

WEST GOSHEN TOWNSHIP

BASIC FINANCIAL STATEMENTS

December 31, 2010

WEST GOSHEN TOWNSHIP

TABLE OF CONTENTS

	<u>PAGE</u>
FINANCIAL SECTION	
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 19
Basic Financial Statements:	
Statement of Net Assets	20
Statement of Activities	21
Balance Sheet - Governmental Funds	22
Reconciliation of Balance Sheet - Governmental Funds to Statement of Net Assets	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	24
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to Statement of Activities	25
Budgetary Comparison Statement - General Fund	26 - 27
Statement of Net Assets - Proprietary Funds	28
Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds	29
Statement of Cash Flows - Proprietary Funds	30 - 31
Statement of Net Assets - Fiduciary Funds	32
Statement of Changes in Net Assets - Fiduciary Funds	33
Notes to Financial Statements	34 - 61
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Governmental Fund Types	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Fund Types	63
Budgetary Comparison Schedule - Capital Reserve Fund	64

WEST GOSHEN TOWNSHIP

TABLE OF CONTENTS

	<u>PAGE</u>
Combining and Individual Fund Statements and Schedules (cont'd)	
Budgetary Comparison Schedule - Nonmajor Governmental Fund Type - State Fund	65
Combining Statement of Net Assets - Fiduciary Funds	66
Combining Statement of Changes In Net Assets - Fiduciary Funds	67
Statement of Changes In Assets and Liabilities - Agency Fund	68
 STATISTICAL SECTION	
- Net Assets by Component	69
- Changes In Net Assets	70 - 71
- Fund Balances of Governmental Funds	72
- Changes in Fund Balances of Governmental Funds	73
- Governmental Activities Tax Revenues by Source	74
- General Governmental Tax Revenues by Source	75
- Assessed Value and Estimated Actual Value of Taxable Property	76
- Property Tax Rates Direct and Overlapping Governments	77
- Principal Property Taxpayers	78
- Property Tax Levies and Collections	79
- Ratios of Outstanding Debt by Type	80
- Direct and Overlapping Governmental Activities Debt	81
- Computation of Borrowing Capacity	82
- Legal Debt Margin Information	83
- Earned Income Tax Revenue	84
- Resident Earned Income Statistics	85
- Principal Employers	86
- Operating Indicators by Function	87
- Capital Assets Statistics by Function	88
- Full-time West Goshen Township Employees by Function	89
- Population Statistics	90
- Total Personal Income	91
- Per Capita Personal Income	92
- Labor Force Data	93
- Miscellaneous Statistics	94
 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	95 - 96

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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April 25, 2011

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, 2010, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of West Goshen Township, West Chester, Pennsylvania's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Township's 2009 financial statements and, in our report dated June 24, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of West Goshen Township, West Chester, Pennsylvania, as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2011 on our consideration of West Goshen Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Supervisors
West Goshen Township

The Management's Discussion and Analysis on pages 3 - 19 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and, accordingly, express no opinion on it.

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

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

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

This discussion and analysis of the Township of West Goshen, Pennsylvania, provides an overview of the Township's financial performance for the year ended December 31, 2010. Please read it in conjunction with the Township's financial statements, which begin on page 20.

FINANCIAL HIGHLIGHTS

- The assets of West Goshen Township exceeded its liabilities at the close of the most recent fiscal year by \$72,677,101 (representing its net assets). Of this amount, \$18,969,448 (or its unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors
- The Township's total net assets increased by \$341,940.
- The Township adheres to Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions," for certain post-employment healthcare benefits and life insurance benefits provided by the Township. As of December 31, 2010, the Township has recognized an OPEB liability in the amount of \$925,877.
- As of December 31, 2010, the Township's governmental funds reported combined ending fund balances of \$14,084,968, a decrease of \$190,738 as compared to the prior year. Approximately 68 percent of this total, or \$9,560,782 is available for spending at the Township's discretion (*unreserved fund balance*).
- The Township's total debt increased by \$161,752.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 20 and 21) provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements start on page 22. For governmental activities, these statements explain how services were financed in the short term as well as what remains for future spending. The governmental and proprietary fund financial statements also report the Township's operations in more detail than the entity-wide statements by providing information about the Township's most significant funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the Township as a Whole

Statement of Net Assets and the Statement of Activities

The analysis of the Township as a whole begins on pages 20 and 21 with the Statement of Net Assets and the Statement of Activities.

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

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

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

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

- **Governmental activities** – Most of the Township's basic services are reported here, including the police, fire, general administration, public works, parks and recreation. Earned income taxes, emergency municipal services taxes, property taxes, intergovernmental revenues and franchise taxes finance most of these activities.
- **Business-type activities** – The Township charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Township's sewer and waste and recycling activities are reported here. The Township also includes a separate legal entity in its report - the West Goshen Sewer Authority. The Sewer Authority is a public authority which exists to provide facilities for use in the sewer operation of the Township Sewer Fund. The Sewer Authority is considered a blended component unit and is included with the business-type activities. Although legally separate, the Sewer Authority is important because the Township is financially accountable for it and, therefore, it has been included as an integral part of the primary government. The Authority is audited by Barbacane, Thornton & Company LLP, whose report dated May 26, 2011 is publicly available through the offices of West Goshen Township.

Reporting the Township's Most Significant Funds

Fund Financial Statements

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

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

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

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

The Township as Trustee

Reporting the Township's Fiduciary Responsibilities

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

THE TOWNSHIP AS A WHOLE

Entity-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of West Goshen Township, assets exceeded liabilities by \$72,677,101 at the close of 2010. This is an increase of \$341,940 from the previous year. This analysis focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Township's governmental and business-type activities.

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

Table 1
STATEMENT OF NET ASSETS
December 31, 2010 and 2009

	Governmental Activities		Business-type Activities		Totals	
ASSETS:						
Current assets	\$16,787,835	\$16,894,924	\$10,474,678	\$12,110,581	\$27,262,513	\$29,005,505
Capital and other assets	36,459,367	33,273,012	21,358,094	21,750,624	57,817,461	55,023,636
TOTAL ASSETS	\$53,247,202	\$50,167,936	\$31,832,772	\$33,861,205	\$85,079,974	\$84,029,141
LIABILITIES AND NET ASSETS:						
Long-term liabilities outstanding	\$ 7,793,698	\$ 4,538,165	\$ 3,134,402	\$ 5,124,427	\$10,928,100	\$ 9,663,592
Other liabilities	941,098	770,559	533,675	1,250,829	1,474,773	2,030,388
Total Liabilities	8,734,796	5,308,724	3,668,077	6,384,256	12,402,873	11,693,980
Net Assets:						
Invested in capital assets, net of related debt	29,590,575	29,263,767	18,160,094	15,864,175	47,750,669	45,127,942
Restricted for:						
Capital reserve	4,524,186	4,980,975	-	-	4,524,186	4,980,975
Sewer	-	-	1,432,798	9,137,827	1,432,798	9,137,827
Unrestricted	10,397,845	10,613,476	8,571,803	2,474,947	18,969,448	13,088,417
Total Net Assets	44,512,406	44,858,212	28,164,695	27,476,949	72,677,101	72,335,161
TOTAL LIABILITIES AND NET ASSETS	\$53,247,202	\$50,167,936	\$31,832,772	\$33,861,205	\$85,079,974	\$84,029,141

The largest portion of the Township's net assets, \$47,750,669 (or 66 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, \$5,956,984 (or eight 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 \$14,118,802. This decrease is due primarily to paying off The Sewer Authority's 2003 Bond issue and transfers from the General Fund to offset debt service payments.

The remaining balance of unrestricted net assets, \$18,969,448 (or 26 percent), may be used to meet the Township's ongoing obligations to citizens and creditors. This compares with last year's total unrestricted net assets of \$13,088,417.

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

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 as for its business-type activities. The same situation held true for the prior fiscal year.

Governmental Activities

The net decrease from the Township's governmental activities was \$345,806 as compared to the previous year decrease of \$2,302,082. Table 2 shows the changes in net assets for the year ended December 31, 2010.

The cost of all governmental activities this year was \$14,479,488. As shown in the Statement of Activities on page 21, the amount that the Township's taxpayers ultimately financed for these activities through Township taxes was \$11,258,392. Other costs were paid by those who directly benefited from the programs (\$1,256,695) or by other governments and organizations that subsidized certain programs with intergovernmental aid and contributions (\$1,784,617).

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
REVENUES						
Program revenues:						
Charges for services	\$ 1,256,695	\$ 744,123	\$ 6,784,049	\$ 5,702,640	\$ 8,040,744	\$ 6,448,763
Operating grants and contributions	1,033,480	958,303	190,264	103,055	1,223,744	1,061,358
Capital grants and contributions	751,137	25,304	-	-	751,137	25,304
General revenues:						
Earned income taxes	5,999,485	6,264,503	-	-	5,999,485	6,264,503
Local services taxes	910,778	878,489	-	-	910,778	878,489
Property taxes	3,451,584	2,801,082	-	-	3,451,584	2,801,082
Real estate transfer taxes	462,798	441,288	-	-	462,798	441,288
Franchise taxes	433,767	348,525	-	-	433,767	348,525
Grants and contributions not restricted to specific programs	18,223	17,515	-	-	18,223	17,515
Other	85,755	14,067	24,908	(18,704)	110,663	(4,637)
TOTAL REVENUES	14,403,682	12,293,197	6,999,221	5,786,991	21,402,903	18,080,188
EXPENSES						
General government	3,062,908	2,195,329	-	-	3,062,908	2,195,329
Public safety	6,464,674	6,010,813	-	-	6,464,674	6,010,813
Highways/streets	3,565,888	4,704,387	-	-	3,565,888	4,704,387
Other public works	121,795	234,457	-	-	121,795	234,457
Culture and recreation	1,330,682	1,240,395	-	-	1,330,682	1,240,395
Interest expense	203,763	209,898	-	-	203,763	209,898
Sewer operations	-	-	4,280,226	4,173,511	4,280,226	4,173,511
Waste and recycling	-	-	2,031,249	1,918,726	2,031,249	1,918,726
TOTAL EXPENSES	14,748,488	14,595,279	6,311,475	6,092,237	21,060,963	20,687,516
INCREASE (DECREASE) IN NET ASSETS	(345,806)	(2,302,082)	687,746	(305,246)	341,940	(2,607,328)
NET ASSETS, BEGINNING OF YEAR	44,858,212	47,160,294	27,476,949	27,782,195	72,335,181	74,942,489
NET ASSETS, END OF YEAR	\$44,512,406	\$44,858,212	\$28,164,695	\$27,476,949	\$72,677,121	\$72,335,161

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

As indicated by governmental program expenses, public safety programs accounted for approximately 44 percent of the total expenditures of the Township's governmental activities. General administration and highways/streets services accounted for approximately 21 percent and 24 percent, respectively, of the total expenditures for 2010.

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 3.0 percent resulting from negotiated wage increases and approximately 2.0 percent from general wage increases.
- Employee benefit costs rose by approximately 9.7 percent.
- The adherence to GASB 45 resulted in the recognition of an expense for other post-employment benefits in the amount of \$347,582.

Real estate taxes, earned income taxes and other general revenues not restricted or applicable to specific programs provide the major revenue sources for governmental activities. Revenues generated from the local services tax, enacted by ordinance for 2006, restricts the use of revenue generated from this tax for police, fire and emergency services, road construction and/or maintenance, or reduction of property taxes. As identified on the previous page and on the following page, earned income tax is the largest revenue source for governmental activities, accounting for approximately 42 percent of total revenues (51 percent in the prior year). Property taxes and real estate transfer taxes provided approximately 24 percent and three percent of total revenues, respectively, (21 percent and four percent in the prior year). The local services tax accounted for approximately six percent of total revenues (seven percent in the prior year). The Township relies on these taxes to furnish the quality of life to citizens and businesses to which the Board of Supervisors has always been committed.

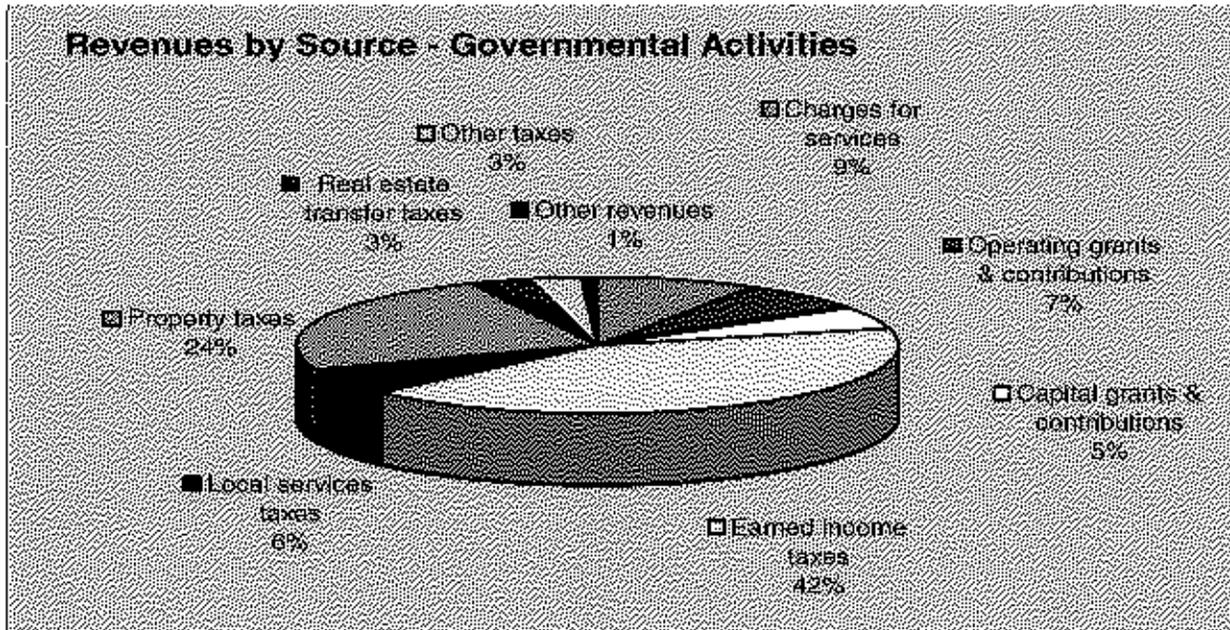
Major revenue factors included:

- Earned income tax revenue decreased by \$265,038, or 4.2 percent, for the year ended 2010. A large tax withholding in 2009 due to a stock option payout on a corporate nonresident income was a one-time occurrence in 2009. Implementation of earned income tax by surrounding municipalities has created a significant and long-term impact to the Township's future revenue growth potential.
- Local services tax revenue increased by \$32,289, or 3.7 percent, for the year. The passage of Pennsylvania Act 7 of 2008 provides for incremental collection of the tax and an upfront low-income exemption.
- Governmental investment earnings decreased from \$75,603 in the prior year to \$55,637 for 2010. The financial market crisis that unfolded in 2008, continuing into 2010, had a profound effect on interest rates ranging from a high of 0.5 percent to a low of 0.3 percent.

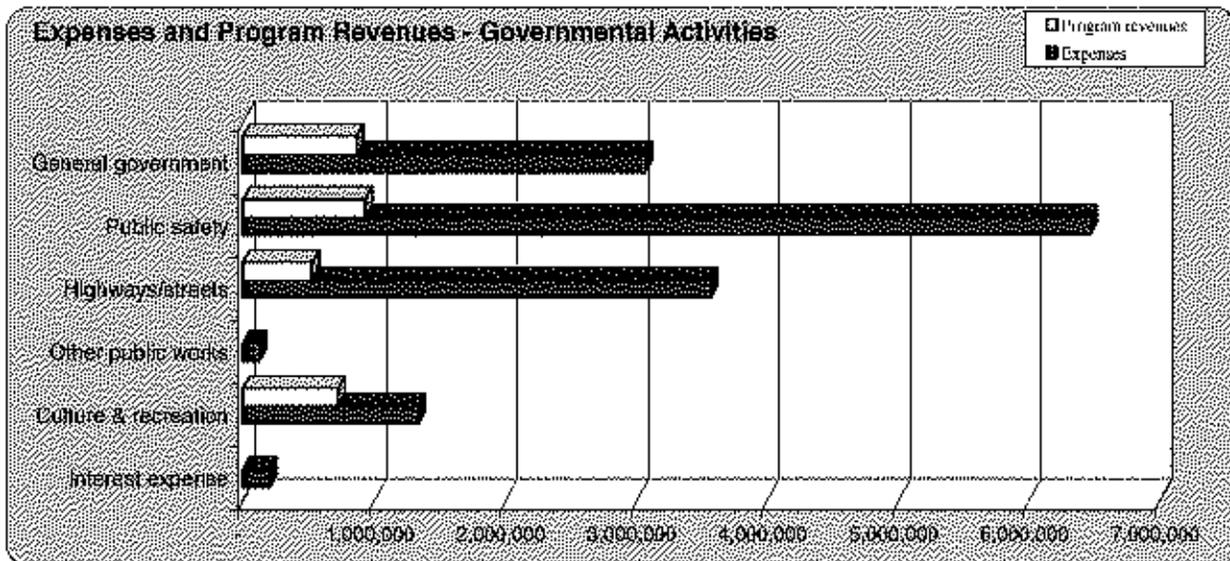
WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

- Capital grants and contributions increased from the prior year by approximately \$725,833. Noncash contributions of \$751,137 for infrastructure benefited the year 2010 whereas noncash contributions of \$25,304 for infrastructure were received in 2009.
- Property transfer taxes increased by \$21,512, or 4.9 percent for the year 2010.



Program revenues support 20.6 percent of activity expenses. The following graph shows how program revenues supported activity expenses.



WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

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 \$4,280,226 for 2010 (as compared to \$4,173,511 for the prior year), include "Rent to Sewer Authority" of \$1,119,482 for 2010 (as compared to \$1,109,692 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 to the financial statements. The Board of Supervisors establishes and collects sewer rental fees from users of the system. Both the Authority and the Township have written agreements with East Goshen Township, Westtown Township, West Whiteland Township and Thornbury Township to accept flows from these municipalities into the West Goshen system. The contracting of surplus capacity benefits the residents and business owners of West Goshen Township by distributing the fixed costs among a greater number of users, thereby lowering the costs of treatment. The revenues generated from these agreements for the year 2010 were \$1,270,251 as compared to \$1,540,229 for the prior year. Sewer Fund fees charged to residents and businesses increased from \$45/quarter to \$65/quarter effective with the third quarter billing of 2009. In 2010, the Sewer Authority paid off the 2003 Bonds from lapping fee funds. The Sewer Authority has been funding a legal effort to prevent the Environmental Protection Agency from adopting discharge limitations. These limits will affect all stormwater and wastewater dischargers in Chester Creek, including West Goshen Township. The outcome of this effort will have a substantial impact on the future financial picture of the West Goshen Sewer Authority. A final decision is expected in 2011.

