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**WEST GOSHEN TOWNSHIP  
WEST CHESTER, PENNSYLVANIA  
BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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WEST GOSHEN TOWNSHIP

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

June 25, 2020

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 ("the Township"), West Chester, Pennsylvania, as of and for the year ended December 31, 2019, 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.

Board of Supervisors  
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In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, 2019, 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 Notes 1 and 17 to the financial statements, West Goshen Township has adopted the requirements of GASB Statement No. 84, "Fiduciary Activities." The statement provides additional guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. As a result, the beginning governmental activities, general fund, and fiduciary fund net position and fund balance have been restated. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Township's December 31, 2018 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 20, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 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 24 and the required supplementary information presented on pages 84 through 90 be presented to supplement the basic financial statements. Such information,



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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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 June 25 2020, on our consideration of the 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 the Township's internal control over financial reporting and compliance.

  
BARBACANE, THORNTON & COMPANY LLP

**WEST GOSHEN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED**

This discussion and analysis of the West Goshen Township, Pennsylvania, ("the Township") provides an overview of the Township's financial performance for the year ended December 31, 2019. Please read it in conjunction with the Township's financial statements, which begin on page 25.

**FINANCIAL HIGHLIGHTS**

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$78,034,002 (*net position*). Of this amount, \$24,635,590 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 increased by \$415,364.
- As of December 31, 2019, the Township's governmental activities recognized a net pension liability of \$2,686,751, pension deferred outflows of resources of \$3,368,821, and a pension deferred inflow of resources of \$4,263,831. As of December 31, 2019, the Township's business-type activities recognized a net pension liability of \$1,207,705, deferred outflows of resources of \$787,998, and a deferred inflow of resources of \$770,396.
- As of December 31, 2019, the Township's governmental funds reported combined ending fund balances of \$20,523,834, an increase of \$50,914 in comparison with the prior year. Approximately 64.2 percent of this total, or \$13,170,254, is available for spending at the Township's discretion (*assigned and unassigned fund balance*).
- In October 2019, the Township converted the General Obligation Note, Series of 2014 to a new fixed rate to realize lower annual debt service payments.
- During the year ended December 31, 2019, the Township implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, "Fiduciary Activities." The implementation of this standard resulted in the restatement of 2018 figures, which increased the governmental activities and general fund beginning net position and fund balance by \$3,054,690 and decreased the fiduciary fund beginning balance by the same amount.
- The Township's total debt decreased by \$1,111,889.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis provided here is intended to serve as an introduction to the 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 the Township's finances, in a manner similar to a private-sector business.

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

The *statement of net position* presents financial information on all the Township's assets and deferred outflows of resources and liabilities and deferred inflows of resources 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 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 West Goshen Sewer Authority ("the Sewer Authority") is a public authority, which exists to provide facilities for use in the sewer operation of the Township Sewer Fund. The Sewer Authority is considered a blended component unit and is included with the business-type activities. 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 25 and 26 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. The 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. The insurance trust funds, which account for the activities of the Police Retirement Insurance Fund and the Non-Uniformed Insurance Fund, are included within the general fund balances. 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 and individual fund statements and 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 27 through 30 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 33 through 36 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 the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Township maintains a single type of fiduciary fund. The *pension trust funds* account for the activities of the Police Pension Fund, the Non-Uniformed Pension Fund, and the Sewer Pension Fund.

The fiduciary fund financial statements can be found on pages 37 and 38 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 39 through 83 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 pension and other postemployment benefits to its employees. Required supplementary information can be found on pages 84 through 90 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 on pensions and other postemployment benefits. Combining and individual fund statements and budgetary comparison schedules can be found on pages 91 through 96 of this report.

**IMPLEMENTATION OF GASB STATEMENTS NO. 68 AND 71**

During the 2015 fiscal year, the Township implemented Government Accounting Standards Board ("GASB") Statement No. 68, "Accounting and Financial Reporting for Pensions," and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68." The purpose of these statements is to improve the transparency, consistency, and comparability of the pension information reported by state and local governments.

The adoption of GASB Statements No. 68 and No. 71 have had, and will continue to have, a profound effect on the financial statements and net position of governments not only in Pennsylvania, but across the nation. By recognizing the impact of any unfunded liability faced by defined benefit pension plans, plan administrators (at the direction of elected officials) and participants will be required to evaluate the cost of providing these benefits as compared to the benefit to be derived through providing for certain retirement benefits to the work force.

The net pension liability is the difference between the market value of pension fund assets and the actuarial present value of projected benefit payments at the measurement date. Included in the calculation are projected employer and employee contributions as well as the expectation that the assets will grow at the long-term assumed rate of return on plan investments.

**IMPLEMENTATION OF GASB STATEMENT NO. 75**

During the year ended December 31, 2018, the Township implemented Governmental Accounting Standards Board ("GASB") Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The purpose of this statement is to improve transparency, consistency, and comparability of postemployment benefits other than pensions reported by state and local governments. The Township is now required to report its net other postemployment benefits ("OPEB") liability for its Police, Administrative & Road, and Sewer plans.

**IMPLEMENTATION OF GASB STATEMENT NO. 84**

During the year ended December 31, 2019, the Township implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, "Fiduciary Activities." The purpose of this statement is to establish criteria for identifying and reporting fiduciary activities (Insurance Trust Funds for Post-retirement Insurance) in order to enhance the consistency and comparability, ultimately increasing the value of the information reported within the financial statements. The implementation of this standard resulted in the restatement of 2018 figures, which increased the governmental activities and general fund beginning net position and fund balance by \$3,054,690 and decreased the fiduciary fund beginning balance by the same amount.

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

**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 the Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$78,034,002 at the close of 2019. This is an increase of \$415,364 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.

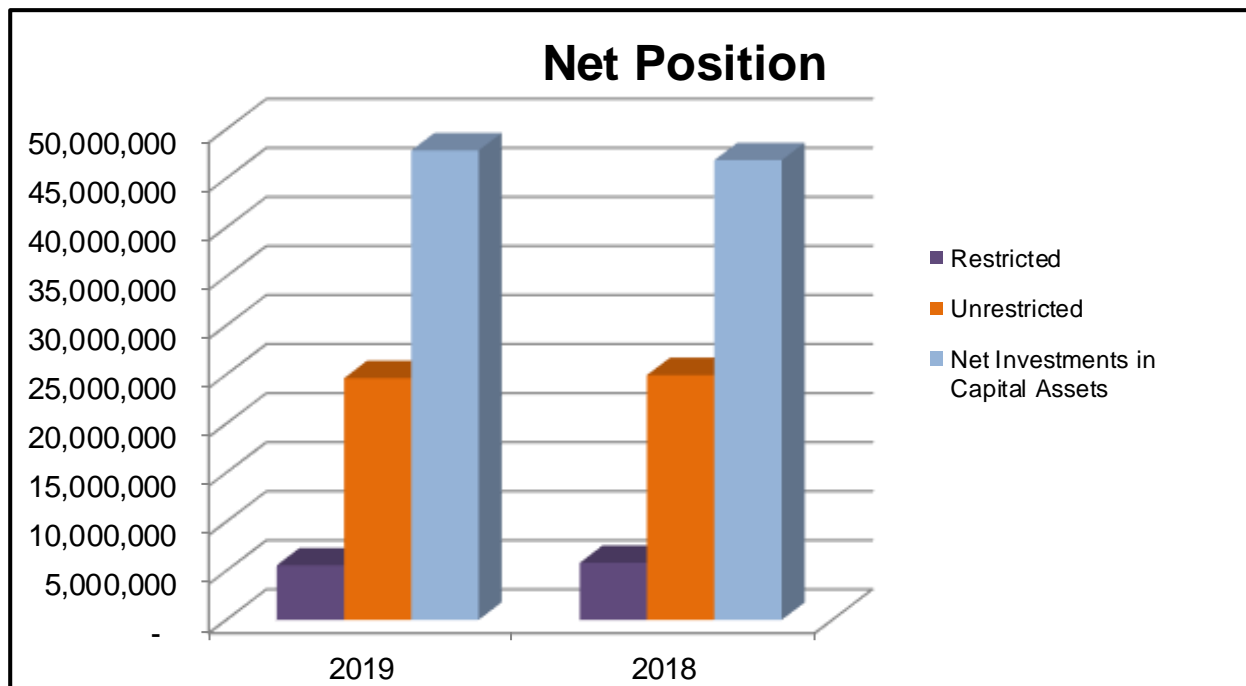
	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 23,015,370	\$ 23,191,764	\$ 25,469,360	\$ 25,323,432	\$ 48,484,730	\$ 48,515,196
Capital assets	33,941,876	34,362,928	30,481,715	27,194,411	64,423,591	61,557,339
Deferred OPEB	388,704	400,742	30,998	34,142	419,702	434,884
Deferred pension	3,368,821	3,408,579	787,998	749,986	4,156,819	4,158,565
Total Assets and Deferred Outflows of Resources	<u>\$ 60,714,771</u>	<u>\$ 61,364,013</u>	<u>\$ 56,770,071</u>	<u>\$ 53,301,971</u>	<u>\$ 117,484,842</u>	<u>\$ 114,665,984</u>
Long-term liabilities outstanding	\$ 13,275,544	\$ 13,477,723	\$ 18,803,584	\$ 18,873,441	\$ 32,079,128	\$ 32,351,164
Other liabilities	756,918	687,405	1,347,430	1,466,831	2,104,348	2,154,236
Deferred OPEB	199,809	-	33,328	-	233,137	-
Deferred pension	4,263,831	2,226,877	770,396	315,069	5,034,227	2,541,946
Total Liabilities and Deferred Inflows of Resources	<u>18,496,102</u>	<u>16,392,005</u>	<u>20,954,738</u>	<u>20,655,341</u>	<u>39,450,840</u>	<u>37,047,346</u>
Net Position:						
Net investment in capital assets	29,371,876	29,353,928	18,470,174	17,497,746	47,842,050	46,851,674
Restricted for:						
Capital reserve	4,009,319	4,315,074	-	-	4,009,319	4,315,074
Streets	51,850	23,946	-	-	51,850	23,946
Sewer	-	-	1,495,193	1,474,459	1,495,193	1,474,459
Unrestricted	8,785,624	11,279,060	15,849,966	13,674,425	24,635,590	24,953,485
Total Net Position	<u>42,218,669</u>	<u>44,972,008</u>	<u>35,815,333</u>	<u>32,646,630</u>	<u>78,034,002</u>	<u>77,618,638</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 60,714,771</u>	<u>\$ 61,364,013</u>	<u>\$ 56,770,071</u>	<u>\$ 53,301,971</u>	<u>\$ 117,484,842</u>	<u>\$ 114,665,984</u>

One portion of the Township's net position, \$47,842,050 (or 61.3 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 excluding unspent debt proceeds. The majority of the outstanding debt of the Township was incurred for the construction of the significant upgrade to the Sewer Wastewater Treatment Plant and the construction of a 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, \$5,556,362 (or 7.1 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 \$5,813,479. This decrease is primarily due to the Capital Reserve funds used for capital improvement projects.

The remaining balance of unrestricted net position, \$24,635,590 (or 31.6 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 \$24,953,485.



At the end of the current fiscal year, the Township reported a decrease in net position for its governmental activities and an increase in net position for its business-type activities. The prior fiscal year recognized increases in net position for both governmental and business-type net position in all reported categories of net position.

**Governmental Activities** – The net decrease from the Township's governmental activities was \$2,753,339 as compared to the previous year increase of \$646,234. Table 2 shows the changes in net position for the year ending December 31, 2019.

The cost of all governmental activities this year was \$20,628,058. As shown in the statement of activities on page 26, the amount that our taxpayers ultimately financed for these activities through Township taxes was \$14,042,727. Other costs were paid by those who directly benefited from the programs (\$1,848,774) or by other governments and organizations that subsidized certain programs with intergovernmental aid and contributions (\$1,435,741).

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

**Table 2  
STATEMENT OF CHANGES IN NET POSITION  
For the Years Ending December 31, 2019 and 2018**

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 1,848,774	\$ 1,393,003	\$ 8,508,477	\$ 6,876,894	\$ 10,357,251	\$ 8,269,897
Operating grants and contributions	1,413,126	1,400,591	419,389	248,297	1,832,515	1,648,888
Capital grants and contributions	22,615	215,093	3,923,541	1,514,638	3,946,156	1,729,731
General revenues:						
Earned income taxes	7,775,868	8,386,598	-	-	7,775,868	8,386,598
Local services taxes	1,082,794	1,085,346	-	-	1,082,794	1,085,346
Property taxes	3,734,072	3,672,897	-	-	3,734,072	3,672,897
Real estate transfer taxes	968,010	1,064,295	-	-	968,010	1,064,295
Franchise taxes	481,983	496,521	-	-	481,983	496,521
Grants and contributions not restricted to specific programs	15,957	17,243	-	-	15,957	17,243
Other	531,520	351,668	243,422	330,804	774,942	682,472
<b>TOTAL REVENUES</b>	<b>17,874,719</b>	<b>18,083,255</b>	<b>13,094,829</b>	<b>8,970,633</b>	<b>30,969,548</b>	<b>27,053,888</b>
<b>EXPENSES</b>						
General government	4,042,100	2,957,997	-	-	4,042,100	2,957,997
Public safety	9,241,963	7,812,800	-	-	9,241,963	7,812,800
Highways/streets	5,102,105	4,466,317	-	-	5,102,105	4,466,317
Other public works	76,469	188,487	-	-	76,469	188,487
Library	20,000	20,000	-	-	20,000	20,000
Culture and recreation	2,026,202	1,850,830	-	-	2,026,202	1,850,830
Interest expense	119,219	140,590	-	-	119,219	140,590
Sewer operations	-	-	7,525,803	5,945,368	7,525,803	5,945,368
Waste and recycling	-	-	2,400,323	2,292,893	2,400,323	2,292,893
<b>TOTAL EXPENSES</b>	<b>20,628,058</b>	<b>17,437,021</b>	<b>9,926,126</b>	<b>8,238,261</b>	<b>30,554,184</b>	<b>25,675,282</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>(2,753,339)</b>	<b>646,234</b>	<b>3,168,703</b>	<b>732,372</b>	<b>415,364</b>	<b>1,378,606</b>
<b>NET POSITION, BEGINNING OF YEAR (RESTATED)</b>	<b>44,972,008</b>	<b>44,325,774</b>	<b>32,646,630</b>	<b>31,914,258</b>	<b>77,618,638</b>	<b>76,240,032</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 42,218,669</b>	<b>\$ 44,972,008</b>	<b>\$ 35,815,333</b>	<b>\$ 32,646,630</b>	<b>\$ 78,034,002</b>	<b>\$ 77,618,638</b>

As indicated by governmental program expenses, public safety programs account for approximately 44.8 percent of the total expenditures of the Township's governmental activities. General administration and highways/streets services account for approximately 19.6 percent and 24.7 percent, respectively, of the total expenditures for 2019.

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 5.2 percent. This is the result of a contractual 3.0 percent increase, overtime, and longevity formula adjustment.



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

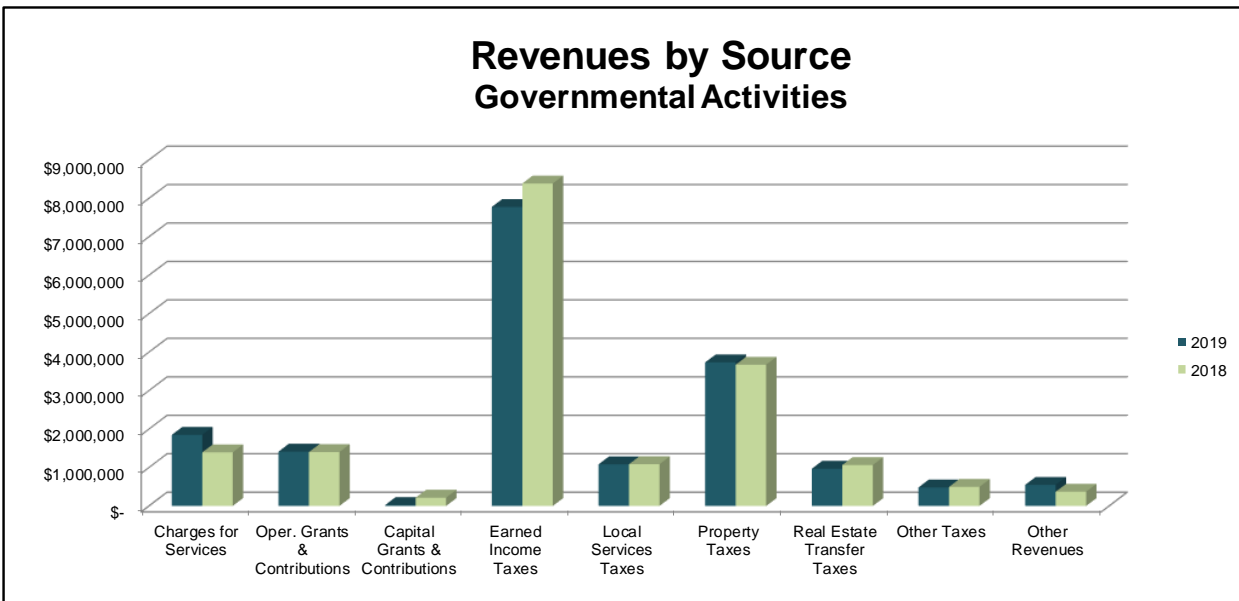
- Wages for non-uniform administrative and sewer employees increased approximately 3.9 percent and 1.05 percent, respectively, based on changes in staffing levels.
- Employee benefit costs decreased by approximately 3.2 percent. Restructuring of the health plan to a high deductible plan continues to provide positive insurance premium relief.
- The GASB Statement No. 68 actuarial pension expense increased \$1,806,272 over the prior year.

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 for 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 44 percent of total revenues (46 percent in the prior year). Property taxes and real estate transfer taxes provide approximately 21 percent and 5 percent of total revenues, respectively (20 percent and 6 percent in the prior year). The Local Services Tax accounted for approximately 6 percent of total revenues (6 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.

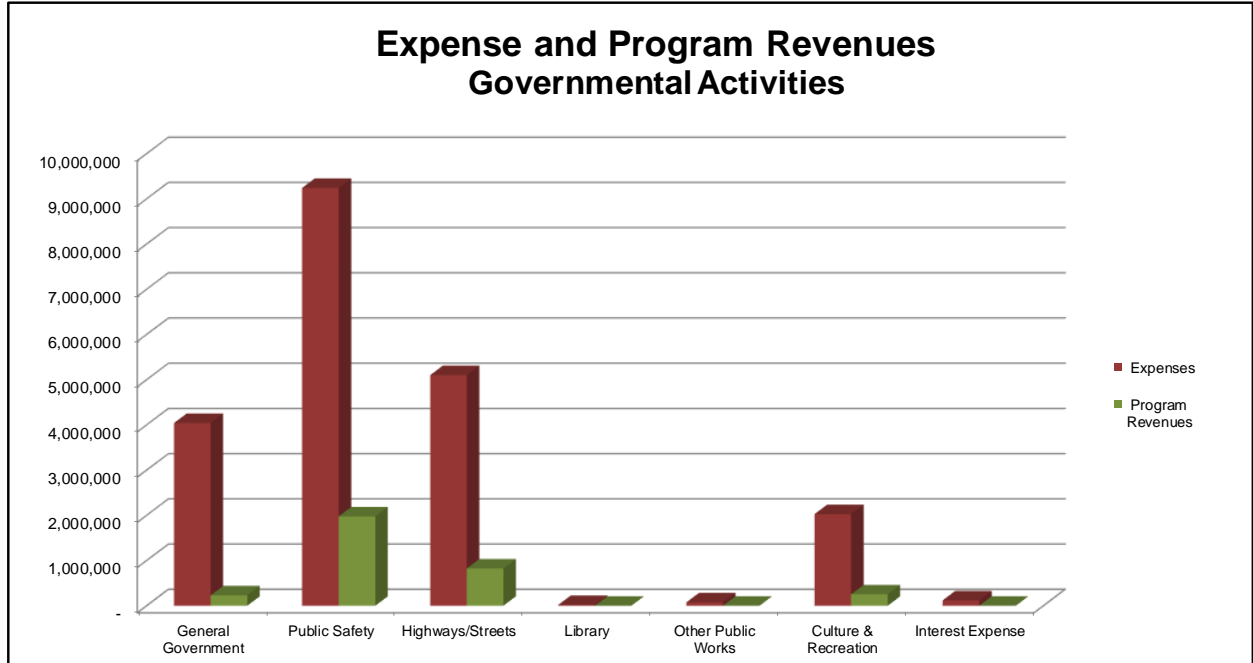
Major revenue factors included:

- Earned income tax revenue decreased by \$610,730 or 7.3 percent, in 2019. This decrease was primarily due to a relocation of one business out of the Township and a reduction in employment at another large business within the Township.
- Charges for services increased by \$455,771 from the prior year. Building and plumbing permits decreased from the prior year by approximately \$25,066. Vehicle code violations increased from the prior year by approximately \$7,920. Special police services increased from the prior year by \$43,662. Zoning escrows increased from the prior year by \$342,216. Open space contributions from building contractors of \$90,000 were received in 2019 as compared to \$70,000 for 2018.
- Operating grants and contributions increased by \$12,535.
- Real estate transfer taxes decreased by \$96,285, or 9.0 percent, over the prior year due mainly to a decrease in the overall number and type of properties sold.
- Other income increased by \$179,852 mainly due to an increase in interest earnings.
- Capital grants and contributions decreased from the prior year by approximately \$192,478. This decrease is mainly attributed to the onetime occurrences of non-cash donations towards the Lambert Park clock (\$9,691) and roadways (\$205,402) that occurred in 2018.

**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 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 \$7,726,063 for 2019 as compared to \$5,945,368 for the prior year. The Township also paid "Rent to Sewer Authority" of \$1,244,775 for 2019 (as compared to \$639,098 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 2019 were \$1,343,948 as compared to \$1,310,256 for the prior year. The agreements also require the contributing townships to share in costs relating to capital improvements to the plant, pump stations, and collection system. Revenue generated from capital projects for 2019 amounted to \$3,923,541. In 2017, the Sewer Authority completed a \$17,055,000 Revenue Bond for significant upgrades to the Sewer Wastewater Treatment Plant: replacement of aged and deteriorated infrastructure, improve operations and personnel safety, and to prepare for future treatment requirements. The Sewer Authority has been funding a legal effort to prevent the Environmental Protection Agency ("EPA") from adopting discharge limitations. These limits will affect all storm water and wastewater dischargers in Goose Creek, including West Goshen Township. In December 2013, the Sewer Authority entered into an Interim Settlement Agreement with the EPA for the reassessment and reconsideration of Goose Creek. As a result of the reassessment, a second Interim Settlement Agreement was reached in October 2018. This process should be complete by December 2022.

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 2019 was \$43,000 as compared to \$50,000 for the prior year.

Business-type activities increased the Township's net position by \$3,168,703, as compared to the previous year increase of \$732,372.

Major revenue factors include:

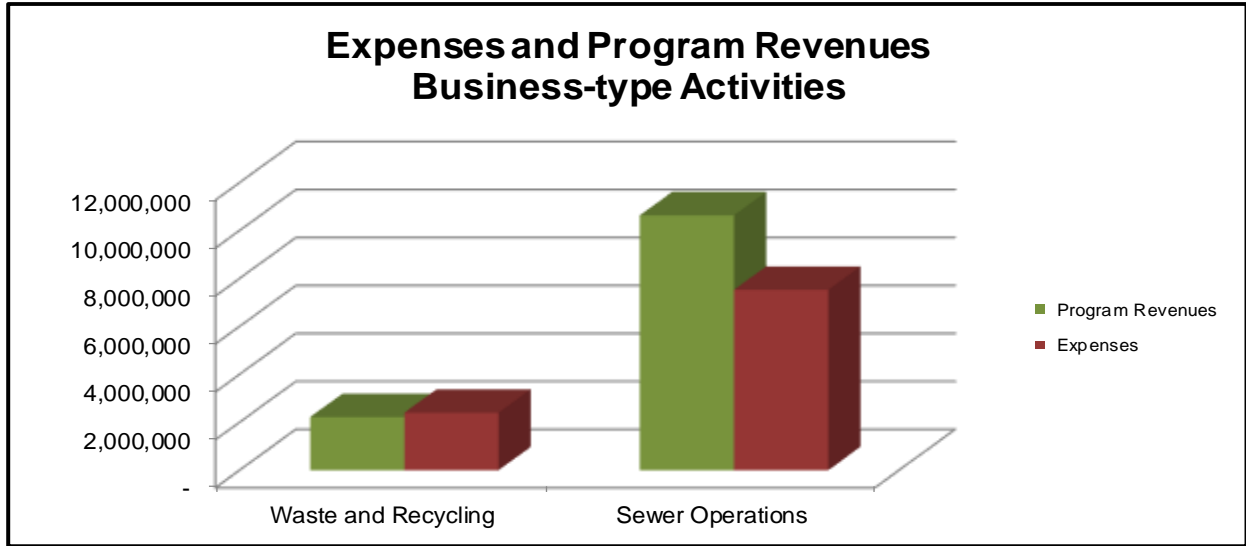
- Sewer and Sewer Authority operation revenues increased by \$1,665,057 in large part due to an increase in rate charged for sewer services.

