



WEST VINCENT TOWNSHIP

FINANCIAL STATEMENTS

DECEMBER 31, 2020

WEST VINCENT TOWNSHIP

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INDEPENDENT AUDITOR'S REPORT

August 24, 2021

To the Board of Supervisors
West Vincent Township
Chester Springs, Pennsylvania

Report on the Financial Statements

We have audited the accompanying modified accrual basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of West Vincent Township, Chester Springs, Pennsylvania, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified accrual basis of accounting described in Note 1; this includes determining that the modified accrual basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

To the Board of Supervisors
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and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the modified accrual basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund of West Vincent Township, Chester Springs, Pennsylvania, as of December 31, 2020, and the changes in modified accrual financial position, and the respective budgetary comparison modified accrual basis general fund, liquid fuels fund, and open space fund for the year then ended on the basis of accounting described in Note 1.

Emphasis of a Matter

As disclosed in Note 5, effective January 1, 2020, the Township changed their basis of accounting from the cash basis of accounting to the modified accrual basis of accounting. Our opinion is not modified with respect to this matter.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified accrual basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Vincent Township's basic financial statements. The management's discussion and analysis and budgetary comparison schedule - road improvement and capital projects funds - modified accrual basis is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule - road improvement and capital projects funds - modified accrual basis is the responsibility of management and was derived from and relates 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

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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. In our opinion, the budgetary comparison schedule - road improvement and capital projects funds - modified accrual basis is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

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

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

WEST VINCENT TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED

This discussion and analysis of West Vincent Township (“the Township”), Chester Springs, Pennsylvania, provides an overview of the Township’s financial performance for the year ended December 31, 2020. Please read it in conjunction with the Township’s financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- **Assets** – The assets of the Township exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$10,985,017 (representing its net position).
- **Cash and cash equivalents** – Total Township assets (excluding assets held in fiduciary funds) included \$10,470,440 in cash and cash equivalents.
- **Governmental Fund Balances** – As of December 31, 2020, the Township’s governmental funds combined ending fund balances of \$10,945,524, which was \$420,476 more than the prior year. Of this total, \$3,233,803 is in the General Fund and is unassigned (available for spending at the Township’s discretion).

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position - Modified Accrual Basis and Statement of Activities - Modified Accrual Basis on pages 11 and 12 provide information about the activities of the Township as a whole. Fund financial statements start on page 13 and include governmental, proprietary, and fiduciary funds. These statements explain how services were financed in the short term as well as what remains for future spending. The governmental and proprietary fund financial statements also report the Township’s operations in more detail than the entity-wide statements by providing information about the Township’s most significant funds. The remaining statements provide financial information about activities for which the Township acts solely as a trustee.

Reporting the Township as a Whole

Statement of Net Position and Statement of Activities

The analysis of the Township as a whole begins on pages 11 and 12 with the Statement of Net Position - Modified Accrual Basis and the Statement of Activities - Modified Accrual Basis.

These statements provide information that will help the reader to determine if the Township is financially better or worse off as a result of the year’s activities. These statements include all assets and liabilities using the modified accrual basis of accounting. Revenues are recognized when measurable and available, and expenditures are generally recognized when incurred with the exception of long-term liabilities such as bonds payable and compensated absences. The reader can think of the Township’s net position as one way to measure the Township’s financial health or financial position. Over time, increases or decreases in the Township’s net position are one indicator of whether its financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors, however, such as changes in the Township’s property base and employment and the condition of the Township’s assets, to assess the overall health of the Township.

WEST VINCENT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

In the Statement of Net Position - Modified Accrual Basis and the Statement of Activities - Modified Accrual Basis, the Township is divided into two kinds of activities:

- **Governmental Activities** – Most of the Township's basic services are reported here, including the police, fire, general administration, public works, parks, and recreation. Earned income taxes, property taxes, intergovernmental revenues, and permit fees finance most of these activities.
- **Business-type Activities** – The Township charges a fee to customers to cover the cost of certain services it provides. The Township's sewer activities are reported here.

