176)</u>
FUND BALANCE, END OF YEAR	<u>\$ 18,757</u>	<u>\$ 84,840</u>	<u>\$ 66,083</u>

**WEST GOSHEN TOWNSHIP**  
**COMBINING STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
**DECEMBER 31, 2014**

	Police Retirement Insurance Fund	Non- Uniformed Insurance Fund	Police Pension Fund	Non- Uniformed Pension Fund	Sewer Pension Fund	Totals
						2014      2013
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,103,629	\$ 1,279,574	\$ 789,266	\$ 79,057	\$ 220,166	\$ 3,471,692      \$ 3,142,996
Insurance contracts, at contract value	-	-	586,339	365,416	370,968	1,322,723      1,389,156
Investments, at market value: mutual funds	-	-	12,724,515	5,665,575	3,619,941	22,010,031      20,346,852
<b>TOTAL ASSETS</b>	<b>\$ 1,103,629</b>	<b>\$ 1,279,574</b>	<b>\$14,100,120</b>	<b>\$ 6,110,048</b>	<b>\$ 4,211,075</b>	<b>\$26,804,446      \$24,879,004</b>
<b>LIABILITIES AND NET POSITION</b>						
Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Position:						
Restricted for pension benefits	-	-	14,100,120	6,110,048	4,211,075	24,421,243      22,649,272
Restricted for other post-employment benefits	1,103,629	1,279,574	-	-	-	2,383,203      2,229,732
<b>TOTAL NET POSITION</b>	<b>1,103,629</b>	<b>1,279,574</b>	<b>14,100,120</b>	<b>6,110,048</b>	<b>4,211,075</b>	<b>26,804,446      24,879,004</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,103,629</b>	<b>\$ 1,279,574</b>	<b>\$14,100,120</b>	<b>\$ 6,110,048</b>	<b>\$ 4,211,075</b>	<b>\$26,804,446      \$24,879,004</b>

**WEST GOSHEN TOWNSHIP**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Police Retirement Insurance Fund	Non- Uniformed Insurance Fund	Police Pension Fund	Non- Uniformed Pension Fund	Sewer Pension Fund	Totals
						20142013
CONTRIBUTIONS AND INVESTMENT INCOME						
Contributions:						
State aid	\$ -	\$ -	\$ 211,512	\$ 163,162	\$ 86,175	\$ 462,239
Employer contribution	73,046	109,722	233,278	179,953	95,042	668,477
Employee contribution	-	-	134,380	-	-	154,748
Total Contributions	<u>73,046</u>	<u>109,722</u>	<u>579,170</u>	<u>343,115</u>	<u>181,217</u>	<u>1,285,464</u>
Investment income:						
Net increase in fair value of investments	-	-	335,503	151,119	98,043	2,593,771
Realized gain (loss) on investments	-	-	(6,978)	(1,724)	(1,549)	227,599
Interest and dividends	1,039	1,196	518,511	234,719	155,776	484,315
Total Investment Income	<u>1,039</u>	<u>1,196</u>	<u>847,036</u>	<u>384,114</u>	<u>252,270</u>	<u>3,305,685</u>
TOTAL CONTRIBUTIONS AND INVESTMENT INCOME	<u>74,085</u>	<u>110,918</u>	<u>1,426,206</u>	<u>727,229</u>	<u>433,487</u>	<u>4,591,149</u>
DEDUCTIONS:						
Benefits paid	-	-	477,607	222,549	58,672	628,408
Administrative and other expenses	-	31,532	28,617	14,992	12,514	82,150
TOTAL DEDUCTIONS	<u>-</u>	<u>31,532</u>	<u>506,224</u>	<u>237,541</u>	<u>71,186</u>	<u>710,558</u>
CHANGE IN NET POSITION	74,085	79,386	919,982	489,688	362,301	3,880,591
NET POSITION, BEGINNING OF YEAR	<u>1,029,544</u>	<u>1,200,188</u>	<u>13,180,138</u>	<u>5,620,360</u>	<u>3,848,774</u>	<u>20,998,413</u>
NET POSITION, END OF YEAR	<u>\$ 1,103,629</u>	<u>\$ 1,279,574</u>	<u>\$14,100,120</u>	<u>\$ 6,110,048</u>	<u>\$ 4,211,075</u>	<u>\$24,879,004</u>



## **STATISTICAL SECTION**

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital										
assets										
Restricted	\$ 29,291,900	\$ 30,458,442	\$ 29,894,890	\$ 29,891,898	\$ 29,263,767	\$ 29,590,575	\$ 29,529,499	\$ 29,647,915	\$ 30,468,198	\$ 29,937,656
Unrestricted	5,206,353	4,914,618	7,074,261	6,336,140	4,980,975	4,524,186	4,393,132	4,185,590	3,840,689	3,212,821
Total governmental activities net position	7,621,851	9,811,142	11,555,617	10,932,256	10,613,470	10,397,645	9,762,261	8,620,279	9,746,738	9,390,305
	<u>\$ 42,119,904</u>	<u>\$ 45,184,202</u>	<u>\$ 48,524,768</u>	<u>\$ 47,160,294</u>	<u>\$ 44,858,212</u>	<u>\$ 44,512,406</u>	<u>\$ 43,684,892</u>	<u>\$ 42,453,784</u>	<u>\$ 44,055,625</u>	<u>\$ 42,540,782</u>
Business-type activities										
Net investment in capital										
assets										
Restricted	\$ 13,432,273	\$ 13,794,285	\$ 14,437,864	\$ 14,747,693	\$ 15,864,175	\$ 18,160,094	\$ 17,635,564	\$ 17,267,044	\$ 16,935,789	\$ 16,678,775
Unrestricted	9,151,259	9,288,289	9,930,033	10,201,477	9,137,829	1,432,798	1,442,505	1,448,033	1,452,764	1,455,339
Total business-type activities net position	5,373,688	5,148,304	4,342,442	2,833,025	2,474,945	8,571,803	9,384,515	10,159,133	11,490,896	12,166,711
	<u>\$ 27,957,220</u>	<u>\$ 28,230,878</u>	<u>\$ 28,710,339</u>	<u>\$ 27,782,195</u>	<u>\$ 27,476,949</u>	<u>\$ 28,164,695</u>	<u>\$ 28,462,684</u>	<u>\$ 28,874,210</u>	<u>\$ 29,879,449</u>	<u>\$ 30,300,825</u>
Primary government										
Net investment in capital										
assets										
Restricted	\$ 42,724,173	\$ 44,252,727	\$ 44,332,754	\$ 44,639,591	\$ 45,127,942	\$ 47,750,669	\$ 47,165,063	\$ 46,914,959	\$ 47,403,987	\$ 46,616,431
Unrestricted	14,357,612	14,202,907	17,004,294	16,537,617	14,118,804	5,956,984	5,835,737	5,633,623	5,293,453	4,668,160
Total primary government net position	12,995,339	14,959,446	15,898,059	13,765,281	13,088,415	18,969,448	19,146,776	18,779,412	21,237,634	21,557,016
	<u>\$ 70,077,124</u>	<u>\$ 73,415,080</u>	<u>\$ 77,235,107</u>	<u>\$ 74,942,489</u>	<u>\$ 72,335,161</u>	<u>\$ 72,677,101</u>	<u>\$ 72,147,576</u>	<u>\$ 71,327,994</u>	<u>\$ 73,935,074</u>	<u>\$ 72,841,607</u>

