

WEST GOSHEN TOWNSHIP
BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2011

WEST GOSHEN TOWNSHIP

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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June 19, 2012

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, 2011, 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 2010 financial statements and, in our report dated April 25, 2011, 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2012 on our consideration of West Goshen Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 18 and pension funds schedule of funding progress, schedule of annual required contributions and notes to required supplementary schedules on pages 62 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 as a whole. The combining and individual fund statements, budgetary comparison schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and; accordingly, we do not express an opinion or provide any assurance on it.

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, 2011. Please read it in conjunction with the Township's financial statements, which begin on page 19.

FINANCIAL HIGHLIGHTS

- The assets of West Goshen Township exceeded its liabilities at the close of the most recent fiscal year by \$72,147,576 (representing its net assets). Of this amount, \$19,146,776 (or its unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Township's total net assets decreased by \$529,525.
- Effective January 1, 2009, the Township implemented Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions," for certain post-employment healthcare benefits and life insurance benefits provided by the Township. For fiscal year 2011, the Township has recognized an additional OPEB liability and expense in the amount of \$1,382,133 in its governmental activities and \$15,684 in its business-type activities.
- As of December 31, 2011, the Township's governmental funds reported combined ending fund balances of \$13,558,373, a decrease of \$526,595 as compared to the prior year. Approximately 68 percent of this total, 48 percent, or \$6,451,630, is available for spending at the Township's discretion (*unassigned fund balance*).
- The Township's total debt increased by \$785,658.

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 19 and 20 provide information about the activities of the Township as a whole and present a long-term view of the Township's finances. Fund financial statements start on page 21. 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 government-wide statements by providing information about the Township's most significant funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the Township as a Whole

Statement of Net Assets and the Statement of Activities

The analysis of the Township as a whole begins on pages 19 and 20 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. You will need to consider other nonfinancial factors, however, such as changes in the Township's property base and the condition of the Township's assets, to assess the overall health of the Township.

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

- **Governmental activities** – Most of the Township's basic services are reported here, including the police, fire, general administration, public works, parks and recreation. Earned income taxes, 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 16, 2012 is publicly available through the offices of West Goshen Township.

Reporting the Township's Most Significant Funds

Fund Financial Statements

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

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

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

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

The Township as Trustee

Reporting the Township's Fiduciary Responsibilities

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

THE TOWNSHIP AS A WHOLE

Entity-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of West Goshen Township, assets exceeded liabilities by \$72,147,576 at the close of 2011. This is a decrease of \$529,525 from the previous year. Our analysis focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Township's governmental and business-type activities.

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

**Table 1
STATEMENT OF NET ASSETS
December 31, 2011 and 2010**

	Governmental Activities		Business-Type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 16,129,487	\$ 16,787,835	\$ 11,337,890	\$ 10,474,678	\$27,467,377	\$ 27,262,513
Capital and related assets	37,482,154	36,459,367	20,497,564	21,358,094	57,979,718	57,817,461
Total Assets	\$ 53,611,641	\$ 53,247,202	\$ 31,835,454	\$ 31,832,772	\$85,447,095	\$ 85,079,974
Long-term liabilities outstanding	\$ 8,811,954	\$ 7,793,698	\$ 2,811,350	\$ 3,134,402	\$11,623,304	\$ 10,928,100
Other liabilities	1,114,795	941,098	561,420	533,675	1,676,215	1,474,773
Total Liabilities	9,926,749	8,734,796	3,372,770	3,668,077	13,299,519	12,402,873
Net Assets:						
Invested in capital assets, net of related debt	29,529,499	29,590,575	17,635,564	18,160,094	47,165,063	47,750,669
Restricted for:						
Capital Reserve	4,368,312	4,524,186	-	-	4,368,312	4,524,186
Streets	24,820	96,887	-	-	24,820	96,887
Sewer	-	-	1,442,605	1,432,798	1,442,605	1,432,798
Unrestricted	9,762,261	10,300,758	9,384,515	8,571,803	19,146,776	18,872,561
Total Net Assets	43,684,892	44,512,406	28,462,684	28,164,695	72,147,576	72,677,101
Total Liabilities and Net Assets	\$ 53,611,641	\$ 53,247,202	\$ 31,835,454	\$ 31,832,772	\$85,447,095	\$ 85,079,974

The largest portion of the Township's net assets, \$47,165,063 (or 65.4 percent) reflects its investment in capital assets (land, buildings, vehicles, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The majority of the outstanding debt of the Township was incurred for the construction of the Township's Municipal Complex, the significant upgrade to the Sewer Wastewater Treatment Plant and the construction of the new Public Works Garage. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the Township's net assets, \$5,835,737 (or 8.1 percent), represents resources that are subject to external restrictions on how they may be used. This compares with last year's total restricted net assets of \$6,053,871. This decrease is primarily due to capital purchases of infrastructure and major equipment.

The remaining balance of unrestricted net assets, \$19,146,776 (or 26.5 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 \$18,872,561.

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

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

Governmental activities

The net decrease from the Township's governmental activities was \$827,514 as compared to the previous year decrease of \$345,806. Table 2 shows the changes in net assets for the year ending December 31, 2011.

The cost of all governmental activities this year was \$15,051,393. As shown in the Statement of Activities on page 20, the amount that our taxpayers ultimately financed for these activities through Township taxes was \$12,778,316. Other costs were paid by those who directly benefited from the programs (\$918,724) or by other governments and organizations that subsidized certain programs with intergovernmental aid and contributions (\$1,354,353).

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
REVENUES:						
Program revenues:						
Charges for services	\$ 918,724	\$ 1,256,695	\$ 6,413,771	\$ 6,784,049	\$ 7,332,495	\$ 8,040,744
Operating grants & contributions	1,354,353	1,033,480	191,654	190,264	1,546,007	1,223,744
Capital grants & contributions	-	751,137	-	-	-	751,137
General revenues:						
Earned income taxes	6,366,105	5,999,465	-	-	6,366,105	5,999,465
Local services taxes	921,698	910,778	-	-	921,698	910,778
Property taxes	3,458,714	3,451,584	-	-	3,458,714	3,451,584
Real estate transfer taxes	568,142	462,798	-	-	568,142	462,798
Franchise taxes	409,665	433,767	-	-	409,665	433,767
Grants & contributions not restricted to specific programs	19,350	18,223	-	-	19,350	18,223
Other	207,128	85,755	16,777	24,908	223,905	110,663
TOTAL REVENUES	14,223,879	14,403,682	6,622,202	6,999,221	20,846,081	21,402,903
EXPENSES:						
General government	2,576,740	3,062,908	-	-	2,576,740	3,062,908
Public safety	6,592,175	6,464,674	-	-	6,592,175	6,464,674
Highways/streets	4,242,422	3,565,666	-	-	4,242,422	3,565,666
Other public works	54,681	121,795	-	-	54,681	121,795
Library	2,500	-	-	-	2,500	-
Culture and recreation	1,239,590	1,330,682	-	-	1,239,590	1,330,682
Interest expense	343,285	203,763	-	-	343,285	203,763
Sewer operations	-	-	4,278,235	4,280,226	4,278,235	4,280,226
Waste and recycling	-	-	2,045,978	2,031,249	2,045,978	2,031,249
TOTAL EXPENSES	15,051,393	14,749,488	6,324,213	6,311,475	21,375,606	21,060,963
INCREASE (DECREASE) IN NET ASSETS	(827,514)	(345,806)	297,989	687,746	(529,525)	341,940
NET ASSETS, BEGINNING OF YEAR	44,512,406	44,858,212	28,164,695	27,476,949	72,677,101	72,335,161
NET ASSETS, END OF YEAR	\$ 43,684,892	\$ 44,512,406	\$ 28,462,684	\$ 28,164,695	\$ 72,147,576	\$ 72,677,101

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

As indicated by governmental program expenses, public safety programs account for approximately 44 percent of the total expenditures of the Township's governmental activities. General administration and highways/streets services account for approximately 17 percent and 28 percent, respectively, of the total expenditures for 2011.

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

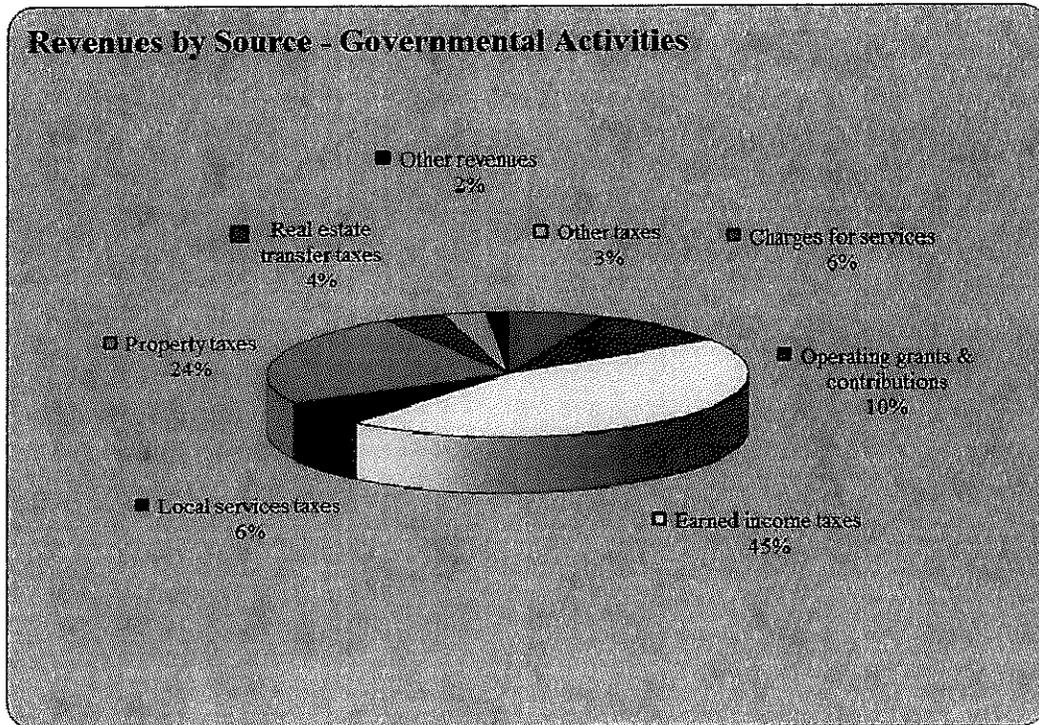
- Employee wages increased approximately three percent.
- Employee benefit costs rose by approximately eight percent.
- Adhering to GASB 45 resulted in the recognition of an expense for other post-employment benefits in the amount of \$397,817.

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 page 7 and below, earned income tax is the largest revenue source for governmental activities, accounting for approximately 45 percent of total revenues (42 percent in the prior year). Property taxes and real estate transfer taxes provide approximately 24 percent and four percent of total revenues, respectively (24 percent and three percent in the prior year). The Local Services Tax accounted for approximately six percent of total revenues (six percent in the prior year). The Township relies on these taxes to furnish the quality of life to citizens and businesses to which the Board of Supervisors has always been committed.

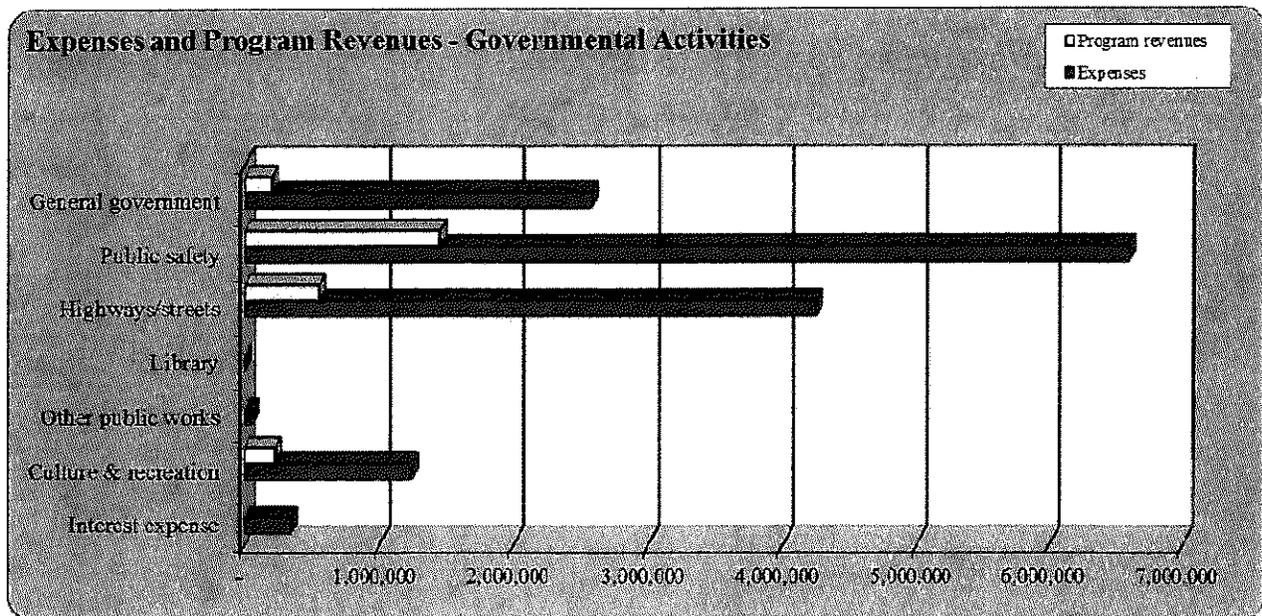
Major revenue factors included:

- Earned income tax revenue increased by \$366,640, or 6.1 percent, for the year ended December 31, 2011.
- Charges for services decreased by \$337,971 from the prior year. Open Space contributions from building contractors of \$77,500 were received in 2011 as compared to \$607,500 for 2010.
- Operating grants and contributions increased by \$320,873 due to a one-time infusion of State Aid for Foreign Fire Insurance and Employees Pension Plans.
- Capital grants and contributions decreased from the prior year by approximately \$751,137. There were no noncash contributions in 2011, whereas noncash contributions of \$751,137 for infrastructure were received in 2010.
- Property transfer taxes increased by \$105,344, or 23 percent for the year ended December 31, 2011.
- Other income increased by \$121,373 over the prior year due mainly to reimbursements relating to Workers' Comp Benefits of \$68,800 and sale of fixed assets of \$80,141.

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



Program revenues support 15.1 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 expenses totaled to \$4,278,235 for 2011 as compared to \$4,280,226 for the prior year. 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 2011 were \$1,277,648 as compared to \$1,270,251 for the prior year. The Sewer Authority has been funding a legal effort to prevent the Environmental Protection Agency from adopting discharge limitations. These limits will affect all 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 2012.

The Waste and Recycling Fund administers the collection of residential solid waste and recyclable material from Township homes. User fees primarily support the cost of this program. Each household is charged a flat rate for trash collection and unlimited recycling. The Commonwealth of Pennsylvania also subsidizes the recycling program with a Performance Grant. The grant amount for 2011 was \$134,274 as compared to \$81,558 for the prior year.

Business-type activities increased the Township's net assets by \$297,989. The increase of \$297,989 of net assets is \$389,757 less than the previous year increase of \$687,746.

Major revenue factors include:

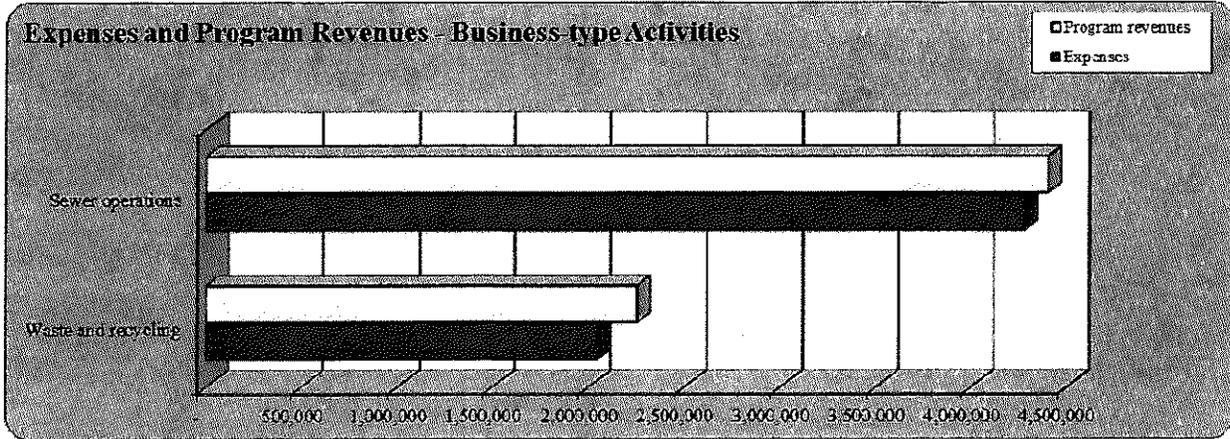
- Sewer operation revenues decreased by \$382,441 in large part to decreases in tap-in fees.

Major expense factors include:

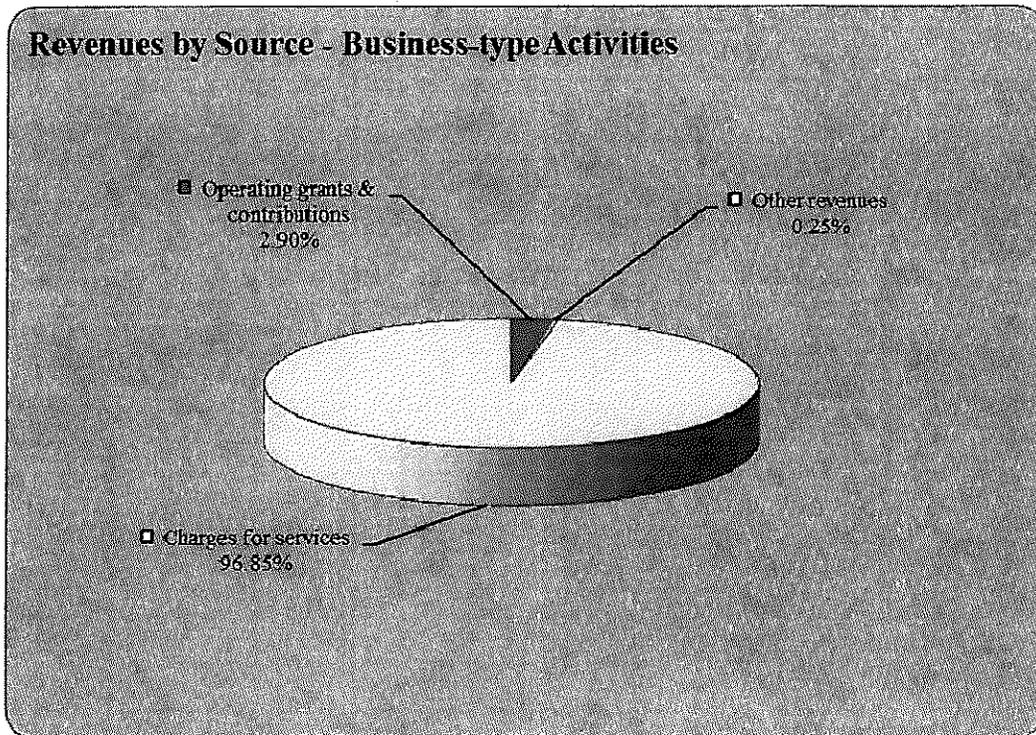
- Employee wages increased approximately three percent resulting from general wage increases.
- Employee benefits costs increased by approximately eight percent.