Reporting the Township's Most Significant Funds

Fund Financial Statements

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

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

Proprietary Fund – When the Township charges customers for the sewer services it provides, these services are reported in the proprietary fund. The proprietary fund is reported in the same way that all activities are reported in the Statement of Net Position - Modified Accrual Basis and the Statement of Activities - Modified Accrual Basis.

The Township as Trustee

Reporting the Township's Fiduciary Responsibilities

The Township is the trustee, or fiduciary, responsible for other assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the Township's fiduciary activities are reported in a separate Statement of Fiduciary Fund Net Position - Modified Accrual Basis and Statement of Changes in Fiduciary Fund Net Position - Modified Accrual Basis. These activities are excluded from

WEST VINCENT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

the Township's other financial statements because the Township cannot use these assets to finance its operations. The Township is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE TOWNSHIP AS A WHOLE

Entity-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Township, assets totaling \$11,251,345 exceeded liabilities by \$10,985,017 at the close of 2020, as reflected in the Statement of Net Position - Modified Accrual Basis, an improvement of \$446,232 from the prior 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, 2020**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 10,407,346	\$ 63,094	\$ 10,470,440
Accounts receivable	761,039	19,866	780,905
Total Assets	<u>\$ 11,168,385</u>	<u>\$ 82,960</u>	<u>\$ 11,251,345</u>
Liabilities			
Accounts payable and accrued payroll	\$ 222,861	\$ 43,467	\$ 266,328
Total Liabilities	<u>\$ 222,861</u>	<u>\$ 43,467</u>	<u>\$ 266,328</u>
Net Position			
Restricted	\$ 2,361,495	\$ -	\$ 2,361,495
Unrestricted	8,584,029	39,493	8,623,522
Total Net Position	<u>\$ 10,945,524</u>	<u>\$ 39,493</u>	<u>\$ 10,985,017</u>

The majority of Township assets consist of cash and cash equivalents in the amount of \$10,470,440. Total liabilities include \$266,328 in accounts payable and accrued payroll.

The Township's unrestricted governmental activities net position of \$8,584,029 may be used to meet the Township's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in net position, both for the government as a whole and for its business-type activities.

WEST VINCENT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

Governmental Activities

As reported in Table 2, the increase in net position from the Township's governmental activities was \$420,476 for the year ended December 31, 2020.

Table 2
STATEMENT OF CHANGES IN NET POSITION
For the Year Ended December 31, 2020

	Governmental Activities	Business-type Activities	Total
REVENUES			
Program revenues:			
Charges for services	\$ 574,839	\$ 165,981	\$ 740,820
Operating grants and contributions	410,595	-	410,595
General revenues:			
Real estate taxes	1,262,747	-	1,262,747
Real estate transfer taxes	289,177	-	289,177
Earned income taxes	2,982,357	-	2,982,357
Interest, rents, and royalties	163,908	-	163,908
Licenses and permits	75,071	-	75,071
Fines and forfeits	15,980	-	15,980
Other	38,413	-	38,413
TOTAL REVENUES	<u>5,813,087</u>	<u>165,981</u>	<u>5,979,068</u>
EXPENDITURES			
General government	770,096	-	770,106
Public safety	2,102,165	-	2,102,165
Public works	853,889	-	853,889
Health and human services	1,653	-	1,653
Culture and recreation	927,329	-	927,329
Community development	68,000	-	68,000
Other expenditures	6,067	-	6,067
Debt service	663,412	-	663,412
Sewer operations	-	140,225	140,225
TOTAL EXPENDITURES	<u>5,392,611</u>	<u>140,225</u>	<u>5,532,836</u>
INCREASE IN NET POSITION	<u>420,476</u>	<u>25,756</u>	<u>446,232</u>
NET POSITION, BEGINNING OF YEAR, RESTATED	<u>10,525,048</u>	<u>13,737</u>	<u>10,538,785</u>
NET POSITION, END OF YEAR	<u>\$ 10,945,524</u>	<u>\$ 39,493</u>	<u>\$ 10,985,017</u>

WEST VINCENT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

The cost of all governmental activities in 2020 was \$5,392,611. This cost was funded primarily by tax revenue of \$4,534,281, including the earned income tax, real estate taxes, and real estate transfer taxes. Charges for services, including permits, accounted for an additional \$574,839 in revenue, and intergovernmental revenue accounted for another \$410,595.