Expenses												
Governmental activities:												
General government												
Public safety	\$ 1,645,510	\$ 1,786,077	\$ 1,801,333	\$ 1,962,787	\$ 2,195,329	\$ 3,062,908	\$ 2,576,740	\$ 2,285,489	\$ 2,184,861	\$ 2,546,127		
Public works - highways and streets	4,880,795	4,875,689	5,030,088	5,392,394	6,010,813	6,464,874	6,592,175	6,787,133	6,800,503	7,171,353		
Other public works	2,293,828	3,564,444	2,508,014	4,476,834	4,704,387	3,565,666	4,242,422	4,667,789	4,667,589	4,899,282		
Other public works	114,056	128,088	161,236	169,750	234,457	121,795	54,681	86,940	110,173	112,722		
Library	5,000	2,500	-	-	-	-	2,500	2,500	5,000	10,000		
Culture and recreation	944,821	974,352	1,138,543	1,172,675	1,240,395	1,330,682	1,239,590	1,489,677	1,645,589	1,714,787		
Interest expense	296,603	285,034	259,426	228,118	209,898	203,763	343,285	350,154	310,182	444,409		
Total governmental activities expenses	10,180,613	11,616,184	10,898,640	13,402,558	14,595,279	14,749,488	15,051,393	15,368,682	15,723,897	16,898,680		
Business-type activities:												
Sewer operations	3,629,272	3,832,230	3,946,488	4,099,172	4,173,511	4,280,226	4,278,238	4,401,330	4,616,397	4,867,349		
Waste and recycling	1,384,567	1,513,684	1,866,119	2,248,783	1,918,726	2,031,249	2,045,975	2,264,025	2,098,813	1,797,087		
Total business-type activities expenses	5,013,839	5,345,914	5,812,607	6,347,955	6,092,237	6,311,475	6,324,213	6,665,355	6,715,210	6,664,436		
Total Primary Government Expenses	\$ 15,194,452	\$ 16,962,098	\$ 16,711,247	\$ 19,750,513	\$ 20,687,516	\$ 21,060,963	\$ 21,375,606	\$ 22,034,037	\$ 22,439,107	\$ 23,563,116		
Program Revenues												
Governmental activities:												
Charges for services:												
General government	\$ 84,648	\$ 59,730	\$ 46,597	\$ 50,765	\$ 171,842	\$ 51,943	\$ 85,974	\$ 71,529	\$ 124,036	\$ 66,251		
Public safety	449,618	571,772	686,253	656,706	478,796	507,756	681,265	711,130	867,147	706,796		
Culture and recreation	72,081	156,726	127,436	120,724	93,485	696,996	151,485	187,762	214,563	180,458		
Operating grants and contributions	851,335	900,305	932,610	977,851	958,303	1,033,480	1,354,353	1,027,497	1,090,913	1,124,722		
Capital grants and contributions	187,413	403,396	740,071	130,030	25,304	751,137	-	-	972,224	363,813		
Total governmental activities program revenues	1,645,095	2,091,929	2,512,967	1,936,076	1,727,730	3,041,312	2,273,077	1,997,918	3,268,883	2,442,040		
Business-type activities:												
Charges for services:												
Sewer operations	3,307,995	3,742,250	3,523,981	3,533,792	3,944,184	4,647,430	4,264,989	4,629,908	5,277,946	4,697,741		
Waste and recycling	1,365,572	1,370,204	1,377,304	1,394,321	1,758,456	2,136,619	2,148,782	2,148,038	2,174,578	2,167,053		
Operating grants and contributions	108,451	134,571	139,267	136,321	103,055	190,264	191,654	245,337	228,645	157,564		
Capital grants and contributions	424,427	245,954	-	98,854	-	-	-	-	-	-		
Total business-type activities program revenues	5,206,445	5,492,979	5,040,552	5,163,288	5,805,695	6,974,313	6,605,425	7,023,283	7,681,169	7,022,358		
Total Primary Government Program Revenues	\$ 6,851,540	\$ 7,584,908	\$ 7,553,519	\$ 7,099,364	\$ 7,533,425	\$ 10,015,625	\$ 8,878,502	\$ 9,021,201	\$ 10,950,052	\$ 9,464,398		
Net (expense)/revenue												
Governmental activities	\$ (8,535,518)	\$ (9,524,255)	\$ (8,385,673)	\$ (11,466,482)	\$ (12,867,549)	\$ (11,708,176)	\$ (12,778,316)	\$ (13,370,764)	\$ (12,455,014)	\$ (14,456,640)		
Business-type activities	192,606	147,065	(772,055)	(1,184,667)	(286,542)	662,838	281,212	357,928	965,959	357,922		
Total primary government net expense	\$ (8,342,912)	\$ (9,377,190)	\$ (9,157,728)	\$ (12,651,149)	\$ (13,154,091)	\$ (11,045,338)	\$ (12,497,104)	\$ (13,012,836)	\$ (11,489,055)	\$ (14,098,718)		

- 75 -

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

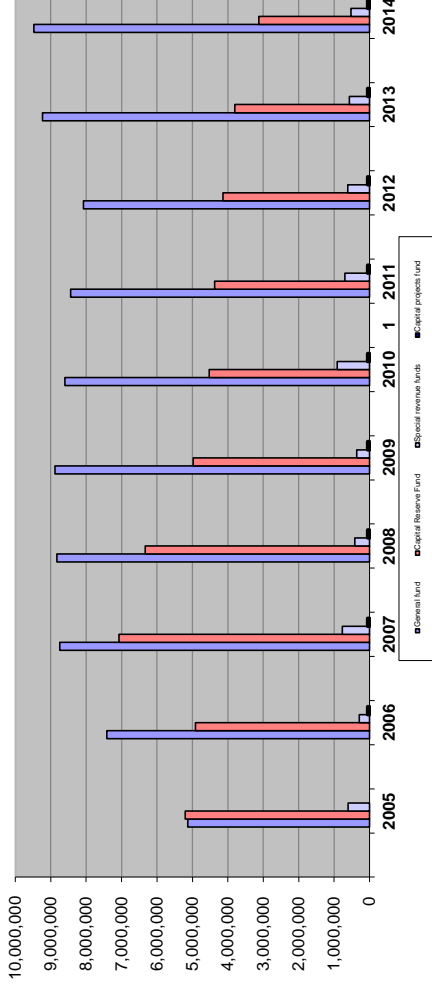
	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Real estate taxes	\$ 2,523,930	\$ 2,554,040	\$ 2,551,015	\$ 2,590,007	\$ 2,601,082	\$ 3,451,584	\$ 3,458,714	\$ 3,458,366	\$ 3,501,219	\$ 3,543,584
Real estate transfer taxes	744,094	783,750	861,761	564,294	441,286	462,798	568,142	709,390	1,018,868	854,008
Earned income taxes	5,632,133	6,708,791	6,530,198	5,386,742	6,264,503	5,999,465	6,366,105	6,447,467	7,976,151	7,046,256
Emergency Municipal Services Tax	0	942,371	1,197,356	812,406	878,489	910,778	921,698	862,127	950,498	1,010,067
Franchise fees	260,776	283,398	314,316	335,119	348,525	433,767	409,665	437,161	484,134	502,959
Investment earnings	360,705	627,618	718,742	392,927	75,603	55,637	42,211	29,936	26,357	27,788
Unrestricted grants and contributions	17,538	18,225	20,357	19,031	17,515	18,223	19,350	18,350	18,546	19,602
Gain (Loss) on sale of capital assets	-	-	21,448	(13,328)	(101,610)	(30,774)	80,141	41,079	17,777	(88,763)
Miscellaneous	40,711	79,360	102,046	14,810	40,074	60,892	84,776	169,795	63,305	26,296
Total governmental activities	9,579,887	11,997,553	12,317,239	10,102,008	10,565,467	11,362,370	11,950,802	12,173,671	14,056,855	12,941,797
Business-type activities:										
Investment earnings	346,754	659,514	660,865	256,523	33,658	27,919	16,777	51,392	39,280	38,245
Gain on sale of capital assets	-	-	-	-	-	-	-	2,206	-	25,209
Miscellaneous	37,423	58,079	(349)	-	(52,362)	(3,011)	-	-	-	-
Total business-type activities	384,177	717,593	660,516	256,523	(18,704)	24,908	16,777	53,598	39,280	63,454
Total primary government	\$ 9,964,064	\$ 12,715,146	\$ 12,977,755	\$ 10,358,531	\$ 10,546,763	\$ 11,387,278	\$ 11,967,579	\$ 12,227,269	\$ 14,096,135	\$ 13,005,251
<b>Change in Net Position</b>										
Governmental activities	\$ 1,044,369	\$ 2,473,298	\$ 3,931,566	\$ (1,364,474)	\$ (2,302,082)	\$ (345,806)	(827,514)	(1,197,093)	1,601,841	(1,514,843)
Business-type activities	576,783	864,658	(111,539)	(928,144)	(305,246)	687,746	297,989	411,526	1,005,239	421,376
Total primary government	\$ 1,621,152	\$ 3,337,956	\$ 3,820,027	\$ (2,292,618)	\$ (2,607,328)	\$ 341,940	\$ (529,525)	\$ (785,567)	\$ 2,607,080	\$ (1,093,467)

Notes:

<sup>1</sup> Dedication of sanitary sewer lines from the Wiltshire and Westtown Chase developments to the Sewer Authority.