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

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



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, fund balance is an important measure of economic stability.

As of December 31, 2011, the Township's governmental funds reported combined ending balances of \$13,558,373, a decrease of \$526,595, as compared to the prior year. Approximately 48 percent, or \$6,451,630, constitutes unassigned fund balance, which is available for spending at the Township's discretion. Another portion of the fund balance, \$4,393,132, represents resources that are subject to restrictions for specific purposes: 1) debt service; 2) capital improvements; or 3) additional security for bonds. The remaining balance, \$2,713,611, represents resources that are assigned for specific purposes: 1) appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget; or 2) resources attributable to Special Revenue Funds.

The General Fund is the chief operating fund of West Goshen Township. As of December 31, 2011, the total fund balance of the General Fund was \$8,437,341 (as compared to \$8,597,789 for the prior year). Due to the recession that currently still plagues the nation, actual expenditures and transfers to the Capital Reserve Fund continue to outpace revenues. The anticipated budget deficit to the General Fund was projected to be \$1,430,910 as compared to the actual realized deficit of \$160,448. The Township historically generated revenues in excess of budgeted figures and contained expenditures below budgeted amounts year after year. Key factors contributing to this less than anticipated loss are as follows:

- Overall revenues and other financing sources were more than anticipated by \$1,044,335. The following revenues all came in over budget: Earned income taxes, \$204,105; property transfer taxes, \$118,142; building permits, \$85,643; Intergovernmental revenues, \$360,174; special police services, \$33,375; land development applications, \$33,492; and local services taxes, \$71,698.
- Actual expenses and other financing uses were less than anticipated by \$226,127. The following expenditures all came in under budget: Parks utilities, \$25,313; General recreation programs, \$28,990; legal expenses, \$77,334; administrative utilities, \$17,126; administrative conferences/training, \$14,569; and transfer to Capital Reserve, \$55,538.

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

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

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

In 2010, West Goshen Township borrowed \$5,500,000 in General Obligation Notes to construct a new Public Works building. The portion drawn down in 2011 was \$1,740,806; remaining funds available to be drawn in 2012 are \$486,615.

Capital expenditures financed out of this fund in 2011 totaled \$3,373,062 in the following categories: Administration (\$2,419 - Pollution Remediation); Public Works (\$1,946,976 - construction costs and professional fees for the new Public Works garage; \$12,327 - traffic studies; \$124,194 - signal construction; \$58,016 - road construction materials and \$102,369 - major capital equipment); Parks and Fields (\$118,605 - park improvements; and \$112,194 - major capital equipment); and Debt Service (\$895,872 - principal and interest).

The total fund balance as of December 31, 2011 is \$4,368,312, all of which is restricted as previously explained.

Capital Projects Funds are maintained for specific capital improvements.

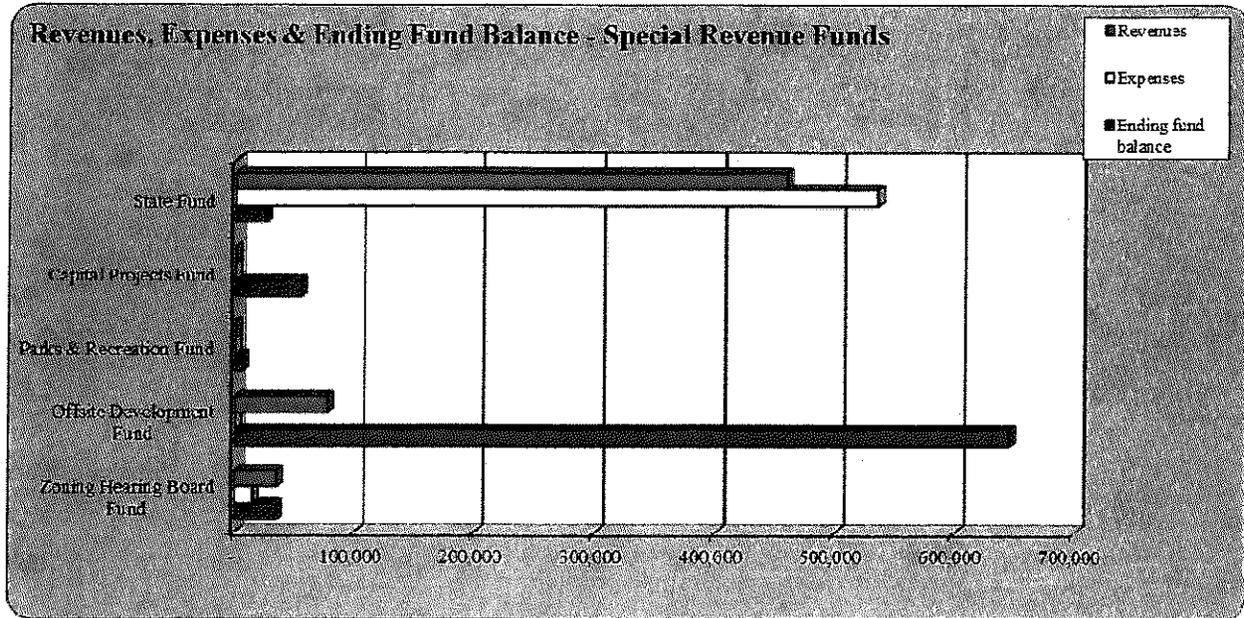
- *Cold Springs Bridge Fund* – In 2006, the Township received \$50,000 from a building contractor for future repairs to a newly constructed bridge leading into the new Cold Springs development. It is anticipated that investment earnings will be sufficient to cover future expenditures. Expenditures for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

The total fund balance as of December 31, 2011, is \$54,651, all of which is assigned.

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

- *State Funds* – The Township received \$459,013 (compared to \$448,892 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 \$77,500 (compared to \$607,500 in the prior year) from building contractors for open space projects. Expenditures from this fund were minimal of \$47.

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



The total fund balance as of December 31, 2011 is \$698,069 (as compared to \$908,506 in the prior year), \$24,820 (State Funds) is restricted and the balance of \$673,249 (all other Special Revenue Funds) are assigned as previously explained.

The financial statements for the governmental funds can be found on pages 21-24 of this report.

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

Unrestricted net assets of the Sewer, Waste and Recycling, Sewer Authority, and Sewer Reserve Funds at the end of the year amounted to \$9,384,515, as compared to \$8,571,803 in the prior year. The total increase in net assets was \$297,989. 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 25 and 26.

For 2011, there were no revisions to the General Fund budget.

The program budget for the General Fund anticipated a decrease in fund balance of \$1,430,910.

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

Actual revenues and other financing sources exceeded budgeted amounts by \$1,044,335. Actual expenditures and other financing uses were under budgeted expenditures by \$226,127. Below are the significant budget variances:

- Legal expenses came in under budget (\$77,334);
- State Aid Employees' Pension came in over budget (\$221,977);
- Transfers to capital reserve were under budget (\$55,538);
- Cable TV Franchise taxes came in over budget (\$59,665);
- Transfer taxes came in over budget (\$118,142);
- Building permits came in over budget (\$85,643);
- Local Services taxes came in over budget (\$71,698);
- Special Police Services came in over budget (\$33,375);
- State Aid for Foreign Fire Insurance came in over budget (\$137,070);
- Reimbursements for Workers' Comp offsets (\$68,800);
- Sale of fixed assets came in over budget (\$2,514); and
- Earned income taxes came in over budget (\$204,105).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Township's investment in capital assets for its governmental and business-type activities as of December 31, 2011 amounts to \$57,945,703, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, machinery and equipment, vehicles, land improvements, and infrastructure. The total increase in the Township's investment in capital assets for the current fiscal year was a total of approximately \$166,036, net of accumulated depreciation, or a 0.3 percent increase.

**Table 3
CAPITAL ASSETS
December 31, 2011 and 2010**

	Governmental activities		Business-Type activities		Total	
	2011	2010	2011	2010	2011	2010
Buildings and improvements	\$ 7,071,154	\$ 6,981,519	\$ 12,660,768	\$ 12,660,768	\$ 19,731,922	\$ 19,642,287
Machinery and equipment	3,802,092	3,541,272	8,730,521	8,063,522	12,532,613	11,604,794
Vehicles	2,360,284	2,331,945	575,869	549,635	2,936,153	2,881,580
Land	3,128,045	3,128,045	82,083	82,083	3,210,128	3,210,128
Land improvements	1,940,359	1,940,359	603,665	603,665	2,544,024	2,544,024
Infrastructure	46,880,960	46,880,960	16,379,300	16,366,890	63,260,260	63,247,850
Construction-in-progress	5,816,756	3,653,587	3,824	758,396	5,820,580	4,411,983
Total capital assets	70,999,650	68,457,687	39,036,030	39,084,959	110,035,680	107,542,646
Less accumulated depreciation	(33,551,511)	(32,036,115)	(18,538,466)	(17,726,865)	(52,089,977)	(49,762,980)
Capital assets, net of depreciation	<u>\$ 37,448,139</u>	<u>\$ 36,421,572</u>	<u>\$ 20,497,564</u>	<u>\$ 21,358,094</u>	<u>\$ 57,945,703</u>	<u>\$ 57,779,666</u>

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

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

- \$49,136 - purchase of two new Police vehicles;
- \$6,895 - purchase of a color digital imaging system for the Police Department;
- \$10,653 - purchase of 911 Call Record System for the Police Department;
- \$22,747 - purchase of two Parks Department mowers;
- \$46,819 - purchase of two Parks Department tractors;
- \$5,500 - purchase of one Parks Department deckover trailer;
- \$8,902 - purchase of one Parks Department snow plow with accessories;
- \$32,020 - purchase of one Parks Department truck;
- \$22,831 - installation of a field dugout at Community Park;
- \$66,804 - installation of concession stands at Community Park;
- \$174,315 - purchase of three Public Works trucks;
- \$19,466 - purchase of two Public Works brine/anti ice tanks;
- \$9,964 - purchase of one Public Works enclosed utility trailer;
- \$17,304 - purchase of one Public Works equipment trailer;
- \$164,307 - purchase of one Public Works trackless flail mower with accessories;
- \$73,134 - Construction-in-progress of Police Shooting Range upgrades;
- \$121,214 - Construction-in-progress of traffic signal at Paoli Pike/Fernhill Road;
- \$22,280 - Construction-in-progress of shade structure at the Skate Park; and
- \$1,946,540 - Construction-in-progress of new Public Works building.

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

- \$6,627 - purchase of a/c unit heat pump;
- \$12,242 - purchase of a submersible pump; and
- \$26,234 - purchase of a Sewer Department truck.
- \$20,242 - other improvements

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

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

Long-term Debt

At December 31, 2011, the Township had \$10,814,655 in bonds, notes and capital leases outstanding versus \$10,028,997 last year – an increase of 0.8 percent – as shown in Table 4 below.

	Governmental activities		Business-Type activities		Total	
	2011	2010	2011	2010	2011	2010
General obligation notes	\$ 7,882,798	\$ 6,694,579	\$ -	\$ -	\$ 7,882,798	\$ 6,694,579
Capital lease	69,857	136,418	-	-	69,857	136,418
Sewer Revenue bonds	-	-	-	-	-	-
Sewer Revenue notes	-	-	2,862,000	3,198,000	2,862,000	3,198,000
Total outstanding debt	<u>\$ 7,952,655</u>	<u>\$ 6,830,997</u>	<u>\$ 2,862,000</u>	<u>\$ 3,198,000</u>	<u>\$ 10,814,655</u>	<u>\$ 10,028,997</u>

New debt of \$5,500,000 was issued in 2010, of which \$1,740,806 was drawn down in 2011 and \$3,272,579 in 2010, leaving \$486,615 available to be drawn down in 2012. Other obligations of the Township include compensated absences of \$807,863 and the other post-employment benefit obligation of \$1,323,694.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 250 percent of its average borrowing base (average revenues over the past three years). The current debt limitation for West Goshen Township is \$54,165,513, which is significantly in excess of the Township's outstanding debt.

Additional information about the Township's long-term debt can be found in Note 6 on pages 44 and 45 of this report.

Economic factors and Next Year's Budgets and Rates

- The Township continues to maintain a diversified revenue base, should there be any short-term fluctuations in any one revenue source.
- Due to the continuing recessionary environment, interest rates for savings and checking accounts continue to be at an all-time low of .3 percent.
- A slight improvement in the local housing market that occurred in 2011 is expected to continue into 2012. The number of real estate sales in the Township directly affects the revenue streams of real estate transfer taxes.

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

- The national unemployment rate is down from around 11 percent to approximately 8.6 percent, while the unemployment rate in Chester County is at a more modest 5.9 percent. That lower rate has provided a small projected increase in earned income and local services taxes for 2012.
- Changes in the pension laws and contractual changes to the pension plans continue to place added financial burdens on the Township to supplement State Aid.
- The Township adopted a 2012 budget, in which the portion of its anticipated expenses exceed planned revenues by \$1,985,711 and will be offset by relying on fund balance reserves.
- Township Real Estate Taxes were not increased for 2012.
- Costs for services have continued to rise, far outpacing revenues. The increases are largely attributed to salary increases and the increased cost of providing employee benefits.

All of these factors were considered in preparing the Township's budget for the 2012 fiscal year.

REQUESTS FOR INFORMATION

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

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

WEST GOSHEN TOWNSHIP
STATEMENT OF NET ASSETS
DECEMBER 31, 2011
(With Summarized Comparative Data for December 31, 2010)

	Primary Government			
	Governmental	Business-type	Totals	
	Activities	Activities	2011	2010
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 11,738,276	\$ 7,709,802	\$ 19,448,078	\$ 19,398,714
Cash and cash equivalents, restricted	-	109,132	109,132	110,284
Investments	1,516,961	326,759	1,843,720	1,831,187
Investments, restricted	-	1,442,605	1,442,605	1,432,798
Accounts and other receivables	2,674,250	1,933,743	4,607,993	4,477,092
Internal balances	200,000	(200,000)	-	-
Due from developers	-	15,849	15,849	12,438
Total Current Assets	<u>16,129,487</u>	<u>11,337,890</u>	<u>27,467,377</u>	<u>27,262,513</u>
Noncurrent Assets:				
Depreciable capital assets, net	28,503,338	20,411,657	48,914,995	50,157,555
Land	3,128,045	82,083	3,210,128	3,210,128
Construction-in-progress	5,816,756	3,824	5,820,580	4,411,983
Note issuance costs	34,015	-	34,015	37,795
Total Noncurrent Assets	<u>37,482,154</u>	<u>20,497,564</u>	<u>57,979,718</u>	<u>57,817,461</u>
TOTAL ASSETS	<u>\$ 53,611,641</u>	<u>\$ 31,835,454</u>	<u>\$ 85,447,095</u>	<u>\$ 85,079,974</u>
LIABILITIES AND NET ASSETS				
Current Liabilities:				
Accounts payable and other current liabilities	\$ 157,875	\$ 70,451	\$ 228,326	\$ 530,881
Developers' deposits	-	124,981	124,981	122,722
Compensated absences payable within one year	42,562	13,988	56,550	55,608
Capital leases payable within one year	69,857	-	69,857	66,561
Notes payable within one year	844,501	352,000	1,196,501	699,000
Total Current Liabilities	<u>1,114,795</u>	<u>561,420</u>	<u>1,676,215</u>	<u>1,474,772</u>
Noncurrent Liabilities:				
Compensated absences	565,468	185,845	751,313	738,788
Other post-employment benefits obligation	1,208,189	115,505	1,323,694	925,877
Capital leases payable	-	-	-	69,857
Notes payable	7,038,297	2,510,000	9,548,297	9,193,579
Total Noncurrent Liabilities	<u>8,811,954</u>	<u>2,811,350</u>	<u>11,623,304</u>	<u>10,928,101</u>
TOTAL LIABILITIES	<u>9,926,749</u>	<u>3,372,770</u>	<u>13,299,519</u>	<u>12,402,873</u>
NET ASSETS				
Invested in capital assets, net of related debt	29,529,499	17,635,564	47,165,063	47,750,669
Restricted for:				
Capital reserve	4,368,312	-	4,368,312	4,524,186
Streets	24,820	-	24,820	96,887
Sewer	-	1,442,605	1,442,605	1,432,798
Unrestricted	9,762,261	9,384,515	19,146,776	18,872,561
TOTAL NET ASSETS	<u>43,684,892</u>	<u>28,462,684</u>	<u>72,147,576</u>	<u>72,677,101</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 53,611,641</u>	<u>\$ 31,835,454</u>	<u>\$ 85,447,095</u>	<u>\$ 85,079,974</u>

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

**WEST GOSHEN TOWNSHIP
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011
(With Summarized Comparative Data for the Year Ended December 31, 2010)**

