

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

West Goshen Township
Chester County
Pennsylvania



Intro

Transmittal Letter

GFOA Certificate of Achievement for
Excellence in Financial Reporting

Organizational Chart

Elected and Appointed Township Officials

Map

INTRODUCTORY SECTION



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

Board of Supervisors

SHARON LYNN, *Township Manager*

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June 24, 2005

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

We are pleased to submit this Comprehensive Annual Financial Report (CAFR) of West Goshen Township ("the Township"), Chester County, Pennsylvania, for the fiscal year ended December 31, 2004. The financial statements contained within the report are presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

We assert that the data contained within this report is accurate in all material respects. To the best of our knowledge, the information presented in this report is a fair and accurate portrayal of the financial position and result of operations of the Township as of December 31, 2004. We believe the report contains all disclosures necessary for its readers to gain the maximum understanding of the Township's financial affairs.

Barbacane Thornton & Company, a firm of licensed certified public accountants, audits the Township's financial statements, and has issued an unqualified opinion on West Goshen Township's financial statements for the year ended December 31, 2004. The independent auditor's report is located at the front of the Financial Section of this report.

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

REPORT FORMAT

This report is organized into three broad sections:

- **Introductory Section.** This section includes this letter of transmittal; the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting; the Township's organizational chart; and a list of elected and appointed Township officials.

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

PROFILE OF WEST GOSHEN TOWNSHIP

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

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

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

Township Government

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

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

Reporting Structure

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

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

Budgetary Control

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

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The worst of the recent nationwide recession appears to be over, and although recovery has been slow, the local economy is showing signs of real improvement. Short-term interest rates have risen. Unemployment rates have stabilized. And the Township's interest earnings and earned income tax revenues have benefited. Real estate values continue to increase, and transfer activity is moderate. On the spending side of the Township's financial activities, employment related costs (in the form of wages and benefits) and the cost of property and liability insurance have, predictably, outpaced inflation and economic growth. A more detailed analysis of the Township's overall financial condition during the fiscal year ended 2004 is included as part of MD&A.

Long-Term Financial Planning

The Township has consistently generated revenues in excess of budgeted figures and contained expenditures below budgeted amounts year after year, even in the face of struggling national and local economies. As a result, the Township maintains healthy fund balances, in spite of diminished state assistance, relatively low interest rates, and comparatively high unemployment rates over the last few years. Management accomplishes this by regularly evaluating its revenue-generating strategy and by developing and maintaining a multi-year capital purchase plan.

The Board of Supervisors and Township administrators remain committed to providing value to taxpayers by maintaining quality service levels and offering new benefits whenever the opportunity presents itself and the Township's fiscal position permits. Two new recreation endeavors are planned for 2005:

- The Township has developed a new Summer Recreation Program for teens, ages 13 through 15 years. Like the existing Summer Recreation Program for 5-12 year olds, the new program will offer field trips and athletic play opportunities, as well as a one-day-per-week community service component. Although there are no additional liability insurance costs associated with this particular program, it will require additional seasonal staff and supplies for daily activities. Participant registration fees will counterbalance only a portion of the program's total costs.
- The Township will break ground on a three-acre park site located at Pottstown Pike near Greenhill Road. Planned facilities include: a supervised, fenced-in, paved area with ramps and other obstacles for skateboarding and inline skating; an enclosed exercise area for dogs; and two tennis courts. Total costs are anticipated to reach \$1,000,000, offset by \$114,500 in grant money and a transfer from the Township's Restricted Parks account. In

addition to the initial investment, ongoing costs to the Township are expected to include property and liability insurance, employment costs, and costs associated with the normal maintenance of park facilities. Users of the skate park will be assessed a nominal license fee, but this revenue is not expected to appreciably contribute to the park's ongoing operating costs.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awards Certificates of Achievement for Excellence in Financial Reporting to governments that have met the challenge of preparing high quality CAFRs. This prestigious acknowledgement is a testament to a government's financial management. West Goshen Township has received the Certificate of Achievement for its comprehensive annual financial report for two consecutive years. A Certificate of Achievement is valid for a period of one year only. We believe that this CAFR for the fiscal year ended December 31, 2004 continues to meet the GFOA's requirements for the Certificate of Achievement Program, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

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

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

Respectfully submitted,

Jeanne M. Denham
Finance Director

Sharon Lynn
Township Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

West Goshen Township,
Pennsylvania

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



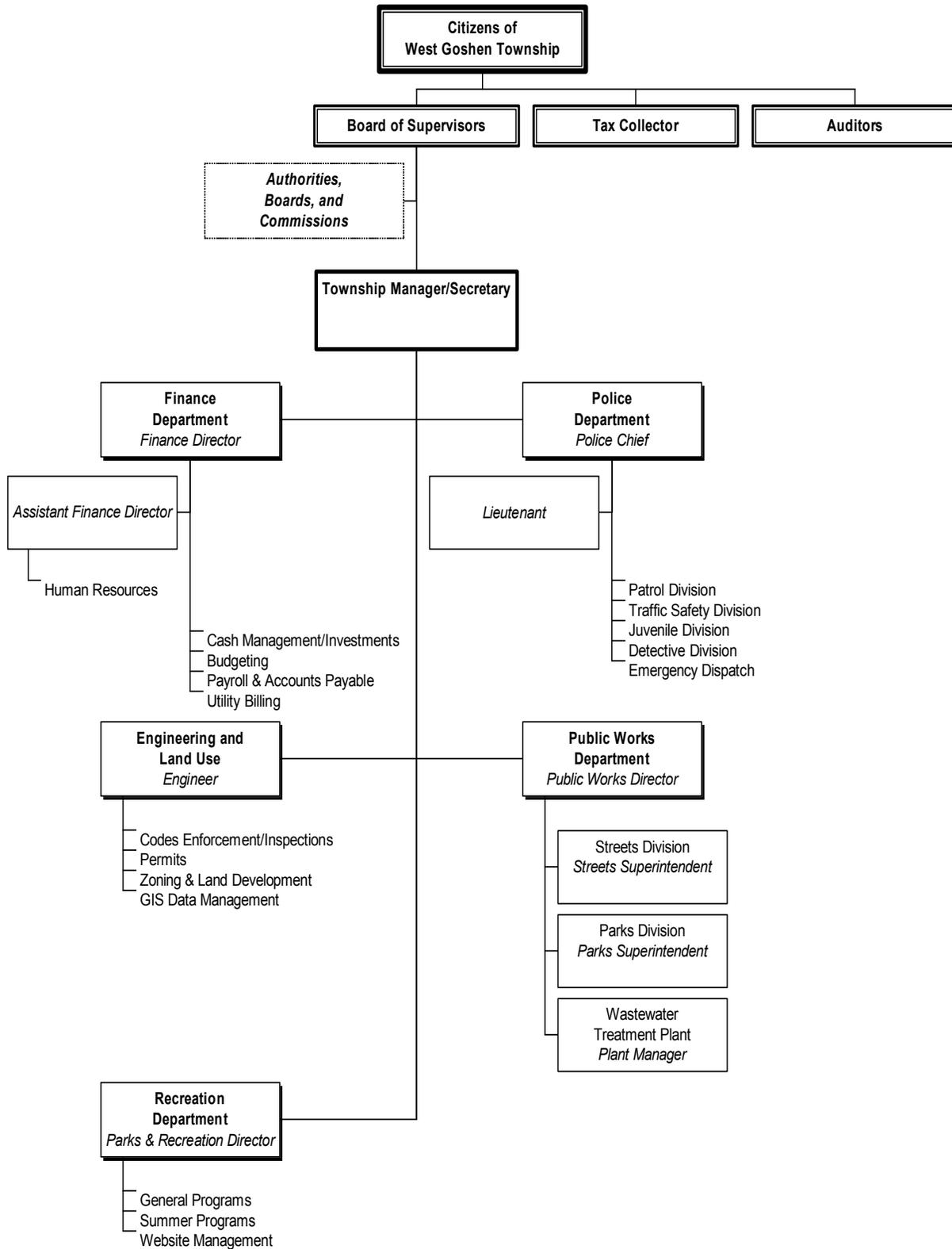
Nancy L. Zjelke

President

Jeffrey R. Enen

Executive Director

ORGANIZATION OF WEST GOSHEN TOWNSHIP



WEST GOSHEN TOWNSHIP
Elected and Appointed Officials
December 31, 2004

ELECTED OFFICIALS

BOARD OF SUPERVISORS

Chairman	Patricia B. McIlvaine
Vice Chairman	Edward G. Meakim, Jr.
Member	Dr. Robert S. White

TAX COLLECTOR

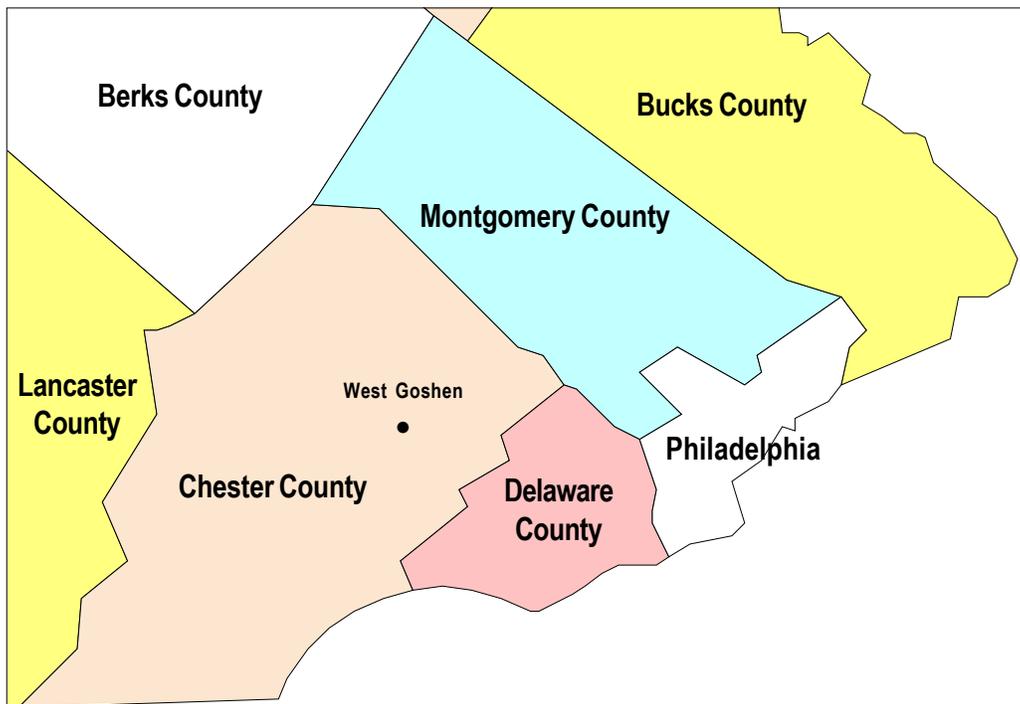
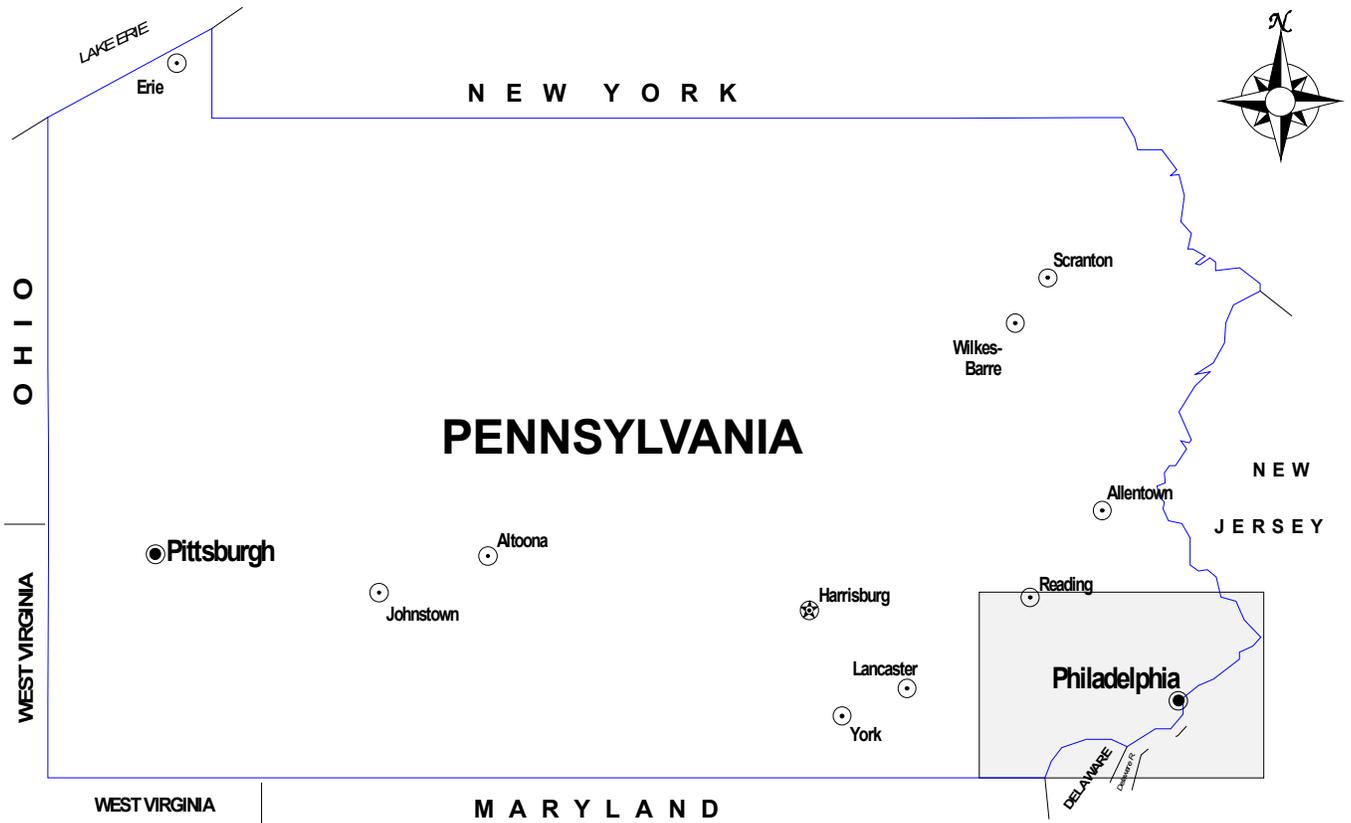
William R. Keenan

AUDITORS

Chairman	James L. Mosteller
Secretary	Louis J. Mayer
Member	Jacob W. Bowman, Jr.