<sup>2</sup> The increase from the prior year was the result of a 33% Real Estate Tax increase.

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



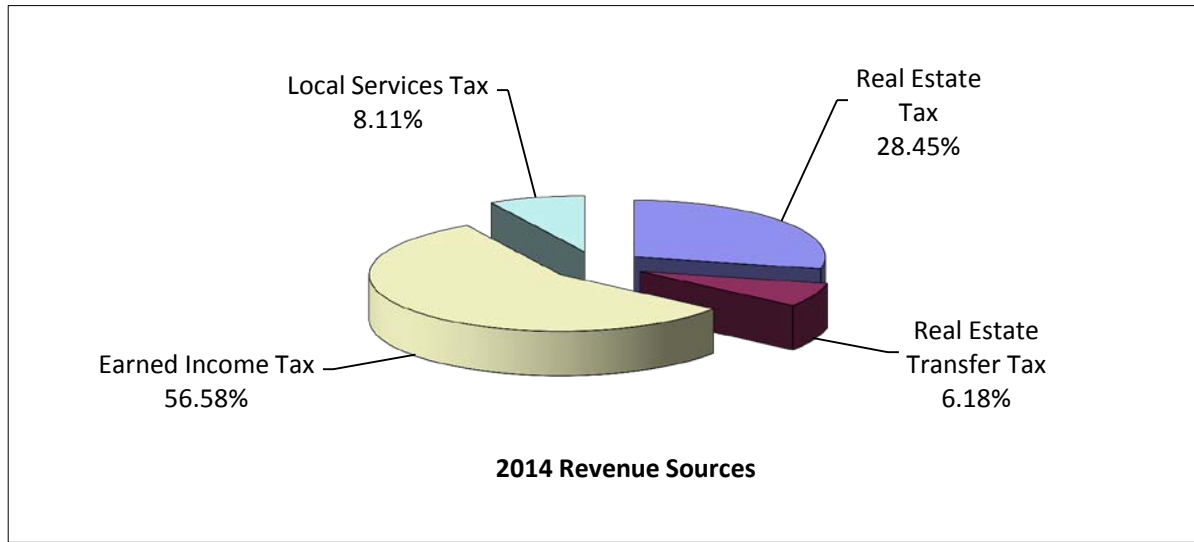
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Restricted										
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital reserve fund	5,127,853	7,415,233	8,748,955	8,830,627	8,879,327	8,597,789	6,451,630	6,315,911	-	-
Unassigned	-	-	-	-	-	-	-	1,756,308	9,230,147	9,474,307
Assigned	\$ 5,127,853	\$ 7,415,233	\$ 8,748,955	\$ 8,830,627	\$ 8,879,327	\$ 8,597,789	\$ 8,437,341	\$ 8,072,219	\$ 9,230,147	\$ 9,474,307
Total general fund										
All other governmental funds										
Restricted										
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,820	\$ 43,919	\$ 40,281	\$ 84,840
Capital projects fund	5,206,353	4,914,618	7,074,261	6,336,140	4,980,975	4,524,186	4,368,312	4,141,671	3,800,408	3,127,981
Unassigned	605,133	286,668	763,108	412,972	361,080	908,506	-	-	-	-
Capital projects fund	-	50,651	53,008	54,150	54,324	54,487	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	673,249	565,730	528,782	436,486
Capital projects fund	-	-	-	-	-	-	54,651	54,782	54,892	55,002
Total Special Revenue Funds	605,133	286,668	763,108	412,972	361,080	908,506	698,069	609,649	569,063	521,326
Total Capital Reserve Fund	5,206,353	4,914,618	7,074,261	6,336,140	4,980,975	4,524,186	4,368,312	4,141,671	3,800,408	3,127,981
Total Capital Projects Fund	-	50,651	53,008	54,150	54,324	54,487	54,651	54,782	54,892	55,002
Total All Other Governmental Funds	\$ 5,811,486	\$ 5,251,937	\$ 7,890,377	\$ 6,803,282	\$ 5,396,379	\$ 5,487,179	\$ 5,121,032	\$ 4,806,102	\$ 4,424,363	\$ 3,704,309

NOTES:  
1 Effective with year 2011, per GASB 54, the recognition of unreserved fund balances has been broken down into two separate categories, assigned and unassigned.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 8,856,569	\$10,819,333	\$11,258,617	\$ 9,673,966	\$ 9,987,767	\$10,927,967	\$11,135,369	\$11,648,433	\$12,995,470	\$12,567,683
Licenses and permits	266,385	288,043	318,926	343,409	352,925	438,392	415,290	443,041	489,642	508,464
Fines, forfeits, and costs	181,130	212,941	243,004	231,412	214,759	184,930	197,134	207,449	214,466	174,803
Investment earnings	388,986	660,280	750,290	430,097	106,423	87,758	77,132	64,854	61,827	65,507
Intergovernmental revenues	917,001	1,143,530	952,967	996,882	975,819	1,051,703	1,373,704	1,045,847	1,109,459	1,144,325
Charges for services/fees	378,827	455,480	513,624	506,323	491,644	427,518	603,543	609,674	815,302	637,978
Contributions	12,500	82,500	47,500	45,000	2,500	607,500	77,500	112,500	135,000	97,500
Miscellaneous revenue/other	20,804	18,420	102,046	14,810	39,874	59,992	84,776	169,795	63,305	26,296
Total Revenue	11,022,202	13,680,527	14,186,974	12,241,899	12,171,711	13,785,760	13,964,448	14,301,593	15,884,471	15,222,556
<b>Expenditures</b>										
General government	1,680,525	1,662,389	1,749,317	1,930,128	2,135,166	2,417,608	1,826,099	2,113,083	2,050,430	2,894,498
Public safety	4,839,827	4,832,442	4,974,334	5,334,087	5,645,437	6,082,453	6,376,953	6,459,639	6,427,841	6,861,716
Public works - highways and streets	1,455,812	2,859,642	1,340,066	3,805,067	3,878,447	6,608,745	5,533,956	3,850,248	3,629,061	3,956,635
Other public works	114,056	150,047	168,736	169,750	173,608	210,480	175,895	111,845	157,169	119,957
Library	5,000	2,500	-	-	-	-	2,500	2,500	5,000	10,000
Culture and recreation	1,087,112	1,813,080	1,028,470	1,057,111	1,188,772	1,238,088	1,350,480	1,541,347	1,632,447	1,576,331
Insurance/employee benefits/payroll taxes	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenditures	27	27	27	27	115,885	12,527	11,047	6,500	20,537	10,137
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	641,163	725,416	744,525	724,315	459,431	450,827	619,148	914,961	882,267	6,513,195
Interest and other charges	296,603	285,034	259,426	228,118	209,898	203,763	343,285	350,154	310,182	444,409
Issuance costs	-	-	-	-	-	37,795	-	-	-	37,072
Total expenditures	10,120,125	12,330,577	10,264,901	13,248,603	13,806,644	17,262,286	16,239,363	15,350,277	15,114,934	22,423,950
Excess of revenues over (under) expenditures	902,077	1,349,950	3,922,073	(1,006,704)	(1,634,933)	(3,476,526)	(2,274,915)	(1,048,684)	769,537	(7,201,394)
<b>Other financing sources (uses)</b>										
Transfers in	1,354,962	1,440,070	2,839,719	924,862	1,662,025	807,495	1,465,809	1,539,259	1,573,565	625,491
Transfers out	(1,354,962)	(1,440,070)	(2,839,719)	(924,862)	(1,662,025)	(807,495)	(1,465,809)	(1,539,259)	(1,573,565)	(625,491)
Refund of prior year revenues	-	-	-	-	-	-	-	(25,138)	-	-
Proceeds from debt	-	-	-	-	-	3,272,579	1,740,806	357,770	-	6,643,000
Proceeds from capital leases	170,835	336,506	50,089	(2,739)	273,150	-	-	-	-	-
Sales of capital assets	19,309	41,375	-	4,000	3,600	13,209	7,514	36,000	6,652	82,500
Total other financing sources (uses)	190,144	377,881	50,089	1,261	276,750	3,285,788	1,748,320	368,632	6,652	6,725,500
Net change in fund balances	\$ 1,092,221	\$ 1,727,831	\$ 3,972,162	\$ (1,005,443)	\$ (1,358,183)	\$ (190,738)	\$ (526,595)	\$ (680,052)	\$ 776,189	\$ (475,894)
Debt service as a percentage of noncapital expenditures	6.3%	5.9%	7.3%	5.5%	3.3%	2.6%	3.8%	6.0%	5.8%	29.0%