As indicated by governmental activities expenditures, public safety programs account for \$2,102,165, or approximately thirty-nine percent (39%) of the total expenditures of the Township's governmental activities. Public safety includes the police department, the Township's emergency management services, and contributions to the local fire departments which provide services to the Township. General administration, highways and streets services and culture and recreation account for approximately fourteen percent (14%), sixteen percent (16%) and seventeen (17%) respectively, of the total governmental activities expenditures for 2020.

Real estate taxes, earned income taxes, and other general revenues not designated for specific programs provide the major revenue sources for governmental activities. The earned income tax is the largest revenue source for governmental activities and accounted for \$2,982,357, or fifty-one percent (51%) of all governmental activity revenue in 2020. Charges for services and grants, real estate taxes, and real estate transfer taxes provided seven percent (7%), twenty-two percent (22%), and five percent (5%), respectively, of total governmental activity revenue.

Business-type (Proprietary Funds) Activities

As reflected in Table 2, sewer operating expenditures totaled \$140,225 for 2020.

As also reflected in the Statement of Net Position, total assets for the business-type activities as of December 31, 2020 were \$82,960. This included \$63,094 in cash and cash equivalents, and \$19,866 in accounts receivable.

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 spending at the end of the fiscal year.

As shown on pages 13 and 14, as of December 31, 2020, the Township's governmental funds reported combined ending fund balances of \$10,945,524, an increase of \$420,476 from the prior year.

Approximately thirty percent (30%), or \$3,233,803, is an unassigned fund balance in the General Fund, which means that it is available for spending at the Township's discretion. The remainder of the fund balance is either assigned or restricted, which means that it is not available for new spending because it has been assigned or restricted for capital improvements, open space, or other special purposes.

WEST VINCENT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

Major funds maintained by the Township include the following:

The **General Fund** is the chief operating fund of the Township. As of December 31, 2020, the total fund balance of the General Fund was \$3,233,803, a \$795,339 increase from 2019 due to revenues exceeding expenditures. As stated above, all of the General Fund's fund balance is "unassigned."

The **Liquid Fuels Fund** accounts for expenditures of state grants related to the liquid fuels program. The total fund balance as of December 31, 2020 was \$21,919, an increase of \$13,005 from 2019 due primarily to grant revenues exceeding expenditures in the current year.

The **Open Space Fund** provides funding for acquisition and maintenance of open space in which taxes are specifically levied. The total fund balance as of December 31, 2020 was \$2,339,576, an increase of \$453,432 from 2019 due primarily to earned income tax revenues exceeding expenditures for open space in the current year.

The **Road Improvement Fund** provides funding for capital road improvements which are not normal operating or maintenance-type expenditures reportable within the General Fund or other governmental funds. The total fund balance as of December 31, 2020 was \$4,716,766, an increase of \$40,642 from 2019 due primarily to interest revenues exceeding expenditures for capital outlays in the current year.

The **Capital Projects Fund** provides funding for capital improvements or other unique expenditures which are not normal operating or maintenance-type expenditures reportable within the General Fund or other governmental funds. The total fund balance as of December 31, 2020 was \$633,460, a decrease of \$881,942 from 2019 due primarily the use of fund balance to fund capital outlays in the current year.

Proprietary Fund – The Township's proprietary fund provides the same type of information found in the entity-wide financial statements, but in more detail.

The unrestricted net position of the proprietary fund at the end of the year, as reported on page 18, amounted to \$82,960.

