



West Goshen Township
West Chester, Pennsylvania
Chester County

Financial Statements
Year Ended December 31, 2022



1835 Market Street, 3rd Floor
Philadelphia, PA 19103

215/567-7770 | bbdcpa.com

WEST GOSHEN TOWNSHIP

CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
<i>Statement of Net Position</i>	22
<i>Statement of Activities</i>	23
<i>Balance Sheet – Governmental Funds</i>	24
<i>Reconciliation of Governmental Funds Balance Sheet to Net Position of Governmental Activities on the Statement of Net Position</i>	25
<i>Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds</i>	26
<i>Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities on the Statement of Activities</i>	27
<i>Budgetary Comparison Statement – General Fund</i>	28
<i>Statement of Net Position – Proprietary Funds</i>	30
<i>Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds</i>	31
<i>Statement of Cash Flows – Proprietary Funds</i>	32
<i>Statement of Net Position – Fiduciary Funds</i>	33
<i>Statement of Changes in Net Position – Fiduciary Funds</i>	34
<i>Notes to Financial Statements</i>	35
REQUIRED SUPPLEMENTARY INFORMATION	
<i>Police Pension Fund</i>	
<i>Schedule of Changes in the Township's Net Pension Liability, Related Ratios and Investment Returns</i>	67
<i>Schedule of Employer Contributions</i>	68
<i>Non-Uniformed Pension Plan</i>	
<i>Schedule of Changes in the Township's Net Pension Liability, Related Ratios and Investment Returns</i>	69
<i>Schedule of Employer Contributions</i>	70
<i>Sewer Pension Plan</i>	
<i>Schedule of Changes in the Township's Net Pension Liability, Related Ratios and Investment Returns</i>	71
<i>Schedule of Employer Contributions</i>	72
<i>Schedule of the Township's Net OPEB Liability and Related Ratios</i>	73

WEST GOSHEN TOWNSHIP

CONTENTS

SUPPLEMENTARY INFORMATION

<i>Combining Balance Sheet – Nonmajor Governmental Fund Types</i>	74
<i>Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Fund Types</i>	75
<i>Budgetary Comparison Schedule – Major Nonmajor Governmental Fund Type – Capital Reserve Fund</i>	76
<i>Budgetary Comparison Schedule – Nonmajor Governmental Fund Type – State Fund</i>	77
<i>Combining Statement of Net Position – Fiduciary Funds</i>	78
<i>Combining Statement of Changes in Net Position – Fiduciary Funds</i>	79

STATISTICAL SECTION

<i>Net Position by Component</i>	80
<i>Changes in Net Position</i>	81
<i>Fund Balances of Governmental Funds</i>	83
<i>Changes in Fund Balances of Governmental Funds</i>	84
<i>Governmental Activities Tax Revenues by Source</i>	85
<i>General Governmental Tax Revenues by Source</i>	86
<i>Assessed Value and Estimated Actual Value of Taxable Property</i>	87
<i>Property Tax Rates Direct and Overlapping Governments</i>	88
<i>Principal Property Taxpayers</i>	89
<i>Property Tax Levies and Collections</i>	90
<i>Ratios of Outstanding Debt by Type</i>	91
<i>Direct and Overlapping Governmental Activities Debt</i>	92
<i>Computation of Borrowing Capacity</i>	93
<i>Earned Income Tax Revenue</i>	94
<i>Resident Earned Income Statistics, Direct and Overlapping Resident Statistics</i>	95
<i>Principal Employers</i>	96
<i>Operating Indicators by Function</i>	97
<i>Capital Assets Statistics by Function</i>	98
<i>Full-Time West Goshen Township Employees by Function</i>	99
<i>Population Statistics</i>	100
<i>Total Personal Income</i>	101
<i>Per Capita Personal Income</i>	102
<i>Labor Force Data</i>	103
<i>Miscellaneous Statistics</i>	104

WEST GOSHEN TOWNSHIP

CONTENTS

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

105



INDEPENDENT AUDITOR'S REPORT

**Board of Supervisors
West Goshen Township
West Chester, Pennsylvania**

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise West Goshen Township's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of West Goshen Township Sewer Authority, which represents 100% of the assets, net position, and revenues of the blended component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the West Goshen Township Sewer Authority major fund, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of West Goshen Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, West Goshen Township adopted new accounting guidance, GASB Statement No. 87 "*Leases*". Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about West Goshen Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of West Goshen Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about West Goshen Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Report on Summarized Comparative Information

The financial statements of West Goshen Township as of and for the year ended December 31, 2021, were audited by other auditors whose report, dated June 27, 2022, expressed unmodified opinions on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 21 and the required supplementary information presented on pages 67 through 73 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and other auditors 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Goshen Township's basic financial statements. The combining fund statements, budgetary comparison schedules and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining fund statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining fund statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, on our consideration of West Goshen Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Goshen Township's internal control over financial reporting and compliance.

BBD, LLP

Philadelphia, Pennsylvania
June 29, 2023

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the Township of West Goshen, Pennsylvania, provides an overview of the Township's financial performance for the year ended December 31, 2022. Please read it in conjunction with the Township's financial statements, which begin on page 22.

FINANCIAL HIGHLIGHTS

- The assets of West Goshen Township exceeded its liabilities at the close of the most recent fiscal year by \$94,366,064 (net position). Of this amount, \$29,170,016 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The Township's total net position increased by \$7,484,669.
- As of December 31, 2022, the Township's governmental activities recognized net pension liability of \$5,539,088, deferred outflows of resources of \$7,374,446, and a deferred inflow of resources of \$3,386,394. As of December 31, 2022, the Township's business-type activities recognized a net pension liability of \$1,577,171, deferred outflows of resources of \$1,539,015, and a deferred inflow of resources of \$819,186.
- As of December 31, 2022, the Township's governmental funds reported combined ending fund balances of \$27,272,758, an increase of \$3,116,237 in comparison with the prior year. Approximately 68 percent of this total or \$18,659,859 is available for spending at the Township's discretion (assigned and unassigned fund balance).
- In October 2019, the Township converted the General Obligation Note, Series 2014 to a new fixed rate to realize lower annual debt service payments.
- The Township's total debt decreased by \$1,228,889.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The statement of net position presents financial information on all the Township's assets and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Township's property base and the condition of the Township's assets, to assess the overall health of the Township.

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

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022

Both of the government-wide financial statements distinguish functions of the Township that are primarily supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, public safety, public works, culture and recreation, and library. The business-type activities of the Township include a Sewer Authority, and the sewer and waste and recycling activities. The Sewer Authority is a public authority, which exists to provide facilities for use in the sewer operation of the Township Sewer Fund. The Sewer Authority is considered a blended component unit and is included with the business-type activities. The Sewer Authority, although legally separate, is important because the Township is financially accountable for it, and, therefore, it has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 22 through 23 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

The Township maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Reserve Fund, and American Rescue Plan Fund, which are considered to be major funds. The insurance trust funds, which account for the activities of the Police Retirement Insurance Fund and the Non-Uniformed Insurance Fund, are included within the general fund balances. Data from the other four governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

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

The basic governmental fund financial statements can be found on pages 24 through 29 of this report.

Proprietary Funds

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

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022

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

The basic proprietary fund financial statements can be found on pages 30 through 32 of this report.

Fiduciary Funds

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

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

The fiduciary fund financial statements can be found on pages 33 through 34 of this report.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35 through 66 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Township's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 67 through 73 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions and other post employment benefits. Combining and individual fund statements and budgetary comparison schedules can be found on pages 74 through 79 of this report.

IMPLEMENTATION OF GASB STATEMENTS NO. 68 AND 71

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

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

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

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022

IMPLEMENTATION OF GASB STATEMENT NO. 75

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

IMPLEMENTATION OF GASB STATEMENT NO. 87

During the year ended December 31, 2022, the Township implemented GASB Statement No. 87, "Leases". The objective of GASB Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The implementation of GASB Statement No. 87 had no impact on the Township's financial statements for the year ended December 31, 2022. See Note 1 to the financial statements for additional information.

Government-Wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of West Goshen Township, assets exceeded liabilities of resources by \$94,366,064 at the close of 2022. This is an increase of \$7,484,669 from the previous year. Our analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the Township's governmental and business-type activities.

Table 1
STATEMENT OF NET POSITION
December 31, 2022 and 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and other assets	\$32,488,439	\$32,168,489	\$17,201,191	\$16,270,358	\$ 49,689,630	\$ 48,438,847
Capital assets	32,759,297	32,625,099	44,229,964	41,537,633	76,989,261	74,162,732
Deferred OPEB	638,352	771,535	106,637	119,920	744,989	891,455
Deferred pension	7,374,446	1,676,203	1,539,015	454,166	8,913,461	2,130,369
Total assets and deferred outflows of resources	<u>\$73,260,534</u>	<u>\$67,241,326</u>	<u>\$63,076,807</u>	<u>\$58,382,077</u>	<u>\$136,337,341</u>	<u>\$125,623,403</u>
Long-term liabilities outstanding	\$13,990,731	\$10,182,266	\$17,125,869	\$16,364,739	\$ 31,116,600	\$ 26,547,005
Other liabilities	2,882,323	2,342,342	1,833,354	1,930,581	4,715,677	4,272,923
Deferred OPEB	1,718,350	1,544,765	215,070	163,570	1,933,420	1,708,335
Deferred pension	3,386,394	5,085,889	819,186	1,127,856	4,205,580	6,213,745
Total liabilities and deferred inflows of resources	<u>21,977,798</u>	<u>19,155,262</u>	<u>19,993,479</u>	<u>19,586,746</u>	<u>41,971,277</u>	<u>38,742,008</u>
Net position						
Net investment in capital assets	29,638,297	29,013,099	29,049,526	25,937,391	58,687,823	54,950,490
Restricted for						
Capital reserve	4,874,908	5,279,168	-	-	4,874,908	5,279,168
Streets	78,439	152,750	-	-	78,439	152,750
Community development	12,646	379	-	-	12,646	379
Sewer	-	-	1,542,232	1,529,904	1,542,232	1,529,904
Net pension asset	-	3,651,115	-	-	-	3,651,115
Unrestricted	<u>16,678,446</u>	<u>9,989,553</u>	<u>12,491,570</u>	<u>11,328,036</u>	<u>29,170,016</u>	<u>21,317,589</u>
Total net position	<u>51,282,736</u>	<u>48,086,064</u>	<u>43,083,328</u>	<u>38,795,331</u>	<u>94,366,064</u>	<u>86,881,395</u>
Total liabilities, deferred inflows of resources and net position	<u>\$73,260,534</u>	<u>\$67,241,326</u>	<u>\$63,076,807</u>	<u>\$58,382,077</u>	<u>\$136,337,341</u>	<u>\$125,623,403</u>

WEST GOSHEN TOWNSHIP

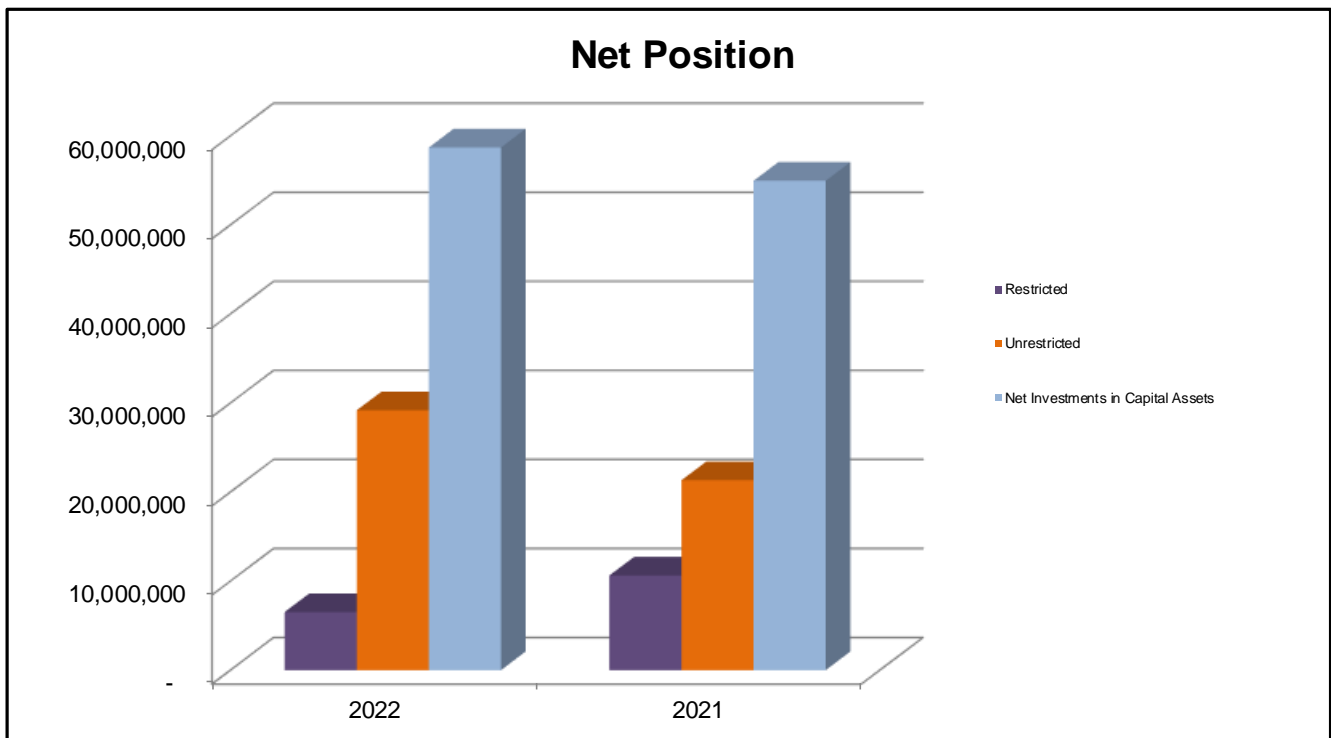
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022

One portion of the Township's net position, \$58,687,823 (or 62.2 percent) reflects its investment in capital assets (land, buildings, vehicles, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding excluding unspent debt proceeds. The majority of the outstanding debt of the Township was incurred for the construction of the significant upgrade to the Sewer Wastewater Treatment Plant and the construction of a new Public Works Garage. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the Township's net position, \$6,508,225 (or 6.9 percent), represents resources that are subject to external restrictions on how they may be used. This compares with last year's total restricted net position of \$10,613,316. This decrease is primarily due changes in pension valuations from year to year.

The remaining balance of unrestricted net position, \$29,170,016 (or 30.9 percent), may be used to meet the Township's ongoing obligations to citizens and creditors. This compares with last year's total unrestricted net position of \$21,317,589.



At the end of the current fiscal year, the Township reported a positive balance for its governmental activities and for its business-type activities. The prior fiscal year recognized a positive balance for its governmental activities and a positive balance for its business-type activities.

Governmental Activities

The net increase from the Township's governmental activities was \$3,196,672 as compared to the previous year increase of \$4,512,170. Table 2 shows the changes in net position for the year ending December 31, 2022.

The cost of all governmental activities this year was \$20,381,779. As shown in the Statement of Activities on page 23, the amount that our taxpayers ultimately financed for these activities through Township taxes was \$18,209,104. Other costs were paid by those who directly benefited from the programs (\$2,096,603) or by other governments and organizations that subsidized certain programs with intergovernmental aid and contributions (\$2,747,147).

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022

Table 2
STATEMENT OF CHANGES IN NET POSITION
Years ended December 31, 2022 and 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
REVENUES						
Program revenues						
Charges for services	\$ 2,096,603	\$ 2,263,923	\$10,367,291	\$ 9,059,039	\$12,463,894	\$11,322,962
Operating grants and contributions	1,432,894	1,302,350	17,922	119,942	1,450,816	1,422,292
Capital grants and contributions	1,314,253	162,640	2,672,119	399,305	3,986,372	561,945
General revenues						
Earned income taxes	10,044,997	9,737,467	-	-	10,044,997	9,737,467
Local services taxes	1,100,775	1,076,046	-	-	1,100,775	1,076,046
Property taxes	3,955,304	3,789,640	-	-	3,955,304	3,789,640
Real estate transfer taxes	2,662,248	2,373,593	-	-	2,662,248	2,373,593
Franchise taxes	445,780	455,546	-	-	445,780	455,546
Grants and contributions not restricted to specific programs	20,192	13,751	-	-	20,192	13,751
Other	505,405	343,296	120,305	11,829	625,710	355,125
Total revenues	<u>23,578,451</u>	<u>21,518,252</u>	<u>13,177,637</u>	<u>9,590,115</u>	<u>36,756,088</u>	<u>31,108,367</u>
EXPENSES						
General government	3,018,521	2,669,217	-	-	3,018,521	2,669,217
Public safety	8,931,686	7,476,015	-	-	8,931,686	7,476,015
Highways/streets	6,114,618	4,973,267	-	-	6,114,618	4,973,267
Other public works	212,277	185,643	-	-	212,277	185,643
Library	20,000	20,000	-	-	20,000	20,000
Culture and recreation	2,034,608	1,624,107	-	-	2,034,608	1,624,107
Interest expense	50,069	57,833	-	-	50,069	57,833
Sewer operations	-	-	6,339,792	5,611,912	6,339,792	5,611,912
Waste and recycling	-	-	2,549,848	2,500,675	2,549,848	2,500,675
Total expenses	<u>20,381,779</u>	<u>17,006,082</u>	<u>8,889,640</u>	<u>8,112,587</u>	<u>29,271,419</u>	<u>25,118,669</u>
INCREASE (DECREASE) IN NET POSITION	3,196,672	4,512,170	4,287,997	1,477,528	7,484,669	5,989,698
NET POSITION						
Beginning of year	<u>48,086,064</u>	<u>43,573,894</u>	<u>38,795,331</u>	<u>37,317,803</u>	<u>86,881,395</u>	<u>80,891,697</u>
End of year	<u>\$51,282,736</u>	<u>\$48,086,064</u>	<u>\$43,083,328</u>	<u>\$38,795,331</u>	<u>\$94,366,064</u>	<u>\$86,881,395</u>

As indicated by governmental program expenses, public safety programs account for approximately 43.8 percent of the total expenditures of the Township's governmental activities. General administration and highways/streets services account for approximately 14.8 percent and 30.0 percent, respectively, of the total expenditures for 2022.

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

- Uniform employee wages increased approximately 1.11 percent. This is the net result of a contractual 3 percent increase, overtime usage, longevity formula adjustment and prior year retirement accrual distributions.
- Wages for non-uniform Administrative and Sewer employees increased approximately 8.3 percent and 5.7 percent respectively based on changes in staffing levels, and merit and cost of living raises.
- Employee benefit costs increased by approximately 10.3 percent. Restructuring of the health plan to a high deductible plan continues to provide positive insurance premium relief however actual usage and employee participation varies.
- The GASB 68 actuarial pension expense totaled \$1,733,440 for the year ended December 31, 2022.

WEST GOSHEN TOWNSHIP

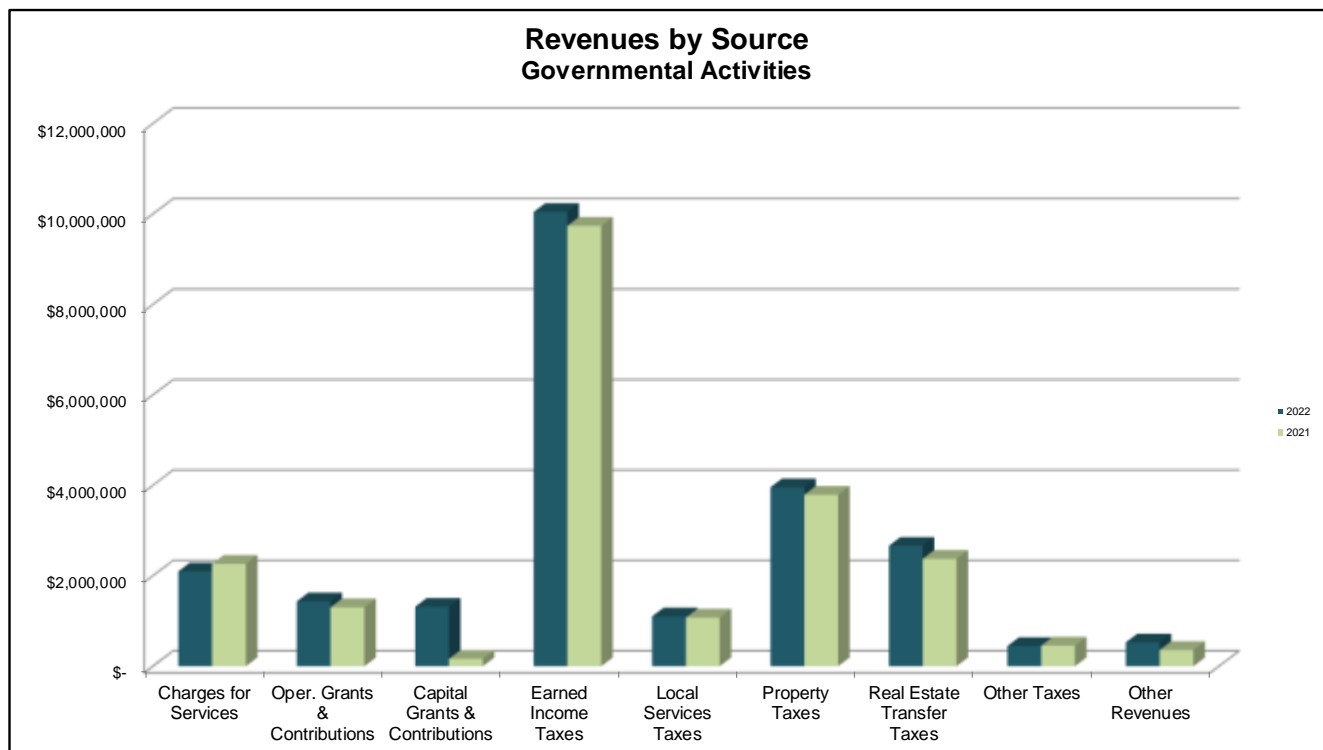
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022

Real estate taxes, earned income taxes, and other general revenues not restricted or applicable to specific programs provide the major revenue sources for governmental activities. Revenues generated from the Local Services Tax, enacted by ordinance for 2006, restricts the use of revenue generated from this tax for police, fire and emergency services, road construction and/or maintenance or reduction of property taxes. As identified on the previous page and below, earned income tax is the largest revenue source for governmental activities, accounting for approximately 43 percent of total revenues (45 percent in the prior year). Property taxes and real estate transfer taxes provide approximately 17 percent and 11 percent of total revenues, respectively (18 percent and 11 percent in the prior year). The Local Services Tax accounted for approximately 5 percent of total revenues (5 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 \$307,530 or 3 percent, in 2022. This increase was primarily due to a regain in stable business employments within the Township as well as new home constructions drawing high-income earners.
- Charges for services decreased by \$167,320 from the prior year. Building and plumbing permits decreased from the prior year by approximately \$139,503. Vehicle Code and Ordinance Violations decreased from the prior year by approximately \$28,133. Special Police Services increased from the prior year by \$53,195. Open Space contributions from building contractors of \$170,000 were received in 2022 as compared to \$402,500 for 2021.
- Operating grants and contributions increased by \$130,544.
- Real estate transfer taxes increased by \$288,655, or 12.16 percent, over the prior year due mainly to an increase in the overall number and type of properties sold.
- Other income increased by \$162,109 mainly due to a one-time payment from Aqua for a portion of the paving project and adjustments made to the Real Estate Tax certification program.

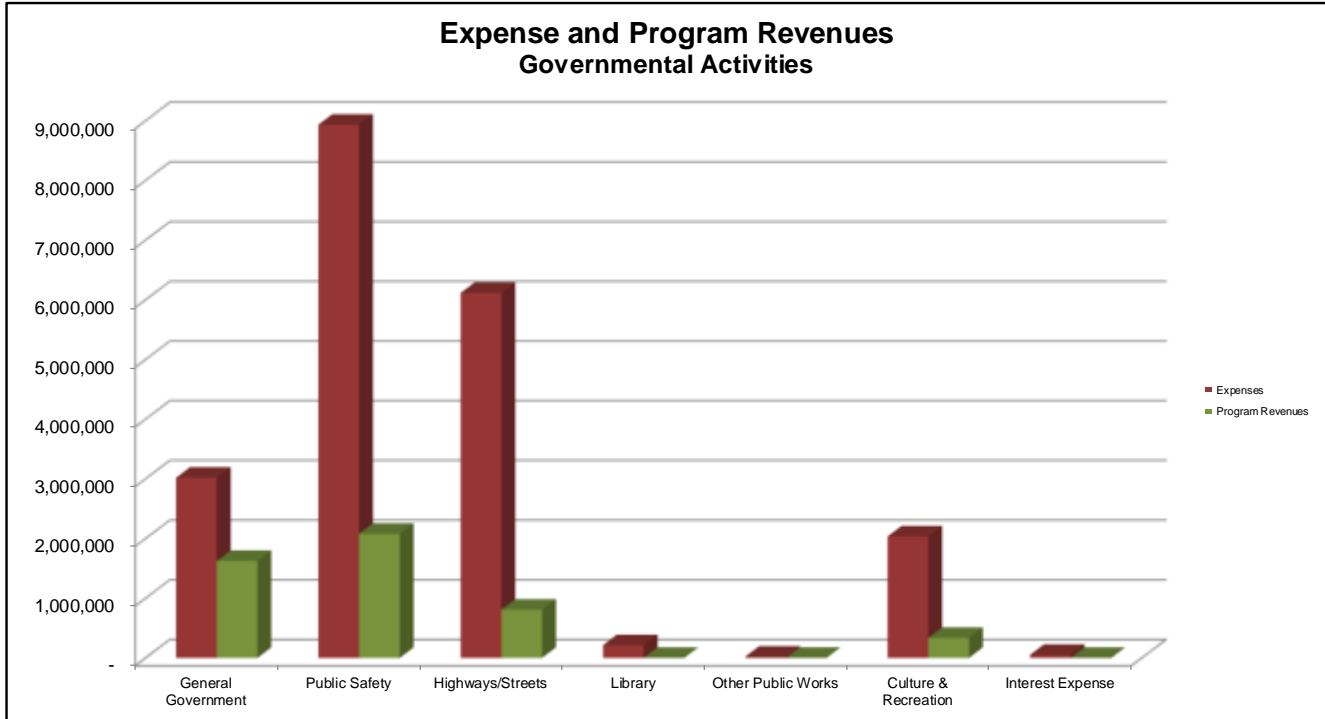


WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022

Program revenues support 24 percent of activity expenses. The following graph shows how program revenues supported activity expenses.



Business-Type Activities

The Township sewer system was constructed by the West Goshen Sewer Authority at the request of the Township's Board of Supervisors. The Sewer Authority retains ownership of the system and leases it to the Township, which is responsible for its operation, maintenance and repair. Sewer expenditures totaled \$6,339,792 for 2022 as compared to \$5,611,912 for the prior year. The Township also paid "Rent to Sewer Authority" of \$1,248,681 for 2022 (as compared to \$1,247,975 for the prior year) for payment of the Sewer Authority's bond expense. This amount is shown as a transfer in the proprietary fund financial statements and eliminated for the statement of activities (**See Note 5**). 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 2022 were \$1,727,258 as compared to \$1,525,444 for the prior year. The agreements also require the contributing townships to share in costs relating to capital improvements to the plant, pump stations, and collection system. Revenue generated from capital projects for 2022 amounted to \$2,672,119. In 2017, the Sewer Authority completed a \$17,055,000 Revenue Bond for significant upgrades to the Sewer Wastewater Treatment Plant: replacement of aged and deteriorated infrastructure, improve operations and personnel safety, and to prepare for future treatment requirements. The Sewer Authority has been funding a legal effort to prevent the Environmental Protection Agency from adopting discharge limitations. These limits will affect all storm water and wastewater dischargers in Goose Creek, including West Goshen Township. In December of 2013, the Sewer Authority entered into an Interim Settlement Agreement with the EPA for the reassessment and reconsideration of Goose Creek. As a result of the reassessment, a second Interim Settlement Agreement was reached in October 2018.