Major expense factors include:

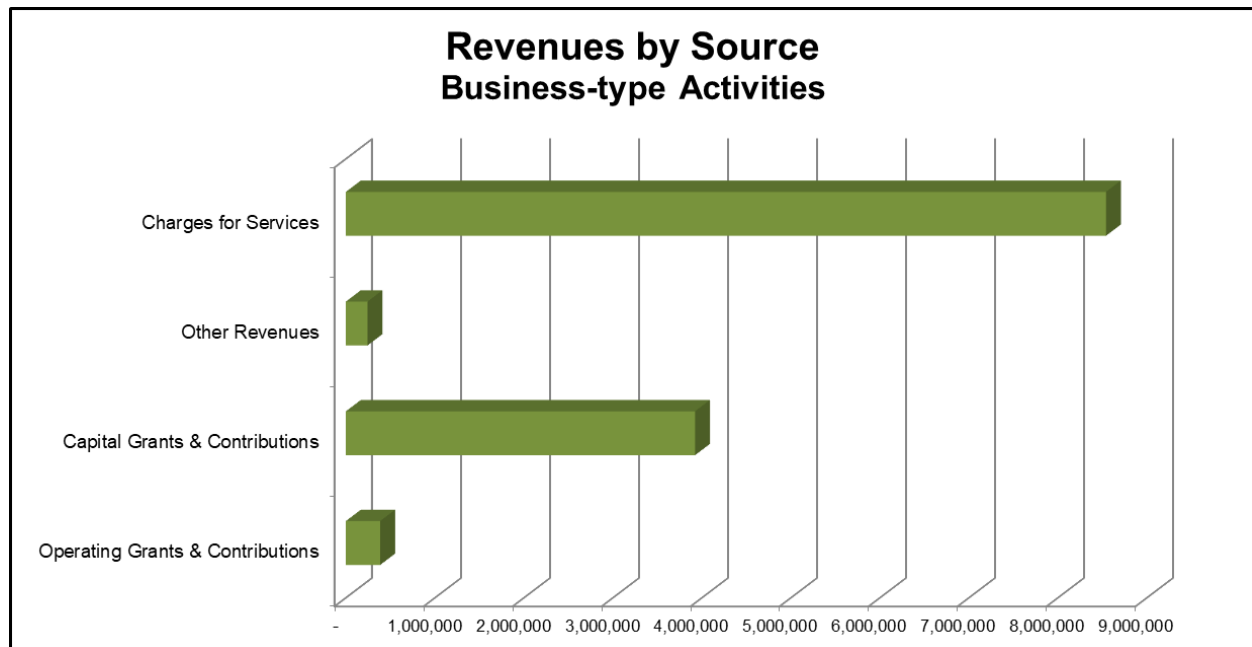
- Employee wages increased approximately 1.05 percent based on changes in staffing levels.
- Employee benefits costs decreased by approximately 3.2 percent. Restructuring of the health plan to a high deductible plan continues to provide positive insurance premium relief.

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

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



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



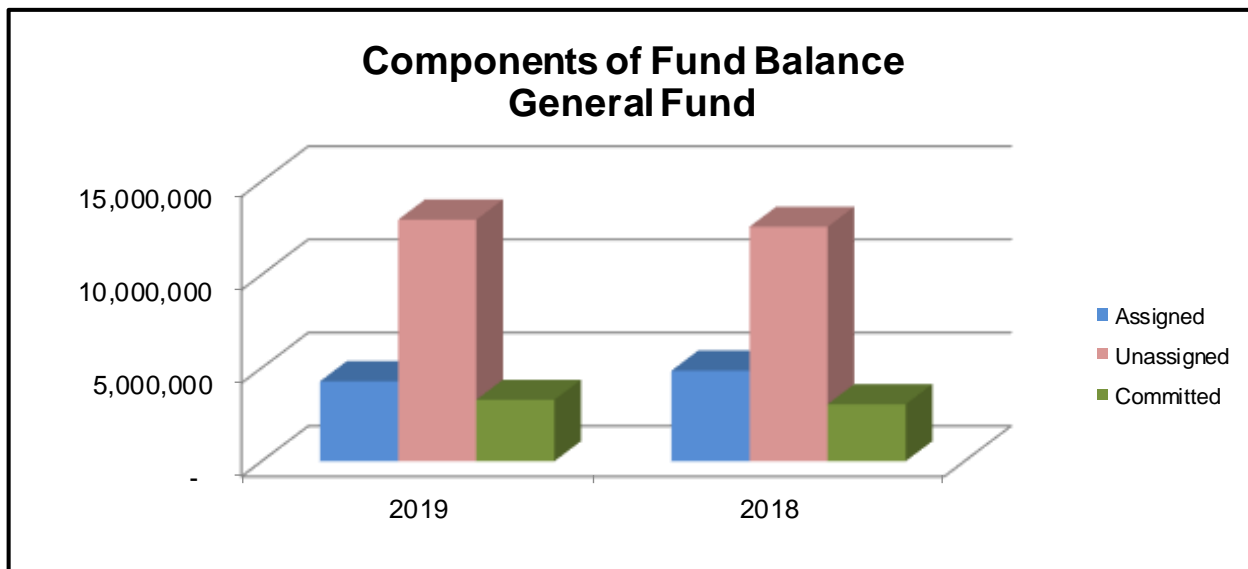
**WEST GOSHEN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**

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

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

**Governmental Funds** – The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, *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, 2019, the Township's governmental funds reported combined fund balances of \$20,523,834, an increase of \$50,914 in comparison with the prior year. Approximately 63.1 percent, or \$12,946,069, constitutes *unassigned fund balance*, which is available for spending at the Township's discretion. Another portion of the fund balance, \$4,061,169, represents resources that are *restricted* for specific purposes: 1) debt service; 2) capital improvements; or 3) additional security for bonds. Another portion of the fund balance, \$3,292,411, represents resources that are *committed* for the specific purpose of postretirement insurance benefits. The remaining balance, \$224,185, 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 (\$224,185).



**The General Fund** is the chief operating fund of the Township. At the end of the current fiscal year, the general fund balance increased to \$16,238,480, a portion of which is *committed* to postretirement insurance benefits with the remainder being *unassigned*. As a measure of the general fund's liquidity,

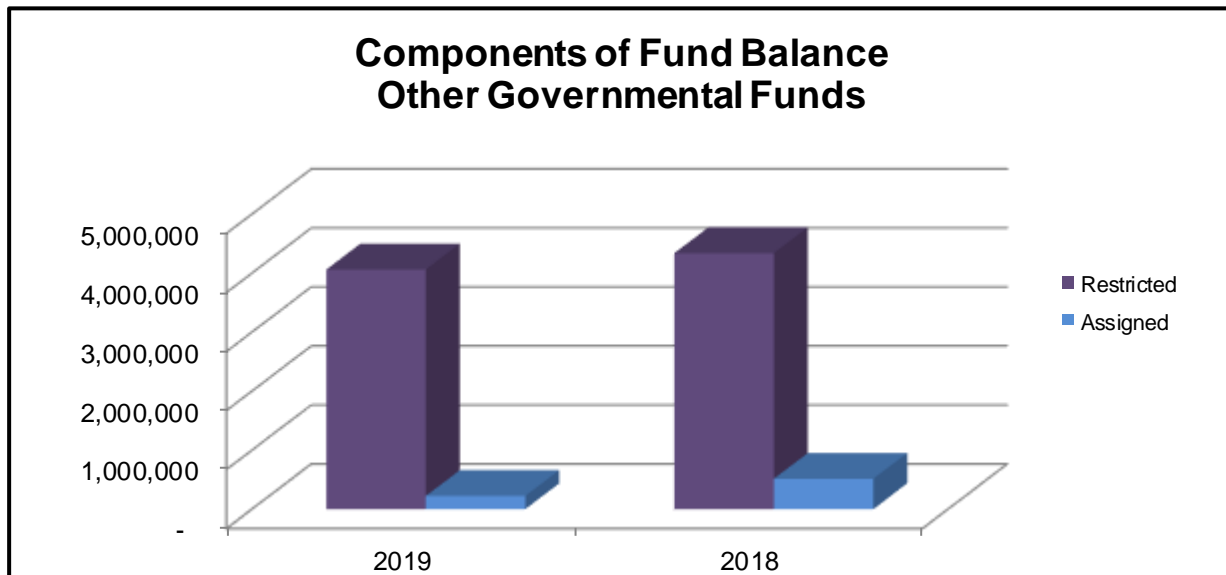
**WEST GOSHEN TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)**

it may be useful to compare both *unassigned* fund balance and total fund balance to total general fund expenditures. *Unassigned* (and total) fund balance represents approximately 88.9 percent of total general fund expenditures.

The general fund realized a surplus of \$618,183 at the close of 2019.

The Township historically generated revenues in excess of budgeted figures and contained expenditures below budgeted amounts year after year. Key factors contributing to this surplus are as follows:

- Overall revenues and other financing sources were more than anticipated by \$68,781. The following revenues all came in over budget: real estate taxes, \$82,423; property transfer taxes, \$88,335; interest earnings and rents, \$147,863; charges for services, \$115,999; and miscellaneous revenue, \$18,987. The following revenues all came in under budget: earned income taxes, \$262,487; local service taxes, \$80,396; cable TV franchise, \$18,742; vehicle code violations, \$15,117; and ordinance violations, \$7,533.
- Actual expenditures were less than anticipated by \$491,640. The following expenditures all came in under budget: employee insurance, \$372,439; Workers' Compensation, \$38,174; conferences and training, \$31,450; tuition reimbursement, \$19,633; road maintenance materials, \$12,150; park materials, \$14,070; storm water materials, \$48,160; repairs and maintenance, \$11,742; vehicles maintenance and repairs, \$12,644; vehicles gas and oil, \$20,647; postage, \$7,165; professional services, \$12,265; and storm water professional services, \$99,024. The following expenditures all came in over budget: road construction materials, \$231,391; contracted computer services, \$43,594; traffic signal maintenance, \$42,480; and minor capital purchases, \$38,316.



**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 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.

Capital expenditures financed out of this fund in 2019 totaled \$1,789,663 in the following categories: general government (\$22,270, professional services and \$471,254, major capital equipment); public safety (\$152,089, major capital equipment); public works (\$136,023, traffic signal projects; \$152,735, major capital equipment; and \$97,200, materials); culture and recreation (\$199,873, major capital equipment); and debt service (\$558,219, principal and interest).

The total fund balance as of December 31, 2019, is \$4,009,319, all of which is *restricted* as previously explained.

**Capital Projects Funds**, 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, 2019 is \$57,130, all of which is *assigned* as previously explained.

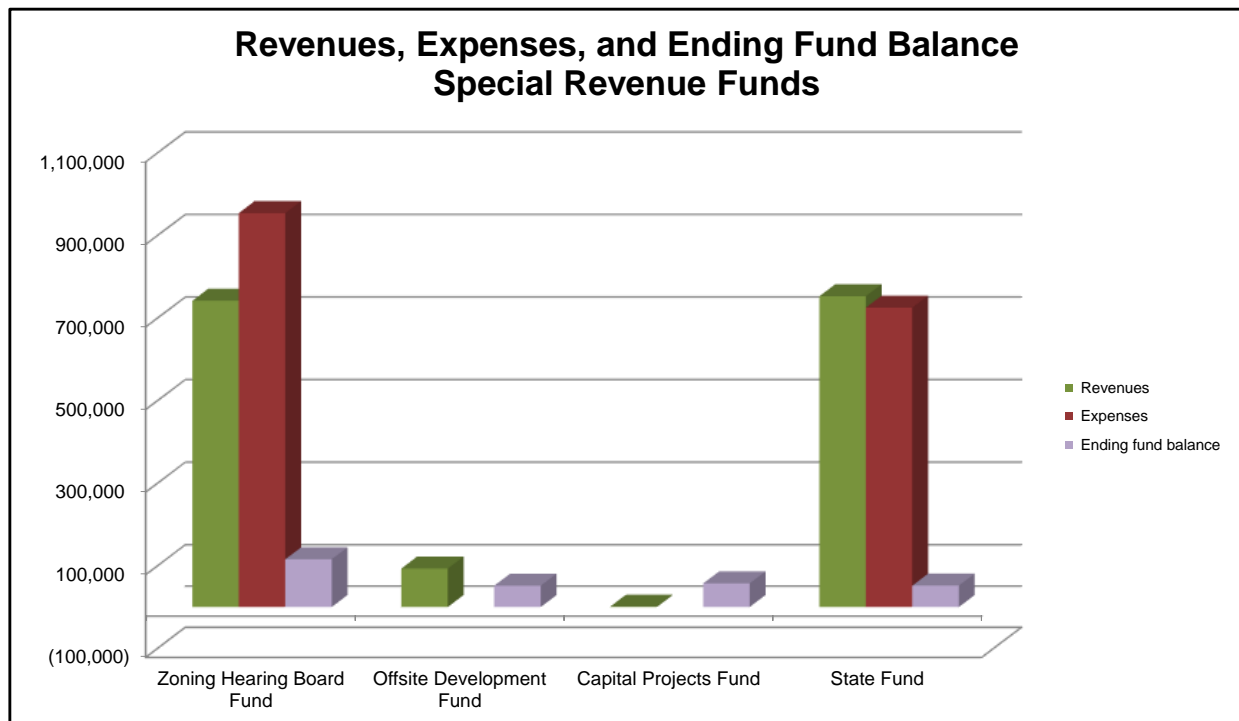
**Special Revenue Funds**, nonmajor funds, are maintained to account for the proceeds of specific revenue sources that are restricted for the purpose noted above or assigned to expenditures for specified purposes. Special revenue funds include the state fund, parks and recreation, offsite development, zoning escrows, and zoning hearing board. Major revenue sources for these funds include grants from the Commonwealth, contributions, charges for services, and interest earnings.

- *State Funds* – The Township received \$744,121 (compared to \$726,375 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 \$90,000 (compared to \$70,000 in the prior year) from building contractors for open space projects.
- *The Woodlands Escrow Fund* – The Township received \$705,494 from the developer for the Woodlands at Greystone subdivision development to pay for infrastructure engineering inspections.

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

- *Little Shiloh Escrow Fund* – The Township received \$15,000 from the developer as financial security for the completion of improvements to the development.

The total fund balance of the special revenue funds as of December 31, 2019 is \$218,905, as compared to \$481,467 in the prior year. Of the current year fund balance of \$218,905, \$51,850 (state funds) is *restricted*, and the balance of \$167,055 (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 \$15,849,966 as compared to \$13,674,425 in the prior year. The total increase in net position was \$3,168,703. Factors contributing to the finances of these three funds have already been addressed in the discussion of the Township's business-type activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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



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

For 2019, 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 \$48,595.

Actual revenues and other financing sources exceeded budgeted amounts by \$68,781. Actual expenditures and other financing uses were under budgeted expenditures by \$500,807. Below are the significant budget variances:

- Earned income taxes came in under budget (\$262,487);
- Local service taxes came in under budget (\$80,396);
- Interest earnings and rents came in over budget (\$147,863);
- Transfer taxes came in over budget (\$88,335);
- Charges for services came in over budget (\$115,999);
- Miscellaneous revenues came in over budget (\$18,987);
- Cable TV franchise fees came in under budget (\$18,742);
- Vehicle code violations came in under budget (\$15,117);
- Ordinance violations came in under budget (\$7,533);
- Real estate taxes came in over budget (\$82,423);
- Workers' Compensation came in under budget (\$38,174);
- Tuition reimbursement came in under budget (\$19,633);
- Conferences and training came in under budget (\$31,450);
- Parks materials came in under budget (\$14,070);
- Road maintenance materials came in under budget (\$12,150);
- Road construction materials came in over budget (\$231,391).
- Vehicles gas and oil came in under budget (\$20,647);
- Vehicle repairs and maintenance came in under budget (\$12,644);

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

- Storm water materials came in under budget (\$48,160);
- Repairs and maintenance came in under budget (\$11,742);
- Employee insurance came in under budget (\$372,439);
- Professional services came in under budget (\$12,265);
- Storm water professional services came in under budget (\$99,024);
- Minor capital expenses came in over budget (\$38,316);
- Postage came in under budget (\$7,165);
- Traffic signal maintenance came in over budget (\$42,480); and
- Contracted computer services came in over budget (\$43,594).

**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, 2019 amounts to \$64,423,591, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, machinery and equipment, vehicles, land improvements, and infrastructure. The total increase in the Township's investment in capital assets for the current fiscal year was a total of approximately \$2,866,252, net of accumulated depreciation, or a 4.7 percent increase.

**Table 3  
CAPITAL ASSETS  
December 31, 2019 and 2018**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Buildings and improvements	\$ 12,216,935	\$ 12,203,032	\$ 12,481,931	\$ 12,464,636	\$ 24,698,866	\$ 24,667,668
Machinery and equipment	7,130,091	6,666,514	13,567,956	11,076,149	20,698,047	17,742,663
Vehicles	3,705,049	3,513,692	935,386	936,081	4,640,435	4,449,773
Land	3,128,045	3,128,045	82,083	82,083	3,210,128	3,210,128
Land improvements	2,239,711	2,239,711	606,360	606,360	2,846,071	2,846,071
Infrastructure	50,537,635	50,155,132	18,363,809	16,883,150	68,901,444	67,038,282
Construction-in-progress	224,281	394,489	8,693,546	9,499,258	8,917,827	9,893,747
Total capital assets	79,181,747	78,300,615	54,731,071	51,547,717	133,912,818	129,848,332
Less accumulated depreciation	(45,239,871)	(43,937,687)	(24,249,356)	(24,353,306)	(69,489,227)	(68,290,993)
Capital assets, net of depreciation	<u>\$ 33,941,876</u>	<u>\$ 34,362,928</u>	<u>\$ 30,481,715</u>	<u>\$ 27,194,411</u>	<u>\$ 64,423,591</u>	<u>\$ 61,557,339</u>

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

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

- \$252,372 – completion/installation of the Grubbs Mill project;
- \$406,210 – completion/installation of the Generator Replacement project;
- \$2,500 – purchase of Stormwater Basin at 606 South Five Points;
- \$152,089 – purchase of four vehicles for the Police Department;
- \$7,736 – purchase of Intersection Forensic Overview Cameras with License Plate Recognition for the Police Department;
- \$7,330 – purchase of Electrical Room HVAC unit for the Police Department;
- \$8,782 – purchase of an AES Security System DVR for the Police Department;
- \$16,470 – purchase of an AES Security System Access Control Panel for the Police Department;
- \$6,855 – purchase of an AES Security System Sally Port Interlock for the Police Department;
- \$13,180 – purchase of an AES Security System Digital Network Camera for the Police Department;
- \$11,185 – purchase of a Tennant S10 Garage Floor Sweeper for the Roads Department;
- \$18,595 – purchase of a Tennant 5700 Garage Floor Scrubber for the Roads Department;
- \$171,555 – purchase of one truck for the Roads Department;
- \$119,895 – purchase Adaptive Signal Controls for the Roads Department;
- \$61,122 – purchase of two cars for the Administration Department;
- \$25,279 – purchase of Faro Focus M70 Laser Scanner for the Administration Department;
- \$55,371 – purchase of four Riding Mowers for the Parks Department;
- \$6,820 – purchase of one Walk Behind Mower for the Parks Department;
- \$137,069 – purchase of two trucks for the Parks Department;
- \$13,903 – purchase of new locks for all Parks locations;

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

- \$64,700 – construction-in-progress for Security Cameras;
- \$4,449 – construction-in-progress of the Ravens Lane stormwater project; and
- \$20,560 – construction-in-progress of the Basin Road Stormwater Basin Retrofit.

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

- \$142,218 – purchase of a camera truck for the sewer plant;
- \$66,141 – purchase of one truck for the sewer plant;
- \$585,432 – completion/installation of chemical system upgrade;
- \$8,500 – multi-year cost for completion/installation construction-in-progress of UV building air conditioner;
- \$8,795 – multi-year cost for completion/installation construction-in-progress of administration building air conditioner;
- \$1,480,659 – multi-year cost for completion/installation construction-in-progress of 2017 sanitary sewer system repairs;
- \$2,985,174 – multi-year cost for completion/installation construction-in-progress of the headworks;
- \$152,955 – construction-in-progress of the sludge facility;
- \$703,949 – construction-in-progress of pump station number 10;
- \$2,452 – construction-in-progress of pump station number 11;
- \$20,810 – construction-in-progress of pump station number 2;
- \$18,581 – construction-in-progress of pump station number 13;
- \$1,902,699 – construction-in-progress of the digesters;
- \$4,827 – construction-in-progress of the Aeration Basin;
- \$1,520 – construction-in-progress of the SCADA;
- \$3,553 – construction-in-progress for interceptor rehab A;

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

- \$475,379 – construction-in-progress of the 2018 sanitary sewer system; and
- \$710,702 – construction-in-progress of the Comag system.

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

***Long-term Debt***

At December 31, 2019, the Township had \$21,899,105 in bonds and notes outstanding versus \$23,010,994 last year, a decrease of 4.83 percent, as shown in Table 4 below.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation notes	\$ 4,570,000	\$ 5,009,000	\$ -	\$ -	\$ 4,570,000	\$ 5,009,000
Sewer revenue bonds	-	-	17,329,105	18,001,994	17,329,105	18,001,994
<b>Total Outstanding Debt</b>	<b>\$ 4,570,000</b>	<b>\$ 5,009,000</b>	<b>\$ 17,329,105</b>	<b>\$ 18,001,994</b>	<b>\$ 21,899,105</b>	<b>\$ 23,010,994</b>

In October 2019, the Township exercised the option to convert the current General Obligation Note, Series of 2014, to a new lower loan fix rate to provide lower level annual debt service payments. In 2017, the Sewer Authority completed a \$17,055,000 revenue bond for the significant upgrades to the Sewer Wastewater Treatment Plant. Other obligations of the Township include compensated absences of \$1,106,964, net pension liability of \$3,894,456, and net OPEB liability of \$6,423,979.

The Township was assigned a "AA+" rating from S & P Global Ratings 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 the Township is \$72,889,210, which is significantly in excess of the Township's outstanding debt.

Additional information about the Township's long-term debt can be found in Note 5 on pages 52 and 53 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 2020 fiscal year budget.

- The Township continues to maintain a diversified revenue base should there be any short-term fluctuations in any one revenue source.

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

- Interest rates for savings and checking accounts remain low with long-term interest rate increases not currently expected.
- 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 3.9 percent to approximately 3.7 percent while the unemployment rate in Chester County is at a more modest 3.2 percent.
- 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 continues to provide insurance premium relief for the Township.
- The Township adopted a 2020 budget that projects a \$1,836,917 deficit.
- Township real estate taxes were not increased for 2020.
- The Sewer Authority issued a \$17,055,000 bond to pay for infrastructure improvements, resulting in a sewer rate increase in order to pay for the new bond's debt service, effective 2019.
- As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen, which are likely to negatively impact the Township's revenues in 2020. Other financial impact could occur though such potential impact is unknown at this time.