APPOINTED OFFICIALS

Township Manager	Sharon Lynn
Township Secretary	Sharon Lynn
Assistant Township Secretary	Sandra K. Turley
Finance Director/Treasurer	Jeanne M. Denham
Assistant Finance Director	Jennifer M. Latzer
Assistant Treasurer	Cynthia L. Haldeman
Chief of Police	Michael J. Carroll
Township Engineer	Richard J. Craig
Streets Superintendent	Vacant
Building Code Official	Richard J. Craig
Building Official	Richard E. Hicks
Building Official	John R. Beswick
Zoning Officer	Sharon Lynn
Assistant Zoning Officer	Diane E. Clayton
Deputy Zoning Officer	Richard J. Craig
Deputy Zoning Officer	Richard E. Hicks
Township Solicitor	Buckley, Nagle, Brion, McGuire, Morris & Sommer
Fire Marshal/Emergency Management Coordinator	Andrea R. Testa
Assistant Fire Marshal	Donald A. Loane
Independent Auditor	Barbacane Thornton & Company



Financial

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Combining and Individual Fund Financial Statements

FINANCIAL SECTION

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Dover, Delaware 19901
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Media, Pennsylvania 19063
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INDEPENDENT AUDITORS' REPORT

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Wilmington, Delaware 19810
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info@btcpa.com

March 18, 2005

Board of Supervisors
West Goshen Township
West Chester, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of West Goshen Township, West Chester, Pennsylvania, as of and for the year ended December 31, 2004, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of West Goshen Township, West Goshen, Pennsylvania's management. 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 *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of West Goshen Township, West Goshen, Pennsylvania, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2005 on our consideration of West Goshen Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 11 - 25 and pension funds' schedule of funding progress are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied

Board of Supervisors
West Goshen Township

certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and, accordingly, express no opinion on it.

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

Barbacane, Thornton & Company
BARBACANE, THORNTON & COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Township of West Goshen, Pennsylvania, provides an overview of the Township's financial performance for the year ended December 31, 2004. Please read it in conjunction with the Township's financial statements.

FINANCIAL HIGHLIGHTS

- The assets of West Goshen Township exceeded its liabilities at the close of the most recent fiscal year by \$68,455,972 (representing its net assets). Of this amount, \$13,587,630 (or its unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors. Infrastructure assets were identified, appraised and incorporated into the overall Township fixed asset records. This resulted in a prior year net asset adjustment of \$23,073,520.
- The Township's total net assets increased by \$352,186.
- As of December 31, 2004, the Township's governmental funds reported combined ending fund balances of \$9,847,118, an increase of \$1,151,900 as compared to the prior year. Approximately 50 percent of this total, or \$4,934,869 is available for spending at the Township's discretion (*unreserved fund balance*).
- The Township's total debt decreased by \$1,231,140.
- The real estate tax rate was set at 1.50 mills, a 76 percent increase from 2003.

USING THIS ANNUAL REPORT

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

Reporting the Township as a Whole

Statement of Net Assets and the Statement of Activities

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

These statements provide information that will help the reader to determine if the Township is financially better off or worse off as a result of the year's activities. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private

sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Township's net assets and changes in them during the year. The reader can think of the Township's net assets – the difference between assets and liabilities – as one way to measure the Township's financial health or financial position. Over time, increases or decreases in the Township's net assets are one indicator of whether its financial health is improving or deteriorating. 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.

In the Statement of Net Assets and the Statement of Activities, we divide the Township into two kinds of activities:

- Governmental activities – Most of the Township's basic services are reported here, including the police, fire, general administration, public works, parks and recreation. Earned income taxes, property taxes, intergovernmental revenues and franchise fees finance most of these activities.
- Business-type activities – The Township charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Township's sewer and waste and recycling activities are reported here. The Township also includes a separate legal entity in its report – the West Goshen Sewer Authority. The Sewer Authority is a public authority, which exists to provide facilities for use in the sewer operation of the Township Sewer Fund. The Sewer Authority is considered a blended component unit and is included with the business-type activities. Although legally separate, the Sewer Authority is important because the Township is financially accountable for it, and, therefore, it has been included as an integral part of the primary government. The Authority is audited by Barbacane, Thornton & Company, whose report dated **March 27, 2004** is publicly available through the offices of West Goshen Township.

Reporting the Township's Most Significant Funds

Fund Financial Statements

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

Governmental funds. Most of the Township's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Township's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the

near future to finance the Township's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in reconciliations at the bottom of the fund financial statements.

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

The Township as Trustee

Reporting the Township's Fiduciary Responsibilities

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

THE TOWNSHIP AS A WHOLE

Entity-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of West Goshen Township, assets exceeded liabilities by \$68,455,972 at the close of 2004. This is an increase of \$23,425,706 from the previous year. Our analysis focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Township's governmental and business-type activities.

	Governmental activities		Business-Type activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 12,259,690	\$ 10,982,339	\$ 14,824,810	\$ 15,140,951	\$ 27,084,500	\$ 26,123,290
Capital assets	35,839,079	14,160,259	22,800,384	23,340,941	58,639,463	37,501,200
Total assets	48,098,769	25,142,598	37,625,194	38,481,892	85,723,963	63,624,490
Long-term liabilities outstanding	6,359,758	6,877,775	9,176,470	9,921,457	15,536,228	16,799,232
Other liabilities	663,476	622,956	1,068,287	1,172,036	1,731,763	1,794,992
Total liabilities	7,023,234	7,500,731	10,244,757	11,093,493	17,267,991	18,594,224
Net Assets:						
Invested in capital assets, net of related debt	29,362,825	7,177,865	20,593,268	20,501,516	49,956,093	27,679,381
Restricted for capital reserve	4,912,249	4,601,458	-	-	4,912,249	4,601,458
Unrestricted	6,800,461	5,862,544	6,787,169	6,886,883	13,587,630	12,749,427
Total net assets	<u>\$ 41,075,535</u>	<u>\$ 17,641,867</u>	<u>\$ 27,380,437</u>	<u>\$ 27,388,399</u>	<u>\$ 68,455,972</u>	<u>\$ 45,030,266</u>

As identified earlier, infrastructure assets of the governmental funds were identified, appraised and incorporated into the overall Township fixed asset records. This resulted in a prior year net asset adjustment of \$23,073,520. The largest portion of the Township's net assets, \$49,956,093 (or 73 percent) reflects its investment in capital assets (land, buildings, vehicles, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The majority of the outstanding debt of the Township was incurred for the construction of the Township's Municipal Complex and the significant upgrade to the Sewer Wastewater Treatment Plant. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the Township's net assets, \$4,912,249 (or 7 percent), represents resources that are subject to external restrictions on how they may be used. This compares with last year's total restricted net assets of \$4,601,458. This increase is primarily due to transfers from the General Fund to offset debt service payments.

The remaining balance of unrestricted net assets, \$13,587,630 (or 20 percent), may be used to meet the Township's ongoing obligations to citizens and creditors. This compares with last year's total unrestricted net assets of \$12,749,427.

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

Governmental activities

The net increase from the Township's governmental activities was \$360,148, which accounts for 102 percent of the total growth in net assets of the Township. The increase of \$360,148 of net assets is \$511,860 less than the previous year increase of \$872,008. Table 2 shows the changes in net assets for the year ending December 31, 2004.

The cost of all governmental activities this year was \$10,062,990. As shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through Township taxes was \$8,604,467. Other costs were paid by those who directly benefited from the programs (\$618,529) or by other governments and organizations that subsidized certain programs with intergovernmental aid and contributions (\$839,994).

Table 2
WEST GOSHEN TOWNSHIP'S CHANGES IN NET ASSETS
For the year ending December 31, 2004

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program revenues:						
Charges for services	\$ 618,529	\$ 634,232	\$ 4,606,031	\$ 4,938,569	\$ 5,224,560	\$ 5,572,801
Operating grants & contributions	799,994	861,059	246,287	134,824	1,046,281	995,883
Capital grants & contributions	40,000	74,841	-	71,540	40,000	146,381
General revenues:						
Earned income taxes	5,113,634	5,071,263	-	-	5,113,634	5,071,263
Property taxes	2,481,655	1,402,116	-	-	2,481,655	1,402,116
Real estate transfer taxes	921,849	807,367	-	-	921,849	807,367
Franchise fees	245,451	239,504	-	-	245,451	239,504
Grants & contributions not restricted to specific programs	13,984	16,509	-	-	13,984	16,509
Other	188,042	139,176	217,149	312,524	405,191	451,700
Total revenues	10,423,138	9,246,067	5,069,467	5,457,457	15,492,605	14,703,524
Expenses:						
General government	1,669,859	1,686,167	-	-	1,669,859	1,686,167
Public safety	4,481,480	4,217,326	-	-	4,481,480	4,217,326
Highways/streets	2,556,659	1,203,438	-	-	2,556,659	1,203,438
Other public works	135,560	110,063	-	-	135,560	110,063
Library	5,000	5,000	-	-	5,000	5,000
Culture and recreation	924,619	853,745	-	-	924,619	853,745
Interest expense	289,813	298,320	-	-	289,813	298,320
Sewer operations	-	-	3,709,370	3,797,503	3,709,370	3,797,503
Waste and recycling	-	-	1,368,059	1,342,917	1,368,059	1,342,917
Total expenses	10,062,990	8,374,059	5,077,429	5,140,420	15,140,419	13,514,479
Increase in net assets	360,148	872,008	(7,962)	317,037	352,186	1,189,045
Net assets - 1/1/2004	17,641,867	16,769,859	27,388,399	27,071,362	45,030,266	43,841,221
Prior year, net asset adjustment	23,073,520	-	0	-	23,073,520	-
Net assets - 12/31/2004	\$ 41,075,535	\$ 17,641,867	\$ 27,380,437	\$ 27,388,399	\$ 68,455,972	\$ 45,030,266

As indicated by governmental program expenses, public safety programs account for approximately 45 percent of the total expenditures of the Township's governmental activities. General administration and highways/streets services account for approximately 17 percent and 25 percent, respectively, of the total expenditures for 2004.

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

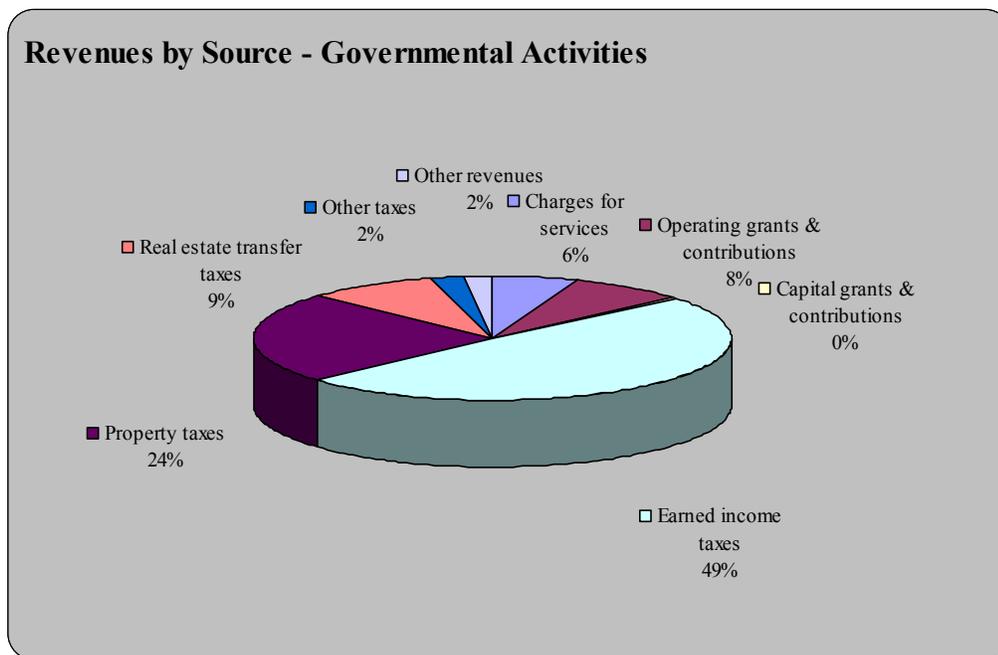
- Increases in employee wages increased approximately 4% resulting from negotiated and general wage increases.
- Employee benefit costs rose by approximately 4.6%.
- Property and liability insurance costs rose by 8.5%.

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. As identified on the previous page and on the following page, earned income tax is the largest revenue source for governmental activities, accounting for approximately 49 percent of total revenues (54% in the prior year). Property taxes and real estate transfer taxes provide approximately 24 percent and 9 percent

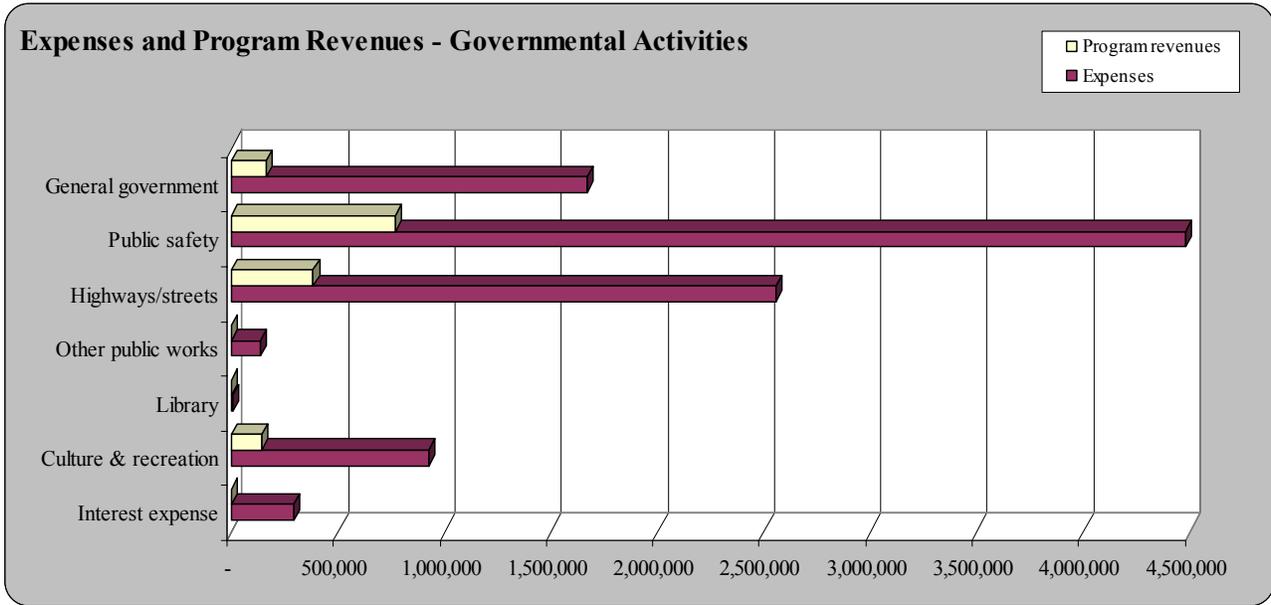
of total revenues, respectively (15 percent and 9 percent in the prior year). The Township relies on these taxes to furnish the quality of life to citizens and businesses to which the Board of Supervisors has always been committed.