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	
					2011	2010
GOVERNMENTAL ACTIVITIES						
General government	\$ 2,576,740	\$ 88,056	\$ -	\$ (2,402,710)	\$ (2,402,710)	\$ (2,200,326)
Public safety	6,592,175	702,277	-	(5,208,633)	(5,208,633)	(5,534,621)
Public works - highways and streets	4,242,422	513,611	-	(3,728,811)	(3,728,811)	(3,040,624)
Other public works	54,681	-	-	(54,681)	(54,681)	(121,795)
Library	2,500	-	-	(2,500)	(2,500)	-
Culture and recreation	1,239,590	50,409	-	(1,037,696)	(1,037,696)	(607,047)
Interest expense	343,285	-	-	(343,285)	(343,285)	(203,763)
TOTAL GOVERNMENTAL ACTIVITIES	15,051,393	1,354,353	-	(12,778,316)	(12,778,316)	(11,708,176)
BUSINESS-TYPE ACTIVITIES						
Sewer operations	4,278,235	134,892	-	-	121,646	448,762
Waste and recycling	2,045,978	56,762	-	-	159,566	214,076
TOTAL BUSINESS-TYPE ACTIVITIES	6,324,213	191,654	-	-	281,212	662,838
TOTAL PRIMARY GOVERNMENT	\$ 21,375,606	\$ 1,546,007	\$ -	(12,778,316)	(12,497,104)	(11,045,338)
GENERAL REVENUES						
Taxes:						
Real estate taxes				3,458,714	3,458,714	3,451,584
Real estate transfer taxes				568,142	568,142	462,798
Earned income taxes				6,366,105	6,366,105	5,999,465
Local services tax				921,698	921,698	910,778
Franchise taxes				409,665	409,665	433,767
Investment earnings				42,211	16,777	83,556
Grants and contributions not restricted to specific programs				19,350	19,350	18,223
Gain (Loss) on sale of capital assets				80,141	80,141	(33,785)
Miscellaneous				84,776	84,776	60,892
TOTAL GENERAL REVENUES				11,950,802	11,967,579	11,387,278
CHANGE IN NET ASSETS				(827,514)	(529,525)	341,940
NET ASSETS, BEGINNING OF YEAR				44,512,406	72,677,101	72,335,161
NET ASSETS, END OF YEAR				\$ 43,684,892	\$ 72,147,576	\$ 72,677,101

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

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

DECEMBER 31, 2011

(With Summarized Comparative Data for December 31, 2010)

	Major Funds			Totals	
	General Fund	Capital Reserve Fund	Nonmajor Governmental Funds	2011	2010*
ASSETS					
Cash and cash equivalents	\$ 7,637,270	\$ 3,348,286	\$ 752,720	\$11,738,276	\$12,682,235
Investments	426,024	1,090,937	-	1,516,961	1,506,649
Due from other funds	200,000	-	-	200,000	200,000
Accounts receivable	118,939	-	-	118,939	111,340
Taxes receivable	2,555,311	-	-	2,555,311	2,287,611
TOTAL ASSETS	<u>\$10,937,544</u>	<u>\$ 4,439,223</u>	<u>\$ 752,720</u>	<u>\$16,129,487</u>	<u>\$16,787,835</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable	\$ 85,351	\$ 70,911	-	\$ 156,262	\$ 357,524
Accrued payroll	1,613	-	-	1,613	111,394
Deferred revenues	2,413,239	-	-	2,413,239	2,233,949
TOTAL LIABILITIES	<u>2,500,203</u>	<u>70,911</u>	<u>-</u>	<u>2,571,114</u>	<u>2,702,867</u>
FUND BALANCES:					
Restricted	-	4,368,312	24,820	4,393,132	4,621,073
Assigned	1,985,711	-	727,900	2,713,611	1,052,016
Unassigned	6,451,630	-	-	6,451,630	8,411,879
TOTAL FUND BALANCES	<u>8,437,341</u>	<u>4,368,312</u>	<u>752,720</u>	<u>13,558,373</u>	<u>14,084,968</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$10,937,544</u>	<u>\$ 4,439,223</u>	<u>\$ 752,720</u>	<u>\$16,129,487</u>	<u>\$16,787,835</u>

* Restated for comparative purposes.

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, 2011**

TOTAL GOVERNMENTAL FUND BALANCES \$ 13,558,373

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	\$ 28,503,338	
Land	3,128,045	
Construction-in-progress	<u>5,816,756</u>	37,448,139

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. 2,413,239

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		34,015
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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	(69,857)	
Compensated absences	(608,030)	
Other post-employment benefits obligation	(1,208,189)	
Notes payable	<u>(7,882,798)</u>	<u>(9,768,874)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 43,684,892

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, 2011
(With Summarized Comparative Data for the Year Ended December 31, 2010)

	Major Funds			Nonmajor Governmental Funds	Totals	
	General Fund	Capital Reserve Fund	2011		2010	2010
REVENUES						
Taxes	\$ 11,110,303	\$ -		\$ 11,135,369	\$ 10,927,967	
Licenses and permits	415,290	-		415,290	438,392	
Fines, forfeits and costs	197,134	-		197,134	184,930	
Investment earnings	64,697	10,573		77,132	87,758	
Intergovernmental revenues	914,691	-		1,373,704	1,051,703	
Charges for services/fees	597,043	-		603,543	427,518	
Contributions	-	-		77,500	607,500	
Miscellaneous revenue/other	84,776	-		84,776	59,992	
TOTAL REVENUES	<u>13,383,934</u>	<u>10,573</u>		<u>13,964,448</u>	<u>13,785,760</u>	
EXPENDITURES						
Current:						
General government	1,823,680	2,419		1,826,099	2,417,608	
Public safety	6,376,953	-		6,376,953	6,082,453	
Public works - highways and streets	2,758,429	2,243,972		5,331,555	6,608,745	
Other public works	175,895	-		175,895	210,480	
Library	2,500	-		2,500	-	
Culture and recreation	1,119,681	230,799		1,350,480	1,238,088	
Miscellaneous expenditures	-	-		11,047	12,527	
Debt service:						
Principal	66,561	552,587		619,148	450,827	
Interest	-	343,285		343,285	203,763	
Issuance costs	-	-		-	37,795	
TOTAL EXPENDITURES	<u>12,323,699</u>	<u>3,373,062</u>		<u>16,239,363</u>	<u>17,262,286</u>	
EXCESS (DEFICIENCY) OF REVENUES (OVER) UNDER EXPENDITURES	<u>1,060,235</u>	<u>(3,362,489)</u>		<u>27,339</u>	<u>(3,476,526)</u>	
OTHER FINANCING SOURCES (USES)						
Proceeds from general obligation note	-	1,740,806		1,740,806	3,272,579	
Sale of/compensation for sale of capital assets	7,514	-		7,514	13,209	
Transfers in	-	1,465,809		1,465,809	807,495	
Transfers out	(1,228,197)	-		(1,465,809)	(807,495)	
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,220,683)</u>	<u>3,206,615</u>		<u>1,748,320</u>	<u>3,285,788</u>	
NET CHANGE IN FUND BALANCES	<u>(160,448)</u>	<u>(155,874)</u>		<u>(526,595)</u>	<u>(190,738)</u>	
FUND BALANCES, BEGINNING OF YEAR	<u>8,597,799</u>	<u>4,524,186</u>		<u>14,084,968</u>	<u>14,275,706</u>	
FUND BALANCES, END OF YEAR	<u>\$ 8,437,341</u>	<u>\$ 4,368,312</u>		<u>\$ 752,720</u>	<u>\$ 14,084,968</u>	

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

WEST GOSHEN TOWNSHIP
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (526,595)
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 (\$2,820,831) exceeded depreciation (\$1,751,891) in the period.	1,068,940
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Deferred revenues increased by this amount this year.	179,290
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.	(42,373)
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.	(1,125,438)
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>(381,338)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (827,514)</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, 2011**

	<u>Original and Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes:			
Real estate - current	\$ 3,375,000	\$ 3,353,840	\$ (21,160)
Real estate - delinquent and interest	33,000	46,667	13,667
Real estate - interims	5,000	15,851	10,851
Real estate - transfer	450,000	568,142	118,142
Earned income tax	6,000,000	6,204,105	204,105
Emergency municipal services tax	850,000	921,698	71,698
Licenses and permits	353,850	415,290	61,440
Fines, forfeits and costs	193,800	197,134	3,334
Interest, dividends and rents	73,796	64,697	(9,099)
Intergovernmental revenues	554,517	914,691	360,174
Charges for services/fees	438,650	597,043	158,393
Miscellaneous revenue/other	14,500	84,776	70,276
TOTAL REVENUES	<u>12,342,113</u>	<u>13,383,934</u>	<u>1,041,821</u>
EXPENDITURES			
Current:			
General government:			
Administration	1,125,875	1,071,937	53,938
Auditing	26,747	26,897	(150)
Tax collection	116,308	135,704	(19,396)
Engineering and legal	362,187	274,567	87,620
Building maintenance	305,970	314,575	(8,605)
Total general government	<u>1,937,087</u>	<u>1,823,680</u>	<u>113,407</u>
Public safety:			
Police	5,184,147	5,221,803	(37,656)
Fire protection	799,287	936,599	(137,312)
Code enforcement	242,568	202,784	39,784
Planning and zoning	35,576	15,767	19,809
Total public safety	<u>6,261,578</u>	<u>6,376,953</u>	<u>(115,375)</u>
Public works - highways and streets:			
Administration	1,015,212	1,005,294	9,918
Winter maintenance	67,430	82,538	(15,108)
Road maintenance	822,842	797,991	24,851
Road construction	805,819	857,308	(51,489)
Storm water management	44,000	15,298	28,702
Total public works - highways and streets	<u>2,755,303</u>	<u>2,758,429</u>	<u>(3,126)</u>

Continued on next page.

**WEST GOSHEN TOWNSHIP
BUDGETARY COMPARISON STATEMENT - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
EXPENDITURES (cont'd)			
Other public works:			
Traffic signal maintenance	151,266	139,712	11,554
Street lighting	40,400	36,183	4,217
Total other public works	191,666	175,895	15,771
Library	-	2,500	(2,500)
Culture and recreation:			
Recreation	306,723	244,984	61,739
Parks	968,618	874,697	93,921
Total culture and recreation	1,275,341	1,119,681	155,660
Nondepartmental:			
Debt service - principal	73,313	66,561	6,752
TOTAL EXPENDITURES	12,494,288	12,323,699	170,589
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(152,175)	1,060,235	1,212,410
OTHER FINANCING SOURCES (USES)			
Sale of/compensation for capital assets	5,000	7,514	2,514
Transfers out	(1,283,735)	(1,228,197)	55,538
TOTAL OTHER FINANCING SOURCES (USES)	(1,278,735)	(1,220,683)	58,052
NET CHANGE IN FUND BALANCES	(1,430,910)	(160,448)	1,270,462
FUND BALANCE, BEGINNING OF YEAR	8,242,245	8,597,789	(355,544)
FUND BALANCE, END OF YEAR	\$ 6,811,335	\$ 8,437,341	\$ 914,918

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

WEST GOSHEN TOWNSHIP
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
DECEMBER 31, 2011
(With Summarized Comparative Data for December 31, 2010)

	Major Enterprise Funds				Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2011	2010
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 1,435,785	\$ 226,567	\$ 6,047,450	-	\$ 7,709,802	\$ 6,716,479
Cash and cash equivalents, restricted	-	-	109,132	-	109,132	110,284
Investments	324,024	2,735	-	-	326,759	324,538
Investments, restricted	-	-	-	1,442,605	1,442,605	1,432,798
Accounts receivable	1,102,266	831,477	-	-	1,933,743	2,078,141
Due from developers	-	-	15,849	-	15,849	12,438
Total Current Assets	<u>2,862,075</u>	<u>1,060,779</u>	<u>6,172,431</u>	<u>1,442,605</u>	<u>11,537,890</u>	<u>10,674,678</u>
Noncurrent Assets:						
Land	-	-	82,083	-	82,083	82,083
Construction-in-progress	-	-	3,824	-	3,824	758,396
Capital assets, net	415,949	-	19,995,708	-	20,411,657	20,517,615
Total Noncurrent Assets	<u>415,949</u>	<u>-</u>	<u>20,081,615</u>	<u>-</u>	<u>20,497,564</u>	<u>21,368,094</u>
TOTAL ASSETS	<u>\$ 3,278,024</u>	<u>\$ 1,060,779</u>	<u>\$ 26,254,046</u>	<u>\$ 1,442,605</u>	<u>\$ 32,035,454</u>	<u>\$ 32,032,772</u>
LIABILITIES AND NET ASSETS						
Current Liabilities:						
Accounts payable	\$ 53,803	\$ 16,648	-	-	\$ 70,451	\$ 61,963
Due to other funds	-	200,000	-	-	200,000	200,000
Developer deposits	-	-	124,981	-	124,981	122,722
Compensated absences	13,554	434	-	-	13,988	12,990
Notes payable within one year	-	-	352,000	-	352,000	336,000
Total Current Liabilities	<u>67,357</u>	<u>217,082</u>	<u>476,981</u>	<u>-</u>	<u>761,420</u>	<u>733,675</u>
Noncurrent Liabilities:						
Compensated absences	180,077	5,768	-	-	185,845	172,581
Other post-employment benefits obligation	115,505	-	-	-	115,505	99,821
Notes payable	295,582	5,768	2,510,000	-	2,510,000	2,862,000
Total Noncurrent Liabilities	<u>571,164</u>	<u>11,536</u>	<u>2,510,000</u>	<u>-</u>	<u>2,811,350</u>	<u>3,134,402</u>
TOTAL LIABILITIES	<u>\$ 362,939</u>	<u>222,850</u>	<u>2,986,981</u>	<u>-</u>	<u>3,572,770</u>	<u>3,868,077</u>
NET ASSETS						
Invested in capital assets, net of related debt	415,949	-	17,219,615	-	17,635,564	18,160,094
Restricted	-	-	-	1,442,605	1,442,605	1,432,798
Unrestricted	2,499,136	837,929	6,047,450	-	9,384,515	8,571,803
TOTAL NET ASSETS	<u>2,915,085</u>	<u>837,929</u>	<u>23,267,065</u>	<u>1,442,605</u>	<u>28,462,684</u>	<u>28,164,695</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,278,024</u>	<u>\$ 1,060,779</u>	<u>\$ 26,254,046</u>	<u>\$ 1,442,605</u>	<u>\$ 32,035,454</u>	<u>\$ 32,032,772</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, 2011
(With Summarized Comparative Data for the Year Ended December 31, 2010)

	Major Enterprise Funds				Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2011	2010
OPERATING REVENUES						
Fees	\$ 4,109,205	\$ 2,131,647	\$ 112,797	-	\$ 6,353,649	\$ 6,738,314
Other	166,260	17,135	11,619	-	195,014	127,293
TOTAL OPERATING REVENUES	<u>4,275,465</u>	<u>2,148,782</u>	<u>124,416</u>	<u>-</u>	<u>6,548,663</u>	<u>6,865,607</u>
OPERATING EXPENSES						
Contracted services	-	1,953,969	-	-	1,953,969	1,949,076
Sewer collection	174,583	-	-	-	174,583	143,113
Sewer disposal	446,709	-	-	-	446,709	442,209
Salaries and wages	1,107,514	49,843	-	-	1,157,357	1,102,041
Engineering fees	-	-	8,646	-	8,646	14,067
Administration	63,695	29,822	140,200	-	233,717	154,022
Employee benefits	701,345	11,115	-	-	712,460	789,329
Supplies	-	40	-	-	40	109
Fuel and light	474,960	-	-	-	474,960	505,189
Repairs and maintenance	206,822	1,189	-	-	208,011	141,755
Depreciation	86,827	-	827,621	-	914,448	893,489
TOTAL OPERATING EXPENSES	<u>3,262,455</u>	<u>2,045,978</u>	<u>976,467</u>	<u>-</u>	<u>6,284,900</u>	<u>6,134,399</u>
OPERATING INCOME (LOSS)	<u>1,013,010</u>	<u>102,804</u>	<u>(852,051)</u>	<u>-</u>	<u>263,763</u>	<u>731,208</u>
NONOPERATING REVENUES (EXPENSES)						
Interest and investment revenue	5,135	981	854	9,807	16,777	27,919
Interest expense	-	-	(27,886)	-	(27,886)	(127,422)
Loss on disposal of capital assets	-	-	(11,427)	-	(11,427)	(3,011)
Amortization expense	-	-	-	-	-	(49,654)
Other nonoperating revenue	-	56,762	-	-	56,762	108,706
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>5,135</u>	<u>57,743</u>	<u>(38,459)</u>	<u>9,807</u>	<u>34,226</u>	<u>(43,462)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>1,018,145</u>	<u>160,547</u>	<u>(890,510)</u>	<u>9,807</u>	<u>297,989</u>	<u>687,746</u>
Transfers in	-	-	435,265	-	435,265	1,119,482
Transfers out	(435,265)	-	-	-	(435,265)	(1,119,482)
CHANGE IN NET ASSETS	<u>582,880</u>	<u>160,547</u>	<u>(455,245)</u>	<u>9,807</u>	<u>297,989</u>	<u>687,746</u>
NET ASSETS, BEGINNING OF YEAR	<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>27,476,949</u>
NET ASSETS, END OF YEAR	<u>\$ 2,915,085</u>	<u>\$ 837,929</u>	<u>\$ 23,267,065</u>	<u>\$ 1,442,605</u>	<u>\$ 28,462,684</u>	<u>\$ 28,164,695</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, 2011
(With Summarized Comparative Data for the Year Ended December 31, 2010)

	Major Enterprise Funds				Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:						
Received from customers	\$ 4,497,657	\$ 2,070,988	\$ 121,005	\$ -	\$ 6,689,650	\$ 6,850,440
Paid to suppliers for goods and services	(1,364,236)	(1,979,065)	(146,587)	-	(3,489,888)	(3,682,068)
Paid to employees for services	(1,779,791)	(60,080)	-	-	(1,839,871)	(1,786,227)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>1,353,630</u>	<u>31,843</u>	<u>(25,582)</u>	<u>-</u>	<u>1,359,891</u>	<u>1,382,145</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Grants received from state	-	56,762	-	-	56,762	108,706
Transfer from other funds	-	-	435,265	-	435,265	1,119,482
Transfer to other funds	(435,265)	-	-	-	(435,265)	(1,119,482)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(435,265)</u>	<u>56,762</u>	<u>435,265</u>	<u>-</u>	<u>56,762</u>	<u>108,706</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Interest paid	-	-	(27,886)	-	(27,886)	(127,422)
Principal payments	-	-	(336,000)	-	(336,000)	(2,660,000)
Cash paid for acquisition and construction of capital assets	(45,104)	-	(20,241)	-	(65,345)	(532,418)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(45,104)</u>	<u>-</u>	<u>(384,127)</u>	<u>-</u>	<u>(429,231)</u>	<u>(3,319,840)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest and investment earnings	5,135	981	854	9,807	16,777	27,919
Sale of investments, net of reinvestment	(2,203)	(18)	-	-	(2,221)	(4,192)
Purchases of investments, net of reinvestment	-	-	-	(9,807)	(9,807)	(18,506)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>2,932</u>	<u>963</u>	<u>854</u>	<u>-</u>	<u>4,749</u>	<u>5,221</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>876,193</u>	<u>89,568</u>	<u>26,410</u>	<u>-</u>	<u>992,171</u>	<u>(1,823,768)</u>
CASH AND CASH EQUIVALENTS, BEGINNING 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>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,435,785</u>	<u>\$ 226,567</u>	<u>\$ 6,156,582</u>	<u>\$ -</u>	<u>\$ 7,818,934</u>	<u>\$ 6,826,763</u>

Continued on next page.