GENERAL FUND BUDGETARY HIGHLIGHTS

The statement comparing the Township's General Fund budget and actual results can be found on page 15 of the financial statements.

During 2020, there were no revisions to the original approved General Fund budget.

The 2020 budget for the General Fund anticipated that revenues would exceed expenditures and other financing uses by \$74,571; however, the Township ended the year with actual revenues and other financing sources exceeding expenditures and other financing uses by \$795,339, or \$720,768 more than budget.

WEST VINCENT TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (CONT'D)

This positive budget variance was due primarily to:

- Revenue from earned income taxes was \$259,569 better than budget. Although receipts from the earned income tax exceeded the budgeted amount in 2020, the Township experienced a loss of income from this tax of approximately \$300,000 due residents not working because of the pandemic. An increase in the population of the Township because of new housing units being completed and occupied, overcame this reduction in revenue and supported the increase in the earned income tax receipts. The Township anticipates realizing the revenue lost in 2021.
- Public works expenditures were \$462,427 better than budget.
- Culture and recreation expenditures were \$221,300 better than budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

- The Township sold its wastewater collection and treatment systems to Bucks County Water and Sewer Authority ("BCWSA") in April 2018. The exception to the asset transfer is the collection system that is still under construction in the Pulte land development (Courts of Chester Springs). Under an agreement with BCWSA and Pulte, the Township collects the user fees from the residents, retains a five percent (5%) administrative fee, and forwards the balance to the BCWSA. The agreement will terminate upon the acceptance of the system by the Township. In accordance with the asset transfer agreement with BCWSA, the system will become part of the BCWSA upon acceptance of the improvements by the Township. It is anticipated that the system will be accepted by the Township in 2021.
- The Township has been informed that it will receive \$618,699.72 from the federal government through the Coronavirus Local Fiscal Recovery Fund, under the American Rescue Plan Act of 2021 (ARPA). This amount will be distributed to the Township by the state in two payments: \$309,350 in 2021 and another \$309,350 twelve (12) months later, in 2022. The funding objectives are strictly to support urgent COVID-19 response efforts, replace lost public-sector revenue, support immediate economic stabilization, and/or address systemic public health and economic challenges. The Treasury Department has set strict rules tightening how these funds may be used in these categories. The Township will have until December 31, 2024, to obligate the funds until December 31, 2026, to spend them.
- The worldwide COVID-19 pandemic is expected to continue to have an effect on the Township's operations during 2021.

This financial report is designed to provide a general overview of West Vincent 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: Treasurer, West Vincent Township, 729 St. Matthews Road, Chester Springs, PA 19425. General information relating to West Vincent Township can be found on its website, <https://www.westvincenttwp.org>.

WEST VINCENT TOWNSHIP
STATEMENT OF NET POSITION - MODIFIED ACCRUAL BASIS
DECEMBER 31, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 10,407,346	\$ 63,094	\$ 10,470,440
Accounts receivable	<u>761,039</u>	<u>19,866</u>	<u>780,905</u>
TOTAL ASSETS	<u><u>\$ 11,168,385</u></u>	<u><u>\$ 82,960</u></u>	<u><u>\$ 11,251,345</u></u>
LIABILITIES AND NET POSITION			
LIABILITIES			
Accounts payable	\$ 162,412	\$ 43,467	\$ 205,879
Accrued payroll	<u>60,449</u>	<u>-</u>	<u>60,449</u>
TOTAL LIABILITIES	<u><u>222,861</u></u>	<u><u>43,467</u></u>	<u><u>266,328</u></u>
NET POSITION:			
Restricted	2,361,495	-	2,361,495
Unrestricted	<u>8,584,029</u>	<u>39,493</u>	<u>8,623,522</u>
TOTAL NET POSITION	<u><u>10,945,524</u></u>	<u><u>39,493</u></u>	<u><u>10,985,017</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 11,168,385</u></u>	<u><u>\$ 82,960</u></u>	<u><u>\$ 11,251,345</u></u>