Major revenue factors included:

- Revenue from operating grants and contributions decreased by \$61,065 or 7.1%. A State GIS grant benefited the year 2003 whereas no operating grants were received for the year 2004.
- Earned income tax revenue increased slightly by \$42,371 or 0.8% for the year ending 2004 as labor market conditions gradually began to improve.
- Governmental investment earnings increased from \$106,000 in the prior year to \$145,000 for 2004. The year 2004 experienced a sharp rise in short-term interest rates.
- Capital grants and contributions decreased from the prior year by approximately \$35,000. \$40,000 in Skate Park grant monies were received in 2004 as compared to \$72,500 received in 2003.



Program revenues support 14.5% of activity expenses. The following graph shows how program revenues supported activity expenses.



Business-type activities

The West Goshen Township sewer system was constructed by the West Goshen Sewer Authority at the request of the Township’s Board of Supervisors. The Sewer Authority retains ownership of the system and leases it to the Township, which is responsible for its operation, maintenance, and repair. Sewer expenditures, which total \$3,709,370 for 2004 (as compared to \$3,797,503 for the prior year), include “Rent to Sewer Authority” of \$1,051,560 for 2004 (as compared to \$592,665 for the prior year) for payment of the Sewer Authority’s bond expense. This amount has been eliminated in the proprietary fund financial statements as well as in the statement of activities. See Note 3. The increase in “Rent to Sewer Authority” represents the first full year of rent payments due to the refunding of the 1995 Sewer Bonds that occurred in the year 2003. The Board of Supervisors establishes and collects sewer rental fees from users of the system. Both the Authority and the Township have written agreements with East Goshen Township, Westtown Township, West Whiteland Township and Thornbury Township to accept flows from these municipalities into the West Goshen system. The contracting of surplus capacity benefits the residents and business owners of West Goshen Township by distributing the fixed costs among a greater number of users, thereby lowering the costs of treatment. The revenues generated from these agreements for the year 2004 were \$1,236,280 as compared to \$1,307,754 for the prior year. Sewer Fund fees charged to residents and businesses did not increase for the year 2004.

The Waste and Recycling Fund administers the collection of residential solid waste and recyclable material from Township homes. User fees primarily support the cost of this program. Each household is charged a flat rate for trash collection and unlimited recycling. A rate increase in the waste and recycling fees charged to residents and businesses became effective October 1, 2001. The current rate was designed to cover the 65 percent increase contained in the 5-year contract with the private waste and recycling contractor. Therefore, net revenues in this department will gradually decrease annually over the next two years. The Commonwealth of Pennsylvania also subsidizes the recycling program with a Performance Grant. The grant amount for 2004 was \$177,978 as compared to \$77,539 for the prior year.

Business-type activities decreased the Township’s net assets by \$7,962, accounting for a negative 2 percent of the total growth in the Township’s net assets. The decrease of \$7,962 of net assets is \$324,999 less than the previous year increase of \$317,037.

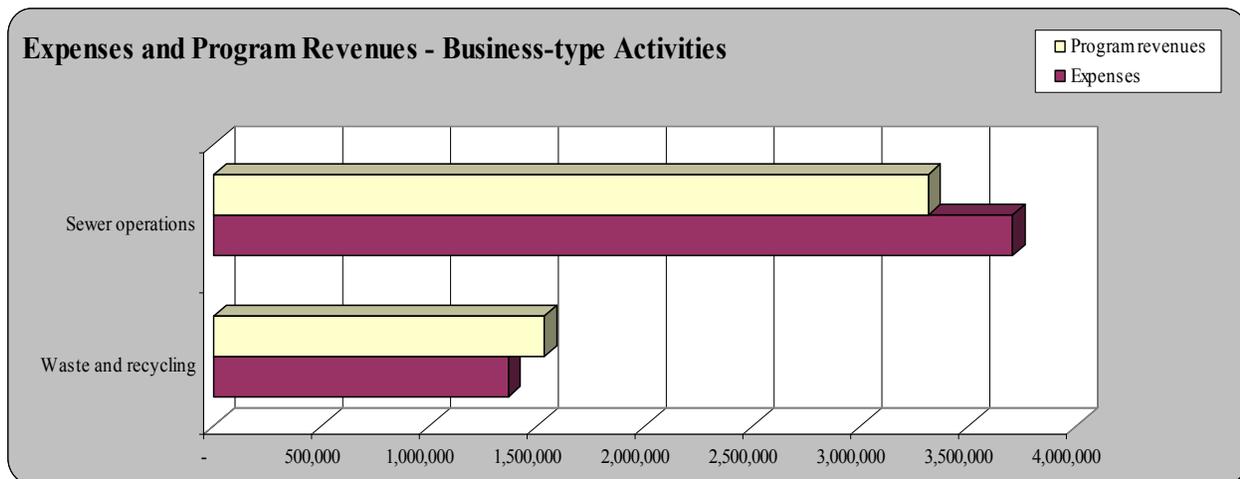
Major revenue factors include:

- Operating grants and contributions increased by \$111,463 over the previous year due primarily to an increase for the Recycling Grant.
- Investment earnings fell from almost \$263,500 in the prior year to \$179,542 for 2003. The reduction to interest earnings was the result of a slowing economy and the subsequent reduction in interest rates.
- Charges for services decreased approximately \$332,500 over the previous year primarily due to decreased Tapping Fee receipts.

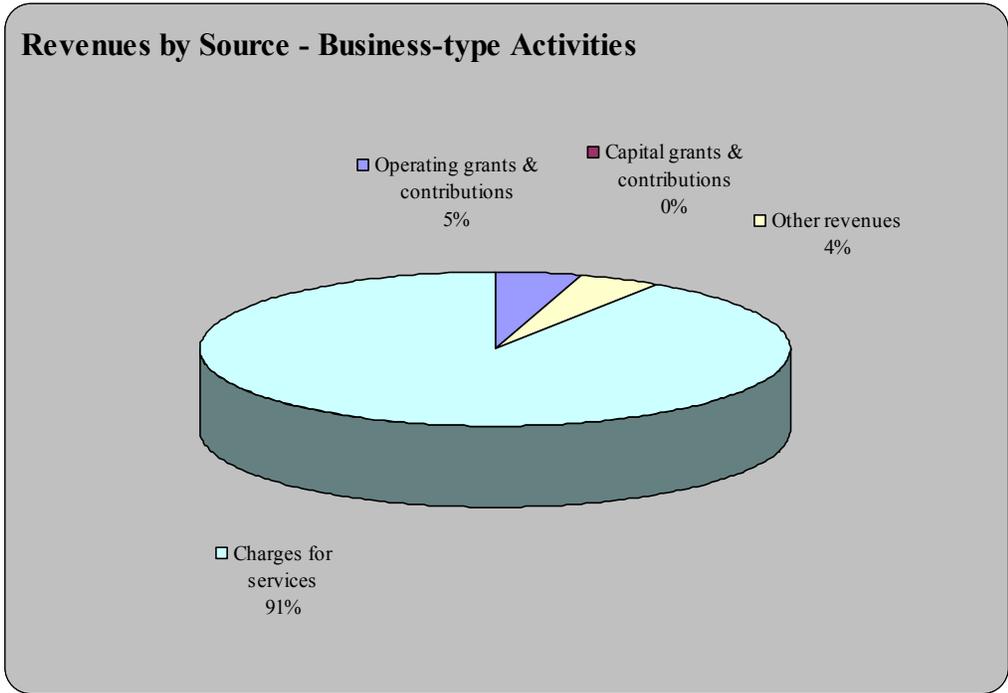
Major expense factors include:

- Increased operating expenses of the Sewer Fund in the amount of \$178,000 due almost entirely to sewer disposal costs and wage and benefit increases.
- Increases in employee wages increased approximately 4% resulting from general wage increases.
- Employee benefits costs increased by approximately 4.6%.
- Property and liability insurance costs increased by 8.5%.

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 capital and 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.



FINANCIAL ANALYSIS OF THE TOWNSHIP’S FUNDS

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

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

As of December 31, 2004, the Township’s governmental funds reported combined ending balances of \$9,847,118, an increase of \$1,151,900 as compared to the prior year. Approximately 50 percent, or \$4,934,699, constitutes unreserved fund balance, which is available for spending at the Township’s discretion. The remainder of the fund balance is reserved, which means that it is not available for new spending because it has already been committed to pay for: 1) debt service; 2) capital improvements; or 3) additional security for bonds.

The General Fund is the chief operating fund of West Goshen Township. As of December 31, 2004, the total fund balance of the General Fund was \$4,292,181 (as compared to \$3,405,106 for the prior year), all of which is unreserved. The fund balance of the General Fund increased by \$887,075 in fiscal year 2004. Key factors in this growth are as follows:

- Actual revenues and other financing sources exceeded budgeted revenues in the general fund by approximately 5.5 percent, or \$507,600. The increase in revenues was primarily from Real Estate Transfer taxes (\$321,850), Interest Earnings (\$33,600), and Special Police Services (\$41,580).
- Actual expenses and other financing uses were less than budgeted expenses by approximately 4.1 percent, or \$378,274. Actual increases for Employee Benefits and

Insurance and Bonding came in under budget by 20% (\$177,000) and 26.5% (\$40,000), respectively. Transfers to Capital Reserve were less than budgeted by approximately \$95,000.

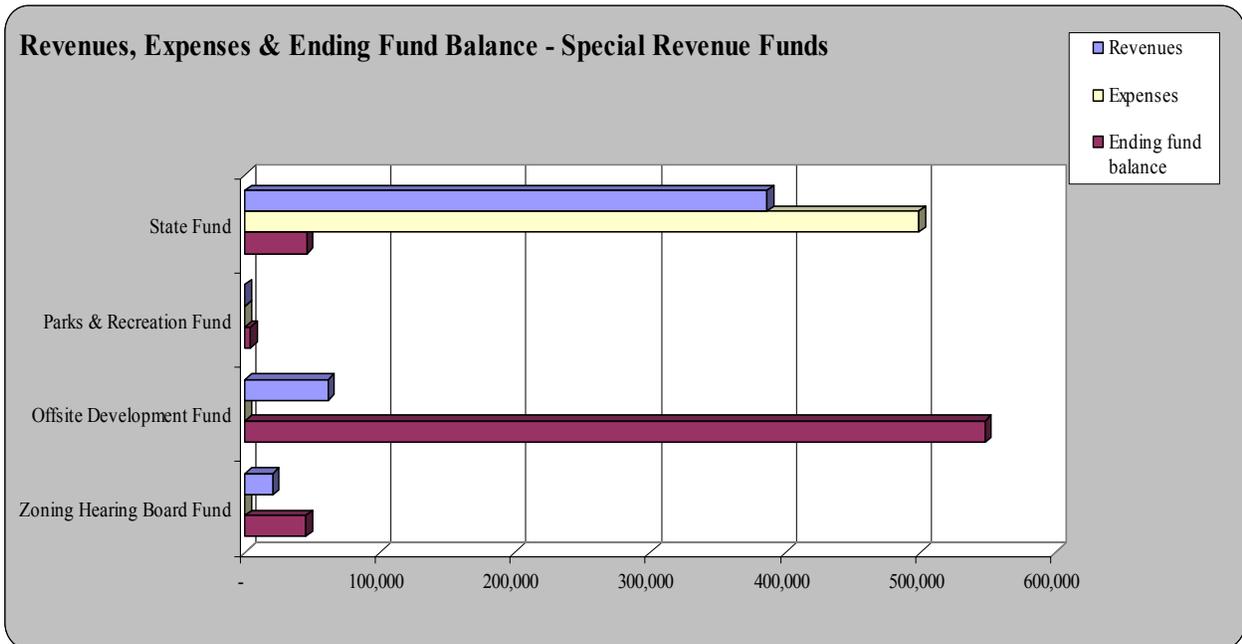
The Capital Reserve Fund provides funding for debt service, capital improvements, or other unique expenditures which are not normal operating or maintenance-type expenditures reportable within the General Fund or other governmental funds. Major revenue sources for the Capital Reserve Fund are transfers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

Capital improvements financed out of this fund in 2004 totaled \$48,251 in the following categories: Public Works (\$33,177 – traffic signal upgrades and emergency pre-emption devices); and Culture and Recreation (\$15,074 – site construction document costs for Pottstown Pike Park).

The total fund balance as of December 31, 2004, is \$4,912,249, all of which is reserved as previously explained.

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

- *State Funds* – The Township received \$383,890 (compared to \$372,554 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 \$57,500 (compared to \$113,560 in the prior year) from building contractors for open space projects. Expenditures from this fund were minimal of \$27. The Restricted Parks account transferred \$15,949 to the Capital Reserve Fund to pay for expenses associated with the Township's parks.



The total fund balance as of December 31, 2004, is \$642,688 (as compared to \$688,654 in the prior year), all of which is unreserved 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 assets of the Sewer, Waste and Recycling, Sewer Authority, and Sewer Reserve Funds at the end of the year amounted to \$6,787,169 as compared to \$6,886,883 in the prior year. The total decrease in net assets was \$99,714. 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

For 2004, there were no revisions to the General Fund budget.

The program budget for the General Fund anticipated a modest fund balance increase of \$1,202. As identified earlier, actual revenues and other financing sources exceeded budgeted amounts by \$507,600. Actual expenditures and other financing uses were less than budgeted expenditures by \$378,274.

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, 2004, amounts to \$58,573,082, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, machinery and equipment, vehicles, land improvements, and infrastructure. The total decrease in the Township’s investment in capital assets for the current fiscal year was a total of approximately \$1,927,671, net of accumulated depreciation, or a 3 percent decrease. As mentioned earlier, infrastructure assets of the governmental activities were identified, appraised and incorporated into the overall Township fixed asset records.