The Waste and Recycling Fund administers the collection of residential solid waste and recyclable material from Township homes. User fees primarily support the cost of this program. Each household is charged a flat rate for trash collection and unlimited recycling. A rate increase from \$55/quarter to \$85/quarter in the waste and recycling fees charged to residents and businesses became effective with the billing of October 1, 2009. The Commonwealth of Pennsylvania also subsidizes the recycling program with a Performance Grant. The grant amount for 2010 was \$81,558 as compared to \$30,636 for the prior year.

Business-type activities increased the Township's net assets by \$687,746. The increase of \$687,746 of net assets is \$1,310,644 more than the previous year decrease of \$622,898.

Major revenue factors include:

- Charges for services increased by \$1,081,409 over the prior year due to the rate increases as described above.
- Operating grants and contributions increased by \$87,209 over the previous year due primarily to an increase for the Recycling Grant.

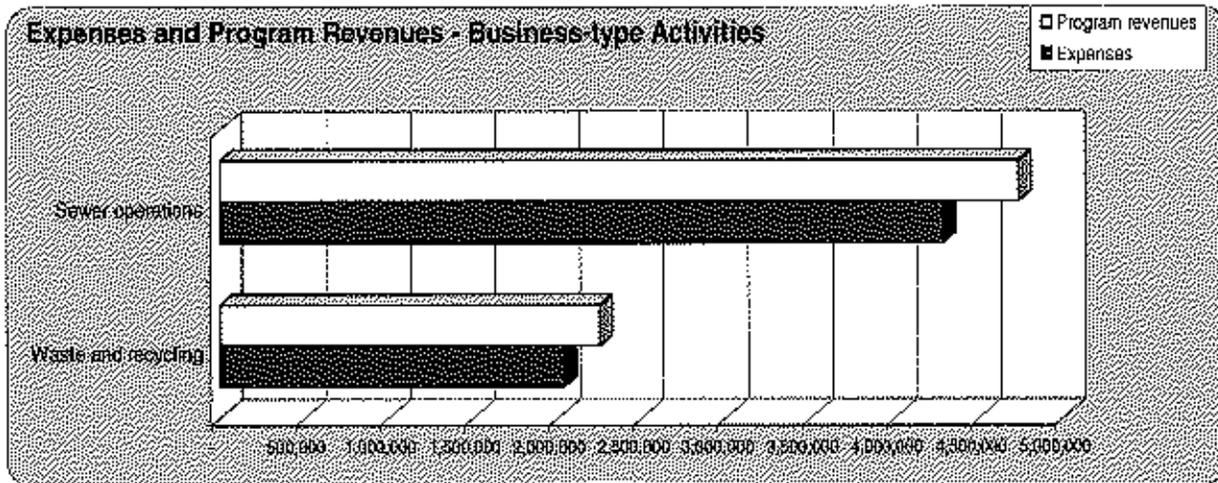
WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

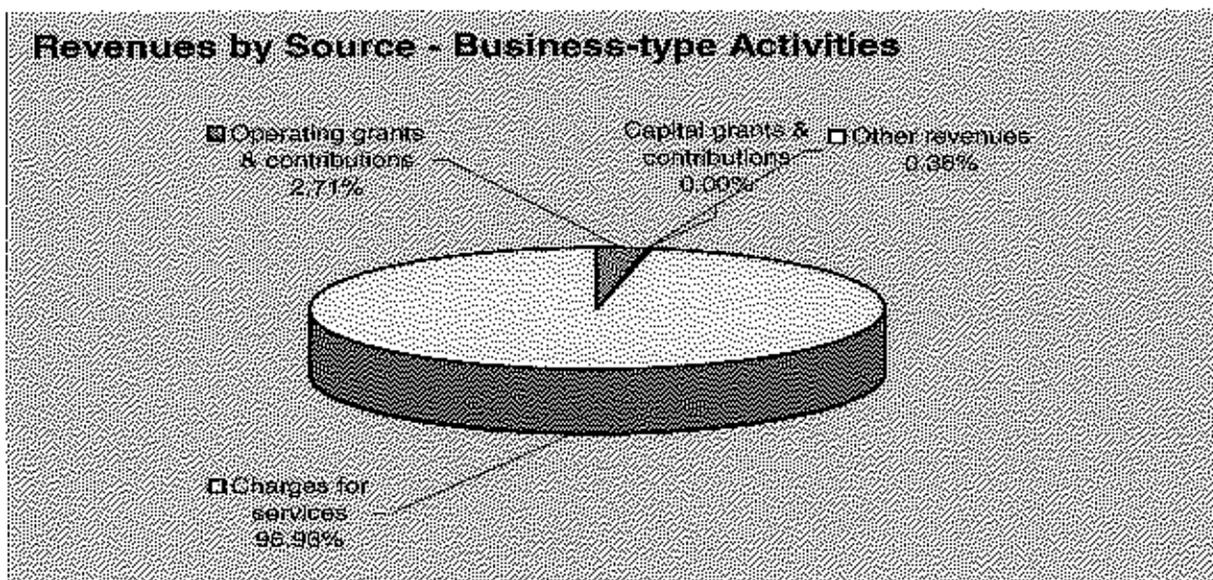
Major expense factors include:

- Increases in employee wages increased approximately 2.0 percent resulting from general wage increases.
- Employee benefits costs increased by approximately 9.7 percent.

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



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



WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

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, 2010, the Township's governmental funds reported combined ending balances of \$14,084,968, a decrease of \$190,738 as compared to the prior year. Approximately 68 percent, or \$9,560,782, 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 notes.

The General Fund is the chief operating fund of West Goshen Township. As of December 31, 2010, the total fund balance of the General Fund was \$8,597,789 (as compared to \$8,879,327 for the prior year), all of which is unreserved. The fund balance of the General Fund decreased by \$281,538 in fiscal year 2010. The Township historically generated revenues in excess of budgeted figures and contained expenditures below budgeted amounts year after year.

- Overall revenues and other financing sources were more than anticipated by \$373,615. Fiscal year 2010 reflected a millage increase from 1.5 mils to 2.0 mils resulting in real estate taxes exceeding the budget by \$233,739. Earned income taxes were under budget by \$192,534, investment earnings were under budget by \$14,969 as interest rates remained low, property transfer taxes were over budget slightly by \$12,798 and licenses and permits were over budget by \$102,542.
- Actual expenses and other financing uses were less than anticipated by \$614,277. Legal expenses were over budget by \$352,000. Road construction material costs were less than budgeted by approximately \$778,864. Transfers to Capital Reserve for traffic signal studies and bridge construction were less than budgeted by \$131,139.

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 proceeds from bonds or municipal borrowings, transfers from the General Fund and Offsite Development Fund (Restricted Parks account). The General Fund transfers monies to the Capital Reserve Fund to pay for capital expenditures associated with the general operation of the Township and also for General Obligation debt service payments. The Offsite Development Fund (Restricted Parks account) transfers monies to the Capital Reserve Fund to pay for expenses that are associated with the Township's parks.

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

In 2010, West Goshen Township borrowed \$5,500,000 in General Obligation Notes to construct a new Public Works building. The portion drawn down in 2010 was \$3,272,579; remaining funds available to be drawn as of December 31, 2010 are \$2,227,421.

Capital expenditures financed out of this fund in 2010 totaled \$4,558,266 in the following categories: Administration (\$22,577 - Pollution Remediation); Public Works (\$3,532,896 - construction costs and professional fees for the new Public Works garage; \$36,753 - traffic studies; \$109,934 - road construction materials and \$267,548 - major capital equipment); and debt service (\$588,558 - principal, interest and fees).

The total fund balance as of December 31, 2010, is \$4,524,186, all of which is reserved as previously explained.

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

- *Cold Springs Bridge Fund* (nonmajor governmental fund) – In 2006, the Township received \$50,000 from a building contractor for future repairs to a newly constructed bridge leading into the new Cold Springs development. It is anticipated that investment earnings will be sufficient to cover future expenditures. Expenditures for this fund are not expected to occur for a minimum of 50 years.

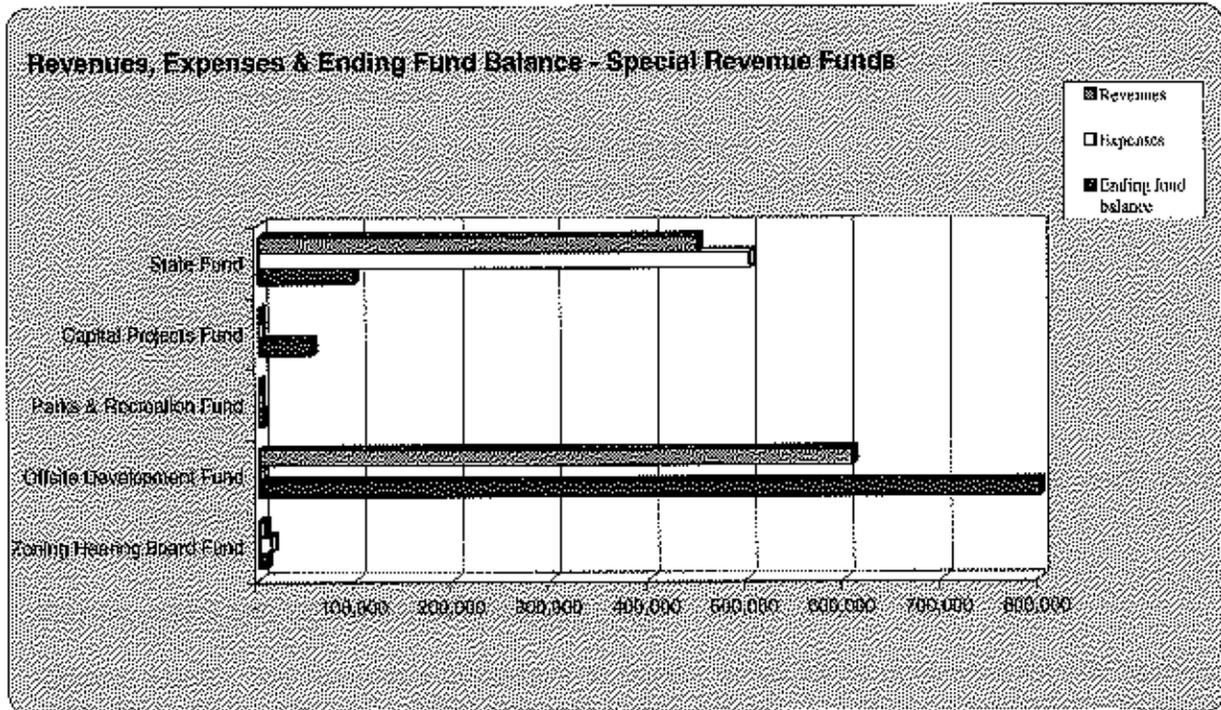
The total fund balance as of December 31, 2010, is \$54,487, all of which is reserved as previously explained.

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

- *State Funds* – The Township received \$448,892 (compared to \$466,348 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 \$607,500 (compared to \$2,500 in the prior year) from building contractors for open space projects. Expenditures from this fund were minimal of \$27.

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED



The total fund balance of the special revenue funds as of December 31, 2010 is \$908,506 (as compared to \$361,080 in the prior year), all of which is unreserved as previously explained.

The financial statements for the governmental funds can be found on pages 22 - 25 of this report.

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

Unrestricted net assets of the Sewer, Waste and Recycling, Sewer Authority and Sewer Reserve Funds at the end of the year amounted to \$8,571,803 as compared to \$2,474,945 in the prior year. The total increase in net assets was \$687,746. Factors contributing to the finances of these three funds have already been addressed in the discussion of the Township's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The statement comparing the Township's budget and actual results can be found on pages 26 and 27.

For 2010, there were no revisions to the General Fund budget.

WEST GOSHEN TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of West Goshen Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Finance Director, West Goshen Township, 1025 Paoli Pike, West Chester, PA 19380. General information relating to West Goshen Township can be found on its website, <http://www.westgoshen.org>.

WEST GOSHEN TOWNSHIP
STATEMENT OF NET ASSETS
DECEMBER 31, 2010
(with Summarized Comparative Data for December 31, 2009)

	Primary Government		Totals	
	Governmental Activities	Business-type Activities	2010	2009
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 12,682,235	\$ 6,716,479	\$ 19,398,714	\$ 13,441,070
Cash and cash equivalents, restricted	-	110,284	110,284	7,833,462
Investments	1,508,649	324,538	1,831,187	1,807,536
Investments, restricted	-	1,432,798	1,432,798	1,414,292
Accounts and other receivables	2,398,951	2,078,141	4,477,092	4,498,324
Internal balances	200,000	(200,000)	-	-
Due from developers	-	12,438	12,438	10,821
Total Current Assets	16,787,835	10,474,678	27,262,513	29,005,505
Noncurrent Assets:				
Depreciable capital assets, net	29,639,940	20,517,615	50,157,555	50,252,611
Land	3,128,045	82,083	3,210,128	3,210,128
Construction-in-progress	3,653,587	758,396	4,411,983	1,532,448
Bond issuance costs	-	-	-	28,449
Note issuance costs	37,795	-	37,795	-
Total Noncurrent Assets	36,459,367	21,358,094	57,817,461	55,023,636
TOTAL ASSETS	\$ 53,247,202	\$ 31,832,772	\$ 85,079,974	\$ 84,029,141
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable and other current liabilities	\$ 468,918	\$ 61,963	\$ 530,881	\$ 526,392
Developers' deposits	-	122,722	122,722	120,748
Compensated absences payable within one year	42,818	12,990	55,608	50,422
Capital leases payable within one year	66,562	-	66,562	103,826
Bonds payable within one year	-	-	-	560,000
Notes payable within one year	363,000	336,000	699,000	667,000
Total Current Liabilities	941,098	533,675	1,474,773	2,030,388
Noncurrent Liabilities:				
Compensated absences	566,207	172,581	738,788	669,904
Other post-employment benefits obligation	826,056	99,821	925,877	478,474
Capital leases payable	69,856	-	69,856	136,419
Bonds payable	-	-	-	1,780,000
Deferred amount on refunding	-	-	-	(21,205)
Notes payable	6,331,579	2,862,000	9,193,579	6,620,000
Total Noncurrent Liabilities	7,793,698	3,134,402	10,928,100	9,663,592
TOTAL LIABILITIES	8,734,796	3,668,077	12,402,873	11,693,980
NET ASSETS				
Invested in capital assets, net of related debt	29,590,575	18,160,094	47,750,669	45,127,942
Restricted for:				
Capital reserve	4,524,186	-	4,524,186	4,980,975
Sewer	-	1,432,798	1,432,798	9,137,827
Unrestricted	10,397,845	8,571,803	18,969,448	13,088,417
TOTAL NET ASSETS	44,512,406	28,164,695	72,677,101	72,335,161
TOTAL LIABILITIES AND NET ASSETS	\$ 53,247,202	\$ 31,832,772	\$ 85,079,974	\$ 84,029,141

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

**WEST GOSHEN TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010
(with Summarized Comparative Data for the Year Ended December 31, 2009)**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
				Governmental Activities	Business-type Activities	
GOVERNMENTAL ACTIVITIES						
General government	\$ 3,062,908	\$ 51,943	\$ 751,137	\$ (2,200,326)	\$ -	\$ (1,938,467)
Public safety	6,464,674	507,756	-	(5,534,621)	-	(5,150,288)
Public works - highways and streets	3,565,666	422,287	-	(3,040,624)	-	(4,212,045)
Other public works	121,795	525,042	-	(121,795)	-	(234,457)
Culture and recreation	1,330,662	26,639	-	(607,047)	-	(1,122,394)
Interest expense	203,763	-	-	(203,763)	-	(209,898)
TOTAL GOVERNMENTAL ACTIVITIES	14,749,468	1,033,490	751,137	(11,708,176)	-	(12,867,549)
BUSINESS-TYPE ACTIVITIES						
Sewer operations	4,280,226	81,558	-	448,762	448,762	(156,908)
Waste and recycling	2,031,249	108,706	-	214,076	214,076	(129,634)
TOTAL BUSINESS-TYPE ACTIVITIES	6,311,475	190,264	-	662,838	662,838	(286,542)
TOTAL PRIMARY GOVERNMENT	\$21,060,963	\$1,223,744	\$ 751,137	(11,708,176)	662,838	(13,154,091)
GENERAL REVENUES						
Taxes:						
Real estate taxes				3,451,584	-	2,601,082
Real estate transfer taxes				462,798	-	441,286
Earned income taxes				5,999,465	-	6,264,503
Local services tax				910,778	-	878,489
Franchise taxes				433,767	-	348,525
Investment earnings				55,637	27,919	109,261
Grants and contributions not restricted to specific programs				18,223	-	17,515
Loss on sale of capital assets				(30,774)	(3,011)	(153,972)
Miscellaneous				60,892	-	40,074
TOTAL GENERAL REVENUES				11,362,370	24,908	10,546,763
CHANGE IN NET ASSETS				(345,806)	687,746	(2,607,326)
NET ASSETS, BEGINNING OF YEAR				44,858,212	27,476,949	74,942,489
NET ASSETS, END OF YEAR				\$ 44,512,406	\$28,164,695	\$ 72,335,161

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

**WEST GOSHEN TOWNSHIP
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2010**

(with Summarized Comparative Data for December 31, 2009)