**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, [www.westgoshen.org](http://www.westgoshen.org).

**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2019**  
**(With Summarized Comparative Data for December 31, 2018)**

	Governmental Activities	Business-type Activities	Totals	
			2019	2018
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Current Assets:				
Cash and cash equivalents	\$ 19,303,483	\$ 11,042,312	\$ 30,345,795	\$ 25,225,057
Cash and cash equivalents, restricted	-	2,161,513	2,161,513	4,407,653
Investments	1,210,367	829,536	2,039,903	6,544,686
Investments, restricted	-	4,196,815	4,196,815	3,005,624
Accrued interest	-	5,839	5,839	33,573
Accounts receivable	132,457	6,735,045	6,867,502	3,778,750
Taxes receivable	2,369,063	-	2,369,063	2,609,047
Total Current Assets	<u>23,015,370</u>	<u>24,971,060</u>	<u>47,986,430</u>	<u>45,604,390</u>
Noncurrent Assets:				
Investments	-	498,300	498,300	488,780
Investments, restricted	-	-	-	2,422,026
Depreciable capital assets, net	30,589,550	21,706,086	52,295,636	48,453,464
Land	3,128,045	82,083	3,210,128	3,210,128
Construction-in-progress	224,281	8,693,546	8,917,827	9,893,747
Total Noncurrent Assets	<u>33,941,876</u>	<u>30,980,015</u>	<u>64,921,891</u>	<u>64,468,145</u>
<b>TOTAL ASSETS</b>	<u>56,957,246</u>	<u>55,951,075</u>	<u>112,908,321</u>	<u>110,072,535</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred OPEB	388,704	30,998	419,702	434,884
Deferred pension	3,368,821	787,998	4,156,819	4,158,565
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>3,757,525</u>	<u>818,996</u>	<u>4,576,521</u>	<u>4,593,449</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 60,714,771</u>	<u>\$ 56,770,071</u>	<u>\$ 117,484,842</u>	<u>\$ 114,665,984</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
Current Liabilities:				
Accounts payable and other current liabilities	\$ 214,508	\$ 600,593	\$ 815,101	\$ 911,617
Developers' deposits	-	43,871	43,871	55,515
Compensated absences payable within one year	67,410	10,077	77,487	75,215
Long-term debt, due within one year	475,000	692,889	1,167,889	1,111,889
Total Current Liabilities	<u>756,918</u>	<u>1,347,430</u>	<u>2,104,348</u>	<u>2,154,236</u>
Noncurrent Liabilities:				
Compensated absences, net of current portion	895,595	133,882	1,029,477	999,285
Long-term debt, net of current portion	4,095,000	16,636,216	20,731,216	21,899,105
Net OPEB liability	5,598,198	825,781	6,423,979	6,195,444
Net pension liability	2,686,751	1,207,705	3,894,456	3,257,330
Total Noncurrent Liabilities	<u>13,275,544</u>	<u>18,803,584</u>	<u>32,079,128</u>	<u>32,351,164</u>
<b>TOTAL LIABILITIES</b>	<u>14,032,462</u>	<u>20,151,014</u>	<u>34,183,476</u>	<u>34,505,400</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred OPEB	199,809	33,328	233,137	-
Deferred pension	4,263,831	770,396	5,034,227	2,541,946
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>4,463,640</u>	<u>803,724</u>	<u>5,267,364</u>	<u>2,541,946</u>
<b>NET POSITION</b>				
Net investment in capital assets	29,371,876	18,470,174	47,842,050	46,851,674
Restricted for:				
Capital reserve	4,009,319	-	4,009,319	4,315,074
Streets	51,850	-	51,850	23,946
Sewer	-	1,495,193	1,495,193	1,474,459
Unrestricted	8,785,624	15,849,966	24,635,590	24,953,485
<b>TOTAL NET POSITION</b>	<u>42,218,669</u>	<u>35,815,333</u>	<u>78,034,002</u>	<u>77,618,638</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 60,714,771</u>	<u>\$ 56,770,071</u>	<u>\$ 117,484,842</u>	<u>\$ 114,665,984</u>

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

**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(With Summarized Comparative Data for the Year Ended December 31, 2018)**

	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	
<b>GOVERNMENTAL ACTIVITIES</b>	<b>Expenses</b>				
General government	\$ 4,042,100	\$ 92,252	\$ 115,495	\$ (3,811,738)	\$ (3,811,738)
Public safety	9,241,963	1,574,948	401,208	(7,265,807)	(7,265,807)
Public works - highways and streets	5,102,105	-	824,280	(4,277,825)	(4,277,825)
Other public works	76,469	-	-	(76,469)	(76,469)
Library	20,000	-	-	(20,000)	(20,000)
Culture and recreation	2,026,202	181,574	72,143	(1,772,485)	(1,772,485)
Interest expense	119,219	-	-	(119,219)	(119,219)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>20,628,058</b>	<b>1,848,774</b>	<b>1,413,126</b>	<b>(17,343,543)</b>	<b>(17,343,543)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
Sewer operations	7,525,803	6,338,333	372,985	-	3,109,056
Waste and recycling	2,400,323	2,170,144	46,404	-	(183,775)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>9,926,126</b>	<b>8,508,477</b>	<b>419,389</b>	<b>-</b>	<b>2,925,281</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 30,554,184</b>	<b>\$ 10,357,251</b>	<b>\$ 1,832,515</b>	<b>(17,343,543)</b>	<b>(14,418,262)</b>
<b>GENERAL REVENUES</b>					
Taxes:					
Real estate taxes				3,734,072	3,734,072
Real estate transfer taxes				968,010	968,010
Earned income taxes				7,775,868	7,775,868
Local services taxes				1,082,794	1,082,794
Franchise taxes				481,983	481,983
Investment earnings				409,147	822,644
Grants and contributions not restricted to specific programs				15,957	15,957
Gain (loss) on sale of capital assets				79,152	(90,923)
Miscellaneous				43,221	43,221
<b>TOTAL GENERAL REVENUES</b>				<b>14,590,204</b>	<b>14,833,626</b>
<b>CHANGE IN NET POSITION</b>				<b>(2,753,339)</b>	<b>415,364</b>
<b>NET POSITION, BEGINNING OF YEAR (RESTATED)</b>				<b>44,972,008</b>	<b>77,618,638</b>
<b>NET POSITION, END OF YEAR</b>				<b>\$ 42,218,669</b>	<b>\$ 78,034,002</b>
					<b>\$ 35,815,333</b>
					<b>\$ 77,618,638</b>

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



**WEST GOSHEN TOWNSHIP**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2019**  
(With Summarized Comparative Data for December 31, 2018)

	Major Funds		Nonmajor Governmental Funds	Totals	
	General Fund	Capital Reserve Fund		2019	2018
<b>ASSETS</b>					
Cash and cash equivalents	\$ 15,660,809	\$ 3,366,639	\$ 276,035	\$ 19,303,483	\$ 19,255,761
Investments	441,554	768,813	-	1,210,367	1,193,918
Accounts receivable	132,457	-	-	132,457	133,038
Taxes receivable	2,369,063	-	-	2,369,063	2,609,047
<b>TOTAL ASSETS</b>	<b>\$ 18,603,883</b>	<b>\$ 4,135,452</b>	<b>\$ 276,035</b>	<b>\$ 23,015,370</b>	<b>\$ 23,191,764</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 87,560	\$ 126,133	\$ -	\$ 213,693	\$ 155,563
Payroll withholdings	815	-	-	815	27,944
<b>TOTAL LIABILITIES</b>	<b>88,375</b>	<b>126,133</b>	<b>-</b>	<b>214,508</b>	<b>183,507</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - taxes	2,277,028	-	-	2,277,028	2,535,337
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,277,028</b>	<b>-</b>	<b>-</b>	<b>2,277,028</b>	<b>2,535,337</b>
<b>FUND BALANCES:</b>					
Restricted	-	4,009,319	51,850	4,061,169	4,339,020
Committed	3,292,411	-	-	3,292,411	3,054,690
Assigned	-	-	224,185	224,185	513,603
Unassigned	12,946,069	-	-	12,946,069	12,565,607
<b>TOTAL FUND BALANCES</b>	<b>16,238,480</b>	<b>4,009,319</b>	<b>276,035</b>	<b>20,523,834</b>	<b>20,472,920</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 18,603,883</b>	<b>\$ 4,135,452</b>	<b>\$ 276,035</b>	<b>\$ 23,015,370</b>	<b>\$ 23,191,764</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, 2019**

TOTAL GOVERNMENTAL FUND BALANCES	\$ 20,523,834
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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	\$ 30,589,550	
Land	3,128,045	
Construction-in-progress	224,281	33,941,876

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.	2,277,028
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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	(963,005)	
Net OPEB liability	(5,598,198)	
Net pension liability	(2,686,751)	
Note payable	(4,570,000)	(13,817,954)

Deferred outflows and inflows of resources related to the Township's net pension and OPEB liabilities are based on the differences between actuarially determined actual and expected investment returns and differences between actuarial expected and actual experience. These amounts will be amortized over the estimated remaining average service life of the employees.

Deferred outflows of resources - deferred OPEB	388,704	
Deferred inflows of resources - deferred OPEB	(199,809)	
Deferred outflows of resources - deferred pension	3,368,821	
Deferred inflows of resources - deferred pension	(4,263,831)	(706,115)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 42,218,669
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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, 2019**  
**(With Summarized Comparative Data for the Year Ended December 31, 2018)**

	Major Funds		Nonmajor Governmental Funds	Totals	
	General Fund	Capital Reserve Fund		2019	2018
<b>REVENUES</b>					
Taxes	\$ 13,819,053	\$ -	\$ -	\$ 13,819,053	\$ 14,160,002
Licenses and permits	488,903	-	-	488,903	505,686
Fines, forfeits, and costs	132,350	-	-	132,350	123,668
Interest and rents	354,386	81,656	13,115	449,157	224,822
Intergovernmental revenues	684,962	22,615	744,121	1,451,698	1,417,834
Charges for services/fees	837,649	-	726,845	1,564,494	855,487
Contributions	-	-	90,000	90,000	70,000
Miscellaneous revenue/other	49,867	-	15,000	64,867	382,084
<b>TOTAL REVENUES</b>	<b>16,367,170</b>	<b>104,271</b>	<b>1,589,081</b>	<b>18,060,522</b>	<b>17,739,583</b>
<b>EXPENDITURES</b>					
Current:					
General government	2,486,684	493,524	-	2,980,208	2,659,773
Public safety	7,689,874	152,089	-	7,841,963	7,357,365
Public works - highways and streets	2,582,518	385,958	725,000	3,693,476	3,642,038
Other public works	204,100	-	-	204,100	188,487
Culture and recreation	1,566,218	199,873	-	1,766,091	1,708,523
Library	20,000	-	-	20,000	20,000
Miscellaneous	-	-	954,177	954,177	72,741
Debt service:					
Principal	-	439,000	-	439,000	426,000
Interest	-	119,219	-	119,219	140,590
<b>TOTAL EXPENDITURES</b>	<b>14,549,394</b>	<b>1,789,663</b>	<b>1,679,177</b>	<b>18,018,234</b>	<b>16,215,517</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,817,776</b>	<b>(1,685,392)</b>	<b>(90,096)</b>	<b>42,288</b>	<b>1,524,066</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of/compensation for sale of capital assets	8,626	-	-	8,626	1,507
Transfers in	-	1,379,637	-	1,379,637	691,825
Transfers out	(1,208,219)	-	(171,418)	(1,379,637)	(691,825)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,199,593)</b>	<b>1,379,637</b>	<b>(171,418)</b>	<b>8,626</b>	<b>1,507</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>618,183</b>	<b>(305,755)</b>	<b>(261,514)</b>	<b>50,914</b>	<b>1,525,573</b>
<b>FUND BALANCES, BEGINNING OF YEAR (RESTATED)</b>	<b>15,620,297</b>	<b>4,315,074</b>	<b>537,549</b>	<b>20,472,920</b>	<b>18,947,347</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 16,238,480</b>	<b>\$ 4,009,319</b>	<b>\$ 276,035</b>	<b>\$ 20,523,834</b>	<b>\$ 20,472,920</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, 2019**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 50,914
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 (\$1,691,541) exceeded capital outlays (\$1,324,109) in the period.	(367,432)
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.	(258,309)
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.	(53,620)
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.	439,000
In the statement of activities, certain operating expenses - compensated absences (vacations and sick leave) 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).	(35,888)
Pension and OPEB expense in the statement of activities differs from the amount reported in the governmental funds because pension and OPEB expense is recognized on the statement of activities based on the Township's actuarial determined contribution, whereas pension and OPEB expenditures are recognized in the governmental funds when a requirement to remit contributions to the plan exists.	(2,528,004)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (2,753,339)</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, 2019**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes:			
Real estate - current	\$ 3,600,000	\$ 3,660,837	\$ 60,837
Real estate - delinquent and interest	39,948	47,424	7,476
Real estate - interims	15,000	29,110	14,110
Real estate - transfer	879,675	968,010	88,335
Earned income tax	8,293,365	8,030,878	(262,487)
Local services tax	1,163,190	1,082,794	(80,396)
Licenses and permits	507,475	488,903	(18,572)
Fines, forfeits, and costs	155,000	132,350	(22,650)
Interest and rents	206,523	354,386	147,863
Intergovernmental revenues	691,309	684,962	(6,347)
Charges for services/fees	721,650	837,649	115,999
Miscellaneous revenue/other	30,880	49,867	18,987
<b>TOTAL REVENUES</b>	<u>16,304,015</u>	<u>16,367,170</u>	<u>63,155</u>
<b>EXPENDITURES</b>			
Current:			
General government			
Administration	1,704,543	1,530,271	174,272
Auditing	35,675	35,677	(2)
Tax collection	169,036	162,783	6,253
Engineering and legal	369,963	358,615	11,348
Building maintenance	409,000	399,338	9,662
Total General Government	<u>2,688,217</u>	<u>2,486,684</u>	<u>201,533</u>
Public safety			
Police	6,631,561	6,384,262	247,299
Fire protection	886,717	906,387	(19,670)
Code enforcement	348,380	328,170	20,210
Planning and zoning	29,780	71,055	(41,275)
Total Public Safety	<u>7,896,438</u>	<u>7,689,874</u>	<u>206,564</u>
Public works - highways and streets			
Administration	964,527	876,277	88,250
Winter maintenance	230,000	229,793	207
Road maintenance	1,014,668	1,031,292	(16,624)
Road construction	209,420	441,236	(231,816)
Storm water management	152,000	3,920	148,080
Total Public Works - Highways and Streets	<u>2,570,615</u>	<u>2,582,518</u>	<u>(11,903)</u>

Continued on next page.

**WEST GOSHEN TOWNSHIP  
BUDGETARY COMPARISON STATEMENT - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
EXPENDITURES (cont'd)			
Other public works			
Traffic signal maintenance	137,531	169,956	(32,425)
Street lighting	35,000	34,144	856
Total Other Public Works	<u>172,531</u>	<u>204,100</u>	<u>(31,569)</u>
Library	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Culture and recreation			
Recreation	376,125	356,492	19,633
Parks	1,317,108	1,209,726	107,382
Total Culture and Recreation	<u>1,693,233</u>	<u>1,566,218</u>	<u>127,015</u>
TOTAL EXPENDITURES	<u>15,041,034</u>	<u>14,549,394</u>	<u>491,640</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,262,981</u>	<u>1,817,776</u>	<u>554,795</u>
OTHER FINANCING SOURCES (USES)			
Sale of/compensation for capital assets	3,000	8,626	5,626
Transfers out	(1,217,386)	(1,208,219)	9,167
TOTAL OTHER FINANCING USES	<u>(1,214,386)</u>	<u>(1,199,593)</u>	<u>14,793</u>
NET CHANGE IN FUND BALANCE	48,595	618,183	569,588
FUND BALANCE, BEGINNING OF YEAR (RESTATED)	<u>15,337,395</u>	<u>15,620,297</u>	<u>282,902</u>
FUND BALANCE, END OF YEAR	<u>\$ 15,385,990</u>	<u>\$ 16,238,480</u>	<u>\$ 852,490</u>

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

**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**DECEMBER 31, 2019**  
**(With Summarized Comparative Data for December 31, 2018)**

	Major Enterprise Funds				Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2019	2018
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
Current Assets:						
Cash and cash equivalents	\$ 4,323,587	\$ 1,661,726	\$ 5,056,999	\$ -	\$ 11,042,312	\$ 5,969,296
Cash and cash equivalents, restricted	-	-	2,161,513	-	2,161,513	4,407,653
Investments	335,835	2,782	490,919	-	829,536	5,350,768
Investments, restricted	-	-	2,701,622	1,495,193	4,196,815	3,005,624
Accrued interest	-	-	5,839	-	5,839	33,573
Accounts receivable	1,564,615	675,100	4,496,330	-	6,735,045	3,645,712
Total Current Assets	<u>6,224,037</u>	<u>2,339,608</u>	<u>14,912,222</u>	<u>1,495,193</u>	<u>24,971,060</u>	<u>22,412,626</u>
Noncurrent Assets:						
Land	-	-	82,083	-	82,083	82,083
Construction-in-progress	-	-	8,693,546	-	8,693,546	9,499,258
Depreciable capital assets, net	631,613	-	21,074,473	-	21,706,086	17,613,070
Investments	-	-	498,300	-	498,300	488,780
Investments, restricted	-	-	-	-	-	2,422,026
Total Noncurrent Assets	<u>631,613</u>	<u>-</u>	<u>30,348,402</u>	<u>-</u>	<u>30,980,015</u>	<u>30,105,217</u>
<b>TOTAL ASSETS</b>	<u>6,855,650</u>	<u>2,339,608</u>	<u>45,260,624</u>	<u>1,495,193</u>	<u>55,951,075</u>	<u>52,517,843</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflow - OPEB	30,998	-	-	-	30,998	34,142
Deferred outflows - pension	787,998	-	-	-	787,998	749,986
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>818,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>818,996</u>	<u>784,128</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 7,674,646</u>	<u>\$ 2,339,608</u>	<u>\$ 45,260,624</u>	<u>\$ 1,495,193</u>	<u>\$ 56,770,071</u>	<u>\$ 53,301,971</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>						
Current Liabilities:						
Accounts payable	\$ 181,601	\$ 167,215	\$ 226,610	\$ -	\$ 575,426	\$ 715,260
Developers' deposits	-	-	43,871	-	43,871	55,515
Interest payable	-	-	25,167	-	25,167	12,850
Compensated absences	9,435	642	-	-	10,077	10,317
Long-term debt, due within one year	-	-	692,889	-	692,889	672,889
Total Current Liabilities	<u>191,036</u>	<u>167,857</u>	<u>988,537</u>	<u>-</u>	<u>1,347,430</u>	<u>1,466,831</u>
Noncurrent Liabilities:						
Compensated absences, net of current portion	125,349	8,533	-	-	133,882	137,066
Net OPEB liability	825,781	-	-	-	825,781	761,882
Long-term debt, net of current portion	-	-	16,636,216	-	16,636,216	17,329,105
Net pension liability	1,207,705	-	-	-	1,207,705	645,388
Total Noncurrent Liabilities	<u>2,158,835</u>	<u>8,533</u>	<u>16,636,216</u>	<u>-</u>	<u>18,803,584</u>	<u>18,873,441</u>
<b>TOTAL LIABILITIES</b>	<u>2,349,871</u>	<u>176,390</u>	<u>17,624,753</u>	<u>-</u>	<u>20,151,014</u>	<u>20,340,272</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred OPEB	33,328	-	-	-	33,328	-
Deferred pension	770,396	-	-	-	770,396	315,069
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>803,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>803,724</u>	<u>315,069</u>
<b>NET POSITION</b>						
Net investment in capital assets	631,613	-	17,838,561	-	18,470,174	17,497,746
Restricted	-	-	-	1,495,193	1,495,193	1,474,459
Unrestricted	3,889,438	2,163,218	9,797,310	-	15,849,966	13,674,425
Total Net Position	<u>4,521,051</u>	<u>2,163,218</u>	<u>27,635,871</u>	<u>1,495,193</u>	<u>35,815,333</u>	<u>32,646,630</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<u>\$ 7,674,646</u>	<u>\$ 2,339,608</u>	<u>\$ 45,260,624</u>	<u>\$ 1,495,193</u>	<u>\$ 56,770,071</u>	<u>\$ 53,301,971</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, 2019**  
**(With Summarized Comparative Data for the Year Ended December 31, 2018)**

	Major Enterprise Funds				Nonmajor Fund	Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority			2019	2018
<b>OPERATING REVENUES</b>							
Fees	\$ 6,185,922	\$ 2,164,913	\$ 117,627	\$ -	\$ 8,468,462	\$ 8,468,462	\$ 6,797,083
Other	168,740	5,231	235	-	174,206	174,206	180,528
<b>TOTAL OPERATING REVENUES</b>	<u>6,354,662</u>	<u>2,170,144</u>	<u>117,862</u>	<u>-</u>	<u>8,642,668</u>	<u>8,642,668</u>	<u>6,977,611</u>
<b>OPERATING EXPENSES</b>							
Contracted services	-	2,246,470	-	-	2,246,470	2,246,470	2,133,085
Sewer collection	120,418	-	-	-	120,418	120,418	136,925
Sewer disposal	780,865	-	-	-	780,865	780,865	717,266
Salaries and wages	1,425,288	76,829	-	-	1,502,117	1,502,117	1,485,403
Engineering fees	-	-	103,574	-	103,574	103,574	68,520
Administration	139,977	42,418	129,034	-	311,429	311,429	374,889
Employee benefits	2,022,657	32,354	-	-	2,055,011	2,055,011	1,168,335
Fuel and light	344,312	-	-	-	344,312	344,312	432,223
Repairs and maintenance	239,437	2,252	685,619	-	927,308	927,308	181,223
Depreciation	113,329	-	869,998	-	983,327	983,327	950,155
<b>TOTAL OPERATING EXPENSES</b>	<u>5,186,283</u>	<u>2,400,323</u>	<u>1,788,225</u>	<u>-</u>	<u>9,374,831</u>	<u>9,374,831</u>	<u>7,648,024</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,168,379</u>	<u>(230,179)</u>	<u>(1,670,363)</u>	<u>-</u>	<u>(732,163)</u>	<u>(732,163)</u>	<u>(670,413)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Interest and investment revenue	78,554	33,126	281,083	20,734	413,497	413,497	327,550
Interest expense	-	-	(571,886)	-	(571,886)	(571,886)	(581,208)
Gain (loss) on disposal of capital assets	9,594	-	(179,669)	-	(170,075)	(170,075)	3,254
Unrealized gain (loss) on investments	-	-	20,591	-	20,591	20,591	(9,029)
Grant revenue	-	46,404	238,794	-	285,198	285,198	198,786
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>88,148</u>	<u>79,530</u>	<u>(211,087)</u>	<u>20,734</u>	<u>(22,675)</u>	<u>(22,675)</u>	<u>(60,647)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<u>1,256,527</u>	<u>(150,649)</u>	<u>(1,881,450)</u>	<u>20,734</u>	<u>(754,838)</u>	<u>(754,838)</u>	<u>(731,060)</u>
Transfers in	-	-	1,292,698	-	1,292,698	1,292,698	683,534
Transfers out	(1,292,698)	-	-	-	(1,292,698)	(1,292,698)	(683,534)
Capital contributions	-	-	3,923,541	-	3,923,541	3,923,541	1,463,432
<b>CHANGE IN NET POSITION</b>	<u>(36,171)</u>	<u>(150,649)</u>	<u>3,334,789</u>	<u>20,734</u>	<u>3,168,703</u>	<u>3,168,703</u>	<u>732,372</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>4,557,222</u>	<u>2,313,867</u>	<u>24,301,082</u>	<u>1,474,459</u>	<u>32,646,630</u>	<u>32,646,630</u>	<u>31,914,258</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 4,521,051</u>	<u>\$ 2,163,218</u>	<u>\$ 27,635,871</u>	<u>\$ 1,495,193</u>	<u>\$ 35,815,333</u>	<u>\$ 35,815,333</u>	<u>\$ 32,646,630</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, 2019**  
**(With Summarized Comparative Data for the Year Ended December 31, 2018)**

	Major Enterprise Funds					Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2019	2018	
CASH FLOWS FROM OPERATING ACTIVITIES:							
Received from customers	\$ 5,903,424	\$ 2,311,048	\$ 436,752	\$ -	\$ 8,651,224	\$ 9,008,160	
Paid to suppliers for goods and services	(2,739,541)	(2,288,294)	(1,398,717)	-	(6,426,552)	(5,892,897)	
Paid to employees for services	(1,145,475)	(108,577)	-	-	(1,254,052)	(1,579,008)	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	2,018,408	(85,823)	(961,965)	-	970,620	1,536,255	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Grants received from state	-	46,404	-	-	46,404	147,580	
Transfer from other funds	-	-	1,292,698	-	1,292,698	683,534	
Transfer to other funds	(1,292,698)	-	-	-	(1,292,698)	(683,534)	
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(1,292,698)	46,404	1,292,698	-	46,404	147,580	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Interest paid	-	-	(612,458)	-	(612,458)	(621,248)	
Long-term debt payments	-	-	(620,000)	-	(620,000)	(5,000)	
Proceeds from capital grant	-	-	238,794	-	238,794	51,206	
Cash received from the disposal of capital assets	30,500	-	-	-	30,500	-	
Capital contributions received from participating Townships	-	-	1,295,263	-	1,295,263	-	
Cash paid for acquisition and construction of capital assets	(208,358)	-	(4,518,258)	-	(4,726,616)	(6,220,816)	
NET CASH USED FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(177,858)	-	(4,216,659)	-	(4,394,517)	(6,795,858)	
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest and investment earnings	78,554	33,126	308,817	20,734	441,231	315,165	
Sale (purchase) of investments, net of reinvestment	(4,657)	(20)	5,788,549	(20,734)	5,763,138	(2,914,499)	
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	73,897	33,106	6,097,366	-	6,204,369	(2,599,334)	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	621,749	(6,313)	2,211,440	-	2,826,876	(7,711,357)	
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,701,838	1,668,039	5,007,072	-	10,376,949	18,088,306	
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 4,323,587	\$ 1,661,726	\$ 7,218,512	\$ -	\$ 13,203,825	\$ 10,376,949	

Continued on next page.

**WEST GOSHEN TOWNSHIP**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(With Summarized Comparative Data for the Year Ended December 31, 2018)**

	Major Enterprise Funds				Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ 1,168,379	\$ (230,179)	\$ (1,670,363)	\$ -	\$ (732,163)	\$ (670,413)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	113,329	-	869,998	-	983,327	950,154
Changes in assets, deferred outflows/inflows of resources, and liabilities:						
Accounts receivable	(451,238)	140,904	318,890	-	8,556	2,030,549
Deferred outflows of resources	(34,868)	-	-	-	(34,868)	(412,418)
Developers' deposits	-	-	(11,644)	-	(11,644)	2,213
Accounts payable	111,965	2,846	(468,846)	-	(354,035)	(1,014,708)
Compensated absences	(4,030)	606	-	-	(3,424)	16,050
Net OPEB liability	63,899	-	-	-	63,899	127,014
Net pension liability	562,317	-	-	-	562,317	589,439
Deferred inflows of resources	488,655	-	-	-	488,655	(81,625)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 2,018,408</b>	<b>\$ (85,823)</b>	<b>\$ (961,965)</b>	<b>\$ -</b>	<b>\$ 970,620</b>	<b>\$ 1,536,255</b>
<b>SUPPLEMENTAL INFORMATION:</b>						
Cash and cash equivalents	\$ 4,323,587	\$ 1,661,726	\$ 5,056,999	\$ -	\$ 11,042,312	\$ 5,969,296
Cash and cash equivalents, restricted	-	-	2,161,513	-	2,161,513	4,407,653
	<b>\$ 4,323,587</b>	<b>\$ 1,661,726</b>	<b>\$ 7,218,512</b>	<b>\$ -</b>	<b>\$ 13,203,825</b>	<b>\$ 10,376,949</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Capital assets acquired through the incurrence of accounts payable	\$ -	\$ -	\$ 214,201	\$ -	\$ 214,201	\$ 469,611
Capital assets acquired through trade in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,200
Unrealized gain (loss) on investments	\$ -	\$ -	\$ 20,591	\$ -	\$ 20,591	\$ (9,029)
Capital contributions from participating townships	\$ -	\$ -	\$ 3,923,541	\$ -	\$ 3,923,541	\$ 1,463,432
Amortization of bond premium	\$ -	\$ -	\$ 52,889	\$ -	\$ 52,889	\$ 52,889

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

**WEST GOSHEN TOWNSHIP  
STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
DECEMBER 31, 2019**

	<u>Pension Funds</u>
ASSETS	
Cash and cash equivalents	\$ 698,932
Insurance contracts, at contract value	1,106,028
Investments, at fair value: mutual funds	<u>33,117,340</u>
TOTAL ASSETS	<u><u>\$ 34,922,300</u></u>
LIABILITIES AND NET POSITION	
LIABILITIES	\$ -
NET POSITION	
Restricted for pension benefits	<u>34,922,300</u>
TOTAL NET POSITION	<u><u>34,922,300</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 34,922,300</u></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, 2019**

CONTRIBUTIONS AND INVESTMENT INCOME

Contributions:

State aid	\$ 604,219
Employer contributions	300,078
Employee contributions	252,901
Total Contributions	<u>1,157,198</u>

Investment Income:

Net increase in fair value of investments	4,631,021
Realized gain on investments	175,871
Interest and dividends	835,332
Total Investment Income	<u>5,642,224</u>

TOTAL CONTRIBUTIONS AND INVESTMENT INCOME	<u>6,799,422</u>
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DEDUCTIONS

Benefits paid	1,150,369
Administrative expenses	<u>55,525</u>

TOTAL DEDUCTIONS	<u>1,205,894</u>
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CHANGE IN NET POSITION	5,593,528
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NET POSITION, BEGINNING OF YEAR (RESTATED)	<u>29,328,772</u>
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NET POSITION, END OF YEAR	<u><u>\$ 34,922,300</u></u>
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The accompanying notes are an integral part of these financial statements.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

West Goshen Township ("the Township") complies with accounting principles generally accepted in the United States of America ("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, the 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 West Goshen Sewer Authority is audited by Barbacane, Thornton & Company LLP; whose report dated June 24, 2020, 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.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

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

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

- The **Capital Reserve Fund** accounts for the resources accumulated for future capital projects and debt service payments.