Table 3
WEST GOSHEN TOWNSHIP'S CAPITAL ASSETS
For the year ending December 31, 2004

	Governmental activities		Business-Type activities		Total	
	2004	2003	2004	2003	2004	2003
Buildings and improvements	\$ 5,944,038	\$ 5,828,682	\$ 11,596,790	\$ 11,218,568	\$ 17,540,828	\$ 17,047,250
Machinery and equipment	2,690,608	2,672,303	7,505,150	7,292,908	10,195,758	9,965,211
Vehicles	975,301	969,902	211,261	211,261	1,186,562	1,181,163
Land	3,128,044	3,128,044	82,083	82,083	3,210,127	3,210,127
Land improvements	1,842,544	1,842,544	560,571	560,571	2,403,115	2,403,115
Infrastructure	44,713,223	44,680,046	15,594,568	15,538,211	60,307,791	60,218,257
Construction in progress	57,290	116,800	23,702	497,405	80,992	614,205
Total capital assets	59,351,048	59,238,321	35,574,125	35,401,007	94,925,173	94,639,328
Less accumulated depreciation	(23,511,969)	(22,004,542)	(12,840,122)	(12,134,033)	(36,352,091)	(34,138,575)
Capital assets, net of depreciation	\$ 35,839,079	\$ 37,233,779	\$ 22,734,003	\$ 23,266,974	\$ 58,573,082	\$ 60,500,753

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

- \$5,895 – Copier for the Police Department;
- \$33,177 - Traffic signal upgrades included green LED's and emergency pre-emption devices;
- \$59,253 – Parks Department dump truck;
- \$20,974 – Parks Department Bandit Brush Chipper;
- \$43,822 - purchase of two new Police vehicles;
- \$15,672 – purchase of two Hustler mowers;
- \$40,772 – purchase of partial Police radio system upgrade;
- \$15,074 – construction in progress of Pottstown Pike Park.

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

- \$6,803 – John Deere mower;
- \$35,928 – installation of boiler system in operations building;
- \$171,824 – Additions and alterations to the Taylor Run pumping station;
- \$59,707 – Replacement of sewer interceptor;
- \$23,702 – Construction in progress of UV system upgrade;

- \$20,112 – Finalize construction of new garage at the Sewer Plant.

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

Long-term Debt

At December 31, 2004, the Township had \$16,313,254 in bonds, notes, and capital leases outstanding versus \$17,554,394 last year – a decrease of 7.1 percent – as shown in Table 4 below.

	Governmental activities		Business-Type activities		Total	
	2004	2003	2004	2003	2004	2003
General obligation bonds	\$ 6,404,000	\$ 6,904,000	\$ -	\$ -	\$ 6,404,000	\$ 6,904,000
Capital lease	72,254	78,394	-	-	72,254	78,394
Sewer Revenue bonds	-	-	4,930,000	5,425,000	4,930,000	5,425,000
Sewer Revenue notes	-	-	4,907,000	5,147,000	4,907,000	5,147,000
Total outstanding debt	<u>\$ 6,476,254</u>	<u>\$ 6,982,394</u>	<u>\$ 9,837,000</u>	<u>\$ 10,572,000</u>	<u>\$ 16,313,254</u>	<u>\$ 17,554,394</u>

New debt issued this year included capital leases of \$57,127 to purchase a Parks Dump truck and a Bandit Brush Chipper. Other obligations of the Township include compensated absences of \$499,703.

West Goshen Township maintains a “Aa3” rating from Moody’s for its current debt issuances.

State statutes limit the amount of general obligation debt a governmental entity may issue to 250% percent of its average borrowing base (average revenues over the past 3 years). The current debt limitation for West Goshen Township is \$36,879,793, which is significantly in excess of the Township’s outstanding debt.

Economic factors and Next Year’s Budgets and Rates

- The Township continues to maintain a diversified revenue base should there be any short-term fluctuations in any one revenue source.
- Interest rates for savings and checking accounts increased from a low of 0.97% to a high of 2.45% and certificates of deposits increased from a low of 1.55% to a high of 3.5%.
- New housing growth has been moderate and property values have been on the rise. The number of real estate sales in the Township directly affects the revenue streams of real estate transfer taxes.
- Changes in the pension laws and contractual changes to the pension plans continue to place added financial burdens on the Township to supplement State Aid.
- \$357,876 of the unreserved fund balance in the general fund was appropriated for spending in the 2005 budget.

- Township Real Estate Taxes were not increased for 2005.
- Costs for services have continued to rise, far outpacing revenues. The increases are largely attributed to expanded staffing, salary increases, and the increased cost of providing employee benefits.
- Sewer and waste and recycling user fees were not increased for 2005.
- The Township will break ground in 2005 on a three-acre park site located at Pottstown Pike near Greenhill Road. Design and construction costs of \$1,000,000 are budgeted for 2005. Financing for the park will include prior year grant monies received of \$114,500 and a transfer from the Restricted Parks account.

All of these factors were considered in preparing the Township's budget for the 2005 fiscal year.

REQUESTS FOR INFORMATION

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

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



BASIC FINANCIAL STATEMENTS

WEST GOSHEN TOWNSHIP
STATEMENT OF NET ASSETS
DECEMBER 31, 2004

	Primary Government		Totals	
	Governmental Activities	Business-Type Activities	Memorandum Only	
			2004	2003
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 8,484,796	\$ 3,024,991	\$ 11,509,787	\$ 11,038,750
Cash and cash equivalents, restricted		434,783	434,783	1,668,300
Investments	1,257,951	2,439,690	3,697,641	3,049,253
Investments, restricted		7,432,149	7,432,149	6,435,775
Accounts and other receivables, net	2,516,943	1,485,129	4,002,072	3,914,917
Due from developers		8,068	8,068	16,295
Total Current Assets	<u>12,259,690</u>	<u>14,824,810</u>	<u>27,084,500</u>	<u>26,123,290</u>
Noncurrent Assets:				
Depreciable capital assets, net	32,653,745	22,628,218	55,281,963	33,684,985
Land	3,128,044	82,083	3,210,127	3,128,044
Construction in progress	57,290	23,702	80,992	614,204
Bond issuance costs		66,381	66,381	73,967
Total Noncurrent Assets	<u>35,839,079</u>	<u>22,800,384</u>	<u>58,639,463</u>	<u>37,501,200</u>
TOTAL ASSETS	<u>\$ 48,098,769</u>	<u>\$ 37,625,194</u>	<u>\$ 85,723,963</u>	<u>\$ 63,624,490</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable and other current liabilities	\$ 47,277	\$ 137,260	\$ 184,537	\$ 333,096
Cash Overdraft			-	286
Developers' deposits		163,685	163,685	139,752
Compensated absences payable within one year	34,979	15,342	50,321	43,414
Capital leases payable within one year	53,220		53,220	43,444
Bonds payable within one year		500,000	500,000	495,000
Notes payable within one year	528,000	252,000	780,000	740,000
Total Current Liabilities	<u>663,476</u>	<u>1,068,287</u>	<u>1,731,763</u>	<u>1,794,992</u>
Noncurrent Liabilities:				
Compensated absences	464,724	140,943	605,667	578,409
Capital leases payable	19,034		19,034	34,950
Bonds payable		4,430,000	4,430,000	4,930,000
Deferred amount on refunding		(49,473)	(49,473)	(55,127)
Notes payable	5,876,000	4,655,000	10,531,000	11,311,000
Total Noncurrent Liabilities	<u>6,359,758</u>	<u>9,176,470</u>	<u>15,536,228</u>	<u>16,799,232</u>
TOTAL LIABILITIES	<u>7,023,234</u>	<u>10,244,757</u>	<u>17,267,991</u>	<u>18,594,224</u>
NET ASSETS				
Invested in capital assets net of related debt	29,362,825	20,593,268	49,956,093	27,679,381
Restricted for capital reserve	4,912,249	-	4,912,249	4,601,458
Unrestricted	6,800,461	6,787,169	13,587,630	12,749,427
TOTAL NET ASSETS	<u>41,075,535</u>	<u>27,380,437</u>	<u>68,455,972</u>	<u>45,030,266</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 48,098,769</u>	<u>\$ 37,625,194</u>	<u>\$ 85,723,963</u>	<u>\$ 63,624,490</u>

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

WEST GOSHEN TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Totals	
							Memorandum Only	
2004	2003							
Primary government								
GOVERNMENTAL ACTIVITIES								
General government	\$ 1,669,859	\$ 54,377	\$ 108,072		\$ (1,507,410)	\$ (1,507,410)	\$ (1,558,931)	
Public safety	4,481,480	461,000	308,032		(3,712,448)	(3,712,448)	(3,434,092)	
Public works - highways and streets	2,556,659		383,890		(2,172,769)	(2,172,769)	(806,726)	
Other public works	135,560				(135,560)	(135,560)	(110,063)	
Library	5,000				(5,000)	(5,000)	(5,000)	
Culture and recreation	924,619	103,152		40,000	(781,467)	(781,467)	(590,795)	
Interest expense	289,813				(289,813)	(289,813)	(298,320)	
TOTAL GOVERNMENTAL ACTIVITIES	10,062,990	618,529	799,994	40,000	(8,604,467)	(8,604,467)	(6,803,927)	
BUSINESS-TYPE ACTIVITIES								
Sewer operations	3,709,370	3,248,029	68,309		-	(393,032)	(76,866)	
Waste and recycling	1,368,059	1,358,002	177,978		-	167,921	81,379	
TOTAL BUSINESS-TYPE ACTIVITIES	5,077,429	4,606,031	246,287	-	(225,111)	(225,111)	4,513	
TOTAL PRIMARY GOVERNMENT	\$ 15,140,419	\$ 5,224,560	\$ 1,046,281	\$ 40,000	(8,604,467)	(225,111)	(8,829,578)	(6,799,414)
GENERAL REVENUES								
Taxes:								
					2,481,655	2,481,655	1,402,116	
					921,849	921,849	807,367	
					5,113,634	5,113,634	5,071,263	
					245,451	245,451	239,504	
					145,472	179,542	325,014	
					13,984	13,984	16,509	
					11,137	4,044	15,181	
					31,433	33,563	74,408	
					<u>8,964,615</u>	<u>217,149</u>	<u>9,181,764</u>	
					360,148	(7,962)	352,186	
					17,641,867	27,388,399	45,030,266	
					23,073,520		23,073,520	
					<u>\$ 41,075,535</u>	<u>\$ 27,380,437</u>	<u>\$ 68,455,972</u>	
							<u>\$ 45,030,266</u>	

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

WEST GOSHEN TOWNSHIP
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	Major Funds			Totals	
	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	Memorandum Only	
				2004	2003
ASSETS					
Cash and cash equivalents	\$ 3,837,886	\$ 4,004,222	\$ 642,688	\$ 8,484,796	\$ 7,313,699
Investments	350,091	907,860		1,257,951	1,248,310
Accounts receivable, net	15,306	12,203		27,509	79,193
Taxes receivable, net	2,489,434			2,489,434	2,341,137
TOTAL ASSETS	\$ 6,692,717	\$ 4,924,285	\$ 642,688	\$ 12,259,690	\$ 10,982,339
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	\$ 35,241	\$ 12,036		\$ 47,277	\$ 46,196
Cash overdraft				-	286
Accrued compensated absences				-	-
Deferred revenues	2,365,295			2,365,295	2,240,639
TOTAL LIABILITIES	2,400,536	12,036	-	2,412,572	2,287,121
FUND BALANCES					
Reserved for capital projects		4,912,249		4,912,249	4,601,172
Unreserved:					
General fund	4,292,181			4,292,181	3,405,106
Special revenue funds			642,688	642,688	688,940
TOTAL FUND BALANCES	4,292,181	4,912,249	642,688	9,847,118	8,695,218
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,692,717	\$ 4,924,285	\$ 642,688	\$ 12,259,690	\$ 10,982,339

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

WEST GOSHEN TOWNSHIP
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO STATEMENT OF NET ASSETS
DECEMBER 31, 2004

TOTAL GOVERNMENTAL FUND BALANCES \$ 9,847,118

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

Depreciable capital assets, net	32,653,745
Land	3,128,044
Construction in progress	57,290

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

2,365,295

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

Capital leases	(72,254)
Compensated absences	(499,703)
Notes payable	<u>(6,404,000)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 41,075,535

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, 2004

	Major Funds			Totals	
	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	Memorandum Only	
				2004	2003
REVENUES					
Taxes	\$ 8,392,482			\$ 8,392,482	\$ 7,385,577
Licenses and permits	273,814			273,814	243,859
Fines, forfeits and costs	180,887			180,887	152,729
Investment earnings	91,135	58,708	7,141	156,984	118,727
Intergovernmental revenues	430,088	40,000	383,890	853,978	952,408
Charges for services/fees	319,768			20,500	351,463
Contributions			57,500	57,500	113,560
Miscellaneous revenue/other	17,473	13,959		31,432	33,753
TOTAL REVENUES	<u>9,705,647</u>	<u>112,667</u>	<u>469,031</u>	<u>10,287,345</u>	<u>9,352,076</u>
EXPENDITURES					
Current:					
General Government	1,573,255	9,199		1,582,454	1,550,790
Public Safety	4,416,172			4,416,172	4,030,854
Public works - highways and streets	767,909	66,969	489,049	1,323,927	1,130,538
Other public works	135,560			135,560	110,063
Library	5,000			5,000	5,000
Culture and recreation	842,402	875		843,277	775,966
Capital Outlay		48,251		48,251	158,976
Miscellaneous expenditures			(259)	(259)	27
Debt Service:					
Principal	53,009	500,000	10,258	563,267	517,759
Interest and other charges		289,813		289,813	298,320
TOTAL EXPENDITURES	<u>7,793,307</u>	<u>915,107</u>	<u>499,048</u>	<u>9,207,462</u>	<u>8,578,293</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,912,340</u>	<u>(802,440)</u>	<u>(30,017)</u>	<u>1,079,883</u>	<u>773,783</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from capital lease	57,127			57,127	104,907
Sale of/compensation for sale of capital assets	14,890			14,890	4,944
Transfers in		1,113,231		1,113,231	2,159,012
Transfers out	(1,097,282)		(15,949)	(1,113,231)	(2,159,012)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,025,265)</u>	<u>1,113,231</u>	<u>(15,949)</u>	<u>72,017</u>	<u>109,851</u>
NET CHANGES IN FUND BALANCES	887,075	310,791	(45,966)	1,151,900	883,634
FUND BALANCES, BEGINNING OF YEAR	<u>3,405,106</u>	<u>4,601,458</u>	<u>688,654</u>	<u>8,695,218</u>	<u>7,811,584</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,292,181</u>	<u>\$ 4,912,249</u>	<u>\$ 642,688</u>	<u>\$ 9,847,118</u>	<u>\$ 8,695,218</u>