WEST GOSHEN TOWNSHIP
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(With Summarized Comparative Data for the Year Ended December 31, 2010)

	Major Enterprise Funds				Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2011	2010
(cont'd)						
Operating income (loss)	\$ 1,013,010	\$ 102,804	\$ (852,051)	\$ -	\$ 263,763	\$ 731,208
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	86,827	-	827,621	-	914,448	893,489
Changes in net assets and liabilities:						
Other-post employment benefits obligation	15,684	-	-	-	15,684	99,821
Accounts receivable	222,192	(77,794)	-	-	144,398	(13,550)
Due from developers	-	-	(3,411)	-	(3,411)	(1,617)
Developers deposits	-	-	2,259	-	2,259	1,974
Accounts payable	2,533	5,955	-	-	8,488	(334,502)
Compensated absences	13,384	878	-	-	14,262	5,322
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 1,353,630</u>	<u>\$ 31,843</u>	<u>\$ (25,582)</u>	<u>\$ -</u>	<u>\$ 1,359,891</u>	<u>\$ 1,382,145</u>
SUPPLEMENTAL INFORMATION:						
Cash and cash equivalents	\$ 1,435,785	\$ 226,567	\$ 6,047,450	\$ -	\$ 7,709,802	\$ 6,716,479
Cash and cash equivalents, restricted	<u>-</u>	<u>-</u>	<u>109,132</u>	<u>-</u>	<u>109,132</u>	<u>110,284</u>
	<u>\$ 1,435,785</u>	<u>\$ 226,567</u>	<u>\$ 6,156,582</u>	<u>\$ -</u>	<u>\$ 7,818,934</u>	<u>\$ 6,826,763</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:						
Amortization expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,654</u>
Capital assets acquired through trade-in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,400</u>
Capital assets written off through trade-in and disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,411)</u>
Loss on trade-in and disposal of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,011)</u>

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

**WEST GOSHEN TOWNSHIP
STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
DECEMBER 31, 2011**

	<u>Pension and Other Employee Benefit Trust Funds</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 2,398,172	\$ 66,550
Insurance contracts, at contract value	1,549,791	-
Investments, at market value - mutual funds	<u>14,617,825</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 18,565,788</u></u>	<u><u>\$ 66,550</u></u>
 LIABILITIES AND NET ASSETS		
LIABILITIES:		
Escrow deposits	\$ -	\$ 66,550
 NET ASSETS:		
Assets held in trust for pension and other employee benefits and pool participants	<u>18,565,788</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 18,565,788</u></u>	<u><u>\$ 66,550</u></u>

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

**WEST GOSHEN TOWNSHIP
STATEMENT OF CHANGES IN NET ASSETS - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

ADDITIONS

Contributions:

State aid	\$ 660,379
Employer contributions	253,571
Member contributions	<u>188,386</u>
Total Contributions	<u>1,102,336</u>

Investment income:

Net decrease in fair value of investments	(463,767)
Realized gain on investment	81,156
Interest and dividends	<u>452,198</u>
Total Investment Income	<u>69,587</u>

TOTAL ADDITIONS	<u>1,171,923</u>
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DEDUCTIONS

Benefits paid	527,629
Administrative expenses	<u>69,317</u>

TOTAL DEDUCTIONS	<u>596,946</u>
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CHANGE IN NET ASSETS	574,977
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NET ASSETS, BEGINNING OF YEAR	<u>17,990,811</u>
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NET ASSETS, END OF YEAR	<u><u>\$ 18,565,788</u></u>
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The accompanying notes are an integral part of these financial statements.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Blended Component Unit

The West Goshen Sewer Authority is a public authority, which exists to provide facilities for use in the sewer operations of the Township Sewer Fund. The Authority is considered a blended component unit and is shown in the financial statements as part of the primary government proprietary funds. The Authority is audited by Barbacane, Thornton & Company LLP; whose report dated May 16, 2012 is publicly available through the offices of West Goshen Township.

Basis of Presentation

Entity-wide Financial Statements

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

The entity-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting as further defined under proprietary funds below. This is the same approach used in the preparation of the proprietary fund financial statements

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the entity-wide statements and the statements of governmental funds.

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

Internal activity is limited to interfund transfers which are eliminated to avoid "doubling up" revenues and expenses. Net 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.

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

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

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

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

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

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

The Township reports the following major proprietary funds:

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

Governmental Funds

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

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

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

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.

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

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.

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."

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

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.

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.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

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 Balances

As of December 31, 2011, fund balances of the governmental funds are classified, if applicable as follows:

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

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

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

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

Unassigned – all other spendable amounts.

As of December 31, 2011, fund balances are composed of the following:

	<u>General Fund</u>	<u>Capital Reserve Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Restricted				
Capital projects	\$ -	\$ 4,368,312	\$ -	\$ 4,368,312
Highways and streets	-	-	24,820	24,820
Assigned				
2012 budget	1,985,711	-	-	1,985,711
Parks and recreation	-	-	4,816	4,816
Open space projects	-	-	640,308	640,308
Zoning hearing	-	-	28,125	28,125
Capital projects	-	-	54,651	54,651
Unassigned	<u>6,451,630</u>	-	-	<u>6,451,630</u>
Total Fund Balances (Deficit)	<u>\$ 8,437,341</u>	<u>\$ 4,368,312</u>	<u>\$ 752,720</u>	<u>\$ 13,558,373</u>

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

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

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first and then unrestricted resources as they are needed. Administrative expenses are paid with the use of unrestricted resources. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Township considers amounts to have been spent first out of committed funds, then assigned funds and, finally, unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

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. 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.

In addition, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation. Specifically, fund balance of the governmental funds has been reclassified in order to conform to Governmental Accounting Standards Board (GASB Statement) No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," which was implemented by Township effective January 1, 2011.

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, 2011, the carrying amount of the Township's deposits was \$21,531,129 (excludes the pension funds) and the bank balance was \$21,896,360. Of the bank balance, \$933,693 was covered by federal depository insurance and \$11,808,695 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, 2011, \$3,106,405 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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 2 DEPOSITS AND INVESTMENTS (cont'd)

in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized rating organization (Standard & Poor's rating of AAAM as of December 31, 2011) and is subject to an independent annual audit.

As of December 31, 2011, \$6,047,567 of the Township's deposits was in the form of U.S. Treasury obligation money market funds and is not subject to custodial credit risk. Custodial credit risk information for the pension funds can be found at Notes 8, 9 and 10.

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, 2011, the Township had the following investments:

Money market mutual funds	\$ <u>3,286,325</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, 2011, none of Township's investments were subject to custodial credit risk.

NOTE 3 INTERFUND ACTIVITY

The composition of interfund balances as of December 31, 2011 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:

Transfers out:		Transfers in:	
General Fund	\$ 1,228,197	Capital Reserve	\$ 1,465,809
Sewer Fund	435,265	Sewer Authority	<u>435,265</u>
Nonmajor governmental fund	<u>237,612</u>		
Total	<u>\$ 1,901,074</u>	Total	<u>\$ 1,901,074</u>

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 3 INTERFUND ACTIVITY (cont'd)

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

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 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	3,653,587	2,163,169	-	5,816,756
Total general capital assets				
not being depreciated	<u>6,781,632</u>	<u>2,163,169</u>	<u>-</u>	<u>8,944,801</u>
General capital assets				
being depreciated:				
Buildings and improvements	6,981,519	89,635	-	7,071,154
Vehicles	2,331,945	255,471	(227,132)	2,360,284
Infrastructure	46,880,960	-	-	46,880,960
Land improvements	1,940,359	-	-	1,940,359
Machinery and equipment	3,541,272	312,556	(51,736)	3,802,092
Total general capital assets				
being depreciated	<u>61,676,055</u>	<u>657,662</u>	<u>(278,868)</u>	<u>62,054,849</u>
Accumulated depreciation:				
Buildings and improvements	1,369,934	134,874	-	1,504,808
Vehicles	1,170,025	285,587	(191,260)	1,264,352
Infrastructure	27,021,875	1,040,276	-	28,062,151
Land improvements	921,452	33,473	-	954,925
Machinery and equipment	1,552,829	257,681	(45,235)	1,765,275
Total accumulated				
depreciation	<u>32,036,115</u>	<u>1,751,891</u>	<u>(236,495)</u>	<u>33,551,511</u>
Total general capital assets				
being depreciated, net	<u>29,639,940</u>	<u>(1,094,229)</u>	<u>(42,373)</u>	<u>28,503,338</u>
Governmental Activities, Net	<u>\$36,421,572</u>	<u>\$ 1,068,940</u>	<u>\$ (42,373)</u>	<u>\$37,448,139</u>

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>
Business-type Activities: Capital assets not being depreciated:				
Land	\$ 82,083	\$ -	\$ -	\$ 82,083
Construction-in-progress	758,396	7,831	(762,403)	3,824
Total capital assets not being depreciated, net	<u>840,479</u>	<u>7,831</u>	<u>(762,403)</u>	<u>85,907</u>
Capital assets being depreciated:				
Collection system - Infrastructure	16,366,890	12,410	-	16,379,300
Land improvements	603,665	-	-	603,665
Buildings and improvements	12,660,768	-	-	12,660,768
Vehicles	549,635	26,234	-	575,869
Equipment	8,063,522	781,273	(114,274)	8,730,521
Total capital assets being Depreciated	<u>38,244,480</u>	<u>819,917</u>	<u>(114,274)</u>	<u>38,950,123</u>
Accumulated depreciation:				
Collection system - Infrastructure	7,494,391	294,660	-	7,789,051
Land improvements	194,044	11,120	-	205,164
Buildings and improvements	5,816,123	287,401	-	6,103,524
Vehicles	235,434	61,928	-	297,362
Equipment	3,986,873	259,339	(102,847)	4,143,365
Total accumulated Depreciation	<u>17,726,865</u>	<u>914,448</u>	<u>(102,847)</u>	<u>18,538,466</u>
Total capital assets being depreciated, net	<u>20,517,615</u>	<u>(94,531)</u>	<u>(11,427)</u>	<u>20,411,657</u>
Business-type Activities, Net	<u>\$21,358,094</u>	<u>\$ (86,700)</u>	<u>\$ (773,830)</u>	<u>\$20,497,564</u>

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

Governmental Activities:	
General government	\$ 123,444
Public safety	112,335
Public works	1,342,339
Culture and recreation	<u>173,773</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,751,891</u>
Business-type Activities:	
Sewer operations	<u>\$ 914,448</u>

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 5 CAPITAL LEASES - LESSEE

The Township entered into lease agreements as lessee for financing the acquisition of vehicles. 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.

Vehicles acquired through capital leases	\$ 297,150
Less: accumulated amortization	<u>(120,346)</u>
Total	<u>\$ 176,804</u>

Future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2011 are as follows:

Year Ending December 31,

2012	\$ 73,314
Total minimum lease payments	\$ 73,314
Less: amount representing interest	<u>(3,457)</u>
Present value of minimum lease payments	<u>\$ 69,857</u>

The amortization of leased vehicles 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. \$ 3,059,000

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, 2011
are \$486,615. 4,823,798

7,882,798

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, 2011, the interest rate is 0.907%. Maturity date
is July 25, 2018. 2,862,000

Grand Total \$ 10,744,798

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>
2012	\$ 844,501	\$ 351,972	\$ 1,196,473
2013	882,142	313,677	1,195,819
2014	919,557	274,725	1,194,282
2015	958,750	234,110	1,192,860
2016	999,753	191,754	1,191,507
2017-2021	3,764,710	336,237	4,100,947
Amount not requisitioned	(486,615)	-	(486,615)
	<u>\$ 7,882,798</u>	<u>\$ 1,702,475</u>	<u>\$ 9,585,273</u>

Business-type Activities:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Maturities</u>
2012	\$ 352,000	\$ 30,422	\$ 382,442
2013	370,000	27,181	397,181
2014	388,000	23,757	411,757
2015	407,000	20,166	427,166
2016	427,000	16,399	443,399
2017-2018	918,000	20,748	938,748
	<u>\$ 2,862,000</u>	<u>\$ 138,693</u>	<u>\$ 3,000,693</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>
Governmental Activities:					
General obligation notes	\$ 6,694,579	\$ 1,740,806	\$ 552,587	\$ 7,882,798	\$ 844,501
Capital leases payable	136,418	-	66,561	69,857	69,857
Compensated absences	608,825	398,271	399,066	608,030	42,562
OPEB obligation	826,056	382,133	-	1,208,189	-
Total Governmental Activities	<u>\$ 8,265,878</u>	<u>\$ 2,521,210</u>	<u>\$ 1,108,214</u>	<u>\$ 9,768,874</u>	<u>\$ 955,920</u>
Business-type Activities:					
Sewer revenue notes	\$ 3,198,000	\$ -	\$ 336,000	\$ 2,862,000	\$ 352,000
Compensated absences	185,571	100,251	85,989	199,833	13,988
OPEB obligation	99,821	15,684	-	115,505	-
Total Business-type Activities	<u>\$ 3,483,392</u>	<u>\$ 115,935</u>	<u>\$ 421,989</u>	<u>\$ 3,177,338</u>	<u>\$ 365,988</u>

For the year ended December 31, 2011, interest expense in the amount of \$27,886 was recorded as a direct expense of the sewer function.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 7 TAXES

For 2011, 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, 2011 was \$1,750,413,337.

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 2011:

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, 2011, the most recent actuarial date, disclosed that Plan membership consisted of the following:

Active employees	29
Retirees and beneficiaries currently receiving benefits	<u>12</u>
Total	<u>41</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, 2011, disclosed that the pension plan benefit provisions are as follows:

Members are eligible for normal retirement at age 55 with 25 years of continuous service and are entitled to a monthly pension equal to 50 percent of average monthly pay, plus a service increment of \$100 per month for each year of service in excess of 25 years but not more than \$500 additional per month. A member becomes 100 percent vested in the benefit accrued after 12 or more years of continued service. Payments continue after the member's death to the surviving spouse, or eligible child, equal to 50 percent of the monthly pension payable to the member at the time of death.

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

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

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

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

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

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

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

Basis of Accounting

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 8 POLICE PENSION FUND (cont'd)

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 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, 2011, the carrying amount of the Plan's deposits was \$365,543, which is equal to the deposits in a Federated Prime obligations fund held by the trustee of the pension in the Plan's name. None of this balance was subject to custodial credit risk.

Investments

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

As of December 31, 2011, the Plan had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>
Equity mutual funds	\$ 5,911,144
Fixed income funds	2,726,308
Unallocated insurance contract	<u>743,017</u>
TOTAL	<u>\$ 9,380,469</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.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 8 POLICE PENSION FUND (cont'd)

Contributions

The Commonwealth of Pennsylvania Act 205 ("Act 205") requires that annual contributions be based upon the minimum municipal obligation ("MMO"). The MMO is based upon the Plan's biennial actuarial valuation. The state provides an allocation of funds which must be used for pension funding. Any financial requirement established by the MMO which exceeds the state contribution must be funded by the employer in accordance with Act 205. In addition to the MMO, employees were required to contribute five percent to the Plan during 2011.

Administrative Costs

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

Actuarial Methods and Assumptions

The required contribution was determined as part of the January 1, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.0 percent investment rate of return (net of administrative expenses) and (b) projected salary increases due to inflation of 5.0 percent per year, compounded annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a level dollar closed basis. The remaining amortization period was at six years.

Funded Status and Funding Progress

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/2011	\$10,047,201	\$10,789,601	\$ 742,400	93.1%	\$2,632,976	28.2%

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 8 POLICE PENSION FUND (cont'd)

Three-Year Trend Information

Year Ended December 31	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2009	\$323,737	100.0%	\$158,003
2010	\$346,962	100.0%	***
2011	\$375,872	100.0%	\$742,200

*** The actuarial information is required by Act 205 biennially, except for distressed pension plans, which require annual reporting.

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, 2011, the most recent actuarial date, disclosed that Plan membership consisted of the following:

Active employees	43
Retirees and beneficiaries currently receiving benefits	11
Vested terminated members	<u>13</u>
Total	<u>67</u>

Benefit Provisions

Actuarial valuation report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2011, disclosed that the pension plan benefit provisions are as follows:

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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 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, 2011, the carrying amount of the Plan's deposits was \$55,886, which is equal to the deposits in a Federated Prime obligations fund held by the trustee of the pension in the Plan's name. None of this balance was subject to custodial credit risk.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

Investments

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

As of December 31, 2011, the Plan had the following investments:

	<u>Fair Value</u>
Equity mutual funds	\$ 2,515,602
Fixed income funds	1,163,800
Unallocated insurance contract	415,175
TOTAL	<u>\$ 4,094,577</u>

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

Contributions

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

Administrative Costs

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

Actuarial Methods and Assumptions

The required contribution was determined as part of the January 1, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.0 percent investment rate of return (net of administrative expenses) and (b) projected salary increases due to inflation of 5.0 percent per year, compounded annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period. The remaining amortization period was 14 years.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

Funded Status and Funding Progress

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/2011	\$4,258,131	\$4,878,524	\$ 620,393	87.3%	\$2,167,797	28.6%

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

Three-Year Trend Information

Year Ended December 31	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2009	\$181,383	100.0%	\$57,195
2010	\$185,993	100.0%	***
2011	\$218,297	100.0%	\$620,393

*** The actuarial information is required by Act 205 biennially, except for distressed pension plans, which require annual reporting.

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.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 10 SEWER PENSION PLAN (conf'd)

Plan Membership

Actuarial valuation report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2011, the most recent actuarial date, disclosed that Plan membership consisted of the following:

Active employees	23
Retirees and beneficiaries currently receiving benefits	8
Vested terminated members	<u>4</u>
Total	<u>35</u>

Benefit Provisions

Actuarial valuation report Form 205, filed with the Public Employee Retirement Study Commission and dated as of January 1, 2011, disclosed that the pension plan benefit provisions are as follows:

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

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

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

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

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

Members are not required to contribute to the Plan.