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.
- 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, and developer costs, 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.

In addition, the Township also maintains the Sewer Reserve Fund (a nonmajor proprietary fund) that accounts for assets set aside for an operating reserve account as specified in the lease agreement between the Township and the West Goshen Sewer Authority.

***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

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

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.

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, 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 resources



WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

measurement 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 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 pension 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 GAAP. Annual appropriated budgets are adopted for the general fund, capital reserve fund, and state 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, an operating reserve account established pursuant to the lease agreement between the Township and the Sewer Authority, and unspent bond proceeds from the Guaranteed Sewer Revenue Bonds, Series of 2017.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

Investments

Investments are recorded at fair value.

In establishing the fair value of investments, the Township uses the following hierarchy. The lowest level of valuation available is used for all investments.

*Level 1* – Valuations based on quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access.

*Level 2* – Valuations based on quoted prices of similar products in active markets or identical products in markets that are not active or for which all significant inputs are observable, directly or indirectly.

*Level 3* – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Receivables and Payables

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

Capital Assets

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

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

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

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

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 - 60 years
Buildings and improvements	10 - 40 years
Utility systems	25 - 40 years
Infrastructure	9 - 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 Outflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet - governmental funds 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 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.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

The Township currently has three items that qualify for reporting in this category. Certain changes to the net pension and OPEB liabilities are required to be amortized over a period of years; the unamortized portions of these changes are reflected as deferred inflows and outflows of resources on the entity-wide and proprietary fund statements of net position. Delinquent taxes not collected within 60 days of year end and, therefore, are not available under modified accrual reporting are reflected as deferred inflows of resources on the general fund balance sheet.

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 the 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 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)

Net Position

Net position is classified as follows:

*Net Investment in Capital Assets* – the Township's investment in capital assets plus any unspent funding from debt borrowings, reduced by accumulated depreciation and any outstanding debt related to the acquisition, construction, or improvement of those assets.

If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as unspent proceeds.

*Restricted* – amounts limited by external parties or legislation.

*Unrestricted* – amounts available for consumption or not restricted in any manner.

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, 2018, from which the summarized information was derived.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP 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 year ended December 31, 2019, the Township implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, "Fiduciary Activities." The purpose of this statement is to establish criteria for identifying and reporting fiduciary activities in order to enhance the consistency and comparability, ultimately increasing the value of the information reported within the financial statements.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 2      DEPOSITS AND INVESTMENTS

***Deposits***

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Township'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, 2019, the carrying amount of the Township's deposits was \$32,507,308 (excludes the pension funds which are disclosed at Notes 8, 9, and 10), and the bank balance was \$32,849,250. Of the bank balance, \$1,044,314 was covered by federal depository insurance, and \$25,925,208 was collateralized by pooled securities in accordance with Act 72. The deposits collateralized in accordance with Act 72 were exposed to custodial credit risk because they were uninsured, and the collateral held by the depository's agent was not in the Township's name.

As of December 31, 2019, \$1,167,630 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, 2019), and is subject to an independent annual audit.

As of December 31, 2019, \$4,712,098 of the Township's deposits was invested in money market funds managed by Goldman Sachs. Goldman Sachs is registered with the Securities and Exchange Commission and subject to regulatory oversight. The objective of the fund is to maintain a stable net asset value of \$1 per share. In addition, the fund is rated by nationally recognized rating organizations (Moody's Investors Service rating of Aaa-mf and Standard & Poor's rating of AAAM as of December 31, 2019) 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.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 2      DEPOSITS AND INVESTMENTS (cont'd)

As of December 31, 2019, the Township had the following investments and maturities:

Investment Type	Fair Value	Level 1	Investment Maturities (in years)		
			Less Than One Year	One to Five Years	Six to Ten Years
Negotiable certificates of deposit	\$ 3,690,841	\$ 3,690,841	\$ 3,192,541	\$ 498,300	\$ -
Money market funds	<u>3,044,177</u>	<u>3,044,177</u>	<u>3,044,177</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 6,735,018</u>	<u>\$ 6,735,018</u>	<u>\$ 6,236,718</u>	<u>\$ 498,300</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, 2019, 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, 2019, all of the Township's investments had maturity dates of less than five years.

NOTE 3      INTERFUND ACTIVITY

Interfund transfers for the year ended December 31, 2019 consisted of the following:

<u>Transfers Out:</u>		<u>Transfers In:</u>	
General Fund	\$ 1,208,219	Capital Reserve Fund	\$ 1,379,637
Nonmajor Governmental Funds	171,418	Sewer Authority	1,292,698
Sewer Fund	<u>1,292,698</u>		
Total	<u>\$ 2,672,335</u>	Total	<u>\$ 2,672,335</u>

General and nonmajor governmental funds transfers to the capital reserve fund were made to fund debt service payments and to set aside funds for future capital projects. The Sewer Fund transfer to the Sewer Authority represented the funds for administrative costs in the amount of \$47,923 and the annual rent of \$1,244,775.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 4      CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
General capital assets not being depreciated:				
Land	\$ 3,128,045	\$ -	\$ -	\$ 3,128,045
Construction-in-progress	394,489	488,374	(658,582)	224,281
Total general capital assets not being depreciated	<u>3,522,534</u>	<u>488,374</u>	<u>(658,582)</u>	<u>3,352,326</u>
General capital assets being depreciated:				
Buildings and improvements	12,203,032	13,903	-	12,216,935
Vehicles	3,513,692	521,835	(330,478)	3,705,049
Infrastructure	50,155,132	382,503	-	50,537,635
Land improvements	2,239,711	-	-	2,239,711
Machinery and equipment	6,666,514	576,076	(112,499)	7,130,091
Total general capital assets being depreciated	<u>74,778,081</u>	<u>1,494,317</u>	<u>(442,977)</u>	<u>75,829,421</u>
Accumulated depreciation:				
Buildings and improvements	3,142,070	246,867	-	3,388,937
Vehicles	1,831,720	345,647	(297,430)	1,879,937
Infrastructure	34,506,538	744,258	-	35,250,796
Land improvements	1,195,253	55,139	-	1,250,392
Machinery and equipment	3,262,106	299,630	(91,927)	3,469,809
Total accumulated depreciation	<u>43,937,687</u>	<u>1,691,541</u>	<u>(389,357)</u>	<u>45,239,871</u>
Total general capital assets being depreciated, net	<u>30,840,394</u>	<u>(197,224)</u>	<u>(53,620)</u>	<u>30,589,550</u>
Governmental Activities, Net	<u>\$34,362,928</u>	<u>\$ 291,150</u>	<u>\$ (712,202)</u>	<u>\$33,941,876</u>
<b>Business-type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 82,083	\$ -	\$ -	\$ 82,083
Construction-in-progress	9,499,258	4,245,553	(5,051,265)	8,693,546
Total capital assets not being depreciated, net	<u>9,581,341</u>	<u>4,245,553</u>	<u>(5,051,265)</u>	<u>8,775,629</u>



WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 4      CAPITAL ASSETS (cont'd)

(cont'd)	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Collection system - infrastructure	16,883,150	1,480,659	-	18,363,809
Land improvements	606,360	-	-	606,360
Buildings and improvements	12,464,636	17,295	-	12,481,931
Vehicles	936,081	208,359	(209,054)	935,386
Equipment	11,076,149	3,570,605	(1,078,798)	13,567,956
Total capital assets being depreciated	<u>41,966,376</u>	<u>5,276,918</u>	<u>(1,287,852)</u>	<u>45,955,442</u>
Accumulated depreciation:				
Collection system - infrastructure	9,641,387	274,582	-	9,915,969
Land improvements	284,262	11,064	-	295,326
Buildings and improvements	7,920,119	258,479	-	8,178,598
Vehicles	585,879	87,040	(188,148)	484,771
Equipment	5,921,659	352,162	(899,129)	5,374,692
Total accumulated depreciation	<u>24,353,306</u>	<u>983,327</u>	<u>(1,087,277)</u>	<u>24,249,356</u>
Total capital assets being depreciated, net	<u>17,613,070</u>	<u>4,293,591</u>	<u>(200,575)</u>	<u>21,706,086</u>
Business-type Activities, Net	<u>\$27,194,411</u>	<u>\$ 8,539,144</u>	<u>\$(5,251,840)</u>	<u>\$30,481,715</u>

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

Governmental Activities:

General government	\$ 114,978
Public safety	153,117
Public works	1,183,126
Culture and recreation	<u>240,320</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,691,541</u>

Business-type Activities:

Sewer operations	<u>\$ 983,327</u>
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WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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 1.592% per annum, payable annually. In October 2019, the Township exercised the option to convert the Series of 2014 to a new lower loan fix rate. Maturity date is January 25, 2028. This Note refunded the 1998 G.O. and the 2010 G.O. Note.

\$ 4,570,000

Business-type Activities:

Fulton Bank – Guaranteed Sewer Revenue Bonds, Series of 2017 issued to refund the Guaranteed Note, Series of 2008, the payment of the costs to construct improvements to the public sanitary sewer system of the Authority leased to the Township, and the payment of all costs and expenses related to the issuance of the bonds. The bonds mature through May 2037 with interest payable semi annually at rates ranging from .90% to 3.25%.

16,430,000

Grand Total

\$ 21,000,000

The sewage collection system and treatment plant is leased to and operated by West Goshen Township, who has guaranteed payment of the Guaranteed Sewer Revenue Bonds, Series of 2017 through a guaranty agreement dated June 27, 2017. All sewer revenues of the Township are pledged for the payment of operating expenses of the system and debt payments.

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

Governmental Activities:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Maturities</u>
2020	\$ 475,000	\$ 65,741	\$ 540,741
2021	483,000	57,883	540,883
2022	491,000	50,069	541,069
2023	499,000	42,178	541,178
2024	507,000	34,160	541,160
2025 - 2028	<u>2,115,000</u>	<u>53,716</u>	<u>2,168,716</u>
	<u>\$ 4,570,000</u>	<u>\$ 303,747</u>	<u>\$ 4,873,747</u>

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 5 LONG-TERM DEBT (cont'd)

Business-type Activities:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Maturities</u>
2020	\$ 640,000	\$ 605,875	\$ 1,245,875
2021	665,000	582,975	1,247,975
2022	685,000	563,681	1,248,681
2023	705,000	543,588	1,248,588
2024	735,000	511,113	1,246,113
2025 - 2029	4,245,000	1,990,188	6,235,188
2030 - 2034	5,190,000	1,047,863	6,237,863
2035 - 2037	3,565,000	176,231	3,741,231
	<u>\$ 16,430,000</u>	<u>\$ 6,021,514</u>	<u>\$ 22,451,514</u>

A schedule of changes in long-term liabilities 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 note	\$ 5,009,000	\$ -	\$ (439,000)	\$ 4,570,000	\$ 475,000
Compensated absences	927,117	35,888	-	963,005	67,410
Net OPEB liability	5,433,562	164,636	-	5,598,198	-
Net pension liability	2,611,942	74,809	-	2,686,751	-
Total Governmental Activities	<u>\$ 13,981,621</u>	<u>\$ 275,333</u>	<u>\$ (439,000)</u>	<u>\$ 13,817,954</u>	<u>\$ 542,410</u>
<u>Business-type Activities:</u>					
Sewer Revenue bonds	\$ 17,050,000	\$ -	\$ (620,000)	\$ 16,430,000	\$ 640,000
Bond premium	951,994	-	(52,889)	899,105	52,889
Compensated absences	147,383	-	(3,424)	143,959	10,077
Net OPEB liability	761,882	63,899	-	825,781	-
Net pension liability	645,388	562,317	-	1,207,705	-
Total Business-type Activities	<u>\$ 19,556,647</u>	<u>\$ 626,216</u>	<u>\$ (676,313)</u>	<u>\$ 19,506,550</u>	<u>\$ 702,966</u>

In the governmental activities, the general obligation note is being liquidated by the capital reserve fund and the remaining long-term liabilities by the general fund.

For the year ended December 31, 2019, interest expense was \$691,105, of which \$571,886 was recorded as a direct expense of the sewer function.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 6 TAXES

For 2019, 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, 2019 was \$1,874,363,243.

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 2019:

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, 2019, fund balances are composed of the following:

	General Fund	Capital Reserve Fund	Nonmajor Funds	Total Governmental Funds
Restricted:				
Capital projects	\$ -	\$ 4,009,319	\$ -	\$ 4,009,319
Highways and streets	-	-	51,850	51,850
Committed:				
OPEB benefit payments	3,292,411	-	-	3,292,411
Assigned:				
Open space projects	-	-	51,498	51,498
Zoning hearing	-	-	115,557	115,557
Capital projects	-	-	57,130	57,130
Unassigned	12,946,069	-	-	12,946,069
Total Fund Balances	<u>\$ 16,238,480</u>	<u>\$ 4,009,319</u>	<u>\$ 276,035</u>	<u>\$ 20,523,834</u>

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 8      POLICE PENSION PLAN

Plan description and provisions:

The West Goshen Township Police Pension Plan 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. The West Goshen Township Police Pension Plan 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

Plan membership as of December 31, 2019 consisted of the following:

Active employees	26
Retirees and beneficiaries currently receiving benefits	21
Inactive members entitled to but not yet receiving benefits	<u>-</u>
Total	<u>47</u>

***Benefit Provisions***

Normal Retirement

A member is eligible for normal retirement after attainment of age 55 and completion of 25 years of vesting service.

The normal retirement pension is payable monthly during the member's lifetime, with payments continuing after the member's death to the surviving spouse, or eligible children, equal to 50 percent of the amount payable to the member at the time of the member's death.

The amount of monthly pension is equal to 50 percent of average monthly compensation, plus a service increment of \$100 per month for each year the benefit service is in excess of 25 years, but not more than \$500 additional per month.

Average monthly compensation is based upon the last 36 months of employment.

Late Retirement

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 is equal to the benefit accrued to the late retirement date.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 8      POLICE PENSION PLAN (cont'd)

Early Retirement

A member is eligible for early retirement after 20 years of vesting service. The monthly early retirement pension benefit is equal to the actuarial equivalent of the member's accrued benefit at the early retirement date.

Disability Benefits

If an active member is disabled in the line of duty, he is eligible for a disability pension. The monthly disability pension is equal to 50 percent of the member's monthly salary at the time of disability.

Deferred Retirement Option Program

An active member who has met the eligibility requirements for normal retirement may elect to participate in the deferred retirement option program ("DROP") for a period of 36 months if eligible to enter the DROP during 2018 - 2020, 48 months if eligible to enter the DROP during 2021, or 60 months if eligible to enter the DROP after 2021. Such election must be made within 60 days of becoming eligible to enter the DROP. The monthly pension shall be calculated as of the date of participation in the DROP and shall be accumulated with interest earned on the DROP account, subject to a minimum of 0.0 percent and a maximum of 4.5 percent in any calendar year, and distributed in a lump sum at retirement. The DROP account balance at December 31, 2019 was \$576,985.

Death Benefits

If a member is eligible for retirement at the time of death, a monthly death benefit is payable to his surviving spouse, or eligible children, equal to 50 percent of the monthly benefit the member would have been receiving had he been retired at the time of death.

Vesting

A member's benefits vest upon completion of 12 years of vesting service. The vested benefit is a deferred monthly pension beginning at normal retirement equal to the benefit accrued to the date of termination.

Accrued Pension

The benefit accrued at any date other than the normal retirement date is equal to the projected normal retirement benefit multiplied by the ratio of the number of years of benefit service to date to the total number of years of benefit service projected at normal retirement.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 8 POLICE PENSION PLAN (cont'd)

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 recorded at fair value except as described below.

The Plan's unallocated insurance contract is 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 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 plan's deposits may not be returned. At December 31, 2019, the carrying amount of the plan's deposits was \$205,823, of which \$205,823 was invested in a federated prime obligations fund held by the trustee of the pension in the plan's name. 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, 2019, the Plan had the following investments:

<u>Investment Type</u>	<u>Fair or Contract Value</u>	<u>Level 1</u>
Domestic equity mutual funds	\$ 7,915,339	\$ 7,915,339
International equity mutual funds	5,323,404	5,323,404
Fixed income mutual funds	6,098,051	6,098,051
Insurance contract	489,084	-
<b>TOTAL</b>	<b><u>\$ 19,825,878</u></b>	<b><u>\$ 19,336,794</u></b>

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 8 POLICE PENSION PLAN (cont'd)

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

Contributions

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 2019.

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, 2019 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 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. Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates by the target asset allocation percentage and then adding expected inflation. The target allocation is in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	39%	5.5% - 7.5%
International equity	26%	4.5% - 6.5%
Fixed income	35%	1.0% - 3.0%
	<u>100%</u>	



WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 8 POLICE PENSION PLAN (cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Township has always met the funding requirements of Pennsylvania Law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

Changes in Net Pension Asset

The net pension asset was measured as of December 31, 2019, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2019. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

		Increase (Decrease)	
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at December 31, 2018	\$ 18,075,787	\$ 16,915,530	\$ 1,160,257
Service cost	462,030	-	462,030
Interest cost	1,314,139	-	1,314,139
Changes of assumptions	462,553	-	462,553
Changes for experience	187,598	-	187,598
Contributions – employer	-	303,566	(303,566)
Contributions – members	-	163,476	(163,476)
Net investment loss	-	3,275,654	(3,275,654)
Administrative expenses	-	(29,392)	29,392
Benefit payments	(597,133)	(597,133)	-
Net changes	1,829,187	3,116,171	(1,286,984)
Balances at December 31, 2019	\$ 19,904,974	\$ 20,031,701	\$ (126,727)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the plan, calculated using the discount rate of 7.00 percent, as well as what the plan's net pension liability (asset) would be if it were

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 8 POLICE PENSION PLAN (cont'd)

calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease 6.00%	Current Rate Discount Rate 7.00%	1% Increase 8.00%
Plan's net pension liability (asset)	\$ 2,386,624	\$ (126,727)	\$ (2,216,204)

Money-weighted Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on the police pension fund investments, net of investment expense was 19.25 percent. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension investments by the proportion of time available to earn a return during that period.

Net Pension Asset and Expense and Deferred Outflows of Resources

At December 31, 2019, the Township reported a net pension asset of \$126,727 for its police pension plan.

For the year ended December 31, 2019, the Township recognized pension expense of \$394,363 under this plan. At December 31, 2019, the Township reported deferred outflows and inflows of resources related to the police pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$1,245,839	\$2,173,244
Changes of assumptions	713,772	-
Net difference between expected and actual experience	160,798	772,553
	<u>\$2,120,409</u>	<u>\$2,945,797</u>

These amounts will be reported as deferred outflows and inflows of resources related to pensions and will be recognized in pension expense as follows:

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 8 POLICE PENSION PLAN (cont'd)

Year Ended December 31,

2020	\$ (286,132)
2021	(282,665)
2022	(39,152)
2023	(365,504)
2024	55,188
Thereafter	<u>92,877</u>
	<u>\$ (825,388)</u>

NOTE 9 NON-UNIFORMED PENSION PLAN

Plan description and provisions:

The West Goshen Township Non-Uniformed Pension Plan 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. The West Goshen Township Non-Uniformed Pension Plan 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 December 31, 2019, the most recent actuarial date, disclosed that plan membership consisted of the following:

Active employees	51
Retirees and beneficiaries currently receiving benefits	26
Inactive members entitled to but not yet receiving benefits	<u>10</u>
Total	<u>87</u>

***Benefit Provisions***

Normal Retirement

A member is eligible for normal retirement after attainment of age 65 and completion of ten years of vesting service or after attainment of age 60 and completion of 20 years of service, if earlier.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

The normal retirement pension is payable monthly during the member's lifetime, with payments guaranteed for the first 120 months.

The amount of monthly pension is equal to 2.00 percent of average monthly compensation multiplied by the number of completed years and months of benefit service, up to a maximum of 35 years. For participants as of July 1, 1980, the minimum monthly pension is equal to 35 percent of average monthly compensation during the highest 60 consecutive months out of the final 120 months of employment.

Average monthly compensation is based upon the last 36 months of employment.

Late Retirement

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 is equal to the greater of the benefit accrued to the late retirement date or the benefit as of the end of the preceding plan year, as actuarially increased.

Early Retirement

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

Disability Benefits

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

Death Benefits

If a member who has been married for at least one year dies after completion of 10 years of vesting service and attainment of age 50, the member's surviving spouse shall receive the same benefit that would have been payable had the member retired with a joint and 100 percent survivor annuity on the day before their death.

If a member who has been married for at least one year dies after completion of 10 years of vesting service and prior to the attainment of age 50, a survivor's benefit is payable to the member's surviving spouse equal to 100 percent of the pension the member would have been receiving had he terminated employment on the day of his death, survived to age 50, retired

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

and elected a joint and 100 percent survivor annuity payable at age 50, and died on the day after attainment of age 50.

Vesting

A member's benefits vest upon completion of five years of vesting service. The vested benefit is a deferred monthly pension beginning at normal retirement equal to the benefit accrued to the date of termination.

Accrued Pension

The benefit accrued at any date other than the normal retirement date is equal to the normal retirement benefit formula, but based upon compensation and benefit service to date.

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.

- Effective January 1, 2019, members contribute 2.0 percent of compensation.
- Effective January 1, 2020, members contribute 3.0 percent of compensation.
- Effective January 1, 2021, members contribute 4.0 percent of compensation.
- Effective January 1, 2022, members contribute 5.0 percent of compensation.

Member 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 recorded at fair value except as described below.

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 plan's assets.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 9      NON-UNIFORMED 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 plan's deposits may not be returned. At December 31, 2019, the carrying amount of the plan's deposits was \$256,070, of which \$256,070 was invested in a Federated Prime obligations fund held by the trustee of the pension in the plan's name. 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, 2019, the plan had the following investments:

<u>Investment Type</u>	<u>Fair or Contract Value</u>	<u>Level 1</u>
Domestic equity mutual funds	\$ 3,594,141	\$ 3,594,141
International equity mutual funds	2,391,558	2,391,558
Fixed income mutual funds	2,702,938	2,702,938
Insurance contract	302,201	-
<b>TOTAL</b>	<b><u>\$ 8,990,838</u></b>	<b><u>\$ 8,688,637</u></b>

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

Contributions

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.

- Effective January 1, 2019, members contribute 2.0 percent of compensation.
- Effective January 1, 2020, members contribute 3.0 percent of compensation.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

- Effective January 1, 2021, members contribute 4.0 percent of compensation.
- Effective January 1, 2022, members contribute 5.0 percent of compensation.

Member contributions are credited with 5.0 percent annual interest.

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, 2019 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 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. Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates by the target asset allocation percentage and then adding expected inflation.

The target allocation is in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	39%	5.5% - 7.5%
International equity	26%	4.5% - 6.5%
Fixed income	35%	1.0% - 3.0%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The pension plan's fiduciary net position is projected to be available to make all projected future benefit

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Township has always met the funding requirements of Pennsylvania Law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

Changes in Net Pension Liability

The net pension liability was measured as of December 31, 2019, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2019. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

		Increase (Decrease)	
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2018	\$ 9,082,791	\$ 7,631,106	\$ 1,451,685
Service cost	415,546	-	415,546
Interest cost	800,088	-	800,088
Changes of benefit terms	1,803,499	-	1,803,499
Changes of assumptions	459,095	-	459,095
Changes for experience	(205,056)	-	(205,056)
Contributions – employer	-	399,896	(399,896)
Contributions – employee	-	61,955	(61,955)
Net investment loss	-	1,464,058	(1,464,058)
Administrative expenses	-	(14,530)	14,530
Benefit payments	(295,577)	(295,577)	-
Net changes	2,977,595	1,615,802	1,361,793
Balances at December 31, 2019	\$ 12,060,386	\$ 9,246,908	\$ 2,813,478

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the plan, calculated using the discount rate of 7.00 percent, as well as what the plan's net pension liability would be if it were calculated using



WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease 6.00%	Current Rate Discount Rate 7.00%	1% Increase 8.00%
Plan's net pension liability	\$ 4,476,115	\$ 2,813,478	\$ 1,425,603

Money-weighted Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on the non-uniformed pension fund investments, net of investment expense was 19.31 percent. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension investments by the proportion of time available to earn a return during that period.