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, 2004

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 1,151,900
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 exceeded capital outlays in the period.	(1,367,847)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Deferred revenues decreased by this amount this year.	124,656
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the net book value of the capital assets sold and the fair market value of capital assets traded in.	(26,853)
The issuance of long-term debt (e.g., notes, bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	506,140
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).	<u>(27,848)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 360,148</u></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, 2004**

	Original Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES			
Taxes:			
Real estate - current	2,400,000	2,414,802	14,802
Real estate - delinquent and interest	26,000	25,713	(287)
Real estate - interims	10,000	26,484	16,484
Real estate - transfer	600,000	921,849	321,849
Occupational privilege	5,000,000	5,003,634	3,634
Licenses and permits	243,700	273,814	30,114
Fines, forfeits and costs	133,600	180,887	47,287
Interest, dividends and rents	67,600	91,135	23,535
Intergovernmental revenues	447,149	430,088	(17,061)
Charges for services/fees	268,148	319,768	51,620
Miscellaneous revenue/other	11,368	17,474	6,106
TOTAL REVENUES	9,207,565	9,705,648	498,083
EXPENDITURES			
Current:			
General government:			
Administration	1,133,016	1,016,424	116,592
Auditing	25,700	22,207	3,493
Tax Collection	114,271	113,129	1,142
Engineering	208,400	226,288	(17,888)
Building Maintenance	212,083	195,207	16,876
Public safety:			
Police	3,540,619	3,567,693	(27,074)
Fire Protection	607,912	608,367	(455)
Code Enforcement	242,270	216,114	26,156
Planning & Zoning	38,074	21,076	16,998
Emergency Management	5,180	2,922	2,258
Public works - highways and streets:			
Administration	321,405	288,488	32,917
Winter Maintenance	20,850	12,619	8,231
Road Maintenance	437,566	444,398	(6,832)
Road Construction	21,719	24,835	(3,116)
Other public works:			
Traffic Signal Maintenance	116,425	104,212	12,213
Street Lighting	32,000	28,918	3,082
Library	5,000	5,000	0
Culture and recreation:			
Recreation	208,927	181,995	26,932
Parks	732,096	660,407	71,689
Nondepartmental:			
Debt Service-Principal	44,469	53,009	(8,540)
TOTAL EXPENDITURES	8,067,982	7,793,308	274,674
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,139,583	1,912,340	772,757
OTHER FINANCING SOURCES (USES)			
Proceeds from capital lease	48,000	57,127	9,127
Sale of/compensation for capital assets	14,500	14,890	390
Interfund transfers	(1,200,881)	(1,097,282)	103,599
TOTAL OTHER FINANCING SOURCES (USES)	(1,138,381)	(1,025,265)	113,116
NET CHANGES IN FUND BALANCES	1,202	887,075	885,873
FUND BALANCE, BEGINNING OF YEAR	3,405,106	3,405,106	0
FUND BALANCE, END OF YEAR	3,406,308	4,292,181	885,873

Note - there were no budget transfers for 2004

WEST GOSHEN TOWNSHIP
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
DECEMBER 31, 2004

	Major Enterprise Funds				Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	Memorandum Only	
					2004	2003
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 2,023,033	\$ 992,299	\$ 9,659		\$ 3,024,991	\$ 3,725,051
Cash and cash equivalents, restricted			434,783		434,783	1,668,300
Investments	1,174,175	87,479		1,178,036	2,439,690	1,800,943
Investments, restricted			7,432,149		7,432,149	6,435,775
Accounts receivable, net	898,407	586,216		506	1,485,129	1,494,587
Due from other funds					-	-
Due from developers			8,068		8,068	16,295
Total Current Assets	<u>4,095,615</u>	<u>1,665,994</u>	<u>7,884,659</u>	<u>1,178,542</u>	<u>14,824,810</u>	<u>15,140,951</u>
Noncurrent Assets:						
Bond issuance costs			66,381	-	66,381	73,967
Construction-in-progress			23,702		23,702	497,405
Capital assets, net	209,499		22,500,802	-	22,710,301	22,769,569
Total Noncurrent Assets	<u>209,499</u>	<u>-</u>	<u>22,590,885</u>	<u>-</u>	<u>22,800,384</u>	<u>23,340,941</u>
TOTAL ASSETS	<u>\$ 4,305,114</u>	<u>\$ 1,665,994</u>	<u>\$ 30,475,544</u>	<u>\$ 1,178,542</u>	<u>\$ 37,625,194</u>	<u>\$ 38,481,892</u>
LIABILITIES AND NET ASSETS						
Current Liabilities:						
Accounts payable	\$ 2,355	\$ 12,069	\$ 122,836		\$ 137,260	\$ 286,900
Due to other funds					-	-
Developer deposits			163,685		163,685	139,752
Compensated absences	10,609	4,733			15,342	10,384
Bonds payable within one year			500,000		500,000	495,000
Notes payable within one year			252,000		252,000	240,000
Total Current Liabilities	<u>12,964</u>	<u>16,802</u>	<u>1,038,521</u>	<u>-</u>	<u>1,068,287</u>	<u>1,172,036</u>
Noncurrent Liabilities:						
Compensated absences	140,943				140,943	139,584
Bonds payable			4,430,000		4,430,000	4,930,000
Deferred amount on refunding			(49,473)		(49,473)	(55,127)
Notes payable			4,655,000		4,655,000	4,907,000
Total Noncurrent Liabilities	<u>140,943</u>	<u>-</u>	<u>9,035,527</u>	<u>-</u>	<u>9,176,470</u>	<u>9,921,457</u>
TOTAL LIABILITIES	<u>153,907</u>	<u>16,802</u>	<u>10,074,048</u>	<u>-</u>	<u>10,244,757</u>	<u>11,093,493</u>
NET ASSETS						
Invested in capital assets, net of related debt	209,499		20,383,769		20,593,268	20,501,516
Unrestricted	3,941,708	1,649,192	17,727	1,178,542	6,787,169	6,886,883
TOTAL NET ASSETS	<u>4,151,207</u>	<u>1,649,192</u>	<u>20,401,496</u>	<u>1,178,542</u>	<u>27,380,437</u>	<u>27,388,399</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,305,114</u>	<u>\$ 1,665,994</u>	<u>\$ 30,475,544</u>	<u>\$ 1,178,542</u>	<u>\$ 37,625,194</u>	<u>\$ 38,481,892</u>

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

WEST GOSHEN TOWNSHIP
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Major Enterprise Funds				Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2004	2003
OPERATING REVENUES:						
Fees	\$ 3,140,609	\$ 1,358,002	\$ 107,420	\$ -	\$ 4,606,031	\$ 5,010,109
Other	94,371	7,501	-	-	101,872	97,940
TOTAL OPERATING REVENUES	<u>3,234,980</u>	<u>1,365,503</u>	<u>107,420</u>	<u>-</u>	<u>4,707,903</u>	<u>5,108,049</u>
OPERATING EXPENSES:						
Contracted services		1,284,678			1,284,678	1,268,686
Sewer Collection	140,815				140,815	122,083
Sewer Disposal	349,681				349,681	298,994
Salaries and wages	895,557	46,130			941,687	876,838
Engineering Fees			140,059		140,059	297,985
Administration	64,336	23,229	44,891		132,456	118,863
Employee Benefits	435,861	13,160			449,021	399,979
Supplies		367			367	500
Fuel and Light	413,467				413,467	407,517
Repairs and maintenance	142,211	495			142,706	152,256
Depreciation	61,577		766,778		828,355	824,396
TOTAL OPERATING EXPENSES	<u>2,503,505</u>	<u>1,368,059</u>	<u>951,728</u>	<u>-</u>	<u>4,823,292</u>	<u>4,768,097</u>
OPERATING INCOME (LOSS)	<u>731,475</u>	<u>(2,556)</u>	<u>(844,308)</u>	<u>-</u>	<u>(115,389)</u>	<u>339,952</u>
NONOPERATING REVENUES (EXPENSES)						
Interest and investment revenue	51,776	18,879	88,361	20,526	179,542	263,501
Interest expense on bonds			(220,963)		(220,963)	(369,012)
Amortization expense			(13,240)		(13,240)	(3,311)
Other nonoperating revenue	4,044	177,978	(19,934)		162,088	85,907
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>55,820</u>	<u>196,857</u>	<u>(165,776)</u>	<u>20,526</u>	<u>107,427</u>	<u>(22,915)</u>
INCOME (LOSS) BEFORE TRANSFERS	787,295	194,301	(1,010,084)	20,526	(7,962)	317,037
Transfers In			1,079,060	-	1,079,060	627,665
Transfers out	(1,079,060)			-	(1,079,060)	(627,665)
CHANGE IN NET ASSETS	(291,765)	194,301	68,976	20,526	(7,962)	317,037
NET ASSETS, BEGINNING OF YEAR	<u>4,442,972</u>	<u>1,454,891</u>	<u>20,332,520</u>	<u>1,158,016</u>	<u>27,388,399</u>	<u>27,071,362</u>
NET ASSETS, END OF YEAR	<u>\$ 4,151,207</u>	<u>\$ 1,649,192</u>	<u>\$ 20,401,496</u>	<u>\$ 1,178,542</u>	<u>\$ 27,380,437</u>	<u>\$ 27,388,399</u>

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

WEST GOSHEN TOWNSHIP
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
DECEMBER 31, 2004

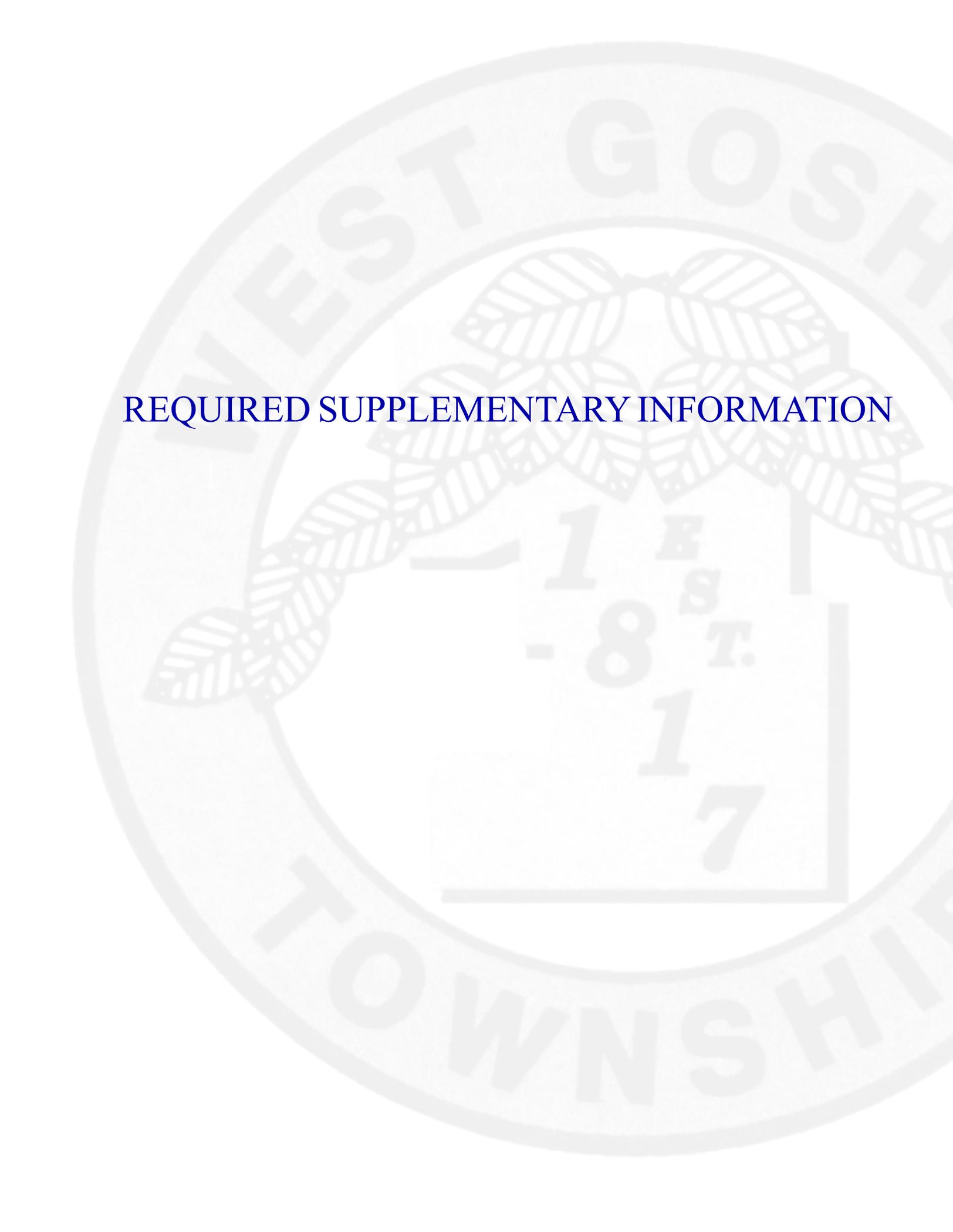
	Pension and Other Employee Benefit Trust Funds	Agency Fund	Totals	
			Memorandum Only	
			2004	2003
ASSETS				
Cash and cash equivalents	\$ 852,679	\$ 66,479	\$ 919,158	\$ 1,036,158
Interest receivable			-	-
Investments	<u>9,950,423</u>	<u> </u>	<u>9,950,423</u>	<u>8,640,339</u>
TOTAL ASSETS	<u>\$ 10,803,102</u>	<u>\$ 66,479</u>	<u>\$ 10,869,581</u>	<u>\$ 9,676,497</u>
LIABILITIES AND NET ASSETS				
LIABILITIES:				
Escrow deposits	<u>\$ -</u>	<u>\$ 66,479</u>	<u>\$ 66,479</u>	<u>\$ 66,390</u>
NET ASSETS:				
Assets held in trust for pension and other employee benefits (schedule of funding progress for each pension plan is presented on page 56) and pool participant	<u>\$ 10,803,102</u>	<u>\$ -</u>	<u>\$ 10,803,102</u>	<u>\$ 9,610,107</u>