Basis of Accounting

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 10 SEWER PENSION PLAN (cont'd)

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 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, 2011, the carrying amount of the Sewer Pension Plan's deposits was \$69,374 which is equal to the deposits in a Federated Prime obligations fund held by the trustee of the pension in the Plan's name. None of this balance was subject to custodial credit risk.

Investments

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

As of December 31, 2011, the Plan had the following investments:

	<u>Fair Value</u>
Equity mutual funds	\$ 1,681,771
Fixed income funds	619,200
Unallocated insurance contract	<u>391,599</u>
 TOTAL	 <u>\$ 2,692,570</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.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 10 SEWER PENSION PLAN (cont'd)

Contributions

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

Administrative Costs

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

Actuarial Methods and Assumptions

The required contribution was determined as part of the January 1, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.0 percent investment rate of return (net of administrative expenses) and (b) projected salary increases due to inflation of 5.0 percent per year, compounded annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a level dollar closed basis. The remaining amortization period was six years.

Funded Status and Funding Progress

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/2011	\$2,851,190	\$3,260,760	\$ 409,750	87.4%	\$1,066,174	38.0%

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

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 10 SEWER PENSION PLAN (cont'd)

Three-Year Trend Information

Year Ended December 31	Annual Pension Cost (APC)	Percentage Contributed	Net Pension Obligation
2009	\$134,681	100.0%	\$205,086
2010	\$143,271	100.0%	***
2011	\$152,522	100.0%	\$409,570

*** The actuarial information is required by Act 205 biennially, except for distressed pension plans, which require annual reporting.

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, 2011, the carrying value of the escrow account is \$66,550.

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.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

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

Life-Insurance Payable Upon Retirement

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

Funding Policy

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

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$ 529,228
Interest on net OPEB obligation	41,664
Adjustment to annual required contribution	<u>(56,841)</u>
Annual OPEB cost (expense)	514,051
Contributions made	<u>(116,234)</u>
Increase in net OPEB obligation	397,817
Net OPEB obligation - beginning of year	<u>925,877</u>
Net OPEB obligation - end of year	<u>\$1,323,694</u>

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

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

Funded Status and Funding Progress

As of January 1, 2009, the most recent actuarial valuation date, the Plans were 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 Plans) was \$5,277,559, and the ratio of the UAAL to the covered payroll was 72.95 percent.

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

Actuarial Methods and Assumptions

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

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.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

NOTE 13 CONTINGENT LIABILITIES (cont'd)

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 2011 and 2010, the State made contributions of \$660,379 and \$384,946, respectively. For the Police and Non-Uniformed Pension Funds, these contributions are recorded in the General Fund as revenue and expenditures. For the Sewer Pension Fund, these contributions are recorded in the Sewer Fund as revenue and expenses.

NOTE 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, 2011:

General Fund:

General government:

Auditing	\$	150
Tax collection	\$	19,396
Building maintenance	\$	8,605

Public Safety:

Police	\$	37,656
Fire protection	\$	137,312

Public works - highways and streets:

Winter maintenance	\$	15,108
Road construction	\$	51,489

Library

\$ 2,500

The excess expenditures in the general fund were covered by the available fund balance.

WEST GOSHEN TOWNSHIP
NOTES TO FINANCIAL STATEMENTS

NOTE 17 COMMITMENTS

Governmental Activities

At December 31, 2011, the Township had the following construction commitments related to the construction of a new public works building:

Contract Amounts	Completed through 12/31/2011	Balance
\$ 5,529,167	\$ 5,002,187	\$ 526,980

In addition, the Township has incurred costs in the amount of \$814,569 related to the new public works building that are not under formal commitments as of December 31, 2011.

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

Future minimum contract obligations as of December 31, 2011 are as follows:

Year Ending December 31,		
2012		\$ 240,332
2013		<u>240,332</u>
Total Commitment		<u>\$ 480,664</u>

Business-type Activities

At December 31, 2011, the West Goshen Authority was under a formal commitment for the purchase of hydraulic grinders for the Washington Street and Westtown Pump Stations in the amount of \$92,650. In addition, the Authority has incurred costs in the amount of \$3,824 related to the purchase of the hydraulic grinders that are not under formal commitments as of December 31, 2011.

NOTE 18 SUBSEQUENT EVENTS

The Township has evaluated all subsequent events through June 19, 2012, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

WEST GOSHEN TOWNSHIP
POLICE PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

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

The actuarial information is required by Act 205 biennially, except for distressed pension plans, which require annual reporting. The ten-year historical information required to be disclosed, beginning as of January 1, 2002, is as follows:

	(1)	(2)	(3)	(4)	(5)	(6)
Calendar Year	Actuarial Value of Assets	Actuarial Accrued Liability	Percentage Funded (1)/(2)	Unfunded (assets in excess of) Accrued Liability (2)-(1)	Annual Covered Payroll	Unfunded (assets in excess of) Accrued Liability as a % of Payroll (4)/(5)
1/1/02	*	*	*	*	*	*
1/1/03	4,418,044	6,266,681	70.5%	1,848,637	1,822,170	101.5%
1/1/04	*	*	*	*	*	*
1/1/05	5,910,986	7,384,825	80.0%	1,473,839	2,057,978	71.6%
1/1/06	*	*	*	*	*	*
1/1/07	7,735,661	8,369,244	92.4%	633,583	2,131,465	29.7%
1/1/08	*	*	*	*	*	*
1/1/09	8,706,023	8,864,026	98.2%	158,003	2,260,154	7.0%
1/1/10	*	*	*	*	*	*
1/1/11	10,047,201	10,789,601	93.1%	742,400	2,632,976	28.2%

*Not available due to biennially required Act 205 report.

WEST GOSHEN TOWNSHIP
POLICE PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF ANNUAL REQUIRED CONTRIBUTIONS

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2002	147,714	100.0%
2003	207,813	100.0%
2004	210,364	100.0%
2005	384,698	100.0%
2006	375,796	100.0%
2007	380,134	100.0%
2008	317,189	100.0%
2009	323,737	100.0%
2010	346,962	100.0%
2011	375,872	100.0%

WEST GOSHEN TOWNSHIP
POLICE PENSION FUND

NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

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

Actuarial valuation date	January 1, 2011
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	6 years
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.0% per annum, compounded annually
Projected salary increases	5.0% per annum, compounded annually
Cost of living adjustments	None

WEST GOSHEN TOWNSHIP
NON-UNIFORMED PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

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

The actuarial information is required by Act 205 biennially, except for distressed pension plans, which require annual reporting. The ten-year historical information required to be disclosed, beginning as of January 1, 2001 is as follows:

	(1)	(2)	(3)	(4)	(5)	(6)
Calendar Year	Actuarial Value of Assets	Actuarial Accrued Liability	Percentage Funded (1)/(2)	Unfunded (assets in excess of) Accrued Liability (2)-(1)	Annual Covered Payroll	Unfunded (assets in excess of) Accrued Liability as a % of Payroll (4)/(5)
1/1/02	*	*	*	*	*	*
1/1/03	1,863,173	2,296,824	81.1%	433,651	1,517,413	28.6 %
1/1/04	*	*	*	*	*	*
1/1/05	2,574,787	2,845,058	90.5%	270,271	1,694,943	15.9 %
1/1/06	*	*	*	*	*	*
1/1/07	3,338,214	3,135,654	106.5%	(202,560)	1,854,366	(10.9)%
1/1/08	*	*	*	*	*	*
1/1/09	3,706,323	3,763,518	98.5%	57,195	2,041,108	2.8 %
1/1/10	*	*	*	*	*	*
1/1/11	4,258,131	4,878,524	87.3%	620,393	2,167,797	28.6%

*Not available due to biennially required Act 205 report.

WEST GOSHEN TOWNSHIP
NON-UNIFORMED PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF ANNUAL REQUIRED CONTRIBUTIONS

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2002	170,054	100.0%
2003	181,499	100.0%
2004	175,814	100.0%
2005	219,414	100.0%
2006	210,308	100.0%
2007	211,794	100.0%
2008	166,814	100.0%
2009	181,383	100.0%
2010	185,993	100.0%
2011	218,297	100.0%

WEST GOSHEN TOWNSHIP
NON-UNIFORMED PENSION FUND

NOTES TO SUPPLEMENTARY SCHEDULES

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

Actuarial valuation date	January 1, 2011
Actuarial cost method	Entry age normal
Amortization method	Level Dollar Closed
Remaining amortization period	14
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.0% per annum, compounded annually
Projected salary increases	5.0% per annum, compounded annually
Cost of living adjustments	None

WEST GOSHEN TOWNSHIP
SEWER PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

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

The actuarial information is required by Act 205 biennially, except for distressed pension plans, which require annual reporting. The ten-year historical information required to be disclosed, beginning as of January 1, 2002, is as follows:

	(1)	(2)	(3)	(4)	(5)	(6)
Calendar Year	Actuarial Value of Assets	Actuarial Accrued Liability	Percentage Funded (1)/(2)	Unfunded (assets in excess of) Accrued Liability (2)-(1)	Annual Covered Payroll	Unfunded (assets in excess of) Accrued Liability as a % of Payroll (4)/(5)
1/1/02	*	*	*	*	*	*
1/1/03	1,165,709	1,700,202	68.6%	534,493	737,055	72.5%
1/1/04	*	*	*	*	*	*
1/1/05	1,588,682	2,099,123	75.7%	510,441	836,643	61.0%
1/1/06	*	*	*	*	*	*
1/1/07	2,118,752	2,365,063	89.6%	246,311	880,513	28.0%
1/1/08	*	*	*	*	*	*
1/1/09	2,424,428	2,629,514	92.2%	205,086	976,927	21.0%
1/1/10	*	*	*	*	*	*
1/1/11	2,851,190	3,260,760	87.4%	409,570	1,066,174	38.0%

*Not available due to biennially required Act 205 report.

WEST GOSHEN TOWNSHIP
SEWER PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF ANNUAL REQUIRED CONTRIBUTIONS

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2002	80,586	100.0%
2003	89,378	100.0%
2004	111,127	100.0%
2005	142,095	100.0%
2006	144,776	100.0%
2007	148,467	100.0%
2008	130,534	100.0%
2009	134,681	100.0%
2010	143,271	100.0%
2011	152,522	100.0%

WEST GOSHEN TOWNSHIP
SEWER PENSION FUND

NOTES TO SUPPLEMENTARY SCHEDULES

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

Actuarial valuation date	January 1, 2011
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	6 years
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.0% per annum, compounded annually
Projected salary increases	5.0% per annum, compounded annually
Cost of living adjustments	None

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

WEST GOSHEN TOWNSHIP
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUND TYPES
DECEMBER 31, 2011
 (With Summarized Comparative Data for December 31, 2010)

	Special Revenue Funds					Totals		
	State Fund	Parks and Recreation Fund	Offsite Development Fund	Hearing Board Fund	Zoning Board Fund	Capital Projects Fund	2011	2010
ASSETS								
Cash and cash equivalents	\$ 24,820	\$ 4,816	\$ 640,308	\$ 28,125	\$ 54,651	\$ 752,720	\$ 962,993	
TOTAL ASSETS	<u>\$ 24,820</u>	<u>\$ 4,816</u>	<u>\$ 640,308</u>	<u>\$ 28,125</u>	<u>\$ 54,651</u>	<u>\$ 752,720</u>	<u>\$ 962,993</u>	
LIABILITIES AND FUND BALANCE								
LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
FUND BALANCE:								
Restricted	24,820	-	-	-	-	24,820	96,887	
Assigned	-	4,816	640,308	28,125	54,651	727,900	866,106	
Total Fund Balance	<u>24,820</u>	<u>4,816</u>	<u>640,308</u>	<u>28,125</u>	<u>54,651</u>	<u>752,720</u>	<u>962,993</u>	
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 24,820</u>	<u>\$ 4,816</u>	<u>\$ 640,308</u>	<u>\$ 28,125</u>	<u>\$ 54,651</u>	<u>\$ 752,720</u>	<u>\$ 962,993</u>	

WEST GOSHEN TOWNSHIP
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2011
(With Summarized Comparative Data for the Year Ended December 31, 2010)

	Special Revenue Funds					Totals	
	State Fund	Parks and Recreation Fund	Offsite Development Fund	Zoning Hearing Board Fund	Capital Projects Fund	2011	2010
REVENUES:							
Investment earnings	\$ 475	\$ 6	\$ 1,158	\$ 59	\$ 164	\$ 1,862	\$ 1,035
Intergovernmental revenues	459,013	-	-	-	-	459,013	448,892
Charges for services	-	-	-	6,500	-	6,500	6,000
Contributions	-	-	77,500	-	-	77,500	607,500
Escrowed real estate taxes	-	-	-	25,066	-	25,066	-
TOTAL REVENUES	<u>459,488</u>	<u>6</u>	<u>78,658</u>	<u>31,625</u>	<u>164</u>	<u>569,941</u>	<u>1,063,427</u>
EXPENDITURES:							
Public works - highways and streets	531,555	-	-	-	-	531,555	503,311
Miscellaneous expenditures	-	-	47	11,000	-	11,047	12,527
Total expenditures	<u>531,555</u>	<u>-</u>	<u>47</u>	<u>11,000</u>	<u>-</u>	<u>542,602</u>	<u>515,838</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(72,067)</u>	<u>6</u>	<u>78,611</u>	<u>20,625</u>	<u>164</u>	<u>27,339</u>	<u>547,589</u>
OTHER FINANCING USES:							
Interfund transfers	-	-	(237,612)	-	-	(237,612)	-
TOTAL OTHER FINANCING USES	<u>-</u>	<u>-</u>	<u>(237,612)</u>	<u>-</u>	<u>-</u>	<u>(237,612)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(72,067)</u>	<u>6</u>	<u>(159,001)</u>	<u>20,625</u>	<u>164</u>	<u>(210,273)</u>	<u>547,589</u>
FUND BALANCE, BEGINNING 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>
FUND BALANCE, END OF YEAR	<u>\$ 24,820</u>	<u>\$ 4,816</u>	<u>\$ 640,308</u>	<u>\$ 28,125</u>	<u>\$ 54,651</u>	<u>\$ 752,720</u>	<u>\$ 962,993</u>

**WEST GOSHEN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - CAPITAL RESERVE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES			
Investment earnings	\$ 22,000	\$ 10,573	\$ (11,427)
TOTAL REVENUES	<u>22,000</u>	<u>10,573</u>	<u>(11,427)</u>
EXPENDITURES			
General government	7,000	2,419	4,581
Public works - highways and streets	2,700,874	2,243,972	456,902
Culture and Recreation	405,590	230,799	174,791
Debt service:			
Principal	583,125	552,587	30,538
Interest	400,110	343,285	56,825
TOTAL EXPENDITURES	<u>4,096,699</u>	<u>3,373,062</u>	<u>723,637</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(4,074,699)</u>	<u>(3,362,489)</u>	<u>712,210</u>
OTHER FINANCING SOURCES:			
Proceeds from general obligation note	2,233,674	1,740,806	(492,868)
Interfund transfers	1,789,325	1,465,809	(323,516)
TOTAL OTHER FINANCING SOURCES	<u>4,022,999</u>	<u>3,206,615</u>	<u>(816,384)</u>
NET CHANGE IN FUND BALANCES	(51,700)	(155,874)	(104,174)
FUND BALANCE, BEGINNING OF YEAR	<u>3,804,503</u>	<u>4,524,186</u>	<u>(719,683)</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,752,803</u>	<u>\$ 4,368,312</u>	<u>\$ (823,857)</u>

**WEST GOSHEN TOWNSHIP
BUDGETARY COMPARISON SCHEDULE -
NONMAJOR GOVERNMENTAL FUND TYPE - STATE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES			
Investment earnings	\$ 800	\$ 475	\$ (325)
State grants	448,603	459,013	10,410
TOTAL REVENUES	<u>449,403</u>	<u>459,488</u>	<u>10,085</u>
EXPENDITURES			
Public works - highways and streets	531,800	531,555	245
TOTAL EXPENDITURES	<u>531,800</u>	<u>531,555</u>	<u>245</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(82,397)</u>	<u>(72,067)</u>	<u>10,330</u>
NET CHANGE IN FUND BALANCES	(82,397)	(72,067)	10,330
FUND BALANCE, BEGINNING OF YEAR	<u>97,036</u>	<u>96,887</u>	<u>(149)</u>
FUND BALANCE, END OF YEAR	<u>\$ 14,639</u>	<u>\$ 24,820</u>	<u>\$ 10,181</u>

**WEST GOSHEN TOWNSHIP
COMBINING STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
DECEMBER 31, 2011**

	<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>2011</u>	<u>2010</u>
ASSETS							
Cash and cash equivalents	\$ 887,010	\$ 1,020,359	\$ 365,543	\$ 55,886	\$ 69,374	\$ 2,398,172	\$ 1,960,712
Insurance contracts, at contract value	-	-	743,017	415,175	391,599	1,549,791	1,597,466
Investments, at market value - mutual funds	-	-	8,637,452	3,679,402	2,300,971	14,617,825	14,432,633
TOTAL ASSETS	<u>\$ 887,010</u>	<u>\$ 1,020,359</u>	<u>\$ 9,746,012</u>	<u>\$ 4,150,463</u>	<u>\$ 2,761,944</u>	<u>\$ 18,565,788</u>	<u>\$ 17,990,811</u>
LIABILITIES AND NET ASSETS							
LIABILITIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET ASSETS	887,010	1,020,359	9,746,012	4,150,463	2,761,944	18,565,788	17,990,811
Assets held in trust for pension benefits							
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 887,010</u>	<u>\$ 1,020,359</u>	<u>\$ 9,746,012</u>	<u>\$ 4,150,463</u>	<u>\$ 2,761,944</u>	<u>\$ 18,565,788</u>	<u>\$ 17,990,811</u>

