



Annual Audit and Financial Report

City of: _____, _____ County

Borough of: _____, _____ County

Township of: **Willistown**, **Chester** County

Municipality of: _____, _____ County

for the year **2009**



Return to:
PA Department of Community and Economic Development
Governor's Center for Local Government Services
400 North Street, 4th Floor
Commonwealth Keystone Building
Harrisburg, PA 17120-0225

Commonwealth of Pennsylvania
Edward G. Rendell, Governor
www.state.pa.us

PA Department of Community & Economic Development
George E. Cornelius, Secretary
www.inventPA.com
www.newPA.com



INDEPENDENT AUDITOR'S REPORT

**Board of Supervisors
Willistown Township
Malvern, Pennsylvania**

We have audited the accompanying Annual Audit and Financial Report of **Willistown Township**, Chester County, Pennsylvania as of December 31, 2009, and for the year then ended. The financial report is the responsibility of the Township's management. Our responsibility is to express an opinion on this financial report based on our audit.

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

The financial report was prepared in conformity with the accounting practices prescribed or permitted by the Department of Community and Economic Development (DCED) of the Commonwealth of Pennsylvania which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

In accordance with the prescribed accounting practices permitted by DCED, the Township does not include footnote disclosures.

In our opinion, the annual audit and financial report referred to in the first paragraph presents fairly, in all material respects, the financial position of Willistown Township, Chester County, Pennsylvania as of December 31, 2009, and the results of its operations for the year then ended, on the basis of accounting described above.

This report is intended solely for the information and use of the governing body and management of Willistown Township, Chester County, Pennsylvania, and for filing with the Department of Community and Economic Development and County Courthouse, and is not intended to be and should not be used by anyone other than these specified parties.

Hanna, McGlone & Co. P.C.

Hanna, McGlone & Co. P.C.
September 7, 2010

Balance Sheet

December 31, 2009

Assets and Other Debts		Governmental Funds			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
100-120	Cash and Investments	4,225,690	3,990,563	2,393,670	
140-144	Tax Receivable	784,043	72,787		
121-149	Accounts Receivable (excluding taxes)	22,379	2,195		
130	Due From Other Funds	367,671		6,000	
131-159	Other Current Assets				
160-169	Fixed Assets	1,307,784	12,213,209	167,316	
180-199	Other Debits	26,472	197,888		
Total Assets and Other Debts		6,734,039	16,476,642	2,566,986	0

Liabilities and Other Credits					
210-229	Payroll Taxes & Other Payroll Withholdings				
200-239	All Other Current Liabilities	167,589	22,944		
230	Due To Other Funds		243,148	27	
260-269	Long Term Liabilities	216,581	9,447,021		
240-259	Current Portion of Long-Term Debt & Other Credits	35,100	190,000		
Total Liabilities		419,270	9,903,113	27	0

Fund and Account Group Equity					
281-284	Contributed Capital				
290	Investment in General Fixed Assets	1,047,517	2,718,553	167,315	
271-289	Fund Balance/Retained Earnings 12/31	5,267,252	3,854,976	2,399,644	
291-299	Other Equity				
Total Fund and Account Group Equity		6,314,769	6,573,529	2,566,959	0

Balance Sheet

December 31, 2009

Proprietary Funds		Fiduciary Funds	Account Groups		Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>General Fixed Assets</i>	<i>General Long Term Debt</i>	<i>Memorandum Only</i>
1,011,612		7,532,735			19,154,270
					856,830
747,629		105,126			877,329
19,550		8,000			401,221
					0
2,404,672					16,092,981
9,167				0	233,527
4,192,630	0	7,645,861	0	0	37,616,158

TOTAL ASSETS	TOTAL ASSETS	37,616,158
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		(43)			(43)
19,288		100,612			310,433
139,761		18,285			401,221
1,576,330		296,436			11,536,368
190,862					415,962
1,926,241	0	415,290	0	0	12,663,941

TOTAL LIABILITIES	TOTAL LIABILITIES	12,663,941
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					0
637,480			0		4,570,865
1,628,909		7,230,571			20,381,352
					0
2,266,389	0	7,230,571	0	0	24,952,217

TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY	37,616,158
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Statement of Revenues and Expenditures