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022

The Waste and Recycling Fund administers the collection of residential solid waste and recyclable material from Township homes. User fees primarily support the cost of this program. Each household is charged a flat rate for trash collection and unlimited recycling. The Commonwealth of Pennsylvania also subsidizes the recycling program with a Performance Grant. The grant amount for 2022 was \$17,922 as compared to \$5,657 for the prior year.

Business-type activities increased the Township's net position by \$4,287,997, as compared to the previous year increase of \$1,477,528.

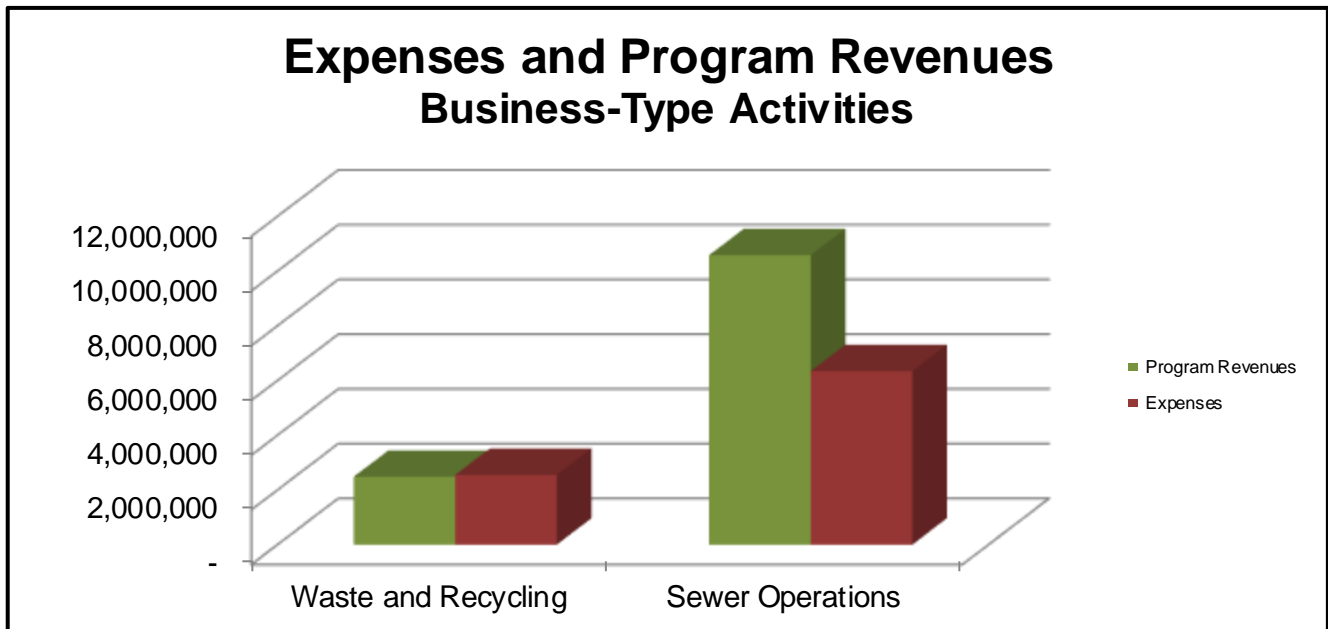
Major revenue factors include:

- Sewer and Sewer Authority operation revenues increased by \$919,167 in large part due to an increase in the user rate in fee revenue.

Major expense factors include:

- Employee wages increased approximately 5.7 percent based on changes in staffing levels, and merit and cost of living raises.
- Employee benefit costs increased by approximately 8.4 percent. Restructuring of the health plan to a high deductible plan continues to provide positive insurance premium relief however actual usage and employee participation varies.

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

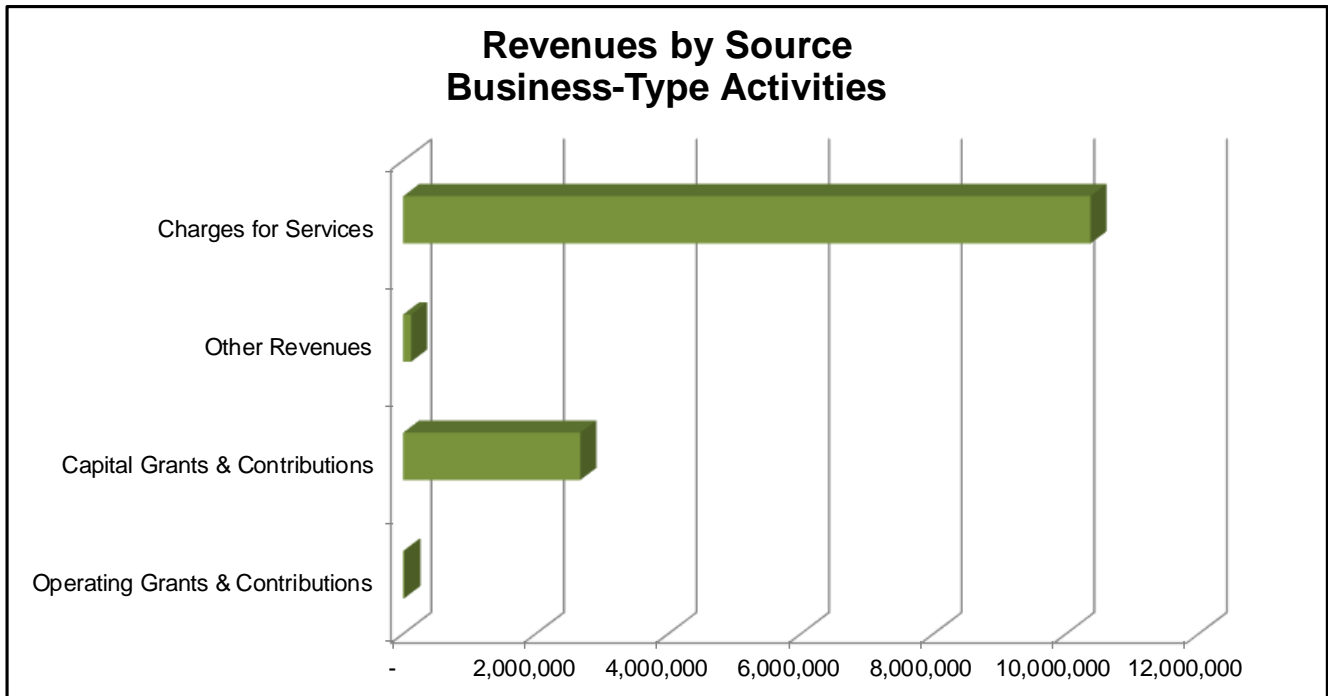


As shown on the following chart, the revenues of the Township's business-type activities included operating grants and investment income in addition to charges for services (operating revenues). Capital grants, operating grants and investment income revenues are not specific to an individual program,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

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022



FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

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

Governmental Funds

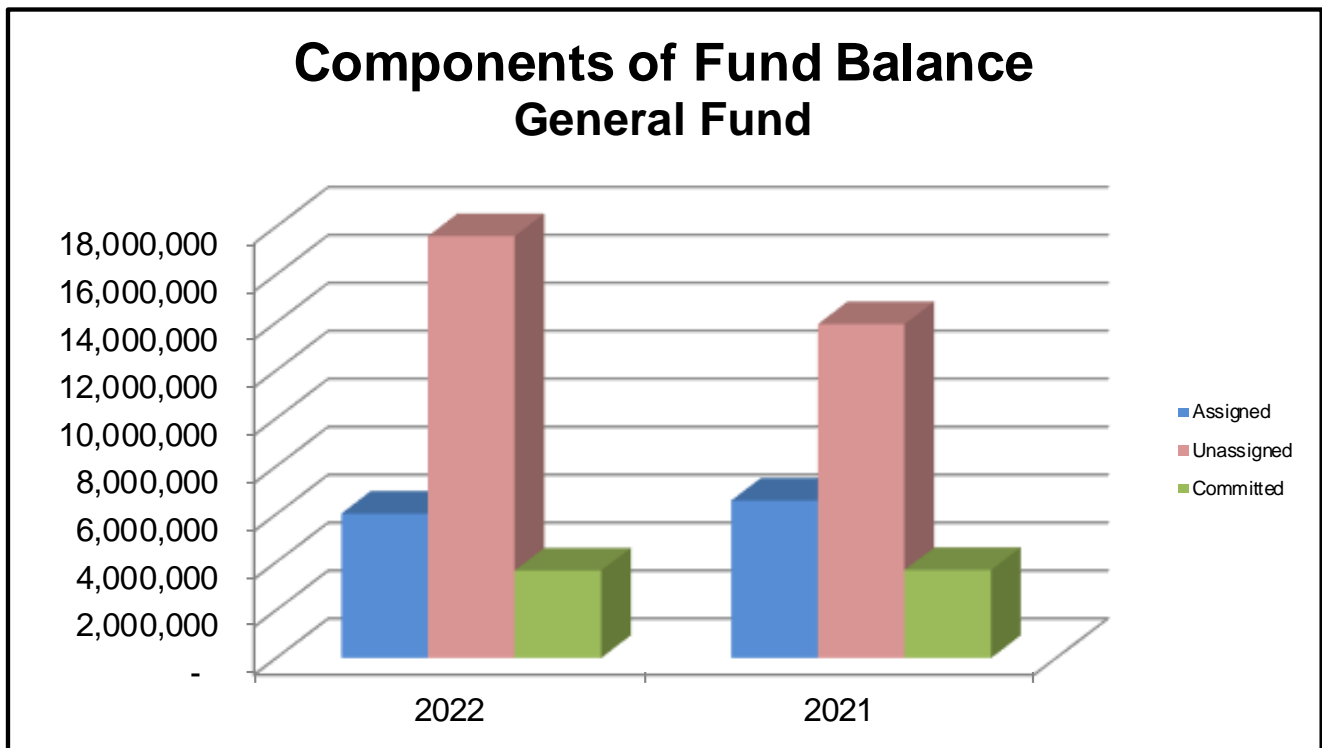
The focus of the Township's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Township's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Township itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the Township's Board of Supervisors.

At December 31, 2022, the Township's governmental funds reported combined fund balances of \$27,272,758, an increase of \$3,116,237 in comparison with the prior year. Approximately 65 percent, or \$17,599,798, constitutes unassigned fund balance, which is available for spending at the Township's discretion. Another portion of the fund balance, \$4,965,993, represents resources that are restricted for specific purposes: 1) debt service; 2) capital improvements; or 3) additional security for bonds. Another portion of the fund balance, \$3,646,906, represents resources that are committed for the specific purpose of post-retirement insurance benefits. The remaining balance, \$1,060,061, represents resources that are assigned for specific purposes: 1) appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's budget (\$0); or 2) resources attributable to Special Revenue Funds (\$1,060,061).

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022



The General Fund is the chief operating fund of West Goshen Township. At the end of the current fiscal year, the general fund balance increased to \$21,246,704, a portion of which is committed to post-retirement insurance benefits with the remainder being unassigned. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 111 percent of total general fund expenditures.

The General Fund realized a surplus of \$3,655,204 at the close of 2022.

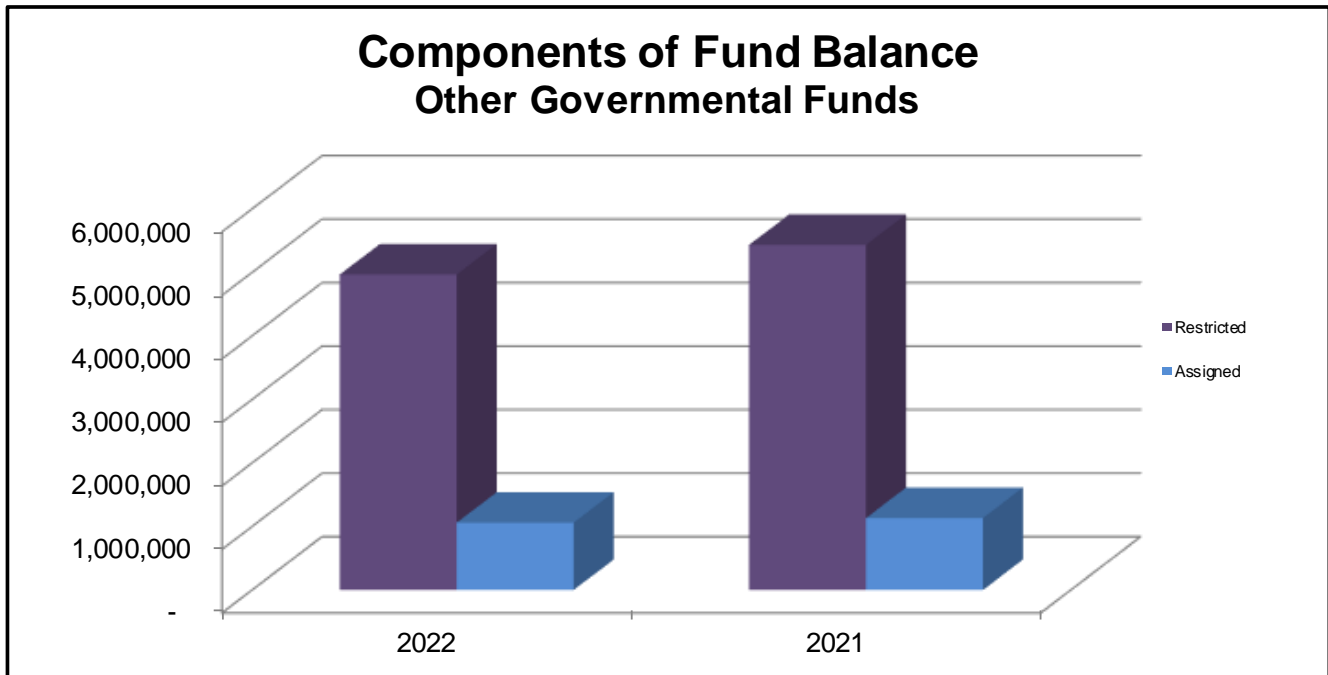
The Township historically generated revenues in excess of budgeted figures and contained expenditures below budgeted amounts year after year. Key factors contributing to this surplus are as follows:

- Overall revenues were more than anticipated by \$3,354,458. The following revenues all came in over budget: Real Estate Property Taxes, \$108,104; Property Transfer Taxes, \$1,532,248; Earned Income Taxes, \$1,324,297; Local Service Taxes, \$35,775; Interest and Rents, \$100,895; Intergovernmental Revenues, \$93,327; Licenses & Permits, 17,730; Charges for Services, \$95,354; Sale of Fixed Assets, \$10,800; and Miscellaneous Revenue, \$62,757. The following revenues all came in under budget; Fines & Forfeits, \$26,829.
- Actual expenses were less than anticipated by \$863,065. The following expenditures all came in under budget: Manager, Finance, and Clerical Salaries, \$140,812; Police clerical wages, \$38,421; Road Maintenance wages, \$30,090; Summer Recreation Salaries, \$20,883; Snow Wages, 10,888; Workers' Compensation, \$4,642; Conferences & Training, \$55,950; Tuition Reimbursement \$8,478; Dues, \$18,322; Service Contracts Computer, \$25,033 Electricity and gas, \$45,596; Operating Expenses, \$16,159; Sign Materials, \$16,064; Road Maintenance Materials, \$12,150; Snow Materials, \$24,886; Storm Water Materials, \$46,021; Traffic Signal Maintenance, \$19,439; Small Tools, \$14,200; Minor Capital Equipment, \$39,416; Vehicles maintenance and repairs, \$30,253; Recreation Programs, \$19,341; Repairs & Maintenance, \$76,108; Legal Services, \$94,671; Storm Water Professional Services, \$40,839; and Liability Insurance, \$125,395;. The following expenditures all came in over budget: Employee insurance, \$21,483; Road Construction Materials, \$36,956; Vehicles gas and oil, \$15,717; and EIT Commission, \$35,217.

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022



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

Capital expenditures financed out of this fund in 2022 totaled \$1,826,076 in the following categories: General Government (\$18,576 – Major capital equipment); Public Safety (\$160,459 – Major capital equipment); Public Works (\$704 – traffic signal projects; \$109,400– Major capital equipment; and \$781,209 – materials); Culture and Recreation (\$214,659 – Major capital equipment); and Debt Service (\$541,069 – principal and interest).

The total fund balance as of December 31, 2022, is \$4,874,908, all of which is restricted as previously explained.

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

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

The total fund balance as of December 31, 2022, is \$57,834, all of which is assigned as previously explained.

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

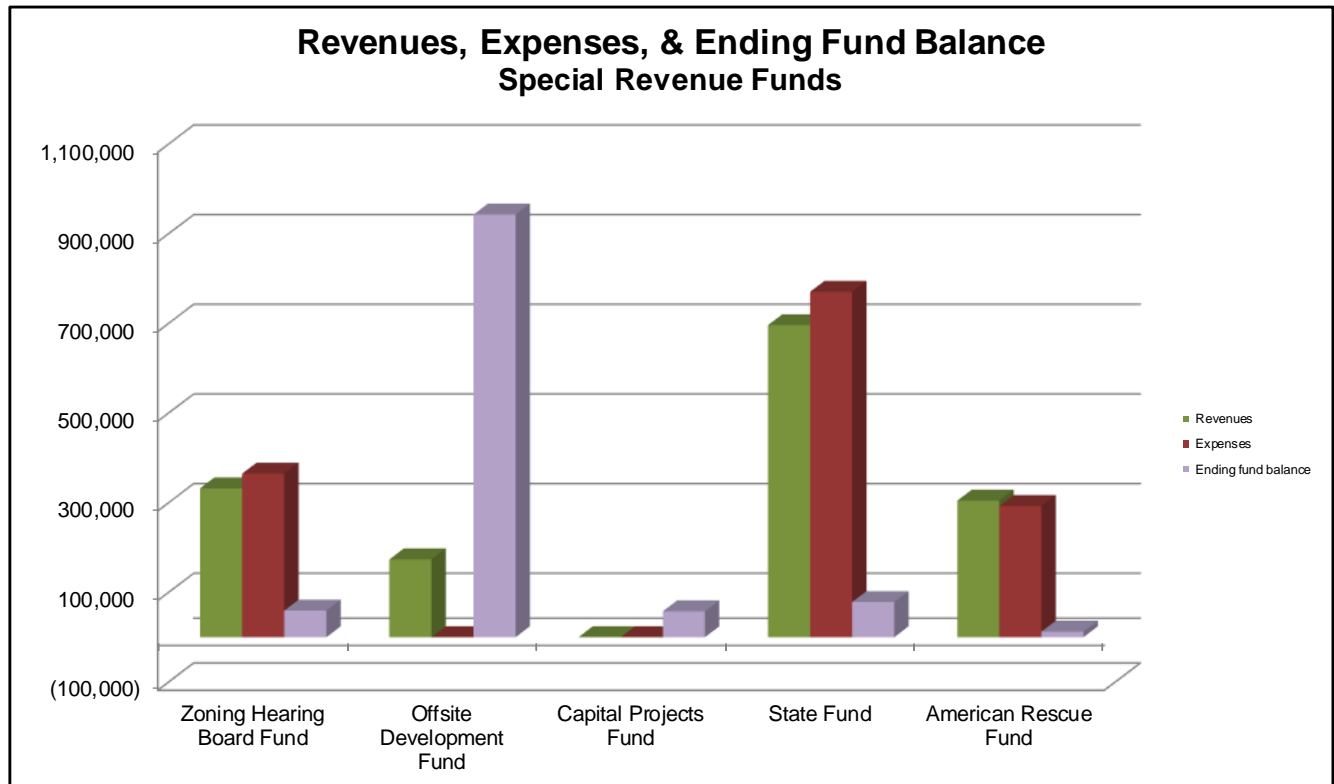
WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022

- State Funds – The Township received \$693,408 (compared to \$673,349 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.
- American Rescue Plan Act – The Township received \$2,412,168 from the American Rescue Plan Act passed by the federal government as part of the pandemic relief package. These monies may only be used for the specific purposes outlined in bill and are not recognized as revenue until eligible expenditures are incurred.
- Offsite Development Fund – The Township received \$170,000 (compared to \$402,500 in the prior year) from building contractors for open space projects.
- The Woodlands Escrow Fund – The Township received \$309,836 from the Developer for the Woodlands at Greystone subdivision development to pay for infrastructure engineering inspections.
- Little Shiloh Escrow Fund – The Township maintained \$15,000 from the Developer as financial security for the completion of improvements to the development.

The total fund balance of the Special Revenue Funds as of December 31, 2022 is \$1,151,146 as compared to \$1,285,853 in the prior year. Of the current year fund balance of \$1,151,146, \$78,439 (State Funds) is restricted, \$12,646 (ARPA) is restricted, and the balance of \$1,060,061 (all other Special Revenue Funds) is assigned as previously explained.



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

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022

Unrestricted net position of the Sewer, Waste and Recycling, Sewer Authority, and Sewer Reserve Funds at the end of the year amounted to \$ 12,491,570 as compared to \$11,328,036 in the prior year. The total increase in net position was \$4,287,997. Factors contributing to the finances of these three funds have already been addressed in the discussion of the Township's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The statement comparing the Township's budget and actual results can be found on pages 28 through 29.

For 2022, there was no need for any amendments to increase either the original estimated revenues or original budgeted appropriations to the General Fund budget.

The program budget for the General Fund anticipated a decrease in fund balance of \$562,319.

Actual revenues and other financing sources exceeded budgeted amounts by \$3,354,458. Actual expenditures and other financing uses were under budgeted expenditures by \$863,065. Below are the significant budget variances:

- Earned income taxes came in over budget (\$1,324,297);
- Local service taxes came in over budget (\$35,775);
- Interest earnings and rents came in over budget (\$100,895);
- Transfer taxes came in over budget (\$1,532,248);
- Miscellaneous revenues came in over budget (\$62,757);
- Intergovernmental revenue came in over budget (\$93,327);
- Vehicle code violations came in under budget (\$19,230);
- Ordinance violations came in under budget (\$9,144);
- Real estate taxes came in over budget (\$108,104);
- Workers' Compensation came in under budget (\$4,642);
- Tuition Reimbursement came in under budget (\$8,478);
- Conferences & Training came in under budget (\$55,950);
- Signs materials came in under budget (\$16,064);
- Snow materials came in under budget (\$24,886);
- Snow wages came in under budget (10,888);
- Road maintenance materials came in under budget (\$12,150);
- Road construction materials came in over budget (\$36,956).
- Vehicles gas and oil came in over budget (\$15,717);
- Vehicle repairs and maintenance came in under budget (\$30,253);
- Repairs and maintenance came in under budget (\$76,108);
- Operating Expenses came in under budget (\$16,159);
- Electricity and gas came in under budget (\$45,596);
- Storm water materials came in under budget (\$46,021);
- Small tools came in under budget (\$14,200);
- Employee insurance came in over budget (\$21,483);
- Legal Services came in under budget (\$94,671);
- Professional Services came in under budget (\$103,484);
- Storm Water profession services came in under budget (\$40,839);
- Minor capital expenses came in under budget (\$39,416);
- Finance Salaries came in under budget (\$28,416);
- Uniformed Overtime came in under budget (\$7,643);
- Road maintenance wages came in under budget (\$30,090);
- Police Clerical Wages came in under budget (\$38,421);
- EIT Commission came in over budget (\$35,217);
- Liability Insurance came in under budget (\$125,395);
- Summer Recreation Salaries came in under budget (\$20,883) and
- Recreation Programs came in under budget (\$19,341).

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022

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, 2022, amounts to \$76,989,262, net of accumulated depreciation. This investment in capital assets includes land, buildings and improvements, machinery and equipment, vehicles, land improvements and infrastructure. The total increase in the Township's investment in capital assets for the current fiscal year was a total of approximately \$2,826,530, net of accumulated depreciation, or a 3.8 percent increase.

Table 3
CAPITAL ASSETS
December 31, 2022 and 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Buildings and improvements	\$ 12,207,177	\$ 12,207,177	\$ 11,924,832	\$ 11,893,850	\$ 24,132,009	\$ 24,101,027
Machinery and equipment	7,402,922	7,302,653	21,981,969	21,957,877	29,384,891	29,260,530
Vehicles	4,262,579	4,191,925	905,762	972,180	5,168,341	5,164,105
Land	3,128,045	3,128,045	82,083	82,083	3,210,128	3,210,128
Land improvements	2,343,507	2,271,925	648,351	648,351	2,991,858	2,920,276
Infrastructure	52,375,912	51,279,643	20,091,334	20,091,334	72,467,246	71,370,977
Construction in progress	<u>322,989</u>	<u>76,757</u>	<u>14,875,718</u>	<u>11,220,360</u>	<u>15,198,707</u>	<u>11,297,117</u>
Total capital assets	82,043,131	80,458,125	70,510,049	66,866,035	152,553,180	147,324,160
Less accumulated depreciation	<u>(49,283,834)</u>	<u>(47,833,026)</u>	<u>(26,280,085)</u>	<u>(25,328,402)</u>	<u>(75,563,919)</u>	<u>(73,161,428)</u>
Capital assets, net of depreciation	<u>\$ 32,759,297</u>	<u>\$ 32,625,099</u>	<u>\$ 44,229,964</u>	<u>\$ 41,537,633</u>	<u>\$ 76,989,261</u>	<u>\$ 74,162,732</u>

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

- \$40,976 – completion/installation of the Locksley Road Stormwater project;
- \$49,628 – completion/installation of the Sunset Hollow Stormwater project;
- \$1,005,665 – donations of one roadway – Aram Ave;
- \$8,500 – purchase of a police department sign for the Township Complex;
- \$49,775 – purchase of a digital sign for Community Park;
- \$18,546 – purchase of an electric vehicle charging station for the Township Complex;
- \$130,482 – purchase of three vehicles for the Police Department;
- \$13,247 – purchase of a case cracker recording system for the Police Department;
- \$16,730 – purchase of a speed display unit Police Department;
- \$160,400 – purchase of a excavator for the Roads Department;
- \$58,499 – purchase of four Riding Mowers for the Parks Department;
- \$5,116 – purchase of one Walk Behind Mower for the Parks Department
- \$35,574 – purchase of two Four Wheel Gator XUVs for the Parks Department;

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022

- \$40,594 – purchase of playground equipment for Cloud Park.
- \$39,376 – construction in progress for the Community Park improvement project;
- \$24,915 – construction in progress of the Bolmar stormwater project; and
- \$217,727 – construction in progress of the Glen & Sylvan stormwater project Retrofit.