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

WEST VINCENT TOWNSHIP
STATEMENT OF ACTIVITIES - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Revenues		Net (Expenditure) Revenue and Changes in Net Position			
	Expenditures	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES						
General government	\$ 770,096	\$ 345,477	\$ 105,077	\$ (319,542)	\$ -	\$ (319,542)
Public safety	2,102,165	225,174	52,222	(1,824,769)	-	(1,824,769)
Public works	853,889	200	253,296	(600,393)	-	(600,393)
Health and human services	1,653	-	-	(1,653)	-	(1,653)
Culture and recreation	927,329	3,988	-	(923,341)	-	(923,341)
Community development	68,000	-	-	(68,000)	-	(68,000)
Other expenditures	6,067	-	-	(6,067)	-	(6,067)
Debt service	663,412	-	-	(663,412)	-	(663,412)
TOTAL GOVERNMENTAL ACTIVITIES	5,392,611	574,839	410,595	(4,407,177)	-	(4,407,177)
BUSINESS-TYPE ACTIVITIES						
Sewer operations	140,225	165,981	-	-	25,756	25,756
TOTAL BUSINESS-TYPE ACTIVITIES	140,225	165,981	-	-	25,756	25,756
TOTAL PRIMARY GOVERNMENT	\$ 5,532,836	\$ 740,820	\$ 410,595	(4,407,177)	25,756	(4,381,421)
GENERAL REVENUES						
Taxes:						
Real estate taxes				1,262,747	-	1,262,747
Real estate transfer taxes				289,177	-	289,177
Earned income taxes				2,982,357	-	2,982,357
Interest, rents, and royalties				163,908	-	163,908
Licenses and permits				75,071	-	75,071
Fines and forfeits				15,980	-	15,980
Other				38,413	-	38,413
TOTAL GENERAL REVENUES				4,827,653	-	4,827,653
CHANGE IN NET POSITION				420,476	25,756	446,232
NET POSITION, BEGINNING OF YEAR, RESTATED				10,525,048	13,737	10,538,785
NET POSITION, END OF YEAR				\$ 10,945,524	\$ 39,493	\$ 10,985,017

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

WEST VINCENT TOWNSHIP
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED ACCRUAL BASIS
DECEMBER 31, 2020

	General Fund	Liquid Fuels Fund	Open Space Fund	Road Improvement Fund	Capital Projects Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,799,285	\$ 21,934	\$ 2,168,517	\$ 4,739,441	\$ 678,169	\$ 10,407,346
Accounts receivable	589,980	-	171,059	-	-	761,039
TOTAL ASSETS	<u>\$ 3,389,265</u>	<u>\$ 21,934</u>	<u>\$ 2,339,576</u>	<u>\$ 4,739,441</u>	<u>\$ 678,169</u>	<u>\$ 11,168,385</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 95,013	\$ 15	\$ -	\$ 22,675	\$ 44,709	\$ 162,412
Accrued payroll	60,449	-	-	-	-	60,449
LIABILITIES	<u>155,462</u>	<u>15</u>	<u>-</u>	<u>22,675</u>	<u>44,709</u>	<u>222,861</u>
FUND BALANCES						
Restricted for:						
Highways and streets	-	21,919	-	-	-	21,919
Open space	-	-	2,339,576	-	-	2,339,576
Assigned for:						
Capital projects	-	-	-	4,716,766	633,460	5,350,226
Unassigned	3,233,803	-	-	-	-	3,233,803
TOTAL FUND BALANCES	<u>3,233,803</u>	<u>21,919</u>	<u>2,339,576</u>	<u>4,716,766</u>	<u>633,460</u>	<u>10,945,524</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,389,265</u>	<u>\$ 21,934</u>	<u>\$ 2,339,576</u>	<u>\$ 4,739,441</u>	<u>\$ 678,169</u>	<u>\$ 11,168,385</u>