REVENUES		GOVERNMENTAL FUNDS			
Taxes		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
301	Real Estate Taxes	340,062			
305	Occupation Taxes/Levied Under Municipal Code				
308	Residence Taxes/Levied By Cities of the 3rd class				
309	Regional Asset District Sales Tax (Allegheny Counties Only)				
310	Per Capita Taxes				
310.1	Real Estate Transfer Taxes	424,480			
310.2	Earned Income Taxes/Wage Taxes	5,148,504	601,429		
310.3	Business Gross Receipts Taxes				
310.4	Occupation Taxes/Act 551				
310.5	Emergency and Municipal Services Tax	174,839			
310.6	Amusement/Admission Taxes				
310.7	Mechanical Device Taxes				
310.9	Other Local Tax Enabling Act/Act 511/ Taxes (please list)				
Total Taxes		6,087,885	601,429	0	0

Licenses and Permits					
320-322	All other Licenses and Permits				
321.8	Cable Television Franchise Fees	281,756			
Total Licenses and Permits		281,756	0	0	0

Fines and Forfeits					
330-332	Fines and Forfeits	60,120			
Total Fines and Forfeits		60,120	0	0	0

Interest, Rents, and Royalties					
341	Interest Earnings	19,953	70,019	10,306	
342	Rents and Royalties		46,730		
Total Interest, Rents and Royalties		19,953	116,749	10,306	0

Statement of Revenues and Expenditures

Proprietary Funds		Fiduciary Funds	Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
			340,062
			0
			0
			0
			0
			424,480
			5,749,933
			0
			0
			174,839
			0
			0
			0
0	0	0	6,689,314

			0
			281,756
0	0	0	281,756

			60,120
0	0	0	60,120

3,569		1,492,207	1,596,054
			46,730
3,569	0	1,492,207	1,642,784

Statement of Revenues and Expenditures

INTERGOVERNMENTAL REVENUES		Governmental Funds			
Federal		General Fund	Special Revenue (including State Liquid Fuels)	Capital Projects	Debt Service
351.03	Highways and Streets				
351.09	Community Development				
351	All other Federal Capital and Operating Grants				
352.01	National Forest				
352	All Other Federal Shared Revenue and Entitlements				
353	Federal Payments in Lieu of Taxes				
Total Federal		0	0	0	0

State					
354.03	Highways and Streets				
354.09	Community Development		63,902		
354.15	Recycling/Act 101	45,765			
354	All Other State Capital and Operating Grants		0		
355.01	Public Utility Realty Tax	8,629			
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax)		263,326		
355.04	Alcoholic Beverage Taxes/Beverage Licenses	2,200			
355.06	General Municipal Pension System State Aid	147,467			
355	All Other Shared Revenues and Entitlements	131,065			
356	State Payments in Lieu of Taxes				
Total State		335,126	327,228	0	0

Local Governmental Units					
357.03	Highways and Streets				
357	Operating Grants				
358	Contracted Intergovernmental Services				
359	Local Governmental Unit Payments in Lieu of Taxes				
Total Local Government Units		0	0	0	0

Statement of Revenues and Expenditures

Proprietary Funds		Fiduciary Funds	Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
			0
			0
			0
			0
			0
			0
0	0	0	0

			0
			63,902
			45,765
			0
			8,629
			263,326
			2,200
			147,467
			131,065
			0
0	0	0	662,354

			0
			0
			0
			0
0	0	0	0

Total Intergovernmental Revenues	662,354
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Statement of Revenues and Expenditures

Charges for Service		Governmental Funds			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
361	General Government	19,692			
362	Public Safety	126,723			
363.2	Parking				
363	All Other Charges for Highway & Streets Services	19,553			
364.1	Wastewater/Sewage Charges				
364.3	Solid Waste Collection & Disposal Charge				
364.6	Host Municipality Benefit Fee for Solid Waste Facility				
364	Other Charges for Sanitation Services				
365	Health				
366	Human Services				
367	Culture and Recreation				
368	Airports				
369	Bars				
370	Cemeteries				
372	Electric System				
373	Gas System				
374	Housing System				
375	Markets				
377	Transit System				
378	Water System				
379	All Other Charges for Services				
Total Charges for Service		165,968	0	0	0

Unclassified Operating Revenues					
383	Special Assessments				
386	Escheats (sale of personal property)				
387	Contributions and Donations from Private Sectors				
388	Fiduciary Fund Pension Contributions				
389	All Other Miscellaneous Revenues	8,629	30		
Total Unclassified Operating Revenues		8,629	30	0	0