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



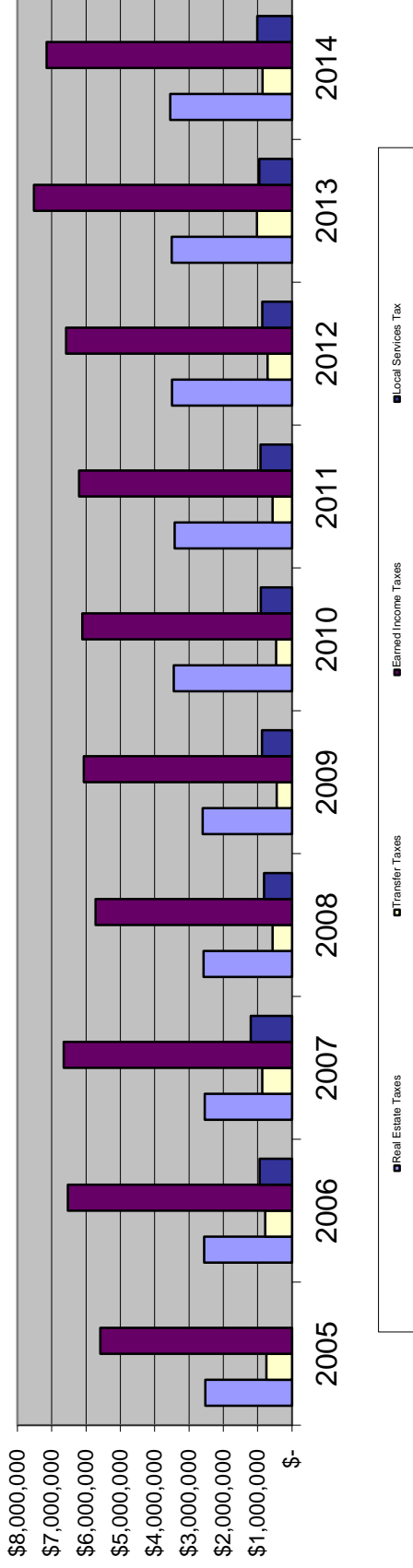
Fiscal Year	Real Estate Tax	Real Estate Transfer Tax	Earned Income Tax	Local Services Tax	Total
2005	\$ 2,523,930	\$ 744,094	\$ 5,632,133	\$ -	\$ 8,900,157
% of total	28.36%	8.36%	63.28%	0.00%	100.00%
2006	\$ 2,554,040	\$ 783,750	\$ 6,708,791	\$ 942,371	\$ 10,988,952
% of total	23.24%	7.13%	61.05%	8.58%	100.00%
2007	\$ 2,551,015	\$ 861,761	\$ 6,530,198	\$ 1,197,356	\$ 11,140,330
% of total	22.90%	7.74%	58.62%	10.75%	100.00%
2008	\$ 2,590,007	\$ 564,294	\$ 5,386,742	\$ 812,406	\$ 9,353,449
% of total	27.69%	6.03%	57.59%	8.69%	100.00%
2009	\$ 2,601,082	\$ 441,286	\$ 6,264,503	\$ 878,489	\$ 10,185,360
% of total	25.54%	4.33%	61.50%	8.63%	100.00%
2010	\$ 3,451,584	\$ 462,798	\$ 5,999,465	\$ 910,778	\$ 10,824,625
% of total	31.89%	4.28%	55.42%	8.41%	100.00%
2011	\$ 3,458,714	\$ 568,142	\$ 6,366,105	\$ 921,698	\$ 11,314,659
% of total	30.57%	5.02%	56.26%	8.15%	100.00%
2012	\$ 3,458,366	\$ 709,390	\$ 6,447,467	\$ 862,127	\$ 11,477,350
% of total	30.13%	6.18%	56.18%	7.51%	100.00%
2013	\$ 3,501,219	\$ 1,018,868	\$ 7,976,151	\$ 950,498	\$ 13,446,736
% of total	26.04%	7.58%	59.32%	7.07%	100.00%
2014	\$ 3,543,584	\$ 854,008	\$ 7,046,256	\$ 1,010,067	\$ 12,453,915
% of total	28.45%	6.86%	56.58%	8.11%	100.00%

**Notes:**

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.

Real Estate Tax increase effective 1/1/2010 (from 1.5 mills to 2.0 mills)

**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	
	Taxes	Transfer Taxes	Taxes	Tax	Total	
2005	\$ 2,524,343	\$ 744,094	\$ 5,588,133	\$ -	\$ 8,856,570	
2006	\$ 2,560,421	\$ 783,750	\$ 6,532,791	\$ 942,371 <sup>1</sup>	\$ 10,819,333	
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	\$ 2,599,490	\$ 441,286	\$ 6,068,503	\$ 878,489	\$ 9,987,768	
2010	\$ 3,446,925	\$ 462,798	\$ 6,107,466	\$ 910,778 <sup>2</sup>	\$ 10,927,967	
2011	\$ 3,416,358	\$ 568,142	\$ 6,204,105	\$ 921,698	\$ 11,110,303	
2012	\$ 3,494,949	\$ 709,390	\$ 6,581,967	\$ 862,127	\$ 11,648,433	
2013	\$ 3,508,453	\$ 1,018,868	\$ 7,517,652	\$ 950,498	\$ 12,995,471	
2014	\$ 3,552,452	\$ 854,008	\$ 7,151,156	\$ 1,010,067	\$ 12,567,683	

Notes:

<sup>1</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.

<sup>2</sup> Real Estate Tax increase of 33% over prior year.



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

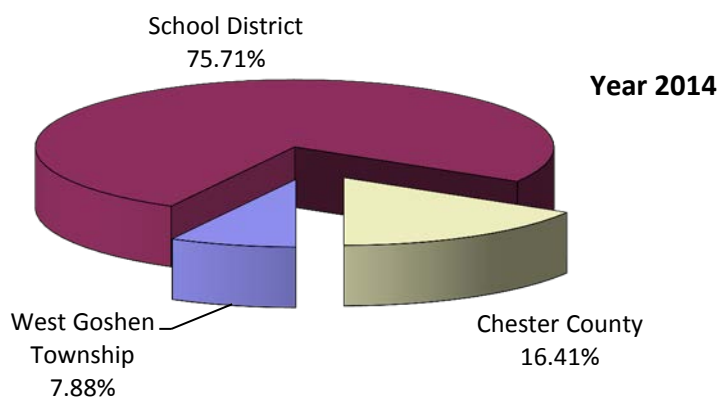
<b>Fiscal Year</b>	<b>Real Estate Assessed Value</b>	<b>Ratio of Total Assessed Value to Total Estimated Actual Value</b>	<b>Estimated Actual Value <sup>1</sup></b>	<b>Real Estate Millage Rate</b>
2005	\$ 1,686,941,565	60.61%	\$ 2,783,453,582	1.50
2006	\$ 1,720,874,612	54.95%	\$ 3,131,991,794	1.50
2007	\$ 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
2010 <sup>2</sup>	\$ 1,750,817,197	55.25%	\$ 3,168,979,127	2.00
2011	\$ 1,750,413,337	55.87%	\$ 3,133,239,873	2.00
2012	\$ 1,750,959,603	58.82%	\$ 2,976,631,325	2.00
2013	\$ 1,766,649,613	60.24%	\$ 2,932,638,358	2.00
2014	\$ 1,782,308,943	57.80%	\$ 3,083,394,471	2.00

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 33% 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**