Pension Liability and Expense and Deferred Outflows of Resources

At December 31, 2019, the Township reported a net pension liability of \$2,813,478 for its non-uniformed pension plan.

For the year ended December 31, 2019, the Township recognized pension expense of \$2,460,619 under the non-uniformed pension plan. At December 31, 2019, the Township reported deferred outflows and inflows of resources related to the non-uniformed pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 551,447	\$ 966,745
Changes in actuarial assumptions	619,513	-
Net difference between projected and actual experience	77,452	351,289
	<u>\$ 1,248,412</u>	<u>\$ 1,318,034</u>

These amounts will be reported as deferred outflows and inflows of resources related to pensions and will be recognized in pension expense as follows:

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

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

Year Ended December 31,

2020	\$ (69,253)
2021	(64,704)
2022	44,337
2023	(139,478)
2024	46,547
Thereafter	<u>112,929</u>
	<u>\$ (69,622)</u>

NOTE 10      SEWER PENSION PLAN

Plan description and provisions:

The West Goshen Township Sewer Pension Plan 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. The West Goshen Township Sewer Pension Plan 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

Plan membership as of December 31, 2019 consisted of the following:

Active employees	27
Retirees and beneficiaries currently receiving benefits	11
Inactive members entitled to but not yet receiving benefits	<u>5</u>
Total	<u>43</u>

***Benefit Provisions***

Normal Retirement

A member is eligible for normal retirement after attainment of age 65 and completion of ten years of vesting service or after attainment of age 60 and completion of 20 years of service, if earlier.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10     SEWER PENSION PLAN (cont'd)

The normal retirement pension is payable monthly during the member's lifetime, with payments guaranteed for the first 120 months.

The amount of monthly pension is equal to 2.00 percent of average monthly compensation multiplied by the number of completed years and months of benefit service, up to a maximum of 35 years. For participants as of July 1, 1980, the minimum monthly pension is equal to 35 percent of average monthly compensation during the highest 60 consecutive months out of the final 120 months of employment.

Average monthly compensation is based upon the last 36 months of employment.

Late Retirement

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 is equal to the greater of the benefit accrued to the late retirement date or the benefit as of the end of the preceding plan year, as actuarially increased.

Early Retirement

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

Disability Benefits

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

Death Benefits

If a member who has been married for at least one year dies after completion of 10 years of vesting service and attainment of age 50, the member's surviving spouse shall receive the same benefit that would have been payable had the member retired with a joint and 100 percent survivor annuity on the day before their death.

If a member who has been married for at least one year dies after completion of 10 years of vesting service and prior to the attainment of age 50, a survivor's benefit is payable to the member's surviving spouse equal to 100 percent of the pension the member would have been receiving had he terminated employment on the day of his death, survived the age 50, retired

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10     SEWER PENSION PLAN (cont'd)

and elected a joint and 100 percent survivor annuity payable at age 50, and died on the day after attainment of age 50.

Vesting

A member's benefits vest upon completion of five years of vesting service. The vested benefit is a deferred monthly pension beginning at normal retirement equal to the benefit accrued to the date of termination.

Accrued Pension

The benefit accrued at any date other than the normal retirement date is equal to the normal retirement benefit formula, but based upon compensation and benefit service to date.

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.

- Effective January 1, 2019, members contribute 2.0 percent of compensation.
- Effective January 1, 2020, members contribute 3.0 percent of compensation.
- Effective January 1, 2021, members contribute 4.0 percent of compensation.
- Effective January 1, 2022, members contribute 5.0 percent of compensation.

Member 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 recorded at fair value except as described below.

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 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, 2019, the carrying amount of the plan's deposits was \$237,039, of which \$237,039 was invested in a Federated Prime obligations fund held by the trustee of the pension in the plan's name.

***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, 2019, the plan had the following investments:

<u>Investment Type</u>	<u>Fair or Contract Value</u>	<u>Level 1</u>
Domestic equity mutual funds	\$ 2,229,441	\$ 2,229,441
International equity mutual funds	1,449,864	1,449,864
Fixed income mutual funds	1,412,604	1,412,604
Insurance contract	314,743	-
<b>TOTAL</b>	<b><u>\$ 5,406,652</u></b>	<b><u>\$ 5,091,909</u></b>

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

Contributions

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.

- Effective January 1, 2019, members contribute 2.0 percent of compensation.
- Effective January 1, 2020, members contribute 3.0 percent of compensation.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10     SEWER PENSION PLAN (cont'd)

- Effective January 1, 2021, members contribute 4.0 percent of compensation.
- Effective January 1, 2022, members contribute 5.0 percent of compensation.

Member contributions are credited with 5.0 percent annual interest.

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, 2019 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 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. Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates by the target asset allocation percentage and then adding expected inflation.

The target allocation is in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	39%	5.5% - 7.5%
International equity	26%	4.5% - 6.5%
Fixed income	35%	1.0% - 3.0%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The pension plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10 SEWER PENSION PLAN (cont'd)

return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Township has always met the funding requirements of Pennsylvania Law Act 205 of 1984. Act 205 requires full funding of the entry age normal cost plus plan expenses, as well as amortization of the unfunded liability.

Changes in Net Pension Liability

The net pension liability was measured as of December 31, 2019, and the total pension liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2019.

No significant events or changes in assumptions occurred between the valuation date and the fiscal year end.

		Increase (Decrease)	
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2018	\$ 5,427,524	\$ 4,782,136	\$ 645,388
Service cost	204,209	-	204,209
Interest cost	456,934	-	456,934
Changes of benefit terms	850,776	-	850,776
Changes of assumptions	267,913	-	267,913
Changes for experience	(98,301)	-	(98,301)
Contributions – employer	-	200,835	(200,835)
Contributions – employee	-	27,470	(27,470)
Net investment gain	-	902,512	(902,512)
Administrative expenses	-	(11,603)	11,603
Benefit payments	(257,659)	(257,659)	-
Net changes	1,423,872	861,555	562,317
Balances at December 31, 2019	\$ 6,851,396	\$ 5,643,691	\$ 1,207,705

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the plan, calculated using the discount rate of 7.00 percent, as well as what the plan's net pension liability would be if it were calculated using

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10 SEWER PENSION PLAN (cont'd)

a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease 6.00%	Current Rate Discount Rate 7.00%	1% Increase 8.00%
Plan's net pension liability	\$ 2,144,753	\$ 1,207,705	\$ 423,944

Money-weighted Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on the sewer pension plan investments, net of investment expense was 19.29 percent. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension investments by the proportion of time available to earn a return during that period.

Pension Liability and Expense and Deferred Outflows of Resources

At December 31, 2019, the Township reported a net pension liability of \$1,207,705 for its sewer pension plan.

For the year ended December 31, 2019, the Township recognized pension expense of \$1,180,467 under the sewer pension plan. At December 31, 2019, the Township reported deferred outflows and inflows of resources related to the sewer pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 349,859	\$ 590,875
Changes of assumptions	387,232	-
Net difference between expected and actual experience	50,907	179,521
	<u>\$ 787,998</u>	<u>\$ 770,396</u>

These amounts will be reported as deferred outflows and inflows of resources related to pensions and will be recognized in pension expense as follows:



WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 10     SEWER PENSION PLAN (cont'd)

<u>Year Ended December 31,</u>	
2020	\$ (36,660)
2021	(36,036)
2022	34,851
2023	(81,771)
2024	30,350
Thereafter	<u>106,868</u>
	<u>\$ 17,602</u>

NOTE 11     OTHER POSTEMPLOYMENT 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.

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.

Plan Membership

Plan membership as of January 1, 2018, the date of the latest census information consisted of the following:

Active employees	95
Retirees and beneficiaries currently receiving benefits	23
Inactive members entitled to but not yet receiving benefits	<u>-</u>
Total	<u>118</u>

Eligibility for Benefits

Police officers are eligible to retire and receive postemployment benefits after attainment of age 55 and completion of 25 years of service. All other Township employees are eligible to

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11     OTHER POSTEMPLOYMENT BENEFITS (cont'd)

retire and receive postemployment benefits after attainment of age 60 and completion of 20 years of service or after attainment of age 55 and completion of 25 years of service, if earlier.

Medical Benefits Payable Upon Retirement

Eligible retirees who have not attained Medicare age may receive fully paid medical, prescription drug, dental, and vision coverage. Retired police officers may elect coverage for their spouses at full cost to the retiree.

Life Insurance Payable Upon Retirement

Eligible retirees who have not attained Medicare age may receive paid term life insurance in the amount of \$10,000.

Medical Benefits Payable Upon Disability

In the event a police officer leaves employment due to either a medical leave of absence or due to receiving a disability pension, the police officer may receive fully paid medical, prescription drug, dental, and vision coverage for 29 months. Any eligible dependents of the police officer may receive one month of fully paid medical, prescription drug, dental and vision coverage for each year of service accumulated by the police officer, up to a maximum of 29 months.

Medical Benefits Upon Death

In the event of the death of an active police officer, any eligible dependents of the police officer may receive one month of fully-paid medical, prescription drug, dental, and vision coverage for each year of service accumulated by the police officer, up to a maximum of 12 months.

Dependents

Spouses of retired police officers are eligible to elect medical, prescription drug, dental, and vision coverage by paying the full premiums.

Duration of Medical Benefits

All benefits are provided until the retiree attains Medicare age. Retired police officers may continue coverage after Medicare age at full cost to the retiree.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11     OTHER POSTEMPLOYMENT BENEFITS (cont'd)

Coordination with Medicare

Spouses who attain Medicare age before the retiree and retired police officers who have attained Medicare age may continue coverage that pays secondary to Medicare by paying the full premiums.

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.

Actuarial Assumptions and Other Inputs

The total OPEB liability was measured as of January 1, 2019, using the January 1, 2018 actuarial valuation rolled forward to the measurement date. Participant data is based on census data as of January 1, 2018. The actuarial cost method uses entry age normal.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.64 percent based on S&P Municipal Bond 20-Year High Grade Rate Index at January 1, 2019.

Salary

An assumption for salary increases is used only for spreading contributions over future pay under the entry age normal cost method. For this purpose, annual salary increases are assumed to be 5.00 percent.

Withdrawal

The table below shows rates of withdrawal at selected ages.

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	5.50%	35	2.50%	50	0.00%
25	5.00%	40	1.00%	55	0.00%
30	4.00%	45	0.50%	60	0.00%

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11    OTHER POSTEMPLOYMENT BENEFITS (cont'd)

Mortality

Mortality rates are based on the IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected seven years and rates for non-annuitants projected fifteen years using Scale AA to reflect mortality improvement.

Disability

The table below shows rates of disability at selected ages.

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	0.03%	35	0.05%	50	0.18%
25	0.03%	40	0.07%	55	0.36%
30	0.04%	45	0.10%	60	0.90%

Retirement

All employees are assumed to retire immediately upon eligibility for normal retirement under the Township's pension plans.

Percent of Eligible Retirees Electing Coverage in Plan

One hundred percent of employees are assumed to elect medical coverage until age 65. One hundred percent of employees are assumed to elect life insurance and continue coverage for life by paying the premium beginning at age 65.

Percent Married at Retirement

Fifty percent of employees electing coverage at retirement are assumed to be married and have a spouse covered by the plan.

Spouse Age

Wives are assumed to be the same age as their husbands.

Per Capita Claims Cost

Making use of weighted averages for various plan designs, the per capita claims cost for medical and prescription drug is based on the expected portion of the group's overall cost attributed to individuals in the specified age and gender brackets. The resulting costs are as follows:

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (cont'd)

<u>Age</u>	<u>Males</u>	<u>Females</u>
45 - 49	\$ 9,818	\$ 14,179
50 - 54	\$ 13,003	\$ 16,025
55 - 59	\$ 15,837	\$ 16,768
60 - 64	\$ 20,666	\$ 19,262

Retiree Contributions

Retiree contributions are assumed to increase at the same rate as the healthcare cost trend rate.

Life Insurance

It is assumed that the annual cost to provide life insurance varies by age. The assumed cost is equal to the amount of coverage times the applicable mortality factor contained in the valuation mortality table. Retiree contributions are \$7.10 per month of coverage beginning at age 65.

Healthcare Cost Trend Rate

The healthcare cost trend rate is 5.50 percent in 2019 through 2021. Rates gradually decrease from 5.40 percent in 2022 to 3.80 percent in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Sensitivity Analysis

The following presents the net OPEB liability, calculated using the valuation discount rate of 3.64 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease 2.64%	Current Rate Discount Rate 3.64%	1% Increase 4.64%
Total OPEB liability	\$ 6,969,716	\$ 6,423,979	\$ 5,920,835
Fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 6,969,716</u>	<u>\$ 6,423,979</u>	<u>\$ 5,920,835</u>

The following presents the net OPEB liability, calculated using the valuation healthcare cost trend rate of 6.0 percent, as well as what the net OPEB liability would be if it were calculated using a

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (cont'd)

trend rate that is one percentage point lower each year or one percentage point higher each year than the current rate.

	<u>1% Decrease</u>	<u>Current Rate Healthcare Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 5,659,316	\$ 6,423,979	\$ 7,326,931
Fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB liability	<u>\$ 5,659,316</u>	<u>\$ 6,423,979</u>	<u>\$ 7,326,931</u>

Changes in Total OPEB Liability

Total OPEB liability as of January 1, 2018	\$ 6,195,444
Service cost	457,942
Interest on OPEB obligation	207,164
Effect of assumption changes or inputs	(256,451)
Benefit payments	<u>(180,120)</u>
Total OPEB liability as of January 1, 2019	<u>\$ 6,423,979</u>

The amount of OPEB expense recognized by the Township was \$667,268 for the year ended December 31, 2019. An amount of \$190,414 is reported as deferred outflows of resources resulting from the Township's benefit payments subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. At December 31, 2019, the Township reported deferred outflows of resources relating to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 229,288	\$ 233,137
Benefit payments subsequent to measurement date	<u>190,414</u>	
Total	<u>\$ 419,702</u>	<u>\$ 233,137</u>

A deferred outflow was recorded in the amount of \$190,414 and will be recognized in the December 31, 2020 financial statements. The remaining deferred outflows and inflows of resources will be recognized in pension expense as follows:

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 11     OTHER POSTEMPLOYMENT BENEFITS (cont'd)

Year Ending December 31,

2020	\$ 2,162
2021	2,162
2022	2,162
2023	2,162
2024	2,162
Thereafter	<u>(14,659)</u>
	<u>\$ (3,849)</u>

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. In December 2013, the Authority entered into an Interim Settlement Agreement with the EPA for the reassessment and reconsideration of Goose Creek. As a result of the reassessment, a second Interim Settlement Agreement was reached in October 2018 to further reduce effluent TP from a monthly average of 0.8 mg/L to a monthly average of 0.1 mg/L by December 2022 with the ultimate goal of demonstrating whether or not a U.S. EPA-approved tertiary treatment system can treat to levels of TP lower than 0.1 mg/L. 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.

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.

WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

**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 2019 and 2018, the state made contributions of \$604,219 and \$594,917, 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 an expense, while the Sewer Pension Fund contributions are recorded in the Sewer Fund as revenues and expenditures.

**NOTE 15      EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The general fund incurred expenditures in excess of appropriations in the following amounts for the year ended December 31, 2019:

**General Fund:**

*General Government*

Auditing	\$	2
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*Public Safety*

Fire protection	\$	19,670
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Planning and zoning	\$	41,275
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*Public Works - Highway and Streets:*

Road maintenance	\$	16,624
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Road construction	\$	231,816
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*Other Public Works*

Traffic signal maintenance	\$	32,425
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The excess expenditures in the general fund were covered by savings in other budgeted expenditure use line items.

**NOTE 16      COMMITMENTS**

As of December 31, 2019, anticipated construction commitments are as follows:

	Contract Amount	Completed at 12/31/2019	Estimated Balance to Complete
<i>Governmental Activities:</i>			
Basin retrofit project	\$ 173,130	\$ 138,872	\$ 34,258
Total Governmental Activities	<u>\$ 173,130</u>	<u>\$ 138,872</u>	<u>\$ 34,258</u>



WEST GOSHEN TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS

NOTE 16     COMMITMENTS (cont'd)

	Contract Amount	Completed at 12/31/2019	Estimated Balance to Complete
<i>Business-type Activities:</i>			
Digesters	\$ 5,351,944	\$ 4,952,258	\$ 399,686
Pump station No. 10	562,210	562,210	-
2018 Sanitary Sewer	309,517	309,517	-
Total Business-type Activities	<u>\$ 6,223,671</u>	<u>\$ 5,823,985</u>	<u>\$ 399,686</u>

In addition, the Township has incurred costs totaling \$2,954,970 (\$85,409 for governmental activities and \$2,869,561 for business-type activities) for project costs that are not or no longer under a formal contract as of December 31, 2019.

NOTE 17     PRIOR PERIOD ADJUSTMENTS

The Township has increased its January 1, 2019 net position in the governmental activities and general fund by \$3,054,690, and has decreased the January 1, 2019 net position in fiduciary funds by the same amount due to the effects of implementing GASB Statement No. 84, "Fiduciary Activities." The accounts for OPEB assets are now reported in the general fund as they do not meet the criteria for fiduciary funds under the new standard.

NOTE 18     SUBSEQUENT EVENTS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact the Township's income in 2020. Other financial impact could occur though such potential impact is unknown at this time.

The Township has evaluated all subsequent events through June 25, 2020, the date the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**WEST GOSHEN TOWNSHIP  
POLICE PENSION PLAN**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET PENSION LIABILITY, RELATED RATIOS, AND INVESTMENT RETURNS**

	2019	2018	2017	2016	2015	2014
<b>TOTAL PENSION LIABILITY</b>						
Service cost	\$ 462,030	\$ 482,207	\$ 456,998	\$ 415,153	\$ 401,183	\$ 410,584
Interest cost	1,314,139	1,184,859	1,113,465	1,057,292	986,699	971,105
Benefit payments	(597,133)	(396,820)	(396,845)	(400,299)	(396,819)	(477,607)
Changes of assumptions	462,553	-	507,675	-	-	-
Changes for experience	187,598	-	(809,217)	-	(711,452)	-
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>1,829,187</b>	<b>1,270,246</b>	<b>872,076</b>	<b>1,072,146</b>	<b>279,611</b>	<b>904,082</b>
<b>TOTAL PENSION LIABILITY, BEGINNING OF YEAR</b>	<b>18,075,787</b>	<b>16,805,541</b>	<b>15,933,465</b>	<b>14,861,319</b>	<b>14,581,708</b>	<b>13,677,626</b>
<b>TOTAL PENSION LIABILITY, END OF YEAR</b>	<b>\$ 19,904,974</b>	<b>\$ 18,075,787</b>	<b>\$ 16,805,541</b>	<b>\$ 15,933,465</b>	<b>\$ 14,861,319</b>	<b>\$ 14,581,708</b>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions:						
Employer	100,734	\$ 92,610	\$ 84,140	\$ 85,924	\$ 247,834	\$ 233,278
State aid	202,832	215,226	199,191	174,787	209,433	211,512
Employees	163,476	167,224	187,020	167,572	151,755	134,380
Net investment income (loss)	3,275,654	(804,960)	2,326,937	1,043,030	(26,865)	847,036
Benefit payments	(597,133)	(396,820)	(396,845)	(400,299)	(396,819)	(477,607)
Administrative expenses	(29,392)	(30,359)	(29,051)	(27,638)	(27,617)	(28,617)
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>3,116,171</b>	<b>(757,079)</b>	<b>2,371,392</b>	<b>1,043,376</b>	<b>157,721</b>	<b>919,982</b>
<b>PLAN FIDUCIARY NET POSITION, BEGINNING OF YEAR</b>	<b>16,915,530</b>	<b>17,672,609</b>	<b>15,301,217</b>	<b>14,257,841</b>	<b>14,100,120</b>	<b>13,180,138</b>
<b>PLAN FIDUCIARY NET POSITION, END OF YEAR</b>	<b>\$ 20,031,701</b>	<b>\$ 16,915,530</b>	<b>\$ 17,672,609</b>	<b>\$ 15,301,217</b>	<b>\$ 14,257,841</b>	<b>\$ 14,100,120</b>
<b>TOWNSHIP'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ (126,727)</b>	<b>\$ 1,160,257</b>	<b>\$ (867,068)</b>	<b>\$ 632,248</b>	<b>\$ 603,478</b>	<b>\$ 481,588</b>
Plan fiduciary net position as a percentage of total pension liability (asset)	100.64%	93.58%	105.16%	96.03%	95.94%	96.70%
Covered employee payroll	3,176,805	\$ 2,994,228	\$ 3,595,369	\$ 3,393,491	\$ 3,063,588	\$ 2,981,325
Township's net pension liability (asset) as a percentage of covered payroll	-3.99%	38.75%	(24.12%)	18.63%	19.70%	16.15%
Annual money-weighted rate of return, net of investment expense	19.25%	-4.30%	15.26%	7.35%	-0.19%	6.49%

**Notes to Schedule:**

The requirement is to show information for 10 years; however, until a full 10-year trend is compiled, the Plan shall present information for the years for which information is available.

**WEST GOSHEN TOWNSHIP  
POLICE PENSION PLAN**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year	Actuarial Determined Contribution	Contributions from Employer	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Payroll
2010	\$ 346,962	\$ 346,962	\$ -	*	*
2011	375,872	375,872	-	2,632,976	14.28%
2012	386,005	386,005	-	*	*
2013	449,876	449,876	-	2,886,813	15.58%
2014	444,790	444,790	-	2,981,325	14.92%
2015	457,267	457,267	-	3,063,588	14.93%
2016	260,710	260,710	-	3,393,491	7.68%
2017	283,331	283,331	-	3,595,369	7.88%
2018	307,836	307,836	-	2,994,228	10.28%
2019	303,566	303,566	-	3,176,805	9.56%

\* Not available due to biennially required Act 205 report.

**Notes to Schedule**

*Valuation Date:*

Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which the contributions are reported.

*Methods and Assumptions Used to Determine Contribution Rates:*

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	13 years
Asset valuation method	Market value of assets as determined by the trustee
Inflation	3.00%
Salary increases	5.00%
Investment rate of return	7.00%
Retirement age	Normal retirement age
Mortality	IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect mortality improvement.

*Other Information:*

Changes in benefit terms: Effective January 1, 2018, an active member who is eligible for normal retirement may elect to participate in the Deferred Retirement Option Program (DROP).

**WEST GOSHEN TOWNSHIP  
NON-UNIFORMED PENSION PLAN  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET PENSION LIABILITY, RELATED RATIOS, AND INVESTMENT RETURNS**

	2019	2018	2017	2016	2015	2014
<b><u>TOTAL PENSION LIABILITY</u></b>						
Service cost	\$ 415,546	\$ 309,114	\$ 296,549	\$ 315,049	\$ 303,948	\$ 254,248
Interest cost	800,088	604,412	564,858	524,397	486,872	440,546
Benefit payments	(295,577)	(310,049)	(309,384)	(286,817)	(244,638)	(222,549)
Changes of benefit terms	1,803,499	-	-	-	-	-
Changes of assumptions	459,095	-	294,753	-	-	-
Changes for experience	(205,056)	-	(238,199)	-	154,907	-
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>2,977,595</b>	<b>603,477</b>	<b>608,577</b>	<b>552,629</b>	<b>701,089</b>	<b>472,245</b>
<b>TOTAL PENSION LIABILITY, BEGINNING OF YEAR</b>	<b>9,082,791</b>	<b>8,479,314</b>	<b>7,870,737</b>	<b>7,318,108</b>	<b>6,617,019</b>	<b>6,144,774</b>
<b>TOTAL PENSION LIABILITY, END OF YEAR</b>	<b>\$ 12,060,386</b>	<b>\$ 9,082,791</b>	<b>\$ 8,479,314</b>	<b>\$ 7,870,737</b>	<b>\$ 7,318,108</b>	<b>\$ 6,617,019</b>
<b><u>PLAN FIDUCIARY NET POSITION</u></b>						
Contributions:						
Employer	\$ 132,700	\$ 120,041	\$ 117,667	\$ 132,083	\$ 203,323	\$ 179,953
State aid	267,196	278,974	278,562	268,686	171,819	163,162
Employees	61,955	-	-	-	-	-
Net investment income (loss)	1,464,058	(347,201)	1,041,023	476,625	(9,007)	384,114
Benefit payments	(295,577)	(310,049)	(309,384)	(286,387)	(244,638)	(222,549)
Administrative expenses	(14,530)	(15,944)	(15,553)	(14,892)	(14,690)	(14,992)
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>1,615,802</b>	<b>(274,179)</b>	<b>1,112,315</b>	<b>576,115</b>	<b>106,807</b>	<b>489,688</b>
<b>PLAN FIDUCIARY NET POSITION, BEGINNING OF YEAR</b>	<b>7,631,106</b>	<b>7,905,285</b>	<b>6,792,970</b>	<b>6,216,855</b>	<b>6,110,048</b>	<b>5,620,360</b>
<b>PLAN FIDUCIARY NET POSITION, END OF YEAR</b>	<b>\$ 9,246,908</b>	<b>\$ 7,631,106</b>	<b>\$ 7,905,285</b>	<b>\$ 6,792,970</b>	<b>\$ 6,216,855</b>	<b>\$ 6,110,048</b>
<b>TOWNSHIP'S NET PENSION LIABILITY</b>	<b>\$ 2,813,478</b>	<b>\$ 1,451,685</b>	<b>\$ 574,029</b>	<b>\$ 1,077,767</b>	<b>\$ 1,101,253</b>	<b>\$ 506,971</b>
Plan fiduciary net position as a percentage of total pension liability	76.67%	84.02%	93.23%	86.31%	84.95%	92.34%
Covered employee payroll	\$ 3,093,564	\$ 2,981,440	\$ 2,845,587	\$ 2,807,489	\$ 2,844,820	\$ 2,782,787
Township's net pension liability as a percentage of covered payroll	90.95%	48.69%	20.17%	38.39%	38.71%	18.22%
Annual money-weighted rate of return, net of investment expense	19.31%	-4.13%	15.51%	7.75%	-0.15%	6.89%

**Notes to Schedule:**

The requirement is to show information for 10 years; however, until a full 10-year trend is compiled, the Plan shall present information for the years for which information is available.