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

WEST VINCENT TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Liquid Fuels Fund	Open Space Fund	Road Improvement Fund	Capital Projects Fund	Total
REVENUES						
Taxes:						
Real estate tax	\$ 1,262,747	\$ -	\$ -	\$ -	\$ -	\$ 1,262,747
Transfer tax	289,177	-	-	-	-	289,177
Earned income tax	1,994,569	-	987,788	-	-	2,982,357
Licenses and permits	75,071	-	-	-	-	75,071
Fines and forfeits	15,980	-	-	-	-	15,980
Interest, rents, and royalties	30,796	686	20,223	99,966	12,237	163,908
Intergovernmental revenues	158,535	252,060	-	-	-	410,595
Charges for services	574,839	-	-	-	-	574,839
Miscellaneous revenue/other	27,399	-	-	-	-	27,399
TOTAL REVENUES	<u>4,429,113</u>	<u>252,746</u>	<u>1,008,011</u>	<u>99,966</u>	<u>12,237</u>	<u>5,802,073</u>
EXPENDITURES						
Current:						
General government	770,096	-	-	-	-	770,096
Public safety	2,102,165	-	-	-	-	2,102,165
Health and human services	1,653	-	-	-	-	1,653
Public works - highways and streets	554,824	239,741	-	59,324	-	853,889
Culture and recreation	33,150	-	-	-	894,179	927,329
Community development	13,000	-	55,000	-	-	68,000
Other expenditures	6,067	-	-	-	-	6,067
Debt service:						
Principal	130,000	-	405,000	-	-	535,000
Interest	33,833	-	94,579	-	-	128,412
TOTAL EXPENDITURES	<u>3,644,788</u>	<u>239,741</u>	<u>554,579</u>	<u>59,324</u>	<u>894,179</u>	<u>5,392,611</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>784,325</u>	<u>13,005</u>	<u>453,432</u>	<u>40,642</u>	<u>(881,942)</u>	<u>409,462</u>
OTHER FINANCING SOURCES						
Refund of prior year expenditures	11,014	-	-	-	-	11,014
TOTAL OTHER FINANCING SOURCES	<u>11,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,014</u>
NET CHANGE IN FUND BALANCES	795,339	13,005	453,432	40,642	(881,942)	420,476
FUND BALANCES, BEGINNING OF YEAR, RESTATED	<u>2,438,464</u>	<u>8,914</u>	<u>1,886,144</u>	<u>4,676,124</u>	<u>1,515,402</u>	<u>10,525,048</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,233,803</u>	<u>\$ 21,919</u>	<u>\$ 2,339,576</u>	<u>\$ 4,716,766</u>	<u>\$ 633,460</u>	<u>\$ 10,945,524</u>

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

**WEST VINCENT TOWNSHIP
BUDGETARY COMPARISON STATEMENT - GENERAL FUND - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES			
Taxes:			
Real estate tax	\$ 1,320,000	\$ 1,262,747	\$ (57,253)
Transfer tax	375,000	289,177	(85,823)
Earned income tax	1,735,000	1,994,569	259,569
Licenses and permits	91,200	75,071	(16,129)
Fines and forfeits	11,000	15,980	4,980
Interest, rents, and royalties	29,500	30,796	1,296
Intergovernmental revenues	161,900	158,535	(3,365)
Charges for services	619,850	574,839	(45,011)
Miscellaneous revenue/other	2,000	27,399	25,399
TOTAL REVENUES	<u>4,345,450</u>	<u>4,429,113</u>	<u>83,663</u>
EXPENDITURES			
Current:			
General government	764,335	770,096	(5,761)
Public safety	2,021,483	2,102,165	(80,682)
Health and human services	6,300	1,653	4,647
Public works - highways and streets	1,017,251	554,824	462,427
Culture and recreation	254,450	33,150	221,300
Community development	24,250	13,000	11,250
Other expenses	30,400	6,067	24,333
Debt service:			
Principal	130,000	130,000	-
Interest	33,910	33,833	77
TOTAL EXPENDITURES	<u>4,282,379</u>	<u>3,644,788</u>	<u>637,591</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>63,071</u>	<u>784,325</u>	<u>721,254</u>
OTHER FINANCING SOURCES			
Proceeds from the sales of fixed assets	11,500	-	(11,500)
Refunds of prior year expenditures	-	11,014	11,014
TOTAL OTHER FINANCING SOURCES	<u>11,500</u>	<u>11,014</u>	<u>(486)</u>
NET CHANGE IN FUND BALANCE	74,571	795,339	720,768
FUND BALANCE, BEGINNING OF YEAR, RESTATED	<u>2,438,464</u>	<u>2,438,464</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,513,035</u>	<u>\$ 3,233,803</u>	<u>\$ 720,768</u>