<b>Fiscal Year</b>	<b>West Goshen Township</b>	<b>School District</b>	<b>Chester County</b>	<b>Total Millage</b>
2005	1.500	14.320	3.558	19.378
<i>Percent of total</i>	<i>7.74%</i>	<i>73.90%</i>	<i>18.36%</i>	<i>100.00%</i>
2006	1.500	15.160	3.699	20.359
<i>Percent of total</i>	<i>7.37%</i>	<i>74.46%</i>	<i>18.17%</i>	<i>100.00%</i>
2007	1.500	15.7900	3.804	21.094
<i>Percent of total</i>	<i>7.11%</i>	<i>74.86%</i>	<i>18.03%</i>	<i>100.00%</i>
2008	1.500	16.8500	3.804	22.154
<i>Percent of total</i>	<i>6.77%</i>	<i>76.06%</i>	<i>17.17%</i>	<i>100.00%</i>
2009	1.500	17.8500	3.965	23.315
<i>Percent of total</i>	<i>6.43%</i>	<i>76.56%</i>	<i>17.01%</i>	<i>100.00%</i>
2010	2.000	18.3600	3.965	24.325
<i>Percent of total</i>	<i>8.22%</i>	<i>75.48%</i>	<i>16.30%</i>	<i>100.00%</i>
2011	2.0000	18.3600	3.9650	24.325
<i>Percent of total</i>	<i>8.22%</i>	<i>75.48%</i>	<i>16.30%</i>	<i>100.00%</i>
2012	2.0000	18.6700	3.9650	24.635
<i>Percent of total</i>	<i>8.12%</i>	<i>75.79%</i>	<i>16.09%</i>	<i>100.00%</i>
2013	2.0000	18.6700	4.1630	24.833
<i>Percent of total</i>	<i>8.05%</i>	<i>75.18%</i>	<i>16.76%</i>	<i>100.00%</i>
2014	2.0000	19.2100	4.1630	25.373
<i>Percent of total</i>	<i>7.88%</i>	<i>75.71%</i>	<i>16.41%</i>	<i>100.00%</i>

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, 2014**

	2014			2013		
	<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>
	QVC Realty, Inc	\$ 35,696,530	1	2.02%	\$ 35,696,530	1
	Fern Hill LLC	\$ 16,617,370	2	0.94%	\$ 16,617,370	2
	Pointe Apartments Owner LP	\$ 16,440,580	3	0.93%	\$ 16,444,500	3
	Home Properties Golf Club, LLC	\$ 14,780,750	4	0.84%	\$ 14,780,750	4
	Goshen Terrace Apartments	\$ 14,198,300	5	0.80%	\$ 14,198,300	5
	Capital Enterprises, Inc.	\$ 10,002,270	6	0.57%	\$ 12,008,680	6
	Cephalon, Inc.	\$ 9,411,460	7	0.53%	\$ 9,411,460	7
	Cambridge Apartments	\$ 7,948,790	8	0.45%	\$ 7,948,790	8
	TGM Halstead LLC	\$ 7,454,310	9	0.42%	\$ 7,454,310	9
	Turks Head Health Services, Inc.	\$ 6,799,320	10	0.38%	\$ 6,799,320	10
		<u>\$ 139,349,680</u>		<u>7.89%</u>	<u>\$ 141,360,010</u>	
					<u>8.07%</u>	

Note: Total taxable assessed value, all real property in West Goshen Township, December 31, 2014, \$1,782,308,943.

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)

<b>Fiscal Year Ended December 31</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
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	\$ 2,608,939	\$ 2,536,749	97.23%	\$ 40,775	\$ 2,577,524	98.80%
2009	\$ 2,620,902	\$ 2,553,575	97.43%	\$ 45,914	\$ 2,599,489	99.18%
2010	\$ 3,504,258	\$ 3,405,361	97.18%	\$ 41,564	\$ 3,446,925	98.36%
2011	\$ 3,500,827	\$ 3,369,691	96.25%	\$ 46,667	\$ 3,416,358	97.59%
2012	\$ 3,501,919	\$ 3,430,049	97.95%	\$ 64,901	\$ 3,494,950	99.80%
2013	\$ 3,533,299	\$ 3,457,735	97.86%	\$ 50,718	\$ 3,508,453	99.30%
2014	\$ 3,564,618	\$ 3,498,462	98.14%	\$ 53,990	\$ 3,552,452	99.66%

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

<b>Fiscal Year</b>	<b>Population</b>	<b>Assessed Value</b>	<b>General Obligation Debt</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
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
2010	21,866	\$ 1,750,817,197	\$ 6,694,579	\$ 126,208	\$ 6,820,787	0.39%	\$ 312
2011	22,016	\$ 1,750,413,337	\$ 7,882,798	\$ 69,857	\$ 7,952,655	0.45%	\$ 361
2012	22,166	\$ 1,750,959,603	\$ 7,395,462	\$ -	\$ 7,395,462	0.42%	\$ 334
2013	22,873	\$ 1,766,649,613	\$ 6,513,195	\$ -	\$ 6,513,195	0.37%	\$ 285
2014	23,023	\$ 1,782,308,943	\$ 6,643,000	\$ -	\$ 6,643,000	0.37%	\$ 289

Sources: US Census Bureau Population Census 2010.  
Chester County Board of Assessments.  
West Goshen Township Annual financial statements.

**West Goshen Township  
Direct and Overlapping Governmental Activities Debt  
as of December 31, 2014**

<u><b>Jurisdiction</b></u>	<u><b>Net General Obligation Bonded Debt Outstanding</b></u>	<u><b>Percentage Applicable to West Goshen Township</b></u>	<u><b>Amount Applicable to West Goshen Township</b></u>
DIRECT DEBT:			
West Goshen Township	\$ 6,643,000	100.00%	\$ 6,643,000
OVERLAPPING DEBT:			
County of Chester	\$ 532,649,677	4.90%	26,076,451
			<u>-</u>
TOTAL			<u><u>\$ 32,719,451</u></u>

Note<sup>1</sup>: County of Chester data not yet available for 2014, amount reflects 2013 general obligation 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, 2014**

	Year Ended December 31,		
	2014	2013	2012
Total Revenues	\$ 31,583,444	\$ 27,364,114	\$ 24,457,860
Deduct excludable items under Section 8002©(16) of the Act:			
Nonrecurring items:			
Grants and gifts-in-aid	519,144	474,134	482,675
Proceeds from general long-term debt	6,750,709	6,652	395,976
Total Revenues as Defined in Section 8002©(16) of the Act	<u>\$ 24,313,591</u>	<u>\$ 26,883,328</u>	<u>\$ 23,579,209</u>
Total Revenues as Defined in Section 8002[c][16] of the Act for the three years ended December 31, 2014			<u>\$ 74,776,128</u>
Borrowing Base - Arithmetic Average of Total Revenues			<u>\$ 24,925,376</u>
Debt Limit			250%
Debt Limitation			<u>\$ 62,313,440</u>

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)