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

- \$5,814 – purchase of a Polishing System for the Sewer Plant;
- \$5,340 – purchase of one trailer for the Sewer Plant;
- 10,343 – purchase of one flask scrubber for the Sewer Plant;
- \$5,316 – purchase of a UV System for the Sewer Plant;
- \$5,137 – purchase of a WAS Flow Meter at the Sewer Plant;
- \$30,982 – purchase of a boiler heat system at the Sewer Plant;
- \$138,064 – construction in progress of the sludge facility;
- \$350,713 – construction in progress of pump station number 11;
- \$1,441,277 – construction in progress of pump station number 13;
- \$0 – construction in progress of pump station number 1;
- \$0 – construction in progress of pump station number 3;
- \$0 – construction in progress of pump station number 6;
- \$65,050 – construction in progress of pump station number 12;
- \$291,293 – construction in progress of pump station number 16;
- \$251,835 – construction in progress of the SCADA;
- \$36,361 – construction in progress for interceptor rehab phase two;
- \$390,807 – construction in progress of the cemetery rehab and ARV replacements; and
- \$538,314 – construction in progress of the Comag system.
- \$137,800 – construction in progress of the Primary Clarifier number 1.
- \$13,843 – construction in progress of the Green Manor Sewer.

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

December 31, 2022

Long-Term Debt

At December 31, 2022, the Township had \$18,301,438 in bonds and notes outstanding versus \$19,530,327 last year – a decrease of 6.29 percent – as shown in Table 4 below.

Table 4
OUTSTANDING DEBT
Year ended December 31, 2022 and 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
General obligation notes	\$3,121,000	\$3,612,000	\$ -	\$ -	\$ 3,121,000	\$ 3,612,000
Sewer revenue notes	-	-	<u>15,180,438</u>	<u>15,918,327</u>	<u>15,180,438</u>	<u>15,918,327</u>
Total outstanding debt	<u>\$3,121,000</u>	<u>\$3,612,000</u>	<u>\$15,180,438</u>	<u>\$15,918,327</u>	<u>\$18,301,438</u>	<u>\$19,530,327</u>

In October 2019, the Township exercised the option to convert the current General Obligation Note, Series 2014, to a new lower Loan Fix Rate to provide lower-level annual debt service payments. In 2017, the Sewer Authority completed a \$17,055,000 Revenue Bond for the significant upgrades to the Sewer Wastewater Treatment Plant. Other obligations of the Township include compensated absences of \$1,024,513, net pension liability of \$7,116,259, and net OPEB liability of \$6,002,994.

The Township was assigned a "AA+" rating from S & P Global Ratings for its current debt issuances.

State statutes limit the amount of general obligation debt a governmental entity may issue to 250 percent of its average borrowing base (average revenues over the past three years). The current debt limitation for West Goshen Township is \$51,094,551, 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 7 on pages 46 to 47 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors currently affect the Township and were considered in developing the 2023 fiscal year budget.

- The Township continues to maintain a diversified revenue base should there be any short-term fluctuations in any one revenue source.
- Interest rates for savings and checking have increased and values are expected to remain higher than recent years for the near future.
- The overall improvement, both in economic activity and housing market opportunities, continues to be vibrant. The number of real estate sales in the Township directly affects the revenue streams of real estate transfer taxes.
- The national unemployment rate decreased from around 5.3 percent to approximately 3.6 percent while the unemployment rate in Chester County is at a more modest 3.2 percent.
- Changes in the pension laws and contractual changes to the pension plans continue to place added financial burdens on the Township to supplement State Aid.
- Restructuring of the Township's current health insurance coverage to a new \$1,500 single/\$3,000 family deductible plan continues to provide insurance premium relief for the Township.
- The Township adopted a 2023 budget that projects a \$342,596 deficit.
- Township Real Estate Taxes were not increased for 2023.

WEST GOSHEN TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

December 31, 2022

REQUESTS FOR INFORMATION

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

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

WEST GOSHEN TOWNSHIP

STATEMENT OF NET POSITION

December 31, 2022 with summarized comparative totals for 2021

	Governmental	Business-Type	Totals	
	Activities	Activities	2022	2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and cash equivalents	\$ 28,151,133	\$ 11,442,011	\$ 39,593,144	\$ 35,350,511
Cash and cash equivalents, restricted	-	174,429	174,429	494,230
Investments	1,228,848	343,496	1,572,344	1,563,850
Investments, restricted	-	1,542,232	1,542,232	1,529,904
Accrued interest	-	-	-	1
Accounts receivable	116,976	3,699,023	3,815,999	2,758,265
Taxes receivable	2,991,482	-	2,991,482	3,090,971
Total current assets	32,488,439	17,201,191	49,689,630	44,787,732
NONCURRENT ASSETS				
Depreciable capital assets, net	29,308,263	29,272,163	58,580,426	59,655,486
Land	3,128,045	82,083	3,210,128	3,210,128
Construction in progress	322,989	14,875,718	15,198,707	11,297,118
Net pension asset	-	-	-	3,651,115
Total noncurrent assets	32,759,297	44,229,964	76,989,261	77,813,847
Total assets	65,247,736	61,431,155	126,678,891	122,601,579
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges - OPEB	638,352	106,637	744,989	891,455
Deferred charges - pensions	7,374,446	1,539,015	8,913,461	2,130,369
Total deferred outflows of resources	8,012,798	1,645,652	9,658,450	3,021,824
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable and other current liabilities	202,881	890,183	1,093,064	1,595,033
Developers' deposits	-	174,429	174,429	176,145
Unearned revenue	2,119,580	-	2,119,580	1,202,283
Compensated absences payable within one year	60,862	10,853	71,715	70,573
Long-term debt, due within one year	499,000	757,889	1,256,889	1,228,889
Total current liabilities	2,882,323	1,833,354	4,715,677	4,272,923
NONCURRENT LIABILITIES				
Compensated absences, net of current portion	808,602	144,196	952,798	937,614
Long-term debt, net of current portion	2,622,000	14,422,549	17,044,549	18,301,438
Net OPEB liability	5,021,041	981,953	6,002,994	6,023,135
Net pension liability	5,539,088	1,577,171	7,116,259	1,284,818
Total noncurrent liabilities	13,990,731	17,125,869	31,116,600	26,547,005
Total liabilities	16,873,054	18,959,223	35,832,277	30,819,928
DEFERRED INFLOWS OF RESOURCES				
Deferred credits - OPEB	1,718,350	215,070	1,933,420	1,708,335
Deferred credits - pensions	3,386,394	819,186	4,205,580	6,213,745
Total deferred inflows of resources	5,104,744	1,034,256	6,139,000	7,922,080
NET POSITION				
Net investment in capital assets	29,638,297	29,049,526	58,687,823	54,950,490
Restricted for:				
Capital reserve	4,874,908	-	4,874,908	5,279,168
Streets	78,439	-	78,439	152,750
Community development	12,646	-	12,646	379
Sewer	-	1,542,232	1,542,232	1,529,904
Net pension asset	-	-	-	3,651,115
Unrestricted	16,678,446	12,491,570	29,170,016	21,317,589
Total net position	\$ 51,282,736	\$ 43,083,328	\$ 94,366,064	\$ 86,881,395

See accompanying notes

WEST GOSHEN TOWNSHIP

STATEMENT OF ACTIVITIES

Year ended December 31, 2022 with summarized comparative totals for 2021

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Totals	
						2022	2021	
GOVERNMENTAL ACTIVITIES								
General government	\$ 3,018,521	\$ 147,201	\$ 162,253	\$ 1,314,253	\$ (1,394,814)	\$ -	\$ (1,394,814)	\$ (2,263,852)
Public safety	8,931,686	1,706,249	371,492	-	(6,853,945)	-	(6,853,945)	(5,420,441)
Public works								
Highways and streets	6,114,618	-	807,300	-	(5,307,318)	-	(5,307,318)	(4,221,168)
Other public works	212,277	-	-	-	(212,277)	-	(212,277)	(185,643)
Library	20,000	-	-	-	(20,000)	-	(20,000)	(20,000)
Culture and recreation	2,034,608	243,153	91,849	-	(1,699,606)	-	(1,699,606)	(1,108,232)
Interest expense	50,069	-	-	-	(50,069)	-	(50,069)	(57,833)
Total governmental activities	<u>20,381,779</u>	<u>2,096,603</u>	<u>1,432,894</u>	<u>1,314,253</u>	<u>(15,538,029)</u>	<u>-</u>	<u>(15,538,029)</u>	<u>(13,277,169)</u>
BUSINESS-TYPE ACTIVITIES								
Sewer operations	6,339,792	7,906,870	-	2,672,119	-	4,239,197	4,239,197	1,775,097
Waste and recycling	2,549,848	2,460,421	17,922	-	-	(71,505)	(71,505)	(309,398)
Total business-type activities	<u>8,889,640</u>	<u>10,367,291</u>	<u>17,922</u>	<u>2,672,119</u>	<u>-</u>	<u>4,167,692</u>	<u>4,167,692</u>	<u>1,465,699</u>
Total primary government	<u>\$ 29,271,419</u>	<u>\$ 12,463,894</u>	<u>\$ 1,450,816</u>	<u>\$ 3,986,372</u>	<u>(15,538,029)</u>	<u>4,167,692</u>	<u>(11,370,337)</u>	<u>(11,811,470)</u>
GENERAL REVENUES								
Taxes								
Real estate taxes					3,955,304	-	3,955,304	3,789,640
Real estate transfer taxes					2,662,248	-	2,662,248	2,373,593
Earned income taxes					10,044,997	-	10,044,997	9,737,467
Local services taxes					1,100,775	-	1,100,775	1,076,046
Franchise taxes					445,780	-	445,780	455,546
Investment earnings					184,242	102,633	286,875	54,584
Grants and contributions not restricted to specific programs					20,192	-	20,192	13,751
Gain (loss) on sale/disposal of capital assets					62,976	17,672	80,648	28,453
Miscellaneous					258,187	-	258,187	272,088
Total general revenues					<u>18,734,701</u>	<u>120,305</u>	<u>18,855,006</u>	<u>17,801,168</u>
CHANGE IN NET POSITION					<u>3,196,672</u>	<u>4,287,997</u>	<u>7,484,669</u>	<u>5,989,698</u>
NET POSITION								
Beginning of year					<u>48,086,064</u>	<u>38,795,331</u>	<u>86,881,395</u>	<u>80,891,697</u>
End of year					<u>\$ 51,282,736</u>	<u>\$ 43,083,328</u>	<u>\$ 94,366,064</u>	<u>\$ 86,881,395</u>

See accompanying notes

WEST GOSHEN TOWNSHIP

BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2022 with summarized comparative totals for 2021

	Major Funds				Totals	
	General	Capital	American	Nonmajor		
	Fund	Reserve	Rescue	Governmental	2022	2021
		Fund	Plan Fund	Fund		
ASSETS						
Cash and cash equivalents	\$ 20,690,594	\$ 4,095,017	\$ 2,227,022	\$ 1,138,500	\$ 28,151,133	\$ 24,042,318
Investments	447,928	780,920	-	-	1,228,848	1,221,971
Accounts receivable	116,976	-	-	-	116,976	162,114
Taxes receivable	2,991,482	-	-	-	2,991,482	3,090,971
Total assets	\$ 24,246,980	\$ 4,875,937	\$ 2,227,022	\$ 1,138,500	\$ 32,488,439	\$ 28,517,374
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 107,056	\$ 1,029	\$ 94,796	\$ -	\$ 202,881	\$ 564,241
Unearned revenue	-	-	2,119,580	-	2,119,580	1,202,283
Payroll withholdings	-	-	-	-	-	25,023
Total liabilities	107,056	1,029	2,214,376	-	2,322,461	1,791,547
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - taxes	2,893,220	-	-	-	2,893,220	2,569,306
FUND BALANCES						
Restricted	-	4,874,908	12,646	78,439	4,965,993	5,432,297
Committed	3,646,906	-	-	-	3,646,906	3,665,731
Assigned	-	-	-	1,060,061	1,060,061	1,132,724
Unassigned	17,599,798	-	-	-	17,599,798	13,925,769
Total fund balances	21,246,704	4,874,908	12,646	1,138,500	27,272,758	24,156,521
Total liabilities, deferred inflows of resources and fund balances	\$ 24,246,980	\$ 4,875,937	\$ 2,227,022	\$ 1,138,500	\$ 32,488,439	\$ 28,517,374

See accompanying notes

WEST GOSHEN TOWNSHIP

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION

December 31, 2022

TOTAL GOVERNMENTAL FUND BALANCES	\$ 27,272,758
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds balance sheet.	32,759,297
Some of the Township's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources on the governmental funds balance sheet.	2,893,220
Deferred outflows of resources and deferred inflows of resources related to pensions and other post-employment benefits are not reported as assets and liabilities in the governmental funds balance sheet.	2,908,054
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds balance sheet.	<u>(14,550,593)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 51,282,736</u>

WEST GOSHEN TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year ended December 31, 2022 with summarized comparative totals for 2021

	Major Funds				Totals	
	General	Capital	American	Nonmajor	2022	2021
	Fund	Reserve	Rescue	Governmental		
		Fund	Plan Fund	Fund		
REVENUES						
Taxes	\$ 17,439,410	\$ -	\$ -	\$ -	\$ 17,439,410	\$ 16,759,473
Licenses and permits	466,830	-	-	-	466,830	468,161
Fines, forfeits and costs	104,171	-	-	-	104,171	130,375
Interest and rents	170,753	37,950	12,267	6,614	227,584	71,703
Intergovernmental revenues	759,678	16,000	292,589	693,408	1,761,675	1,340,727
Charges for services	1,426,004	-	-	332,036	1,758,040	1,677,682
Contributions	-	-	-	170,000	170,000	402,500
Miscellaneous	258,187	-	-	-	258,187	272,088
Total revenues	20,625,033	53,950	304,856	1,202,058	22,185,897	21,122,709
EXPENDITURES						
Current						
General government	2,352,999	18,576	-	-	2,371,575	2,663,793
Public safety	8,359,540	160,459	-	-	8,519,999	8,542,646
Public works - highways and streets	3,178,984	891,313	292,589	770,360	5,133,246	5,154,936
Other public works	212,277	-	-	-	212,277	185,643
Culture and recreation	1,710,593	214,659	-	-	1,925,252	1,648,927
Library	20,000	-	-	-	20,000	20,000
Miscellaneous	-	-	-	365,042	365,042	216,580
Debt service						
Principal	-	491,000	-	-	491,000	483,000
Interest	-	50,069	-	-	50,069	57,833
Total expenditures	15,834,393	1,826,076	292,589	1,135,402	19,088,460	18,973,358
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,790,640	(1,772,126)	12,267	66,656	3,097,437	2,149,351
OTHER FINANCING SOURCES (USES)						
Sale of/compensation for sale of capital assets	18,800	-	-	-	18,800	32,340
Transfers in	-	1,367,866	-	-	1,367,866	3,118,048
Transfers out	(1,154,236)	-	-	(213,630)	(1,367,866)	(3,118,048)
Total other financing sources (uses)	(1,135,436)	1,367,866	-	(213,630)	18,800	32,340
NET CHANGE IN FUND BALANCES	3,655,204	(404,260)	12,267	(146,974)	3,116,237	2,181,691
FUND BALANCES						
Beginning of year	17,591,500	5,279,168	379	1,285,474	24,156,521	21,974,830
End of year	\$ 21,246,704	\$ 4,874,908	\$ 12,646	\$ 1,138,500	\$ 27,272,758	\$ 24,156,521

See accompanying notes

WEST GOSHEN TOWNSHIP

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF ACTIVITIES

Year ended December 31, 2022

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		\$ 3,116,237
---------------------------------------------------------	--	---------------------

Amounts reported for governmental activities in the statement of activities are different because:

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 and contributed capital assets exceeded depreciation expense and the net book value of disposed assets in the current period.

Capital outlay expenditures	\$ 874,299	
Contributed capital assets	1,005,665	
Net book value of disposed assets	(41,124)	
Depreciation expense	<u>(1,704,642)</u>	134,198

Because some tax will not be collected for several months after the Township's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred inflows of resources increased by this amount this year.

Deferred inflows of resources December 31, 2021	(2,569,306)	
Deferred inflows of resources December 31, 2022	<u>2,893,220</u>	323,914

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on the change in net position of governmental activities. Also, governmental funds report the effect of premiums, discounts and similar items when long-term debt is 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.

Repayment of notes payable		491,000
----------------------------	--	---------

Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in the governmental funds.

Current year change in compensated absences	(15,252)	
Change in net OPEB liability and related deferred inflows and outflows	(260,519)	
Change in net pension liability and related deferred inflows and outflows	<u>(592,906)</u>	<u>(868,677)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 3,196,672</u>
----------------------------------------------------------	--	----------------------------

See accompanying notes

WEST GOSHEN TOWNSHIP

BUDGETARY COMPARISON STATEMENT - GENERAL FUND

For The Year Ended December 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
REVENUES			
Taxes			
Real estate - current	\$ 3,750,000	\$ 3,822,729	\$ 72,729
Real estate - delinquent and interest	43,986	43,036	(950)
Real estate - interims	50,000	86,325	36,325
Real estate - transfer	1,130,000	2,662,248	1,532,248
Earned income taxes	8,400,000	9,724,297	1,324,297
Local services taxes	<u>1,065,000</u>	<u>1,100,775</u>	<u>35,775</u>
Total taxes	14,438,986	17,439,410	3,000,424
Licenses and permits	449,100	466,830	17,730
Fines, forfeits and costs	131,000	104,171	(26,829)
Interest and rents	69,858	170,753	100,895
Intergovernmental revenues	666,351	759,678	93,327
Charges for services/fees	1,330,650	1,426,004	95,354
Miscellaneous	<u>195,430</u>	<u>258,187</u>	<u>62,757</u>
Total revenues	<u>17,281,375</u>	<u>20,625,033</u>	<u>3,343,658</u>
EXPENDITURES			
Current:			
General government			
Administration	1,965,454	1,532,383	433,071
Auditing	40,291	40,502	(211)
Tax collection	156,327	195,091	(38,764)
Engineering and legal	372,287	284,344	87,943
Building maintenance	<u>419,705</u>	<u>300,679</u>	<u>119,026</u>
Total general government	<u>2,954,064</u>	<u>2,352,999</u>	<u>601,065</u>
Public safety			
Police	6,861,029	6,831,296	29,733
Fire protection	1,005,874	1,041,542	(35,668)
Code enforcement	374,012	391,286	(17,274)
Planning and zoning	<u>44,080</u>	<u>95,416</u>	<u>(51,336)</u>
Total public safety	<u>8,284,995</u>	<u>8,359,540</u>	<u>(74,545)</u>
Public works - highways and streets			
Administration	1,154,623	1,077,722	76,901
Winter maintenance	225,000	189,226	35,774
Road maintenance	1,340,214	1,307,444	32,770
Road construction	512,157	546,282	(34,125)
Storm water management	<u>146,600</u>	<u>58,310</u>	<u>88,290</u>
Total public works - highways and streets	<u>3,378,594</u>	<u>3,178,984</u>	<u>199,610</u>

WEST GOSHEN TOWNSHIP

BUDGETARY COMPARISON STATEMENT - GENERAL FUND

For The Year Ended December 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
Other public works			
Traffic signal maintenance	212,551	174,142	38,409
Street lighting	<u>40,013</u>	<u>38,135</u>	<u>1,878</u>
Total other public works	<u>252,564</u>	<u>212,277</u>	<u>40,287</u>
Library	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Culture and recreation			
Recreation	442,405	405,564	36,841
Parks	<u>1,364,836</u>	<u>1,305,029</u>	<u>59,807</u>
Total culture and recreation	<u>1,807,241</u>	<u>1,710,593</u>	<u>96,648</u>
Total expenditures	<u>16,697,458</u>	<u>15,834,393</u>	<u>863,065</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>583,917</u>	<u>4,790,640</u>	<u>4,206,723</u>
OTHER FINANCING SOURCES (USES)			
Sale of/compensation for capital assets	8,000	18,800	10,800
Transfers out	<u>(1,154,236)</u>	<u>(1,154,236)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,146,236)</u>	<u>(1,135,436)</u>	<u>10,800</u>
NET CHANGE IN FUND BALANCE	<u>\$ (562,319)</u>	3,655,204	<u>\$ 4,217,523</u>
FUND BALANCE			
Beginning of year		<u>17,591,500</u>	
End of year		<u>\$ 21,246,704</u>	

WEST GOSHEN TOWNSHIP

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

December 31, 2022 with summarized comparative totals for 2021

	Enterprise Funds				Totals	
	Sewer	Waste and	Sewer	Nonmajor	2022	2021
	Fund	Recycling	Authority	Fund		
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ 4,330,903	\$ 857,786	\$ 6,253,322	\$ -	\$ 11,442,011	\$ 11,308,193
Restricted cash and cash equivalents	-	-	174,429	-	174,429	494,230
Investments	340,684	2,812	-	-	343,496	341,879
Restricted investments	-	-	-	1,542,232	1,542,232	1,529,904
Accrued interest	-	-	-	-	-	1
Accounts receivable	2,163,260	795,938	739,825	-	3,699,023	2,596,151
Total current assets	6,834,847	1,656,536	7,167,576	1,542,232	17,201,191	16,270,358
NONCURRENT ASSETS						
Land	-	-	82,083	-	82,083	82,083
Construction-in-progress	-	-	14,875,718	-	14,875,718	11,220,361
Depreciable capital assets, net	432,522	-	28,839,641	-	29,272,163	30,235,189
Total noncurrent assets	432,522	-	43,797,442	-	44,229,964	41,537,633
Total assets	7,267,369	1,656,536	50,965,018	1,542,232	61,431,155	57,807,991
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges - OPEB	106,637	-	-	-	106,637	119,920
Deferred charges - pensions	1,539,015	-	-	-	1,539,015	454,166
Total deferred outflows of resources	1,645,652	-	-	-	1,645,652	574,086
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION						
CURRENT LIABILITIES						
Accounts payable	151,526	172,631	531,343	-	855,500	974,504
Developers' deposits	-	-	174,429	-	174,429	176,145
Interest payable	-	-	34,683	-	34,683	31,265
Compensated absences	10,037	816	-	-	10,853	10,778
Long-term debt, due within one year	-	-	757,889	-	757,889	737,889
Total current liabilities	161,563	173,447	1,498,344	-	1,833,354	1,930,581
NONCURRENT LIABILITIES						
Compensated absences, net of current	133,351	10,845	-	-	144,196	143,197
Net OPEB liability	981,953	-	-	-	981,953	955,845
Long-term debt, net of current	-	-	14,422,549	-	14,422,549	15,180,438
Net pension liability	1,577,171	-	-	-	1,577,171	85,259
Total noncurrent liabilities	2,692,475	10,845	14,422,549	-	17,125,869	16,364,739
Total liabilities	2,854,038	184,292	15,920,893	-	18,959,223	18,295,320
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges - OPEB	215,070	-	-	-	215,070	163,570
Deferred charges - pensions	819,186	-	-	-	819,186	1,127,856
Total deferred outflows of resources	1,034,256	-	-	-	1,034,256	1,291,426
NET POSITION						
Net investment in capital assets	432,522	-	28,617,004	-	29,049,526	25,937,391
Restricted	-	-	-	1,542,232	1,542,232	1,529,904
Unrestricted	4,592,205	1,472,244	6,427,121	-	12,491,570	11,328,036
Total net position	\$ 5,024,727	\$ 1,472,244	\$ 35,044,125	\$ 1,542,232	\$ 43,083,328	\$ 38,795,331

See accompanying notes

WEST GOSHEN TOWNSHIP

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS

Year ended December 31, 2022 with summarized comparative totals for 2021

	Enterprise Funds				Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2022	2021
OPERATING REVENUES						
Fees	\$ 7,515,440	\$ 2,454,204	\$ 224,718	\$ -	\$ 10,194,362	\$ 9,003,394
Other	166,712	6,217	-	-	172,929	169,930
Total operating revenues	<u>7,682,152</u>	<u>2,460,421</u>	<u>224,718</u>	<u>-</u>	<u>10,367,291</u>	<u>9,173,324</u>
OPERATING EXPENSES						
Contracted services	-	2,381,970	-	-	2,381,970	2,337,982
Sewer collection	143,827	-	-	-	143,827	156,661
Sewer disposal	1,106,857	-	-	-	1,106,857	887,417
Salaries and wages	1,514,818	83,105	-	-	1,597,923	1,516,053
Engineering fees	-	-	53,378	-	53,378	66,914
Administration	147,891	48,465	106,104	-	302,460	292,377
Employee benefits	1,118,578	34,492	-	-	1,153,070	798,845
Fuel and light	339,390	-	-	-	339,390	302,624
Repairs and maintenance	279,627	1,816	-	-	281,443	245,348
Depreciation	90,597	-	927,933	-	1,018,530	978,280
Total operating expenses	<u>4,741,585</u>	<u>2,549,848</u>	<u>1,087,415</u>	<u>-</u>	<u>8,378,848</u>	<u>7,582,501</u>
Operating income (loss)	<u>2,940,567</u>	<u>(89,427)</u>	<u>(862,697)</u>	<u>-</u>	<u>1,988,443</u>	<u>1,590,823</u>
NONOPERATING REVENUES (EXPENSES)						
Interest and investment revenue	32,525	6,837	50,943	12,328	102,633	24,245
Interest expense	-	-	(510,792)	-	(510,792)	(530,086)
Gain on trade in/loss on disposal of capital assets	17,672	-	-	-	17,672	(11,803)
Unrealized (loss) gain on investments	-	-	-	-	-	(613)
Grant revenue	-	17,922	77,800	-	95,722	225,657
Total nonoperating revenues (expenses)	<u>50,197</u>	<u>24,759</u>	<u>(382,049)</u>	<u>12,328</u>	<u>(294,765)</u>	<u>(292,600)</u>
Change in net position before transfers and contributions	2,990,764	(64,668)	(1,244,746)	12,328	1,693,678	1,298,223
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	2,107,866	850,000	2,957,866	3,272,843
Transfers out	(2,107,866)	-	-	(850,000)	(2,957,866)	(3,272,843)
Capital contributions	-	-	2,594,319	-	2,594,319	179,305
Total other financing sources (uses)	<u>(2,107,866)</u>	<u>-</u>	<u>4,702,185</u>	<u>-</u>	<u>2,594,319</u>	<u>179,305</u>
CHANGE IN NET POSITION	882,898	(64,668)	3,457,439	12,328	4,287,997	1,477,528
NET POSITION						
Beginning of year	4,141,829	1,536,912	31,586,686	1,529,904	38,795,331	37,317,803
End of year	<u>\$ 5,024,727</u>	<u>\$ 1,472,244</u>	<u>\$ 35,044,125</u>	<u>\$ 1,542,232</u>	<u>\$ 43,083,328</u>	<u>\$ 38,795,331</u>