**WEST GOSHEN TOWNSHIP
COMBINING STATEMENT OF CHANGES IN NET ASSETS - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Police Retirement Insurance Fund	Non-Uniformed Insurance Fund	Police Pension Fund	Non-Uniformed Pension Fund	Sewer Pension Fund	Totals
						2011
						2010
ADDITIONS AND INVESTMENT INCOME						
Contributions:						
State aid	\$ -	\$ -	\$ 332,424	\$ 193,063	\$ 134,892	\$ 660,379
Employer contribution	66,847	100,412	43,448	25,234	17,630	253,571
Employee contribution	-	-	188,386	-	-	188,386
Total Contributions	<u>66,847</u>	<u>100,412</u>	<u>564,258</u>	<u>218,297</u>	<u>152,522</u>	<u>1,102,336</u>
Investment income:						
Net increase (decrease) in fair value of investments	-	-	(262,381)	(120,926)	(80,460)	(463,767)
Realized gain on investment interest and dividends	1,144	1,302	49,205	19,986	11,965	81,156
Net investment income	<u>1,144</u>	<u>1,302</u>	<u>259,179</u>	<u>112,030</u>	<u>78,543</u>	<u>452,198</u>
TOTAL ADDITIONS AND INVESTMENT INCOME	<u>67,991</u>	<u>101,714</u>	<u>610,261</u>	<u>229,387</u>	<u>162,570</u>	<u>1,171,923</u>
DEDUCTIONS						
Benefits paid	-	-	317,673	140,611	69,345	527,629
Administrative and other expenses	-	12,480	29,457	15,256	12,124	69,317
TOTAL DEDUCTIONS	-	<u>12,480</u>	<u>347,130</u>	<u>155,867</u>	<u>81,469</u>	<u>596,946</u>
CHANGE IN PLAN ASSETS	67,991	89,234	263,131	73,520	81,101	574,977
NET ASSETS, BEGINNING OF YEAR	819,019	931,125	9,482,881	4,076,943	2,680,843	17,990,811
NET ASSETS, END OF YEAR	<u>\$ 887,010</u>	<u>\$ 1,020,359</u>	<u>\$ 9,746,012</u>	<u>\$ 4,150,463</u>	<u>\$ 2,761,944</u>	<u>\$ 18,565,788</u>
						<u>\$ 17,990,811</u>

WEST GOSHEN TOWNSHIP
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	Balance December 31, 2010	<u>Additions</u>	<u>Deductions</u>	Balance December 31, 2011
ASSETS				
Cash and cash equivalents	\$ 66,702	\$ -	\$ (152)	\$ 66,550
TOTAL ASSETS	<u>\$ 66,702</u>	<u>\$ -</u>	<u>\$ (152)</u>	<u>\$ 66,550</u>
LIABILITIES				
Escrow deposits	\$ 66,702	\$ -	\$ (152)	\$ 66,550
TOTAL LIABILITIES	<u>\$ 66,702</u>	<u>\$ -</u>	<u>\$ (152)</u>	<u>\$ 66,550</u>

STATISTICAL SECTION

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets,									
net of related debt	\$ 7,177,865	\$ 29,362,825 ¹	\$ 29,291,900	\$ 30,458,442	\$ 29,894,890	\$ 29,891,898	\$ 29,263,767	\$ 29,590,575	\$ 29,529,499
Restricted	4,601,458	4,912,249	5,206,353	4,914,618	7,074,261	6,336,140	4,980,975	4,524,186	4,393,132
Unrestricted	5,862,544	6,800,461	7,621,651	9,811,142	11,555,617	10,932,256	10,613,470	10,397,645	9,762,261
Total governmental activities net assets	\$ 17,641,867	\$ 41,075,535	\$ 42,119,904	\$ 45,184,202	\$ 48,524,768	\$ 47,160,294	\$ 44,858,212	\$ 44,512,406	\$ 43,684,892
Business-type activities									
Invested in capital assets,									
net of related debt	\$ 12,570,041	\$ 12,890,021	\$ 13,432,273	\$ 13,794,285	\$ 14,437,864	\$ 14,747,693	\$ 15,864,175	\$ 18,160,094	\$ 17,635,564
Restricted	7,931,475	7,711,315	9,151,259	9,288,289	9,930,033	10,201,477	9,137,829	1,432,798	1,442,605
Unrestricted	6,886,883	6,779,101	5,373,688	5,148,304	4,342,442	2,833,025	2,474,945	8,571,803	9,384,515
Total business-type activities net assets	\$ 27,388,399	\$ 27,380,437	\$ 27,957,220	\$ 28,230,878	\$ 28,710,339	\$ 27,782,195	\$ 27,476,949	\$ 28,164,895	\$ 28,462,684
Primary government									
Invested in capital assets,									
net of related debt	\$ 19,747,906	\$ 42,252,846	\$ 42,724,173	\$ 44,252,727	\$ 44,332,754	\$ 44,639,591	\$ 45,127,942	\$ 47,750,669	\$ 47,165,063
Restricted	12,532,933	12,623,564	14,357,612	14,202,907	17,004,294	16,537,617	14,118,804	5,956,984	5,835,737
Unrestricted	12,749,427	13,579,562	12,995,339	14,959,446	15,898,059	13,765,281	13,088,415	18,969,448	19,146,776
Total primary government net assets	\$ 45,030,266	\$ 68,455,972	\$ 70,077,124	\$ 73,415,080	\$ 77,235,107	\$ 74,942,489	\$ 72,335,161	\$ 72,677,101	\$ 72,147,576

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								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
General Government	\$ 1,686,167	\$ 1,669,859	\$ 1,645,510	\$ 1,786,077	\$ 1,801,333	\$ 1,962,787	\$ 2,195,329	\$ 3,062,908	\$ 2,576,740
Public Safety	4,217,326	4,481,480	4,880,795	4,875,689	5,030,088	5,392,394	6,010,813	6,464,674	6,592,175
Public Works - highways and streets	1,203,438	2,556,659 ¹	2,293,828	3,564,444	2,508,014	4,476,834	4,704,387	3,565,666	4,242,422
Other Public Works	110,063	135,560	114,056	128,088	161,236	169,750	234,457	121,795	54,681
Library	5,000	5,000	5,000	2,500	-	-	-	-	2,500
Culture and Recreation	853,745	924,619	944,821	974,352	1,138,543	1,172,675	1,240,395	1,330,682	1,239,590
Interest Expense	298,320	289,813	296,603	285,034	259,426	228,118	209,898	203,763	343,285
Total governmental activities expenses	8,374,059	10,062,990	10,180,613	11,616,184	10,898,640	13,402,558	14,595,279	14,749,488	15,051,393
Business-type activities:									
Sewer Operations	3,797,503	3,709,370	3,629,272	3,832,230	3,946,488	4,099,172	4,173,511	4,280,226	4,278,235
Waste and Recycling	1,342,917	1,368,059	1,384,567	1,513,684	1,866,119	2,248,783	1,918,726	2,031,249	2,045,978
Total business-type activities expenses	5,140,420	5,077,429	5,013,839	5,345,914	5,812,607	6,347,955	6,092,237	6,311,475	6,324,213
Total Primary Government Expenses	\$ 13,514,479	\$ 15,140,419	\$ 15,194,452	\$ 16,962,098	\$ 16,711,247	\$ 19,750,513	\$ 20,687,516	\$ 21,060,963	\$ 21,375,606
Program Revenues									
Governmental activities:									
Charges for services:									
General Government	\$ 56,340	\$ 54,377	\$ 84,648	\$ 59,730	\$ 46,597	\$ 50,765	\$ 171,842	\$ 51,943	\$ 65,974
Public Safety	411,057	461,000	449,618	571,772	666,253	656,706	478,796	507,756	681,265
Culture and Recreation	166,835	103,152	72,081	156,726	127,436	120,724	93,485	696,996	151,485
Operating Grants and Contributions	861,059	799,994	851,335	900,305	932,610	977,851	958,303	1,033,480	1,354,353
Capital Grants and Contributions	74,841	40,000	187,413	403,396	740,071	130,030	25,304	751,137	-
Total governmental activities program revenues	1,570,132	1,458,523	1,645,095	2,091,929	2,512,967	1,936,076	1,727,730	3,041,312	2,273,077
Business-type activities:									
Charges for services:									
Sewer Operations	3,591,812	3,248,029	3,307,995	3,742,250	3,523,981	3,533,792	3,944,184	4,647,430	4,264,989
Waste and Recycling	1,346,757	1,358,002	1,365,572	1,370,204	1,377,304	1,394,321	1,758,456	2,136,619	2,148,782
Operating Grants and Contributions	134,824	246,287 ²	108,451	134,571	139,267	136,321	103,055	190,264	191,654
Capital Grants and Contributions	71,540	-	424,427 ⁴	245,954	-	98,854	-	-	-
Total business-type activities program revenues	5,144,933	4,852,318	5,206,445	5,492,979	5,040,552	5,163,288	5,805,695	6,974,313	6,605,425
Total Primary Government Program Revenues	\$ 6,715,065	\$ 6,310,841	\$ 6,851,540	\$ 7,584,908	\$ 7,553,519	\$ 7,099,364	\$ 7,533,425	\$ 10,015,625	\$ 8,878,502
Net (expense) revenue	\$ (6,803,927)	\$ (8,604,467)	\$ (8,535,518)	\$ (9,524,255)	\$ (8,385,673)	\$ (11,466,482)	\$ (12,867,549)	\$ (11,708,176)	\$ (12,778,316)
Governmental activities	4,513	(225,111)	192,606	147,065	(772,055)	(1,184,667)	(286,542)	662,838	281,212
Business-type activities	(6,799,414)	(8,829,578)	(8,342,912)	(9,377,190)	(9,157,728)	(12,651,149)	(13,154,091)	(11,045,338)	(12,497,104)
Total primary government net expense	\$ (2,286,351)	\$ (9,054,128)	\$ (8,150,316)	\$ (8,753,380)	\$ (6,990,844)	\$ (13,842,296)	\$ (13,417,166)	\$ (12,082,676)	\$ (14,214,208)

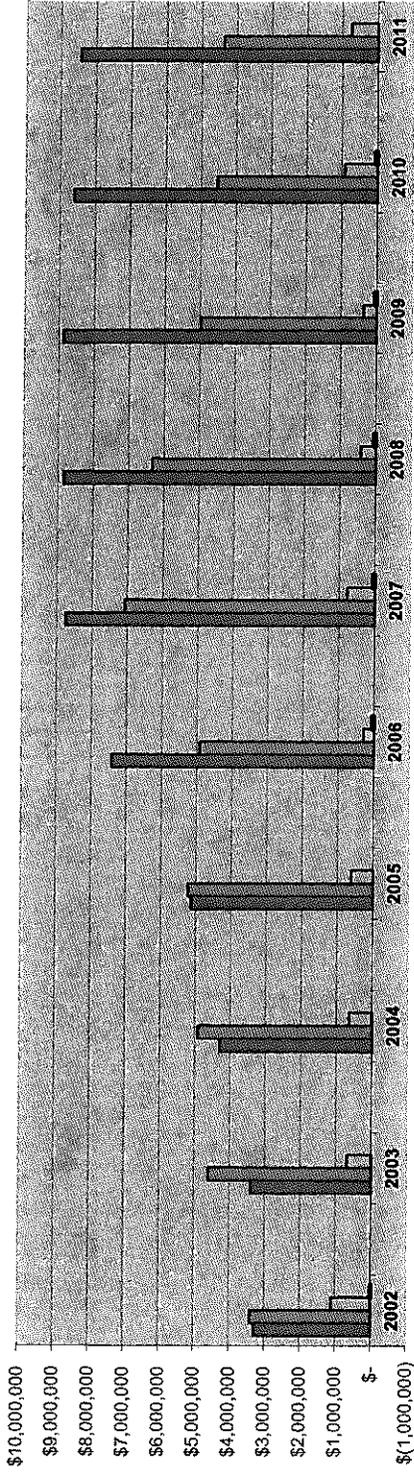
**West Goshen Township
Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes									
Real estate taxes	\$ 1,402,116	\$ 2,481,655 ³	\$ 2,523,930	\$ 2,554,040	\$ 2,551,015	\$ 2,590,007	\$ 2,601,082	\$ 3,451,584 ⁵	\$ 3,458,714
Real estate transfer taxes	807,367	921,849	744,094	783,750	861,761	564,294	441,286	462,798	568,142
Earned income taxes	5,071,263	5,113,634	5,632,133	6,708,791	6,530,198	5,386,742	6,264,503	5,999,465	6,366,105
Emergency Municipal Services Tax	-	-	-	942,371	1,197,356	812,406	878,489	910,778	921,698
Franchise fees	239,504	245,451	260,776	283,398	314,316	335,119	348,525	433,767	409,665
Investment earnings	106,601	145,472	360,705	627,618	718,742	392,927	75,603	55,637	42,211
Unrestricted grants and contributions	16,509	13,984	17,538	18,225	20,357	19,031	17,515	18,223	19,350
Gain (Loss) on sale of capital assets	-	-	-	-	21,448	(13,328)	(101,610)	(30,774)	80,141
Miscellaneous	32,575	42,570	40,711	79,360	102,046	14,810	40,074	60,892	84,776
Total governmental activities	7,675,935	8,964,615	9,579,887	11,997,553	12,317,239	10,102,008	10,565,467	11,362,370	11,950,802
Business-type activities:									
Investment earnings	263,501	179,542	346,754	659,514	660,865	256,523	33,658	27,919	16,777
Miscellaneous	49,023	37,607	37,423	58,079	(349)	-	(52,362)	(3,011)	-
Total business-type activities	312,524	217,149	384,177	717,593	660,516	256,523	(18,704)	24,908	16,777
Total primary government	\$ 7,988,459	\$ 9,181,764	\$ 9,964,064	\$ 12,715,146	\$ 12,977,755	\$ 10,358,531	\$ 10,546,763	\$ 11,387,278	\$ 11,967,579
Change in Net Assets									
Governmental activities	\$ 872,008	\$ 360,148	\$ 1,044,369	\$ 2,473,298	\$ 3,931,566	\$ (1,364,474)	\$ (2,302,082)	\$ (345,806)	\$ (627,514)
Business-type activities	317,037	(7,962)	576,783	864,658	(111,539)	(928,144)	(305,246)	687,746	297,989
Total primary government	\$ 1,189,045	\$ 352,186	\$ 1,621,152	\$ 3,337,956	\$ 3,820,027	\$ (2,292,618)	\$ (2,607,328)	\$ 341,940	\$ (529,525)

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 Wilshire 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)**



General fund
 Capital Reserve Fund
 Capital projects fund

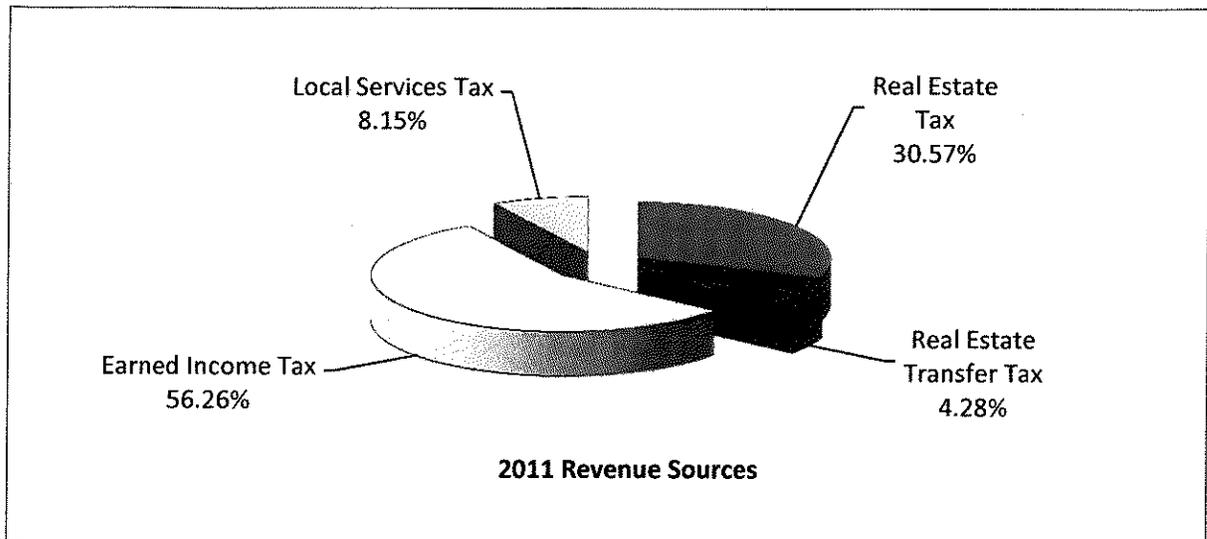
	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund										
Restricted	\$ 3,300,757	\$ 3,405,106	\$ 4,292,181	\$ 5,127,853	\$ 7,415,233	\$ 8,748,955	\$ 8,830,627	\$ 8,879,327	\$ 8,597,789	\$ 6,451,630
Unassigned	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 3,300,757</u>	<u>\$ 3,405,106</u>	<u>\$ 4,292,181</u>	<u>\$ 5,127,853</u>	<u>\$ 7,415,233</u>	<u>\$ 8,748,955</u>	<u>\$ 8,830,627</u>	<u>\$ 8,879,327</u>	<u>\$ 8,597,789</u>	<u>\$ 6,451,630</u>
All other governmental funds										
Restricted										
Special revenue funds	\$ 3,402,147	\$ 4,601,172	\$ 4,912,249	\$ 5,206,353	\$ 4,914,618	\$ 7,074,261	\$ 6,336,140	\$ 4,980,975	\$ 4,524,186	\$ 24,820
Capital Reserve fund	1,108,966	688,940	642,688	605,133	286,668	763,108	412,972	361,080	908,506	4,368,312
Unassigned	(286)	-	-	-	50,651	53,008	54,150	54,324	54,487	-
Assigned	-	-	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-	-	-	727,900
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Total Special revenue funds	<u>1,108,966</u>	<u>688,940</u>	<u>642,688</u>	<u>605,133</u>	<u>286,668</u>	<u>763,108</u>	<u>412,972</u>	<u>361,080</u>	<u>908,506</u>	<u>752,720</u>
Total Capital Reserve fund	<u>3,402,147</u>	<u>4,601,172</u>	<u>4,912,249</u>	<u>5,206,353</u>	<u>4,914,618</u>	<u>7,074,261</u>	<u>6,336,140</u>	<u>4,980,975</u>	<u>4,524,186</u>	<u>4,368,312</u>
Total Capital projects fund	<u>(286)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,651</u>	<u>53,008</u>	<u>54,150</u>	<u>54,324</u>	<u>54,487</u>	<u>-</u>
Total all other governmental funds	<u>\$ 4,510,827</u>	<u>\$ 5,290,112</u>	<u>\$ 5,554,937</u>	<u>\$ 5,811,486</u>	<u>\$ 5,251,937</u>	<u>\$ 7,890,377</u>	<u>\$ 6,803,262</u>	<u>\$ 5,396,379</u>	<u>\$ 5,487,179</u>	<u>\$ 5,121,032</u>

NOTES:
 1 According to GASB 54, the recognition of unreserved fund balances has been broken down into two separate categories, assigned and unassigned.