	Major Funds			Totals	
	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	2010	2009
ASSETS					
Cash and cash equivalents	\$ 8,249,805	\$ 3,469,437	\$ 962,993	\$12,682,235	\$12,624,001
Investments	423,128	1,083,521	-	1,506,649	1,487,190
Due from other funds	200,000	-	-	200,000	350,000
Accounts receivable	111,340	-	-	111,340	48,915
Taxes receivable	2,287,611	-	-	2,287,611	2,384,818
TOTAL ASSETS	<u>\$11,271,884</u>	<u>\$ 4,552,958</u>	<u>\$ 962,993</u>	<u>\$16,787,835</u>	<u>\$16,894,924</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	\$ 328,752	\$ 28,772	\$ -	\$ 357,524	\$ 281,928
Accrued payroll	111,394	-	-	111,394	-
Deferred revenues	2,233,949	-	-	2,233,949	2,337,290
TOTAL LIABILITIES	<u>2,674,095</u>	<u>28,772</u>	<u>-</u>	<u>2,702,867</u>	<u>2,619,218</u>
FUND BALANCES:					
Reserved for capital projects	-	4,524,186	-	4,524,186	4,980,975
Unreserved:					
General fund	8,597,789	-	-	8,597,789	8,879,327
Special revenue funds	-	-	908,506	908,506	361,080
Capital projects fund	-	-	54,487	54,487	54,324
TOTAL FUND BALANCES	<u>8,597,789</u>	<u>4,524,186</u>	<u>962,993</u>	<u>14,084,968</u>	<u>14,275,706</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$11,271,884</u>	<u>\$ 4,552,958</u>	<u>\$ 962,993</u>	<u>\$16,787,835</u>	<u>\$16,894,924</u>

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, 2010**

TOTAL GOVERNMENTAL FUND BALANCES **\$ 14,084,968**

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

Depreciable capital assets, net	\$ 29,639,940	
Land	3,128,045	
Construction-in-progress	<u>3,653,587</u>	36,421,572

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. 2,233,949

Debt issuances resulted in deferred charges which will be amortized over the life of new debt but do not represent current rights and/or obligations. These assets consist of:

Note issuance costs		37,795
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Capital leases	(136,418)	
Compensated absences	(608,825)	
Other post employment benefit obligation	(826,056)	
Notes payable	<u>(6,694,579)</u>	<u>(8,265,878)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 44,512,406**

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, 2010
(with Summarized Comparative Data for the Year Ended December 31, 2009)

	Major Funds			Totals	
	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	2010	2009
REVENUES					
Taxes	\$ 10,927,967	\$ -	\$ -	\$ 10,927,967	\$ 9,987,767
Licenses and permits	438,392	-	-	438,392	352,925
Fines, forfeits and costs	184,930	-	-	184,930	214,759
Investment earnings	65,320	21,403	1,035	87,758	106,423
Intergovernmental revenues	602,811	-	448,892	1,051,703	975,819
Charges for services/fees	421,518	-	6,000	427,518	492,644
Contributions	-	-	607,500	607,500	2,500
Miscellaneous revenue/other	59,892	-	-	59,892	39,874
TOTAL REVENUES	12,700,930	21,403	1,065,427	13,785,760	12,172,711
EXPENDITURES					
Current:					
General government	2,395,031	22,577	-	2,417,608	2,135,166
Public safety	6,062,453	-	-	6,062,453	5,645,437
Public works - highways and streets	2,158,303	3,947,131	503,311	6,608,745	3,878,447
Other public works	210,480	-	-	210,480	173,608
Culture and recreation	1,238,988	-	-	1,238,988	1,188,772
Miscellaneous expenditures	-	-	12,527	12,527	116,885
Debt service:					
Principal	103,827	347,000	-	450,827	459,431
Interest	-	203,763	-	203,763	209,898
Issuance costs	-	37,795	-	37,795	-
TOTAL EXPENDITURES	12,198,182	4,556,266	515,838	17,262,286	13,807,644
EXCESS (DEFICIENCY) OF REVENUES (OVER) UNDER EXPENDITURES	512,748	(4,536,863)	547,589	(3,476,526)	(1,634,933)
OTHER FINANCING SOURCES (USES)					
Proceeds from capital lease	-	-	-	-	273,150
Sale of/compensation for sale of capital assets	13,209	3,272,579	-	3,272,579	-
Transfers in	-	807,495	-	807,495	3,600
Transfers out	(807,495)	-	-	(807,495)	1,662,025
TOTAL OTHER FINANCING SOURCES (USES)	(794,286)	4,080,074	-	3,285,788	276,750
NET CHANGE IN FUND BALANCES	(281,538)	(456,789)	547,589	(190,738)	(1,358,183)
FUND BALANCES, BEGINNING OF YEAR	8,878,327	4,980,875	415,404	14,275,706	15,633,859
FUND BALANCES, END OF YEAR	\$ 8,597,789	\$ 4,524,186	\$ 962,993	\$ 14,084,968	\$ 14,275,706

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, 2010**

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (190,738)
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 capital outlays (\$4,244,389) exceeded depreciation (\$1,775,733) in the period.	2,468,656
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.	(103,341)
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.	(71,233)
In the statement of activities, contributed assets are recognized as a capital contribution and as a capital asset, whereas in the governmental funds, the transaction is not recognized.	751,137
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.	(2,783,957)
In the statement of activities, certain operating expenses -- compensated absences (vacations and sick leave) -- and other post-employment benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	<u>(416,330)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (345,806)</u></u>

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

WEST GOSHEN TOWNSHIP
BUDGETARY COMPARISON STATEMENT - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES			
Taxes:			
Real estate - current	3,160,000	3,393,739	\$ 233,739
Real estate - delinquent and interest	33,000	41,564	8,564
Real estate - interims	10,000	11,622	1,622
Real estate - transfer	450,000	462,798	12,798
Earned income tax	6,300,000	6,107,466	(192,534)
Emergency municipal services tax	850,000	910,778	60,778
Licenses and permits	335,850	438,392	102,542
Fines, forfeits and costs	203,000	184,930	(18,070)
Interest, dividends and rents	80,289	65,320	(14,969)
Intergovernmental revenues	509,621	602,811	93,190
Charges for services/fees	394,764	421,518	26,754
Miscellaneous revenue/other	10,000	59,992	49,992
TOTAL REVENUES	<u>12,336,524</u>	<u>12,700,930</u>	<u>364,406</u>
EXPENDITURES			
Current:			
General government:			
Administration	1,288,172	1,378,148	(89,976)
Auditing	27,580	26,532	1,048
Tax collection	163,823	150,912	12,911
Engineering and legal	243,536	592,521	(348,985)
Building maintenance	292,106	246,918	45,188
Total general government	<u>2,015,217</u>	<u>2,395,031</u>	<u>(379,814)</u>
Public safety:			
Police	4,937,503	5,049,304	(111,801)
Fire protection	772,703	796,830	(24,127)
Code enforcement	240,832	224,632	16,200
Planning and zoning	35,576	11,687	23,889
Total public safety	<u>5,986,614</u>	<u>6,082,453</u>	<u>(95,839)</u>
Public works - highways and streets:			
Administration	775,460	846,785	(71,325)
Winter maintenance	42,430	64,630	(22,200)
Road maintenance	883,641	798,546	85,095
Road construction	1,214,720	435,856	778,864
Storm water management	16,500	12,486	4,014
Total public works - highways and streets	<u>2,932,751</u>	<u>2,158,303</u>	<u>774,448</u>

Continued on next page.

**WEST GOSHEN TOWNSHIP
BUDGETARY COMPARISON STATEMENT - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
EXPENDITURES (cont'd)			
Other public works:			
Traffic signal maintenance	174,988	174,905	83
Street lighting	37,000	35,575	1,425
Total other public works	<u>211,988</u>	<u>210,480</u>	<u>1,508</u>
Culture and recreation:			
Recreation	308,471	279,830	28,641
Parks	1,100,401	958,258	142,143
Total culture and recreation	<u>1,408,872</u>	<u>1,238,088</u>	<u>170,784</u>
Nondepartmental:			
Debt service - principal	115,878	103,827	12,051
TOTAL EXPENDITURES	<u>12,671,320</u>	<u>12,188,182</u>	<u>483,138</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(334,796)</u>	<u>512,748</u>	<u>847,544</u>
OTHER FINANCING SOURCES (USES)			
Sale of/compensation for capital assets	4,000	13,209	9,209
Transfers out	(938,634)	(807,495)	131,139
TOTAL OTHER FINANCING USES	<u>(934,634)</u>	<u>(794,286)</u>	<u>140,348</u>
NET CHANGE IN FUND BALANCES	(1,269,430)	(281,538)	987,892
FUND BALANCE, BEGINNING OF YEAR	<u>8,854,085</u>	<u>8,879,327</u>	<u>(25,242)</u>
FUND BALANCE, END OF YEAR	<u>\$ 7,584,655</u>	<u>\$ 8,597,789</u>	<u>\$ 962,650</u>

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

WEST GOSHEN TOWNSHIP
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
DECEMBER 31, 2010
(with Summarized Comparative Data for December 31, 2009)

	Major Enterprise Funds				Nonmajor Fund	Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	-		2010	2009
ASSETS							
Current Assets:							
Cash and cash equivalents	\$ 559,592	\$ 136,999	\$ 6,019,856	-	\$ 6,716,479	\$ 617,069	\$ 7,333,548
Cash and cash equivalents, restricted	-	-	110,284	-	110,284	-	320,346
Investments	321,821	2,717	-	-	324,538	-	1,414,282
Investments, restricted	-	-	-	1,432,798	1,432,798	-	2,064,591
Accounts receivable	1,324,458	753,683	-	-	2,078,141	-	10,821
Due from developers	-	-	12,438	-	12,438	-	12,460,581
Total Current Assets	<u>2,205,871</u>	<u>893,399</u>	<u>6,142,610</u>	<u>1,432,798</u>	<u>10,674,678</u>	<u>1,460,581</u>	<u>21,750,624</u>
Noncurrent Assets:							
Bond issuance costs	-	-	-	-	-	28,449	82,083
Land	-	-	82,083	-	82,083	-	1,170,553
Construction-in-progress	-	-	756,396	-	756,396	-	20,469,539
Capital assets, net	457,872	-	20,059,943	-	20,517,815	-	21,750,624
Total Noncurrent Assets	<u>457,872</u>	<u>-</u>	<u>20,960,422</u>	<u>-</u>	<u>21,358,094</u>	<u>-</u>	<u>34,211,205</u>
TOTAL ASSETS	<u>\$ 2,663,543</u>	<u>\$ 893,399</u>	<u>\$ 27,043,032</u>	<u>\$ 1,432,798</u>	<u>\$ 32,032,772</u>	<u>\$ 34,211,205</u>	<u>\$ 34,211,205</u>
LIABILITIES AND NET ASSETS							
Current Liabilities:							
Accounts payable	\$ 51,270	\$ 10,693	-	-	\$ 61,963	-	\$ 246,484
Due to other funds	-	200,000	-	-	200,000	-	350,000
Developer deposits	-	-	122,722	-	122,722	-	120,748
Compensated absences	12,817	373	-	-	12,990	-	12,617
Bonds payable within one year	-	-	-	-	-	-	560,000
Notes payable within one year	-	-	336,000	-	336,000	-	320,000
Total Current Liabilities	<u>63,887</u>	<u>211,066</u>	<u>458,722</u>	<u>-</u>	<u>733,875</u>	<u>1,609,629</u>	<u>1,609,629</u>
Noncurrent Liabilities:							
Compensated absences	167,630	4,951	-	-	172,581	167,632	-
Other post-employment benefits obligation	99,821	-	-	-	99,821	-	1,780,000
Bonds payable	-	-	-	-	-	-	(21,205)
Deferred amount on refunding	-	-	-	-	-	-	3,198,000
Notes payable	-	-	2,862,000	-	2,862,000	-	5,124,427
Total Noncurrent Liabilities	<u>267,451</u>	<u>4,951</u>	<u>2,862,000</u>	<u>-</u>	<u>3,134,402</u>	<u>1,609,629</u>	<u>6,734,256</u>
TOTAL LIABILITIES	<u>331,338</u>	<u>216,017</u>	<u>3,320,722</u>	<u>-</u>	<u>3,668,077</u>	<u>1,609,629</u>	<u>15,864,175</u>
NET ASSETS							
Invested in capital assets, net of related debt	457,672	-	17,702,422	-	18,160,094	15,864,175	9,137,827
Restricted	-	-	-	1,432,798	1,432,798	-	2,474,947
Unrestricted	1,874,533	677,382	6,019,888	-	6,571,803	-	27,478,949
TOTAL NET ASSETS	<u>2,332,205</u>	<u>677,382</u>	<u>23,722,310</u>	<u>1,432,798</u>	<u>28,164,695</u>	<u>15,864,175</u>	<u>34,211,205</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,663,543</u>	<u>\$ 893,399</u>	<u>\$ 27,043,032</u>	<u>\$ 1,432,798</u>	<u>\$ 32,032,772</u>	<u>\$ 34,211,205</u>	<u>\$ 34,211,205</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, 2010
(with Summarized Comparative Data for the Year Ended December 31, 2009)

	Major Enterprise Funds				Totals
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	
OPERATING REVENUES					
Fees	\$4,077,711	\$2,125,903	\$ 534,700	\$ -	\$ 6,738,314
Other	105,750	10,716	10,827	-	127,293
TOTAL OPERATING REVENUES	<u>4,183,461</u>	<u>2,136,619</u>	<u>545,527</u>	<u>-</u>	<u>6,865,607</u>
OPERATING EXPENSES					
Contracted services	-	1,949,076	-	-	1,949,076
Sewer collection	143,113	-	-	-	143,113
Sewer disposal	442,209	-	-	-	442,209
Salaries and wages	1,056,981	45,060	-	-	1,102,041
Engineering fees	-	-	14,067	-	14,067
Administration	57,303	21,962	74,757	-	154,022
Employee benefits	775,536	13,793	-	-	789,329
Supplies	-	109	-	-	109
Fuel and light	505,189	-	-	-	505,189
Repairs and maintenance	140,506	1,249	-	-	141,755
Depreciation	93,188	-	-	-	93,188
TOTAL OPERATING EXPENSES	<u>3,214,025</u>	<u>2,031,249</u>	<u>800,301</u>	<u>-</u>	<u>6,134,399</u>
OPERATING INCOME (LOSS)	<u>969,436</u>	<u>105,370</u>	<u>(343,598)</u>	<u>-</u>	<u>731,208</u>
NONOPERATING REVENUES (EXPENSES)					
Interest and investment revenue	6,283	1,114	2,016	18,506	27,919
Interest expense	-	-	(127,422)	-	(127,422)
Loss on disposal of capital assets	(3,011)	-	-	-	(3,011)
Amortization expense	-	-	(49,654)	-	(49,654)
Other nonoperating revenue	-	108,706	-	-	108,706
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>3,272</u>	<u>109,820</u>	<u>(175,060)</u>	<u>18,506</u>	<u>(43,482)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>972,708</u>	<u>215,190</u>	<u>(518,658)</u>	<u>18,506</u>	<u>687,746</u>
Transfers in	-	-	1,119,482	-	1,119,482
Transfers out	(1,119,482)	-	-	-	(1,119,482)
CHANGE IN NET ASSETS	<u>(146,774)</u>	<u>215,190</u>	<u>600,824</u>	<u>18,506</u>	<u>687,746</u>
NET ASSETS, BEGINNING OF YEAR	<u>2,476,979</u>	<u>462,192</u>	<u>23,121,486</u>	<u>1,414,292</u>	<u>27,476,949</u>
NET ASSETS, END OF YEAR	<u>\$2,332,205</u>	<u>\$ 677,382</u>	<u>\$23,722,310</u>	<u>\$1,432,798</u>	<u>\$28,184,695</u>

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

**WEST GOSHEN TOWNSHIP
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

(with Summarized Comparative Data for the Year Ended December 31, 2009)

	Major Enterprise Funds				Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:						
Received from customers	\$ 4,247,361	\$ 2,059,169	\$ 543,910	\$ -	\$ 6,850,440	\$ 5,160,893
Paid to suppliers for goods and services	(1,460,913)	(2,134,305)	(86,850)	-	(3,682,068)	(2,737,314)
Paid to employee for services	(1,728,369)	(57,858)	-	-	(1,786,227)	(1,789,704)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,058,079</u>	<u>(132,994)</u>	<u>457,060</u>	<u>-</u>	<u>1,382,145</u>	<u>653,875</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Grants received from state	-	108,706	-	-	108,706	30,636
Transfer from other funds	-	-	1,119,482	-	1,119,482	1,109,692
Transfer to other funds	(1,119,482)	-	-	-	(1,119,482)	(1,109,692)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(1,119,482)</u>	<u>108,706</u>	<u>1,119,482</u>	<u>-</u>	<u>108,706</u>	<u>30,636</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Interest paid	-	-	(127,422)	-	(127,422)	(142,536)
Principal payments	-	-	(2,660,000)	-	(2,660,000)	(845,000)
Cash paid for acquisition and construction of capital assets	(36,784)	-	(495,634)	-	(532,418)	(1,225,742)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(36,784)</u>	<u>-</u>	<u>(3,283,056)</u>	<u>-</u>	<u>(3,319,840)</u>	<u>(2,213,278)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest and investment earnings	6,283	1,114	2,016	18,506	27,919	33,658
Sale of investments, net of reinvestment	(4,157)	(35)	-	-	(4,192)	492,552
Purchases of investments, net of reinvestment	-	-	-	(18,506)	(18,506)	(17,189)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>2,126</u>	<u>1,079</u>	<u>2,016</u>	<u>-</u>	<u>5,221</u>	<u>509,021</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(96,061)</u>	<u>(23,209)</u>	<u>(1,704,498)</u>	<u>-</u>	<u>(1,823,768)</u>	<u>(1,019,746)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>655,653</u>	<u>160,208</u>	<u>7,834,670</u>	<u>-</u>	<u>8,650,531</u>	<u>9,670,277</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 559,592</u>	<u>\$ 136,999</u>	<u>\$ 6,130,172</u>	<u>\$ -</u>	<u>\$ 6,826,763</u>	<u>\$ 8,650,531</u>

Continued on next page.