See accompanying notes

WEST GOSHEN TOWNSHIP

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

Year ended December 31, 2022 with summarized comparative totals for 2021

	Enterprise Funds				Totals	
	Sewer Fund	Waste and Recycling Fund	Sewer Authority	Nonmajor Fund	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 7,245,999	\$ 2,354,222	\$ 224,718	\$ -	\$ 9,824,939	\$ 9,022,517
Cash payments to vendors for goods and services	(1,973,523)	(2,419,632)	(143,468)	-	(4,536,623)	(4,924,293)
Cash payments to employees for services	(2,443,513)	(117,122)	-	-	(2,560,635)	(1,811,649)
Net cash provided by (used) for operating activities	2,828,963	(182,532)	81,250	-	2,727,681	2,286,575
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Grants received from state	-	17,922	-	-	17,922	5,657
Transfer from other funds	-	-	2,107,866	850,000	2,957,866	3,272,843
Transfer to other funds	(2,107,866)	-	-	(850,000)	(2,957,866)	(3,272,843)
Net cash provided by (used for) noncapital financing activities	(2,107,866)	17,922	2,107,866	-	17,922	5,657
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Interest paid	-	-	(560,263)	-	(560,263)	(582,690)
Long-term debt payments	-	-	(685,000)	-	(685,000)	(665,000)
Proceeds from grant	-	-	77,800	-	77,800	220,000
Capital contributions received from participating townships	-	-	2,033,799	-	2,033,799	831,639
Proceeds from sale of capital assets	25,100	-	-	-	25,100	-
Cash paid for acquisition and construction of capital assets	(21,497)	-	(3,890,214)	-	(3,911,711)	(8,119,969)
Net cash provided by (used for) capital and related financing activities	3,603	-	(3,023,878)	-	(3,020,275)	(8,316,020)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and investment earnings	32,525	6,837	50,944	12,328	102,634	24,313
Sale (purchase) of investments, net of reinvestment	(1,611)	(6)	-	(12,328)	(13,945)	986,402
Net cash provided by investing activities	30,914	6,831	50,944	-	88,689	1,010,715
Net increase (decrease) in cash and cash equivalents	755,614	(157,779)	(783,818)	-	(185,983)	(5,013,073)
CASH AND CASH EQUIVALENTS						
Beginning of year	3,575,289	1,015,565	7,211,569	-	11,802,423	16,815,496
Ending of year	\$ 4,330,903	\$ 857,786	\$ 6,427,751	\$ -	\$ 11,616,440	\$ 11,802,423
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ 2,940,567	\$ (89,427)	\$ (862,697)	\$ -	\$ 1,988,443	\$ 1,590,823
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities						
Depreciation	90,597	-	927,933	-	1,018,530	978,280
(Increase) decrease in						
Accounts receivable	(436,153)	(106,199)	-	-	(542,352)	(150,807)
Deferred outflows of resources	(1,071,566)	-	-	-	(1,071,566)	74,775
Developers' deposits	-	-	(1,716)	-	(1,716)	135,804
Increase (decrease) in						
Accounts payable	44,069	12,619	17,730	-	74,418	45,957
Compensated absences	599	475	-	-	1,074	(4,715)
Net OPEB liability	26,108	-	-	-	26,108	195,931
Net pension liability	1,491,912	-	-	-	1,491,912	(768,766)
Deferred inflows of resources	(257,170)	-	-	-	(257,170)	189,293
Net cash provided by (used for) operating activities	\$ 2,828,963	\$ (182,532)	\$ 81,250	\$ -	\$ 2,727,681	\$ 2,286,575
SUPPLEMENTAL INFORMATION						
Cash and cash equivalents	\$ 4,330,903	\$ 857,786	\$ 6,253,322	\$ -	\$ 11,442,011	\$ 11,308,193
Restricted cash and cash equivalents	-	-	174,429	-	174,429	494,230
	\$ 4,330,903	\$ 857,786	\$ 6,427,751	\$ -	\$ 11,616,440	\$ 11,802,423
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital assets acquired through the incurrence of accounts payable	\$ -	\$ -	\$ 511,113	\$ -	\$ 511,113	\$ 704,535
Capital assets acquired through trade in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,000
Loss on the disposal of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (32,803)
Unrealized loss on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (613)
Capital contributions from participating townships	\$ -	\$ -	\$ 739,825	\$ -	\$ 739,825	\$ 179,305
Amortization of bond premium	\$ -	\$ -	\$ 52,889	\$ -	\$ 52,889	\$ 52,889

See accompanying notes

WEST GOSHEN TOWNSHIP

STATEMENT OF NET POSITION - FIDUCIARY FUNDS

December 31, 2022 with summarized comparative totals for 2021

	Pension Funds	
	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 362,690	\$ 743,658
Insurance contracts, at contract value	927,239	997,025
Investments, at fair value: mutual funds	<u>36,584,910</u>	<u>42,851,683</u>
Total assets	<u>\$ 37,874,839</u>	<u>\$ 44,592,366</u>
LIABILITIES	\$ -	\$ -
NET POSITION		
Restricted for pension benefits	<u>37,874,839</u>	<u>44,592,366</u>
Total liabilities and net position	<u>\$ 37,874,839</u>	<u>\$ 44,592,366</u>

WEST GOSHEN TOWNSHIP

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS

Year ended December 31, 2022 with summarized comparative totals for 2021

	<u>Pension Funds</u>	
	<u>2022</u>	<u>2021</u>
ADDITIONS		
Contributions		
State aid	\$ 647,557	\$ 566,079
Employer contributions	394,585	1,194,708
Employee contributions	472,739	340,061
Total contributions	<u>1,514,881</u>	<u>2,100,848</u>
Investment income (loss)		
Net increase (decrease) in fair value of investments	(7,927,157)	2,472,108
Realized gain on investments	634,427	1,214,269
Interest and dividends	842,676	792,875
Total investment income (loss)	<u>(6,450,054)</u>	<u>4,479,252</u>
Total additions, net	<u>(4,935,173)</u>	<u>6,580,100</u>
DEDUCTIONS		
Benefits paid	1,689,390	2,179,248
Administrative expenses	92,964	61,616
Total deductions	<u>1,782,354</u>	<u>2,240,864</u>
CHANGE IN NET POSITION	(6,717,527)	4,339,236
NET POSITION		
Beginning of year	<u>44,592,366</u>	<u>40,253,130</u>
End of year	<u>\$ 37,874,839</u>	<u>\$ 44,592,366</u>

See accompanying notes

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

West Goshen Township (the "**Township**"), Chester County, Pennsylvania, was established in 1817 and operates as a Township of a second class under the Township code of the Commonwealth of Pennsylvania. The Township is governed by an elected five-member Board of Supervisors and provides the following services: code enforcement, construction and maintenance of streets, parks and recreation programs, police, sewage collection and treatment, solid waste collection and subdivision and land development.

The financial statements of the Township have been prepared in accordance with generally accepted accounting principles ("**GAAP**") as applied to governmental units. The Governmental Accounting Standards Board ("**GASB**") is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

Reporting Entity

GASB has established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the Township as a reporting entity, management has addressed all potential component units which may or may not fall within the Township's accountability. The criteria used to evaluate component units for possible inclusion as part of the Township's reporting entity are financial accountability and the nature and significance of the relationship. Based upon the application of these criteria, the following component units are required to be included in the Township's 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 West Goshen Sewer Authority is considered a blended component unit and is shown in the financial statements as a part of the primary government proprietary funds. The West Goshen Sewer Authority is audited by Barbacane, Thornton & Company LLP; whose report dated June 21, 2023, is publicly available through the offices of the Township.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Township as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities. These statements include the financial activities of the primary government except for fiduciary funds.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flow. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared as further defined below. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements of governmental funds.

The government-wide statement of net position presents the financial position of the Township which is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is classified in one of three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowing attributable to acquiring, constructing or improving those assets. The net position of the Township is reported as restricted when constraints placed on net position use is 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. Unrestricted net position is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

The statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The government-wide statement of activities presents a comparison between expenses and program revenues for each function of the business-type activities of the Township and for each governmental function. 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.

Except for interfund activity and balances between the funds that underlie governmental activities and the funds that underlie business-type activities, which are reported as transfers and internal balances, the effect of interfund activity has been removed from these statements.

Fund Financial Statements

During the year, the Township segregates transactions related to certain Township functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements report detailed information about the Township. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All other governmental funds are grouped together and presented in a separate column as nonmajor governmental funds. Fiduciary fund financial statements are presented by fund type.

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. 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 is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays which include the acquisition or construction of capital facilities and other capital assets, including those financed by general obligation bond proceeds.

The American Rescue Plan Fund is used to account for federal funds received under the American Rescue Plan Act and the related expenditure of those funds.

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.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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 Sewer Authority operates the sewage treatment plan, sewage pumping station and collection systems.

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

The Township reports the following nonmajor governmental funds:

The State Fund (special revenue fund) accounts for state revenues used primarily for building, improving and maintaining the Township's streets and bridges.

The Offsite Development Fund (special revenue fund) accounts for revenues received from building contractors for open space projects. Expenditures consist of improvements to the Township's parks either by major capital installations or minor repairs to ball fields, tennis courts, etc.

The Zoning Hearing Board Fund (special revenue fund) accounts for revenues received from third parties used to cover the costs of zoning appeals (e.g. attorney fees, advertising notices, court reporter fees and developer costs, etc.)

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

In addition, the Township also maintains a nonmajor 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 Township considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Deferred inflows of resources are reported in connection with receivables for tax revenues that are not considered to be available to liquidate liabilities of the current period. Revenue from federal, state and other grants designated for payment of specific Township expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as unearned revenues until earned. Other receipts are recorded as revenue when received in cash because they are generally 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, debt service expenditures, as well as expenditures related to compensated absences, special termination benefits, other post-employment benefits and claims and judgments are recorded only when payment is due. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Proprietary Funds

Like the government-wide financial statements, proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. These funds account for operations that are primarily financed 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.

Fiduciary Funds

Fiduciary funds reporting focuses on net position and changes in net position and are accounted for using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Township's own programs. The Township has three trust funds, consisting of a Police Pension Fund, a Nonuniformed Pension Fund and a Sewer Pension Fund.

Cash and Cash Equivalents

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

Restricted Assets

Restricted assets consist of developers' deposits, an operating reserve account established pursuant to the lease agreement between the Township and the Sewer Authority, and unspent bond proceeds from the Guaranteed Sewer Revenue Bonds, Series of 2017.

Investments

Investments are stated at fair value based upon quoted market prices.

Fair Value Measurements of Assets and Liabilities

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Township. Unobservable inputs reflect the Township's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the Township has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not require a significant degree of judgment.

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

Level 3 – Valuations based on inputs that are unobservable, that is, inputs that reflect the Township's own assumptions.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Interfund 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/due 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).

Taxes

Property taxes are levied on March 1 and are payable in the following periods:

Initial billing	-	March 1
Discount period	-	March 1 – April 30
Face period	-	May 1 – June 30
Penalty period	-	July 1 and thereafter
Lien date	-	December 31

Other taxes levied in 2022 consisted of the following:

Real estate transfer tax	-	1% of sales price
Earned income tax	-	1% of gross income
Emergency and municipal services tax	-	\$52.00 per year

Accounts Receivable

The Township's accounts receivable are reported at net realizable value. The Township's sewer operations experience very small losses from uncollectible accounts. Sewer fees constitute a lien against real property and usually can be collected in full when title transfers. Only balances after tax sales are written off each year. Accounts receivable are shown net of allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on professional judgment and historical trend information.

Prepaid Items

Certain prepayments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements.

Unearned Revenues

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the Township as assets with an initial individual cost of \$5,000 or more 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Property, plant and equipment (net of salvage value) of the Township is depreciated using the straight-line method over the following estimated useful lives: machinery and equipment – 5-20 years; vehicles – 5-10 years; land improvements – 10-60 years; buildings and improvements – 10-40 years; and infrastructure – 9-60 years.

Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet – governmental funds will sometimes report separate sections for deferred inflows and deferred outflows of resources. These separate financial statement elements represent acquisition or use of net position that applies to a future period(s) and so will not be recognized as an inflow or outflow of resources (revenue or expense/expenditure) until that time.

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

Compensated Absences

Full-time employees are granted vacation benefits in varying amounts to specified maximums. Sick leave accrues to full-time, permanent employees and can be carried over from year to year. Employees who retire under the normal or early retirement definitions of the pension plans shall be paid 20 percent of the accrued sick leave. Upon termination of employment, employees will be paid for unused vacation time that has been earned through the last day of employment. The liability for these compensated absences is recorded as long-term debt in the government-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 government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, the face amount of debt issued is reported as other financing sources and uses. Notes payable are reported net of the applicable premium or discount. Premiums and discounts are deferred and amortized over the life of the notes. Deferred amounts on refunding are recorded as a deferred outflow of resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. All amounts are amortized using the straight-line method.

Fund Equity

As prescribed by GASB, governmental funds report fund balance in classifications based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The Township reports the following fund balance classifications:

Nonspendable

Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form – such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact – such as a trust that must be retained in perpetuity.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Restricted

Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed

Committed fund balances are amounts that can only be used for specific purposes determined by a formal action of the Township's highest level of decision-making authority, the Board of Supervisors. Committed amounts cannot be used for any other purpose unless the Board of Supervisors removes those constraints by taking the same type of formal action (e.g., resolution).

Assigned

Assigned fund balances are amounts that are constrained by the Township's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (a) the Township Manager or (b) an appointed body (e.g., finance committee) or (c) an official to which the Township has delegated the authority to assign, modify or rescind amounts to be used for specific purposes.

Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as non-spendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund or the capital projects fund are assigned for purposes in accordance with the nature of their fund type.

Unassigned

Unassigned fund balance is the residual classification for the General Fund. This classification represents General Fund balance that has not been assigned to other funds, and that has not been restricted, committed or assigned to specific purposes within the General Fund.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use externally restricted resources first, then unrestricted resources—committed, assigned or unassigned—in order as needed.

Comparative Data

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation. However, presentation of prior year totals by fund and activity type has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Summarized comparative information should be read in conjunction with the Township's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Use of Estimates

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

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Implementation of New Accounting Pronouncements

GASB Statement No. 87, "Leases" is effective for the Township for the year ended December 31, 2022. The objective of GASB Statement No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. GASB Statement No. 87 increases the usefulness of financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities. The implementation of GASB Statement No. 87 had no impact on the Township's financial statements for the year ended December 31, 2022.

GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32" is effective for the Township for the year ended December 31, 2022. The objectives of GASB Statement No. 97 are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 had no impact on the Township's financial statements for the year ended December 31, 2022.

New Accounting Pronouncements

GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements" will be effective for the Township for the year ended December 31, 2023. GASB Statement No. 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements ("**PPP**"s). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements" will be effective for the Township for the year ended December 31, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("**SBITA**"s) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Township code of the Commonwealth of Pennsylvania requires that an annual budget for all funds be adopted no later than December 31 for the succeeding fiscal year beginning January 1. The Township is required to publish notice by advertisement at least once in one newspaper of general circulation in the Township, and within 20 days of final action, that the budget has been prepared and is available for public inspection at the Township offices. Notice that public hearings will be held on the proposed budget must be included in the advertisement.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

The Township is legally required to maintain budgetary controls at the major function level. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at the level of budgetary control and include the effect of approved budget amendments.

(3) DEPOSITS AND INVESTMENTS

State statutes authorize the Township to invest in U.S. Treasury bills, time or share accounts of institutions insured by the Federal Deposit Insurance Corporation or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, state treasurer's investment pools or mutual funds.

Custodial Credit Risk - Deposits

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. 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.

At December 31, 2022, the carrying amount of the Township's deposits was \$39,767,573 (excludes the pension funds which are disclosed at Notes 8, 9, and 10), and the bank balance was \$40,214,956. Of the bank balance, \$750,000 was covered by federal depository insurance and \$38,326,627 was collateralized by the Township's depositories in accordance with Act 72 and the collateral was held by the depositories' agent in pooled public funds. The remaining cash deposits of the Township are in the Pennsylvania Local Government Investment Trust ("**PLGIT**"). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized statistical rating organization and is subject to an independent annual audit. As of December 31, 2022, PLGIT was rated AAAM by a nationally recognized statistical rating agency.

Investments

As of December 31, 2022, Township had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities (In Years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>More than 10</u>
Money market funds	<u>\$3,114,576</u>	<u>\$3,114,576</u>	<u>\$ -</u>	<u>\$ -</u>

Money market funds are valued using Level 2 inputs.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Township's investments consist of uninsured, unregistered investments held by a counterparty's trust department but not in the Township's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Township's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill their obligations. The Township limits its type of investments permitted as defined in the state statutes.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from the requirement. As of December 31, 2022, the Township had no investments subject to concentration of credit risk.

(4) CAPITAL ASSETS

The Township's capital asset activity for the year ended December 31, 2022 was as follows:

	<u>Balance January 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2022</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 3,128,045	\$ -	\$ -	\$ 3,128,045
Construction-in-progress	<u>76,757</u>	<u>295,860</u>	<u>49,628</u>	<u>322,989</u>
Total capital assets not being depreciated	<u>3,204,802</u>	<u>295,860</u>	<u>49,628</u>	<u>3,451,034</u>
Capital assets being depreciated				
Buildings and improvements	12,207,177	-	-	12,207,177
Vehicles	4,191,925	130,481	59,827	4,262,579
Infrastructure	51,279,643	1,096,269	-	52,375,912
Land improvements	2,271,925	98,869	27,287	2,343,507
Machinery and equipment	<u>7,302,653</u>	<u>308,113</u>	<u>207,844</u>	<u>7,402,922</u>
Total capital assets being depreciated	<u>77,253,323</u>	<u>1,633,732</u>	<u>294,958</u>	<u>78,592,097</u>
Less accumulated depreciation for				
Buildings and improvements	3,862,563	247,219	-	4,109,782
Vehicles	2,163,398	392,532	53,844	2,502,086
Infrastructure	36,591,822	657,923	-	37,249,745
Land improvements	1,355,990	54,261	24,558	1,385,693
Machinery and equipment	<u>3,859,253</u>	<u>352,707</u>	<u>175,432</u>	<u>4,036,528</u>
Total accumulated depreciation	<u>47,833,026</u>	<u>1,704,642</u>	<u>253,834</u>	<u>49,283,834</u>
Total capital assets being depreciated, net	<u>29,420,297</u>	<u>(70,910)</u>	<u>41,124</u>	<u>29,308,263</u>
Governmental activities, net	<u>\$32,625,099</u>	<u>\$ 224,950</u>	<u>\$ 90,752</u>	<u>\$32,759,297</u>

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Business-type activities

Capital assets not being depreciated				
Land	\$ 82,083	\$ -	\$ -	\$ 82,083
Construction-in-progress	<u>11,220,360</u>	<u>3,655,358</u>	<u>-</u>	<u>14,875,718</u>
Total capital assets not being depreciated	<u>11,302,443</u>	<u>3,655,358</u>	<u>-</u>	<u>14,957,801</u>
Capital assets being depreciated				
Collection system – infrastructure	20,091,334	-	-	20,091,334
Land improvements	648,351	-	-	648,351
Buildings and improvements	11,893,850	30,982	-	11,924,832
Vehicles	972,180	-	66,418	905,762
Equipment	<u>21,957,877</u>	<u>31,949</u>	<u>7,857</u>	<u>21,981,969</u>
Total capital assets being depreciated	<u>55,563,592</u>	<u>62,931</u>	<u>74,275</u>	<u>55,552,248</u>
Less accumulated depreciation for				
Collection system – infrastructure	10,504,884	309,558	-	10,814,442
Land improvements	313,092	11,607	-	324,699
Buildings and improvements	8,070,980	151,078	-	8,222,058
Vehicles	604,461	69,924	59,776	614,609
Equipment	<u>5,834,985</u>	<u>476,363</u>	<u>7,071</u>	<u>6,304,277</u>
Total accumulated depreciation	<u>25,328,402</u>	<u>1,018,530</u>	<u>66,847</u>	<u>26,280,085</u>
Total capital assets being depreciated, net	<u>30,235,190</u>	<u>(955,599)</u>	<u>7,428</u>	<u>29,272,163</u>
Business-type activities, net	<u>\$41,537,633</u>	<u>\$2,699,759</u>	<u>\$ 7,428</u>	<u>\$44,229,964</u>

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

Governmental activities

General government	\$ 116,249
Public safety	183,859
Public works	1,170,366
Culture and recreation	<u>234,168</u>

Total depreciation expense - governmental activities \$1,704,642

Business-type activities

Sewer operations	<u>\$1,018,530</u>
------------------	--------------------

As of December 31, 2022, the Township had construction projects yet to be completed. The commitments and amounts completed to date are as follows:

	<u>Contract Amounts</u>	<u>Completed Through 12/31/2022</u>	<u>Remaining Commitments</u>
Renovations	<u>\$243,278</u>	<u>\$189,981</u>	<u>\$53,297</u>

As of December 31, 2022, the Township has incurred costs totaling \$133,008 for project costs that were not under a formal contract.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

(5) INTERNAL RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2022 is as follows:

<u>Transfers Out</u>	<u>Amount</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	\$1,154,236	Capital Reserve Fund	\$1,154,236
Nonmajor Governmental Funds	213,630	Capital Reserve Fund	213,630
Sewer Fund	1,257,866	Sewer Authority	1,257,866
Sewer Fund	850,000	Nonmajor Proprietary Fund	850,000
Nonmajor Proprietary Fund	<u>850,000</u>	Sewer Authority	<u>850,000</u>
	<u>\$4,325,732</u>		<u>\$4,325,732</u>

General and nonmajor governmental funds transfers to the capital reserve fund were made to fund debt service payments and to set aside funds for future capital projects. The Sewer Fund transfer to the Sewer Authority represented funds for administrative costs in the amount of \$9,185 and the annual rent of \$1,248,681. The Sewer Fund transferred funds to the nonmajor proprietary fund for future capital projects. The nonmajor proprietary fund made a contribution for the Sewer Authority for future capital projects.

(6) NONCURRENT LIABILITIES

The following summarizes the changes in the Township's noncurrent liabilities for the year ended December 31, 2022:

	<u>Balance January 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31, 2022</u>	<u>Amount Due Within One Year</u>
Governmental activities					
General obligation note	\$ 3,612,000	\$ -	\$ 491,000	\$ 3,121,000	\$499,000
Compensated absences	854,212	31,902	16,650	869,464	60,682
Net OPEB liability	5,067,290	500,241	546,490	5,021,041	-
Net pension liability (asset)	<u>(2,451,556)</u>	<u>9,219,659</u>	<u>1,229,015</u>	<u>5,539,088</u>	<u>-</u>
Total governmental activities	<u>\$ 7,081,946</u>	<u>\$9,751,802</u>	<u>\$2,283,155</u>	<u>\$14,550,593</u>	<u>\$559,682</u>
Business-type activities					
Guaranteed sewer revenue bonds	\$15,125,000	\$ -	\$ 685,000	\$14,440,000	\$705,000
Bond premium	793,327	-	52,889	740,438	52,889
Compensated absences	153,975	1,074	-	155,049	10,853
Net OPEB liability	955,845	104,982	78,874	981,953	-
Net pension liability	<u>85,259</u>	<u>1,777,778</u>	<u>285,866</u>	<u>1,577,171</u>	<u>-</u>
Total business-type activities	<u>\$17,113,406</u>	<u>\$1,883,834</u>	<u>\$1,102,629</u>	<u>\$17,894,611</u>	<u>\$768,742</u>

(7) LONG-TERM DEBT

Governmental Activities

Delaware Valley Regional Finance Authority – General Obligation Note Series A and B of 2014 with interest at a fixed rate of 1.592% per annum, payable annually. In October 2019, the Township exercised the option to convert the Series of 2014 to a new lower loan fixed rate. Maturity date is January 25, 2028. This note refunded the 1998 G.O. and the 2010 G.O. note.

\$ 3,121,000

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Business-Type Activities

Fulton Bank – Guaranteed Sewer Revenue Bonds, Series of 2017 issued to refund the Guaranteed Note, Series of 2008, the payment of the costs to construct improvements to the public sanitary sewer system of the Sewer Authority leased to the Township, and the payment of all costs and expenses related to the issuance of the bonds. The bonds mature through May 2037 with interest payable semi-annually at rates ranging from 0.90% to 3.25%.

14,440,000

Total long-term debt

\$17,561,000

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

Annual debt service requirements under the governmental activities long-term debt is as follows:

<u>Year ending December 31,</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Maturities</u>
2023	\$ 499,000	\$ 42,178	\$ 541,178
2024	507,000	34,160	541,160
2025	516,000	26,001	542,001
2026	524,000	17,714	541,714
2027	533,000	9,286	542,286
2028	<u>542,000</u>	<u>715</u>	<u>542,715</u>
	<u>\$3,121,000</u>	<u>\$130,054</u>	<u>\$3,251,054</u>

Annual debt service requirements under the business-type activities long-term debt is as follows:

<u>Year ending December 31,</u>	<u>Principal Maturities</u>	<u>Interest Maturities</u>	<u>Total Maturities</u>
2023	\$ 705,000	\$ 543,588	\$ 1,248,588
2024	735,000	511,113	1,246,113
2025	775,000	473,363	1,248,363
2026	815,000	433,613	1,248,613
2027	850,000	396,238	1,246,238
2028 – 2032	4,805,000	1,431,288	6,236,288
2033 – 2037	<u>5,755,000</u>	<u>479,778</u>	<u>6,234,778</u>
	<u>\$14,440,000</u>	<u>\$4,268,981</u>	<u>\$18,708,981</u>

(8) POLICE PENSION PLAN

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

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Plan Membership

Membership in the Police Pension Plan consisted of the following at December 31, 2022:

Active members	29
Inactive members or beneficiaries currently receiving benefits	22
Inactive members entitled to but not yet receiving benefits	-
Total	<u>51</u>

Benefit Provisions

Normal Retirement

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

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

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

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

Late Retirement

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

Early Retirement

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

Disability Benefits

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

Deferred Retirement Option Program

An active member who has met the eligibility requirements for normal retirement may elect to participate in the deferred retirement option program ("**DROP**") for a period of 36 months if eligible to enter the DROP during 2018 – 2020, 48 months if eligible to enter the DROP during 2021, or 60 months if eligible to enter the DROP after 2021. Such election must be made within 60 days of becoming eligible to enter the DROP. The monthly pension shall be calculated as of the date of participation in the DROP and shall be accumulated with interest earned on the DROP account, subject to a minimum of 0.0 percent and a maximum of 4.5 percent in any calendar year, and distributed in a lump sum at retirement. The DROP account balance at December 31, 2022 was \$66,295.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Basis of Accounting

The Police Pension Plan's financial statements are prepared using the accrual basis of accounting. Contributions are recognized in the period when due and benefits and refunds are recognized when due and payable.

Method Used to Value Investments

Investments in the Police Pension Plan are reported at fair value except as described below.

The Police Pension Plan's unallocated insurance contract is valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to purchase annuities and pay administrative expenses charged by the insurance company. Funds under the contract that have been allocated and applied to purchase annuities are excluded from the Police 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, 2022, the carrying amount of the Plan's deposits was \$67,947, which was invested in a Federated Prime obligations fund held by the trustee of the pension in the Plan's name. None of the Plan's deposits were subject to custodial credit risk.

Investments

The investment objective of the Plan is to maintain a balanced portfolio comprised of equity, fixed income and insurance contracts.

As of December 31, 2022, the Plan had the following investments:

<u>Investment Type</u>	<u>Fair or Contract Value</u>	<u>Level 1</u>
Domestic equity mutual funds	\$ 8,632,331	\$ 8,632,331
International equity mutual funds	5,837,941	5,837,941
Fixed income mutual funds	5,688,281	5,688,281
Insurance contract	<u>342,587</u>	<u>-</u>
Total	<u>\$20,501,140</u>	<u>\$20,158,553</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.

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

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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.

Discount Rate

The discount rate used to measure the total pension liability is 7.00%. The Police Pension Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer's funding policy requires the full funding of the entry age normal cost, plus plan expenses, as well as an amortization of the unfunded liability.