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 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	\$ 11,135,369
Licenses and permits	219,950	243,859	273,814	266,385	288,043	318,926	343,409	352,925	438,392	415,290
Fines, forfeits and costs	187,112	152,729	180,887	181,130	212,941	243,004	231,412	214,759	184,930	197,134
Investment Earnings	177,501	118,727	156,984	388,986	660,280	750,290	430,037	106,423	87,758	77,132
Intergovernmental revenues	759,700	952,408	853,978	917,001	1,143,530	952,967	996,882	975,819	1,051,703	1,373,704
Charges for services/fees	320,845	351,463	340,268	378,827	455,480	513,624	506,323	491,644	427,518	603,543
Contributions	135,000	113,560	57,500	12,500	82,500	47,500	45,000	2,500	607,500	77,500
Miscellaneous revenue/other	23,463	33,753	31,718	20,804	18,420	102,046	14,810	39,874	59,992	84,776
Total Revenues	9,095,957	9,352,076	10,287,631	11,022,202	13,680,527	14,186,974	12,241,899	12,171,711	13,785,760	13,964,448
Expenditures										
General Government	1,386,408	1,550,790	1,582,454	1,680,525	1,662,389	1,749,317	1,930,128	2,135,166	2,417,608	1,826,099
Public Safety	3,816,987	4,030,854	4,416,172	4,839,827	4,832,442	4,974,334	5,334,087	5,645,437	6,082,453	6,376,953
Public Works - highways and streets	618,378	1,130,538	1,359,534	1,455,812	2,859,642	1,340,066	3,805,067	3,878,447	6,608,745	5,533,956
Other public works	96,828	110,063	133,130	114,056	150,047	168,736	169,750	173,608	210,480	175,895
Library	5,250	5,000	5,000	5,000	2,500	-	-	-	-	2,500
Culture and Recreation	759,634	775,966	858,351	1,087,112	1,813,080	1,028,470	1,057,111	1,188,772	1,238,088	1,350,480
Insurance/employee benefits/payroll taxes	459,518	158,976	-	-	-	-	-	-	-	-
Capital Outlay	27,655	27	27	27	27	27	27	115,885	12,527	11,047
Miscellaneous expenditures	481,719	517,759	563,267	641,163	725,416	744,525	724,315	459,431	450,827	619,148
Debt service	312,537	298,320	289,813	296,603	285,034	259,426	228,118	209,898	203,763	343,285
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	-	-	-	37,795
Total expenditures	7,964,914	8,578,293	9,207,748	10,120,125	12,330,577	10,264,901	13,248,603	13,806,644	17,262,286	16,239,363
Excess (Deficiency) of revenues over (under) expenditures	1,131,043	773,783	1,079,883	902,077	1,349,950	3,922,073	(1,006,704)	(1,634,933)	(3,476,526)	(2,274,915)
Other financing sources (uses)										
Transfers in	1,072,126	2,159,012	1,113,231	1,354,962	1,440,070	2,839,719	924,862	1,662,025	807,495	1,465,809
Transfers out	(1,072,126)	(2,159,012)	(1,113,231)	(1,354,962)	(1,440,070)	(2,839,719)	(924,862)	(1,662,025)	(807,495)	(1,465,809)
Proceeds from debt	-	-	-	-	-	-	-	-	-	-
Proceeds from capital leases	29,715	104,907	57,127	170,835	336,506	50,089	(2,739)	273,150	-	-
Sales of capital assets	-	4,944	14,890	19,309	41,375	-	4,000	3,600	13,209	7,514
Total other financing sources (uses)	29,715	109,851	72,017	190,144	377,881	50,089	1,261	276,750	3,285,788	1,748,320
Net change in fund balances	\$ 1,160,758	\$ 883,634	\$ 1,151,900	\$ 1,092,221	\$ 1,727,631	\$ 3,972,162	\$ (1,005,443)	\$ (1,358,183)	\$ (190,738)	\$ (526,595)
Debt service as a percentage of noncapital expenditures	6.4%	6.1%	6.1%	6.3%	5.9%	7.3%	5.5%	3.3%	2.6%	3.8%

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

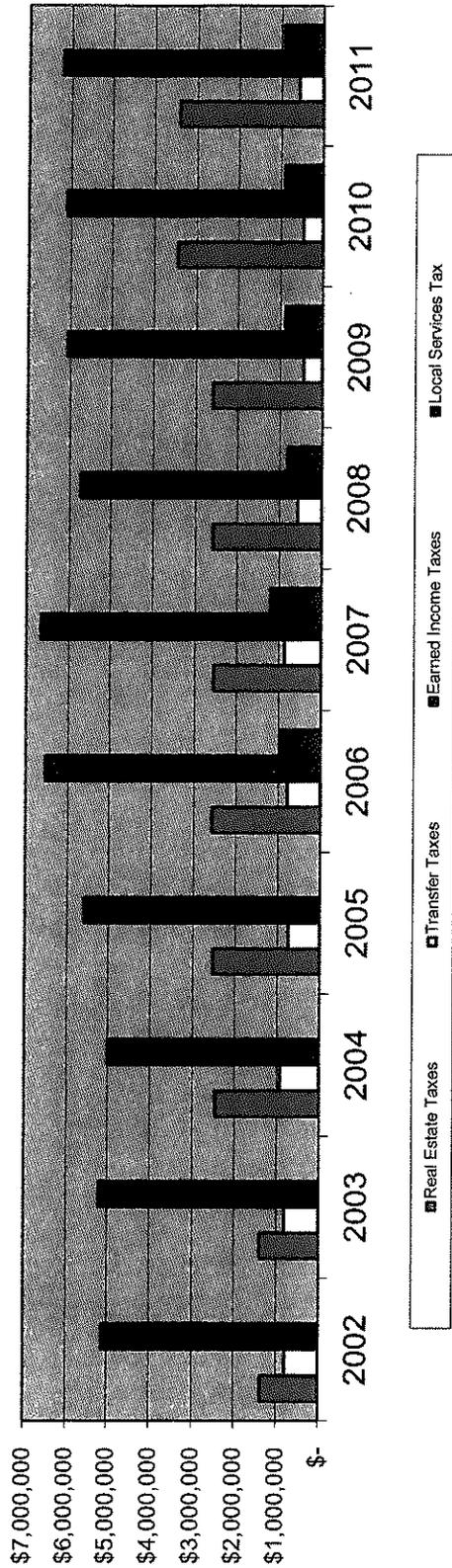


Fiscal Year	Real Estate Tax	Real Estate Transfer Tax	Earned Income Tax	Local Services Tax	Total
2002	1,410,361	786,958	5,228,193	-	\$ 7,425,512
<i>% of total</i>	19.37%	10.81%	71.81%		101.99%
2003	1,402,116	807,367	5,071,263	-	\$ 7,280,746
<i>% of total</i>	16.46%	9.48%	59.54%		85.48%
2004	2,481,655	921,849	5,113,634	-	\$ 8,517,138
<i>% of total</i>	27.88%	10.36%	57.46%		95.70%
2005	2,523,930	744,094	5,632,133	-	\$ 8,900,157
<i>% of total</i>	22.97%	6.77%	51.25%		80.99%
2006	2,554,040	783,750	6,708,791	942,371	\$ 10,988,952
<i>% of total</i>	22.93%	7.04%	60.22%	8.46%	98.64%
2007	2,551,015	861,761	6,530,198	1,197,356	\$ 11,140,330
<i>% of total</i>	27.27%	9.21%	69.82%	12.80%	119.10%
2008	2,590,007	564,294	5,386,742	812,406	\$ 9,353,449
<i>% of total</i>	25.43%	5.54%	52.89%	7.98%	91.83%
2009	2,601,082	441,286	6,264,503	878,489	\$ 10,185,360
<i>% of total</i>	24.03%	4.08%	57.87%	8.12%	94.09%
2010	3,451,584	462,798	5,999,465	910,778	\$ 10,824,625
<i>% of total</i>	31.89%	4.28%	55.42%	8.41%	100.00%
2011	3,458,714	568,142	6,366,105	921,698	\$ 11,314,659
<i>% of total</i>	30.57%	5.02%	56.26%	8.15%	100.00%

Notes:

Emergency Municipal Services Tax enacted on 1/1/2006 and further enacted by Act 7 of 2007 as Local Services Tax, effective 1/1/2008.
Real Estate Tax increase effective 1/1/2010 (from 1.5 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
	Taxes	Transfer Taxes	Taxes	Tax	Tax	Total	
2002	\$ 1,374,891	\$ 786,958	\$ 5,110,537	\$ -	\$ -	\$ 7,272,386	
2003	\$ 1,396,947	\$ 807,367	\$ 5,181,263	\$ -	\$ -	\$ 7,385,577	
2004	\$ 2,466,999 ¹	\$ 921,849	\$ 5,003,634	\$ -	\$ -	\$ 8,392,482	
2005	\$ 2,524,343	\$ 744,094	\$ 5,588,133	\$ -	\$ -	\$ 8,856,570	
2006	\$ 2,560,421	\$ 783,750	\$ 6,532,791	\$ 942,371 ²	\$ -	\$ 10,819,335	
2007	\$ 2,544,302	\$ 861,761	\$ 6,655,198	\$ 1,197,356	\$ -	\$ 11,258,617	
2008	\$ 2,577,524	\$ 564,294	\$ 5,719,742	\$ 812,406	\$ -	\$ 9,673,966	
2009	\$ 2,599,490	\$ 441,286	\$ 6,068,503	\$ 878,489	\$ -	\$ 9,987,768	
2010	\$ 3,446,925	\$ 462,798	\$ 6,107,466	\$ 910,778 ³	\$ -	\$ 10,927,970	
2011	\$ 3,416,358	\$ 568,142	\$ 6,204,105	\$ 921,698	\$ -	\$ 11,110,303	

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>
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
2011	\$ 1,750,413,337	55.87%	\$ 3,133,239,873	2.00

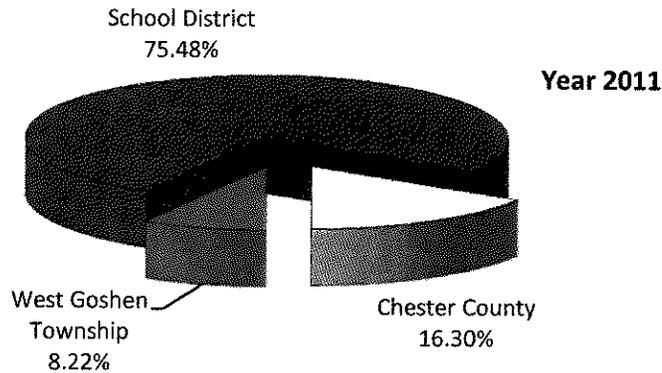
Note (1) Common level ratio reciprocal factor used by Chester County, Pennsylvania, Board of Assessments and the Pennsylvania Department of Revenue Realty Transfer Tax department.

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>
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%
2011	2.0000	18.3600	3.9650	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, 2011**

Taxpayer	2011			2010		
	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	2.78%
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	0.84%
Goshen Terrace Apartments	14,198,300	4	0.81%	14,198,300	4	0.81%
Capital Enterprises, Inc.	12,008,680	5	0.69%	12,008,680	5	0.69%
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	9	0.39%
A. Duie Pyle, Inc.	6,786,500	10	0.39%	6,786,500	10	0.39%
	<u>\$ 144,675,260</u>		<u>8.26%</u>	<u>\$ 144,675,260</u>		<u>8.26%</u>

Note: Total taxable assessed value, all real property in West Goshen Township, December 31, 2011, \$1,750,413,337.

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 Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2011	\$ 3,500,827	\$ 3,369,691	96.25%	\$ 46,667	\$ 3,416,358	97.59%

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>General Obligation Debt</u>	<u>Capital Leases</u>	<u>Total Primary Government</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2002	20,876	\$ 1,610,621,475	\$ 7,376,000	\$ 19,246	\$ 7,395,246	0.46%	\$ 354
2003	21,017	\$ 1,662,970,630	\$ 6,904,000	\$ 78,394	\$ 6,982,394	0.42%	\$ 332
2004	21,144	\$ 1,663,883,667	\$ 6,404,000	\$ 72,254	\$ 6,476,254	0.39%	\$ 306
2005	21,138	\$ 1,686,941,565	\$ 5,876,000	\$ 129,926	\$ 6,005,926	0.36%	\$ 284
2006	21,168	\$ 1,720,874,612	\$ 5,317,000	\$ 300,016	\$ 5,617,016	0.33%	\$ 265
2007	21,140	\$ 1,732,148,172	\$ 4,726,000	\$ 196,578	\$ 4,922,578	0.28%	\$ 233
2008	21,321	\$ 1,747,526,471	\$ 4,101,000	\$ 94,526	\$ 4,195,526	0.24%	\$ 197
2009	21,339	\$ 1,752,550,691	\$ 3,769,000	\$ 240,245	\$ 4,009,245	0.23%	\$ 188
2010	21,866	\$ 1,750,817,197	\$ 6,694,579	\$ 126,208	\$ 6,820,787	0.39%	\$ 312
2011	22,016	\$ 1,750,413,337	\$ 7,882,798	\$ 69,857	\$ 7,952,655	0.45%	\$ 361

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, 2011**

<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	\$ 7,882,798	100.00%	\$ 7,882,798
OVERLAPPING DEBT:			
County of Chester	\$ 490,981,000 ¹	4.79%	<u>\$ 23,533,042</u>
TOTAL			<u><u>\$ 31,415,840</u></u>

Note¹: County of Chester data not yet available for 2011, amount reflects 2010 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, 2011

	Year Ended December 31,		
	2011	2010	2009
Total Revenues	\$ 23,845,390	\$ 26,196,623	\$ 21,841,424
Deduct excludable items under Section 8002 (c) (16) of the Act:			
Nonrecurring items:			
Grants and gifts-in-aid	459,013	448,892	666,059
Proceeds from general long-term debt	1,748,320	3,285,788	276,750
Total Revenues as Defined in Section 8002 (c) (16) of the Act	\$ 21,638,057	\$ 22,461,943	\$ 20,898,615
Total Revenues as Defined in Section 8002 (c) (16) of the Act for the year ended December 31, 2009			\$ 64,998,615
Borrowing Base - Arithmetic Average of Total Revenues			\$ 21,666,205
Debt Limit			250%
Debt Limitation			\$ 54,165,513

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)

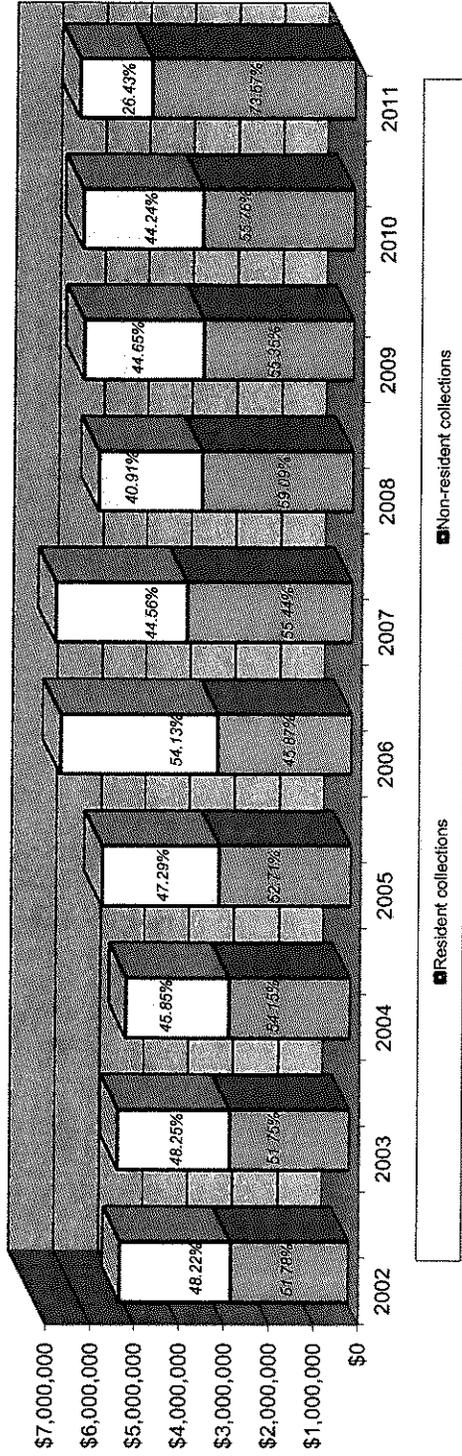
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 181,622	\$ 187,822	\$ 188,425	\$ 191,549	\$ 194,693	\$ 197,751	\$ 199,115	\$ 199,727	\$ 199,580	199,539
Total net debt applicable to limit	7,376	6,904	6,404	5,876	5,317	4,726	4,101	3,769	6,695	7,883
Legal debt margin	\$ 174,246	\$ 180,918	\$ 182,021	\$ 185,673	\$ 189,376	\$ 193,025	\$ 195,014	\$ 195,958	\$ 192,885	\$ 191,656
Total net debt applicable to the limit as a percentage of debt limit	4.06%	3.68%	3.40%	3.07%	2.73%	2.39%	2.06%	1.89%	3.35%	3.95%

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value	\$ 1,750,414
Add back: exempt real property	\$ 244,978
Total assessed value	\$ 1,995,392
Debt limit (10% of total assessed value)	199,539
Debt applicable to limit:	
General obligation bonds	7,883
Total net debt applicable to limit	7,883
Legal debt margin	\$ 191,656

Assessed value	1,610,621	1,662,971	1,663,884	1,686,942	1,720,875	1,732,148	1,747,526	1,752,551	1,750,818	1,750,414
Add back: exempt real property	205,600	215,245	220,367	228,544	226,058	245,361	243,625	244,720	244,978	248,297
Total assessed value	1,816,222	1,878,216	1,884,251	1,915,485	1,946,933	1,977,509	1,991,151	1,997,271	1,995,796	1,998,711
@ 10%	181,622	187,822	188,425	191,549	194,693	197,751	199,115	199,727	199,580	199,871

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



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Resident collections	\$2,645,989	\$2,681,341	\$2,709,509	\$2,945,330	\$2,996,875	\$3,689,404	\$3,379,784	\$3,358,935	\$3,405,809	\$4,564,658
% of total	51.78%	51.75%	54.15%	52.71%	45.87%	55.44%	59.09%	55.35%	55.76%	73.57%
Non-resident collections	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	1,639,447
% of total	48.22%	48.25%	45.85%	47.29%	54.13%	44.56%	40.91%	44.65%	44.24%	26.43%
Total earned income tax collected	<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>	<u>\$6,204,105</u>

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

Source:
 West Goshen Township Finance Department, Berkheimer Administrators and Keystone Collections.