**WEST GOSHEN TOWNSHIP
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

(with Summarized Comparative Data for the Year Ended December 31, 2009)

(cont'd)	Major Enterprise Funds					Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2010	2009	
Operating income (loss)	\$ 969,436	\$ 105,370	\$ (343,598)	\$ -	\$ 731,208	\$ (161,402)	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	93,188	-	800,301	-	893,489	901,898	
Changes in net assets and liabilities:							
Other-post employment benefit obligation	99,821	-	-	-	99,821	-	
Accounts receivable	63,900	(77,450)	-	-	(13,550)	(614,166)	
Due from developers	-	-	(1,617)	-	(1,617)	4,701	
Developers deposits	-	-	1,974	-	1,974	-	
Accounts payable	(172,593)	(161,909)	-	-	(334,502)	511,865	
Compensated absences	4,327	995	-	-	5,322	10,979	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 1,058,079	\$ (132,994)	\$ 457,060	\$ -	\$ 1,382,145	\$ 953,875	
SUPPLEMENTAL INFORMATION:							
Cash and cash equivalents	\$ 559,592	\$ 136,999	\$ 6,019,888	\$ -	\$ 6,716,479	\$ 817,069	
Cash and cash equivalents, restricted	-	-	110,284	-	110,284	7,833,462	
	\$ 559,592	\$ 136,999	\$ 6,130,172	\$ -	\$ 6,826,763	\$ 8,650,531	
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:							
Amortization expense	\$ -	\$ -	\$ 49,654	\$ -	\$ 49,654	\$ 13,240	
Capital assets acquired through trade-in	\$ 12,400	\$ -	\$ -	\$ -	\$ 12,400	\$ -	
Capital assets written off through trade-in and disposal	(15,411)	-	-	-	(15,411)	-	
Loss on trade-in and disposal of capital assets	\$ (3,011)	\$ -	\$ -	\$ -	\$ (3,011)	\$ -	

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

**WEST GOSHEN TOWNSHIP
STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
DECEMBER 31, 2010**

	<u>Pension and Other Employee Benefit Trust Funds</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 1,960,712	\$ 66,702
Insurance contracts, at contract value	1,597,466	-
Investments, at market value - mutual funds	<u>14,432,633</u>	<u>-</u>
TOTAL ASSETS	<u>\$17,990,811</u>	<u>\$ 66,702</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES:		
Escrow deposits	\$ -	\$ 66,702
 NET ASSETS:		
Assets held in trust for pension and other employee benefits and pool participants	<u>17,990,811</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$17,990,811</u>	<u>\$ 66,702</u>

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

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

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

Fund Financial Statements

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

The Township reports the following major governmental funds:

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

The Township reports the following major proprietary funds:

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

Governmental Funds

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

Revenue Recognition

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

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

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

Expenditure Recognition

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund, capital reserve fund and state fund special revenue fund, which is a nonmajor governmental fund. All annual appropriations lapse at fiscal year end.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

Cash and Cash Equivalents

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

Restricted Assets

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

Investments

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

Receivables and Payables

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

Capital Assets

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

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

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

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

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

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

Compensated Absences

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

Long-term Obligations

In the entity-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types report issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

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

Restricted Net Assets

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first and then unrestricted resources as they are needed. Administrative expenses are paid with the use of unrestricted resources.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

Comparative Data

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

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The Township is required by statute to deposit funds in depositories that are either banks, banking institutions or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States, the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth. Under Act 72 of 1971, as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit excluding the pension funds. At December 31, 2010, the carrying amount of the Township's deposits was \$21,325,844 (excludes the pension funds) and the bank balance was \$21,331,612. Of the bank balance, \$682,973 was covered by federal depository insurance and \$11,524,325 was collateralized by pooled securities in accordance with Act 72. The deposits collateralized in accordance with Act 72 were exposed to custodial credit risk because they were uninsured and the collateral held by the depository's agent was not in the Township's name.

As of December 31, 2010, \$3,104,646 of the Township's deposits was in the Pennsylvania Local Government Investment Trust ("PLGIT"). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share is rated by a nationally recognized rating organization and is subject to an independent annual audit.

As of December 31, 2010, \$6,019,668 of the Township's deposits was in the form of U.S. Treasury obligation money market funds and are not subject to custodial credit risk. Custodial credit risk information for the pension funds can be found at Notes 8, 9 and 10.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 2 DEPOSITS AND INVESTMENTS (cont'd)

Investments

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

As of December 31, 2010, the Township had the following investments:

Money market mutual funds	\$ <u>3,263,985</u>
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Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. As of December 31, 2010, none of Township's investments were subject to custodial credit risk.

NOTE 3 INTERFUND ACTIVITY

The composition of Interfund balances as of December 31, 2010 is as follows

<u>Receivable To:</u>	<u>Payable From:</u>	<u>Amount</u>
General fund	Waste and Recycling Fund	\$ 200,000

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

Interfund transfers:

<u>Transfers out:</u>	<u>Transfers in:</u>		
General Fund	Capital Reserve	\$ 807,495	\$ 807,495
Sewer Fund	Sewer Authority	<u>1,119,482</u>	<u>1,119,482</u>
Total		<u>\$ 1,926,977</u>	<u>\$ 1,926,977</u>

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
General capital assets not being depreciated:				
Land	\$ 3,128,045	\$ -	\$ -	\$ 3,128,045
Construction-in-progress	361,895	3,461,736	(170,044)	3,653,587
Total general capital assets not being depreciated	3,489,940	3,461,736	(170,044)	6,781,632
General capital assets being depreciated:				
Buildings and improvements	6,937,782	43,737	-	6,981,519
Vehicles	2,187,584	199,191	(54,830)	2,331,945
Infrastructure	45,973,753	907,207	-	46,880,960
Land improvements	2,047,019	-	(106,660)	1,940,359
Machinery and equipment	3,045,989	553,699	(58,416)	3,541,272
Total general capital assets being depreciated	60,192,127	1,703,834	(219,906)	61,676,056
Accumulated depreciation:				
Buildings and improvements	1,237,370	132,564	-	1,369,934
Vehicles	897,192	322,180	(49,347)	1,170,025
Infrastructure	25,965,566	1,056,309	-	27,021,875
Land improvements	933,570	42,412	(54,530)	921,452
Machinery and equipment	1,375,357	222,268	(44,796)	1,552,829
Total accumulated depreciation	30,409,055	1,775,733	(148,673)	32,036,115
Total general capital assets being depreciated, net	29,783,072	(71,899)	(71,233)	29,639,940
Governmental Activities, Net	\$33,273,012	\$ 3,389,837	\$ (241,277)	\$36,421,572
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 82,083	\$ -	\$ -	\$ 82,083
Construction-in-progress	1,170,553	495,634	(907,791)	758,396
Total capital assets not being depreciated, net	1,252,636	495,634	(907,791)	840,479

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 4	<u>CAPITAL ASSETS</u> (cont'd)	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
	Capital assets being depreciated:				
	Collection system -				
	Infrastructure	16,366,890	-	-	16,366,890
	Land improvements	560,571	43,094	-	603,665
	Buildings and improvements	11,928,000	732,768	-	12,660,768
	Vehicles	540,229	39,957	(30,551)	549,635
	Equipment	7,931,365	141,157	(9,000)	8,063,522
	Total capital assets being Depreciated	<u>37,327,055</u>	<u>956,976</u>	<u>(39,551)</u>	<u>38,244,480</u>
	Accumulated depreciation:				
	Collection system -				
	Infrastructure	7,199,787	294,604	-	7,494,391
	Land improvements	183,364	10,680	-	194,044
	Buildings and improvements	5,540,274	275,849	-	5,816,123
	Vehicles	188,136	63,338	(16,040)	235,434
	Equipment	3,745,955	249,018	(8,100)	3,986,873
	Total accumulated Depreciation	<u>16,857,516</u>	<u>893,489</u>	<u>(24,140)</u>	<u>17,726,865</u>
	Total capital assets being depreciated, net	<u>20,469,539</u>	<u>63,487</u>	<u>(15,411)</u>	<u>20,517,615</u>
	Business-type Activities, Net	<u>\$21,722,175</u>	<u>\$ 559,121</u>	<u>\$ (923,202)</u>	<u>\$21,358,094</u>

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

Governmental Activities:	
General government	\$ 113,785
Public safety	113,563
Public works	1,367,329
Culture and recreation	<u>181,056</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,775,733</u>
Business-type Activities:	
Sewer operations	<u>\$ 893,489</u>

NOTE 5 CAPITAL LEASES - LESSEE

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 5 CAPITAL LEASES - LESSEE (cont'd)

Vehicles and equipment acquired through capital leases	\$ 556,433
Less: accumulated amortization	<u>(170,776)</u>
Total	<u>\$ 385,657</u>

Future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2010 are as follows:

Year Ending December 31,

2011	\$ 73,314
2012	<u>73,314</u>
Total minimum lease payments	146,628
Less: amount representing interest	<u>(10,210)</u>
Present value of minimum lease payments	<u>\$ 136,418</u>

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

NOTE 6 LONG-TERM DEBT

Governmental Activities:

Delaware Valley Regional Finance Authority -
General Obligation Note with interest at a fixed rate of 4.909%
per annum, payable annually. Maturity date is July 25, 2018. \$ 3,422,000

TD Bank, N.A. -
General Obligation Note with interest at a fixed rate of 3.88%
per annum, payable monthly. Maturity date is
December 31, 2021. The remaining funds available to
be drawn as of December 31, 2010 are \$2,227,421. 3,272,579

6,694,579

Business-type Activities:

Delaware Valley Regional Finance Authority note with interest
at variable rates not to exceed 25% per annum, payable
annually. Interest rates change on a weekly basis and are
determined by the Bond Market Association Index. As of
December 31, 2010, the interest rate is 0.961%. Maturity date
is July 25, 2018. 3,198,000

Grand Total \$ 9,892,579

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (cont'd)

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

Governmental Activities:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Maturities</u>
2011	\$ 363,000	\$ 305,015	\$ 668,015
2012	653,212	272,317	925,529
2013	682,003	242,872	924,875
2014	711,221	212,117	923,338
2015	741,881	180,035	921,916
2016-2020	3,156,084	393,291	3,549,375
2021	387,178	8,185	395,363
	<u>\$ 6,694,579</u>	<u>\$ 1,613,832</u>	<u>\$ 8,308,411</u>

Business-type Activities:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Maturities</u>
2011	\$ 336,000	\$ 32,318	\$ 405,150
2012	352,000	29,025	419,128
2013	370,000	25,571	435,128
2014	388,000	21,943	450,937
2015	407,000	18,138	467,652
2016-2018	1,345,000	29,672	1,512,139
	<u>\$ 3,198,000</u>	<u>\$ 156,667</u>	<u>\$ 3,354,667</u>

A schedule of changes in debt is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>					
General obligation notes	\$ 3,769,000	\$ 3,272,579	\$ 347,000	\$ 6,694,579	\$ 363,000
Capital leases payable	240,245	-	103,827	136,418	66,562
Compensated absences	540,077	429,425	360,677	608,825	42,618
OPEB obligation	478,474	347,582	-	826,056	-
Total Governmental Activities	<u>\$ 5,027,796</u>	<u>\$ 4,049,586</u>	<u>\$ 811,504</u>	<u>\$ 8,265,878</u>	<u>\$ 472,180</u>
<u>Business-type Activities:</u>					
Sewer revenue bonds	\$ 2,340,000	\$ -	\$ 2,340,000	\$ -	\$ -
Sewer revenue notes	3,518,000	-	320,000	3,198,000	336,000
Compensated absences	180,249	94,116	88,794	185,571	12,990
OPEB obligation	-	99,821	-	99,821	-
Total Business-type Activities	<u>\$ 6,038,249</u>	<u>\$ 193,937</u>	<u>\$ 2,748,794</u>	<u>\$ 3,483,992</u>	<u>\$ 348,990</u>

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 7 TAXES

For 2010, the following tax was levied on assessed value of real estate:
2.00 mills for general purposes

The taxable assessed valuation of property as of December 31, 2010 was \$1,750,817,197.

The real estate tax collection calendar is as follows:

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

Other taxes levied in 2010:

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

NOTE 8 POLICE PENSION FUND

Plan description and provisions:

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

Plan Membership

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

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 8 POLICE PENSION FUND (cont'd)

Benefit Provisions

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

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

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

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

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

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

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

Basis of Accounting

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

Method Used to Value Investments

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

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 8 POLICE PENSION FUND (cont'd)

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

Deposits and Investments

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2010, the carrying amount of the Police Pension Plan's deposits was \$ 111,542, which is equal to the deposits in a Federated Prime obligations fund held by the trustee of the pension in the Township's name. None of this balance was subject to custodial credit risk.

Investments

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

As of December 31, 2010, the Township Police Pension Plan had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Equity mutual funds	\$ 6,028,274
Fixed income funds	2,548,798
Unallocated insurance contract	<u>794,267</u>
TOTAL	<u>\$ 9,371,339</u>

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

Contributions

Act 205 requires that annual contributions be based upon the minimum municipal obligation ("MMO"). The MMO is based upon the plan's biennial actuarial valuation. Employees were required to contribute five percent to the plan during 2010. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds the state and employee contributions must be funded by the employer in accordance with Act 205.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 8 POLICE PENSION FUND (cont'd)

Administrative Costs

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

Annual Pension Cost

The required contribution was determined as part of the January 1, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.0 percent investment rate of return (net of administrative expenses) and (b) projected salary increases due to inflation of 5.0 percent per year, compounded annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a level dollar closed basis. The remaining amortization period at December 31, 2010 was two years.

Three-Year Trend Information

The actuarial information is required by Act 205 biennially, except for distressed pension plans, which require annual reporting. The three-year historical information required to be disclosed, beginning as of January 1, 2008 is as follows:

Calendar Year	Actuarial Value of Assets	Actuarial Accrued Liability	Percentage Funded (1)/(2)	Unfunded (assets in excess of) Accrued Liability (2)-(1)	Annual Covered Payroll	Unfunded (assets in excess of) Accrued Liability as a % of Payroll (4)/(5)
1/1/08	*	*	*	*	*	*
1/1/09	\$8,706,023	\$8,864,026	98.2%	\$158,003	\$2,260,154	7.0%
1/1/10	*	*	*	*	*	*

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTING ENTITIES

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2008	\$317,189	100.0%
2009	\$323,737	100.0%
2010	\$346,862	100.0%

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 9 NON-UNIFORMED PENSION FUND

Plan description and provisions:

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

Plan Membership

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

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

Benefit Provisions

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

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

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

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

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

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

Members are not required to contribute to the plan.

Basis of Accounting

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

Method Used to Value Investments

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

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

Deposits and Investments

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2010, the carrying amount of the Non-Uniformed Pension Plan's deposits was \$69,102, which is equal to the deposits in a Federated Prime obligations fund held by the trustee of the pension in the Township's name. None of this balance was subject to custodial credit risk.

Investments

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

As of December 31, 2010, the Township Non-Uniformed Pension Plan had the following investments:

	Fair Value
Equity mutual funds	\$ 2,889,786
Fixed income funds	703,658
Unallocated insurance contract	414,397
TOTAL	\$ 4,007,841

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

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

Contributions

Act 205 requires that annual contributions be based upon the minimum municipal obligation ("MMO"). The MMO is based upon the plan's biennial actuarial valuation. Employees were not required to contribute to the plan during 2010. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds the state and employee contributions must be funded by the employer in accordance with Act 205.

Administrative Costs

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

Annual Pension Cost

The required contribution was determined as part of the January 1, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.0 percent investment rate of return (net of administrative expenses) and (b) projected salary increases due to inflation of 5.0 percent per year, compounded annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period. The remaining amortization period at December 31, 2010 was 15 years.

Three-Year Trend Information

The actuarial information is required by Act 205 biennially, except for distressed pension plans, which require annual reporting. The three-year historical information required to be disclosed, beginning as of January 1, 2008 is as follows:

Calendar Year	Actuarial Value of Assets	Actuarial Accrued Liability	Percentage Funded (1)/(2)	Unfunded (assets in excess of) Accrued Liability (2)-(1)	Annual Covered Payroll	Unfunded (assets in excess of) Accrued Liability as a % of Payroll (4)/(5)
1/1/08	*	*	*	*	*	*
1/1/09	\$3,706,323	\$3,763,518	98.5%	\$ 57,195	\$2,041,108	2.8 %
1/1/10	*	*	*	*	*	*

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER
AND OTHER CONTRIBUTING ENTITIES

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2008	\$166,814	100%
2009	\$181,383	100%
2010	\$185,993	100%

NOTE 10 SEWER PENSION PLAN

Plan description and provisions:

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

Plan Membership

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

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

Benefit Provisions

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 10 SEWER PENSION PLAN (cont'd)

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

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

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

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

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

Members are not required to contribute to the plan.

Basis of Accounting

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

Method Used to Value Investments

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

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

Deposits and Investments

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2010, the carrying amount of the Sewer Pension Plan's deposits was \$29,924 which is equal to the deposits in a Federated Prime obligations fund held by the trustee of the pension in the Township's name. None of this balance was subject to custodial credit risk.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 10 SEWER PENSION PLAN (cont'd)

Investments

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

As of December 31, 2010, the Township Sewer Pension Plan had the following investments:

	Fair Value
Equity mutual funds	\$ 1,731,734
Fixed Income funds	530,383
Unallocated insurance contract	388,802
TOTAL	\$ 2,650,919

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

Contributions

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

Administrative Costs

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

Annual Pension Cost

The required contribution was determined as part of the January 1, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.0 percent investment rate of return (net of administrative expenses) and (b) projected salary increases due to inflation of 5.0 percent per year, compounded annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a level dollar closed bases. The remaining amortization period at December 31, 2010 was four years.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 10 SEWER PENSION PLAN (cont'd)

Three-Year Trend Information

The actuarial information is required by Act 205 biennially, except for distressed pension plans, which require annual reporting. The three-year historical information required to be disclosed, beginning as of January 1, 2008 is as follows:

Calendar Year	Actuarial Value of Assets	Actuarial Accrued Liability	Percentage Funded (1)/(2)	Unfunded (assets in excess of) Accrued Liability (2)-(1)	Annual Covered Payroll	Unfunded (assets in excess of) Accrued Liability as a % of Payroll (4)/(5)
1/1/08	*	*	*	*	*	*
1/1/09	\$2,424,428	\$2,629,514	92.2%	\$205,086	\$976,927	21.0%
1/1/10	*	*	*	*	*	*

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER
AND OTHER CONTRIBUTING ENTITIES

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2008	\$ 130,634	100.0%
2009	\$ 134,681	100.0%
2010	\$ 143,271	100.0%

NOTE 11 VILLAGE OF SHANNON

The Village of Shannon Homeowners' Association maintains an escrow account with West Goshen Township. The money that West Goshen Township is holding for the Village of Shannon is currently invested in a savings account. Any interest earned is forwarded to the Association at its request. As of December 31, 2010, the carrying value of the escrow account is \$66,702.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS

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

Description of Plans

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

Medical Benefits Payable Upon Retirement

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

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

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

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

Life Insurance Payable Upon Retirement

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

Funding Policy

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 529,228
Interest on net OPEB obligation	21,531
Adjustment to annual required contribution	<u>(29,374)</u>
Annual OPEB cost (expense)	521,385
Contributions made	<u>(73,982)</u>
Increase in net OPEB obligation	447,403
Net OPEB obligation - beginning of year	<u>478,474</u>
Net OPEB obligation - end of year	<u>\$ 925,877</u>

Funded Status and Funding Progress

As of January 1, 2009, the most recent actuarial valuation date, the plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$3,849,976, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability ("UAAL") of \$3,849,976. The covered payroll (annual payroll of active employees covered by the plan) was \$5,277,569, and the ratio of the UAAL to the covered payroll was 72.95 percent.