Rate of Return

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

A schedule of plan investments by asset class, target allocations, and long-term expected rate of return is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic equity	39.00%	5.50% - 7.50%
International equity	26.00%	4.50% - 6.50%
Fixed income	<u>35.00%</u>	1.00% - 3.00%
Total	<u>100.00%</u>	

Net Pension Liability

The Township's net pension liability has been measured as of December 31, 2022. The total pension liability was determined by an actuarial valuation as of January 1, 2021, and by rolling forward the liabilities from the January 1, 2021 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net pension liability is \$1,817,642 measured as the difference between the total pension liability of \$22,386,729 and the fiduciary net position of \$20,569,087.

The Township's change in total pension liability, plan fiduciary net position, and net pension liability for the year ended December 31, 2022 were as follows:

	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (A) - (B)</u>
Balances as of December 31, 2021	<u>\$21,123,334</u>	<u>\$24,774,449</u>	<u>\$(3,651,115)</u>
Changes for the year:			
Service cost	636,659	-	636,659
Interest on total pension liability	1,602,434	-	1,602,434
Employer contributions	-	311,923	(311,923)
Member contributions	-	149,979	(149,979)

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Net investment loss	-	(3,642,266)	3,642,266
Administrative expenses	-	(49,300)	49,300
Benefit payments	<u>(975,698)</u>	<u>(975,698)</u>	<u>-</u>
Net changes	<u>1,263,395</u>	<u>(4,205,362)</u>	<u>5,468,757</u>
Balances as of December 31, 2022	<u>\$22,386,729</u>	<u>\$20,569,087</u>	<u>\$ 1,817,642</u>

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

The following presents the net pension liability (asset) of the Township calculated using the discount rate 7.00%, as well as what the net pension liability (asset) would be if it were calculated using the discount rate that is one percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Net pension liability (asset)	<u>\$4,594,416</u>	<u>\$1,817,642</u>	<u>\$(497,461)</u>

Money-Weighted Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on the Police Pension Fund investments, net of investment expense was negative 15.32 percent. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension investments by the proportion of time available to earn a return during that period.

Pension Expense and Deferred Outflows or Resources and Deferred Inflows of Resources Related to Pension

For the year ended December 31, 2022, the Township recognized pension expense of \$735,418. At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 80,398	\$ 572,649
Changes in assumptions	325,158	-
Difference between projected and actual earnings on pension plan investments	<u>4,346,785</u>	<u>1,650,291</u>
	<u>\$4,752,341</u>	<u>\$2,222,940</u>

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

Year ended December 31,

2023	\$ 132,421
2024	553,112
2025	942,343
2026	1,024,973
2027	(61,724)
Thereafter	<u>(61,724)</u>
	<u>\$2,529,401</u>

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Actuarial Methods and Significant Assumptions

- Actuarial cost method – entry age normal
- Investment return – 7.00%
- Inflation – 3.00%
- Salary increases – 5.00% per year
- Retirement age – It is assumed that all members enter DROP upon meeting the eligibility requirements for normal retirement.
- Mortality rates – PubS-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.

(9) NONUNIFORMED PENSION PLAN

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

Plan Membership

Membership in the Nonuniformed Pension Plan consisted of the following at December 31, 2022:

Active members	53
Inactive members or beneficiaries currently receiving benefits	30
Inactive members entitled to but not yet receiving benefits	<u>16</u>
Total	<u>99</u>

Benefit Provisions

Normal Retirement

A member is eligible for normal retirement after attainment of age 65 and completion of 10 years of vesting service or after attainment of age 60 and completion of 20 years of service, if earlier.

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

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

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

Late Retirement

If a member continues working after the normal retirement date, the pension benefit does not start until the employee actually retires. The monthly late retirement pension is equal to the greater of the benefit accrued to the late retirement date or the benefit as of the end of the preceding plan year, as actuarially increased.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Early Retirement

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

Disability Benefits

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

Death Benefits

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

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

Vesting

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

Accrued Pension

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

Contributions

The Commonwealth of Pennsylvania Act 205 ("**Act 205**") requires that annual contributions be based upon the minimum municipal obligation ("**MMO**"). The MMO is based upon the Plan's biennial actuarial valuation. The State provides an allocation of funds which must be used for pension funding.

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

Member contributions are credited with 5.0 percent annual interest.

Basis of Accounting

The Nonuniformed Pension Plan's financial statements are prepared using the accrual basis of accounting. Contributions are recognized in the period when due and benefits and refunds are recognized when due and payable.

Method Used to Value Investments

Investments in the Nonuniformed Pension Plan are recorded at fair value with the exception of insurance contracts which are valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to purchase annuities and pay administrative expenses charged by the insurance company. Funds under the contract that have been allocated and applied to purchase annuities are excluded from the Plan's assets.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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, 2022, the carrying amount of the Plan's deposits was \$87,205, which was invested in a Federated Prime obligations fund held by the trustee of the pension in the Plan's name. None of the Plan's deposits were subject to custodial credit risk.

Investments

The investment objective of the Plan is to maintain a balanced portfolio comprised of equity, fixed income and insurance contracts.

As of December 31, 2022, the Plan had the following investments:

<u>Investment Type</u>	<u>Fair or Contract Value</u>	<u>Level 1</u>
Domestic equity mutual funds	\$ 4,620,734	\$ 4,620,734
International equity mutual funds	3,057,752	3,057,752
Fixed income mutual funds	2,991,480	2,991,480
Insurance contract	<u>287,671</u>	<u>-</u>
Total	<u>\$10,957,637</u>	<u>\$10,669,966</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.

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.

Discount Rate

The discount rate used to measure the total pension liability is 7.00%. The Nonuniformed Pension Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer's funding policy requires the full funding of the entry age normal cost, plus plan expenses, as well as an amortization of the unfunded liability.

Rate of Return

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

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses not funded through the MMO was negative 14.94 percent. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

A schedule of plan investments by asset class, target allocations, and long-term expected rate of return is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic equity	39.00%	5.50% - 7.50%
International equity	26.00%	4.50% - 6.50%
Fixed income	<u>35.00%</u>	1.00% - 3.00%
Total	<u>100.00%</u>	

Net Pension Liability (Asset)

The Township's net pension liability (asset) has been measured as of December 31, 2022. The total pension liability was determined by an actuarial valuation as of January 1, 2021, and by rolling forward the liabilities from the January 1, 2021 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net pension liability is \$3,721,446 measured as the difference between the total pension liability of \$14,766,288 and the fiduciary net position of \$11,044,842.

The Township's change in total pension liability (asset), plan fiduciary net position, and net pension liability (asset) for the year ended December 31, 2022 were as follows:

	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (Asset) (A) - (B)</u>
Balances as of December 31, 2021	<u>\$13,743,971</u>	<u>\$12,544,412</u>	<u>\$1,199,559</u>
Changes for the year:			
Service cost	476,955	-	476,955
Interest on total pension liability	980,455	-	980,455
Employer contributions	-	591,265	(591,265)
Employee contributions	-	175,848	(175,848)
Net investment loss	-	(1,804,661)	1,804,661
Administrative expenses	-	(26,929)	26,929
Benefit payments	<u>(435,093)</u>	<u>(435,093)</u>	<u>-</u>
Net changes	<u>1,022,317</u>	<u>(1,499,570)</u>	<u>2,521,887</u>
Balances as of December 31, 2022	<u>\$14,766,288</u>	<u>\$11,044,842</u>	<u>\$3,721,446</u>

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

The following presents the net pension liability (asset) of the Township calculated using the discount rate 7.00%, as well as what the net pension liability would be if it were calculated using the discount rate that is one percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Net pension liability (asset)	<u>\$5,667,320</u>	<u>\$3,721,446</u>	<u>\$2,090,554</u>

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended December 31, 2022, the Township recognized pension expense of \$690,119. At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 30,979	\$ 407,968
Changes in assumptions	393,358	-
Difference between projected and actual earnings on pension plan investments	<u>2,197,768</u>	<u>755,486</u>
	<u>\$2,622,105</u>	<u>\$1,163,454</u>

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

Year ended December 31,

2023	\$ 140,363
2024	326,391
2025	468,965
2026	553,408
2027	(1,690)
Thereafter	<u>(28,786)</u>
	<u>\$1,458,651</u>

Actuarial Methods and Significant Assumptions

- Actuarial cost method – entry age normal
- Investment return – 7.00%
- Inflation – 3.00%
- Salary increases – 5.00% per year
- Retirement age – Normal retirement age
- Mortality rates – PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.

(10) SEWER PENSION PLAN

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

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Plan Membership

Membership in the Sewer Pension Plan consisted of the following at December 31, 2022:

Active members	27
Inactive members or beneficiaries currently receiving benefits	11
Inactive members entitled to but not yet receiving benefits	<u>8</u>
Total	<u>46</u>

Benefit Provisions

Normal Retirement

A member is eligible for normal retirement after attainment of age 65 and completion of 10 years of vesting service or after attainment of age 60 and completion of 20 years of service, if earlier.

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

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

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

Late Retirement

If a member continues working after the normal retirement date, the pension benefit does not start until the employee actually retires. The monthly late retirement pension is equal to the greater of the benefit accrued to the late retirement date or the benefit as of the end of the preceding plan year, as actuarially increased.

Early Retirement

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

Disability Benefits

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

Death Benefits

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

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

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Vesting

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

Accrued Pension

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

Contributions

The Commonwealth of Pennsylvania Act 205 ("**Act 205**") requires that annual contributions be based upon the minimum municipal obligation ("**MMO**"). The MMO is based upon the Plan's biennial actuarial valuation. The State provides an allocation of funds which must be used for pension funding.

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

Member contributions are credited with 5.0 percent annual interest.

Basis of Accounting

The Sewer Pension Plan's financial statements are prepared using the accrual basis of accounting. Contributions are recognized in the period when due and benefits and refunds are recognized when due and payable.

Method Used to Value Investments

Investments in the Sewer Pension Plan are recorded at fair value with the exception of insurance contracts which are valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to purchase annuities and pay administrative expenses charged by the insurance company. Funds under the contract that have been allocated and applied to purchase annuities are excluded from the Plan's assets.

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, 2022, the carrying amount of the Plan's deposits was \$207,538, which was invested in a Federated Prime obligations fund held by the trustee of the pension in the Plan's name. None of the Plan's deposits were subject to custodial credit risk.

Investments

The investment objective of the Plan is to maintain a balanced portfolio comprised of equity, fixed income and insurance contracts.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

As of December 31, 2022, the Plan had the following investments:

<u>Investment Type</u>	<u>Fair or Contract Value</u>	<u>Level 1</u>
Domestic equity mutual funds	\$2,525,001	\$2,525,001
International equity mutual funds	1,694,525	1,694,525
Fixed income mutual funds	1,536,865	1,536,865
Insurance contract	<u>296,981</u>	<u>-</u>
Total	<u>\$6,053,372</u>	<u>\$5,756,391</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.

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.

Discount Rate

The discount rate used to measure the total pension liability is 7.00%. The Sewer Pension Plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The employer's funding policy requires the full funding of the entry age normal cost, plus plan expenses, as well as an amortization of the unfunded liability.

Rate of Return

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

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses not funded through the MMO was negative 15.19 percent. The money-weighted rate of return expresses investment performance, net of expenses, adjusted for the changing amounts actually invested.

A schedule of plan investments by asset class, target allocations, and long-term expected rate of return is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic equity	39.00%	5.50% - 7.50%
International equity	26.00%	4.50% - 6.50%
Fixed income	<u>35.00%</u>	1.00% - 3.00%
Total	<u>100.00%</u>	

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Net Pension Liability (Asset)

The Township's net pension liability (asset) has been measured as of December 31, 2022. The total pension liability was determined by an actuarial valuation as of January 1, 2021, and by rolling forward the liabilities from the January 1, 2021 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net pension liability is \$1,577,171 measured as the difference between the total pension liability of \$7,838,081 and the fiduciary net position of \$6,260,910.

The Township's change in total pension liability (asset), plan fiduciary net position, and net pension liability (asset) for the year ended December 31, 2022 were as follows:

	<u>Total Pension Liability (A)</u>	<u>Plan Fiduciary Net Position (B)</u>	<u>Net Pension Liability (Asset) (A) – (B)</u>
Balances as of December 31, 2021	<u>\$7,358,764</u>	<u>\$ 7,273,505</u>	<u>\$ 85,259</u>
Changes for the year:			
Service cost	236,165	-	236,165
Interest on total pension liability	521,751	-	521,751
Employer contributions	-	209,510	(209,510)
Employee contributions	-	76,356	(76,356)
Net investment loss	-	(1,003,127)	1,003,127
Administrative expenses	-	(16,735)	16,735
Benefit payments	<u>(278,599)</u>	<u>(278,599)</u>	<u>-</u>
Net changes	<u>479,317</u>	<u>(1,012,595)</u>	<u>1,491,912</u>
Balances as of December 31, 2022	<u>\$7,838,081</u>	<u>\$ 6,260,910</u>	<u>\$1,577,171</u>

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

The following presents the net pension liability (asset) of the Township calculated using the discount rate 7.00%, as well as what the net pension liability would be if it were calculated using the discount rate that is one percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Net pension liability (asset)	<u>\$2,601,728</u>	<u>\$1,577,171</u>	<u>\$716,512</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended December 31, 2022, the Township recognized pension expense of \$307,903. At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 29,091	\$353,073
Changes in assumptions	258,157	-
Difference between projected and actual earnings on pension plan investments	<u>1,251,767</u>	<u>466,113</u>
	<u>\$1,539,015</u>	<u>\$819,186</u>

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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

Year ended December 31,

2023	\$ 54,569
2024	166,690
2025	254,990
2026	314,121
2027	(6,094)
Thereafter	<u>(64,447)</u>
	<u>\$719,829</u>

Actuarial Methods and Significant Assumptions

- Actuarial cost method – entry age normal
- Investment return – 7.00%
- Inflation – 3.00%
- Salary increases – 5.00% per year
- Retirement age – Normal retirement age
- Mortality rates – PubG-2010 mortality table, including rates for disabled retirees and contingent survivors. Incorporated into the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.

(11) OTHER POSTEMPLOYMENT BENEFITS

The Township's Police and Nonuniformed Post-Retirement Medical Benefit Plans (the "**Plans**") are single plans controlled by Township ordinances, as amended. These 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 and actuarial services, are charged to the plans and paid from the General Fund, which is reimbursed as investments are liquidated.

Plan Membership

Membership in the OPEB Plan consisted of the following at December 31, 2022:

Active participants	96
Vested former participants	-
Retired participants	<u>23</u>
Total	<u>119</u>

Eligibility for Benefits

Police officers are eligible to retire and receive postemployment benefits after attainment of age 55 and completion of 25 years of service. All other Township employees are eligible to retire and receive postemployment benefits after attainment of age 60 and completion of 20 years of service or after attainment of age 55 and completion of 25 years of service, if earlier.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Medical Benefits Payable Upon Retirement

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

Life Insurance Payable Upon Retirement

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

Medical Benefits Payable Upon Disability

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

Medical Benefits Upon Death

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

Dependents

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

Duration of Medical Benefits

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

Coordination with Medicare

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

Funding Policy

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

Actuarial Assumptions and Other Inputs

The net OPEB liability was measured as of January 1, 2022, and the total OPEB liability was determined by rolling forward the liabilities from an actuarial valuation as of January 1, 2022. Participant data is based on census data as of January 1, 2022. The actuarial cost method uses entry age normal.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.25% based on the S&P Municipal Bond 20-Year High Grade Rate Index at January 1, 2022.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Salary

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

Mortality

Mortality rates are based on the PubS-2010 mortality table. Incorporated into the table are rates projected generationally using Scale MP-2020 to reflect mortality improvement.

Retirement

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

Percent of Eligible Retirees Electing Coverage in Plan

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

Percent Married at Retirement

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

Spouse Age

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

Retiree Contributions

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

Life Insurance

It is assumed that the annual cost to provide life insurance varies by age. The assumed cost is equal to the amount of coverage times the applicable mortality factor contained in the valuation mortality table. Retiree contributions are \$7.86 per month of coverage beginning at age 65.

Healthcare Cost Trend Rate

The healthcare cost trend rate is 6.50% in 2022, 6.00% in 2023, 5.50% in 2024 through 2025. Rates gradually decrease from 5.40% in 2026 to 3.90% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.

Change in Assumption

The discount rate was changed from 1.93% to 2.25% based on the S&P Municipal Bond 20-Year High Grade Index at January 1, 2022.

Net OPEB Liability (Asset)

The Township's net OPEB liability (asset) has been measured as of December 31, 2022. The total OPEB liability was determined by an actuarial valuation as of January 1, 2022, and by rolling forward the liabilities from the January 1, 2022 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net OPEB liability is \$6,002,994, all of which is unfunded. As of December 31, 2022, the net OPEB liability of \$5,021,041 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position and the remaining \$981,953 of the net OPEB liability is recorded as a liability in the proprietary fund statement of net position, and in the business-type activities in the government-wide statement of net position.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

The Township's change in its OPEB liability for the year ended December 31, 2022 was as follows:

Balances as of January 1, 2022	<u>\$6,023,135</u>
Changes for the year	
Service cost	481,421
Interest on total OPEB liability	123,802
Differences between expected and actual experience	(310,085)
Changes in assumptions	(149,155)
Benefit payments	<u>(166,124)</u>
Net changes	<u>(20,141)</u>
Balances as of December 31, 2022	<u>\$6,002,994</u>

Sensitivity of the Net OPEB Liability (Asset) to Change in Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) for December 31, 2022, calculated using current healthcare cost trends as well as what the net OPEB liability (asset) would be if healthcare cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)	<u>\$5,337,728</u>	<u>\$6,002,994</u>	<u>\$6,783,590</u>

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

The following presents the net OPEB liability (asset) of the Township calculated using the discount rate 2.25%, as well as what the net pension liability (asset) would be if it were calculated using the discount rate that is one percentage point lower (1.25%) or 1 percentage point higher (3.25%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>1.25%</u>	<u>2.25%</u>	<u>3.25%</u>
Net OPEB liability (asset)	<u>\$6,473,058</u>	<u>\$6,002,994</u>	<u>\$5,564,922</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the Township recognized OPEB expense of \$451,244. At December 31, 2022, the Township had deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$1,043,059
Changes in assumptions	645,155	890,361
Benefit payments subsequent to measurement date	<u>99,834</u>	<u>-</u>
	<u>\$744,989</u>	<u>\$1,933,420</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

Year ended December 31,

2023	\$ (153,979)
2024	(153,979)
2025	(153,979)
2026	(153,979)
2027	(153,979)
Thereafter	<u>(518,370)</u>
	<u>\$ (1,288,265)</u>

(12) CONTINGENCIES AND COMMITMENTS

Government Grants and Awards

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.

Litigation

The West Goshen Sewer Authority as been funding a legal effort to prevent the United States Environmental Protection Agency ("**EPA**") from adopting new nutrient discharge limitations. In 2012, the Authority filed Civil Action against the EPA to challenge action taken by the EPA in its establishment of a TMDL (phosphorus) for Goose Creek. In December 2013, the West Goshen Sewer Authority entered into an Interim Settlement Agreement with the EPA for the reassessment and reconsideration of Goose Creek. As a result of the reassessment, a second Interim Settlement Agreement was reached in October 2018 to further reduce effluent TP from a monthly average of 0.8 mg/L to a monthly average of 0.1 mg/L by December 2022 with the ultimate goal of demonstrating whether or not a U.S. EPA-approved tertiary treatment system can treat to levels of TP lower than 0.1 mg/L. These limits will affect all stormwater and wastewater discharges in Chester Creek, including the West Goshen Sewer Authority. The outcome of these efforts could have a substantial impact on the future financial picture of the West Goshen Sewer Authority since significant modifications to the sewage treatment plant may be necessary in the future.

(13) RISK MANAGEMENT

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

(14) ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

The Township recognizes as revenue and expenses contributions made by the Commonwealth of Pennsylvania to the Township's Police, Nonuniformed and Sewer Pension Funds on behalf of the Township's employees. In fiscal year 2022, the State made a contribution of \$647,556. For the Police and Nonuniformed Pension Funds, these contributions are recorded in the general fund as revenue and expenditures. For the Sewer Pension Fund, these contributions are recorded in the Sewer Fund as revenue and an expense, while the Sewer Pension Fund contributions are recorded in the Sewer Fund as revenues and expenditures.

WEST GOSHEN TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

(15) SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 29, 2023, the date on which the financial statements were available to be issued. No material subsequent events have occurred since December 31, 2022 that required recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

WEST GOSHEN TOWNSHIP

SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET PENSION LIABILITY, RELATED RATIOS AND INVEST

Year ended December 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
TOTAL PENSION LIABILITY				
Service cost	\$ 636,659	\$ 568,496	\$ 516,955	\$ 462,030
Interest on total pension liability	1,602,434	1,410,436	1,390,142	1,314,139
Benefit payments	(975,698)	(1,479,309)	(694,568)	(597,133)
Changes of assumptions	-	-	-	462,553
Changes for experience	-	(493,792)	-	187,598
Net change in total pension liability	1,263,395	5,831	1,212,529	1,829,187
Total pension liability, beginning	<u>21,123,334</u>	<u>21,117,503</u>	<u>19,904,974</u>	<u>18,075,787</u>
Total pension liability, ending	<u>\$ 22,386,729</u>	<u>\$ 21,123,334</u>	<u>\$ 21,117,503</u>	<u>\$ 19,904,974</u>
PLAN FIDUCIARY NET POSITION				
Employer contributions	\$ 91,388	\$ 417,379	\$ 110,816	\$ 100,734
State aid	220,535	197,763	214,707	202,832
Employee contributions	149,979	177,852	159,424	163,476
Net investment income (loss)	(3,642,266)	2,515,007	3,184,611	3,275,654
Benefit payments	(975,698)	(1,479,309)	(694,568)	(597,133)
Administrative expense	(49,300)	(31,898)	(29,036)	(29,392)
Net change in plan fiduciary net position	(4,205,362)	1,796,794	2,945,954	3,116,171
Fiduciary net position, beginning	<u>24,774,449</u>	<u>22,977,655</u>	<u>20,031,701</u>	<u>16,915,530</u>
Fiduciary net position, ending	<u>\$ 20,569,087</u>	<u>\$ 24,774,449</u>	<u>\$ 22,977,655</u>	<u>\$ 20,031,701</u>
Net pension liability (asset), ending	<u>\$ 1,817,642</u>	<u>\$ (3,651,115)</u>	<u>\$ (1,860,152)</u>	<u>\$ (126,727)</u>
Fiduciary net position as a % of total pension liability	91.88%	117.28%	108.81%	100.64%
Covered payroll	3,913,907	3,946,812	3,382,336	3,176,805
Net pension liability (asset) as a % of covered payroll	46.44%	-92.51%	-55.00%	-3.99%
Annual money-weighted rate of return, net of investment expense	-15.32%	11.21%	15.84%	19.25%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

MENT RETURNS - POLICE PENSION PLAN

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 482,207	\$ 456,998	\$ 415,153	\$ 401,183	\$ 410,584
1,184,859	1,113,465	1,057,292	986,699	971,105
(396,820)	(396,845)	(400,299)	(396,819)	(477,607)
-	507,675	-	-	-
-	(809,217)	-	(711,452)	-
<u>1,270,246</u>	<u>872,076</u>	<u>1,072,146</u>	<u>279,611</u>	<u>904,082</u>
<u>16,805,541</u>	<u>15,933,465</u>	<u>14,861,319</u>	<u>14,581,708</u>	<u>13,677,626</u>
<u>\$ 18,075,787</u>	<u>\$ 16,805,541</u>	<u>\$ 15,933,465</u>	<u>\$ 14,861,319</u>	<u>\$ 14,581,708</u>
\$ 92,610	\$ 84,140	\$ 85,924	\$ 247,834	\$ 233,278
215,226	199,191	174,787	209,433	211,512
167,224	187,020	167,572	151,755	134,380
(804,960)	2,326,937	1,043,030	(26,865)	847,036
(396,820)	(396,845)	(400,299)	(396,819)	(477,607)
(30,359)	(29,051)	(27,638)	(27,617)	(28,617)
(757,079)	2,371,392	1,043,376	157,721	919,982
<u>17,672,609</u>	<u>15,301,217</u>	<u>14,257,841</u>	<u>14,100,120</u>	<u>13,180,138</u>
<u>\$ 16,915,530</u>	<u>\$ 17,672,609</u>	<u>\$ 15,301,217</u>	<u>\$ 14,257,841</u>	<u>\$ 14,100,120</u>
<u>\$ 1,160,257</u>	<u>\$ (867,068)</u>	<u>\$ 632,248</u>	<u>\$ 603,478</u>	<u>\$ 481,588</u>
93.58%	105.16%	96.03%	95.94%	96.70%
2,994,228	3,595,369	3,393,491	3,063,588	2,981,325
38.75%	-24.12%	18.63%	19.70%	16.15%
-4.30%	15.26%	7.35%	-0.19%	6.49%

WEST GOSHEN TOWNSHIP

SCHEDULE OF EMPLOYER CONTRIBUTIONS - POLICE PENSION PLAN

Year ended December 31,

<u>Fiscal Year Ended December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2013	\$ 449,876	\$ 449,876	\$ -	\$ 2,886,813	15.58%
2014	444,790	444,790	-	2,981,325	14.92%
2015	457,267	457,267	-	3,063,588	14.93%
2016	260,710	260,710	-	3,393,491	7.68%
2017	283,331	283,331	-	3,595,369	7.88%
2018	307,836	307,836	-	2,994,228	10.28%
2019	303,566	303,566	-	3,176,805	9.56%
2020	325,523	325,523	-	3,382,336	9.62%
2021	615,142	615,142	-	3,946,812	15.59%
2022	241,367	241,367	-	3,913,907	6.17%

WEST GOSHEN TOWNSHIP

SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET PENSION LIABILITY, RELATED RATIOS AND INVEST

Year ended December 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
TOTAL PENSION LIABILITY				
Service cost	\$ 476,955	\$ 421,942	\$ 447,958	\$ 415,546
Interest on total pension liability	980,455	914,844	866,865	800,088
Benefit payments	(435,093)	(411,407)	(312,773)	(295,577)
Changes in benefit terms	-	-	-	1,803,499
Changes of assumptions	-	-	-	459,095
Changes for experience	-	(243,844)	-	(205,056)
Net change in total pension liability	1,022,317	681,535	1,002,050	2,977,595
Total pension liability, beginning	<u>13,743,971</u>	<u>13,062,436</u>	<u>12,060,386</u>	<u>9,082,791</u>
Total pension liability, ending	<u>\$ 14,766,288</u>	<u>\$ 13,743,971</u>	<u>\$ 13,062,436</u>	<u>\$ 12,060,386</u>
PLAN FIDUCIARY NET POSITION				
Employer contributions	\$ 223,870	\$ 536,131	\$ 130,184	\$ 132,700
Employee contributions	175,848	111,997	89,468	61,955
State aid	367,395	254,031	252,232	267,196
Net investment income (loss)	(1,804,661)	1,226,430	1,453,428	1,464,058
Benefit payments	(435,093)	(411,407)	(312,773)	(295,577)
Administrative expense	(26,929)	(17,237)	(14,980)	(14,530)
Net change in plan fiduciary net position	(1,499,570)	1,699,945	1,597,559	1,615,802
Fiduciary net position, beginning	<u>12,544,412</u>	<u>10,844,467</u>	<u>9,246,908</u>	<u>7,631,106</u>
Fiduciary net position, ending	<u>\$ 11,044,842</u>	<u>\$ 12,544,412</u>	<u>\$ 10,844,467</u>	<u>\$ 9,246,908</u>
Net pension liability (asset), ending	<u>\$ 3,721,446</u>	<u>\$ 1,199,559</u>	<u>\$ 2,217,969</u>	<u>\$ 2,813,478</u>
Fiduciary net position as a % of total pension liability	74.80%	91.27%	83.02%	76.67%
Covered payroll	3,489,231	3,092,032	3,105,809	3,093,564
Net pension liability (asset) as a % of covered payroll	106.66%	38.80%	71.41%	90.95%
Annual money-weighted rate of return, net of investment expense	-14.94%	11.42%	15.76%	19.31%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