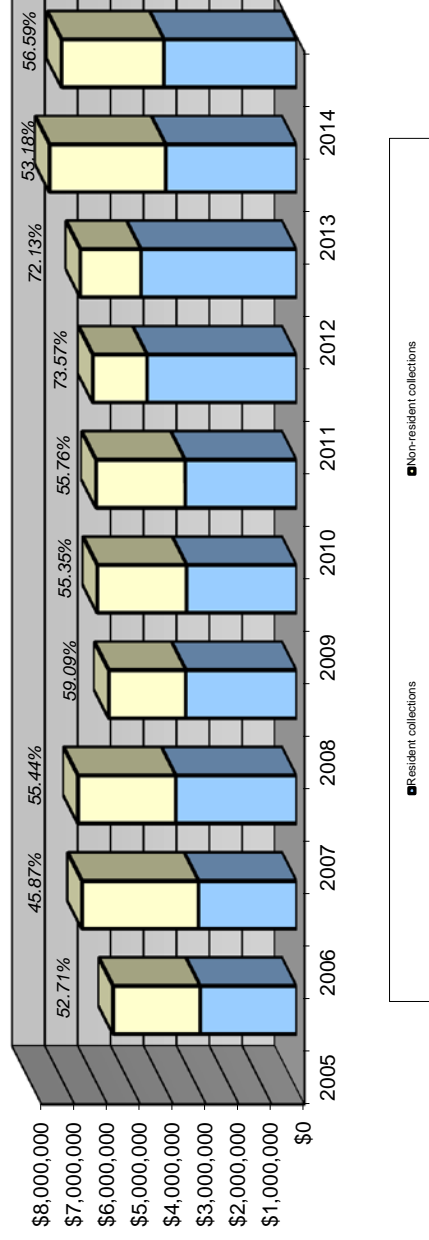
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 191,549	\$ 194,693	\$ 197,751	\$ 199,115	\$ 199,727	\$ 199,580	\$ 199,871	\$ 200,093	\$ 202,028	\$ 203,174
Total net debt applicable to limit	5,876	5,317	4,726	4,101	3,769	6,695	7,883	7,396	6,513	6,643
Legal debt margin	\$ 185,673	\$ 189,376	\$ 193,025	\$ 195,014	\$ 195,958	\$ 192,885	\$ 191,988	\$ 192,697	\$ 195,515	\$ 196,531
Total net debt applicable to the limit as a percentage of debt limit	3.07%	2.73%	2.39%	2.06%	1.89%	3.35%	3.94%	3.70%	3.22%	3.27%

**Legal Debt Margin Calculation for Fiscal Year 2014**

Assessed value	\$ 1,782,309
Add back: exempt real property	249,435
Total assessed value	<u>2,031,744</u>
Debt limit (10% of total assessed value)	203,174
Debt applicable to limit:	
General obligation bonds	6,643
Total net debt applicable to limit	<u>6,643</u>
Legal debt margin	<u>\$ 196,531</u>
Assessed value	\$ 1,782,309
Add back: exempt real property	249,435
Total assessed value	<u>2,031,744</u>
Debt limit (10% of total assessed value)	203,174
Debt applicable to limit:	
General obligation bonds	6,643
Total net debt applicable to limit	<u>6,643</u>
Legal debt margin	<u>\$ 196,531</u>
Assessed value	\$ 1,782,309
Add back: exempt real property	249,435
Total assessed value	<u>2,031,744</u>
@ 10%	203,174



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



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Resident collections	\$ 2,945,330	\$ 3,689,404	\$ 3,379,784	\$ 3,358,935	\$ 3,405,809	\$ 4,564,658	\$ 4,747,862	\$ 3,997,914	\$ 4,046,867	
% of total	52.71%	55.44%	59.09%	55.35%	55.76%	73.57%	72.13%	53.18%	56.59%	
Non-resident collections	2,642,803	2,965,794	2,339,958	2,709,567	2,701,656	1,639,447	1,834,105	3,519,737	3,104,289	
% of total	47.29%	44.56%	40.91%	44.65%	44.24%	26.43%	27.87%	46.82%	43.41%	
Total earned income tax collected	<u>\$ 5,588,133</u>	<u>\$ 6,655,198</u>	<u>\$ 5,719,742</u>	<u>\$ 6,068,502</u>	<u>\$ 6,107,465</u>	<u>\$ 6,204,105</u>	<u>\$ 6,581,967</u>	<u>\$ 7,517,652</u>	<u>\$ 7,151,156</u>	

**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, Berkheimer Administrators, and Keystone Collections.

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

**DIRECT:**

West Goshen Township									
Individuals				Employers					
# of Residents		Total		Closed/		Total Open		Average	
On file	Exempts	Taxables	On file	Bankrupt	Employers	Employers		Earnings	

1999	22,008	5,593	16,415	2,453	1,176	1,277		\$ 42,685	
2000	23,145	5,755	17,390	2,364	979	1,385		\$ 44,726	
2001	23,504	5,794	17,710	2,489	1,027	1,462		\$ 46,064	
2002	23,580	5,794	17,786	2,619	1,065	1,554		\$ 43,597	
2003	23,939	5,681	18,258	2,709	1,089	1,620		\$ 43,713	
2004	25,481	5,799	19,682	2,829	1,161	1,668		\$ 50,507	
2005	25,466	5,818	19,648	2,929	1,168	1,761		\$ 50,249	
2006	24,965	5,983	18,982	3,032	1,224	1,808		\$ 52,492	
2007	25,928	6,045	19,883	3,148	1,272	1,876		\$ 52,820	
2008	25,849	6,203	19,646	3,294	1,330	1,964		\$ 53,544	

**OVERLAPPING:**

West Chester Area School District Municipalities									
Individuals				Employers					
# of Residents		Total		Closed/		Total Open		Average	
On file	Exempts	Taxables	On file	Bankrupt	Employers	Employers		Earnings	

1999	114,236	25,468	88,768	8,183	3,760	4,423		\$ 43,141	
2000	119,272	26,277	92,995	7,757	2,887	4,870		\$ 76,316	
2001	120,444	26,414	94,030	8,139	3,058	5,081		\$ 53,360	
2002	122,758	25,785	96,973	8,735	3,184	5,551		\$ 50,593	
2003	127,787	26,407	101,380	9,248	3,299	5,949		\$ 44,626	
2004	129,601	26,709	102,892	9,510	3,464	6,046		\$ 52,434	
2005	132,767	27,387	105,380	10,081	3,608	6,473		\$ 55,343	
2006	130,461	23,359	107,102	10,527	3,803	6,724		\$ 57,552	
2007	131,793	28,465	103,328	11,068	3,952	7,116		\$ 57,160	
2008	132,338	29,272	103,066	11,363	4,191	7,172		\$ 57,394	

**Notes:**

2009, 2010, 2011, 2012, 2013, and 2014 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 Borough, West Goshen 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**

<b>Taxpayer</b>	<b>2014</b>			<b>2013</b>		
	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of Total Employees</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of Total Employees</b>
QVC Network, Inc.	2,247	1	8.3%	2,152	1	8.0%
West Chester School W Goshen	1,611	2	6.0%	1,583	2	5.9%
United Parcel Service, Inc.	1,554	3	5.8%	1,440	3	5.3%
PA State System of Higher Education	757	4	2.8%	746	4	2.8%
Chester County Court House	684	5	2.5%	683	5	2.5%
A. Duie Pyle, Inc.	660	6	2.4%	631	6	2.3%
The ARC of Chester County	535	7	2.0%	513	7	1.9%
Atlantic Coast Athletic Club	387	8	1.4%	343	9	1.3%
Johnson & Johnson Services Inc.	290	9	1.1%	394	8	1.5%
Comcast Cablevision of Willow	253	10	0.9%	239	10	0.9%
<b>Total, 10 largest employers</b>	<b>8,978</b>		<b>33.3%</b>	<b>8,724</b>		<b>32.3%</b>
<b>Note: Total employment in West Goshen Township subject to Earned Income Tax</b>	<b>26,968</b>			<b>27,013</b>		

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

Keystone Tax Administrators Disclaimer:

**DISCLAIMER**

The information contained herein is expressly based upon data compiled from employer withholding submissions filed with the tax officer in tax year 2014. As a result of the transition to Act 32 mandatory withholding in tax year 2014, and the resultant non-compliance by many of the employers regarding proper filing procedures, the data may not be relied upon as complete and/or accurate for historic measure or projection of future revenue. As such, taxing authority recognizes and agrees by acceptance that this information will not be used or released for historic measure or projection of anticipated revenue or any related purpose. Taxing authorities should contact tax officer with updated information and/or identification of discrepancies.