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

WEST GOSHEN TOWNSHIP
STATEMENT OF CHANGES IN NET ASSETS - FIDUCIARY FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
ADDITIONS:		
Contributions:		
Employer contributions	\$ 292,295	\$ 215,729
State Aid	305,692	306,807
Member contributions	<u>91,073</u>	<u>93,455</u>
Total Contributions	<u>689,060</u>	<u>615,991</u>
Investment earnings:		
Interest and dividends	276,827	280,390
Net increase (decrease) in fair value of investments	<u>658,943</u>	<u>1,073,572</u>
Total investment Earnings	<u>935,770</u>	<u>1,353,962</u>
 TOTAL ADDITIONS	 <u>1,624,830</u>	 <u>1,969,953</u>
DEDUCTIONS:		
Pension payments	339,258	339,820
Administrative expenses	47,664	49,318
Other expenses	<u>44,913</u>	<u>47,090</u>
 TOTAL DEDUCTIONS	 <u>431,835</u>	 <u>436,228</u>
 CHANGE IN NET ASSETS	 1,192,995	 1,533,725
 NET ASSETS, BEGINNING OF YEAR	 <u>9,610,107</u>	 <u>8,076,382</u>
 NET ASSETS, END OF YEAR	 <u>\$ 10,803,102</u>	 <u>\$ 9,610,107</u>

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

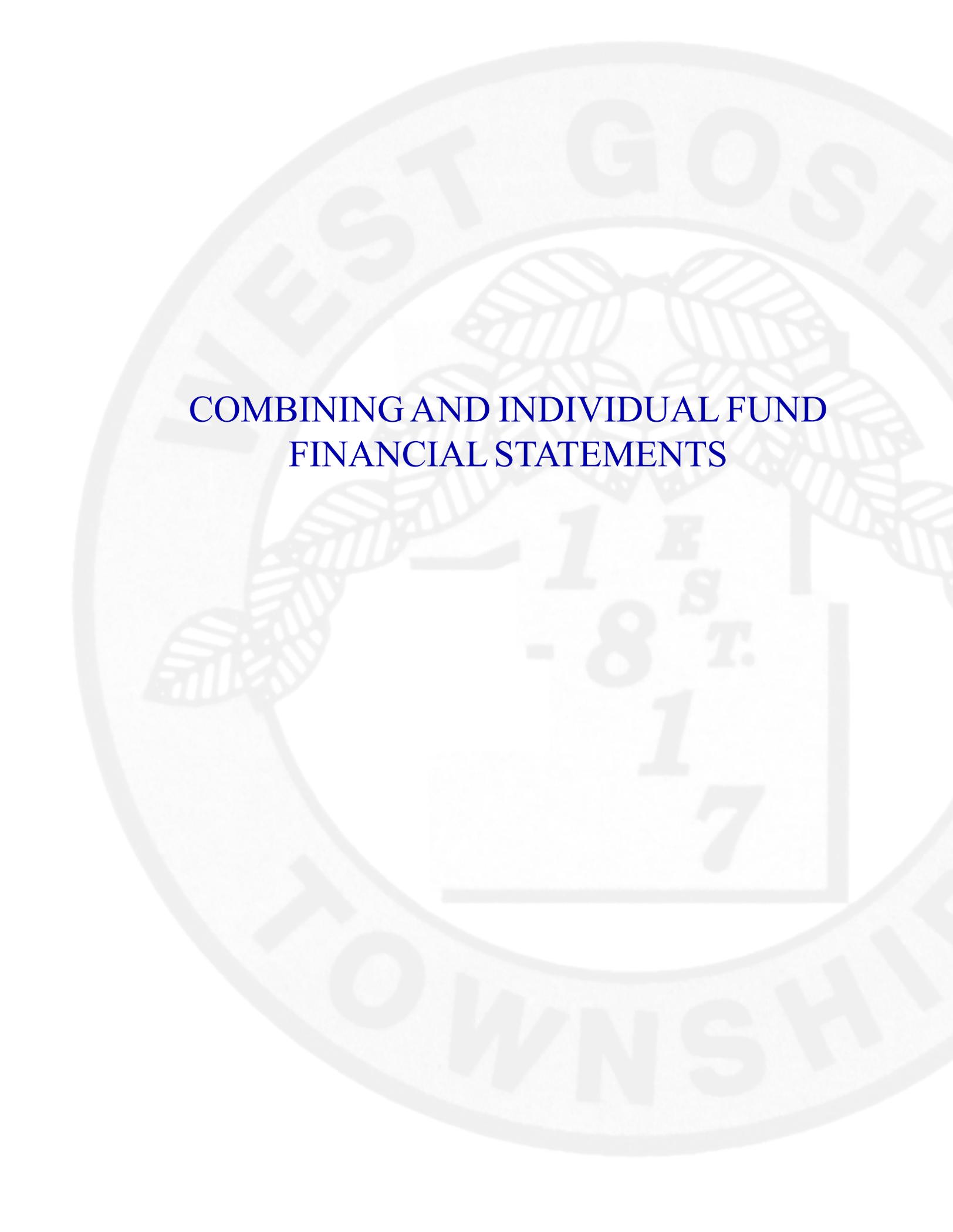


REQUIRED SUPPLEMENTARY INFORMATION

WEST GOSHEN TOWNSHIP
SCHEDULE OF FUNDING PROGRESS - PENSION FUNDS

REQUIRED SUPPLEMENTARY INFORMATION

	(1)	(2)	(3)	(4)	(5)	(6)
Calendar Year	Actuarial Value of Assets	Actuarial Accrued Liability	Percentage Funded (1)/(2)	Unfunded (assets in excess of) Accrued Liability (2)-(1)	Annual Covered Payroll	Unfunded (assets in excess of) Accrued Liability as a % of Payroll (4)/(5)
POLICE						
1/1/99	4,603,075	4,705,583	97.8%	102,508	1,536,598	6.7%
1/1/01	4,890,383	5,346,753	91.5%	456,370	1,641,046	27.8%
1/1/03	4,418,044	6,266,681	70.5%	1,848,637	1,822,170	101.5%
NON-UNIFORMED						
1/1/99	1,660,749	1,839,711	90.3%	178,962	961,244	18.6%
1/1/01	1,912,237	1,966,622	97.2%	54,385	1,088,147	5.0%
1/1/03	1,863,173	2,296,824	81.1%	433,651	1,517,413	28.6%
SEWER						
1/1/99	1,100,330	1,331,243	82.7%	230,913	583,999	39.5%
1/1/01	1,244,543	1,429,966	87.0%	185,423	646,402	28.7%
1/1/03	1,165,709	1,700,202	68.6%	534,493	737,055	72.5%



COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS

WEST GOSHEN TOWNSHIP
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUND TYPES
 December 31, 2004

	Special Revenue Funds				Totals (Memorandum Only)		
	State Fund	Parks and Recreation Fund	Offsite Development Fund	Zoning Hearing Board Fund	Capital Projects Fund	2004	2003
	<u>State Fund</u>	<u>Parks and Recreation Fund</u>	<u>Offsite Development Fund</u>	<u>Zoning Hearing Board Fund</u>	<u>Capital Projects Fund</u>	<u>2004</u>	<u>2003</u>
ASSETS:							
Cash and cash equivalents	45,678	4,226	547,935	44,849		642,688	688,940
Investments						0	
Due from other funds						0	
Total Assets	<u>45,678</u>	<u>4,226</u>	<u>547,935</u>	<u>44,849</u>	<u>0</u>	<u>642,688</u>	<u>688,940</u>
 LIABILITIES AND FUND BALANCE:							
LIABILITIES							
Cash overdraft					0	0	286
 FUND BALANCE (DEFICIT):							
Unreserved						0	(286)
Undesignated	45,678	4,226	547,935	44,849	0	642,688	688,940
Total Fund Balance (Deficit)	<u>45,678</u>	<u>4,226</u>	<u>547,935</u>	<u>44,849</u>	<u>0</u>	<u>642,688</u>	<u>688,654</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>45,678</u>	<u>4,226</u>	<u>547,935</u>	<u>44,849</u>	<u>0</u>	<u>642,688</u>	<u>688,940</u>

WEST GOSHEN TOWNSHIP
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Special Revenue Funds					Totals (Memorandum Only)	
	State Fund	Parks and Recreation Fund	Offsite Development Fund	Zoning Hearing Board Fund	Capital Projects Fund	2004	2003
Revenues:							
Interest and rent	2,998	24	4,119			7,141	16,819
Intergovernmental revenues	383,890					383,890	372,554
Charges for services				20,500		20,500	12,633
Contributions			57,500			57,500	113,560
TOTAL REVENUES	386,888	24	61,619	20,500	0	469,031	515,566
EXPENDITURES:							
Public Safety						0	6,403
Public Works - highways and streets	489,049					489,049	301,344
Miscellaneous			27		(286)	(259)	27
Debt Service:							
Principal	10,258					10,258	11,493
Interest						0	
Total Expenditures	499,307	0	27	0	(286)	499,048	319,267
EXCESS OF REVENUES OVER EXPENDITURES	(112,419)	24	61,592	20,500	286	(30,017)	196,299
OTHER FINANCING SOURCES (USES):							
Proceeds from capital lease							32,609
Interfund transfers	0	0	(15,949)	0		(15,949)	(648,934)
TOTAL OTHER FINANCING SOURCES (USES)	0	0	(15,949)	0	0	(15,949)	(616,325)
NET CHANGES IN FUND BALANCES	(112,419)	24	45,643	20,500	286	(45,966)	(420,026)
Fund balance, beginning of year	158,097	4,202	502,292	24,349	(286)	688,654	1,108,680
Fund balance, end of year	<u>45,678</u>	<u>4,226</u>	<u>547,935</u>	<u>44,849</u>	<u>0</u>	<u>642,688</u>	<u>688,654</u>

**WEST GOSHEN TOWNSHIP
BUDGETARY COMPARISON SCHEDULES
CAPITAL RESERVE
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Original Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES:			
Interest Earnings	37,155	58,708	21,553
Miscellaneous Revenue	2,000	13,959	11,959
Grants	182,085	40,000	(142,085)
TOTAL REVENUES	<u>221,240</u>	<u>112,667</u>	<u>(108,573)</u>
EXPENDITURES:			
General Government	7,500	9,199	(1,699)
Public Works - Hwys & Streets	145,000	100,146	44,854
Culture & Recreation	210,000	15,949	194,051
Debt Service:			
Principal	500,000	500,000	0
Interest	306,273	289,813	16,460
TOTAL EXPENDITURES	<u>1,168,773</u>	<u>915,107</u>	<u>253,666</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(947,533)</u>	<u>(802,440)</u>	<u>145,093</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital lease			
Interfund transfers	1,258,881	1,113,231	(145,650)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,258,881</u>	<u>1,113,231</u>	<u>(145,650)</u>
NET CHANGES IN FUND BALANCES	311,348	310,791	(557)
FUND BALANCE, BEGINNING OF YEAR	<u>4,601,458</u>	<u>4,601,458</u>	<u>0</u>
FUND BALANCE, END OF YEAR	<u><u>4,912,806</u></u>	<u><u>4,912,249</u></u>	<u><u>(557)</u></u>

Note - there were no budget transfers for 2004

**WEST GOSHEN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE
STATE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Original Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES:			
Interest Earnings	\$ 3,465	2,998	\$ (467)
State Grants	378,865	383,890	5,025
TOTAL REVENUES	<u>382,330</u>	<u>386,888</u>	<u>4,558</u>
EXPENDITURES:			
Public Works - Hwys & Streets	392,675	489,049	(96,374)
Debt Service:			
Principal	11,493	10,258	1,235
TOTAL EXPENDITURES	<u>404,168</u>	<u>499,307</u>	<u>(95,139)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(21,838)</u>	<u>(112,419)</u>	<u>(90,581)</u>
OTHER FINANCING SOURCES (USES):			
PROCEEDS FROM CAPITAL LEASE	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OTHER FINANCING USES	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGES IN FUND BALANCES	(21,838)	(112,419)	(90,581)
FUND BALANCE, BEGINNING OF YEAR	<u>60,073</u>	<u>158,097</u>	<u>98,024</u>
FUND BALANCE, END OF YEAR	<u>\$ 38,235</u>	<u>\$ 45,678</u>	<u>\$ 7,443</u>

Note - there were no budget transfers for 2004

WEST GOSHEN TOWNSHIP
 COMBINING BALANCE SHEET - PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
 AT DECEMBER 31, 2004

	Police Retirement Insurance Fund	Non- Uniformed Insurance Fund	Police Pension Fund	Non- Uniformed Pension Fund	Sewer Pension Fund	Agency Funds	Totals	
							2004	2003
<u>ASSETS</u>								
Cash and Cash Equivalents	427,399	379,474	9,574	22,672	13,560	66,479	919,158	1,036
Investments			5,865,158	2,520,484	1,564,781		9,950,423	8,640
Interest receivable								
TOTAL ASSETS	<u>427,399</u>	<u>379,474</u>	<u>5,874,732</u>	<u>2,543,156</u>	<u>1,578,341</u>	<u>66,479</u>	<u>10,869,581</u>	<u>9,676</u>
<u>LIABILITIES AND NET ASSETS</u>								
Liabilities						66,479	66,479	66
NET ASSETS:								
ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>427,399</u>	<u>379,474</u>	<u>5,874,732</u>	<u>2,543,156</u>	<u>1,578,341</u>	<u>0</u>	<u>10,803,102</u>	<u>9,610</u>

WEST GOSHEN TOWNSHIP
 COMBINING STATEMENT OF CHANGES IN NET ASSETS - PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2004

	Police Retirement Insurance Fund	Non-Uniformed Insurance Fund	Police Pension Fund	Non-Uniformed Pension Fund	Sewer Pension Fund	Totals	
						2004	2003
ADDITIONS:							
Contributions							
State Aid			129,310	108,072	68,310	305,692	306,8
Employer contribution	37,048	63,634	81,054	67,742	42,817	292,295	215,7
Employee contribution			91,073			91,073	93,4
Total contributions	<u>37,048</u>	<u>63,634</u>	<u>301,437</u>	<u>175,814</u>	<u>111,127</u>	<u>689,060</u>	<u>615,9</u>
Investment income:							
Net appreciation in fair value of investments			230,369	105,401	64,077	399,847	1,342,7
Realized gain (loss) on investments			175,261	51,146	32,689	259,096	(269,1
Investment Purchase Adjustment Interest	4,013	3,222	144,016	76,566	49,010	276,827	280,3
Net Investment Income	<u>4,013</u>	<u>3,222</u>	<u>549,646</u>	<u>233,113</u>	<u>145,776</u>	<u>935,770</u>	<u>1,353,9</u>
TOTAL ADDITIONS	<u>41,061</u>	<u>66,856</u>	<u>851,083</u>	<u>408,927</u>	<u>256,903</u>	<u>1,624,830</u>	<u>1,969,9</u>
DEDUCTIONS:							
Benefits paid			184,366	97,360	57,532	339,258	339,8
Administrative expenses			26,301	12,308	9,055	47,664	49,3
Other expenses	5,638	2,009	25,658	6,774	4,834	44,913	47,0
TOTAL DEDUCTIONS	<u>5,638</u>	<u>2,009</u>	<u>236,325</u>	<u>116,442</u>	<u>71,421</u>	<u>431,835</u>	<u>436,2</u>
CHANGE IN PLAN ASSETS	35,423	64,847	614,758	292,485	185,482	1,192,995	1,533,7
NET ASSETS, BEGINNING OF YEAR	<u>391,976</u>	<u>314,627</u>	<u>5,259,974</u>	<u>2,250,671</u>	<u>1,392,859</u>	<u>9,610,107</u>	<u>8,076,3</u>

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INDEPENDENT AUDITORS' 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

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March 18, 2005

Board of Supervisors
West Goshen Township
West Chester, Pennsylvania

We have audited the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of West Goshen Township, West Chester, Pennsylvania as of and for the year ended December 31, 2004, which collectively comprise West Goshen Township's basic financial statements, and have issued our report thereon dated March 18, 2005.