MENT RETURNS - NON-UNIFORMED PENSION PLAN

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 309,114	\$ 296,549	\$ 315,049	\$ 303,948	\$ 254,248
604,412	564,858	524,397	486,872	440,546
(310,049)	(309,384)	(286,817)	(244,638)	(222,549)
-	-	-	-	-
-	294,753	-	-	-
-	(238,199)	-	154,907	-
<u>603,477</u>	<u>608,577</u>	<u>552,629</u>	<u>701,089</u>	<u>472,245</u>
<u>8,479,314</u>	<u>7,870,737</u>	<u>7,318,108</u>	<u>6,617,019</u>	<u>6,144,774</u>
<u>\$ 9,082,791</u>	<u>\$ 8,479,314</u>	<u>\$ 7,870,737</u>	<u>\$ 7,318,108</u>	<u>\$ 6,617,019</u>
\$ 120,041	\$ 117,667	\$ 132,083	\$ 203,323	\$ 179,953
-	-	-	-	-
278,974	278,562	268,686	171,819	163,162
(347,201)	1,041,023	476,625	(9,007)	384,114
(310,049)	(309,384)	(286,387)	(244,638)	(222,549)
(15,944)	(15,553)	(14,892)	(14,690)	(14,992)
<u>(274,179)</u>	<u>1,112,315</u>	<u>576,115</u>	<u>106,807</u>	<u>489,688</u>
<u>7,905,285</u>	<u>6,792,970</u>	<u>6,216,855</u>	<u>6,110,048</u>	<u>5,620,360</u>
<u>\$ 7,631,106</u>	<u>\$ 7,905,285</u>	<u>\$ 6,792,970</u>	<u>\$ 6,216,855</u>	<u>\$ 6,110,048</u>
<u>\$ 1,451,685</u>	<u>\$ 574,029</u>	<u>\$ 1,077,767</u>	<u>\$ 1,101,253</u>	<u>\$ 506,971</u>
84.02%	93.23%	86.31%	84.95%	92.34%
2,981,440	2,845,587	2,807,489	2,844,820	2,782,787
48.69%	20.17%	38.39%	38.71%	18.22%
-4.13%	15.51%	7.75%	-0.15%	6.89%

WEST GOSHEN TOWNSHIP

SCHEDULE OF EMPLOYER CONTRIBUTIONS - NON-UNIFORMED PENSION PLAN

Year ended December 31,

<u>Fiscal Year Ended December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2013	\$ 322,581	\$ 322,581	\$ -	\$ 2,379,505	13.56%
2014	343,115	343,115	-	2,782,787	12.33%
2015	375,143	375,143	-	2,844,820	13.19%
2016	400,769	400,769	-	2,807,489	14.27%
2017	396,229	396,229	-	2,845,587	13.92%
2018	399,015	399,015	-	2,981,440	13.38%
2019	399,896	399,896	-	3,093,564	12.93%
2020	382,416	382,416	-	3,105,809	12.31%
2021	790,162	790,162	-	3,092,032	25.55%
2022	591,264	591,264	-	3,489,231	16.95%

WEST GOSHEN TOWNSHIP

SCHEDULE OF CHANGES IN THE TOWNSHIP'S NET PENSION LIABILITY, RELATED RATIOS AND INVEST

Year ended December 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
TOTAL PENSION LIABILITY				
Service cost	\$ 236,165	\$ 160,918	\$ 217,801	\$ 204,209
Interest on total pension liability	521,751	493,086	485,720	456,934
Benefit payments	(278,599)	(288,532)	(269,884)	(257,659)
Changes in benefit terms	-	-	-	850,776
Changes of assumptions	-	-	-	267,913
Changes for experience	-	(291,741)	-	(98,301)
Net change in total pension liability	<u>479,317</u>	<u>73,731</u>	<u>433,637</u>	<u>1,423,872</u>
Total pension liability, beginning	<u>7,358,764</u>	<u>7,285,033</u>	<u>6,851,396</u>	<u>5,427,524</u>
Total pension liability, ending	<u>\$ 7,838,081</u>	<u>\$ 7,358,764</u>	<u>\$ 7,285,033</u>	<u>\$ 6,851,396</u>
PLAN FIDUCIARY NET POSITION				
Employer contributions	\$ 79,327	\$ 241,198	\$ 61,418	\$ 66,644
Employee contributions	76,356	50,212	40,069	27,470
State aid	130,183	114,285	118,998	134,191
Net investment income (loss)	(1,003,127)	737,815	848,208	902,512
Benefit payments	(278,599)	(288,532)	(269,884)	(257,659)
Administrative expense	(16,735)	(12,481)	(11,492)	(11,603)
Net change in plan fiduciary net position	<u>(1,012,595)</u>	<u>842,497</u>	<u>787,317</u>	<u>861,555</u>
Fiduciary net position, beginning	<u>7,273,505</u>	<u>6,431,008</u>	<u>5,643,691</u>	<u>4,782,136</u>
Fiduciary net position, ending	<u>\$ 6,260,910</u>	<u>\$ 7,273,505</u>	<u>\$ 6,431,008</u>	<u>\$ 5,643,691</u>
Net pension liability (asset), ending	<u>\$ 1,577,171</u>	<u>\$ 85,259</u>	<u>\$ 854,025</u>	<u>\$ 1,207,705</u>
Fiduciary net position as a % of total pension liability	79.88%	98.84%	88.28%	82.37%
Covered payroll	1,539,076	1,293,226	1,391,945	1,303,015
Net pension liability (asset) as a % of covered payroll	102.48%	6.59%	61.35%	92.69%
Annual money-weighted rate of return, net of investment expense	-15.19%	11.64%	15.22%	19.29%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

MENT RETURNS - SEWER PENSION PLAN

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 141,109	\$ 136,533	\$ 122,132	\$ 118,032	\$ 90,928
363,352	346,766	325,497	304,683	275,004
(251,430)	(251,430)	(208,446)	(51,518)	(58,672)
-	-	-	-	-
-	194,812	-	-	-
-	(121,401)	-	87,267	-
<u>253,031</u>	<u>305,280</u>	<u>239,183</u>	<u>458,464</u>	<u>307,260</u>
<u>5,174,493</u>	<u>4,869,213</u>	<u>4,630,030</u>	<u>4,171,566</u>	<u>3,864,306</u>
<u>\$ 5,427,524</u>	<u>\$ 5,174,493</u>	<u>\$ 4,869,213</u>	<u>\$ 4,630,030</u>	<u>\$ 4,171,566</u>
\$ 43,338	\$ 42,396	\$ 48,660	\$ 91,693	\$ 95,042
-	-	-	-	-
100,717	100,367	98,983	77,486	86,175
(216,247)	684,044	315,005	(2,208)	252,270
(251,430)	(251,430)	(208,446)	(51,518)	(58,672)
(12,786)	(12,696)	(12,450)	(12,417)	(12,514)
<u>(336,408)</u>	<u>562,681</u>	<u>241,752</u>	<u>103,036</u>	<u>362,301</u>
<u>5,118,544</u>	<u>4,555,863</u>	<u>4,314,111</u>	<u>4,211,075</u>	<u>3,848,774</u>
<u>\$ 4,782,136</u>	<u>\$ 5,118,544</u>	<u>\$ 4,555,863</u>	<u>\$ 4,314,111</u>	<u>\$ 4,211,075</u>
<u>\$ 645,388</u>	<u>\$ 55,949</u>	<u>\$ 313,350</u>	<u>\$ 315,919</u>	<u>\$ (39,509)</u>
88.11%	98.92%	93.56%	93.18%	100.95%
1,380,690	1,235,027	1,293,914	1,307,698	1,420,375
46.74%	4.53%	24.22%	24.16%	-2.78%
-4.30%	15.33%	7.41%	-0.05%	6.56%

SUPPLEMENTARY INFORMATION

WEST GOSHEN TOWNSHIP

SCHEDULE OF EMPLOYER CONTRIBUTIONS - SEWER PENSION PLAN

Year ended December 31,

<u>Fiscal Year Ended December 31</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
2013	\$ 180,815	\$ 180,815	\$ -	\$ 1,114,305	16.23%
2014	181,217	181,217	-	1,420,375	12.76%
2015	169,179	169,179	-	1,307,698	12.94%
2016	147,643	147,643	-	1,293,914	11.41%
2017	142,763	142,763	-	1,235,027	11.56%
2018	144,055	144,055	-	1,380,690	10.43%
2019	200,835	200,835	-	1,303,015	15.41%
2020	180,416	180,416	-	1,391,945	12.96%
2021	355,483	355,483	-	1,293,226	27.49%
2022	209,510	209,510	-	1,539,076	13.61%

WEST GOSHEN TOWNSHIP

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

Year ended December 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>
TOTAL PENSION LIABILITY			
Service cost	\$ 481,421	\$ 373,799	\$ 426,748
Interest on total OPEB liability	123,802	173,647	245,612
Differences between actual and expected experience	(310,085)	-	(1,046,599)
Changes of assumptions	(149,155)	601,695	(813,409)
Benefit payments	<u>(166,124)</u>	<u>(171,923)</u>	<u>(190,414)</u>
Net change in total pension liability	(20,141)	977,218	(1,378,062)
Total pension liability, beginning	<u>6,023,135</u>	<u>5,045,917</u>	<u>6,423,979</u>
Total pension liability, ending	<u>\$ 6,002,994</u>	<u>\$ 6,023,135</u>	<u>\$ 5,045,917</u>
PLAN FIDUCIARY NET POSITION			
Employer contributions	\$ -	\$ -	\$ -
Net investment income	-	-	-
Benefit payments	-	-	-
Administrative expenses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-	-
Fiduciary net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net pension liability (asset), ending	<u>\$ 6,002,994</u>	<u>\$ 6,023,135</u>	<u>\$ 5,045,917</u>
Fiduciary net position as a % of total pension liability	0.00%	0.00%	0.00%
Covered payroll	8,467,337	8,245,822	8,245,822
Net pension liability (asset) as a % of covered payroll	70.90%	73.04%	61.19%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

<u>2019</u>	<u>2018</u>
\$ 457,942	\$ 403,195
207,164	214,809
-	-
(256,451)	280,240
<u>(180,120)</u>	<u>(195,571)</u>
228,535	702,673
<u>6,195,444</u>	<u>5,492,771</u>
<u>\$ 6,423,979</u>	<u>\$ 6,195,444</u>

\$ -	\$ -
-	-
-	-
<u>-</u>	<u>-</u>
-	-
<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>
<u>\$ 6,423,979</u>	<u>\$ 6,195,444</u>

0.00%	0.00%
7,675,983	7,675,983
83.69%	80.71%

WEST GOSHEN TOWNSHIP

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUND TYPES

December 31, 2022 with summarized comparative totals for 2021

	<u>Special Revenue Funds</u>				<u>Totals</u>	
	<u>State</u>	<u>Offsite</u>	<u>Zoning</u>	<u>Capital</u>	<u>2022</u>	<u>2021</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Projects</u>		
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>		
ASSETS						
Cash and cash equivalents	<u>\$ 78,439</u>	<u>\$ 942,751</u>	<u>\$ 59,476</u>	<u>\$ 57,834</u>	<u>\$ 1,138,500</u>	<u>\$ 1,285,474</u>
Total assets	<u>\$ 78,439</u>	<u>\$ 942,751</u>	<u>\$ 59,476</u>	<u>\$ 57,834</u>	<u>\$ 1,138,500</u>	<u>\$ 1,285,474</u>
LIABILITIES						
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE						
Restricted	78,439	-	-	-	78,439	152,750
Assigned	<u>-</u>	<u>942,751</u>	<u>59,476</u>	<u>57,834</u>	<u>1,060,061</u>	<u>1,132,724</u>
Total fund balance	<u>78,439</u>	<u>942,751</u>	<u>59,476</u>	<u>57,834</u>	<u>1,138,500</u>	<u>1,285,474</u>
Total liabilities	<u>\$ 78,439</u>	<u>\$ 942,751</u>	<u>\$ 59,476</u>	<u>\$ 57,834</u>	<u>\$ 1,138,500</u>	<u>\$ 1,285,474</u>

WEST GOSHEN TOWNSHIP

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUND TYPES**

December 31, 2022 with summarized comparative totals for 2021

	<u>Special Revenue Funds</u>				<u>Totals</u>	
	<u>State</u>	<u>Offsite</u>	<u>Zoning</u>	<u>Capital</u>	<u>2022</u>	<u>2021</u>
	<u>Fund</u>	<u>Development</u>	<u>Fund</u>	<u>Projects</u>		
				<u>Fund</u>		
REVENUES						
Investment earnings	\$ 2,641	\$ 3,606	\$ -	\$ 367	\$ 6,614	\$ 1,456
Intergovernmental revenues	693,408	-	-	-	693,408	673,349
Charges for services	-	-	332,036	-	332,036	186,586
Contributions	-	170,000	-	-	170,000	402,500
Total revenues	<u>696,049</u>	<u>173,606</u>	<u>332,036</u>	<u>367</u>	<u>1,202,058</u>	<u>1,263,891</u>
EXPENDITURES						
Public works - highways and streets	770,360	-	-	-	770,360	651,909
Miscellaneous	-	-	365,042	-	365,042	216,580
Total expenditures	<u>770,360</u>	<u>-</u>	<u>365,042</u>	<u>-</u>	<u>1,135,402</u>	<u>868,489</u>
Excess (deficiency) of revenues over (under) expenditures	(74,311)	173,606	(33,006)	367	66,656	395,402
OTHER FINANCING USES						
Transfers out	-	(213,630)	-	-	(213,630)	(93,219)
NET CHANGE IN FUND BALANCES	(74,311)	(40,024)	(33,006)	367	(146,974)	302,183
FUND BALANCE						
Beginning of year	<u>152,750</u>	<u>982,775</u>	<u>92,482</u>	<u>57,467</u>	<u>1,285,474</u>	<u>983,291</u>
End of year	<u>\$ 78,439</u>	<u>\$ 942,751</u>	<u>\$ 59,476</u>	<u>\$ 57,834</u>	<u>\$ 1,138,500</u>	<u>\$ 1,285,474</u>

WEST GOSHEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - CAPITAL RESERVE FUND

Year ended December 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	Variance with Budget Positive (Negative)
REVENUES			
Interest earnings	\$ 4,500	\$ 37,950	\$ 33,450
Grants	<u>231,273</u>	<u>16,000</u>	<u>(215,273)</u>
Total revenues	<u>235,773</u>	<u>53,950</u>	<u>(181,823)</u>
EXPENDITURES			
General government	5,320	18,576	(13,256)
Public safety	166,647	160,459	6,188
Public works - highways and streets	1,639,186	891,313	747,873
Culture and recreation	1,007,600	214,659	792,941
Debt service			
Principal	491,000	491,000	-
Interest	<u>50,069</u>	<u>50,069</u>	<u>-</u>
Total expenditures	<u>3,359,822</u>	<u>1,826,076</u>	<u>1,533,746</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,124,049)	(1,772,126)	1,351,923
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>2,161,836</u>	<u>1,367,866</u>	<u>(793,970)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (962,213)</u>	(404,260)	<u>\$ 557,953</u>
FUND BALANCE			
Beginning of year		<u>5,279,168</u>	
End of year		<u>\$ 4,874,908</u>	

WEST GOSHEN TOWNSHIP

BUDGETARY COMPARISON SCHEDULE - STATE FUND

Year ended December 31, 2022

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>
REVENUES			
Interest earnings	\$ 471	\$ 2,641	\$ 2,170
State grants	<u>653,048</u>	<u>693,408</u>	<u>40,360</u>
Total revenues	<u>653,519</u>	<u>696,049</u>	<u>42,530</u>
EXPENDITURES			
Public works - highways and streets	<u>730,000</u>	<u>770,360</u>	<u>(40,360)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (76,481)</u>	<u>(74,311)</u>	<u>\$ 2,170</u>
FUND BALANCE			
Beginning of year		<u>152,750</u>	
End of year		<u>\$ 78,439</u>	

WEST GOSHEN TOWNSHIP

COMBINING STATEMENT OF NET POSITION - FIDUCIARY FUNDS

December 31, 2022 with summarized comparative totals for 2021

	<u>Police Pension Fund</u>	<u>Nonuniformed Pension Fund</u>	<u>Sewer Pension Fund</u>	<u>Totals</u>	
				<u>2022</u>	<u>2021</u>
ASSETS					
Cash and cash equivalents	\$ 67,947	\$ 87,205	\$ 207,538	\$ 362,690	\$ 743,658
Insurance contracts, at contract value	342,587	287,671	296,981	927,239	997,025
Investments, at fair value: mutual funds	<u>20,158,553</u>	<u>10,669,966</u>	<u>5,756,391</u>	<u>36,584,910</u>	<u>42,851,683</u>
Total assets	<u>\$ 20,569,087</u>	<u>\$ 11,044,842</u>	<u>\$ 6,260,910</u>	<u>\$ 37,874,839</u>	<u>\$ 44,592,366</u>
LIABILITIES					
	\$ -	\$ -	\$ -	\$ -	\$ -
NET POSITION					
Restricted for pension benefits	<u>20,569,087</u>	<u>11,044,842</u>	<u>6,260,910</u>	<u>37,874,839</u>	<u>44,592,366</u>
Total liabilities and net position	<u>\$ 20,569,087</u>	<u>\$ 11,044,842</u>	<u>\$ 6,260,910</u>	<u>\$ 37,874,839</u>	<u>\$ 44,592,366</u>

See accompanying notes

WEST GOSHEN TOWNSHIP

COMBINING STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS

Year ended December 31, 2022 with summarized comparative totals for 2021

	Police	Nonuniformed	Sewer	Totals	
	Pension Fund	Pension Fund	Pension Fund	2022	2021
ADDITIONS					
Contributions					
State aid	\$ 149,979	\$ 367,395	\$ 130,183	\$ 647,557	\$ 566,079
Employer contributions	91,388	223,870	79,327	394,585	1,194,708
Employee contributions	220,535	175,848	76,356	472,739	340,061
Total contributions	<u>461,902</u>	<u>767,113</u>	<u>285,866</u>	<u>1,514,881</u>	<u>2,100,848</u>
Investment income (loss)					
Net increase (decrease) in fair value of investments	(4,456,686)	(2,227,344)	(1,243,127)	(7,927,157)	2,472,108
Realized gain on investments	351,231	182,735	100,461	634,427	1,214,269
Interest and dividends	463,189	239,948	139,539	842,676	792,875
Total investment income (loss)	<u>(3,642,266)</u>	<u>(1,804,661)</u>	<u>(1,003,127)</u>	<u>(6,450,054)</u>	<u>4,479,252</u>
Total additions, net	<u>(3,180,364)</u>	<u>(1,037,548)</u>	<u>(717,261)</u>	<u>(4,935,173)</u>	<u>6,580,100</u>
DEDUCTIONS					
Benefits paid	975,698	435,093	278,599	1,689,390	2,179,248
Administrative and other expenses	49,300	26,929	16,735	92,964	61,616
Total deductions	<u>1,024,998</u>	<u>462,022</u>	<u>295,334</u>	<u>1,782,354</u>	<u>2,240,864</u>
CHANGE IN NET POSITION	(4,205,362)	(1,499,570)	(1,012,595)	(6,717,527)	4,339,236
NET POSITION					
Beginning of year	<u>24,774,449</u>	<u>12,544,412</u>	<u>7,273,505</u>	<u>44,592,366</u>	<u>40,253,130</u>
End of year	<u>\$ 20,569,087</u>	<u>\$ 11,044,842</u>	<u>\$ 6,260,910</u>	<u>\$ 37,874,839</u>	<u>\$ 44,592,366</u>

See accompanying notes

STATISTICAL SECTION

WEST GOSHEN TOWNSHIP

NET POSITION BY COMPONENT

Last ten fiscal years ending December 31,
Accrual basis of accounting

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities										
Net investment in capital assets	\$ 29,638,297	\$ 29,013,099	\$ 28,817,382	\$ 29,371,876	\$ 29,353,928	\$ 29,500,369	\$ 29,694,718	\$ 29,820,482	\$ 29,937,656	\$ 30,468,198
Restricted	4,965,993	9,083,412	6,589,890	4,061,169	4,339,020	4,552,480	4,919,940	2,767,310	3,212,821	3,840,689
Unrestricted	<u>16,678,446</u>	<u>9,989,553</u>	<u>8,166,622</u>	<u>8,785,624</u>	<u>11,279,060</u>	<u>7,400,335</u>	<u>6,734,995</u>	<u>8,506,679</u>	<u>8,401,746</u>	<u>9,746,738</u>
Total governmental activities net position	<u>\$ 51,282,736</u>	<u>\$ 48,086,064</u>	<u>\$ 43,573,894</u>	<u>\$ 42,218,669</u>	<u>\$ 44,972,008</u>	<u>\$ 41,453,184</u>	<u>\$ 41,349,653</u>	<u>\$ 41,094,471</u>	<u>\$ 41,552,223</u>	<u>\$ 44,055,625</u>
Business-type activities										
Net investment in capital assets	\$ 29,049,526	\$ 25,937,391	\$ 23,289,226	\$ 18,470,174	\$ 17,497,746	\$ 16,890,827	\$ 17,621,409	\$ 16,355,710	\$ 16,678,775	\$ 16,935,789
Restricted	1,542,232	1,529,904	1,527,210	1,495,193	1,474,459	1,467,065	1,459,768	1,457,524	1,455,339	1,452,764
Unrestricted	<u>12,491,570</u>	<u>11,328,036</u>	<u>12,501,367</u>	<u>15,849,966</u>	<u>13,674,425</u>	<u>13,556,366</u>	<u>11,642,109</u>	<u>12,543,237</u>	<u>12,206,220</u>	<u>11,490,896</u>
Total business-type activities net position	<u>\$ 43,083,328</u>	<u>\$ 38,795,331</u>	<u>\$ 37,317,803</u>	<u>\$ 35,815,333</u>	<u>\$ 32,646,630</u>	<u>\$ 31,914,258</u>	<u>\$ 30,723,286</u>	<u>\$ 30,356,471</u>	<u>\$ 30,340,334</u>	<u>\$ 29,879,449</u>
Primary government										
Net investment in capital assets	\$ 58,687,823	\$ 54,950,490	\$ 52,106,608	\$ 47,842,050	\$ 46,851,674	\$ 46,391,196	\$ 47,316,127	\$ 46,176,192	\$ 46,616,431	\$ 47,403,987
Restricted	6,508,225	10,613,316	8,117,100	5,556,362	5,813,479	6,019,545	6,379,708	4,224,834	4,668,160	5,293,453
Unrestricted	<u>29,170,016</u>	<u>21,317,589</u>	<u>20,667,989</u>	<u>24,635,590</u>	<u>24,953,485</u>	<u>20,956,701</u>	<u>18,377,104</u>	<u>21,049,916</u>	<u>20,607,966</u>	<u>21,237,634</u>
Total primary government net position	<u>\$ 94,366,064</u>	<u>\$ 86,881,395</u>	<u>\$ 80,891,697</u>	<u>\$ 78,034,002</u>	<u>\$ 77,618,638</u>	<u>\$ 73,367,442</u>	<u>\$ 72,072,939</u>	<u>\$ 71,450,942</u>	<u>\$ 71,892,557</u>	<u>\$ 73,935,074</u>

Notes:

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

² 2017 Balances have been restated to reflect GASB 75 requirements.

³ 2018 Balances have been restated to reflect GASB 84 requirements.