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

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

Notes:

2009, 2010 and 2011 statistics are not available.
 Exempt individuals include disabled, homemaker, non-adult, and retired statuses.
 Municipalities included in the West Chester Area School District: West Chester Borough, West Goshen Township, East Goshen Township, East Bradford Township, West Whiteland Township, Westtown Township and 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 Berkeimer Tax Administrators.

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

Taxpayer	2011			2010		
	Number of Employees	Rank	Percent of Total Employees	Number of Employees	Rank	Percent of Total Employees
QVC Network, Inc.	2,618	1	12.8%	1,933	1	7.7%
United Parcel Service, Inc.			0.0%	1,034	2	4.1%
People 2.0 Global, Inc.			0.0%	889	3	3.6%
A. Duie Pyle, Inc.			0.0%	861	4	3.4%
West Chester School W. Goshen	1,585	2	7.8%	841	5	3.4%
Chester County Court House	810	5	4.0%	833	6	3.3%
Wachovia Shared Resources, LLC			0.0%	504	7	2.0%
PA State System of Higher Education	429	6	2.1%	498	8	2.0%
Nobel Learning Communities			0.0%	464	9	1.9%
Atlantic Coast Athletic Club	337	7	1.6%			
Cephalon, Inc.	880	4	4.3%	391	10	1.6%
Kraf Business Companies	912	3	4.5%			
Johnson & Johnson Services, Inc.	260	8				
Remed Recovery Care Centers	225	9				
Michaels Stores, Inc. & Subs	220	10				
Total, 10 largest employers	8,276		33.2%	8,248		33.0%
Note: Total employment in West Goshen Township subject to Earned Income Tax	20,450			24,961		

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

Keystone Tax Administrators Disclaimer:

DISCLAIMER

The information contained herein is expressly based upon data compiled from employer withholding submissions filed with the tax officer in tax year 2011. As a result of the transition to Act 32, mandatory withholding in tax year 2011 and the resultant non-compliance by many of the employers regarding proper filing procedures, the data may not be relied upon as complete and/or accurate for historic measure or projection of future revenue. As such, taxing authority recognizes and agrees by acceptance that this information will not be used or released for historic measure or projection of anticipated revenue or any related purpose. Taxing authorities should contact tax officer with updated information and/or identification of discrepancies.

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

Function	<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>	<u>2011</u>
Code Enforcement										
Building permits	457	413	633	757	918	1,084	1,252	773	888	1,111
New construction	91	46	36	15	36	37	26	11	17	44
Additions and alterations	242	220	287	200	204	219	245	200	226	281
Subdivision plans	9	9	2	8	2	5	2	2	2	2
Lots approved	14	65	11	2	246	13	9	8	29	0
Zoning appeals	10	11	8	10	8	5	8	4	4	5
Land development	9	14	10	17	16	10	11	9	6	4
Police										
Physical arrests	1,142	1,384	1,330	944	938	1,734	956	1,065	972	1,401
Traffic violations	3,130	2,738	3,090	3,042	2,898	3,063	3,308	3,396	2,879	2,466
Parking violations	382	321	486	346	340	195	197	281	237	174
Alarm violations	1,478	1,348	1,287	1,151	1,255	941	1,006	883	946	913
Fire										
Number of calls answered	n/a	n/a	65	77	72	63	75	54	59	53
Inspections	n/a	n/a	286	474	466	463	404	340	449	895
Highways and Streets										
Street resurfacing (miles)	2.10	3.40	3.66	1.92	4.08	0.00	10.32	5.19	5.02	5.6
Culture and Recreation										
Summer recreation program registrations	364	335	294	341	354	329	314	270	303	291
Summer sports clinic registrations	134	84	102	102	119	97	91	89	70	54
Park/pavilion permits issued	116	102	104	110	87	95	89	81	77	88

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	<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>	<u>2011</u>
General Government										
Building	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police:										
Building	1	1	1	1	1	1	1	1	1	1
Highways and Streets										
Building	1	1	1	1	1	1	1	1	1	1
Streets (miles)	82.49	82.49	84.69	84.69	84.69	85.64	85.93	87.56	87.56	87.56
Bridges	1	1	1	2	2	2	2	2	2	2
Traffic signals	26	26	26	27	27	27	27	27	27	27
Culture and Recreation										
Parks acreage	112.7	112.7	112.7	112.7	112.7	112.7	112.7	112.7	112.7	104.5
Parks	13	13	13	13	13	13	13	13	13	12
Tennis courts	4	4	4	4	6	6	6	6	6	6
Skate grounds	0	0	0	0	1	1	1	1	1	1
Baseball fields	4	4	4	4	4	4	4	4	4	3
Basketball courts	3	3	3	3	3	3	3	3	3	3
Volleyball court	2	2	2	2	2	2	2	2	2	2
Soccer/multipurpose field	1	1	1	1	1	1	1	1	1	1
Amphitheaters	1	1	1	1	1	1	1	1	1	1
Pavilions	3	3	2	2	2	2	2	2	2	2
Maintenance garage	0	0	1	1	1	1	1	1	1	1

Source: Various township departments.

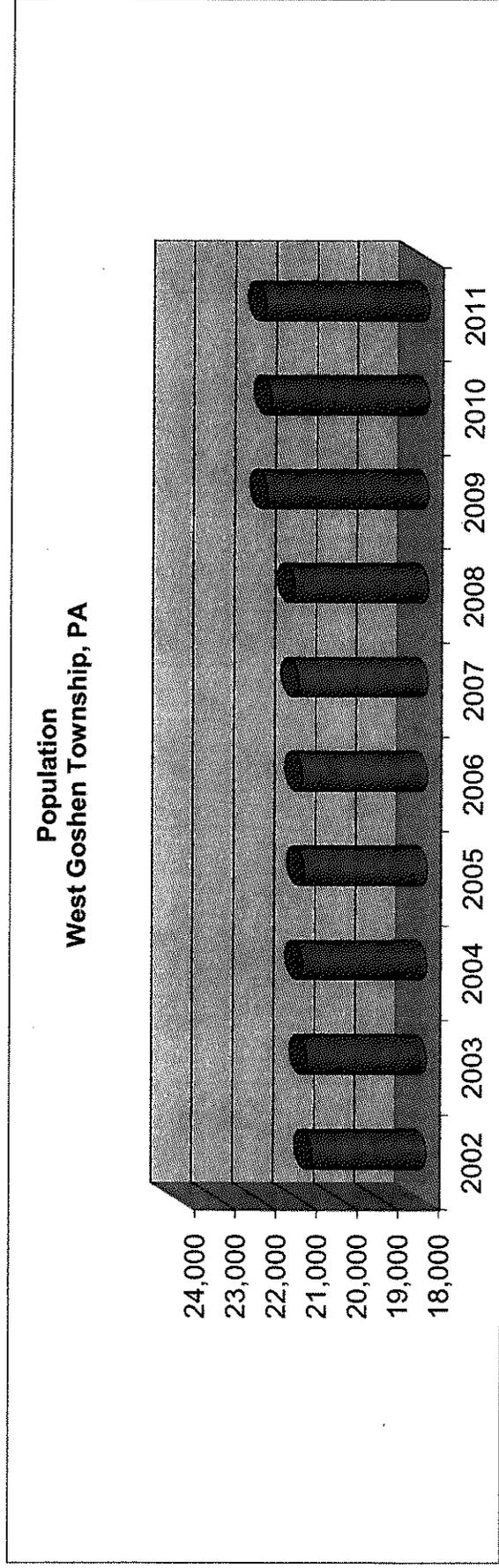
Note: No capital assets indicators are available for the general government function.

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

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	15	15	14	14	15	15	15	15	13	13
Public Safety	26	26	26	26	25	25	27	29	29	28
Officers	4	4	4	4	2	2	2	2	2	2
Dispatchers	2	2	3	3	3	3	2	2	2	2
Administration	1	1	2	2	2	2	2	2	2	2
Code Inspectors	0	0	1	1	1	1	1	1	1	1
Fire Marshal										
Highways and Streets	8	9	9	9	10	10	12	13	13	14
Culture and Recreation	9	9	8	9	10	11	11	11	11	12
Sewer	<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>	<u>16</u>
Total	80	81	81	82	82	84	88	91	89	90

West Goshen Township
Population Statistics
Last Ten Fiscal Years

Population statistics - West Goshen Township, PA

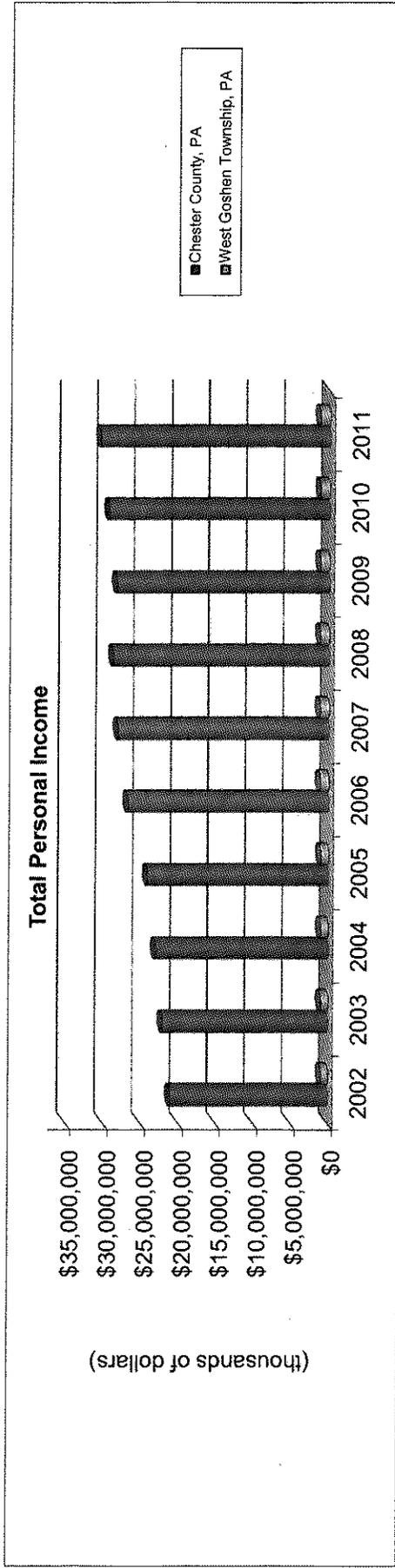


Population	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
West Goshen Township, PA	20,807	20,930	21,043	21,020	21,073	21,171	21,266	21,956	21,866	22,016
Over-the-year change	0.6%	0.6%	0.5%	-0.1%	0.3%	0.5%	0.4%	3.7%	-0.4%	0.7%
Chester County, PA	448,746	455,877	463,900	471,562	480,200	487,567	493,281	498,894	500,873	503,897

Source: U.S. Census Bureau

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

Total personal income - Chester County, PA



Total Personal Income
(thousands of dollars)

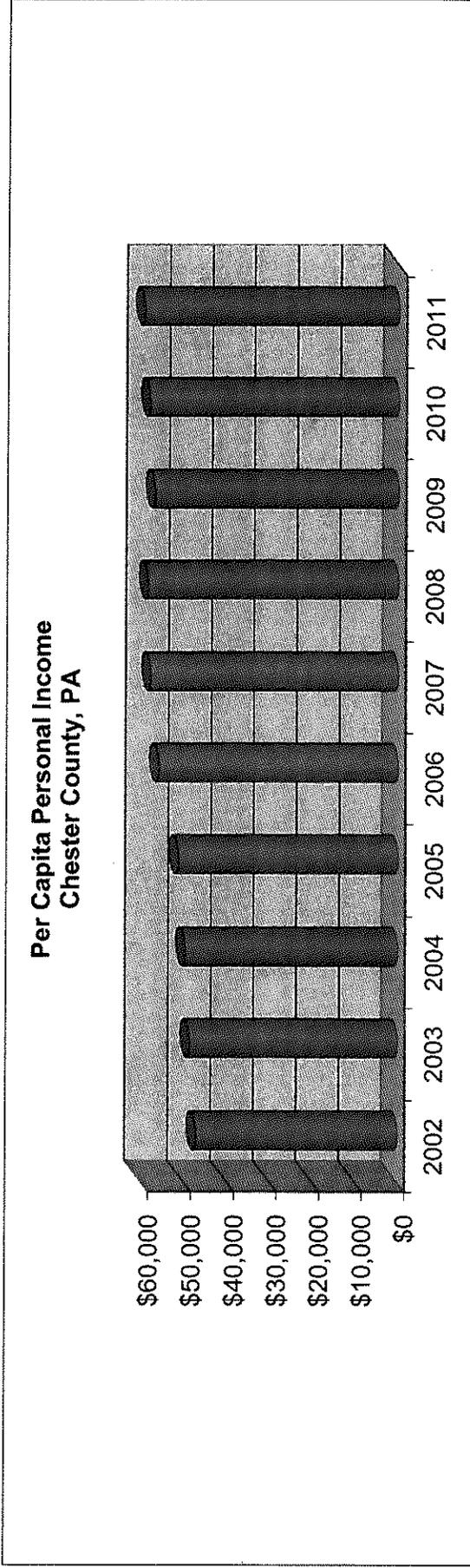
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Chester County, PA	\$21,162,488	\$22,188,098	\$23,086,354	\$24,228,078	\$26,882,594	\$28,237,594	\$28,902,509	\$28,453,609	\$29,527,865	\$30,642,679
West Goshen Township, PA	\$981,241	\$1,018,689	\$1,047,222	\$1,079,973	\$1,179,710	\$1,226,125	\$1,246,026	\$1,252,225	\$1,289,062	\$1,338,824
	3.4%	4.8%	4.0%	4.9%	11.0%	5.0%	2.4%	-1.6%	3.8%	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 (2002-2010); West Goshen Township Finance Department projection (2011).

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

Per capita personal income - Chester County, PA



Per Capita Personal Income	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Chester County, PA	\$47,159	\$48,671	\$49,766	\$51,378	\$55,982	\$57,915	\$58,592	\$57,033	\$58,301	\$59,597
Over-the-year change		1.8%	3.2%	2.2%	3.2%	9.0%	1.2%	-2.7%	2.2%	2.2%

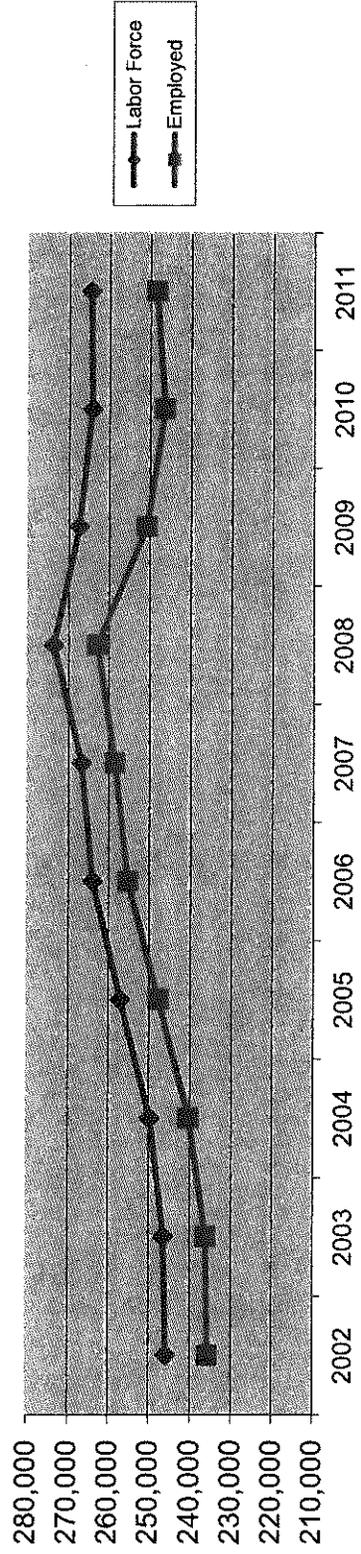
Note: Per capita personal income data not available by minor civil division. County data is provided since it is generally representative of the area's economic climate.

Source: Bureau of Economic Analysis Local Area Personal Income estimates (2002-2010); West Goshen Township Finance Department projection (2011).

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 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011

Labor Force	245,856	246,405	249,758	257,078	263,942	266,686	273,667	267,405	264,170	264,539
Employed	235,820	236,234	240,360	247,695	255,221	258,447	262,888	250,710	246,343	248,392
Unemployment Rate	4.1%	4.1%	3.8%	3.6%	3.3%	3.1%	3.9%	6.2%	6.7%	6.1%

Pennsylvania Rate	5.6%	5.7%	5.4%	5.0%	4.5%	4.3%	5.3%	8.0%	8.7%	7.9%
U.S. Rate	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%

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

Source: Bureau of Labor Statistics Local Area Unemployment Statistics.

West Goshen Township

Miscellaneous Statistics

December 31, 2011

Date founded:	December 6, 1817	
Form of government:	Second Class Township	
Area:	12 square miles	
Miles of Roads:	88 miles - municipal roads 40 miles - state roads	
Fire/Ambulance protection:	1 volunteer fire department 1 volunteer ambulance service	Fame Fire Company Good Fellowship
Police Protection:	28 full-time police personnel and officers	
Education:	2 Elementary schools 2 Middle Schools 1 High Schools	
Main Township Parks:	West Goshen Community Park Stoneybrook Park Coopersmith Park Barker Park Robert E. Lambert Park	32.0 acres 22.2 acres 15.2 acres 11.5 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

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June 19, 2012

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, 2011, which collectively comprise West Goshen Township's basic financial statements, and have issued our report thereon dated June 19, 2012. 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Goshen Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of West Goshen 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 Township'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.

Board of Supervisors
West Goshen Township
West Chester, Pennsylvania

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Goshen Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and; accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of West Goshen Township, West Chester, Pennsylvania, in a separate letter dated June 19, 2012.

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

BARBACANE, THORNTON & COMPANY LLP