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered West Goshen Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

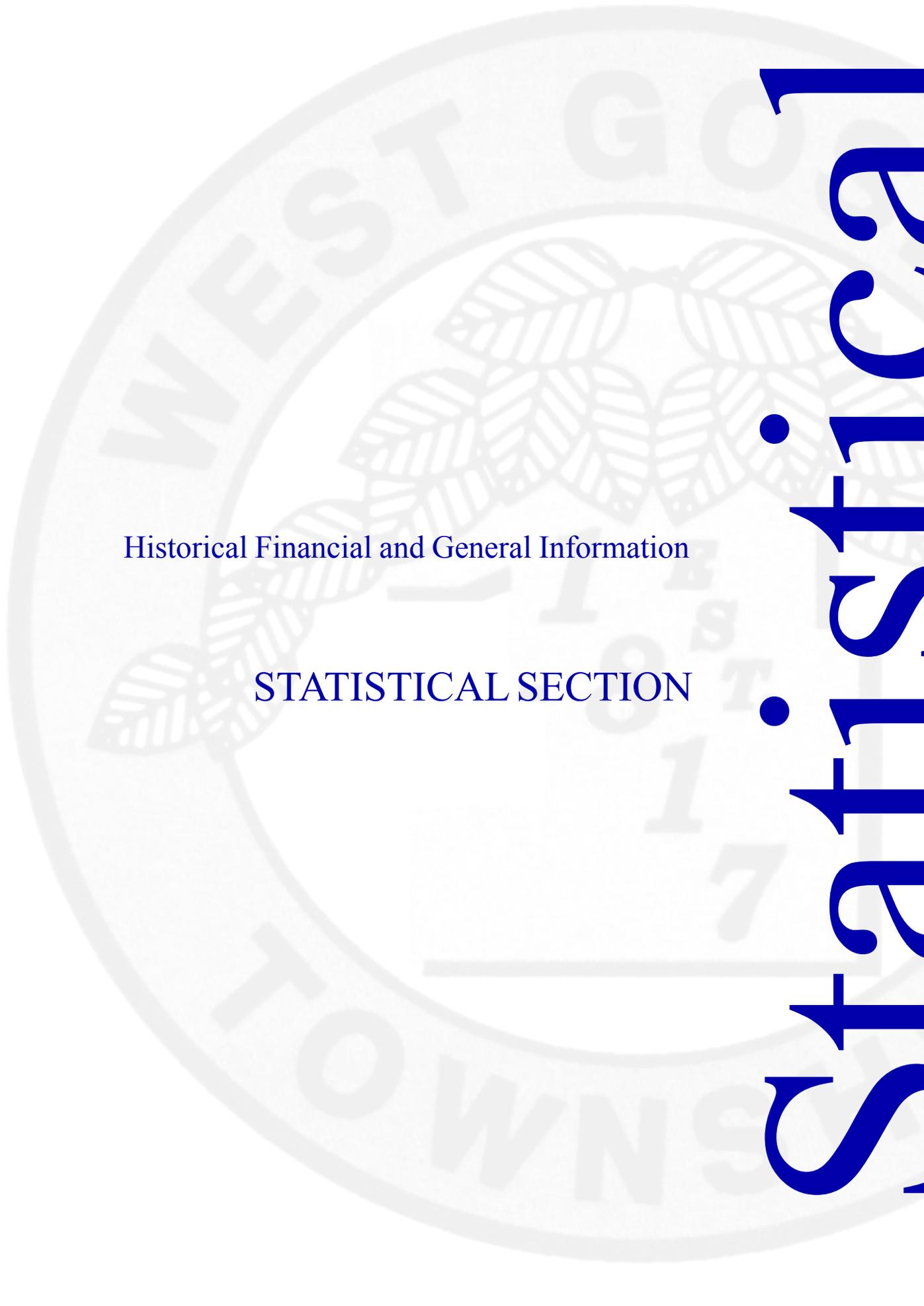
As part of obtaining reasonable assurance about whether West Goshen Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material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

Board of Supervisors
West Goshen Township
West Chester, Pennsylvania

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

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

Barbacane, Thornton & Company
BARBACANE, THORNTON & COMPANY



Historical Financial and General Information

STATISTICAL SECTION

Statistical

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

	Fiscal Year		
	<u>2002</u>	<u>2003</u>	<u>2004</u>
Governmental activities			
Invested in capital assets, net of related debt	\$ 6,845,656	\$ 7,177,865	\$ 29,362,825
Restricted	3,402,147	4,601,458	4,912,249
Unrestricted	<u>6,522,056</u>	<u>5,862,544</u>	<u>6,800,461</u>
Total governmental activities net assets	<u>\$ 16,769,859</u>	<u>\$ 17,641,867</u>	<u>\$ 41,075,535</u>
Business-type activities			
Invested in capital assets, net of related debt	\$ 12,865,122	\$ 20,501,516	\$ 20,593,268
Restricted	7,878,389	0	0
Unrestricted	<u>6,327,851</u>	<u>6,886,883</u>	<u>6,787,169</u>
Total business-type activities net assets	<u>\$ 27,071,362</u>	<u>\$ 27,388,399</u>	<u>\$ 27,380,437</u>
Primary government			
Invested in capital assets, net of related debt	\$ 19,710,778	\$ 27,679,381	\$ 49,956,093
Restricted	11,280,536	4,601,458	4,912,249
Unrestricted	<u>12,849,907</u>	<u>12,749,427</u>	<u>13,587,630</u>
Total primary government net assets	<u>\$ 43,841,221</u>	<u>\$ 45,030,266</u>	<u>\$ 68,455,972</u>

Notes:

Third year of full-accrual basis accounting.
Prior years statistics are not available.

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

	Fiscal Year		
	2002	2003	2004
Expenses			
Governmental activities:			
General Government	\$ 1,555,814	\$ 1,686,167	\$ 1,669,859
Public Safety	3,848,571	4,217,326	4,481,480
Public Works - highways and streets	1,161,725	1,203,438	2,556,659 ¹
Other Public Works	96,828	110,063	135,560
Library	5,250	5,000	5,000
Culture and Recreation	875,077	853,745	924,619
Interest Expense	312,537	298,320	289,813
Total governmental activities expenses	<u>7,855,802</u>	<u>8,374,059</u>	<u>10,062,990</u>
Business-type activities:			
Sewer Operations	3,218,839	3,797,503	3,709,370
Waste and Recycling	1,240,565	1,342,917	1,368,059
Total business-type activities expenses	<u>4,459,404</u>	<u>5,140,420</u>	<u>5,077,429</u>
Total Primary Government Expenses	<u>\$ 12,315,206</u>	<u>\$ 13,514,479</u>	<u>\$ 15,140,419</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General Government	\$ 47,686	\$ 56,340	\$ 54,377
Public Safety	428,825	411,057	461,000
Culture and Recreation	183,887	166,835	103,152
Operating Grants and Contributions	765,037	861,059	799,994
Capital Grants and Contributions	526,850	74,841	40,000
Total governmental activities program revenues	<u>1,952,285</u>	<u>1,570,132</u>	<u>1,458,523</u>
Business-type activities:			
Charges for services:			
Sewer Operations	3,300,360	3,591,812	3,248,029
Waste and Recycling	1,318,833	1,346,757	1,358,002
Operating Grants and Contributions	145,069	134,824	246,287 ²
Capital Grants and Contributions	401,655	71,540	0
Total business-type activities program revenues	<u>5,165,917</u>	<u>5,144,933</u>	<u>4,852,318</u>
Total Primary Government Program Revenues	<u>\$ 7,118,202</u>	<u>\$ 6,715,065</u>	<u>\$ 6,310,841</u>

	Fiscal Year		
	2002	2003	2004
Net (expense)/revenue			
Governmental activities	\$ (5,903,517)	\$ (6,803,927)	\$ (8,604,467)
Business-type activities	706,513	4,513	(225,111)
Total primary government net expense	<u>\$ (5,197,004)</u>	<u>\$ (6,799,414)</u>	<u>\$ (8,829,578)</u>

General Revenues and Other Changes in Net Assets

Governmental activities:

Taxes			
Real estate taxes	\$ 1,410,361	\$ 1,402,116	\$ 2,481,655 ³
Real estate transfer taxes	786,958	807,367	921,849
Earned income taxes	5,228,193	5,071,263	5,113,634
Franchise fees	214,797	239,504	245,451
Investment earnings	165,213	106,601	145,472
Unrestricted grants and contributions	14,294	16,509	13,984
Miscellaneous	23,463	32,575	42,570
Total governmental activities	<u>7,843,279</u>	<u>7,675,935</u>	<u>8,964,615</u>
Business-type activities:			
Investment earnings	453,061	263,501	179,542
Miscellaneous	50,033	49,023	37,607
Total business-type activities	<u>503,094</u>	<u>312,524</u>	<u>217,149</u>
Total primary government	<u>\$ 8,346,373</u>	<u>\$ 7,988,459</u>	<u>\$ 9,181,764</u>

Change in Net Assets

Governmental activities	\$ 1,939,762	\$ 872,008	\$ 360,148
Business-type activities	1,209,607	317,037	(7,962)
Total primary government	<u>\$ 3,149,369</u>	<u>\$ 1,189,045</u>	<u>\$ 352,186</u>

Notes:

¹ The increase reflects depreciation expense from the valuation of infrastructure.

² The increase from the prior year was caused by an increase in Recycling Grant revenue.

³ The increase from the prior year was the result of a 76% Real Estate Tax increase.

Third year of full-accrual basis accounting.

Prior years statistics are not available.

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

<u>Fiscal Year</u>	<u>Real Estate Tax</u>	<u>Real Estate Transfer Tax</u>	<u>Earned Income Tax</u>	<u>Total</u>
2002	\$ 1,410,361	\$ 786,958	\$ 5,228,193	\$ 7,425,512
2003	1,402,116	807,367	5,071,263	7,280,746
2004	2,481,655	921,849	5,113,634	8,517,138

Notes:

Third year of full-accrual basis accounting.

Prior years statistics are not available.

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

	Fiscal Year									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	625,432	576,546	1,798,344	2,175,027	2,601,685	2,530,597	2,579,729	3,300,757	3,405,106	4,292,181
Total general fund	<u>\$ 625,432</u>	<u>\$ 576,546</u>	<u>\$ 1,798,344</u>	<u>\$ 2,175,027</u>	<u>\$ 2,601,685</u>	<u>\$ 2,530,597</u>	<u>\$ 2,579,729</u>	<u>\$ 3,300,757</u>	<u>\$ 3,405,106</u>	<u>\$ 4,292,181</u>
All other governmental funds										
Reserved	\$ 574,186	\$ 925,950	\$ 669,437	\$ 6,390,638	\$ 1,370,634	\$ 2,242,594	\$ 3,121,816	\$ 3,402,147	\$ 4,601,172	\$ 4,912,249
Unreserved, reported in:										
Special revenue funds	233,687	138,325	219,689	319,730	762,383	843,159	949,567	1,108,966	688,940	642,688
Capital projects fund	0	0	0	0	(286)	(286)	(286)	(286)		
Total all other governmental funds	<u>\$ 807,873</u>	<u>\$ 1,064,275</u>	<u>\$ 889,126</u>	<u>\$ 6,710,368</u>	<u>\$ 2,132,731</u>	<u>\$ 3,085,467</u>	<u>\$ 4,071,097</u>	<u>\$ 4,510,827</u>	<u>\$ 5,290,112</u>	<u>\$ 5,554,937</u>