WEST GOSHEN TOWNSHIP

CHANGES IN NET POSITION

Last ten fiscal years ending December 31,
Accrual basis of accounting

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 147,201	\$ 130,352	\$ 96,619	\$ 92,252	\$ 70,947	\$ 66,768	\$ 96,127	\$ 91,000	\$ 66,251	\$ 124,036
Public safety	1,706,249	1,681,204	1,345,719	1,574,948	1,158,454	1,672,806	1,030,477	644,680	706,796	867,147
Culture and recreation	243,153	452,367	718,500	181,574	163,602	276,471	105,014	115,414	180,458	214,563
Operating grants and contributions	1,432,894	1,302,350	1,390,743	1,413,126	1,400,591	1,366,723	1,320,213	1,170,971	1,124,722	1,090,913
Capital grants and contributions	1,314,253	162,640	66,060	22,615	215,093	-	726,588	348,826	363,813	972,224
Total governmental activities program revenues	4,843,750	3,728,913	3,617,641	3,284,515	3,008,687	3,382,768	3,278,419	2,370,891	2,442,040	3,268,883
Business-type activities										
Charges for services										
Sewer operations	7,906,870	6,873,419	7,204,065	6,371,807	4,704,551	4,743,886	4,891,963	4,778,953	4,697,741	5,277,946
Waste and recycling	2,460,421	2,185,620	2,171,223	2,170,144	2,172,343	2,170,454	2,170,042	2,165,167	2,167,053	2,174,578
Operating grants and contributions	17,922	119,942	158,998	385,915	248,297	150,367	162,563	143,178	157,564	228,645
Capital grants and contributions	2,672,119	399,305	255,708	3,923,541	1,514,638	2,031,352	532,477	-	-	-
Total business-type activities program revenues	13,057,332	9,578,286	9,789,994	12,851,407	8,639,829	9,096,059	7,757,045	7,087,298	7,022,358	7,681,169
Total primary government program revenues	\$ 17,901,082	\$ 13,307,199	\$ 13,407,635	\$ 16,135,922	\$ 11,648,516	\$ 12,478,827	\$ 11,035,464	\$ 9,458,189	\$ 9,464,398	\$ 10,950,052
Program expenses										
Governmental activities										
General government	\$ 3,018,521	\$ 2,669,217	\$ 2,664,162	\$ 4,042,100	\$ 2,957,997	\$ 2,686,827	\$ 2,710,953	\$ 2,741,412	\$ 2,546,127	\$ 2,184,861
Public safety	8,931,686	7,476,015	7,625,697	9,241,963	7,812,800	7,399,464	7,382,445	7,021,272	7,171,353	6,800,503
Public works - highways and streets	6,114,618	4,973,267	4,662,105	5,102,105	4,466,317	4,686,632	4,739,106	4,949,356	4,899,282	4,667,589
Other public works	212,277	185,643	174,175	76,469	188,487	128,098	169,304	158,856	112,722	110,173
Library	20,000	20,000	20,000	20,000	20,000	20,000	20,000	15,000	10,000	5,000
Culture and recreation	2,034,608	1,624,107	1,564,374	2,026,202	1,850,830	1,852,157	1,790,090	1,734,113	1,714,787	1,645,589
Interest expense	50,069	57,833	65,471	119,219	140,590	152,435	163,947	175,151	444,409	310,182
Total governmental activities expenses	20,381,779	17,006,082	16,775,984	20,628,058	17,437,021	16,925,613	16,975,845	16,795,160	16,898,680	15,723,897
Business-type activities										
Sewer operations	6,339,792	5,611,912	5,698,385	7,525,803	5,945,368	5,637,510	5,527,252	5,284,898	4,867,349	4,616,397
Waste and recycling	2,549,848	2,500,675	2,537,607	2,400,323	2,292,893	2,196,416	1,930,465	1,837,054	1,797,087	2,098,813
Total business-type activities expenses	8,889,640	8,112,587	8,235,992	9,926,126	8,238,261	7,833,926	7,457,717	7,121,952	6,664,436	6,715,210
Total primary government expenses	\$ 29,271,419	\$ 25,118,669	\$ 25,011,976	\$ 30,554,184	\$ 25,675,282	\$ 24,759,539	\$ 24,433,562	\$ 23,917,112	\$ 23,563,116	\$ 22,439,107
Net (expense) revenue										
Governmental activities	\$ (15,538,029)	\$ (13,277,169)	\$ (13,158,343)	\$ (17,343,543)	\$ (14,428,334)	\$ (13,542,845)	\$ (13,697,426)	\$ (14,424,269)	\$ (14,456,640)	\$ (12,455,014)
Business-type activities	4,167,692	1,465,699	1,554,002	2,925,281	401,568	1,262,133	299,328	(34,654)	357,922	965,969
Total primary government net expense	\$ (11,370,337)	\$ (11,811,470)	\$ (11,604,341)	\$ (14,418,262)	\$ (14,026,766)	\$ (12,280,712)	\$ (13,398,098)	\$ (14,458,923)	\$ (14,098,718)	\$ (11,489,045)

WEST GOSHEN TOWNSHIP

CHANGES IN NET POSITION

Last ten fiscal years ending June 30,
Accrual basis of accounting

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General revenues and other changes in net position										
Governmental activities										
Taxes										
Real estate taxes	\$ 3,955,304	\$ 3,789,640	\$ 3,733,912	\$ 3,734,072	\$ 3,672,897	\$ 3,629,892	\$ 3,632,852	\$ 3,576,264	\$ 3,543,584	\$ 3,501,219
Real estate transfer taxes	2,662,248	2,373,593	971,275	968,010	1,064,295	1,267,050	881,904	989,947	854,008	1,018,868
Earned income taxes	10,044,997	9,737,467	8,084,360	7,775,868	8,386,598	7,820,461	7,598,606	7,685,688	7,046,256	7,976,151
Emergency municipal services tax	1,100,775	1,076,046	1,066,920	1,082,794	1,085,346	1,113,231	1,075,187	1,048,411	1,010,067	950,498
Franchise fees	445,780	455,546	461,274	481,983	496,521	526,122	529,175	547,466	502,959	484,134
Investment earnings	184,242	30,952	104,297	409,147	183,768	86,171	36,604	27,221	27,788	26,357
Unrestricted grants and contributions	20,192	13,751	17,136	15,957	17,243	16,852	17,920	17,774	19,602	18,546
Gain (loss) on sale of capital assets	62,976	40,256	(16,211)	79,152	76,473	97,690	81,135	20,313	(88,763)	17,777
Miscellaneous	258,187	272,088	90,605	43,221	91,427	88,679	99,225	53,433	26,296	63,305
Total governmental activities	<u>18,734,701</u>	<u>17,789,339</u>	<u>14,513,568</u>	<u>14,590,204</u>	<u>15,074,568</u>	<u>14,646,148</u>	<u>13,952,608</u>	<u>13,966,517</u>	<u>12,941,797</u>	<u>14,056,855</u>
Business-type activities										
Investment earnings	102,633	23,630	124,090	413,497	330,804	119,186	58,826	50,791	38,245	39,280
Gain (loss) on sale of capital assets	17,672	(11,801)	(175,622)	(170,075)	-	-	8,661	-	25,209	-
Total business-type activities	<u>120,305</u>	<u>11,829</u>	<u>(51,532)</u>	<u>243,422</u>	<u>330,804</u>	<u>119,186</u>	<u>67,487</u>	<u>50,791</u>	<u>63,454</u>	<u>39,280</u>
Total primary government	<u>\$ 18,855,006</u>	<u>\$ 17,801,168</u>	<u>\$ 14,462,036</u>	<u>\$ 14,833,626</u>	<u>\$ 15,405,372</u>	<u>\$ 14,765,334</u>	<u>\$ 14,020,095</u>	<u>\$ 14,017,308</u>	<u>\$ 13,005,251</u>	<u>\$ 14,096,135</u>
Change in net position										
Governmental activities	\$ 3,196,672	\$ 4,512,170	\$ 1,355,225	\$ (2,753,339)	\$ 646,234	\$ 1,103,303	\$ 255,182	\$ (457,752)	\$ (1,514,843)	\$ 1,601,841
Business-type activities	4,287,997	1,477,528	1,502,470	3,168,703	732,372	1,381,319	366,815	16,137	421,376	1,005,239
Total primary government	<u>\$ 7,484,669</u>	<u>\$ 5,989,698</u>	<u>\$ 2,857,695</u>	<u>\$ 415,364</u>	<u>\$ 1,378,606</u>	<u>\$ 2,484,622</u>	<u>\$ 621,997</u>	<u>\$ (441,615)</u>	<u>\$ (1,093,467)</u>	<u>\$ 2,607,080</u>

Notes:

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

² Expenses for 2014 have been restated to reflect the GASB 68 Pension Liability requirements.

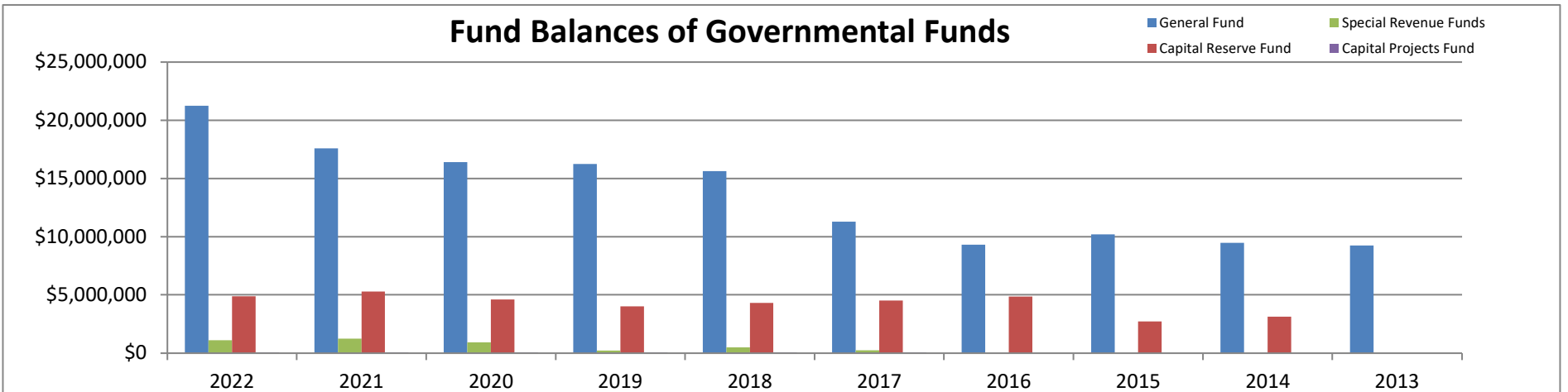
WEST GOSHEN TOWNSHIP

FUND BALANCES OF GOVERNMENTAL FUNDS

Last ten fiscal years ending December 31,
Modified accrual basis of accounting

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	17,599,798	13,925,769	12,902,017	12,946,069	12,565,607	11,281,162	9,307,160	10,188,854	9,474,307	9,230,147
Committed	3,646,906	3,665,731	3,490,564	3,292,411	3,054,690	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 21,246,704</u>	<u>\$ 17,591,500</u>	<u>\$ 16,392,581</u>	<u>\$ 16,238,480</u>	<u>\$ 15,620,297</u>	<u>\$ 11,281,162</u>	<u>\$ 9,307,160</u>	<u>\$ 10,188,854</u>	<u>\$ 9,474,307</u>	<u>\$ 9,230,147</u>
All other governmental funds										
Restricted										
Special revenue funds	91,085	153,129	130,780	51,850	23,946	40,341	70,049	54,902	84,840	40,281
Capital reserve fund	4,874,908	5,279,168	4,598,958	4,009,319	4,315,074	4,512,139	4,849,891	2,712,408	3,127,981	3,800,408
Unassigned										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-	-	-
Assigned										
Special revenue funds	1,002,227	1,075,257	795,120	167,055	457,521	185,591	217,394	200,729	436,486	528,782
Capital projects fund	57,834	57,467	57,391	57,130	56,082	55,524	55,247	55,112	55,002	54,892
Total special revenue funds	<u>1,093,312</u>	<u>1,228,386</u>	<u>925,900</u>	<u>218,905</u>	<u>481,467</u>	<u>225,932</u>	<u>287,443</u>	<u>255,631</u>	<u>521,326</u>	<u>569,063</u>
Total capital reserve fund	<u>4,874,908</u>	<u>5,279,168</u>	<u>4,598,958</u>	<u>4,009,319</u>	<u>4,315,074</u>	<u>4,512,139</u>	<u>4,849,891</u>	<u>2,712,408</u>	<u>3,127,981</u>	<u>3,800,408</u>
Total capital projects fund	<u>57,834</u>	<u>57,467</u>	<u>57,391</u>	<u>57,130</u>	<u>56,082</u>	<u>55,524</u>	<u>55,247</u>	<u>55,112</u>	<u>55,002</u>	<u>54,892</u>
Total all other governmental funds	<u>\$ 6,026,054</u>	<u>\$ 6,565,021</u>	<u>\$ 5,582,249</u>	<u>\$ 4,285,354</u>	<u>\$ 4,852,623</u>	<u>\$ 4,793,595</u>	<u>\$ 5,192,581</u>	<u>\$ 3,023,151</u>	<u>\$ 3,704,309</u>	<u>\$ 4,424,363</u>

-83-



Notes:

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

WEST GOSHEN TOWNSHIP

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last ten fiscal years ending December 31,
Modified accrual basis of accounting

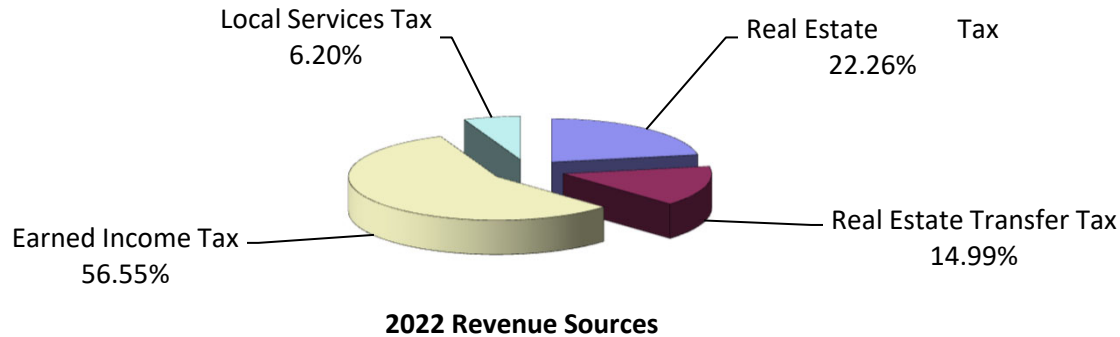
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues										
Taxes	\$ 17,439,410	\$ 16,759,473	\$ 13,781,462	\$ 13,819,053	\$ 14,160,002	\$ 13,858,233	\$ 13,371,422	\$ 13,208,426	\$ 12,567,683	\$ 12,995,470
Licenses and permits	466,830	468,161	478,194	488,903	505,686	532,224	537,090	551,956	508,464	489,642
Fines, forfeits and costs	104,171	130,375	107,800	132,350	123,668	164,235	160,971	160,663	174,803	214,466
Investment earnings	227,584	71,703	139,221	449,157	224,822	127,912	78,528	66,169	65,507	61,827
Intergovernmental revenues	1,761,675	1,340,727	1,407,879	1,451,698	1,417,834	1,383,575	1,544,721	1,188,745	1,144,325	1,109,459
Charges for services/fees	1,758,040	1,677,682	1,283,694	1,564,494	855,487	1,616,467	1,003,308	621,993	637,978	815,302
Contributions	170,000	402,500	717,500	90,000	70,000	187,500	17,500	25,000	97,500	135,000
Miscellaneous revenue/other	258,187	272,088	90,605	64,867	382,084	84,079	96,075	52,683	26,296	63,305
Total Revenues	<u>22,185,897</u>	<u>21,122,709</u>	<u>18,006,355</u>	<u>18,060,522</u>	<u>17,739,583</u>	<u>17,954,225</u>	<u>16,809,615</u>	<u>15,875,635</u>	<u>15,222,556</u>	<u>15,884,471</u>
Expenditures										
General government	2,371,575	2,663,793	2,425,747	2,980,208	2,659,773	2,540,134	2,620,252	2,598,576	2,894,498	2,050,430
Public safety	8,519,999	8,542,646	7,929,594	7,841,963	7,357,365	7,342,668	6,972,856	6,734,362	6,861,716	6,427,841
Public works - highways and streets	5,133,246	5,154,936	3,813,477	3,693,476	3,642,038	3,881,656	3,473,391	4,062,522	3,956,635	3,629,061
Other public works	212,277	185,643	174,175	204,100	188,487	160,502	169,304	158,856	119,957	157,169
Library	20,000	20,000	20,000	20,000	20,000	20,000	20,000	15,000	10,000	5,000
Culture and recreation	1,925,252	1,648,927	1,475,318	1,766,091	1,708,523	1,867,439	1,699,538	1,685,624	1,576,331	1,632,447
Insurance/employee benefits/payroll taxes	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Miscellaneous expenditures	365,042	216,580	178,077	954,177	72,741	10,750	9,259	23,287	10,137	20,537
Debt service										
Principal	491,000	483,000	475,000	439,000	426,000	414,000	403,000	391,000	6,513,195	882,267
Interest	50,069	57,833	65,471	119,219	140,590	152,435	163,947	175,151	444,409	310,182
Refund of prior year receipts	-	-	-	-	-	-	-	-	37,072	-
Total expenditures	<u>19,088,460</u>	<u>18,973,358</u>	<u>16,556,859</u>	<u>18,018,234</u>	<u>16,215,517</u>	<u>16,389,584</u>	<u>15,531,547</u>	<u>15,844,378</u>	<u>22,423,950</u>	<u>15,114,934</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,097,437</u>	<u>2,149,351</u>	<u>1,449,496</u>	<u>42,288</u>	<u>1,524,066</u>	<u>1,564,641</u>	<u>1,278,068</u>	<u>31,257</u>	<u>(7,201,394)</u>	<u>769,537</u>
Other financing sources (uses)										
Transfers in	1,367,866	3,118,048	2,339,217	1,379,637	691,825	784,229	2,566,948	817,032	625,491	1,573,565
Transfers out	(1,367,866)	(3,118,048)	(2,339,217)	(1,379,637)	(691,825)	(784,229)	(2,566,948)	(817,032)	(625,491)	(1,573,565)
Refund of prior year receipts	-	-	-	-	-	-	-	-	-	-
Proceeds from debt	-	-	-	-	-	-	-	-	6,643,000	-
Proceeds from capital leases	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	18,800	32,340	1,500	8,626	1,507	10,375	9,668	2,132	82,500	6,652
Total other financing sources (uses)	<u>18,800</u>	<u>32,340</u>	<u>1,500</u>	<u>8,626</u>	<u>1,507</u>	<u>10,375</u>	<u>9,668</u>	<u>2,132</u>	<u>6,725,500</u>	<u>6,652</u>
Net change in fund balances	<u>\$ 3,116,237</u>	<u>\$ 2,181,691</u>	<u>\$ 1,450,996</u>	<u>\$ 50,914</u>	<u>\$ 1,525,573</u>	<u>\$ 1,575,016</u>	<u>\$ 1,287,736</u>	<u>\$ 33,389</u>	<u>\$ (475,894)</u>	<u>\$ 776,189</u>
Debt service as a percentage of noncapital expenditures	2.57%	2.55%	2.87%	2.44%	2.63%	2.53%	2.59%	2.47%	29.05%	5.84%

WEST GOSHEN TOWNSHIP

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

Last ten fiscal years ending December 31,
Accrual basis of accounting

<u>Fiscal Year</u>	<u>Real Estate Tax</u>	<u>Real Estate Transfer Tax</u>	<u>Earned Income Tax</u>	<u>Local Services Tax</u>	<u>Total</u>
2022	\$ 3,955,304	\$ 2,662,248	\$ 10,044,997	\$ 1,100,775	\$ 17,763,324
% of total	22.27%	14.99%	56.55%	6.20%	100.00%
2021	3,789,640	2,373,593	9,737,467	1,076,046	16,976,746
% of total	22.32%	13.98%	57.36%	6.34%	100.00%
2020	3,733,912	971,275	8,084,360	1,066,920	13,856,467
% of total	26.95%	7.01%	58.34%	7.70%	100.00%
2019	3,734,072	968,010	7,775,868	1,082,794	13,560,744
% of total	27.54%	7.14%	57.34%	7.98%	100.00%
2018	3,672,897	1,064,295	8,386,598	1,085,346	14,209,136
% of total	25.85%	7.49%	59.02%	7.64%	100.00%
2017	3,629,892	1,267,050	7,820,461	1,113,231	13,830,634
% of total	26.25%	9.16%	56.54%	8.05%	100.00%
2016	3,632,852	881,904	7,598,606	1,075,187	13,188,549
% of total	27.55%	6.69%	57.62%	8.15%	100.00%
2015	3,576,264	989,947	7,685,688	1,048,411	13,300,310
% of total	26.89%	7.44%	57.79%	7.88%	100.00%
2014	3,543,584	854,008	7,046,256	1,010,067	12,453,915
% of total	28.45%	6.86%	56.58%	8.11%	100.00%
2013	3,501,219	1,018,868	7,976,151	950,498	13,446,736
% of total	26.04%	7.58%	59.32%	7.07%	100.00%



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)

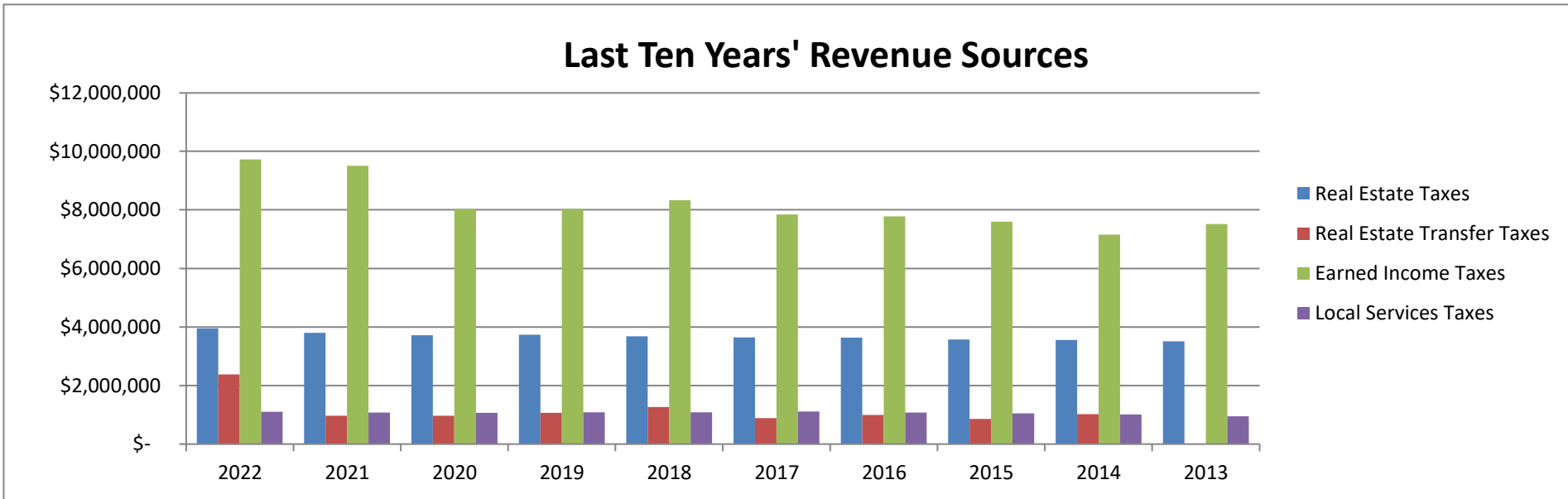
WEST GOSHEN TOWNSHIP

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

Last ten fiscal years ending December 31,
Accrual basis of accounting

<u>Fiscal Year</u>	<u>Real Estate Taxes</u>	<u>Real Estate Transfer Taxes</u>	<u>Earned Income Taxes</u>	<u>Local Services Taxes</u>	<u>Total</u>
2022	\$3,952,090	\$2,662,248	\$9,724,297	\$1,100,775	\$17,439,410
2021	3,801,367	2,373,593	9,508,467	1,076,046	16,759,473
2020	3,716,907	971,275	8,026,360	1,066,920	13,781,462
2019	3,737,371	968,010	8,030,878	1,082,794	13,819,053
2018	3,679,694	1,064,295	8,330,667	1,085,346	14,160,002
2017	3,641,330	1,267,050	7,836,622	1,113,231	13,858,233
2016	3,633,980	881,904	7,780,351	1,075,187	13,371,422
2015	3,573,265	989,947	7,596,803	1,048,411	13,208,426
2014	3,552,452	854,008	7,151,156	1,010,067	12,567,683
2013	3,508,453	1,018,868	7,517,652	950,498	12,995,471

-98-



Notes:

¹ Tax increase of 76% over prior year.

WEST GOSHEN TOWNSHIP

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last ten fiscal years ending December 31,

<u>Fiscal Year</u>	<u>Real Estate Assessed Value</u>	<u>Ratio of Assessed Value to Total Estimated Actual Value</u>	<u>Estimated Actual Value¹</u>	<u>Real Estate Millage Rate</u>
2022	\$ 1,953,406,609	39.53%	\$ 4,942,118,721	2.00
2021	1,901,561,853	45.05%	4,221,467,314	2.00
2020	1,886,192,393	46.95%	4,017,589,797	2.00
2019	1,874,363,243	49.26%	3,804,957,383	2.00
2018	1,857,423,083	51.28%	3,621,975,012	2.00
2017	1,846,316,823	52.91%	3,489,538,795	2.00
2016	1,810,323,903	55.25%	3,276,686,264	2.00
2015	1,806,119,773	55.25%	3,269,076,789	2.00
2014	1,782,308,943	57.80%	3,083,394,471	2.00
2013	1,766,649,613	60.24%	2,932,638,358	2.00

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

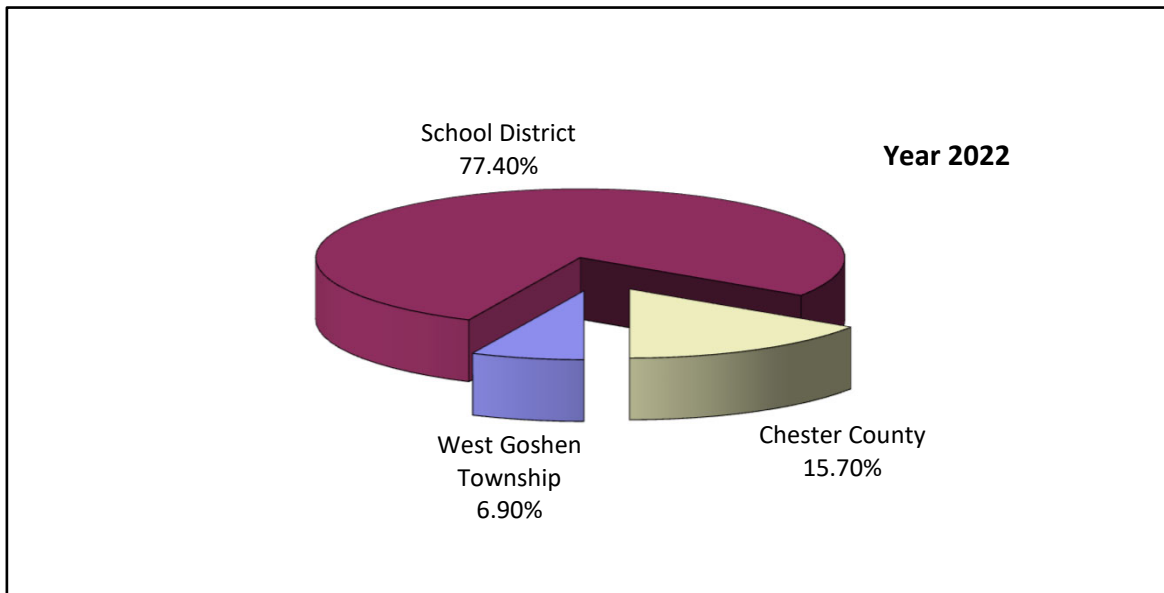
⁽¹⁾ Common level ratio reciprocal factor used by Chester County, Pennsylvania, Board of Assessments and the Pennsylvania Department of Revenue Realty Transfer Tax Department

WEST GOSHEN TOWNSHIP

PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS

Last ten fiscal years ending December 31,

<u>Fiscal Year</u>	<u>West Goshen Township</u>	<u>School District</u>	<u>Chester County</u>	<u>Total Millage</u>
2022	2.0000	22.4364	4.5510	28.987
<i>% of total</i>	<i>6.90%</i>	<i>77.40%</i>	<i>15.70%</i>	<i>100.00%</i>
2021	2.0000	22.0604	4.5510	28.611
<i>% of total</i>	<i>6.99%</i>	<i>77.10%</i>	<i>15.91%</i>	<i>100.00%</i>
2020	2.0000	21.6622	4.3690	28.031
<i>% of total</i>	<i>7.13%</i>	<i>77.28%</i>	<i>15.59%</i>	<i>100.00%</i>
2019	2.0000	21.6622	4.3690	28.031
<i>% of total</i>	<i>7.13%</i>	<i>77.28%</i>	<i>15.59%</i>	<i>100.00%</i>
2018	2.0000	21.2723	4.3690	27.641
<i>% of total</i>	<i>7.24%</i>	<i>76.96%</i>	<i>15.81%</i>	<i>100.00%</i>
2017	2.0000	20.6841	4.3690	27.053
<i>% of total</i>	<i>7.39%</i>	<i>76.46%</i>	<i>16.15%</i>	<i>100.00%</i>
2016	2.0000	20.0982	4.1630	26.261
<i>% of total</i>	<i>7.62%</i>	<i>76.53%</i>	<i>15.85%</i>	<i>100.00%</i>
2015	2.0000	19.5779	4.1630	25.741
<i>% of total</i>	<i>7.77%</i>	<i>76.06%</i>	<i>16.17%</i>	<i>100.00%</i>
2014	2.0000	19.2100	4.1630	25.373
<i>% of total</i>	<i>7.88%</i>	<i>75.71%</i>	<i>16.41%</i>	<i>100.00%</i>
2013	2.0000	18.6700	4.1630	24.833
<i>% of total</i>	<i>8.05%</i>	<i>75.18%</i>	<i>16.76%</i>	<i>100.00%</i>



Sources: 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, 2022 and nine years ago December 31, 2013

December 31, 2022			
<u>Taxpayer</u>	<u>Rank</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Valuation</u>
Pointe Apartments Owner LP	1	\$ 27,976,000	1.47%
Oak Street Real Estate (QVC)	2	22,992,840	1.21%
Reva Matlack LLC	3	20,121,360	1.06%
BT West Chester LP	4	16,623,490	0.87%
Fern Hill LLC	5	15,803,370	0.83%
Lancaster Court Associates	6	15,602,000	0.82%
Home Properties Golf Club, LLC	7	14,780,750	0.78%
Capital Enterprises, Inc.	8	14,633,390	0.77%
Goshen Terrace Apatments	9	14,198,300	0.75%
West Chester PA Senior Property LLC	10	13,160,000	0.69%
Cephalon, Inc.			
Total Principal Taxpayers		<u>\$ 175,891,500</u>	<u>9.25%</u>

December 31, 2013			
<u>Taxpayer</u>	<u>Rank</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total Taxable Assessed Valuation</u>
Pointe Apartments Owner LP	2	\$ 27,976,000	1.49%
Oak Street Real Estate (QVC)	1	30,435,870	1.62%
Reva Matlack LLC			
BT West Chester LP	3	16,623,490	0.89%
Fern Hill LLC	4	15,803,370	0.84%
Lancaster Court Associates	5	15,602,000	0.83%
Home Properties Golf Club, LLC	6	14,780,750	0.79%
Capital Enterprises, Inc.	7	14,633,390	0.78%
Goshen Terrace Apatments	8	14,198,300	0.76%
West Chester PA Senior Property LLC	9	13,160,000	0.70%
Cephalon, Inc.	10	10,063,230	0.54%
Total Principal Taxpayers		<u>\$ 173,276,400</u>	<u>9.24%</u>

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

Note:

Total taxable assessed value, all real property in West Goshen Township, December 31, 2022, \$1,953,406,609.