Other Financing Sources					
391	Proceeds of General Fixed Asset Distribution				
392	Interfund Operating Transfers	2	969,210	0	
393	Proceeds of General Long Term Debt				
394	Proceeds of Tax and Revenue Anticipation Notes				
395	Refunds of Prior Year Expenditures	13,367			
Total Other Financing Sources		13,369	969,210	0	0

TOTAL REVENUES		6,972,806	2,014,646	10,306	0
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Statement of Revenues and Expenditures

Expenditures		Governmental Funds			
General Government		General Fund	Special Revenues (including State Liquid Fuels)	Capital Projects	Debt Service
400	Legislative/Governing Body	15,537			
401	Executive/Manager or Mayor	700,783			
402	Auditing Services/Financial Administration	65,272	3,800		
403	Tax Collection	142,496	15,684		
404	Solicitor/Legal Services	76,807	27,887		
405	Secretary/Clerk				
406	Other General Government Administration		10,233		
407	IT-Networking Services-Data Processing				
408	Engineering Services		9,899		
409	General Government Buildings and Plant	21,476	40,291	20,651	
Total General Government		1,022,371	107,794	20,651	0

Public Safety					
410	Police	3,008,421	150,626		
411	Fire	392,400			
412	Ambulance/Rescue				
413	UCC and Code Enforcement				
414	Planning and Zoning	303,687			
415	Emergency Management & Communications				
416	Militia and Armories				
417	Examination of Licensed Occupations				
418	Public Scales (weights and measures)				
419	Other Public Safety				
Total Public Safety		3,704,508	150,626	0	0

Health and Human Services					
420-425	Health and Human Services	8,800			

Public Works-Sanitation					
426	Recycling Collection and Disposal	12,918			
427	Solid Waste Collection and Disposal				
428	Weed Control				
429	Wastewater/sewage Collection and Treatment				
Total Public Works-Sanitation		12,918	0	0	0

Statement of Revenues and Expenditures			
Proprietary Funds		Fiduciary Funds	Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
			15,537
			700,783
			69,072
			158,180
			104,694
			0
			10,233
			0
			9,899
			82,418
0	0	0	1,150,816

			3,159,047
			392,400
			0
			0
			303,687
			0
			0
			0
			0
			0
0	0	0	3,855,134

			8,800
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			12,918
			0
			0
1,257,203			1,257,203
1,257,203	0	0	1,270,121

Statement of Revenues and Expenditures

		Governmental Funds			
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service
Public Works - Highways & Streets					
430	General Services - Administration	289,040		20,000	
431	Cleaning of Streets and Gutters	63,299	143		
432	Winter Maintenance - Snow Removal	96,049	42,396		
433	Traffic Control Devices	64,230	5,790		
434	Street Lightning	17,990			
435	Sidewalks and Crosswalks				
436	Storm Sewers and Drains		23,754		
437	Repairs of Tools and Machinery	21,561	20,711		
438	Maintenance & Repairs of Roads & Bridges	205,973	292,990		
439	Highway Construction and Rebuilding Projects	292,323	34		
Total Public Works-Highways and Streets		1,050,465	385,818	20,000	0

Public Works - Other Services					
440	Airports				
441	Cemeteries				
442	Electric System				
443	Gas System				
444	Markets				
445	Parking Facilities				
446	Storm Water and Flood Control				
447	Transit System				
448	Water System				
449	Water Transport and Terminals				
Total Other Public Works Enterprises		0	0	0	0

Culture and Recreation					
451	Culture-Recreation Administration		62,205		
452	Participant Recreation		15,937		
453	Spectator Recreation		15,665		
454	Parks		311,957		
455	Shade Trees				
456	Libraries	74,256			
457	Civil and Military Celebrations				
458	Senior Citizens' Centers				
450	All Other Culture and Recreation				
Total Culture and Recreation		74,256	405,764	0	0

Community Development					
461	Conservation of Natural Resources				
462	Community Development and Housing				
463	Economic Development				
464	Economic Opportunity				
460	All Other Community Development				
Total Community Development		0	0	0	0

Statement of Revenues and Expenditures

Proprietary Funds		Fiduciary Funds	Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
			309,040
			63,442
			138,445
			70,020
			17,990
			0
			23,754
			42,272
			498,963
			292,357
0	0	0	1,456,283