**WEST GOSHEN TOWNSHIP  
NON-UNIFORMED PENSION PLAN**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Year</u>	<u>Actuarial Determined Contribution</u>	<u>Contributions from Employer</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Payroll</u>
2010	\$ 185,993	\$ 185,993	\$ -	*	*
2011	218,297	218,297	-	2,167,797	10.07%
2012	219,956	219,956	-	*	*
2013	322,581	322,581	-	2,379,505	13.56%
2014	343,115	343,115	-	2,782,787	12.33%
2015	375,143	375,143	-	2,844,820	13.19%
2016	400,769	400,769	-	2,807,489	14.27%
2017	396,229	396,229	-	2,845,587	13.92%
2018	399,015	399,015	-	2,981,440	13.38%
2019	399,896	399,896	-	3,093,564	12.93%

\* Not available due to biennially required Act 205 report.

**Notes to Schedule**

*Valuation Date:*

Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which the contributions are reported.

*Methods and Assumptions Used to Determine Contribution Rates:*

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	12 years
Asset valuation method	Market value of assets as determined by the trustee
Inflation	3.00%
Salary increases	5.00%
Investment rate of return	7.00%
Retirement age	Normal retirement age
Mortality	IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect mortality improvement.

*Other Information:*

Effective January 1, 2019, benefit formula changed to 2.0% x average monthly compensation x years and months of service.

Effective January 1, 2019, vesting changed to a 5-year cliff.

Effective January 1, 2019, members contribute 2.0% of compensation.

Effective January 1, 2020, members contribute 3.0% of compensation.

Effective January 1, 2021, members contribute 4.0% of compensation.

Effective January 1, 2022, members contribute 5.0% of compensation.

**WEST GOSHEN TOWNSHIP  
SEWER PENSION PLAN**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET PENSION LIABILITY, RELATED RATIOS, AND INVESTMENT RETURNS**

	2019	2018	2017	2016	2015	2014
<b><u>TOTAL PENSION LIABILITY</u></b>						
Service cost	\$ 204,209	\$ 141,109	\$ 136,533	\$ 122,132	\$ 118,032	\$ 90,928
Interest cost	456,934	363,352	346,766	325,497	304,683	275,004
Benefit payments	(257,659)	(251,430)	(251,430)	(208,446)	(51,518)	(58,672)
Changes in benefit terms	850,776	-	-	-	-	-
Changes of assumptions	267,913	-	194,812	-	-	-
Changes for experience	(98,301)	-	(121,401)	-	87,267	-
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	<b>1,423,872</b>	<b>253,031</b>	<b>305,280</b>	<b>239,183</b>	<b>458,464</b>	<b>307,260</b>
<b>TOTAL PENSION LIABILITY, BEGINNING OF YEAR</b>	<b>5,427,524</b>	<b>5,174,493</b>	<b>4,869,213</b>	<b>4,630,030</b>	<b>4,171,566</b>	<b>3,864,306</b>
<b>TOTAL PENSION LIABILITY, END OF YEAR</b>	<b>\$ 6,851,396</b>	<b>\$ 5,427,524</b>	<b>\$ 5,174,493</b>	<b>\$ 4,869,213</b>	<b>\$ 4,630,030</b>	<b>\$ 4,171,566</b>
<b><u>PLAN FIDUCIARY NET POSITION</u></b>						
Contributions:						
Employer	\$ 66,644	\$ 43,338	\$ 42,396	\$ 48,660	\$ 91,693	\$ 95,042
State aid	134,191	100,717	100,367	98,983	77,486	86,175
Employees	27,470	-	-	-	-	-
Net investment income (loss)	902,512	(216,247)	684,044	315,005	(2,208)	252,270
Benefit payments	(257,659)	(251,430)	(251,430)	(208,446)	(51,518)	(58,672)
Administrative expenses	(11,603)	(12,786)	(12,696)	(12,450)	(12,417)	(12,514)
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	<b>861,555</b>	<b>(336,408)</b>	<b>562,681</b>	<b>241,752</b>	<b>103,036</b>	<b>362,301</b>
<b>PLAN FIDUCIARY NET POSITION, BEGINNING OF YEAR</b>	<b>4,782,136</b>	<b>5,118,544</b>	<b>4,555,863</b>	<b>4,314,111</b>	<b>4,211,075</b>	<b>3,848,774</b>
<b>PLAN FIDUCIARY NET POSITION, END OF YEAR</b>	<b>\$ 5,643,691</b>	<b>\$ 4,782,136</b>	<b>\$ 5,118,544</b>	<b>\$ 4,555,863</b>	<b>\$ 4,314,111</b>	<b>\$ 4,211,075</b>
<b>TOWNSHIP'S NET PENSION LIABILITY (ASSET)</b>	<b>\$ 1,207,705</b>	<b>\$ 645,388</b>	<b>\$ 55,949</b>	<b>\$ 313,350</b>	<b>\$ 315,919</b>	<b>\$ (39,509)</b>
Plan fiduciary net position as a percentage of total pension liability	82.37%	88.11%	98.92%	93.56%	93.18%	100.95%
Covered employee payroll	\$ 1,303,015	\$ 1,380,690	\$ 1,235,027	\$ 1,293,914	\$ 1,307,698	\$ 1,420,375
Township's net pension liability (asset) as a percentage of covered payroll	92.69%	46.74%	4.53%	24.22%	24.16%	(2.78%)
Annual money-weighted rate of return, net of investment expense	19.29%	-4.30%	15.33%	7.41%	-0.05%	6.56%

**Notes to Schedule:**

The requirement is to show information for 10 years; however, until a full 10-year trend is compiled, the Plan shall present information for the years for which information is available.

**WEST GOSHEN TOWNSHIP  
SEWER PENSION PLAN**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year	Actuarial Determined Contribution	Contributions from Employer	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Payroll
2010	\$ 143,271	\$ 143,271	\$ -	*	*
2011	152,522	152,522	-	1,066,174	14.31%
2012	157,737	157,737	-	*	*
2013	180,815	180,815	-	1,114,305	16.23%
2014	181,217	181,217	-	1,420,375	12.76%
2015	169,179	169,179	-	1,307,698	12.94%
2016	147,643	147,643	-	1,293,914	11.41%
2017	142,763	142,763	-	1,235,027	11.56%
2018	144,055	144,055	-	1,380,690	10.43%
2019	200,835	200,835	-	1,303,015	15.41%

\* Not available due to biennially required Act 205 report.

**Notes to Schedule:**

*Valuation Date:*

Actuarially determined contribution rates are calculated as of January 1, two to four years prior to the end of the fiscal year in which the contributions are reported.

*Methods and Assumptions Used to Determine Contribution Rates:*

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	7 years
Asset valuation method	Market value of assets as determined by the trustee
Inflation	3.00%
Salary increases	5.00%
Investment rate of return	7.00%
Retirement age	Normal retirement age
Mortality	IRS 2017 Static Combined Table for Small Plans. Incorporated into the table are rates for annuitants projected 7 years and rates for non-annuitants projected 15 years using Scale AA to reflect mortality improvement.

*Other Information:*

Effective January 1, 2019, benefit formula changed to 2.0% x average monthly compensation x years and months of service.  
Effective January 1, 2019, vesting changed to a 5-year cliff.  
Effective January 1, 2019, members contribute 2.00% of compensation.  
Effective January 1, 2020, members contribute 3.00% of compensation.  
Effective January 1, 2021, members contribute 4.00% of compensation.  
Effective January 1, 2022, members contribute 5.00% of compensation.



**WEST GOSHEN TOWNSHIP**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE TOWNSHIP'S NET OPEB LIABILITY AND RELATED RATIOS**

	MEASUREMENT DATE	
	January 1, 2019	January 1, 2018
TOTAL OPEB LIABILITY		
Service cost	\$ 457,942	\$ 403,195
Interest on total OPEB liability	207,164	214,809
Effect of change in assumptions	(256,451)	280,240
Benefit payments	(180,120)	(195,571)
NET CHANGE IN TOTAL OPEB LIABILITY	228,535	702,673
TOTAL OPEB LIABILITY, BEGINNING OF YEAR	6,195,444	5,492,771
TOTAL OPEB LIABILITY, END OF YEAR	<u>\$ 6,423,979</u>	<u>\$ 6,195,444</u>
<u>PLAN FIDUCIARY NET POSITION</u>		
Contributions - employer	\$ -	\$ -
Net investment income	-	-
Benefit payments	-	-
Administrative expenses	-	-
NET CHANGE IN PLAN FIDUCIARY NET POSITION	-	-
PLAN FIDUCIARY NET POSITION, BEGINNING OF YEAR	-	-
PLAN FIDUCIARY NET POSITION, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>
TOWNSHIP'S NET OPEB LIABILITY	<u>\$ 6,423,979</u>	<u>\$ 6,195,444</u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%
Covered employee payroll	\$ 7,675,983	\$ 7,675,983
Township's net OPEB liability as a percentage of covered payroll	83.69%	80.71%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively as the above information for the preceding years is not readily available. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**COMBINING FUND STATEMENTS AND  
BUDGETARY COMPARISON SCHEDULES**

**WEST GOSHEN TOWNSHIP**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUND TYPES**  
**DECEMBER 31, 2019**  
**(With Summarized Comparative Data for December 31, 2018)**

	Special Revenue Funds				Totals	
	State Fund	Offsite Development Fund	Hearing Board Fund	Zoning Fund	Capital Projects Fund	2018
		Fund	Fund	Fund	Fund	
ASSETS:						
Cash and cash equivalents	\$ 51,850	\$ 51,498	\$ 115,557		\$ 57,130	\$ 537,549
TOTAL ASSETS	\$ 51,850	\$ 51,498	\$ 115,557		\$ 57,130	\$ 537,549
LIABILITIES AND FUND BALANCES						
LIABILITIES	\$ -	\$ -	\$ -		\$ -	\$ -
FUND BALANCES:						
Restricted	51,850	-	-		-	23,946
Assigned	-	51,498	115,557		57,130	513,603
Total Fund Balances	51,850	51,498	115,557		57,130	537,549
TOTAL LIABILITIES AND FUND BALANCES	\$ 51,850	\$ 51,498	\$ 115,557		\$ 57,130	\$ 537,549

**WEST GOSHEN TOWNSHIP**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(With Summarized Comparative Data for the Year Ended December 31, 2018)**

	Special Revenue Funds				Totals	
	State Fund	Offsite Development Fund	Hearing Board Fund	Zoning Fund	Capital Projects Fund	
						2019
						2018
REVENUES:						
Investment earnings	\$ 8,783	\$ 3,284	\$ -	-	\$ 1,048	\$ 13,115
Intergovernmental revenues	744,121	-	-	-	-	744,121
Charges for services	-	-	726,845	-	-	726,845
Contributions	-	90,000	-	-	-	90,000
Miscellaneous revenue	-	-	15,000	-	-	15,000
TOTAL REVENUES	752,904	93,284	741,845	1,048	1,589,081	1,198,233
EXPENDITURES:						
Public works - highways and streets	725,000	-	-	-	-	725,000
Miscellaneous	-	-	954,177	-	-	954,177
TOTAL EXPENDITURES	725,000	-	954,177	-	-	1,679,177
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	27,904	93,284	(212,332)	1,048	(90,096)	381,328
OTHER FINANCING USES:						
Interfund transfers	-	(171,418)	-	-	-	(171,418)
TOTAL OTHER FINANCING USES	-	(171,418)	-	-	-	(171,418)
NET CHANGE IN FUND BALANCES	27,904	(78,134)	(212,332)	1,048	(261,514)	256,093
FUND BALANCES, BEGINNING OF YEAR	23,946	129,632	327,889	56,082	537,549	281,456
FUND BALANCES, END OF YEAR	\$ 51,850	\$ 51,498	\$ 115,557	\$ 57,130	\$ 276,035	\$ 537,549

**WEST GOSHEN TOWNSHIP  
BUDGETARY COMPARISON SCHEDULE -  
MAJOR GOVERNMENTAL FUND TYPE - CAPITAL RESERVE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES:			
Interest earnings	\$ 61,500	\$ 81,656	\$ 20,156
Grants	25,000	22,615	(2,385)
TOTAL REVENUES	<u>86,500</u>	<u>104,271</u>	<u>17,771</u>
EXPENDITURES:			
General government	576,800	493,524	83,276
Public safety	145,000	152,089	(7,089)
Public works - highways and streets	434,000	385,958	48,042
Culture and recreation	250,743	199,873	50,870
Debt Service:			
Principal	439,000	439,000	-
Interest	128,386	119,219	9,167
TOTAL EXPENDITURES	<u>1,973,929</u>	<u>1,789,663</u>	<u>184,266</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,887,429)</u>	<u>(1,685,392)</u>	<u>202,037</u>
OTHER FINANCING SOURCES:			
Interfund transfers	1,468,129	1,379,637	(88,492)
TOTAL OTHER FINANCING SOURCES	<u>1,468,129</u>	<u>1,379,637</u>	<u>(88,492)</u>
NET CHANGE IN FUND BALANCE	(419,300)	(305,755)	113,545
FUND BALANCE, BEGINNING OF YEAR	<u>4,267,111</u>	<u>4,315,074</u>	<u>47,963</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,847,811</u>	<u>\$ 4,009,319</u>	<u>\$ 161,508</u>

**WEST GOSHEN TOWNSHIP  
BUDGETARY COMPARISON SCHEDULE -  
NONMAJOR GOVERNMENTAL FUND TYPE - STATE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES			
Investment earnings	\$ 1,350	\$ 8,783	\$ 7,433
State grants	725,870	744,121	18,251
TOTAL REVENUES	<u>727,220</u>	<u>752,904</u>	<u>25,684</u>
EXPENDITURES			
Public works - highways and streets	725,000	725,000	-
TOTAL EXPENDITURES	<u>725,000</u>	<u>725,000</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,220</u>	<u>27,904</u>	<u>25,684</u>
NET CHANGE IN FUND BALANCE	2,220	27,904	25,684
FUND BALANCE, BEGINNING OF YEAR	<u>18,066</u>	<u>23,946</u>	<u>5,880</u>
FUND BALANCE, END OF YEAR	<u>\$ 20,286</u>	<u>\$ 51,850</u>	<u>\$ 31,564</u>

**WEST GOSHEN TOWNSHIP**  
**COMBINING STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
**December 31, 2019**  
**(With Summarized Comparative Data for December 31, 2018)**

	Police Pension Fund	Non-Uniformed Pension Fund	Sewer Pension Fund	Totals
				2019      2018
<b>ASSETS</b>				
Cash and cash equivalents	\$ 205,823	\$ 256,070	\$ 237,039	\$ 698,932      \$ 805,605
Insurance contracts, at contract value	489,084	302,201	314,743	1,106,028      1,132,981
Investments, at fair value: mutual funds	19,336,794	8,688,637	5,091,909	33,117,340      27,390,186
<b>TOTAL ASSETS</b>	<u>\$ 20,031,701</u>	<u>\$ 9,246,908</u>	<u>\$ 5,643,691</u>	<u>\$ 34,922,300</u> <u>\$ 29,328,772</u>
<b>LIABILITIES AND NET POSITION</b>				
Liabilities	\$ -	\$ -	\$ -	\$ -      \$ -
Net Position:				
Restricted for pension benefits	20,031,701	9,246,908	5,643,691	34,922,300      29,328,772
<b>TOTAL NET POSITION</b>	<u>20,031,701</u>	<u>9,246,908</u>	<u>5,643,691</u>	<u>34,922,300</u> <u>29,328,772</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 20,031,701</u>	<u>\$ 9,246,908</u>	<u>\$ 5,643,691</u>	<u>\$ 34,922,300</u> <u>\$ 29,328,772</u>

**WEST GOSHEN TOWNSHIP**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(With Summarized Comparative Data for the Year Ended December 31, 2018)**

	Police Pension Fund	Non-Uniformed Pension Fund	Sewer Pension Fund	Totals 2019	2018
<b>CONTRIBUTIONS AND INVESTMENT INCOME (LOSS)</b>					
Contributions:					
State aid	\$ 202,832	\$ 267,196	\$ 134,191	\$ 604,219	\$ 594,917
Employer contributions	100,734	132,700	66,644	300,078	255,989
Employee contributions	163,476	61,955	27,470	252,901	167,224
Total Contributions	<u>467,042</u>	<u>461,851</u>	<u>228,305</u>	<u>1,157,198</u>	<u>1,018,130</u>
Investment income:					
Net increase (decrease) in fair value of investments	2,694,430	1,199,365	737,226	4,631,021	(2,394,837)
Realized gain (loss) on investments	101,162	45,783	28,926	175,871	(111,487)
Interest and dividends	480,062	218,910	136,360	835,332	1,137,916
Total Investment Income (Loss)	<u>3,275,654</u>	<u>1,464,058</u>	<u>902,512</u>	<u>5,642,224</u>	<u>(1,368,408)</u>
<b>TOTAL CONTRIBUTIONS AND INVESTMENT INCOME (LOSS)</b>	<u>3,742,696</u>	<u>1,925,909</u>	<u>1,130,817</u>	<u>6,799,422</u>	<u>(350,278)</u>
<b>DEDUCTIONS:</b>					
Benefits paid	597,133	295,577	257,659	1,150,369	958,299
Administrative and other expenses	29,392	14,530	11,603	55,525	59,089
<b>TOTAL DEDUCTIONS</b>	<u>626,525</u>	<u>310,107</u>	<u>269,262</u>	<u>1,205,894</u>	<u>1,017,388</u>
<b>CHANGE IN NET POSITION</b>	<u>3,116,171</u>	<u>1,615,802</u>	<u>861,555</u>	<u>5,593,528</u>	<u>(1,367,666)</u>
<b>NET POSITION, BEGINNING OF YEAR (RESTATED)</b>	<u>16,915,530</u>	<u>7,631,106</u>	<u>4,782,136</u>	<u>29,328,772</u>	<u>30,696,438</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$20,031,701</u>	<u>\$ 9,246,908</u>	<u>\$ 5,643,691</u>	<u>\$34,922,300</u>	<u>\$29,328,772</u>



## **STATISTICAL SECTION**

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Invested in capital assets,										
net of related debt	\$ 29,590,575	\$ 29,529,499	\$ 29,647,915	\$ 30,468,198	\$ 29,937,656	\$ 29,820,482	\$ 29,694,718	\$ 29,500,369	\$ 29,353,928	\$ 29,371,876
Restricted	4,524,186	4,393,132	4,185,590	3,840,689	3,212,821	2,767,310	4,919,940	4,552,480	4,339,020	4,061,169
Unrestricted	10,397,645	9,762,261	8,620,279	9,746,738	8,401,746	8,506,679	6,734,995	7,400,335	11,279,060	8,785,624
Total governmental activities net assets	<u>\$ 44,512,406</u>	<u>\$ 43,684,892</u>	<u>\$ 42,453,784</u>	<u>\$ 44,055,625</u>	<u>\$ 41,552,223</u>	<u>\$ 41,094,471</u>	<u>\$ 41,349,653</u>	<u>\$ 41,453,184</u>	<u>\$ 44,972,008</u>	<u>\$ 42,218,669</u>
Business-type activities										
Invested in capital assets,										
net of related debt	\$ 18,160,094	\$ 17,635,564	\$ 17,267,044	\$ 16,935,789	\$ 16,678,775	\$ 16,355,710	\$ 17,621,409	\$ 16,890,827	\$ 17,497,746	\$ 18,470,174
Restricted	1,432,798	1,442,605	1,448,033	1,452,764	1,455,339	1,457,524	1,459,768	1,467,065	1,474,459	1,495,193
Unrestricted	8,571,803	9,384,515	10,159,133	11,490,896	12,206,220	12,543,237	11,642,109	13,556,366	13,674,425	15,849,966
Total business-type activities net assets	<u>\$ 28,164,695</u>	<u>\$ 28,462,684</u>	<u>\$ 28,874,210</u>	<u>\$ 29,879,449</u>	<u>\$ 30,340,334</u>	<u>\$ 30,356,471</u>	<u>\$ 30,723,286</u>	<u>\$ 31,914,258</u>	<u>\$ 32,646,630</u>	<u>\$ 35,815,333</u>
Primary government										
Invested in capital assets,										
net of related debt	\$ 47,750,669	\$ 47,165,063	\$ 46,914,959	\$ 47,403,987	\$ 46,616,431	\$ 46,176,192	\$ 47,316,127	\$ 46,391,196	\$ 46,851,674	\$ 47,842,050
Restricted	5,956,984	5,835,737	5,633,623	5,293,453	4,668,160	4,224,834	6,379,708	6,019,545	5,813,479	5,556,362
Unrestricted	18,969,448	19,146,776	18,779,412	21,237,634	20,607,966	21,049,916	18,377,104	20,956,701	24,953,485	24,635,590
Total primary government net assets	<u>\$ 72,677,101</u>	<u>\$ 72,147,576</u>	<u>\$ 71,327,994</u>	<u>\$ 73,935,074</u>	<u>\$ 71,892,557</u>	<u>\$ 71,450,942</u>	<u>\$ 72,072,939</u>	<u>\$ 73,367,442</u>	<u>\$ 77,618,638</u>	<u>\$ 78,034,002</u>

**Notes:**

<sup>1</sup> Unrestricted balances for 2014 have been restated to reflect the GASB 68 Pension Liability Requirement.

<sup>2</sup> 2017 Balances have been restated to reflect GASB 75 requirements.

<sup>3</sup> 2018 Balances have been restated to reflect GASB 84 requirements.