WEST GOSHEN TOWNSHIP

PROPERTY TAX LEVIES AND COLLECTIONS

Last ten fiscal years ending December 31,

<u>Fiscal Year</u>	<u>Total Levy</u>	<u>Collected Within Fiscal Year of Levy</u>		<u>Subsequent Collections</u>	<u>Total Collections to Date</u>	
		<u>Face Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2022	\$3,906,813	\$3,909,054	100.06%	\$43,036	\$ 3,952,090	101.16%
2021	3,803,124	3,756,780	98.78%	44,587	3,801,367	99.95%
2020	3,772,385	3,689,580	97.80%	27,327	3,716,907	98.53%
2019	3,748,726	3,689,947	98.43%	47,424	3,737,371	99.70%
2018	3,714,846	3,636,273	97.88%	43,421	3,679,694	99.05%
2017	3,692,634	3,611,417	97.80%	29,913	3,641,330	98.61%
2016	3,620,648	3,596,212	99.33%	37,768	3,633,980	100.37%
2015	3,612,240	3,534,724	97.85%	38,541	3,573,265	98.92%
2014	3,564,618	3,498,462	98.14%	53,990	3,552,452	99.66%
2013	3,533,299	3,457,735	97.86%	50,718	3,508,453	99.30%

WEST GOSHEN TOWNSHIP

RATIOS OF OUTSTANDING DEBT BY TYPE

Last ten fiscal years ending June 30,

<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>
2022	23,340	\$ 1,953,406,609	\$ 3,121,000	\$ -	\$ 3,121,000	0.16%	134
2021	23,190	1,901,561,853	3,612,000	-	3,612,000	0.19%	156
2020	23,040	1,886,192,393	4,095,000	-	4,095,000	0.22%	178
2019	22,973	1,874,363,243	4,570,000	-	4,570,000	0.24%	199
2018	23,009	1,857,423,083	5,009,000	-	5,009,000	0.27%	218
2017	22,992	1,846,316,823	5,435,000	-	5,435,000	0.29%	236
2016	23,037	1,810,323,903	5,849,000	-	5,849,000	0.32%	254
2015	23,137	1,806,119,773	6,252,000	-	6,252,000	0.35%	270
2014	23,050	1,782,308,943	6,643,000	-	6,643,000	0.37%	288
2013	22,873	1,766,649,613	6,513,195	-	6,513,195	0.37%	285

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

WEST GOSHEN TOWNSHIP

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2022

<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	\$ 3,121,000	100.00%	\$ 3,121,000
Overlapping debt			
County of Chester	\$ 579,346,055	4.91%	<u>28,465,734</u>
Total			<u>\$ 31,586,734</u>

WEST GOSHEN TOWNSHIP

COMPUTATION OF BORROWING CAPACITY

December 31, 2022

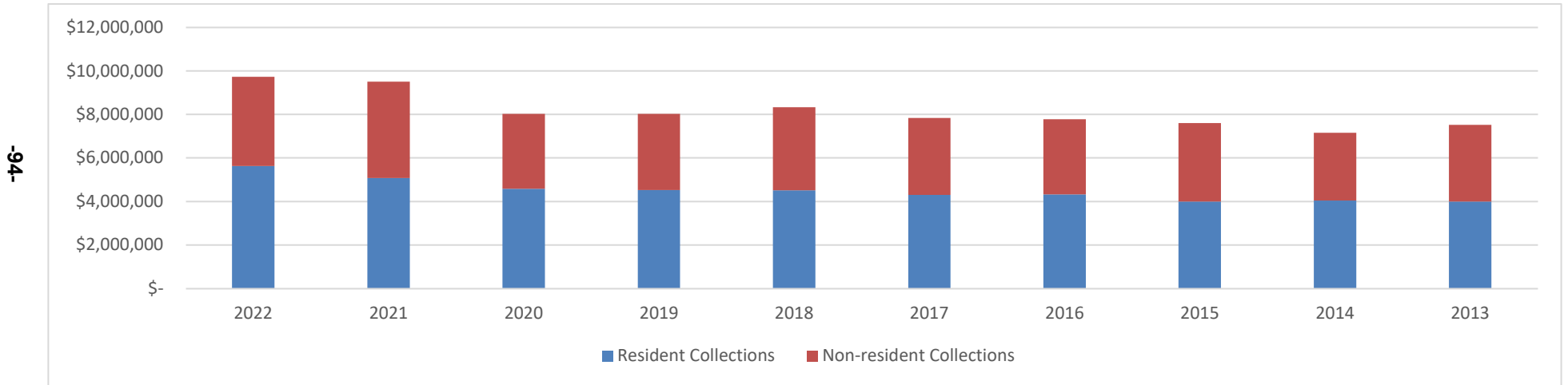
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total governmental revenues	\$ 22,204,697	\$ 21,155,049	\$ 18,006,355
Deduct excludable items under Section 8002(c)(16) of the Act			
Nonrecurring items			
Compensation for sale of assets	<u>18,800</u>	<u>32,340</u>	<u>1,500</u>
Total revenues as defined in Section 8002(c)(16) of the Act	<u>\$ 22,185,897</u>	<u>\$ 21,122,709</u>	<u>\$ 18,004,855</u>
Total revenues as defined in Section 8002(c)(16) of the Act for the three years ended December 31, 2022			<u>\$ 61,313,461</u>
Borrowing base - arithmetic average of total revenues			<u>\$ 20,437,820</u>
Debt limit			<u>250%</u>
Debt limitation			<u>\$ 51,094,551</u>

WEST GOSHEN TOWNSHIP

EARNED INCOME TAX REVENUE

Last ten fiscal years ending December 31,
(Expressed in thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Resident collections	\$ 5,630,836	\$ 5,073,309	\$ 4,578,413	\$ 4,521,919	\$ 4,516,400	\$ 4,305,200	\$ 4,320,001	\$ 4,000,004	\$ 4,046,867	\$ 3,997,914
% of total	57.90%	53.36%	57.04%	56.31%	54.21%	54.94%	55.52%	52.65%	56.59%	53.18%
Non-resident collections	4,093,461	4,435,159	3,447,947	3,508,959	3,814,267	3,531,512	3,460,350	3,596,810	3,104,289	3,519,737
% of total	42.10%	46.64%	42.96%	43.69%	45.79%	45.06%	44.48%	47.35%	43.41%	46.82%
Total earned income tax collected	<u>\$ 9,724,297</u>	<u>\$ 9,508,468</u>	<u>\$ 8,026,360</u>	<u>\$ 8,030,878</u>	<u>\$ 8,330,667</u>	<u>\$ 7,836,712</u>	<u>\$ 7,780,351</u>	<u>\$ 7,596,814</u>	<u>\$ 7,151,156</u>	<u>\$ 7,517,651</u>



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

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 received a credit against any nonresident levy in their place of employment.

WEST GOSHEN TOWNSHIP

RESIDENT EARNED INCOME STATISTICS

Last ten fiscal years ending December 31,
(Expressed in thousands)

	DIRECT							OVERLAPPING						
	West Goshen Township							West Chester Area School District Municipalities						
	Individuals			Employers				Individuals			Employers			
	# of Residents On File	Exempts	Total Taxables	# of Employers On File	Closed/ Bankrupt	Total Open Employers	Average Earnings	On File	Exempts	Total Taxables	On File	Closed/ Bankrupt	Total Open Employers	Average Earnings
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
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
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
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
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
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
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
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
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
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

Source: West Goshen Township Finance Department and Berkheimer Tax Administrators

Notes:

2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022 statistics are not available.

Exempt individuals include disabled, homemaker, non-adult and retired statuses.

Municipalities included in the West Chester Area School District: West Chester Borough, West Goshen Township, East Goshen Township, East Bradford Township, West Whiteland Township, Westtown Township, Thornbury Township (Chester and Delaware County).

All municipalities share resident Earned Income Tax revenue levied at 1%, 50/50 with the School District.

WEST GOSHEN TOWNSHIP

PRINCIPAL EMPLOYERS

December 31, 2022 and 2021

December 31, 2022			
<u>Company</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employees</u>
QVC Network, Inc.	2037	1	9.4%
QVC Japan Services	1780	2	8.2%
United Parcel Service, Inc.	1548	3	7.1%
The ARC of Chester County	1014	4	4.7%
Chester County Court House	687	5	3.2%
A. Duie Pyle, Inc.	637	6	2.9%
West Chester School W Goshen	595	7	2.7%
TEVA Branded Pharmaceutical	516	8	2.4%
PA State System of Higher Education	405	9	1.9%
Atlantic Coast Athletic Club	318	10	1.5%
WAWA Inc. #31			<u>0.0%</u>
	<u>9,537</u>		<u>43.8%</u>

December 31, 2021			
<u>Company</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employees</u>
QVC Network, Inc.	2,036	1	9.6%
United Parcel Service	1,792	2	8.4%
The ARC of Chester County	865	3	4.1%
Chester County Court House	732	4	3.4%
A. Duie Pyle, Inc.	615	5	2.9%
West Chester School West Goshen	595	6	2.8%
TEVA Branded Pharmaceutical	524	7	2.5%
PA State System of Higher Education	458	8	2.1%
Atlantic Coast Athletic Club	255	9	1.2%
WAWA Inc. #31	<u>235</u>	10	<u>1.1%</u>
	<u>8,107</u>		<u>38.0%</u>

Sources: West Goshen Township Finance Department and Keystone Tax Administrators

Keystone Tax Administrators Disclaimer:

The information contained herein is expressly based upon data compiled from employer withholding submissions filed with the tax officer in tax year 2020. As a result of the transition to Act 32 mandatory withholding in tax year 2020, and the resultant noncompliance 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 ending December 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Function										
Code enforcement										
Building permits	1,421	1,778	1,279	1,199	1,184	1,124	1,154	1,329	1,779	1,142
New construction	80	143	80	41	22	9	7	8	39	67
Additions and alterations	358	430	321	294	384	376	374	275	292	304
Subdivision plans	7	2	6	1	4	1	2	-	9	2
Lots approved	2	3	18	-	17	2	626	-	17	-
Zoning appeals	11	22	6	22	7	9	9	9	14	8
Land development	6	9	5	6	3	4	13	5	9	4
Police										
Physical arrests	997	898	504	770	1,069	825	882	1,073	1,356	2,685
Traffic violations	2,054	2,280	1,594	2,598	2,010	2,535	2,813	2,947	2,901	3,659
Parking violations	80	81	39	85	104	146	117	126	132	118
Alarm violations	574	648	670	744	712	811	828	894	833	878
Fire										
Number of calls answered	-	93	93	84	78	78	77	74	70	70
Inspections	-	766	536	429	327	401	409	427	461	498
Highways and streets										
Street resurfacing (miles)	5.80	5.07	5.18	5.22	4.99	5.79	5.62	5.29	5.24	5.42
Culture and recreations										
Summer recreation program	319	220	-	393	401	360	368	360	329	294
registrations	65	48	-	41	41	43	36	49	54	33
Summer sports clinic registrations	78	35	-	67	75	86	84	84	89	84
Park/pavilion permits issued										

Source: 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 ending December 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Function										
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)	89.5078	89.2178	89.125	89.06	89.06	88.85	88.85	88.64	88.47	87.96
Bridges	3	3	3	3	3	3	3	3	3	3
Traffic signals	31	31	31	31	31	31	31	31	30	30
Culture and recreations										
Building	1	1	1	1	1	1	1	1	1	1
Parks acreage	104.5	104.5	104.5	104.5	104.5	104.5	104.5	104.5	104.5	104.5
Parks	12	12	12	12	12	12	12	12	12	12
Tennis courts	6	6	6	6	6	6	6	6	6	6
Skate grounds	1	1	1	1	1	1	1	1	1	1
Baseball fields	3	3	3	3	3	3	3	3	3	3
Basketball courts	3	3	3	3	3	3	3	3	3	3
Volleyball court	2	2	2	2	2	2	2	2	2	2
Soccer/multipurpose field	1	1	1	1	1	1	1	1	1	1
Amphitheaters	1	1	1	1	1	1	1	1	1	1
Pavilions	2	2	2	2	2	2	2	2	2	2
Maintenance garage	1	1	1	1	1	1	1	1	1	1

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 fiscal years ending December 31,

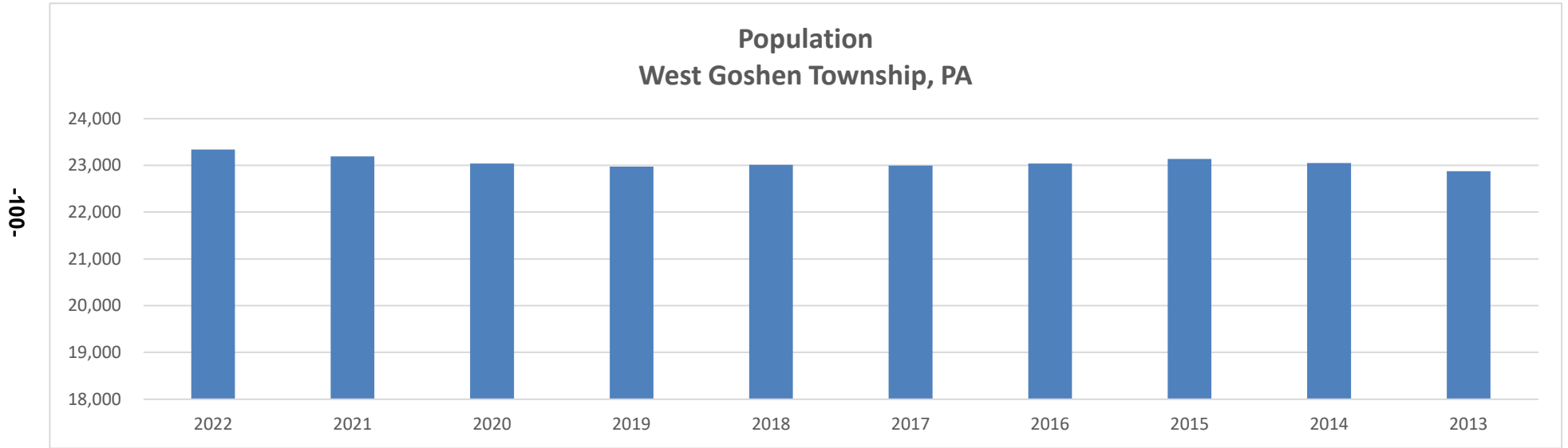
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Function										
General government	15	14	15	15	14	14	15	16	15	13
Public safety										
Officers	30	32	32	30	29	29	29	29	26	27
Dispatchers	2	1	2	3	3	2	2	2	2	2
Administration	3	2	2	3	3	3	3	2	2	2
Code inspectors	2	2	2	2	2	2	2	2	2	2
Fire marshal	1	1	1	1	1	1	1	1	1	1
Highways and streets	19	20	17	17	17	17	17	17	16	16
Culture and recreations	12	11	11	11	12	12	12	12	12	12
Sewer	<u>17</u>	<u>13</u>	<u>15</u>	<u>15</u>	<u>16</u>	<u>15</u>	<u>17</u>	<u>16</u>	<u>18</u>	<u>17</u>
Total	<u>101</u>	<u>96</u>	<u>97</u>	<u>97</u>	<u>97</u>	<u>95</u>	<u>98</u>	<u>97</u>	<u>94</u>	<u>92</u>

WEST GOSHEN TOWNSHIP

POPULATION STATISTICS

Last ten fiscal years ending December 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Population										
West Goshen Township, PA	23,340	23,190	23,040	22,973	23,009	22,992	23,037	23,137	23,050	22,873
Over the year change	1.3%	0.9%	0.1%	-0.2%	0.1%	-0.2%	-0.4%	0.4%	0.8%	3.2%
Chester County, PA	545,823	538,649	527,892	524,989	522,046	519,293	516,312	515,939	512,784	509,500



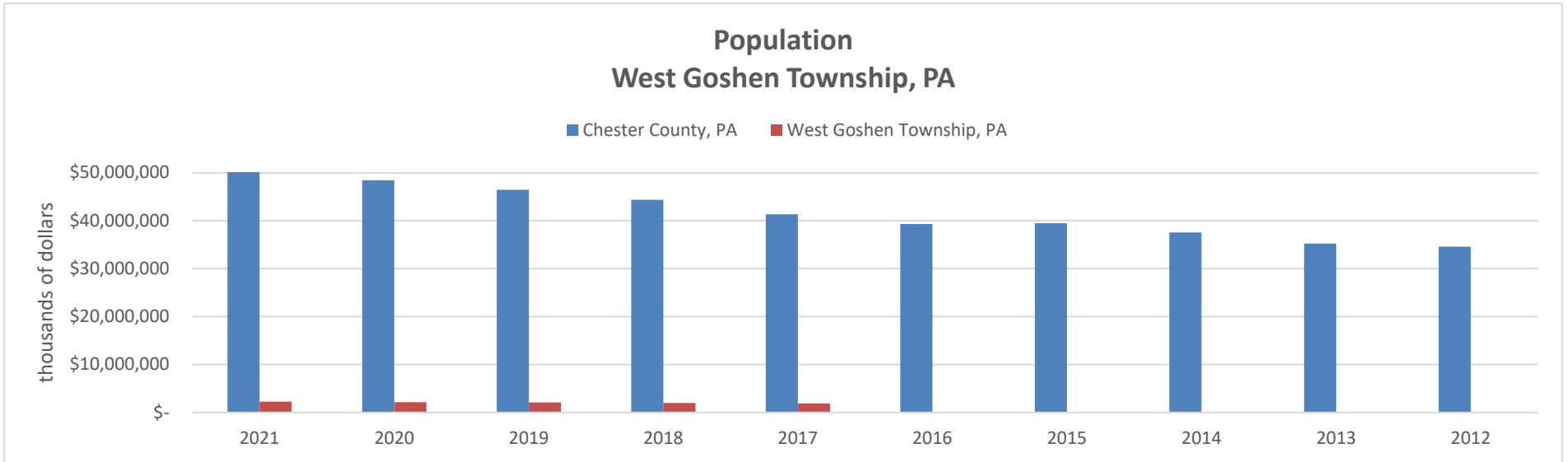
Source: U.S. Census Bureau

WEST GOSHEN TOWNSHIP

TOTAL PERSONAL INCOME

Last ten fiscal years ending December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total personal income										
Chester County, PA	\$ 51,431,960	\$ 48,423,276	\$ 46,416,892	\$ 44,368,143	\$ 41,312,630	\$ 39,277,266	\$ 39,430,281	\$ 37,530,746	\$ 35,232,786	\$ 34,574,664
	10.8%	9.1%	12.4%	7.4%	5.2%	-0.4%	5.1%	6.5%	1.9%	5.3%
West Goshen Township, PA	\$ 2,244,763	\$ 2,118,955	\$ 2,045,809	\$ 1,955,511	\$ 1,829,141	\$ 1,752,488	\$ 1,768,299	\$ 1,587,033	\$ 1,581,707	\$ 1,514,020



Notes:

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 eliminated.

2022 data not available at time of report generation

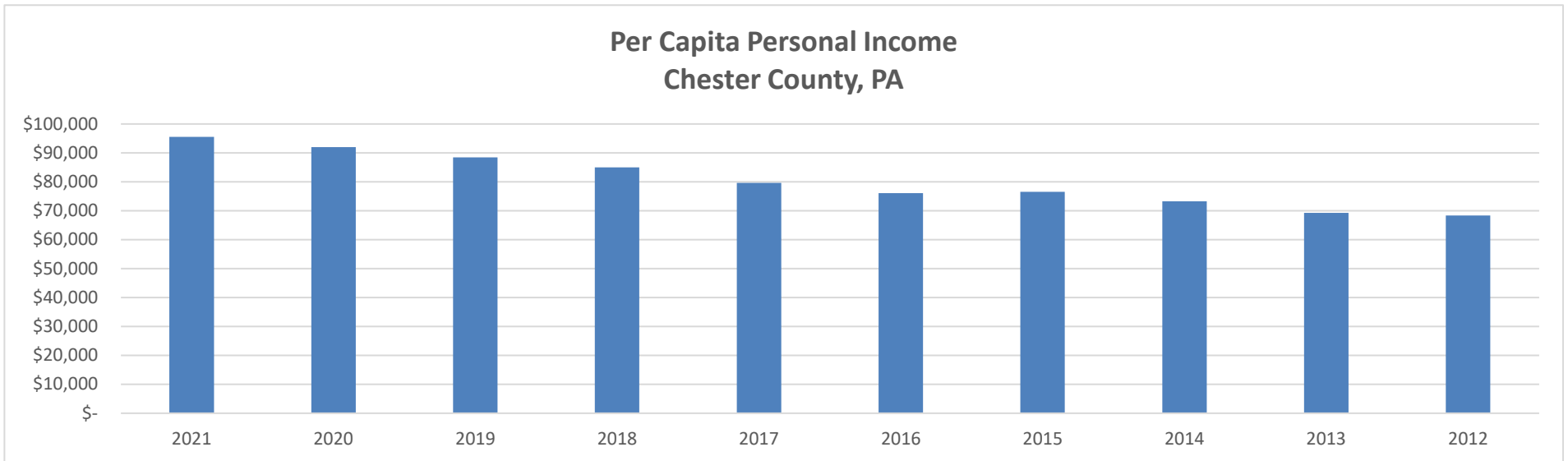
Source: Bureau of Economic Analysis Local Area Personal Income estimates

WEST GOSHEN TOWNSHIP

PER CAPITA PERSONAL INCOME

Last ten fiscal years ending December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Per capital personal income										
Chester County, PA	\$95,483	\$91,927	\$88,403	\$84,955	\$79,592	\$76,006	\$76,549	\$73,191	\$69,206	\$68,323
Over-the-year change	3.9%	4.0%	4.1%	6.7%	4.7%	-0.7%	4.6%	5.8%	1.3%	4.8%



Notes:

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.

2022 data not available at time of report generation

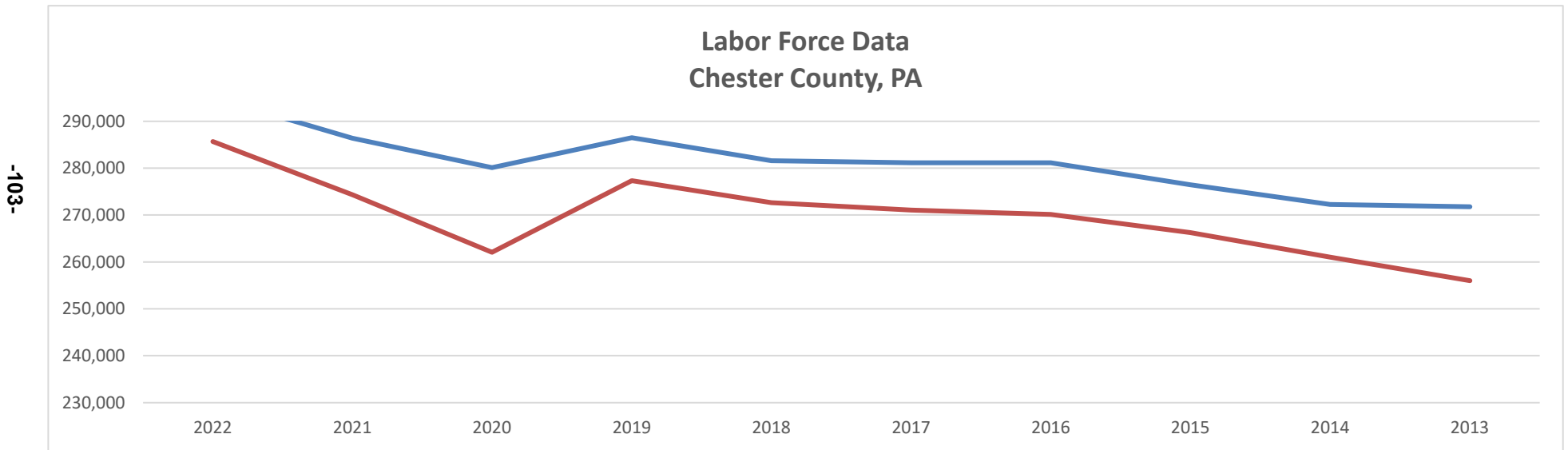
Source: Bureau of Economic Analysis Local Area Personal Income estimates

WEST GOSHEN TOWNSHIP

LABOR FORCE DATA

Last ten fiscal years ending December 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Chester County, PA										
Labor force	295,146	286,372	280,096	286,480	281,572	281,136	281,139	276,442	272,270	271,793
Employed	285,697	274,342	262,061	277,341	272,641	271,053	270,147	266,244	261,025	256,009
Unemployment rate	3.2%	4.2%	6.4%	3.2%	3.2%	3.6%	3.7%	3.7%	4.1%	5.8%
Pennsylvania rate	4.4%	6.3%	9.1%	4.4%	4.3%	4.9%	5.4%	5.1%	5.8%	7.4%
U.S. rate	3.6%	5.3%	8.1%	3.7%	3.9%	4.4%	4.9%	5.3%	6.2%	7.4%



Notes:

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

Source: Bureau of Labor Statistics

WEST GOSHEN TOWNSHIP

MISCELLANEOUS STATISTICS

December 31, 2022

Date founded:	December 6, 1817	
Form of government:	Second class township	
Area:	12 square miles	
Miles of roads:	89 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 school	
Main Township parks	West Goshen Community Park Stoneybrook Park (Glen Acres) Coopersmith Park Barker Park Robert E. Lambert Park	32.0 acres 22.2 acres 15.2 acres 11.5 acres 3.2 acres



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

**Board of Supervisors
West Goshen Township
West Chester, Pennsylvania**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of West Goshen Township, West Chester, Pennsylvania (the "**Township**"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 29, 2023. Our report includes a reference to other auditors who audited the financial statements of West Goshen Township Sewer Authority (the "**Sewer Authority**"), as described in our report on the Township's financial statements. The financial statements of the Sewer Authority were not audited in accordance with *Government Auditing Standards* and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the discretely presented component unit or that are reported on separately by other auditors who audited the financial statements of the Sewer Authority.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

BBD, LLP

**Philadelphia, Pennsylvania
June 29, 2023**