			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
			0
0	0	0	0

			62,205
			15,937
			15,665
			311,957
			0
			74,256
			0
			0
			0
0	0	0	480,020

			0
			0
			0
			0
			0
0	0	0	0

Statement of Revenues and Expenditures

		Governmental Funds			
		General Fund	Special Revenue Including State Liquid Fuels)	Capital Projects	Debt Service
Debt Service					
471	Debt Principal				
472	Debt Interest	16,226	402,271		
475	Fiscal Agent Fees				
Total Debt Service		16,226	402,271	0	0

Employer Paid Benefits & Withholding Items					
481	Compensation				
482	Judgments and Losses				
483	Pension/Retirement Fund Contributions				
484	Workers Compensation Insurance				
487	Other Group Insurance Benefits				
Employer Paid Benefits & Withholding Items		0	0	0	0

Insurance					
486	Insurance, Casualty, and Surety	30,838	0		

Unclassified Operating Expenses					
488	Fiduciary Fund Benefits and Refunds Paid				
489	All Other Unclassified Expenditures				
Total Miscellaneous Expenditures		0	0	0	0

Other Financing Uses					
491	Refund of Prior Year Revenues				
492	Interfund Operating Transfers	635,622	1,359	625,850	
493	All Other Financing Uses				
Total Other Financing Uses		635,622	1,359	625,850	0

TOTAL EXPENDITURES		6,556,004	1,453,632	666,501	0
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES		416,802	561,014	(656,195)	0
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Statement of Revenues and Expenditures

Proprietary Funds		Fiduciary Funds	Total
<i>Enterprise</i>	<i>Internal Service</i>	<i>Trust and Agency</i>	<i>Memorandum Only</i>
			0
89,450			507,947
		19,889	19,889
89,450	0	19,889	527,836

			0
			0
		372,839	372,839
			0
			0
0	0	372,839	372,839

			30,838
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			0
			0
0	0	0	0

			0
5,920		2	1,268,753
			0
5,920	0	2	1,268,753

1,352,573	0	392,730	10,421,440
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408,986	0	1,511,236	2,241,843
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DEBT STATEMENT

List Each Issue or Loan	Year of Issue	Original Amount of Issue	Outstanding January 1st or Issued During Year	Principal Paid During Year	Principal Outstanding December 31st
General Obligation Bonds and Other Notes					
General Obligation Bonds	2001	2,365,000	1,250,000	190,000	1,060,000
General Obligation Notes	2007	10,000,000	9,665,000	185,000	9,480,000
General Obligation Notes	2008	945,000	927,461	29,468	897,993
Revenue Bonds and Notes					
Lease Rental Debt					
Tax and Revenue Anticipation					
Other					
TOTAL DEBT AND REVENUE ANTICIPATION NOTES					11,437,993

Willistown Township, Chester County
Attachment to Annual Audit and Financial Report
For the Year 2009

Prior to 2008, the Township did not recognize its fixed assets and related long term on the balance sheet for any of its Funds. During 2008, the Township recognized its fixed assets for all Funds. In 2008, the Township only reported fixed assets for its Proprietary Fund. Due to the way the Township tracks and records its fixed assets, the Township has begun to recognize its investment fixed assets and related long term debt under the respective Funds. Additionally, in 2008, the Township prepared government wide financial statements, and for administrative ease, the Township now reports its assets and liabilities on the full accrual basis for the DCED Report. Listed below is a reconciliation of this activity.

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project</u>
Total Fund Equity as Reported on the 2008 DCEID Report	\$ 4,926,143	\$ 3,632,619	\$ 3,165,253
Reclassification of Investment in Fixed Assets - Net	1,287,145	12,077,978	57,901
Reclassification of Long Term Debt	(225,000)	(9,698,082)	0
Recognition of Capital Lease	(64,425)	0	0
Recognition of Allowance for Doubtful Accounts	(18,447)	0	0
Recognition of Deferred Real Estate Taxes	(7,449)	0	0
Adjusted Equity Balance as of January 1, 2009	\$ 5,897,967	\$ 6,012,515	\$ 3,223,154
Net Income Reported on 2009 DCED Report	\$ 416,802	\$ 561,014	\$ (656,195)
Fund Equity per 2009 DCED Report	<u>\$ 6,314,769</u>	<u>\$ 6,573,529</u>	<u>\$ 2,566,959</u>