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

	Fiscal Year									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Revenues										
Taxes	\$ 3,788,482	\$ 4,088,383	\$ 4,640,935	\$ 5,191,384	\$ 5,542,439	\$ 6,304,170	\$ 6,629,442	\$ 7,272,386	\$ 7,385,577	\$ 8,392,482
Licenses and permits	83,280	89,151	98,653	111,407	126,980	141,097	294,757	219,950	243,859	273,814
Fines,forfeits and costs	146,169	156,005	144,926	170,382	183,085	213,787	190,680	187,112	152,729	180,887
Investment Earnings	75,659	119,091	102,787	414,646	364,175	366,426	279,155	177,501	118,727	156,984
Intergovernmental revenues	494,624	916,092	499,985	674,594	659,926	673,151	697,907	759,700	952,408	853,978
Charges for services/fees	110,463	167,146	241,454	275,615	312,828	347,598	313,302	320,845	351,463	340,268
Contributions	150,814	95,800	146,890	86,101	288,143	171,994	77,500	135,000	113,560	57,500
Miscellaneous revenue/other	25,000	71,846	9,269	99,064	243,306	47,090	26,177	23,463	33,753	31,432
Total Revenue	4,874,491	5,703,514	5,884,899	7,023,193	7,720,882	8,265,313	8,508,920	9,095,957	9,352,076	10,287,345
Expenditures										
General Government	452,486	506,041	621,130	1,867,480	730,833	876,714	1,097,701	1,386,408	1,550,790	1,582,454
Public Safety	2,234,615	2,302,440	2,432,611	2,722,765	2,812,791	3,075,046	3,495,538	3,816,987	4,030,854	4,416,172
Public Works - highways and streets	1,069,405	774,298	795,703	996,359	774,146	934,985	943,540	618,378	1,130,538	1,323,927
Other public works	0	0	0	0	57,299	64,523	96,498	96,828	110,063	135,560
Library	0	0	0	4,000	4,000	5,250	5,250	5,250	5,000	5,000
Culture and Recreation	388,416	1,165,700	987,924	446,222	542,053	732,637	660,295	759,634	775,966	843,277
Insurance/employee benefits/payroll taxes	127,473	268,560	250,500	394,654	255,009	329,902	436,642	0	0	0
Capital Outlay	0	0	0	0	6,103,248	482,466	0	459,518	158,976	48,251
Miscellaneous expenditures	0	0	0	3,120	14,177	82,544	21,660	27,655	27	(259)
Debt service										
Principal	254,750	272,620	151,000	250,000	669,000	400,000	423,000	481,719	517,759	563,267
Interest and other charges	120,489	99,155	107,320	239,841	333,744	399,598	354,973	312,537	298,320	289,813
Total expenditures	4,647,634	5,388,814	5,346,188	6,924,441	12,296,300	7,383,665	7,535,097	7,964,914	8,578,293	9,207,462
Excess of revenues over (under) expenditures	226,857	314,700	538,711	98,752	(4,575,418)	881,648	973,823	1,131,043	773,783	1,079,883
Other financing sources (uses)										
Transfers in	679,904	1,073,003	1,383,460	1,021,072	1,685,590	2,324,292	1,561,959	1,072,126	2,159,012	1,113,231
Transfers out	(741,161)	(1,180,319)	(877,676)	(982,954)	(1,685,590)	(2,324,292)	(1,561,959)	(1,072,126)	(2,159,012)	(1,113,231)
Proceeds from debt	0	0	0	6,500,000	0	0	0	0	0	0
Proceeds from Capital leases	0	0	0	0	0	0	0	29,715	104,907	57,127
Sales of capital assets	6,662	4,789	0	3,222	0	0	0	0	4,944	14,890
Total other financing sources (uses)	(54,595)	(102,527)	505,784	6,541,340	0	0	0	29,715	109,851	72,017
Net change in fund balances	\$ 172,262	\$ 212,173	\$ 1,044,495	\$ 6,640,092	\$ (4,575,418)	\$ 881,648	\$ 973,823	\$ 1,160,758	\$ 883,634	\$ 1,151,900
Debt service as a percentage of noncapital expenditures	5.5%	5.1%	2.8%	3.6%	10.8%	5.8%	5.6%	6.4%	6.1%	6.1%

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

<u>Fiscal Year</u>	<u>Real Estate Taxes</u>	<u>Real Estate Transfer Taxes</u>	<u>Earned Income Taxes</u>	<u>Total</u>
1995	\$ 970,730	\$ 446,245	\$ 2,371,507	\$ 3,788,482
1996	\$ 1,006,080	\$ 382,840	\$ 2,699,463	\$ 4,088,383
1997	\$ 1,023,290	\$ 542,246	\$ 3,075,399	\$ 4,640,935
1998	\$ 1,172,057	\$ 649,066	\$ 3,370,261	\$ 5,191,384
1999	\$ 1,255,030	\$ 612,024	\$ 3,675,385	\$ 5,542,439
2000	\$ 1,306,588	\$ 797,793	\$ 4,199,789	\$ 6,304,170
2001	\$ 1,356,405	\$ 565,623	\$ 4,707,414	\$ 6,629,442
2002	\$ 1,374,891	\$ 786,958	\$ 5,110,537	\$ 7,272,386
2003	\$ 1,396,947	\$ 807,367	\$ 5,181,263	\$ 7,385,577
2004	\$ 2,466,999 ¹	\$ 921,849	\$ 5,003,634	\$ 8,392,482

Notes:

¹ Tax increase of 76% over prior year.

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

<u>Fiscal Year</u>	<u>Real Estate Assessed Value</u>	<u>Ratio of Total Assessed Value to Total Estimated Actual Value</u>	<u>Estimated Actual Value ¹</u>	<u>Real Estate Millage Rate</u>
1995	\$ 85,795,110	3.30%	\$ 2,599,851,818	11.50
1996	\$ 87,327,500	3.30%	\$ 2,646,287,879	11.50
1997	\$ 88,682,950	6.47%	\$ 1,370,679,289	11.50
1998 ²	\$ 1,382,319,830	100.00%	\$ 1,382,319,830	0.85
1999	\$ 1,611,198,090	93.46%	\$ 1,723,981,956	0.85
2000	\$ 1,496,154,060	90.09%	\$ 1,660,731,007	0.85
2001	\$ 1,557,579,980	85.47%	\$ 1,822,368,577	0.85
2002	\$ 1,610,621,475	80.65%	\$ 1,997,170,629	0.85
2003	\$ 1,662,970,630	74.07%	\$ 2,245,010,351	0.85
2004 ³	\$ 1,663,883,667	74.07%	\$ 2,246,242,950	1.50

Note: (1) Common level ratio used by Chester County, Pennsylvania, Board of Assessments.

Note: (2) County-wide reassessment became effective January 1, 1998; real estate was assessed at 100% of market value.

Note (3) Real Estate tax increase of 76% over prior year.

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

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

<u>Fiscal Year</u>	<u>West Goshen Township</u>	<u>School District</u>	<u>Chester County</u>	<u>Total Millage</u>
1995	11.500	144.200	26.950	182.650
1996	11.500	148.800	26.950	187.250
1997	11.500	154.600	34.650	200.750
1998	0.850	10.690	2.348	13.888
1999	0.850	11.060	2.348	14.258
2000	0.850	11.380	3.014	15.244
2001	0.850	11.630	3.103	15.583
2002	0.850	12.110	3.178	16.138
2003	0.850	12.590	3.273	16.713
2004	1.500	13.550	3.414	18.464

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

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

**West Goshen Township
Principal Property Taxpayers
December 31, 2004**

<u>Taxpayer</u>	<u>2004</u>			<u>2003</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
QVC Realty, Inc	\$ 48,371,130	1	2.91%	\$ 48,371,130	1	2.91%
Capital Enterprises, Inc	\$ 18,917,500	2	1.14%	\$ 18,917,500	2	1.14%
Home Properties Golf Club, LLC	\$ 14,905,530	3	0.90%	\$ 14,905,530	3	0.90%
Goshen Terrace Apartments	\$ 14,198,300	4	0.85%	\$ 14,198,300	4	0.85%
Cephalon, Inc.	\$ 8,826,340	5	0.53%	\$ 8,826,340	5	0.53%
Cambridge Apartments	\$ 7,948,790	6	0.48%	\$ 7,948,790	6	0.48%
Richard H. Baxter	\$ 7,366,820	7	0.44%	\$ 7,366,820	8	0.44%
Pyle Corporation	\$ 7,336,950	8	0.44%	\$ 7,336,950	9	0.44%
Turks Head Health Services, Inc.	\$ 6,799,320	9	0.41%	\$ 6,799,320	10	0.41%
Penallen Corp	\$ 6,749,925	10	0.41%	\$ 7,500,000	7	0.45%
	<u>\$ 141,420,605</u>		<u>8.50%</u>	<u>\$ 142,170,680</u>		<u>8.55%</u>

Note: Total taxable assessed value, all real property in West Goshen Township, December 31, 2004, \$1,663,883,667

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**

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
1995	\$ 985,924	\$ 949,268	96.28%	\$ 21,462	\$ 970,730	98.46%
1996	\$ 997,825	\$ 991,213	99.34%	\$ 14,867	\$ 1,006,080	100.83%
1997	\$ 1,017,666	\$ 1,013,512	99.59%	\$ 9,779	\$ 1,023,291	100.55%
1998	\$ 1,174,972	\$ 1,145,068	97.45%	\$ 26,989	\$ 1,172,057	99.75%
1999	\$ 1,369,518	\$ 1,232,877	90.02%	\$ 22,153	\$ 1,255,030	91.64%
2000	\$ 1,271,731	\$ 1,282,083	100.81%	\$ 24,505	\$ 1,306,588	102.74%
2001	\$ 1,323,943	\$ 1,333,601	100.73%	\$ 22,804	\$ 1,356,405	102.45%
2002	\$ 1,368,700	\$ 1,350,665	98.68%	\$ 24,226	\$ 1,374,891	100.45%
2003	\$ 1,419,530	\$ 1,369,537	96.48%	\$ 27,410	\$ 1,396,947	98.41%
2004	\$ 2,527,722	\$ 2,441,287	96.58%	\$ 25,712	\$ 2,466,999	97.60%

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>General Obligation Debt</u>	<u>Capital Leases</u>	<u>Total Primary Government</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
1995	18,618	\$ 85,795,110	\$ 2,753,000	\$ -	\$ 2,753,000	3.21%	\$ 148
1996	18,886	\$ 87,327,500	\$ 2,616,000	\$ -	\$ 2,616,000	3.00%	\$ 139
1997	19,154	\$ 88,682,950	\$ 3,065,000	\$ -	\$ 3,065,000	3.46%	\$ 160
1998	19,422	\$ 1,382,319,830	\$ 9,315,000	\$ -	\$ 9,315,000	0.67%	\$ 480
1999	19,690	\$ 1,611,198,090	\$ 8,646,000	\$ -	\$ 8,646,000	0.54%	\$ 439
2000	19,958	\$ 1,496,154,060	\$ 8,246,000	\$ -	\$ 8,246,000	0.55%	\$ 413
2001	20,227	\$ 1,557,579,980	\$ 7,823,000	\$ -	\$ 7,823,000	0.50%	\$ 387
2002	20,495	\$ 1,610,621,475	\$ 7,376,000	\$ 19,246	\$ 7,395,246	0.46%	\$ 361
2003	20,763	\$ 1,662,970,630	\$ 6,904,000	\$ 78,394	\$ 6,982,394	0.42%	\$ 336
2004	21,031	\$ 1,663,883,667	\$ 6,404,000	\$ 72,254	\$ 6,476,254	0.39%	\$ 308

Note: 2000 population figure from U.S. Census: 1995-1999 and 2001-2004 figures estimated by Township staff.

Sources: U.S. Census Bureau, Board of Assessments, and West Goshen Township Annual financial statements.

**West Goshen Township
Direct and Overlapping Governmental Activities Debt
as of December 31, 2004**

<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	\$ 6,404,000	100.00%	\$ 6,404,000
OVERLAPPING DEBT:			
County of Chester	\$ 212,704,370	5.30%	<u>\$ 11,273,332</u>
TOTAL			<u><u>\$ 17,677,332</u></u>

Note:

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 ¹
December 31, 2004

	Year Ended December 31,		
	2004	2003	2002
Total Revenues	\$ 15,993,935	\$ 15,936,650	\$ 14,546,133
Deduct excludable items under Section 8002©(16) of the Act:			
Nonrecurring items:			
Grants and gifts in aid	562,012	685,778	753,225
Proceeds from general long-term debt	72,017	118,219	29,715
Total Revenues as Defined in Section 8002©(16) of the Act	\$ 15,359,906	\$ 15,132,653	\$ 13,763,193
Total Revenues as Defined in Section 8002[c][16] of the Act for the three years ended December 31, 2004			\$ 44,255,752
Borrowing Base - Arithmetic Average of Total Revenues			\$ 14,751,917

Note (1): Calculation in accordance with the Commonwealth of Pennsylvania Local Government Unit Debt Act.

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

	Fiscal Year									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Debt limit	\$ 10,139	\$ 10,332	\$ 10,535	\$ 154,802	\$ 178,202	\$ 167,662	\$ 175,353	\$ 181,622	\$ 187,822	\$ 188,425
Total net debt applicable to limit	<u>2,753</u>	<u>2,616</u>	<u>3,065</u>	<u>9,315</u>	<u>8,646</u>	<u>8,246</u>	<u>7,823</u>	<u>7,376</u>	<u>6,904</u>	<u>6,404</u>
Legal debt margin	<u>\$ 7,386</u>	<u>\$ 7,716</u>	<u>\$ 7,470</u>	<u>\$ 145,487</u>	<u>\$ 169,556</u>	<u>\$ 159,416</u>	<u>\$ 167,530</u>	<u>\$ 174,246</u>	<u>\$ 180,918</u>	<u>\$ 182,021</u>
Total net debt applicable to the limit as a percentage of debt limit	27.15%	25.32%	29.09%	6.02%	4.85%	4.92%	4.46%	4.06%	3.68%	3.40%

Legal Debt Margin Calculation for Fiscal Year 2004

Assessed value	\$ 1,663,884
Add back: exempt real property	<u>\$ 220,367</u>
Total assessed value	<u>\$ 1,884,251</u>
Debt limit (10% of total assessed value)	188,425
Debt applicable to limit:	
General obligation bonds	<u>6,404</u>
Total net debt applicable to limit	<u>6,404</u>
Legal debt margin	<u>\$ 182,021</u>

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

<u>Taxpayer</u>	<u>2004</u>			<u>2003</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percent of Total Employees</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percent of Total Employees</u>
QVC Publishing Inc	2009	1	7.3%	1,946	1	6.0%
Volt Technical Resources	1377	2	5.0%	1,184	2	3.6%
United Parcel Service	1303	3	4.8%	961	5	2.9%
A. Duie Pyle, Inc.	966	4	3.5%	1,174	3	3.6%
Chester County Courthouse	966	5	3.5%	931	6	2.9%
West Chester School W Goshen	946	6	3.5%	976	4	3.0%
Electronics Boutique, Inc.	926	7	3.4%	796	7	2.4%
Cephalon, Inc.	502	8	1.8%	484	8	1.5%
Atlantic Coast Athletic Club (ACAC)	475	9	1.7%	461	9	1.4%
WAWA, Inc.	392	10	1.4%	345	10	1.1%
 	<hr/>	<hr/>		<hr/>		<hr/>
Total, 10 largest employers	<u>9,862</u>			<u>9,258</u>		<u>28.4%</u>
Note: Total employment in West Goshen Township subject to Earned Income Tax	<u>27,371</u>			<u>32,589</u>		

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

West Goshen Township

Miscellaneous Statistics

December 31, 2004

Date founded:	1817	
Form of government:	Second Class Township	
Area:	12 square miles	
Miles of Roads:	82 miles - municipal roads 40 miles - state roads	
Fire/Ambulance protection:	1 volunteer fire company 1 volunteer ambulance company	Fame Fire Company Good Fellowship
Police Protection:	26 full-time police personnel and officers	
Education:	2 Elementary schools 2 Middle Schools 1 High Schools	
Main Township Parks:	West Goshen Community Park Coopersmith Park Barker Park Hallowell Park	32 acres
Township Employees:	56 Full-time 3 Part-time	