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities:										
General Government	\$ 3,062,908	\$ 2,576,740	\$ 2,285,489	\$ 2,184,861	\$ 2,546,127	\$ 2,741,412	\$ 2,710,953	\$ 2,686,827	\$ 2,957,997	\$ 4,042,100
Public Safety	6,464,674	6,592,175	6,787,133	6,800,503	7,171,353	7,021,272	7,382,445	7,399,464	7,812,800	9,241,963
Public Works - highways and streets	3,565,666	4,242,422	4,366,789	4,667,589	4,899,282	4,949,356	4,739,106	4,686,632	4,466,317	5,102,105
Other Public Works	121,795	54,681	86,940	110,173	112,722	158,856	169,304	128,098	188,487	76,489
Library	-	2,500	2,500	5,000	10,000	15,000	20,000	20,000	20,000	20,000
Culture and Recreation	1,330,682	1,239,590	1,489,677	1,645,589	1,714,787	1,734,113	1,790,090	1,852,157	1,850,830	2,026,202
Interest Expense	203,763	343,285	350,154	310,182	444,409	175,151	163,947	152,435	140,590	119,219
Total governmental activities expenses	<u>14,749,488</u>	<u>15,051,393</u>	<u>15,368,682</u>	<u>15,723,897</u>	<u>16,898,680</u>	<u>16,795,160</u>	<u>16,975,845</u>	<u>16,925,613</u>	<u>17,437,021</u>	<u>20,628,058</u>
Business-type activities:										
Sewer Operations	4,280,226	4,278,235	4,401,330	4,616,397	4,867,349	5,284,898	5,527,252	5,637,510	5,945,368	7,525,803
Waste and Recycling	2,031,249	2,045,978	2,264,025	2,098,813	1,797,087	1,837,054	1,930,465	2,196,416	2,292,893	2,400,323
Total business-type activities expenses	<u>6,311,475</u>	<u>6,324,213</u>	<u>6,665,355</u>	<u>6,715,210</u>	<u>6,664,436</u>	<u>7,121,952</u>	<u>7,457,717</u>	<u>7,833,926</u>	<u>8,238,261</u>	<u>9,926,126</u>
Total Primary Government Expenses	<u>\$ 21,060,963</u>	<u>\$ 21,375,606</u>	<u>\$ 22,034,037</u>	<u>\$ 22,439,107</u>	<u>\$ 23,563,116</u>	<u>\$ 23,917,112</u>	<u>\$ 24,433,562</u>	<u>\$ 24,759,539</u>	<u>\$ 25,675,282</u>	<u>\$ 30,554,184</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General Government	\$ 51,943	\$ 85,974	\$ 71,529	\$ 124,036	\$ 66,251	\$ 91,000	\$ 96,127	\$ 66,768	\$ 70,947	\$ 92,252
Public Safety	507,756	681,265	711,130	867,147	706,796	644,680	1,030,477	1,672,806	1,158,454	1,574,948
Culture and Recreation	696,996	151,485	187,762	214,563	180,458	115,414	105,014	276,471	163,602	181,574
Operating Grants and Contributions	1,033,480	1,354,353	1,027,497	1,090,913	1,124,722	1,170,971	1,320,213	1,366,723	1,400,591	1,413,126
Capital Grants and Contributions	751,137	-	-	972,224	363,813	348,826	726,588	-	215,093	22,615
Total governmental activities program revenues	<u>3,041,312</u>	<u>2,273,077</u>	<u>1,997,918</u>	<u>3,268,883</u>	<u>2,442,040</u>	<u>2,370,891</u>	<u>3,278,419</u>	<u>3,382,768</u>	<u>3,008,687</u>	<u>3,284,515</u>
Business-type activities:										
Charges for services:										
Sewer Operations	4,647,430	4,264,989	4,629,908	5,277,946	4,697,741	4,778,953	4,891,963	4,743,886	4,704,551	6,371,807
Waste and Recycling	2,136,619	2,148,782	2,148,038	2,174,578	2,167,053	2,165,167	2,170,042	2,170,454	2,172,343	2,170,144
Operating Grants and Contributions	190,264	191,654	245,337	228,645	157,564	143,178	162,563	150,367	248,297	385,915
Capital Grants and Contributions	-	-	-	-	-	-	532,477	2,031,352	1,514,638	3,923,541
Total business-type activities program revenues	<u>6,974,313</u>	<u>6,605,425</u>	<u>7,023,283</u>	<u>7,681,169</u>	<u>7,022,358</u>	<u>7,087,298</u>	<u>7,757,045</u>	<u>9,096,059</u>	<u>8,639,829</u>	<u>12,851,407</u>
Total Primary Government Program Revenues	<u>\$ 10,015,625</u>	<u>\$ 8,878,502</u>	<u>\$ 9,021,201</u>	<u>\$ 10,950,052</u>	<u>\$ 9,464,398</u>	<u>\$ 9,458,189</u>	<u>\$ 11,035,464</u>	<u>\$ 12,478,827</u>	<u>\$ 11,648,516</u>	<u>\$ 16,135,922</u>
Net (expense)/revenue										
Governmental activities	\$ (11,708,176)	\$ (12,778,316)	\$ (13,370,764)	\$ (12,455,014)	\$ (14,456,640)	\$ (14,424,269)	\$ (13,697,426)	\$ (13,542,845)	\$ (14,428,334)	\$ (17,343,543)
Business-type activities	662,838	281,212	357,928	965,959	357,922	(34,654)	299,328	1,262,133	401,568	2,925,281
Total primary government net expense	<u>\$ (11,045,338)</u>	<u>\$ (12,497,104)</u>	<u>\$ (13,012,836)</u>	<u>\$ (11,489,055)</u>	<u>\$ (14,098,718)</u>	<u>\$ (14,458,923)</u>	<u>\$ (13,398,098)</u>	<u>\$ (12,280,712)</u>	<u>\$ (14,026,766)</u>	<u>\$ (14,418,262)</u>

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

	2010	2011	2012	Fiscal Year		2015	2016	2017	2018	2019
				2013	2014					
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Real estate taxes	\$ 3,451,584	<sup>2</sup> \$ 3,458,714	\$ 3,458,366	\$ 3,501,219	\$ 3,543,584	\$ 3,576,264	\$ 3,632,852	\$ 3,629,892	\$ 3,672,897	\$ 3,734,072
Real estate transfer taxes	462,798	588,142	709,390	1,018,868	854,008	989,947	881,904	1,267,050	1,064,295	968,010
Earned income taxes	5,999,465	6,366,105	6,447,467	7,976,151	7,046,256	7,685,688	7,598,606	7,820,461	8,386,598	7,775,868
Emergency Municipal Services Tax	910,778	921,698	862,127	950,498	1,010,067	1,048,411	1,075,187	1,113,231	1,085,346	1,082,794
Franchise fees	433,767	409,665	437,161	484,134	502,959	547,466	529,175	526,122	496,521	481,983
Investment earnings	55,637	42,211	29,936	26,357	27,788	27,221	36,604	86,171	183,768	409,147
Unrestricted grants and contributions	18,223	19,350	18,350	18,546	19,602	17,774	17,920	16,852	17,243	15,957
Gain (Loss) on sale of capital assets	(30,774)	80,141	41,079	17,777	(88,763)	20,313	81,135	97,690	76,473	79,152
Miscellaneous	60,892	84,776	169,795	63,305	26,296	53,433	99,225	88,679	91,427	43,221
Total governmental activities	11,362,370	11,950,802	12,173,671	14,056,855	12,941,797	13,966,517	13,952,608	14,646,148	15,074,568	14,590,204
Business-type activities:										
Investment earnings	27,919	16,777	51,392	39,280	38,245	50,791	58,826	119,186	330,804	413,497
Gain (Loss) on sale of capital assets	-	-	2,206	-	25,209	-	8,661	-	-	(170,075)
Miscellaneous	(3,011)	-	-	-	-	-	-	-	-	-
Total business-type activities	24,908	16,777	53,598	39,280	63,454	50,791	67,487	119,186	330,804	243,422
Total primary government	\$ 11,387,278	\$ 11,967,579	\$ 12,227,269	\$ 14,096,135	\$ 13,005,251	\$ 14,017,308	\$ 14,020,095	\$ 14,765,334	\$ 15,405,372	\$ 14,833,626
<b>Change in Net Assets</b>										
Governmental activities	\$ (345,806)	\$ (827,514)	\$ (1,197,093)	\$ 1,601,841	\$ (1,514,843)	\$ (457,752)	\$ 255,182	\$ 1,103,303	\$ 646,234	\$ (2,753,339)
Business-type activities	687,746	297,989	411,526	1,005,239	421,376	16,137	366,815	1,381,319	732,372	3,168,703
Total primary government	\$ 341,940	\$ (529,525)	\$ (785,567)	\$ 2,607,080	\$ (1,093,467)	\$ (441,615)	\$ 621,997	\$ 2,484,622	\$ 1,378,606	\$ 415,364

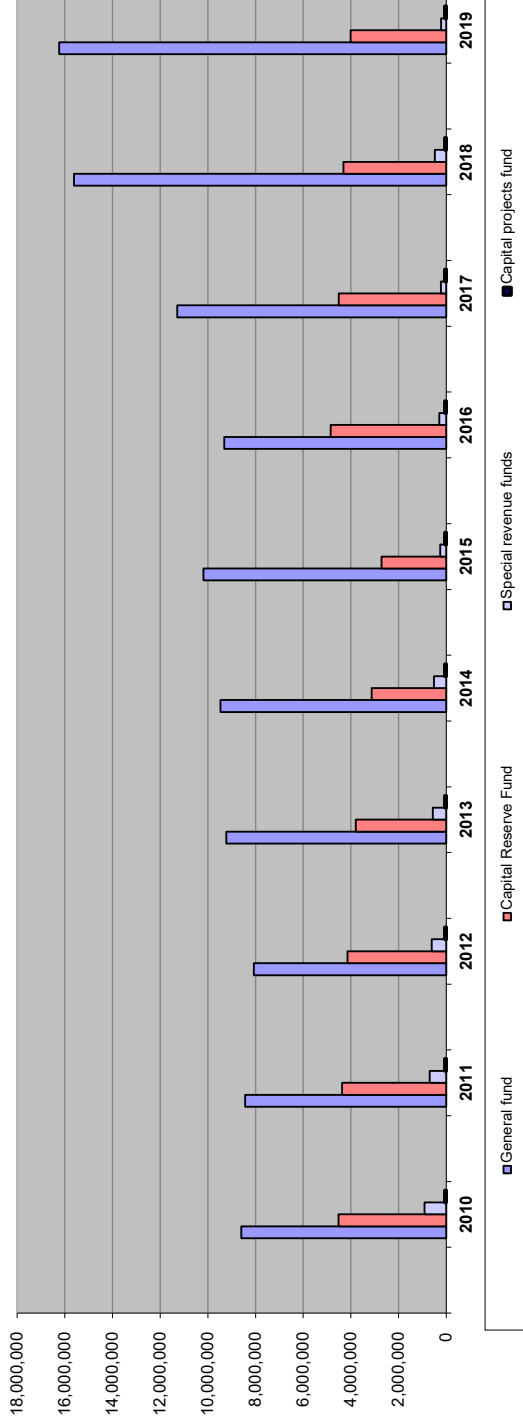
Notes:

<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.

<sup>3</sup> Expenses for 2014 have been restated to reflect the GASB 68 Pension Liability requirements.

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



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund	\$ 8,597,789	\$ 6,451,630	\$ 6,315,911	\$ 9,230,147	\$ 9,474,307	\$ 10,188,854	\$ 9,307,160	\$ 11,281,162	\$ 12,565,607	\$ 12,946,069
Capital Reserve Fund	-	-	-	-	-	-	-	-	3,054,690	3,292,411
Capital projects fund	54,487	1,985,711	1,756,308	9,230,147	9,474,307	10,188,854	9,307,160	11,281,162	12,565,607	12,946,069
<b>Total general fund</b>	<b>\$ 8,597,789</b>	<b>\$ 8,437,341</b>	<b>\$ 8,072,219</b>	<b>\$ 9,230,147</b>	<b>\$ 9,474,307</b>	<b>\$ 10,188,854</b>	<b>\$ 9,307,160</b>	<b>\$ 11,281,162</b>	<b>\$ 15,620,297</b>	<b>\$ 16,238,480</b>
All other governmental funds										
Restricted										
Special revenue funds	\$ 4,524,186	\$ 24,820	\$ 43,919	\$ 40,281	\$ 84,840	\$ 54,902	\$ 70,049	\$ 40,341	\$ 23,946	\$ 51,850
Capital Reserve fund	-	4,368,312	4,141,671	3,800,408	3,127,981	2,712,408	4,849,891	4,512,139	4,315,074	4,009,319
Unassigned	-	-	-	-	-	-	-	-	-	-
Special revenue funds	908,506	-	-	-	-	-	-	-	-	-
Capital projects fund	54,487	-	-	-	-	-	-	-	-	-
Assigned										
Special revenue funds	-	673,249	565,730	528,782	436,486	200,729	217,394	185,591	457,521	167,055
Capital projects fund	-	54,651	54,782	54,892	55,002	55,112	55,247	55,524	56,082	57,130
<b>Total Special Revenue Funds</b>	<b>908,506</b>	<b>698,069</b>	<b>609,649</b>	<b>569,063</b>	<b>521,326</b>	<b>255,631</b>	<b>287,443</b>	<b>225,932</b>	<b>481,467</b>	<b>218,905</b>
<b>Total Capital Reserve Fund</b>	<b>4,524,186</b>	<b>4,368,312</b>	<b>4,141,671</b>	<b>3,800,408</b>	<b>3,127,981</b>	<b>2,712,408</b>	<b>4,849,891</b>	<b>4,512,139</b>	<b>4,315,074</b>	<b>4,009,319</b>
<b>Total Capital Projects Fund</b>	<b>54,487</b>	<b>54,651</b>	<b>54,782</b>	<b>54,892</b>	<b>55,002</b>	<b>55,112</b>	<b>55,247</b>	<b>55,524</b>	<b>56,082</b>	<b>57,130</b>
<b>Total All Other Governmental Funds</b>	<b>\$ 5,487,179</b>	<b>\$ 5,121,032</b>	<b>\$ 4,806,102</b>	<b>\$ 4,424,363</b>	<b>\$ 3,704,309</b>	<b>\$ 3,023,151</b>	<b>\$ 5,192,581</b>	<b>\$ 4,793,595</b>	<b>\$ 4,852,623</b>	<b>\$ 4,285,354</b>

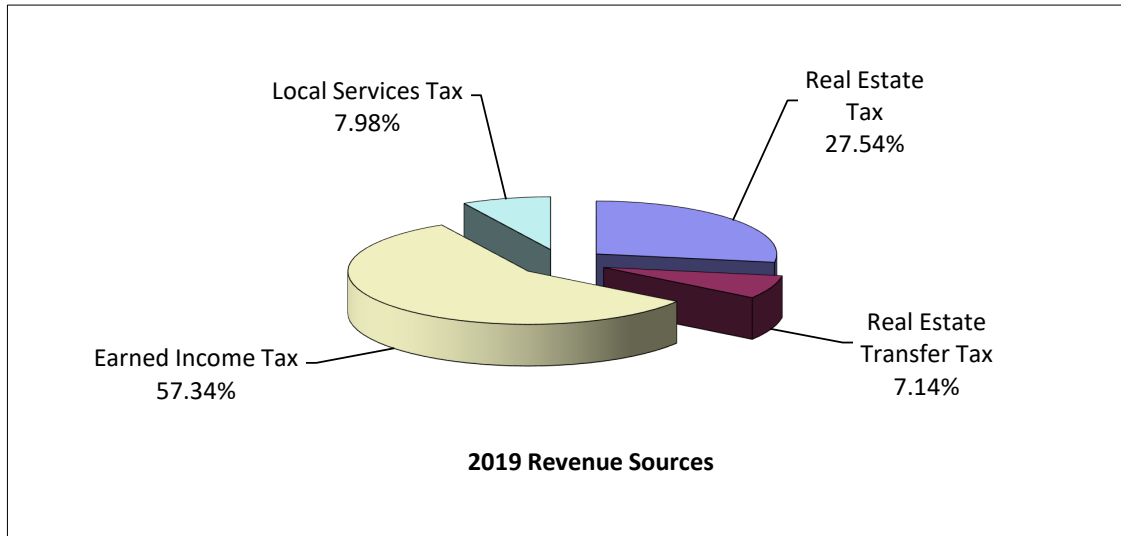
Notes:

<sup>1</sup> 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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$10,927,967	\$11,135,369	\$11,648,433	\$12,995,470	\$12,567,683	\$13,208,426	\$13,371,422	\$13,858,233	\$14,160,002	\$13,819,053
Licenses and permits	438,392	415,290	443,041	489,642	508,464	551,956	537,090	532,224	505,686	488,903
Fines, forfeits, and costs	184,930	197,134	207,449	214,466	174,803	160,663	160,971	164,235	123,668	132,350
Investment earnings	87,758	77,132	64,854	61,827	65,507	66,169	78,528	127,912	224,822	449,157
Intergovernmental revenues	1,051,703	1,373,704	1,045,847	1,109,459	1,144,325	1,188,745	1,544,721	1,383,575	1,417,834	1,451,698
Charges for services/fees	427,518	603,543	609,674	815,302	637,978	621,993	1,003,308	1,616,467	855,487	1,564,494
Contributions	607,500	77,500	112,500	135,000	97,500	25,000	17,500	187,500	70,000	90,000
Miscellaneous revenue/other	59,992	84,776	169,795	63,305	26,296	52,683	96,075	84,079	382,084	64,867
Total Revenue	13,785,760	13,964,448	14,301,593	15,884,471	15,222,556	15,875,635	16,809,615	17,954,225	17,739,583	18,060,522
<b>Expenditures</b>										
General government	2,417,608	1,826,099	2,113,083	2,050,430	2,894,498	2,598,576	2,620,252	2,540,134	2,659,773	2,980,208
Public safety	6,082,453	6,376,953	6,459,639	6,427,841	6,861,716	6,734,362	6,972,856	7,342,668	7,357,365	7,841,963
Public works - highways and streets	6,608,745	5,533,956	3,850,248	3,629,061	3,956,635	4,062,522	3,473,391	3,881,656	3,642,038	3,693,476
Other public works	210,480	175,895	111,845	157,169	119,957	158,856	169,304	160,502	188,487	204,100
Library	-	2,500	2,500	5,000	10,000	15,000	20,000	20,000	20,000	20,000
Culture and recreation	1,238,088	1,350,480	1,541,347	1,632,447	1,576,331	1,685,624	1,699,538	1,867,439	1,708,523	1,766,091
Miscellaneous expenditures	12,527	11,047	6,500	20,537	10,137	23,287	9,259	10,750	72,741	954,177
Debt service										
Principal	450,827	619,148	914,961	882,267	6,513,195	391,000	403,000	414,000	426,000	439,000
Interest and other charges	203,763	343,285	350,154	310,182	444,409	175,151	163,947	152,435	140,590	119,219
Issuance costs	37,795	-	-	-	37,072	-	-	-	-	-
Total expenditures	17,262,286	16,239,363	15,350,277	15,114,934	22,423,950	15,844,378	15,531,547	16,389,584	16,215,517	18,018,234
Excess of revenues over (under) expenditures	(3,476,526)	(2,274,915)	(1,048,684)	769,537	(7,201,394)	31,257	1,278,068	1,564,641	1,524,066	42,288
<b>Other financing sources (uses)</b>										
Transfers in	807,495	1,465,809	1,539,259	1,573,565	625,491	817,032	2,566,948	784,229	691,825	1,379,637
Transfers out	(807,495)	(1,465,809)	(1,539,259)	(1,573,565)	(625,491)	(817,032)	(2,566,948)	(784,229)	(691,825)	(1,379,637)
Refund of prior year revenues	-	-	(25,138)	-	-	-	-	-	-	-
Proceeds from debt	3,272,579	1,740,806	357,770	-	6,643,000	-	-	-	-	-
Sales of capital assets	13,209	7,514	36,000	6,652	82,500	2,132	9,668	10,375	1,507	8,626
Total other financing sources (uses)	3,285,788	1,748,320	368,632	6,652	6,725,500	2,132	9,668	10,375	1,507	8,626
Net change in fund balances	\$ (190,738)	\$ (526,595)	\$ (680,052)	\$ 776,189	\$ (475,894)	\$ 33,389	\$ 1,287,736	\$ 1,575,016	\$ 1,525,573	\$ 50,914
Debt service as a percentage of noncapital expenditures	2.6%	3.8%	6.0%	5.8%	29.0%	2.5%	2.6%	2.5%	2.6%	2.4%

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

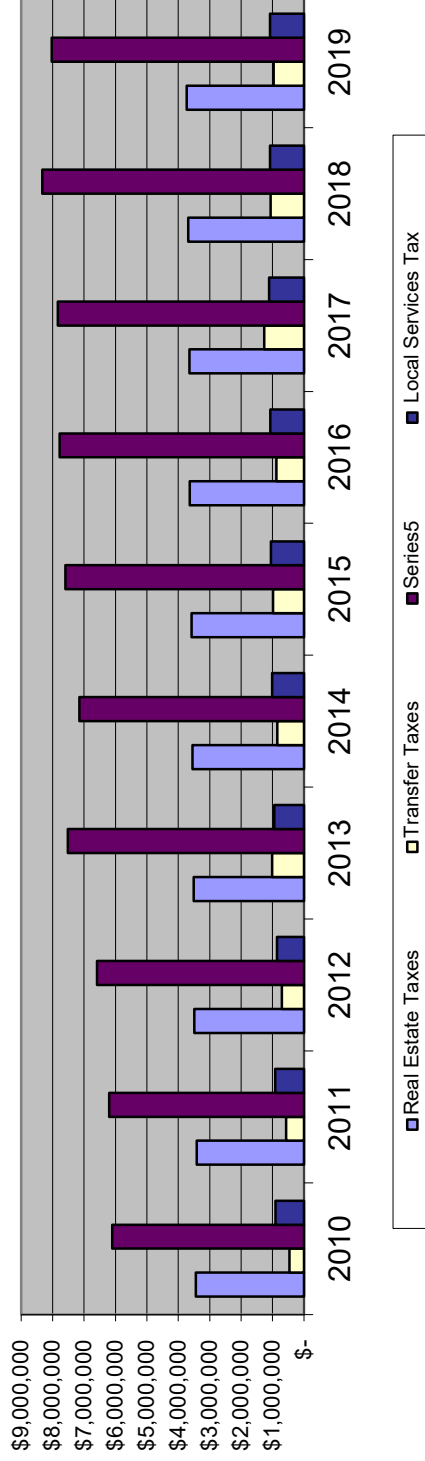


Fiscal Year	Real Estate Tax	Real Estate Transfer Tax	Earned Income Tax	Local Services Tax	Total
2010	3,451,584	462,798	5,999,465	910,778	\$ 10,824,625
% of total	31.89%	4.28%	55.42%	8.41%	100.00%
2011	3,458,714	568,142	6,366,105	921,698	\$ 11,314,659
% of total	30.57%	5.02%	56.26%	8.15%	100.00%
2012	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%
2015	3,576,264	989,947	7,685,688	1,048,411	\$ 13,300,310
% of total	26.89%	7.44%	57.79%	7.88%	100.00%
2016	3,632,852	881,904	7,598,606	1,075,187	\$ 13,188,549
% of total	27.55%	6.69%	57.62%	8.15%	100.00%
2017	3,629,892	1,267,050	7,820,461	1,113,231	\$ 13,830,634
% of total	26.25%	9.16%	56.54%	8.05%	100.00%
2018	3,672,897	1,064,295	8,386,598	1,085,346	\$ 14,209,136
% of total	25.85%	7.49%	59.02%	7.64%	100.00%
2019	3,734,072	968,010	7,775,868	1,082,794	\$ 13,560,744
% of total	27.54%	7.14%	57.34%	7.98%	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	
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	
2015	\$ 3,573,265	\$ 989,947	\$ 7,596,803	\$ 1,048,411	\$ 13,208,426	
2016	\$ 3,633,980	\$ 881,904	\$ 7,780,351	\$ 1,075,187	\$ 13,371,422	
2017	\$ 3,641,330	\$ 1,267,050	\$ 7,836,622	\$ 1,113,231	\$ 13,858,233	
2018	\$ 3,679,694	\$ 1,064,295	\$ 8,330,667	\$ 1,085,346	\$ 14,160,002	
2019	\$ 3,737,371	\$ 968,010	\$ 8,030,878	\$ 1,082,794	\$ 13,819,053	

**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>
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
2015	\$ 1,806,119,773	55.25%	\$ 3,269,076,789	2.00
2016	\$ 1,810,323,903	55.25%	\$ 3,276,686,264	2.00
2017	\$ 1,846,316,823	52.91%	\$ 3,489,538,795	2.00
2018	\$ 1,857,423,083	51.28%	\$ 3,621,975,012	2.00
2019	\$ 1,874,363,243	49.26%	\$ 3,804,957,383	2.00

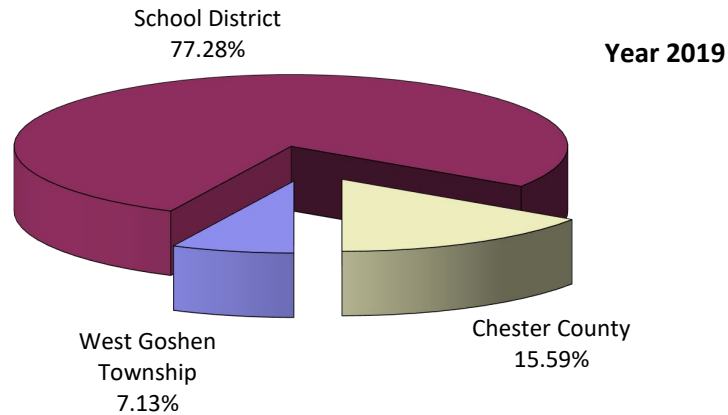
Notes:

<sup>1</sup> Common level ratio reciprocal factor used by Chester County, Pennsylvania, Board of Assessments and the Pennsylvania Department of Revenue Realty Transfer Tax department.

<sup>2</sup> 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>
2010	2.0000	18.3600	3.965	24.325
<i>Percent of total</i>	8.22%	75.48%	16.30%	100.00%
2011	2.0000	18.3600	3.9650	24.325
<i>Percent of total</i>	8.22%	75.48%	16.30%	100.00%
2012	2.0000	18.6700	3.9650	24.635
<i>Percent of total</i>	8.12%	75.79%	16.09%	100.00%
2013	2.0000	18.6700	4.1630	24.833
<i>Percent of total</i>	8.05%	75.18%	16.76%	100.00%
2014	2.0000	19.2100	4.1630	25.373
<i>Percent of total</i>	7.88%	75.71%	16.41%	100.00%
2015	2.0000	19.5779	4.1630	25.741
<i>Percent of total</i>	7.77%	76.06%	16.17%	100.00%
2016	2.0000	20.0982	4.1630	26.261
<i>Percent of total</i>	7.62%	76.53%	15.85%	100.00%
2017	2.0000	20.6841	4.3690	27.053
<i>Percent of total</i>	7.39%	76.46%	16.15%	100.00%
2018	2.0000	21.2723	4.3690	27.641
<i>Percent of total</i>	7.24%	76.96%	15.81%	100.00%
2019	2.0000	21.6622	4.3690	28.031
<i>Percent of total</i>	7.13%	77.28%	15.59%	100.00%

**Note:**

Under Countywide reassessment, which became effective January 1, 1998, millage rates decreased monumentally because real estate was assessed at 100% of market value.

Sources: Chester County Board of Assessments and Township Finance Department.

**West Goshen Township  
Principal Property Taxpayers  
December 31, 2019**

	2019			2018		
	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank
	QVC Realty, Inc	\$ 29,719,480	1	1.64%	\$29,709,450	1
	Pointe Apartments Owner LP	\$ 27,976,000	2	1.55%	\$26,900,000	2
	BT West Chester LP	\$ 16,623,490	3	0.92%	\$16,623,490	3
	Fern Hill LLC	\$ 15,803,370	4	0.87%	\$15,803,370	4
	Lancaster Court Associates	\$ 15,602,000	5	0.86%	\$15,602,000	5
	Home Properties Golf Club, LLC	\$ 14,780,750	6	0.82%	\$14,780,750	6
	Capital Enterprises, Inc	\$ 14,633,390	7	0.81%	\$14,633,390	7
	Goshen Terrace Apartments	\$ 14,198,300	8	0.78%	\$14,198,300	8
	West Chester PA Senior Property LLC	\$ 12,054,570	9	0.67%		
	Cephalon, Inc.	\$ 10,063,230	10	0.56%	\$9,411,460	9
	Cambridge Apartments				\$7,948,790	10
		<u>\$ 171,454,580</u>		<u>9.47%</u>	<u>\$ 165,611,000</u>	

Note:

Total taxable assessed value, all real property in West Goshen Township, December 31, 2019, \$1,874,363,243.