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

used include techniques that are designed to reduce the effects of short-term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2009 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.50 percent investment rate of return and an annual healthcare cost trend rate of 8.0 percent, reduced by decrements of 0.5% per year to an ultimate rate of 5.5 percent in 2014. The UAAL is being amortized based on the level dollar, 30-year open period. The remaining amortization period at December 31, 2010 was 28 years.

NOTE 13 CONTINGENT LIABILITIES

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

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

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

NOTE 14 RISK MANAGEMENT

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

NOTE 15 ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

The Township recognizes as revenue and expenses contributions made by the Commonwealth of Pennsylvania to the Township's Police, Non-Uniformed and Sewer Pension Funds on behalf of the Township's employees. In fiscal years 2010 and 2009, the State made contributions of \$384,946 and \$359,722, respectively. For the Police and Non-Uniformed Pension Funds, these contributions are recorded in the General Fund as revenue and expenditures. For the Sewer Pension Fund, these contributions are recorded in the Sewer Fund as revenue and expenses.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 16 **EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended December 31, 2010:

General Fund:	
<i>General government:</i>	
Administration	\$ 89,976
Engineering and Legal	348,985
<i>Public Safety:</i>	
Police	\$ 111,801
Fire Protection	24,127
 <i>Public works - highways and streets:</i>	
Administration	\$ 71,325
Winter Maintenance	22,200
 Capital Reserve Fund:	
<i>Debt Service:</i>	
Issuance Costs	\$ 37,795

The excess expenditures in the general fund were covered by the available fund balance. The excess expenditures in the capital reserve fund were covered by the proceeds of the general obligation note.

NOTE 17 **COMMITMENTS**

Governmental Activities

At December 31, 2010, the Township had the following construction commitments related to the construction of a new public works building:

<u>Contract Amounts</u>	<u>Completed through 12/31/2010</u>	<u>Balance</u>
<u>\$ 5,161,088</u>	<u>\$ 3,214,784</u>	<u>\$ 1,946,304</u>

In addition, the Township has incurred costs in the amount of \$438,803 related to the new public works building that are not under formal commitments as of December 31, 2010.

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 17 COMMITMENTS (cont'd)

Future minimum contract obligations as of December 31, 2010 are as follows:

Year Ending December 31,

2011		\$ 240,332
2012		240,332
2013		<u>240,332</u>
Total Commitment		<u>\$ 720,996</u>

Business-type Activities

At December 31, 2010, the West Goshen Sewer Authority had the following construction commitments related to expansion of the sewer plant:

<u>Contract Amount</u>	<u>Completed through 12/31/2010</u>	<u>Balance</u>
<u>\$ 493,247</u>	<u>\$ 490,304</u>	<u>\$ 2,942</u>

In addition, the Authority has incurred costs in the amount of \$268,092 related to the construction projects not under formal commitments as of December 31, 2010.

NOTE 18 SUBSEQUENT EVENTS

The Township has evaluated all subsequent events through April 25, 2011, the date the financial statements were available to be issued.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

WEST GOSHEN TOWNSHIP
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUND TYPES
DECEMBER 31, 2010
 (With Summarized Comparative Data for December 31, 2009)

	Special Revenue Funds					Totals	
	State Fund	Parks and Recreation Fund	Offsite Development Fund	Zoning Hearing Board Fund	Capital Projects Fund	2010	2009
ASSETS							
Cash and cash equivalents	\$ 96,887	\$ 4,810	\$ 799,309	\$ 7,500	\$ 54,487	\$ 962,993	\$ 415,404
TOTAL ASSETS	<u>\$ 96,887</u>	<u>\$ 4,810</u>	<u>\$ 799,309</u>	<u>\$ 7,500</u>	<u>\$ 54,487</u>	<u>\$ 962,993</u>	<u>\$ 415,404</u>
LIABILITIES AND FUND BALANCE							
LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE:							
Unreserved	96,887	4,810	799,309	7,500	54,487	962,993	415,404
Total Fund Balance	<u>96,887</u>	<u>4,810</u>	<u>799,309</u>	<u>7,500</u>	<u>54,487</u>	<u>962,993</u>	<u>415,404</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 96,887</u>	<u>\$ 4,810</u>	<u>\$ 799,309</u>	<u>\$ 7,500</u>	<u>\$ 54,487</u>	<u>\$ 962,993</u>	<u>\$ 415,404</u>

WEST GOSHEN TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010
(With Summarized Comparative Data for the Year Ended December 31, 2009)

	Special Revenue Funds					Totals	
	State Fund	Parks and Recreation Fund	Offsite Development Fund	Zoning Hearing Board Fund	Capital Projects Fund	2010	2009
REVENUES:							
Investment earnings	\$ 551	\$ 5	\$ 316	\$ -	\$ 163	\$ 1,035	\$ 3,915
Intergovernmental revenues	448,892	-	-	-	-	448,892	466,348
Charges for services	-	-	-	6,000	-	6,000	11,000
Contributions	-	-	607,500	-	-	607,500	2,500
TOTAL REVENUES	<u>449,443</u>	<u>5</u>	<u>607,816</u>	<u>6,000</u>	<u>163</u>	<u>1,063,427</u>	<u>483,763</u>
EXPENDITURES:							
Public works - highways and streets	503,311	-	-	-	-	503,311	418,596
Miscellaneous expenditures	-	-	27	12,500	-	12,527	116,665
TOTAL EXPENDITURES	<u>503,311</u>	<u>-</u>	<u>27</u>	<u>12,500</u>	<u>-</u>	<u>515,838</u>	<u>535,461</u>
NET CHANGE IN FUND BALANCES	(53,868)	5	607,789	(6,500)	163	547,589	(51,718)
FUND BALANCE, BEGINNING OF YEAR	<u>150,755</u>	<u>4,805</u>	<u>191,520</u>	<u>14,000</u>	<u>54,324</u>	<u>415,404</u>	<u>467,122</u>
FUND BALANCE, END OF YEAR	<u>\$ 96,887</u>	<u>\$ 4,810</u>	<u>\$ 799,309</u>	<u>\$ 7,500</u>	<u>\$ 54,487</u>	<u>\$ 962,993</u>	<u>\$ 415,404</u>

**WEST GOSHEN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - CAPITAL RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES			
Investment earnings	\$ 41,500	\$ 21,403	\$ (20,097)
TOTAL REVENUES	<u>41,500</u>	<u>21,403</u>	<u>(20,097)</u>
EXPENDITURES			
General government	30,750	22,577	8,173
Public works - highways and streets	5,207,500	3,947,131	1,260,369
Debt service:			
Principal	520,333	347,000	173,333
Interest	210,801	203,763	7,038
Issuance costs	-	37,795	(37,795)
TOTAL EXPENDITURES	<u>5,969,384</u>	<u>4,558,266</u>	<u>1,411,118</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(5,927,884)</u>	<u>(4,536,863)</u>	<u>1,391,021</u>
OTHER FINANCING SOURCES:			
Proceeds from general obligation note	3,900,000	3,272,579	(627,421)
Interfund transfers	1,288,634	807,495	(481,139)
TOTAL OTHER FINANCING SOURCES	<u>5,188,634</u>	<u>4,080,074</u>	<u>(1,108,560)</u>
NET CHANGE IN FUND BALANCES	(739,250)	(456,789)	282,461
FUND BALANCE, BEGINNING OF YEAR	<u>4,543,753</u>	<u>4,980,975</u>	<u>(437,222)</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,804,503</u>	<u>\$ 4,524,186</u>	<u>\$ (154,761)</u>

**WEST GOSHEN TOWNSHIP
 BUDGETARY COMPARISON SCHEDULE -
 NONMAJOR GOVERNMENTAL FUND TYPE - STATE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Original and Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Investment earnings	\$ 4,000	\$ 551	\$ (3,449)
State grants	449,398	448,892	(506)
TOTAL REVENUES	<u>453,398</u>	<u>449,443</u>	<u>(3,955)</u>
 EXPENDITURES			
Public works - highways and streets	<u>524,000</u>	<u>503,311</u>	<u>20,689</u>
TOTAL EXPENDITURES	<u>524,000</u>	<u>503,311</u>	<u>20,689</u>
 DEFICIENCY OF REVENUES (UNDER) EXPENDITURES	<u>(70,602)</u>	<u>(53,868)</u>	<u>16,734</u>
 NET CHANGE IN FUND BALANCES	(70,602)	(53,868)	16,734
 FUND BALANCE, BEGINNING OF YEAR	<u>78,363</u>	<u>150,755</u>	<u>72,392</u>
 FUND BALANCE, END OF YEAR	<u>\$ 7,761</u>	<u>\$ 96,887</u>	<u>\$ 89,126</u>

WEST GOSHEN TOWNSHIP
COMBINING STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
DECEMBER 31, 2010

	<u>Police Retirement Insurance Fund</u>	<u>Non-Uniformed Insurance Fund</u>	<u>Police Pension Fund</u>	<u>Non-Uniformed Pension Fund</u>	<u>Sewer Pension Fund</u>	<u>Totals</u>
	<u>2010</u>	<u>2010</u>	<u>2010</u>	<u>2010</u>	<u>2010</u>	<u>2009</u>
ASSETS						
Cash and cash equivalents	\$ 819,019	\$ 931,125	\$ 111,542	\$ 69,102	\$ 29,924	\$ 1,672,042
Insurance contracts, at contract value	-	-	794,267	414,397	388,802	1,580,408
Investments, at market value - mutual funds	-	-	8,577,072	3,593,444	2,262,117	12,645,578
TOTAL ASSETS	<u>\$ 819,019</u>	<u>\$ 931,125</u>	<u>\$ 9,482,881</u>	<u>\$ 4,076,943</u>	<u>\$ 2,680,843</u>	<u>\$ 17,990,811</u>
LIABILITIES AND NET ASSETS						
LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET ASSETS	<u>819,019</u>	<u>931,125</u>	<u>9,482,881</u>	<u>4,076,943</u>	<u>2,680,843</u>	<u>15,898,028</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 819,019</u>	<u>\$ 931,125</u>	<u>\$ 9,482,881</u>	<u>\$ 4,076,943</u>	<u>\$ 2,680,843</u>	<u>\$ 15,898,028</u>

WEST GOSHEN TOWNSHIP
COMBINING STATEMENT OF CHANGES IN NET ASSETS - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Police Retirement Insurance Fund	Non- Uniformed Insurance Fund	Police Pension Fund	Non- Uniformed Pension Fund	Sewer Pension Fund	Totals
	2010	2010	2010	2010	2010	2009
ADDITIONS AND INVESTMENT INCOME						
Contributions:						
State aid	\$ -	\$ -	\$ 197,510	\$ 105,878	\$ 81,558	\$ 384,946
Employer contribution	64,900	97,487	149,452	80,115	61,713	453,667
Employee contribution	-	-	121,803	-	-	121,803
Total Contributions	<u>64,900</u>	<u>97,487</u>	<u>468,765</u>	<u>185,993</u>	<u>143,271</u>	<u>960,416</u>
Investment income:						
Net increase in fair value of investments	-	-	734,891	339,814	203,557	1,278,262
Realized gain on investment	-	-	28,751	9,085	6,435	44,271
Interest and dividends	780	889	226,934	91,870	66,964	387,437
Net investment income	<u>780</u>	<u>889</u>	<u>990,576</u>	<u>440,769</u>	<u>276,956</u>	<u>1,709,970</u>
TOTAL ADDITIONS AND INVESTMENT INCOME	<u>65,680</u>	<u>98,376</u>	<u>1,459,341</u>	<u>626,762</u>	<u>420,227</u>	<u>2,670,386</u>
DEDUCTIONS						
Benefits paid	-	-	307,423	123,386	67,512	498,321
Administrative expenses	-	-	31,202	15,522	12,286	59,010
Other expenses	-	20,272	-	-	-	20,272
TOTAL DEDUCTIONS	<u>-</u>	<u>20,272</u>	<u>338,625</u>	<u>138,908</u>	<u>79,798</u>	<u>577,603</u>
CHANGE IN PLAN ASSETS	<u>65,680</u>	<u>78,104</u>	<u>1,120,716</u>	<u>487,854</u>	<u>340,429</u>	<u>2,092,783</u>
NET ASSETS, BEGINNING OF YEAR	<u>753,339</u>	<u>853,021</u>	<u>8,362,165</u>	<u>3,589,089</u>	<u>2,340,414</u>	<u>15,898,028</u>
NET ASSETS, END OF YEAR	<u>\$ 819,019</u>	<u>\$ 931,125</u>	<u>\$ 9,482,881</u>	<u>\$ 4,076,943</u>	<u>\$ 2,680,843</u>	<u>\$ 15,898,028</u>

WEST GOSHEN TOWNSHIP
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	Balance December 31, 2009	Additions	Deductions	Balance December 31, 2010
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and cash equivalents	\$ 66,654	\$ 67	\$ (19)	\$ 66,702
TOTAL ASSETS	<u>\$ 66,654</u>	<u>\$ 67</u>	<u>\$ (19)</u>	<u>\$ 66,702</u>
LIABILITIES				
Escrow deposits	\$ 66,654	\$ 67	\$ (19)	\$ 66,702
TOTAL LIABILITIES	<u>\$ 66,654</u>	<u>\$ 67</u>	<u>\$ (19)</u>	<u>\$ 66,702</u>

STATISTICAL SECTION

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities									
Invested in capital assets, net of related debt	\$ 6,845,656	\$ 7,177,866	\$ 29,362,825 ¹	\$ 29,281,900	\$ 30,458,442	\$ 29,894,890	\$ 29,881,898	\$ 29,269,767	\$ 29,680,575
Restricted	3,402,147	4,601,458	4,912,249	5,206,353	4,914,618	7,074,261	6,336,140	4,980,975	4,524,186
Unrestricted	6,522,056	5,862,544	6,800,491	7,621,651	9,811,142	11,555,617	10,932,256	10,613,470	10,387,645
Total governmental activities net assets	\$ 16,769,859	\$ 17,641,867	\$ 41,075,535	\$ 42,119,904	\$ 45,184,202	\$ 48,524,768	\$ 47,160,294	\$ 44,858,212	\$ 44,512,406
Business-type activities									
Invested in capital assets, net of related debt	\$ 12,865,122	\$ 12,570,041	\$ 12,890,021	\$ 13,432,273	\$ 13,794,285	\$ 14,437,894	\$ 14,747,693	\$ 15,864,175	\$ 18,160,094
Restricted	7,878,389	7,931,475	7,711,315	9,151,259	9,288,289	9,930,033	10,201,477	9,137,827	1,432,798
Unrestricted	6,327,851	6,886,883	6,779,101	6,373,668	6,148,304	4,342,442	2,833,025	2,474,947	8,571,803
Total business-type activities net assets	\$ 27,071,362	\$ 27,388,399	\$ 27,380,437	\$ 27,957,220	\$ 28,230,878	\$ 28,710,339	\$ 27,782,195	\$ 27,476,949	\$ 28,164,695
Primary government									
Invested in capital assets, net of related debt	\$ 19,710,778	\$ 19,747,906	\$ 42,252,846	\$ 42,724,173	\$ 44,262,727	\$ 44,332,754	\$ 44,639,591	\$ 45,127,942	\$ 47,750,669
Restricted	11,280,636	12,532,933	12,623,564	14,357,612	14,202,907	17,004,294	16,537,617	14,118,802	5,986,984
Unrestricted	12,849,907	12,749,427	13,579,562	12,995,339	14,959,446	15,898,059	13,785,281	13,088,417	18,989,448
Total primary government net assets	\$ 43,841,321	\$ 45,030,266	\$ 68,455,972	\$ 70,077,124	\$ 73,415,080	\$ 77,235,107	\$ 74,942,489	\$ 72,335,161	\$ 72,677,101

Notes:

Ninth full year of full-accrual basis accounting.

Prior year statistics are not available.

¹ First year valuation of infrastructure incorporated in the year 2004.