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Code Enforcement</b>										
Building permits	757	918	1,084	1,252	773	888	1,111	1,105	1,142	1,779
New construction	15	36	37	26	11	17	44	61	67	39
Additions and alterations	200	204	219	245	200	226	281	286	304	292
Subdivision plans	8	2	5	2	2	2	2	3	2	9
Lots approved	2	159	13	9	8	29	0	14	0	17
Zoning appeals	10	8	5	8	4	4	5	6	8	14
Land development	17	16	10	11	9	6	4	4	4	9
<b>Police</b>										
Physical arrests	944	938	1734	956	1,065	972	1,401	1,647	2,685	1,356
Traffic violations	3,042	2,898	3,063	3,308	3,396	2,879	2,466	2,876	3,659	2,901
Parking violations	346	340	195	197	281	237	174	199	118	132
Alarm violations	1,151	1,255	941	1,006	883	946	913	870	878	833
<b>Fire</b>										
Number of calls answered	77	72	63	75	54	59	53	72	70	70
Inspections	474	466	463	404	340	449	895	564	498	461
<b>Highways and Streets</b>										
Street resurfacing (miles)	1.92	4.08	0.00	10.32	5.19	5.02	5.6	5.77	5.42	5.24
<b>Culture and Recreation</b>										
Summer recreation program registrations	341	354	329	314	270	303	291	308	294	329
Summer sports clinic registrations	102	119	97	91	89	70	54	63	33	54
Park/pavilion permits issued	110	87	95	89	81	77	88	85	84	89

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	0	0	0	0	0	0	0	1	1	1
Streets (miles)	84.69	84.69	85.64	85.93	87.56	87.56	87.56	87.56	87.96	88.47
Bridges	2	2	2	2	2	2	2	2	3	3
Traffic signals	27	27	27	27	27	27	27	28	28	28
Culture and Recreation										
Building	1	1	1	1	1	1	1	1	1	1
Parks acreage	112.7	112.7	112.7	112.7	112.7	112.7	104.5	104.5	104.5	104.5
Parks	13	13	13	13	13	13	12	12	12	12
Tennis courts	4	6	6	6	6	6	6	6	6	6
Skate grounds	0	1	1	1	1	1	1	1	1	1
Baseball fields	4	4	4	4	4	4	3	3	3	3
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	2	2	2	2	2	2	2	2	2	2
Maintenance garage	1	1	1	1	1	1	1	1	1	1

Source: Various Township departments.

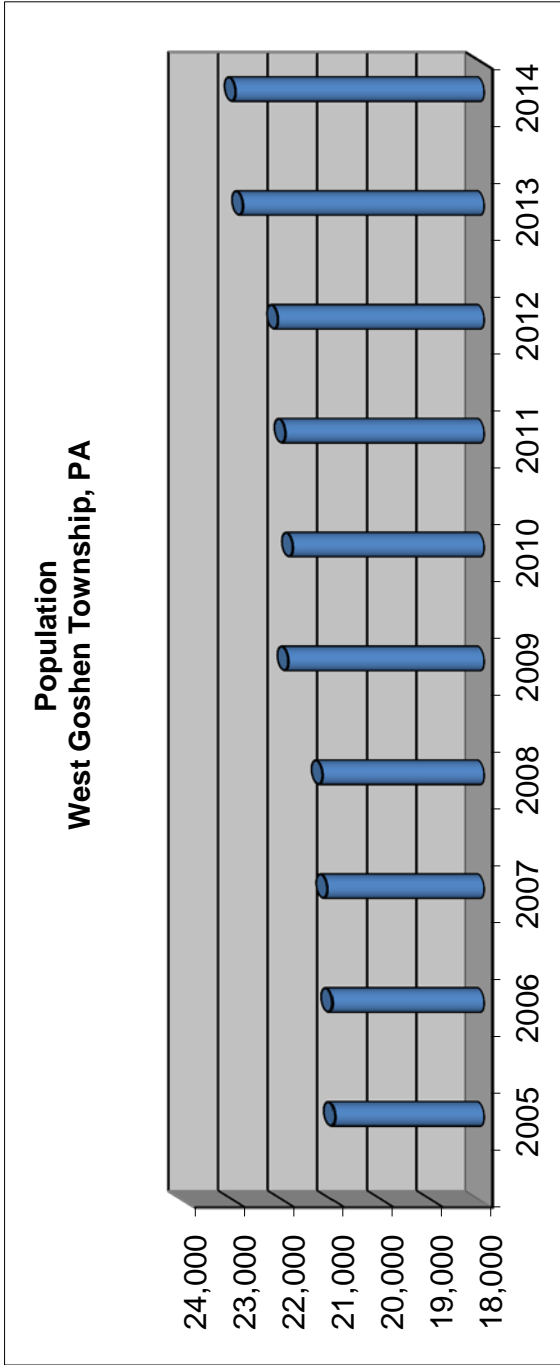
Note: No capital assets indicators are available for the general government function.

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

<b>Function</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
General Government	14	15	15	15	15	13	13	12	13	15
Public Safety										
Officers	26	25	25	27	29	29	28	28	27	26
Dispatchers	4	2	2	2	2	2	2	2	2	2
Administration	3	3	3	2	2	2	2	2	2	2
Code inspectors	2	2	2	2	2	2	2	2	2	2
Fire Marshal	1	1	1	1	1	1	1	1	1	1
Highways and Streets	9	10	10	12	13	13	14	16	16	16
Culture and Recreation	9	10	11	11	11	11	12	12	12	12
Sewer	14	14	15	16	16	16	16	16	17	18
Total	82	82	84	88	91	89	90	91	92	94

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

Population statistics - West Goshen Township, PA

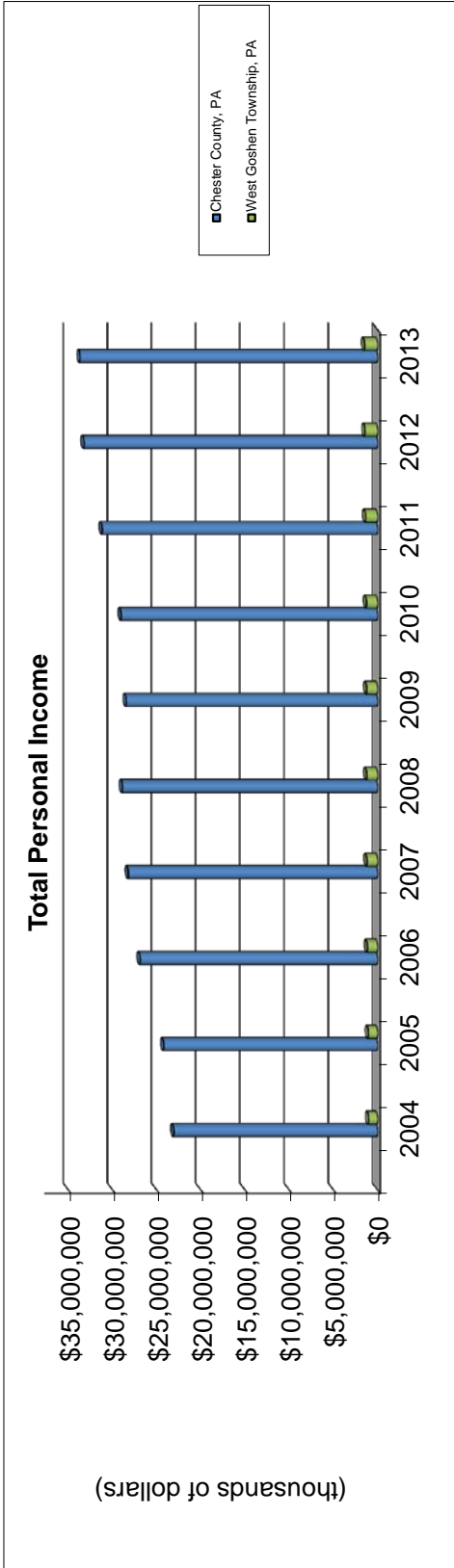


Population	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
West Goshen Township, PA	21,020	21,073	21,171	21,266	21,956	21,866	22,016	22,166	22,873	23,023
Over-the year change	-0.1%	0.3%	0.5%	0.4%	3.7%	-0.4%	0.7%	0.7%	3.2%	0.7%
Chester County, PA	471,562	480,200	487,567	493,281	498,894	498,886	503,897	506,190	509,500	512,784

Source: U.S. Census Bureau

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

Total personal income - Chester County, PA



Total Personal Income (thousands of dollars)	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Chester County, PA	\$23,086,354	\$24,228,078	\$26,882,594	\$28,237,594	\$28,902,509	\$28,453,609	\$29,051,384	\$31,176,932	\$33,242,308	\$33,694,240
West Goshen Township, PA	\$ 1,047,222	\$ 1,079,973	\$ 1,179,710	\$ 1,226,125	\$ 1,246,026	\$ 1,252,225	\$ 1,273,312	\$ 1,362,166	\$ 1,455,677	\$ 1,512,637
	4.0%	4.9%	11.0%	5.0%	2.4%	-1.6%	2.1%	7.3%	6.6%	1.4%

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.