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

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2015	\$ 3,612,240	\$ 3,534,724	97.85%	\$ 38,541	\$ 3,573,265	98.92%
2016	\$ 3,620,648	\$ 3,596,212	99.33%	\$ 37,768	\$ 3,633,980	100.37%
2017	\$ 3,692,634	\$ 3,611,417	97.80%	\$ 29,913	\$ 3,641,330	98.61%
2018	\$ 3,714,846	\$ 3,636,273	97.88%	\$ 43,421	\$ 3,679,694	99.05%
2019	\$ 3,748,726	\$ 3,689,947	98.43%	\$ 47,424	\$ 3,737,371	99.70%

**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>
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	23,050	\$ 1,782,308,943	\$ 6,643,000	\$ -	\$ 6,643,000	0.37%	\$ 288
2015	23,137	\$ 1,806,119,773	\$ 6,252,000	\$ -	\$ 6,252,000	0.35%	\$ 270
2016	23,037	\$ 1,810,323,903	\$ 5,849,000	\$ -	\$ 5,849,000	0.32%	\$ 254
2017	22,992	\$ 1,846,316,823	\$ 5,435,000	\$ -	\$ 5,435,000	0.29%	\$ 236
2018	23,009	\$ 1,857,423,083	\$ 5,009,000	\$ -	\$ 5,009,000	0.27%	\$ 218
2019	23,159	\$ 1,874,363,243	\$ 4,570,000	\$ -	\$ 4,570,000	0.24%	\$ 197

Sources: U.S. 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, 2019**

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to West Goshen Township</u>	<u>Amount Applicable to West Goshen Township</u>
DIRECT DEBT:			
West Goshen Township	\$ 4,570,000	100.00%	\$ 4,570,000
OVERLAPPING DEBT:			
County of Chester	\$ 589,628,243	4.93%	<u>\$ 29,095,271</u>
TOTAL			<u><u>\$ 33,665,271</u></u>

Note:

County of Chester data not yet available for 2019, amount reflects 2018 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, 2019**

	<b>Year Ended December 31,</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total Revenues	\$ 33,572,194	\$ 25,840,930	\$ 30,242,261
Deduct excludable items under Section 8002©(16) of the Act:			
Nonrecurring items:			
Grants and gifts in aid	744,121	726,375	694,075
Proceeds from general long-term debt	8,626	4,761	10,375
Total Revenues as Defined in Section 8002©(16) of the Act	<u>\$ 32,819,447</u>	<u>\$ 25,109,794</u>	<u>\$ 29,537,811</u>
Total Revenues as Defined in Section 8002[c][16] of the Act for the three years ended December 31, 2018			<u>\$ 87,467,052</u>
Borrowing Base - Arithmetic Average of Total Revenues			<u>\$ 29,155,684</u>
Debt Limit			250%
Debt Limitation			<u>\$ 72,889,210</u>

**Note:**

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)

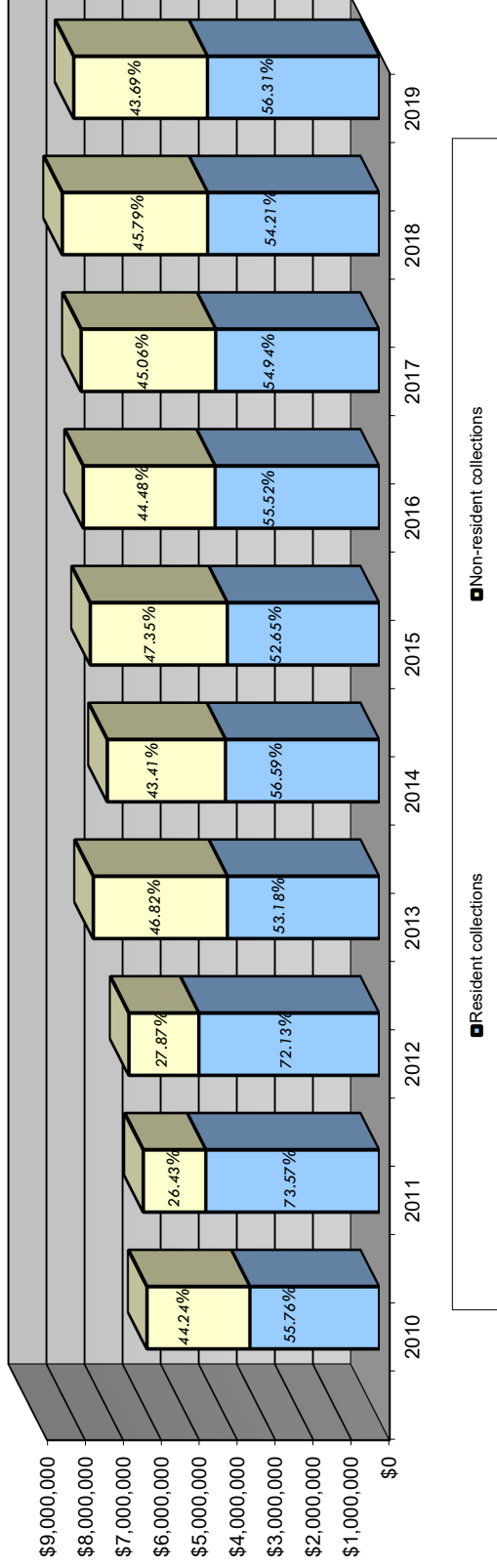
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 199,580	\$ 199,871	\$ 200,093	\$ 202,028	\$ 203,174	\$ 205,612	\$ 206,126	\$ 210,650	\$ 211,203	\$ 213,063
Total net debt applicable to limit	6,695	7,883	7,396	6,513	6,643	6,252	5,849	5,435	5,009	4,570
Legal debt margin	<u>\$ 192,885</u>	<u>\$ 191,988</u>	<u>\$ 192,697</u>	<u>\$ 195,515</u>	<u>\$ 196,531</u>	<u>\$ 199,360</u>	<u>\$ 200,277</u>	<u>\$ 205,215</u>	<u>\$ 206,194</u>	<u>\$ 208,493</u>
Total net debt applicable to the limit as a percentage of debt limit	3.35%	3.94%	3.70%	3.22%	3.27%	3.04%	2.84%	2.58%	2.37%	2.14%

**Legal Debt Margin Calculation for Fiscal Year 2019**

Assessed value	\$ 1,874,363
Add back: exempt real property	256,262
Total assessed value	<u>2,130,625</u>
Debt limit (10% of total assessed value)	213,063
Debt applicable to limit:	
General obligation bonds	4,570
Total net debt applicable to limit	<u>4,570</u>
Legal debt margin	<u>\$ 208,493</u>
Assessed value	\$ 1,874,363
Add back: exempt real property	256,262
Total assessed value	<u>\$ 2,130,625</u>
@ 10%	213,063



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



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Resident collections	\$3,405,809	\$4,564,658	\$4,747,862	\$3,997,914	\$4,046,867	\$4,000,004	\$4,320,001	\$4,305,200	\$4,516,400	\$4,521,919
% of total	55.76%	73.57%	72.13%	53.18%	56.59%	52.65%	55.52%	54.94%	54.21%	56.31%
Non-resident collections	2,701,656	1,639,447	1,834,105	3,519,737	3,104,289	3,596,810	3,460,350	3,531,512	3,814,267	3,508,959
% of total	44.24%	26.43%	27.87%	46.82%	43.41%	47.35%	44.48%	45.06%	45.79%	43.69%
Total earned income tax collected	\$6,107,465	\$6,204,105	\$6,581,967	\$7,517,652	\$7,151,156	\$7,596,814	\$7,780,351	\$7,836,712	\$8,330,667	\$8,030,878

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

OVERLAPPING:

	West Chester Area School District Municipalities									
	Individuals					Employers				
	On file	Exempts	Total	On file	Bankrupt	Closed/	Total Open	Average	Earnings	
	On file	Exempts	Taxables	On file	Bankrupt	Employers	Employers			
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, 2014, 2015, 2016, 2017, 2018, and 2019 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**

	2019				2018			
	Number of Employees	Rank	Percent of Total Employees		Number of Employees	Rank	Percent of Total Employees	
<b>Taxpayer</b>								
QVC Network, Inc.	2,253	1	10.4%		2,179	1	10.1%	
United Parcel Service, Inc.	2,033	2	9.4%		1,892	2	8.8%	
The ARC of Chester County	863	3	4.0%		729	3	3.4%	
Chester County Court House	750	4	3.5%		728	4	3.4%	
A. Duie Pyle, Inc.	593	5	2.7%		586	7	2.7%	
PA State System of Higher Education	591	6	2.7%		657	5	3.0%	
West Chester School W Goshen	547	7	2.5%		594	6	2.8%	
Atlantic Coast Athletic Club	390	8	1.8%		383	8	1.8%	
TEVA Branded Pharmaceutical	283	9	1.3%		310	9	1.4%	
WAWA Inc #31	232	10	1.1%		267	10	1.2%	
Johnson & Johnson Pharmaceutical								
Total, 10 largest employers	8,535		39.4%		8,325		38.5%	
Note: Total employment in West Goshen Township subject to Earned Income Tax	21,640				21,598			

Source: West Goshen Township Finance Department and Keystone Tax Administrators

Keystone Tax Administrators Disclaimer:

The information contained herein is expressly based upon data compiled from employer withholding submissions with the tax officer. 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**

<b>Function</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Code Enforcement</b>										
Building permits	888	1,111	1,105	1,142	1,779	1,329	1,154	1,124	1,184	1,199
New construction	17	44	61	67	39	8	7	9	22	41
Additions and alterations	226	281	286	304	292	275	374	376	384	294
Subdivision plans	2	2	3	2	9	0	2	1	4	1
Lots approved	29	0	14	0	17	0	626	2	17	0
Zoning appeals	4	5	6	8	14	9	9	9	7	22
Land development	6	4	4	4	9	5	13	4	3	6
<b>Police</b>										
Physical arrests	972	1,401	1,647	2,685	1,356	1,073	882	825	1,069	770
Traffic violations	2,879	2,466	2,876	3,659	2,901	2,947	2,813	2,535	2,010	2,598
Parking violations	237	174	199	118	132	126	117	146	104	85
Alarm violations	946	913	870	878	833	894	828	811	712	744
<b>Fire</b>										
Number of calls answered	59	53	72	70	70	74	77	78	78	84
Inspections	449	895	564	498	461	427	409	401	327	429
<b>Highways and streets</b>										
Street resurfacing (miles)	5.02	5.6	5.77	5.42	5.24	5.29	5.62	5.79	4.99	5.22
<b>Culture and Recreation</b>										
Summer recreation program registrations	303	291	308	294	329	360	368	360	401	393
Summer sports clinic registrations	70	54	63	33	54	49	36	43	41	41
Park/pavilion permits issued	77	88	85	84	89	84	84	86	75	67

**Note:**

Indicators are not available for the general government function.

Source: Various Township departments

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government Building	1	1	1	1	1	1	1	1	1	1
Public Safety Police:	1	1	1	1	1	1	1	1	1	1
Building										
Highways and streets										
Building	0	0	1	1	1	1	1	1	1	1
Streets (miles)	87.56	87.56	87.56	87.96	88.47	88.64	88.85	88.85	89.06	89.06
Bridges	2	2	2	3	3	3	3	3	3	3
Traffic Signals	29	29	30	30	30	31	31	31	31	31
Culture and recreation										
Building	1	1	1	1	1	1	1	1	1	1
Parks acreage	112.7	104.5	104.5	104.5	104.5	104.5	104.5	104.5	104.5	104.5
Parks	13	12	12	12	12	12	12	12	12	12
Tennis courts	6	6	6	6	6	6	6	6	6	6
Skate Grounds	1	1	1	1	1	1	1	1	1	1
Baseball fields	4	3	3	3	3	3	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

Note:

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

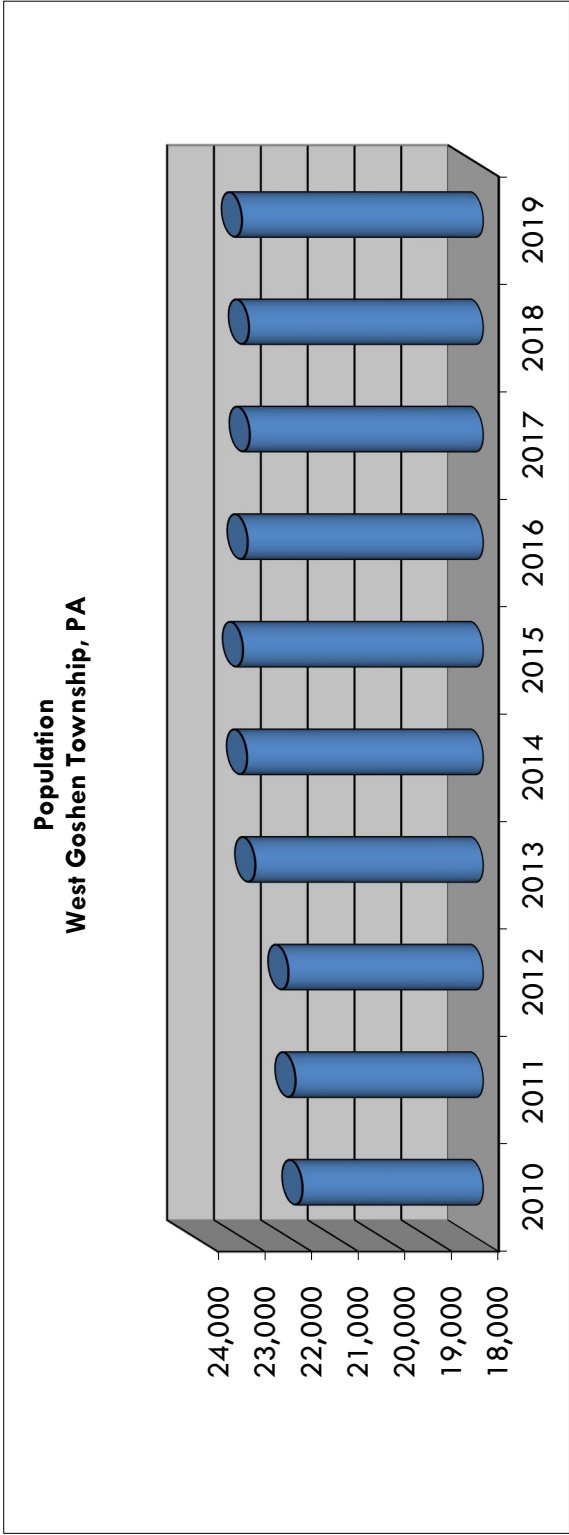
Source: Various Township departments

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Function</b>										
General Government	13	13	12	13	15	16	15	14	14	15
Public Safety										
Officers	29	28	28	27	26	29	29	29	29	30
Dispatchers	2	2	2	2	2	2	2	2	3	3
Administration	2	2	2	2	2	2	3	3	3	3
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	13	14	16	16	16	17	17	17	17	17
Culture and recreation	11	12	12	12	12	12	12	12	12	11
Sewer	16	16	16	17	18	16	17	15	16	15
Total	89	90	91	92	94	97	98	95	97	97

West Goshen Township  
Population Statistics  
Last Ten Fiscal Years

Population statistics - West Goshen Township, PA

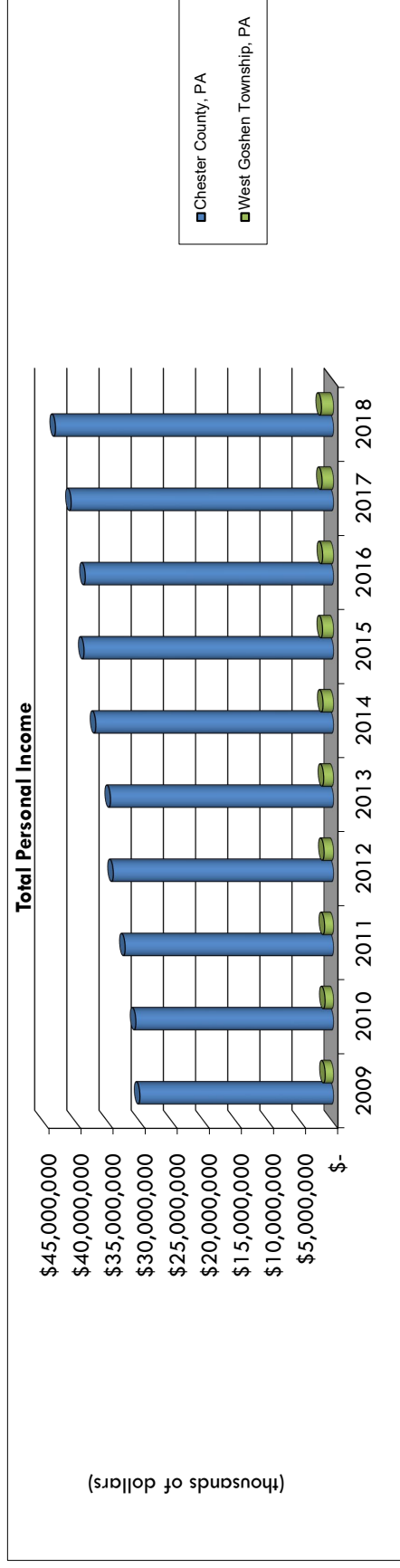


Population	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
West Goshen Township, PA	21,866	22,016	22,166	22,873	23,050	23,137	23,037	22,992	23,009	23,159
Over-the year change	-0.4%	0.7%	0.7%	3.2%	0.8%	0.4%	-0.4%	-0.2%	0.1%	0.7%
Chester County, PA	498,886	503,897	506,190	509,500	512,784	515,939	516,312	519,293	522,046	524,989

Source: U.S. Census Bureau

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

Total personal income - Chester County, PA



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Total Personal Income</b>										
Chester County, PA	\$ 30,132,856	\$ 30,767,652	\$ 32,430,917	\$ 34,269,260	\$ 34,705,589	\$ 36,985,816	\$ 38,815,668	\$ 38,626,146	\$ 40,811,540	\$ 43,249,210
West Goshen Township, PA	\$ 1,326,127	\$ 1,348,535	\$ 1,416,954	\$ 1,500,647	\$ 1,558,039	\$ 1,662,538	\$ 1,740,667	\$ 1,723,436	\$ 1,806,955	\$ 1,906,194
	-2.8%	2.1%	5.4%	5.7%	1.3%	6.6%	4.9%	-0.5%	5.7%	6.0%

**Notes:**

<sup>1</sup> 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.

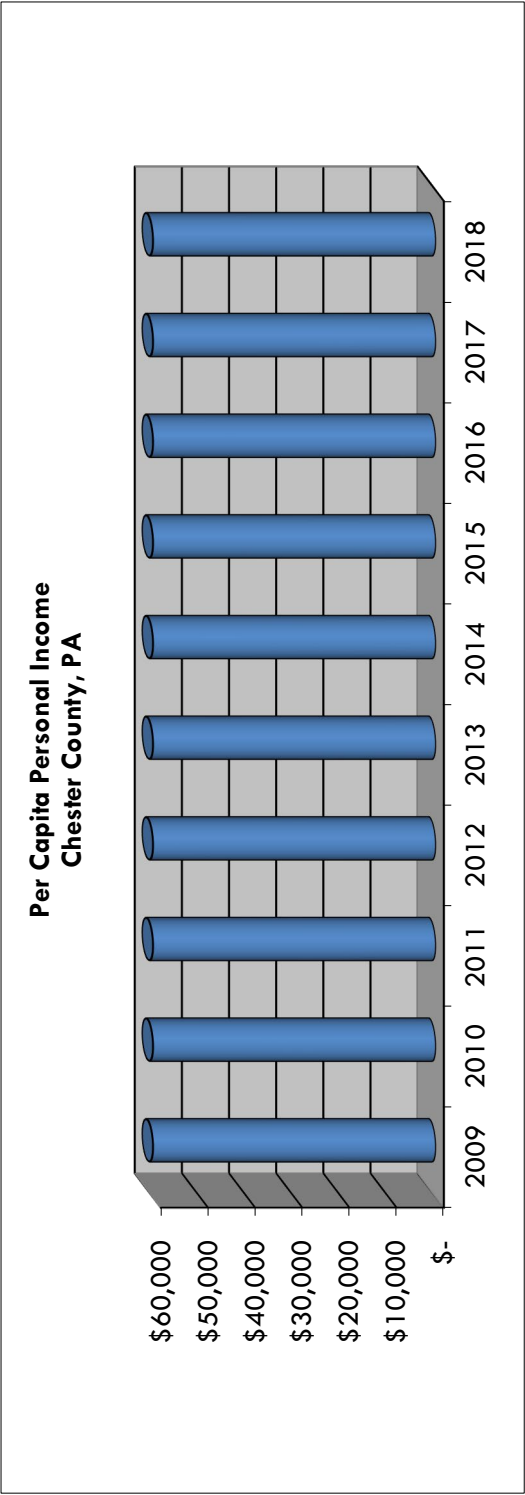
<sup>2</sup> 2018 Data not available at time of report generation.

Source: Bureau of Economic Analysis Local Area Personal Income estimates



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

Per capita personal income - Chester County, PA



Per Capita Personal Income	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Chester County, PA	\$ 60,716	\$ 61,545	\$ 64,421	\$ 67,712	\$ 68,163	\$ 72,118	\$ 75,350	\$ 74,739	\$ 78,645	\$ 82,846
Over-the-year change	-3.7%	1.4%	4.7%	5.1%	0.7%	5.8%	4.5%	-0.8%	5.2%	5.3%

Notes:

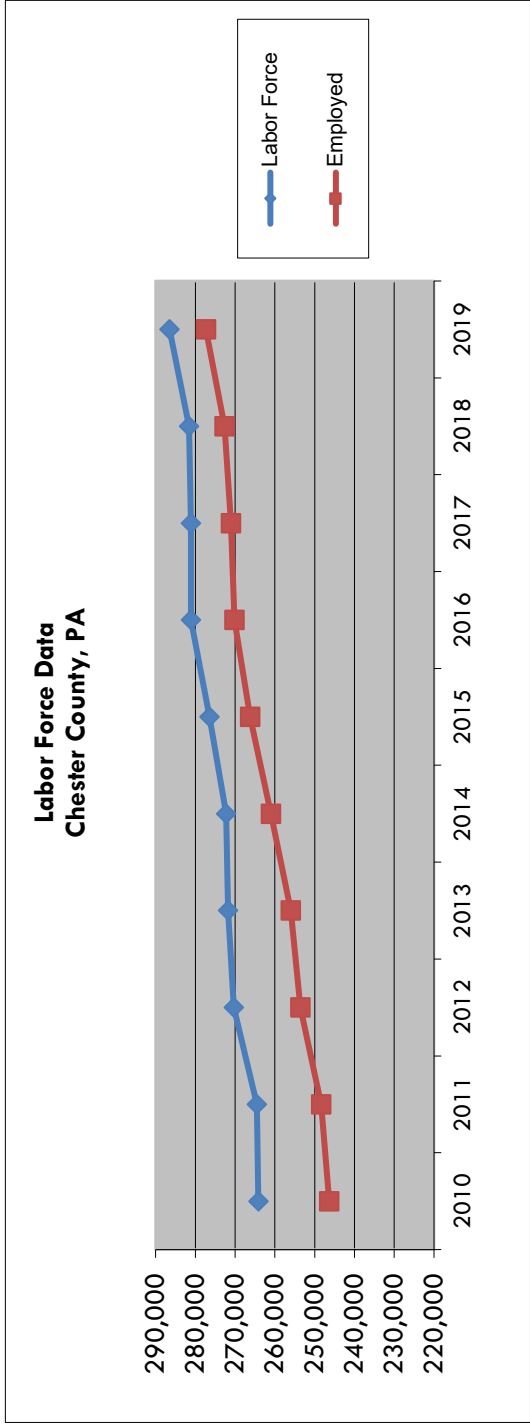
<sup>1</sup> Per capita personal income data not available by minor civil division. County data is provided since it is generally representative of the area's economic climate.

<sup>2</sup> 2018 Data not available at time of report generation.

Source: Bureau of Economic Analysis Local Area Personal Income estimates

West Goshen Township  
Labor Force Data  
Last Ten Fiscal Years

Labor Force Data - Chester County, PA



Chester County, PA	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Labor Force	264,170	264,539	270,301	271,793	272,270	276,442	281,139	281,136	281,572	286,480
Employed	246,343	248,392	253,616	256,009	261,025	266,244	270,147	271,053	272,641	277,341
Unemployment Rate	6.7%	6.1%	6.2%	5.8%	4.1%	3.7%	3.7%	3.6%	3.2%	3.2%
Pennsylvania Rate	8.7%	7.9%	7.9%	7.4%	5.8%	5.1%	5.4%	4.9%	4.3%	4.4%
U.S. Rate	9.6%	8.9%	8.1%	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%	3.7%

Notes:

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, 2019**

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

June 25, 2020

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 ("the Township"), West Chester, Pennsylvania, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 25, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

Board of Supervisors  
West Goshen Township

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.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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