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Governmental activities:									
General Government	\$ 1,555,814	\$ 1,686,167	\$ 1,669,859	\$ 1,645,510	\$ 1,786,077	\$ 1,801,333	\$ 1,962,787	\$ 2,195,329	\$ 3,062,908
Public Safety	3,648,571	4,217,326	4,481,480	4,830,795	4,875,689	5,030,088	5,392,394	6,010,813	6,464,674
Public Works - highways and streets	1,161,725	1,203,438	2,556,659	2,293,828	3,564,444	2,508,014	4,476,834	4,704,387	3,565,666
Other Public Works	96,828	110,063	135,560	114,056	128,088	161,236	169,750	234,457	121,795
Library	5,250	5,000	5,000	5,000	2,500	-	-	-	-
Culture and Recreation	875,077	853,745	924,619	944,821	974,352	1,138,543	1,172,675	1,240,395	1,330,692
Interest Expense	312,537	298,320	289,813	296,603	285,034	289,426	228,119	208,698	293,763
Total governmental activities expenses	7,855,802	8,374,059	10,082,990	10,160,613	11,616,184	10,898,640	13,402,558	14,595,279	14,749,488
Business-type activities:									
Sewer Operations	3,218,839	3,797,503	3,709,370	3,629,272	3,832,230	3,946,488	4,099,172	4,173,511	4,280,226
Waste and Recycling	1,240,565	1,342,917	1,368,059	1,384,567	1,513,684	1,866,119	2,248,783	1,918,726	2,031,249
Total business-type activities expenses	4,459,404	5,140,420	5,077,429	5,013,839	5,345,914	5,812,607	6,347,955	6,092,237	6,311,475
Total Primary Government Expenses	\$12,315,206	\$13,514,479	\$15,140,419	\$15,194,452	\$16,962,098	\$16,711,247	\$19,750,513	\$20,687,516	\$21,060,963
Program Revenues									
Governmental activities:									
Charges for services:									
General Government	\$ 47,686	\$ 56,340	\$ 54,377	\$ 84,648	\$ 59,730	\$ 46,597	\$ 50,765	\$ 171,842	\$ 51,943
Public Safety	428,825	411,057	461,000	449,618	571,772	666,253	656,706	478,796	507,756
Culture and Recreation	183,887	166,835	103,152	72,081	156,726	127,436	120,724	93,485	696,996
Operating Grants and Contributions	766,037	861,059	799,994	851,335	900,305	982,619	977,851	968,303	1,033,480
Capital Grants and Contributions	528,850	74,841	40,000	187,413	403,396	740,071	130,030	25,304	751,137
Total governmental activities program revenues	1,952,285	1,570,132	1,458,523	1,646,095	2,091,929	2,512,957	1,936,076	1,727,730	3,041,312
Business-type activities:									
Charges for services:									
Sewer Operations	3,300,360	3,591,812	3,248,029	3,307,995	3,742,250	3,523,991	3,533,792	3,944,184	4,647,430
Waste and Recycling	1,318,833	1,346,757	1,358,002	1,365,572	1,370,204	1,377,304	1,384,321	1,758,456	2,136,619
Operating Grants and Contributions	145,069	134,824	246,287	108,451	134,571	139,287	136,321	103,055	190,264
Capital Grants and Contributions	401,655	71,540	-	424,427	245,984	-	98,854	-	-
Total business-type activities program revenues	5,165,917	5,144,933	4,852,318	5,206,445	5,492,979	5,040,552	5,163,288	5,805,695	6,974,313
Total Primary Government Program Revenues	\$ 7,118,202	\$ 6,715,065	\$ 6,310,841	\$ 6,851,540	\$ 7,584,908	\$ 7,553,519	\$ 7,099,364	\$ 7,533,425	\$ 10,015,625
Net (expense)/revenue	\$ (5,903,517)	\$ (6,803,927)	\$ (8,804,467)	\$ (8,535,518)	\$ (9,524,255)	\$ (8,385,673)	\$ (11,466,462)	\$ (12,867,549)	\$ (11,706,176)
Governmental activities	706,513	4,513	(225,111)	192,606	147,065	(772,055)	(1,184,667)	(286,542)	662,839
Business-type activities	\$ (5,197,004)	\$ (6,799,414)	\$ (8,829,578)	\$ (8,342,912)	\$ (9,377,190)	\$ (9,157,728)	\$ (12,651,149)	\$ (13,154,091)	\$ (11,045,338)

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

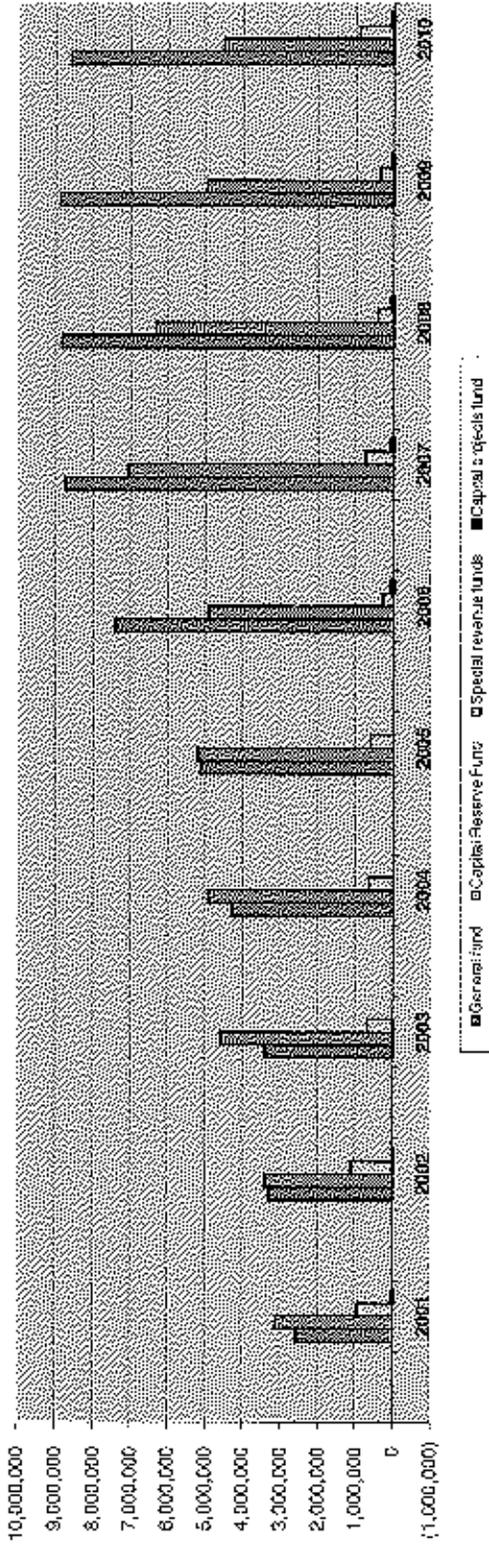
	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
(continued)									
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes									
Real estate taxes	\$ 1,410,351	\$ 1,402,116	\$ 2,481,655	\$ 2,523,930	\$ 2,554,040	\$ 2,551,015	\$ 2,590,007	\$ 2,601,082	\$ 3,451,584
Real estate transfer taxes	786,958	807,367	921,849	744,094	783,750	861,761	964,294	441,286	462,798
Earned income taxes	5,228,193	5,071,293	5,113,634	5,632,133	6,708,791	6,530,198	5,386,742	6,264,503	5,999,465
Emergency Municipal Services Tax	-	-	-	-	942,371	1,197,356	812,406	878,489	910,778
Franchise fees	214,797	239,504	245,451	260,776	283,398	314,316	336,119	348,525	433,767
Investment earnings	165,213	106,601	145,472	360,705	627,616	718,742	392,927	75,603	55,637
Unrestricted grants and contributions	14,294	16,509	13,984	17,538	18,225	20,357	19,031	17,515	18,223
Gain (Loss) on sale of capital assets	-	-	-	-	-	21,448	(13,328)	(101,610)	(30,774)
Miscellaneous	23,463	32,575	42,570	40,711	79,360	102,046	14,810	40,074	60,892
Total governmental activities	7,843,279	7,675,935	8,964,615	9,579,887	11,997,663	12,317,239	10,102,008	10,565,467	11,382,370
Business-type activities:									
Investment earnings	453,061	263,501	179,542	346,754	659,514	660,865	256,523	33,658	27,919
Miscellaneous	50,039	49,023	37,607	37,423	58,079	(349)	-	(52,362)	(3,011)
Total business-type activities	503,094	312,524	217,149	384,177	717,593	660,516	256,523	(18,704)	24,908
Total primary government	\$ 8,346,373	\$ 7,988,459	\$ 9,181,764	\$ 9,964,064	\$ 12,715,146	\$ 12,977,755	\$ 10,358,531	\$ 10,546,763	\$ 11,387,278
Change in Net Assets									
Governmental activities	\$ 1,939,762	\$ 872,008	\$ 360,148	\$ 1,044,389	\$ 2,473,298	\$ 3,931,566	\$ (1,364,474)	\$ (2,302,082)	\$ (345,806)
Business-type activities	1,209,607	317,037	(7,962)	576,783	864,658	(111,539)	(329,144)	(305,248)	687,746
Total primary government	\$ 3,149,369	\$ 1,189,045	\$ 352,186	\$ 1,621,152	\$ 3,337,956	\$ 3,820,027	\$ (2,292,618)	\$ (2,607,328)	\$ 341,940

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.
- ⁴ Dedication of sanitary sewer lines from the Wiltshire and Westtown Chase developments to the Sewer Authority.
- ⁵ The increase from the prior year was the result of a 33% Real Estate Tax increase.

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

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

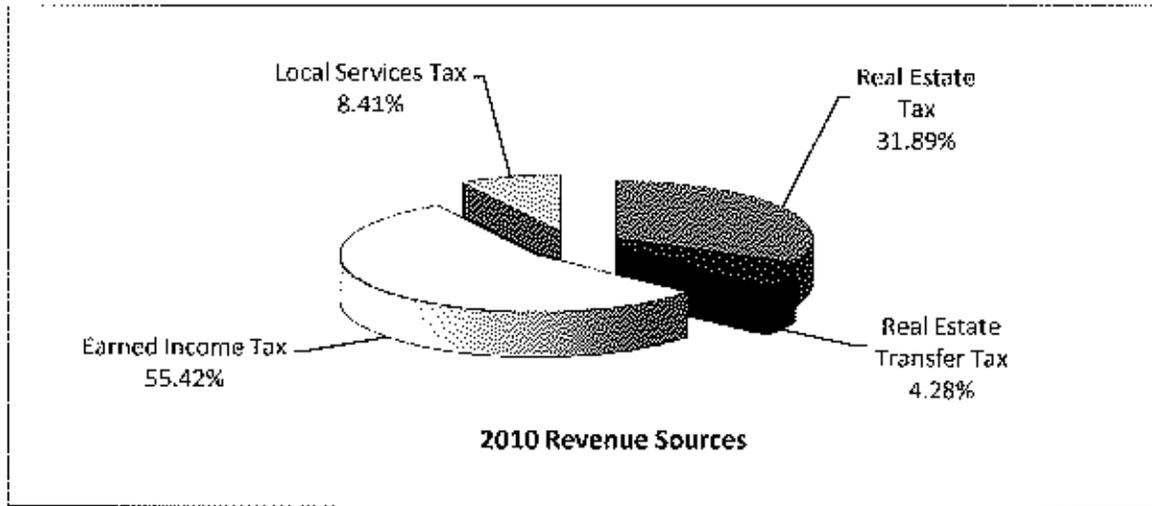


	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund	\$ 2,579,729	\$ 3,402,147	\$ 4,501,172	\$ 4,912,249	\$ 5,206,353	\$ 7,415,233	\$ 8,748,955	\$ 8,830,627	\$ 8,879,327	\$ 8,597,789
Unreserved	\$ 2,579,729	\$ 3,300,757	\$ 3,405,106	\$ 4,292,181	\$ 5,127,853	\$ 7,415,233	\$ 8,748,955	\$ 8,830,627	\$ 8,879,327	\$ 8,597,789
Total general fund	\$ 4,071,097	\$ 4,510,827	\$ 5,290,112	\$ 5,554,937	\$ 5,811,486	\$ 5,251,937	\$ 7,890,377	\$ 5,803,282	\$ 5,396,379	\$ 5,487,179
All other governmental funds										
Reserved - Capital Reserve Fund	\$ 3,121,816	\$ 3,402,147	\$ 4,501,172	\$ 4,912,249	\$ 5,206,353	\$ 4,914,818	\$ 7,074,261	\$ 6,336,140	\$ 4,960,975	\$ 4,524,186
Unreserved, reported in:										
Special revenue funds	949,567	1,109,966	688,940	642,688	605,133	286,668	763,108	412,972	361,090	909,506
Capital projects fund	(286)	(286)	-	-	-	50,651	53,008	54,150	54,324	54,487
Total all other governmental funds	\$ 4,071,097	\$ 4,510,827	\$ 5,290,112	\$ 5,554,937	\$ 5,811,486	\$ 5,251,937	\$ 7,890,377	\$ 5,803,282	\$ 5,396,379	\$ 5,487,179

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 6,629,442	\$ 7,272,386	\$ 7,385,577	\$ 8,392,482	\$ 8,856,569	\$ 10,819,333	\$ 11,258,617	\$ 9,673,966	\$ 9,987,767	\$ 10,927,967
Licenses and permits	294,757	219,950	243,859	273,914	266,385	288,043	318,926	343,409	352,925	438,392
Fines, forfeits and costs	190,680	187,112	152,729	180,387	181,130	212,941	243,004	231,412	214,759	184,930
Investment Earnings	279,155	177,501	118,727	156,984	368,986	660,280	750,290	430,097	106,423	87,758
Intergovernmental revenues	597,907	759,700	952,408	853,378	917,001	1,143,530	952,967	996,882	975,819	1,051,703
Charges for services/fees	313,302	320,845	351,463	340,268	378,827	455,480	513,624	506,323	491,644	427,518
Contributions	77,500	135,000	113,560	57,500	12,500	82,500	47,500	45,000	2,500	607,500
Miscellaneous revenue/other	26,177	23,463	33,753	31,718	20,804	18,420	102,046	14,810	39,874	59,992
Total Revenue	8,508,920	9,095,957	9,352,076	10,287,631	11,022,202	13,680,527	14,186,974	12,243,899	12,171,711	13,785,760
Expenditures										
General Government	1,097,701	1,366,408	1,550,790	1,582,454	1,580,525	1,662,389	1,749,317	1,930,128	2,135,166	2,417,608
Public Safety	3,495,538	3,816,987	4,030,854	4,416,172	4,639,827	4,832,442	4,974,334	5,334,087	5,645,437	6,082,453
Public Works - highways and streets	943,540	616,378	1,130,538	1,359,534	1,455,812	2,859,642	1,340,066	3,805,067	3,878,447	6,608,745
Other public works	96,498	96,828	110,063	138,130	114,056	150,047	168,736	189,750	173,608	210,480
Library	5,250	5,250	5,000	5,000	5,000	2,500	-	-	-	-
Culture and Recreation	660,295	759,634	775,966	858,351	1,087,112	1,813,080	1,028,470	1,057,111	1,188,772	1,238,088
Insurance/employee benefits/payroll taxes	436,642	-	158,976	-	-	-	-	-	-	-
Capital Outlay	21,660	27,655	27	27	27	27	27	27	115,885	12,527
Miscellaneous expenditures	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	423,000	481,719	517,759	563,267	641,163	725,416	744,525	724,315	459,431	450,827
Interest and other charges	354,973	312,537	298,320	289,813	296,603	285,034	259,426	228,118	209,898	203,763
Issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	7,535,097	7,964,914	8,576,293	9,267,748	10,120,125	12,330,577	10,264,901	13,248,603	13,806,644	17,262,286
Excess of revenues over (under) expenditures	973,823	1,131,043	773,783	1,079,883	902,077	1,349,950	3,922,073	(1,006,704)	(1,634,833)	(3,476,526)
Other financing sources (uses)										
Transfers in	1,561,959	1,072,126	2,159,012	1,113,231	1,354,962	1,440,070	2,639,719	924,862	1,662,025	807,495
Transfers out	(1,561,959)	(1,072,126)	(2,159,012)	(1,113,231)	(1,354,962)	(1,440,070)	(2,639,719)	(924,862)	(1,662,025)	(807,495)
Proceeds from debt	-	-	-	-	-	-	-	-	-	3,272,579
Proceeds from Capital leases	-	29,715	104,907	57,127	170,835	336,506	50,089	(2,739)	273,150	-
Sales of capital assets	-	-	4,944	14,890	19,309	41,375	-	4,000	3,600	13,209
Total other financing sources (uses)	-	29,715	109,851	72,017	190,144	377,881	50,089	1,261	276,750	3,285,788
Net change in fund balances	\$ 973,823	\$ 1,160,758	\$ 883,634	\$ 1,151,990	\$ 1,092,231	\$ 1,727,831	\$ 3,972,162	\$ (1,005,443)	\$ (1,358,183)	\$ (190,736)
Debt service as a percentage of noncapital expenditures	5.6%	6.4%	6.1%	6.1%	6.3%	5.9%	7.3%	5.5%	3.3%	2.6%

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

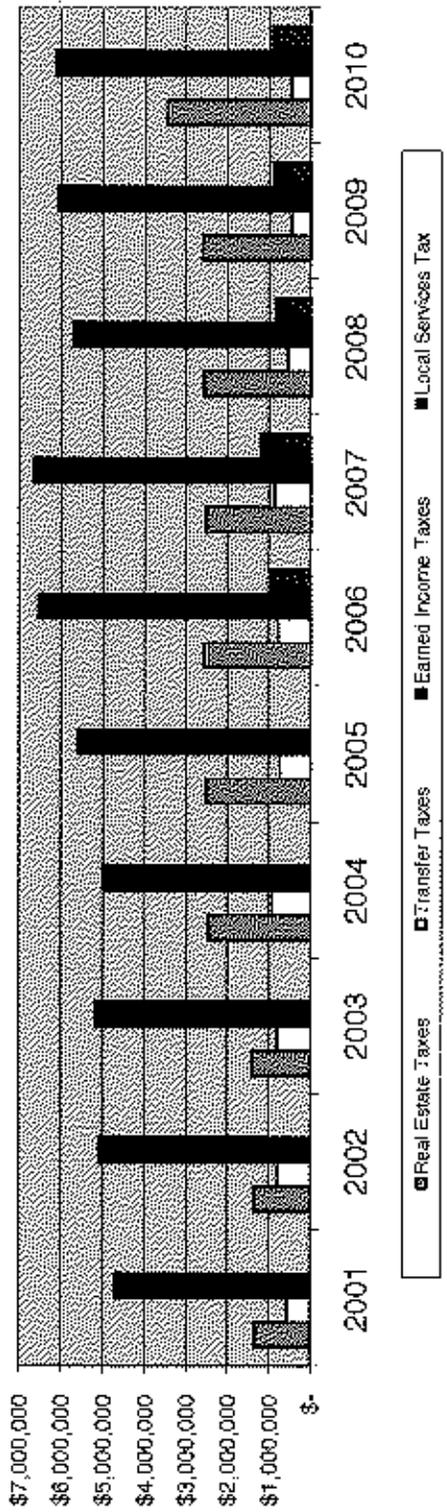


Fiscal Year	Real Estate Tax	Real Estate Transfer Tax	Earned Income Tax	Local Services Tax	Total
2001	\$ 1,356,405	\$ 566,623	\$ 4,707,414	\$ -	\$ 6,629,442
<i>% of total</i>	<i>18.27%</i>	<i>7.62%</i>	<i>63.10%</i>		<i>89.28%</i>
2002	\$ 1,410,361	\$ 786,958	\$ 5,228,193	\$ -	\$ 7,425,512
<i>% of total</i>	<i>19.37%</i>	<i>10.81%</i>	<i>71.81%</i>		<i>101.99%</i>
2003	\$ 1,402,116	\$ 807,367	\$ 5,071,263	\$ -	\$ 7,280,746
<i>% of total</i>	<i>16.46%</i>	<i>9.48%</i>	<i>59.54%</i>		<i>85.48%</i>
2004	\$ 2,481,655	\$ 921,849	\$ 5,113,634	\$ -	\$ 8,517,138
<i>% of total</i>	<i>27.88%</i>	<i>10.36%</i>	<i>57.46%</i>		<i>95.70%</i>
2005	\$ 2,523,930	\$ 744,094	\$ 5,632,133	\$ -	\$ 8,900,157
<i>% of total</i>	<i>22.97%</i>	<i>6.77%</i>	<i>51.26%</i>		<i>80.99%</i>
2006	\$ 2,554,040	\$ 783,750	\$ 6,708,791	\$ 942,371	\$ 10,988,952
<i>% of total</i>	<i>22.93%</i>	<i>7.04%</i>	<i>60.22%</i>	<i>8.46%</i>	<i>98.64%</i>
2007	\$ 2,551,015	\$ 861,761	\$ 6,530,198	\$ 1,197,356	\$ 11,140,330
<i>% of total</i>	<i>27.27%</i>	<i>9.21%</i>	<i>69.82%</i>	<i>12.80%</i>	<i>119.10%</i>
2008	\$ 2,590,007	\$ 584,294	\$ 5,386,742	\$ 812,406	\$ 9,353,449
<i>% of total</i>	<i>25.43%</i>	<i>5.54%</i>	<i>52.89%</i>	<i>7.98%</i>	<i>91.83%</i>
2009	\$ 2,601,082	\$ 441,286	\$ 6,264,503	\$ 878,489	\$ 10,185,360
<i>% of total</i>	<i>24.03%</i>	<i>4.08%</i>	<i>57.87%</i>	<i>8.12%</i>	<i>94.09%</i>
2010	\$ 3,451,584	\$ 462,798	\$ 5,999,465	\$ 910,778	\$ 10,824,625
<i>% of total</i>	<i>31.89%</i>	<i>4.28%</i>	<i>55.42%</i>	<i>8.41%</i>	<i>100.00%</i>