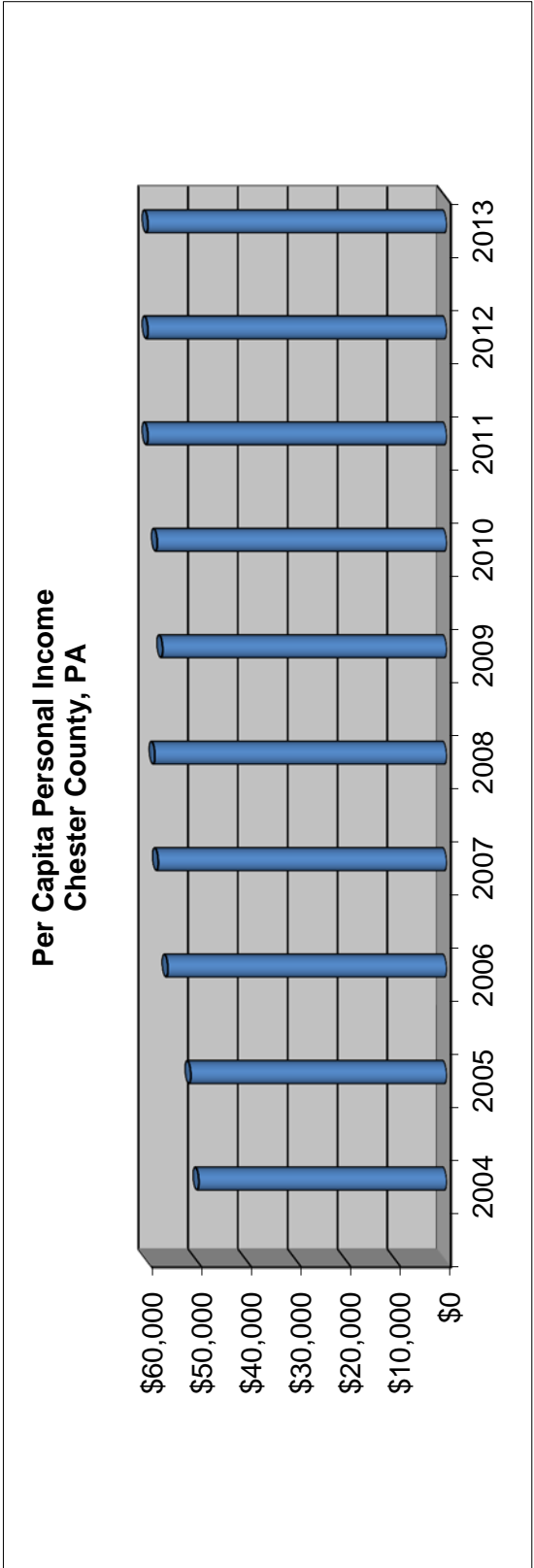
2014 Data not available at time of report generation.

Source: Bureau of Economic Analysis Local Area Personal Income estimates (2004-2013)



**West Goshen Township  
Per Capita Personal Income  
Last Ten Fiscal Years**

Per capita personal income - Chester County, PA



Per Capita Personal Income	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Chester County, PA	\$ 49,766	\$ 51,378	\$ 55,982	\$ 57,915	\$ 58,592	\$ 57,033	\$ 58,118	\$ 61,913	\$ 65,672	\$ 66,136
Over-the-year change	2.2%	3.2%	9.0%	3.5%	1.2%	-2.7%	2.2%	2.2%	2.6%	2.7%

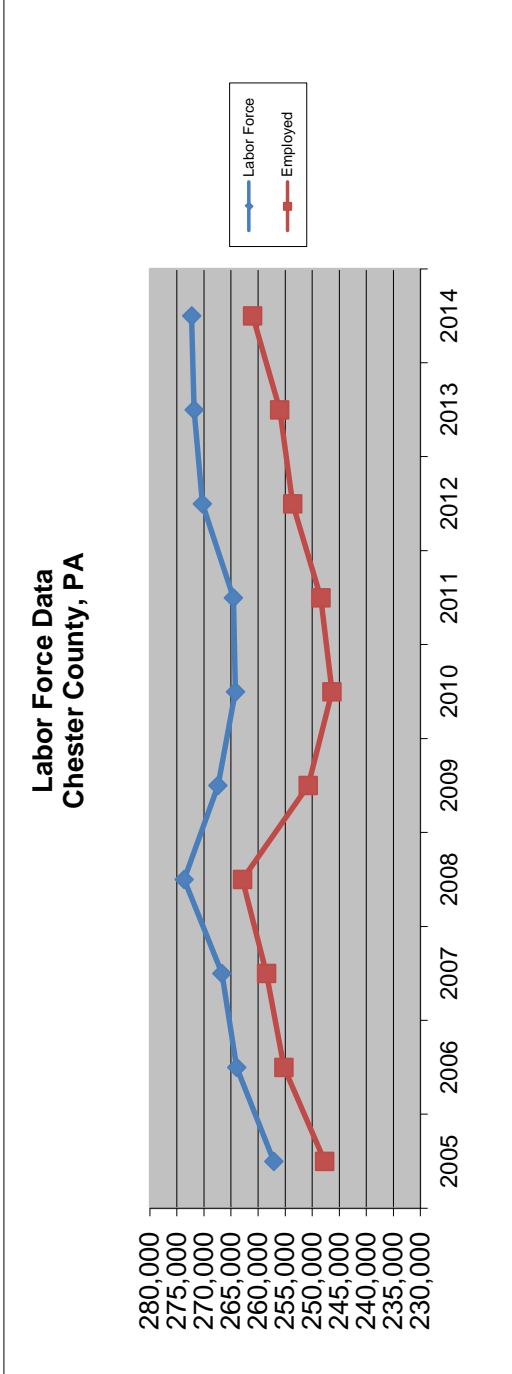
Note: Per capita personal income data not available by minor civil division. County data is provided since it is generally representative of the area's economic climate.

2014 Data not available at time of report generation.

Source: Bureau of Economic Analysis Local Area Personal Income estimates (2004-2013)

West Goshen Township  
Labor Force Data  
Last Ten Fiscal Years

Labor Force Data - Chester County, PA



Chester County, PA

Labor Force  
Employed  
Unemployment Rate

Pennsylvania Rate  
U.S. Rate

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Labor Force	257,078	263,942	266,686	273,667	267,405	264,170	264,539	270,301	271,793	272,270
Employed	247,695	255,221	258,447	262,888	250,710	246,343	248,392	253,616	256,009	261,025
Unemployment Rate	3.6%	3.3%	3.1%	3.9%	6.2%	6.7%	6.1%	6.2%	5.8%	4.1%
Pennsylvania Rate	5.0%	4.5%	4.3%	5.3%	8.0%	8.7%	7.9%	7.9%	7.4%	5.8%
U.S. Rate	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	6.2%

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. State and national rates are provided, when available, for reference only.

Source: Bureau of Labor Statistics

## **West Goshen Township**

### **Miscellaneous Statistics**

**December 31, 2014**

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:	28 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 (Glen Acres) Coopersmith Park Barker Park Robert E. Lambert Park	32.0 acres 22.2 acres 15.2 acres 11.5 acres 3.2 acres

## OTHER REPORT

INDEPENDENT AUDITOR'S  
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

Barbacane, Thornton & Company LLP

200 Springer Building  
3411 Silverside Road  
Wilmington, Delaware 19810

T 302.478.8940  
F 302.468.4001  
www.btcpa.com

July 23, 2015

Board of Supervisors  
West Goshen Township  
West Chester, Pennsylvania

We have audited, in accordance with the 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, 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, 2014, and the related notes to the financial statements, which collectively comprise West Goshen Township's basic financial statements, and have issued our report thereon dated July 23, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Goshen Township's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Goshen Township's internal control. Accordingly, we do not express an opinion on the effectiveness of West Goshen Township's internal control.

*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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Supervisors  
West Goshen Township

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Goshen Township's financial statements are free from 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 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*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Barbacane, Thornton & Company LLP*

BARBACANE, THORNTON & COMPANY LLP