Notes:

Emergency Municipal Services Tax enacted on 1/1/2006 and further enacted by Act 7 of 2007 as Local Services Tax, effective 1/1/2008.
Real Estate Tax increase effective 1/1/2010 (from 1.5 mils to 2.0 mils)

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



Fiscal Year	Real Estate		Earned Income		Local Services		Total
	Real Estate Taxes	Transfer Taxes	Taxes	Taxes	Tax	Tax	
2001	\$ 1,356,405	\$ 2,524,343	\$ 5,003,634	\$ 4,707,414	\$ -	\$ -	\$ 6,629,442
2002	\$ 1,374,891	\$ 2,544,902	\$ 5,110,537	\$ 5,110,537	\$ -	\$ -	\$ 7,272,386
2003	\$ 1,396,947	\$ 2,577,524	\$ 5,181,263	\$ 5,181,263	\$ -	\$ -	\$ 7,385,577
2004	\$ 1,466,999	\$ 2,599,490	\$ 5,003,634	\$ 5,003,634	\$ -	\$ -	\$ 8,392,482
2005	\$ 1,396,947	\$ 2,599,490	\$ 5,181,263	\$ 5,588,133	\$ -	\$ -	\$ 8,856,570
2006	\$ 1,374,891	\$ 2,544,902	\$ 5,110,537	\$ 6,532,791	\$ 942,371	\$ 2	\$ 10,819,333
2007	\$ 1,356,405	\$ 2,524,343	\$ 4,707,414	\$ 6,655,198	\$ 1,197,356	\$ -	\$ 11,258,617
2008	\$ 1,356,405	\$ 2,524,343	\$ 4,707,414	\$ 5,719,742	\$ 812,406	\$ -	\$ 9,673,966
2009	\$ 1,356,405	\$ 2,524,343	\$ 4,707,414	\$ 6,068,503	\$ 878,489	\$ -	\$ 9,987,768
2010	\$ 1,356,405	\$ 2,524,343	\$ 4,707,414	\$ 6,107,466	\$ 910,778	\$ 3	\$ 10,927,967

Notes:
¹ Tax increase of 76% over prior year.
² Emergency Municipal Services Tax enacted 1/1/2006 and further enacted by Act 7 of 2007 as Local Services Tax, effective 1/1/08.
³ Tax increase of 33% 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>
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 ²	\$ 1,663,883,667	68.03%	\$ 2,445,908,990	1.50
2005	\$ 1,686,941,565	60.61%	\$ 2,783,453,582	1.50
2006	\$ 1,720,874,612	54.95%	\$ 3,131,991,794	1.50
2007	\$ 1,732,148,172	51.81%	\$ 3,343,045,972	1.50
2008	\$ 1,747,526,471	51.81%	\$ 3,372,726,089	1.50
2009	\$ 1,752,550,691	52.91%	\$ 3,312,320,806	1.50
2010 ³	\$ 1,750,817,197	55.25%	\$ 3,168,979,127	2.00

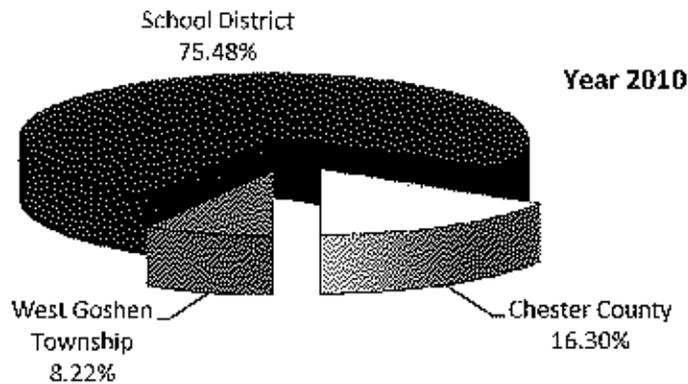
Note: (1) Common level ratio reciprocal factor used by Chester County, Pennsylvania, Board of Assessments and the Pennsylvania Department of Revenue Realty Transfer Tax department.

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

Note (3) Real Estate tax increase of 33% over prior year.

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

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



<u>Fiscal Year</u>	<u>West Goshen Township</u>	<u>School District</u>	<u>Chester County</u>	<u>Total Millage</u>
2001	0.850	11.630	3.103	15.583
<i>Percent of total</i>	5.45%	74.63%	19.91%	100.00%
2002	0.850	12.110	3.178	16.138
<i>Percent of total</i>	5.27%	75.04%	19.69%	100.00%
2003	0.850	12.590	3.273	16.713
<i>Percent of total</i>	5.09%	75.33%	19.58%	100.00%
2004	1.500	13.550	3.414	18.464
<i>Percent of total</i>	8.12%	73.39%	18.49%	100.00%
2005	1.500	14.320	3.558	19.378
<i>Percent of total</i>	7.74%	73.90%	18.36%	100.00%
2006	1.500	15.160	3.699	20.359
<i>Percent of total</i>	7.37%	74.46%	18.17%	100.00%
2007	1.500	15.7900	3.804	21.094
<i>Percent of total</i>	7.11%	74.86%	18.03%	100.00%
2008	1.500	16.8500	3.804	22.154
<i>Percent of total</i>	6.77%	76.06%	17.17%	100.00%
2009	1.500	17.8500	3.965	23.315
<i>Percent of total</i>	6.43%	76.56%	17.01%	100.00%
2010	2.000	18.3600	3.965	24.325
<i>Percent of total</i>	8.22%	75.48%	16.30%	100.00%

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

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

**West Goshen Township
Principal Property Taxpayers
December 31, 2010**

Taxpayer	2010			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
QVC Realty, Inc	\$ 48,669,780	1	2.78%	\$ 48,669,780	1	2.79%
Fern Hill LLC	\$ 16,617,370	2	0.95%	\$ 16,617,370	2	0.95%
Home Properties Golf Club, LLC	\$ 14,780,750	3	0.84%	\$ 14,780,750	3	0.85%
Goshen Terrace Apartments	\$ 14,198,300	4	0.81%	\$ 14,198,300	4	0.81%
Capital Enterprises, Inc	\$ 12,008,680	5	0.69%	\$ 13,832,000	5	0.79%
Cephalon, Inc.	\$ 9,411,460	6	0.54%	\$ 9,411,460	6	0.54%
Cambridge Apartments	\$ 7,948,790	7	0.45%	\$ 7,948,790	7	0.45%
TGM Halstead LLC	\$ 7,454,310	8	0.43%	\$ 7,454,310	8	0.43%
Turks Head Health Services, Inc.	\$ 6,799,320	9	0.39%	\$ 6,799,320	10	0.39%
A. Duie Pyle, Inc	\$ 6,786,500	10	0.39%	\$ 7,336,950	9	0.42%
	<u>\$ 144,675,260</u>		<u>8.26%</u>	<u>\$ 147,049,030</u>		<u>8.41%</u>

Note: Total taxable assessed value, all real property in West Goshen Township, December 31, 2010, \$1,750,817,197.

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

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

Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 1,323,943	\$ 1,333,601	100.73%	\$ 22,804	\$ 1,356,405	102.45%
2002	\$ 1,368,700	\$ 1,350,665	98.68%	\$ 24,226	\$ 1,374,891	100.45%
2003	\$ 1,419,530	\$ 1,369,537	96.48%	\$ 27,410	\$ 1,396,947	98.41%
2004	\$ 2,527,722	\$ 2,441,287	96.58%	\$ 25,712	\$ 2,466,999	97.60%
2005	\$ 2,530,429	\$ 2,493,327	98.53%	\$ 31,016	\$ 2,524,343	99.76%
2006	\$ 2,565,346	\$ 2,522,936	98.35%	\$ 37,484	\$ 2,560,420	99.81%
2007	\$ 2,582,711	\$ 2,508,145	97.11%	\$ 36,157	\$ 2,544,302	98.51%
2008	\$ 2,608,939	\$ 2,536,749	97.23%	\$ 40,775	\$ 2,577,524	98.80%
2009	\$ 2,620,902	\$ 2,553,575	97.43%	\$ 45,914	\$ 2,599,489	99.18%
2010	\$ 3,504,258	\$ 3,405,361	97.18%	\$ 41,564	\$ 3,446,925	98.36%

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

Fiscal Year	Population	Assessed Value	General Obligation Debt	Capital Leases	Total Primary Government	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2001	20,727	\$ 1,557,579,980	\$ 7,823,000	\$ -	\$ 7,823,000	0.50%	\$ 377
2002	20,876	\$ 1,610,621,475	\$ 7,376,000	\$ 19,245	\$ 7,395,245	0.46%	\$ 354
2003	21,017	\$ 1,662,970,630	\$ 6,904,000	\$ 78,394	\$ 6,982,394	0.42%	\$ 332
2004	21,144	\$ 1,663,883,667	\$ 6,404,000	\$ 72,254	\$ 6,476,254	0.39%	\$ 306
2005	21,138	\$ 1,686,941,565	\$ 5,876,000	\$ 129,926	\$ 6,005,926	0.36%	\$ 284
2006	21,168	\$ 1,720,874,612	\$ 5,317,000	\$ 300,016	\$ 5,617,016	0.33%	\$ 266
2007	21,140	\$ 1,732,148,172	\$ 4,726,000	\$ 196,578	\$ 4,922,578	0.28%	\$ 233
2008	21,321	\$ 1,747,526,471	\$ 4,101,000	\$ 94,526	\$ 4,195,526	0.24%	\$ 197
2009	21,339	\$ 1,752,550,691	\$ 3,789,000	\$ 240,245	\$ 4,009,245	0.23%	\$ 188
2010	21,866	\$ 1,750,817,197	\$ 6,694,579	\$ 126,208	\$ 6,820,787	0.39%	\$ 312

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

**West Goshen Township
Direct and Overlapping Governmental Activities Debt
as of December 31, 2010**

<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	\$ 6,694,579	100.00%	\$ 6,694,579
OVERLAPPING DEBT:			
County of Chester	\$ 498,387,000 ¹	4.79%	<u>\$ 23,888,984</u>
TOTAL			<u>\$ 30,583,563</u>

Note¹: County of Chester data not yet available for 2010, amount reflects 2009 gross bonded debt.
The percentage of overlapping debt applicable is estimated using taxable assessed property values.
Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**West Goshen Township
Computation of Borrowing Capacity ¹
December 31, 2010**

	Year Ended December 31,		
	2010	2009	2008
Total Revenues	\$ 26,196,623	\$ 21,841,424	\$ 18,644,127
Deduct excludable items under Section 8002©(16) of the Act:			
Nonrecurring items:			
Grants and gifts in aid	448,892	666,059	699,441
Proceeds from general long-term debt	<u>3,285,788</u>	<u>276,750</u>	<u>4,000</u>
Total Revenues as Defined in Section 8002©(16) of the Act	<u>\$ 22,461,943</u>	<u>\$ 20,898,615</u>	<u>\$ 17,940,686</u>
Total Revenues as Defined in Section 8002[c][16] of the Act for the three years ended December 31, 2009			<u>\$ 61,301,244</u>
Borrowing Base - Arithmetic Average of Total Revenues			<u>\$ 20,433,748</u>
Debt Limit			250%
Debt Limitation			<u>\$ 51,084,370</u>

Note¹: Calculation in accordance with the Commonwealth of Pennsylvania Local Government Unit Debt Act.

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

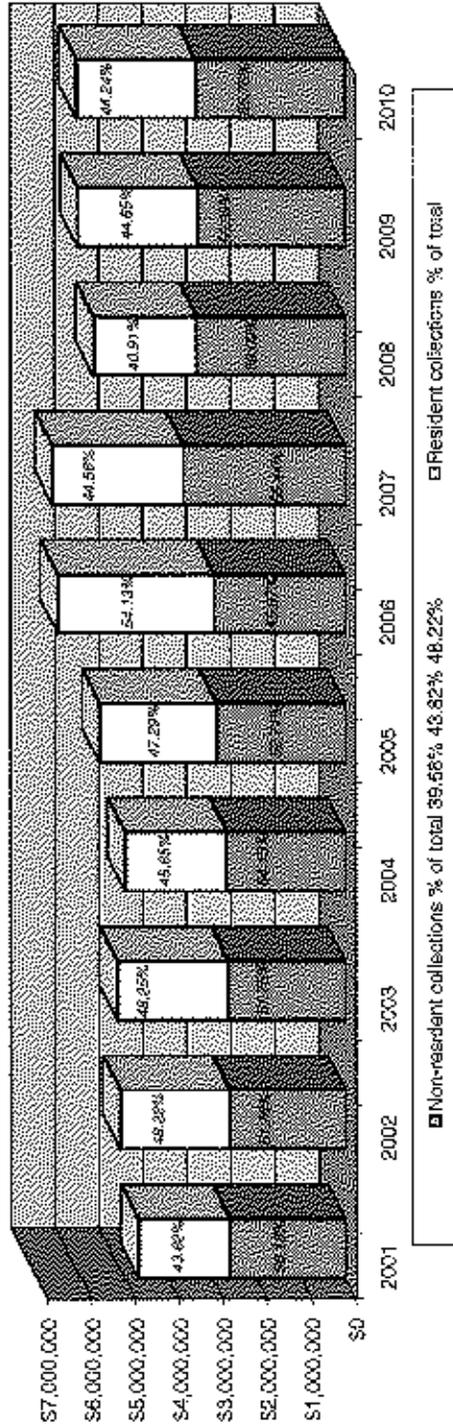
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 175,363	\$ 181,622	\$ 187,822	\$ 188,425	\$ 191,549	\$ 194,693	\$ 197,751	\$ 199,115	\$ 199,727	\$ 199,580
Total net debt applicable to limit	<u>7,823</u>	<u>7,376</u>	<u>6,904</u>	<u>6,404</u>	<u>5,876</u>	<u>5,317</u>	<u>4,726</u>	<u>4,101</u>	<u>3,769</u>	<u>6,695</u>
Legal debt margin	\$ <u>167,530</u>	\$ <u>174,246</u>	\$ <u>180,918</u>	\$ <u>182,021</u>	\$ <u>185,673</u>	\$ <u>189,376</u>	\$ <u>193,025</u>	\$ <u>195,014</u>	\$ <u>195,958</u>	\$ <u>192,885</u>
Total net debt applicable to the limit as a percentage of debt limit	4.48%	4.06%	3.68%	3.40%	3.07%	2.73%	2.39%	2.06%	1.89%	3.35%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value	\$ 1,750,818
Add back: exempt real property	<u>244,978</u>
Total assessed value	<u>1,995,796</u>
Debt limit (10% of total assessed value)	199,580
Debt applicable to limit:	
General obligation bonds	<u>6,695</u>
Total net debt applicable to limit	<u>6,695</u>
Legal debt margin	\$ <u>192,885</u>

Assessed value	1,557,580
Add back: exempt real property	<u>195,955</u>
Total assessed value	<u>1,753,535</u>
@ 10%	175,353
	<u>181,622</u>
	187,822
	<u>188,425</u>
	191,549
	<u>194,693</u>
	197,751
	<u>199,115</u>
	199,727
	<u>199,580</u>

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



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Resident collections	\$2,644,805	\$2,645,989	\$2,681,341	\$2,709,509	\$2,945,330	\$2,996,875	\$3,689,404	\$3,378,794	\$3,358,935	\$3,405,809
% of total	56.18%	51.78%	51.75%	54.15%	52.71%	45.87%	55.44%	59.09%	55.35%	55.76%
Non-resident collections	2,062,609	2,464,548	2,499,922	2,294,125	2,642,803	3,535,916	2,965,794	2,339,958	2,709,567	2,701,656
% of total	43.82%	48.22%	48.25%	45.85%	47.29%	54.13%	44.56%	40.91%	44.65%	44.24%
Total earned income tax collected	<u>\$4,707,414</u>	<u>\$5,110,537</u>	<u>\$5,181,263</u>	<u>\$5,003,634</u>	<u>\$5,588,133</u>	<u>\$6,532,791</u>	<u>\$6,655,198</u>	<u>\$5,719,742</u>	<u>\$6,068,502</u>	<u>\$6,107,465</u>

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

Source:
 West Goshen Township Finance Department and Berkeimer Administrators.

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

	DIRECT:										OVERLAPPING:						
	West Goshen Township										West Chester Area School District Municipalities						
	Individuals		# of Residents			# of Employers		Employers			Total		Employers			Average Earnings	
On file	Exempts	Total	Taxables	On file	On file	Bankrupt	Closed/	Total Open	Total	On file	Bankrupt	Total Open	Total	On file	Bankrupt		Total Open
1999	22,008	5,593	16,415	2,453	1,176	1,277	\$42,685	114,236	25,468	88,768	8,183	3,760	4,423	\$43,141			
2000	23,145	5,755	17,390	2,364	979	1,385	\$44,726	119,272	26,277	92,995	7,757	2,887	4,870	\$76,316			
2001	23,504	5,794	17,710	2,489	1,027	1,462	\$46,064	120,444	26,414	94,030	8,139	3,058	5,081	\$53,360			
2002	23,580	5,794	17,786	2,619	1,065	1,554	\$43,597	122,758	25,785	96,973	8,735	3,184	5,551	\$50,593			
2003	23,939	5,681	18,258	2,709	1,099	1,620	\$43,713	127,787	26,407	101,380	9,248	3,299	5,949	\$44,626			
2004	25,481	5,799	19,682	2,829	1,161	1,668	\$50,507	129,601	26,709	102,892	9,510	3,464	6,046	\$52,434			
2005	25,466	5,818	19,648	2,929	1,168	1,761	\$50,249	132,767	27,387	105,380	10,081	3,608	6,473	\$55,343			
2006	24,965	5,983	18,982	3,032	1,224	1,808	\$52,492	130,461	23,359	107,102	10,527	3,803	6,724	\$57,552			
2007	25,928	6,045	19,883	3,148	1,272	1,876	\$52,820	131,793	28,465	103,328	11,068	3,952	7,116	\$57,160			
2008	25,849	6,203	19,646	3,294	1,330	1,964	\$53,544	132,338	29,272	103,066	11,363	4,191	7,172	\$57,394			

Notes:
2009 and 2010 statistics are not available.
Exempt individuals include disabled, homemaker, non-adult, and retired statuses.
Municipalities included in the West Chester area school district: West Chester Township, East Goshen Township, East Bradford Township, West Whiteland Township, Westtown Township, Thornbury Township (Chester and Delaware County).
All municipalities share resident earned income tax revenue levied at 1%, 50/50 with the School District.

Sources:
West Goshen Township Finance Department and Berkleimer Tax Administrators.

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

Taxpayer	2010			2009		
	Number of Employees	Rank	Percent of Total Employees	Number of Employees	Rank	Percent of Total Employees
QVC Network, Inc.	1,933	1	7.7%	2,019	1	8.1%
United Parcel Service, Inc.	1,034	2	4.1%	1,702	2	6.8%
People 2.0 Global, Inc.	889	3	3.6%	715	6	2.9%
A. Duie Pyle, Inc.	861	4	3.4%	793	5	3.2%
West Chester School W Goshen	841	5	3.4%	859	3	3.4%
Chester County Court House	833	6	3.3%	835	4	3.3%
Wachovia Shared Resources LLC	504	7	2.0%			
PA State System of Higher Education	498	8	2.0%	546	7	2.2%
Nobel Learning Communities	464	9	1.9%	526	8	2.1%
Atlantic Coast Athletic Club				380	9	1.5%
P & A Marketing, Inc.				356	10	1.4%
Cephalon, Inc.	391	10	1.6%			
Total, 10 largest employers	8,248		33.0%	8,731		34.7%
Note: Total employment in West Goshen Township subject to Earned Income Tax	24,961			25,175		

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

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

Function	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Code Enforcement										
Building permits	474	457	413	633	757	918	1,084	1,252	773	868
New construction	70	91	46	36	15	36	37	26	11	17
Additions & alterations	228	242	220	287	200	204	219	245	200	226
Subdivision plans	20	9	9	2	8	2	5	2	2	2
Lots approved	43	14	65	11	2	246	13	9	8	29
Zoning appeals	12	10	11	8	10	8	5	8	4	4
Land development	7	9	14	10	17	16	10	11	9	6
Police										
Physical arrests	838	1,142	1,384	1,330	944	938	1,734	956	1,065	972
Traffic violations	3,129	3,130	2,738	3,090	3,042	2,898	3,063	3,308	3,396	2,879
Parking violations	549	382	321	486	346	340	195	197	281	237
Alarm violations	1,299	1,478	1,348	1,287	1,151	1,255	941	1,006	883	946
Fire										
Number of calls answered	n/a	n/a	n/a	65	77	72	63	75	54	59
Inspections	n/a	n/a	n/a	286	474	466	463	404	340	449
Highways and streets										
Street resurfacing (miles)	3	2	3.40	3.66	1.92	4.08	0.00	10.32	5.19	5.02
Culture and Recreation										
Summer recreation program registrations	315	364	335	294	317	347	332	314	270	260
Summer sports clinic registrations	168	143	84	102	102	119	99	91	89	70
Park/pavilion permits issued	107	116	102	104	110	87	95	89	81	77

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

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

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government											
Building	1	1	1	1	1	1	1	1	1	1	1
Public Safety											
Police:											
Building	1	1	1	1	1	1	1	1	1	1	1
Highways and streets											
Building	1	1	1	1	1	1	1	1	1	1	1
Streets (miles)	79.73	80.92	82.49	82.49	84.69	84.69	84.69	85.64	85.93	87.56	87.56
Bridges	1	1	1	1	1	2	2	2	2	2	2
Traffic Signals	25	25	26	26	26	27	27	27	27	27	27
Culture and recreation											
Parks acreage	109.5	109.5	112.7	112.7	112.7	112.7	112.7	112.7	112.7	112.7	112.7
Parks	12	12	13	13	13	13	13	13	13	13	13
Tennis courts	4	4	4	4	4	4	6	6	6	6	6
Baseball fields	4	4	4	4	4	4	4	4	4	4	4
Basketball courts	3	3	3	3	3	3	3	3	3	3	3
Volleyball court	2	2	2	2	2	2	2	2	2	2	2
Soccer/multipurpose field	1	1	1	1	1	1	1	1	1	1	1
Amphitheaters	1	1	1	1	1	1	1	1	1	1	1
Pavilions	3	3	3	3	2	2	2	2	2	2	2
Maintenance garage	0	0	0	0	1	1	1	1	1	1	1

Source: Various township departments.

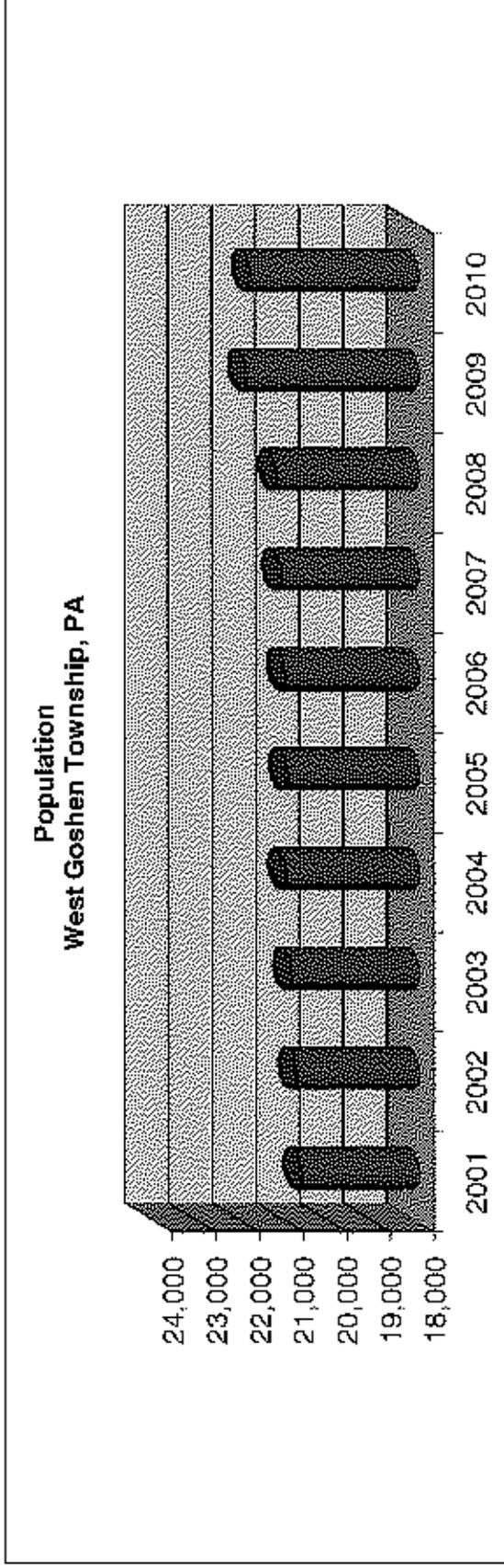
Note: No capital assets indicators are available for the general government function.

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

<u>Function</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Government	13	15	15	14	14	15	15	15	15	13
Public Safety	26	26	26	26	26	25	25	27	29	29
Officers	4	4	4	4	4	2	2	2	2	2
Dispatchers	2	2	2	3	3	3	3	2	2	2
Administration	1	1	1	2	2	2	2	2	2	2
Code Inspectors	0	0	0	1	1	1	1	1	1	1
Fire Marshal										
Highways and streets	8	8	9	9	9	10	10	12	13	13
Culture and recreation	8	9	9	8	9	10	11	11	11	11
Sewer	<u>13</u>	<u>15</u>	<u>15</u>	<u>14</u>	<u>14</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>16</u>	<u>16</u>
Total	75	80	81	81	82	82	84	88	91	89

**WEST GOSHEN TOWNSHIP
POPULATION STATISTICS
LAST TEN FISCAL YEARS**

Population statistics - West Goshen Township, PA

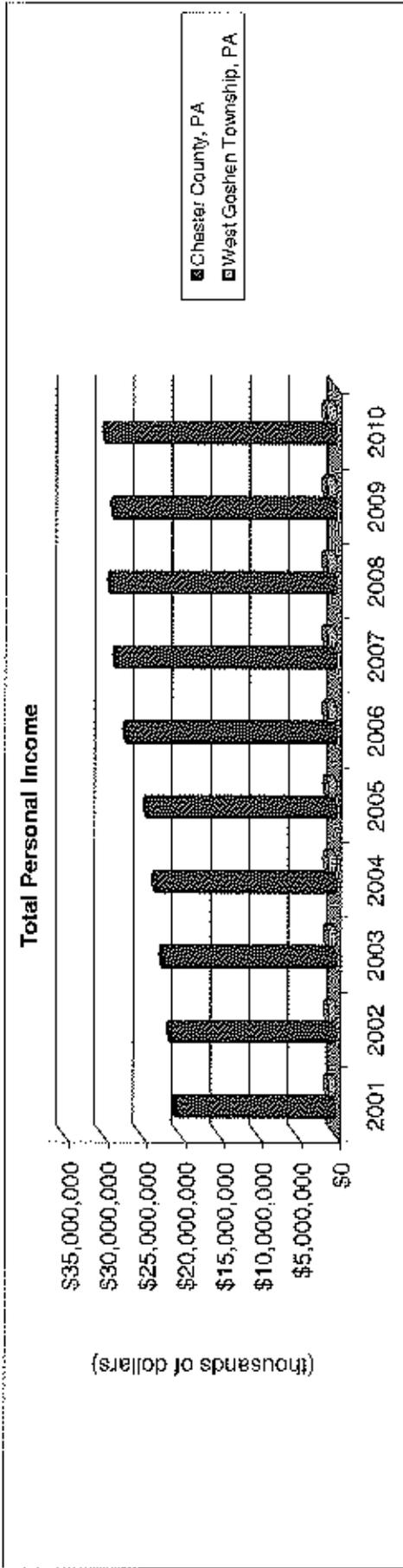


Population	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
West Goshen Township, P/	20,687	20,807	20,930	21,043	21,020	21,073	21,171	21,266	21,956	21,866
Over-the year change		0.9%	0.6%	0.5%	-0.1%	0.3%	0.5%	0.4%	3.7%	-0.4%

Source: US Census Bureau.

WEST GOSHEN TOWNSHIP
TOTAL PERSONAL INCOME
LAST TEN FISCAL YEARS

Total personal income - Chester County, PA



Total Personal Income (thousands of dollars)

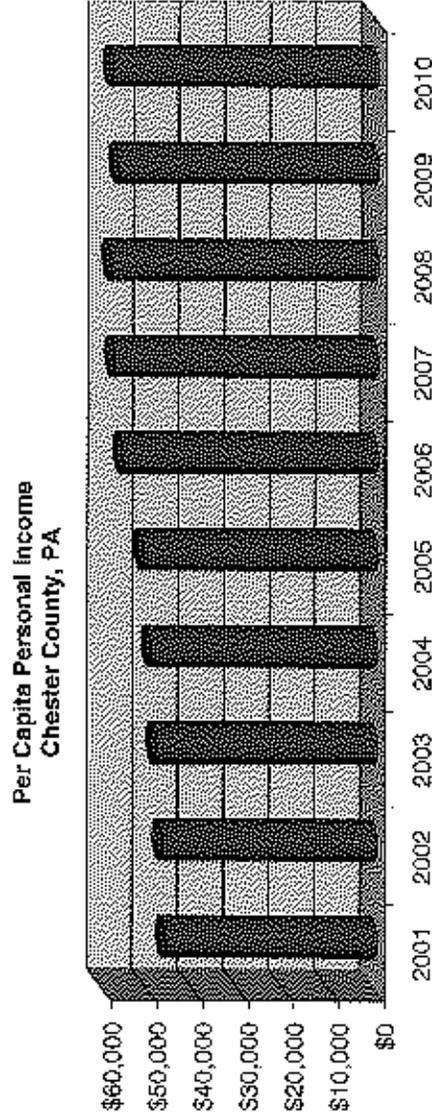
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Chester County, PA	\$20,472,768	\$21,162,488	\$22,188,098	\$23,086,354	\$24,228,078	\$26,882,594	\$28,237,594	\$28,902,509	\$28,453,609	\$29,527,865
West Goshen Township, PA	\$958,704	\$981,241	\$1,018,689	\$1,047,222	\$1,079,973	\$1,179,710	\$1,226,125	\$1,246,026	\$1,252,225	\$1,289,062
	0.0%	3.4%	4.8%	4.0%	4.9%	11.0%	5.0%	2.4%	-1.6%	3.8%

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

Source: Bureau of Economic Analysis Local Area Personal Income estimates (2001-2009); West Goshen Township Finance Department projection (2010).

**WEST GOSHEN TOWNSHIP
PER CAPITA PERSONAL INCOME
LAST TEN FISCAL YEARS**

Per capita personal income - Chester County, PA



Per Capita Personal Income Chester County, PA	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	\$46,343	\$47,159	\$48,671	\$49,766	\$51,378	\$55,982	\$57,915	\$58,592	\$57,033	\$58,301
Over-the-year change		1.8%	3.2%	2.2%	3.2%	9.0%	3.5%	1.2%	-2.7%	2.2%

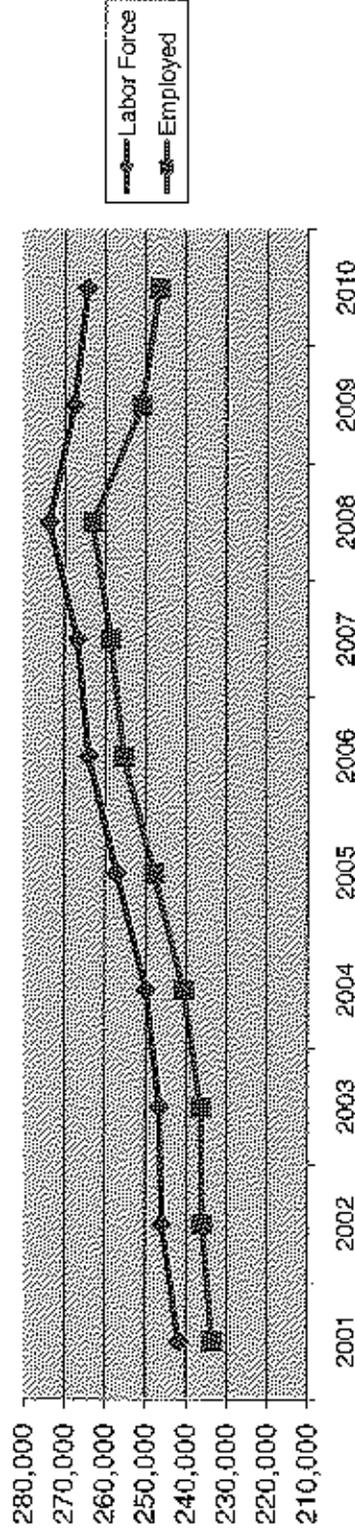
Note: Per capita personal income data not available by minor civil division. County data is provided since it is generally representative of the area's economic climate.

Source: Bureau of Economic Analysis Local Area Personal Income estimates (2001-2009); West Goshen Township Finance Department projection (2010).

WEST GOSHEN TOWNSHIP
LABOR FORCE DATA
LAST TEN FISCAL YEARS

Labor Force Data - Chester County, PA

Labor Force Data
Chester County, PA



Chester County, PA	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Labor Force	241,600	245,856	246,405	249,758	257,078	263,942	266,686	273,667	267,405	264,170
Employed	233,453	235,820	236,234	240,360	247,695	255,221	258,447	262,888	250,710	246,943
Unemployment Rate	3.4%	4.1%	4.1%	3.8%	3.6%	3.3%	3.1%	3.9%	6.2%	6.7%
Pennsylvania Rate	4.8%	5.6%	5.7%	5.4%	5.0%	4.5%	4.3%	5.3%	8.0%	8.7%
US Rate	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%

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

Source: Bureau of Labor Statistics Local Area Unemployment Statistics.

West Goshen Township

Miscellaneous Statistics

December 31, 2010

Date founded:	December 6, 1817	
Form of government:	Second Class Township	
Area:	12 square miles	
Miles of Roads:	88 miles - municipal roads 40 miles - state roads	
Fire/Ambulance protection:	1 volunteer fire department 1 volunteer ambulance service	Fame Fire Company Good Fellowship
Police Protection:	29 full-time police personnel and officers	
Education:	2 Elementary schools 2 Middle Schools 1 High Schools	
Main Township Parks:	West Goshen Community Park Stoneybrook Park Coopersmith Park Barker Park Hallowell Park Robert E. Lambert Park	32.0 acres 22.2 acres 15.2 acres 11.5 acres 8.2 acres 3.2 acres

OTHER REPORTS

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

Barbacane, Thornton & Company LLP

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April 25, 2011

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, 2010, which collectively comprise West Goshen Township's basic financial statements, and have issued our report thereon dated April 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Board of Supervisors
West Goshen Township
West Chester, Pennsylvania

material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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


BARBACANE, THORNTON & COMPANY LLP