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

**WEST VINCENT TOWNSHIP
BUDGETARY COMPARISON STATEMENT - LIQUID FUELS FUND - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES			
Interest, rents, and royalties	\$ 1,500	\$ 686	\$ (814)
Intergovernmental revenues	247,152	252,060	4,908
TOTAL REVENUES	<u>248,652</u>	<u>252,746</u>	<u>4,094</u>
EXPENDITURES			
Current:			
Public works - highways and streets	248,652	239,741	8,911
TOTAL EXPENDITURES	<u>248,652</u>	<u>239,741</u>	<u>8,911</u>
NET CHANGE IN FUND BALANCE	-	13,005	13,005
FUND BALANCE, BEGINNING OF YEAR	<u>8,914</u>	<u>8,914</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 8,914</u>	<u>\$ 21,919</u>	<u>\$ 13,005</u>

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

**WEST VINCENT TOWNSHIP
BUDGETARY COMPARISON STATEMENT - OPEN SPACE FUND - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Original and Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes:			
Earned income taxes	\$ 835,000	\$ 987,788	\$ 152,788
Interest, rents, and royalties	20,000	20,223	223
TOTAL REVENUES	<u>855,000</u>	<u>1,008,011</u>	<u>153,011</u>
EXPENDITURES			
Current:			
Community development	1,030,395	55,000	975,395
Debt service:			
Principal	405,000	405,000	-
Interest	94,605	94,579	26
TOTAL EXPENDITURES	<u>1,530,000</u>	<u>554,579</u>	<u>975,421</u>
NET CHANGE IN FUND BALANCE	(675,000)	453,432	1,128,432
FUND BALANCE, BEGINNING OF YEAR, RESTATED	<u>1,886,144</u>	<u>1,886,144</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 1,211,144</u></u>	<u><u>\$ 2,339,576</u></u>	<u><u>\$ 1,128,432</u></u>

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

WEST VINCENT TOWNSHIP
STATEMENT OF NET POSITION - PROPRIETARY FUND - MODIFIED ACCRUAL BASIS
DECEMBER 31, 2020

	Sewer Fund
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 63,094
Accounts receivable	19,866
TOTAL ASSETS	\$ 82,960
LIABILITIES AND NET POSITION	
Accounts payable and accrued expenses	\$ 43,467
LIABILITIES	43,467
NET POSITION	
Unrestricted Net Position	39,493
TOTAL LIABILITIES AND NET POSITION	\$ 82,960

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

WEST VINCENT TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION -
PROPRIETARY FUND - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Sewer Fund
OPERATING REVENUES	
Charges for services	\$ 165,981
TOTAL OPERATING REVENUES	165,981
OPERATING EXPENDITURES	
Wastewater collection and treatment	140,225
TOTAL OPERATING EXPENDITURES	140,225
CHANGE IN NET POSITION	25,756
NET POSITION, BEGINNING OF YEAR, RESTATED	13,737
NET POSITION, END OF YEAR	\$ 39,493

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

**WEST VINCENT TOWNSHIP
STATEMENT OF NET POSITION - FIDUCIARY FUND - MODIFIED ACCRUAL BASIS
DECEMBER 31, 2020**

	Escrow Fund
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 236,024
TOTAL ASSETS	\$ 236,024
LIABILITIES	\$ -
NET POSITION	
Net position - unrestricted	236,024
TOTAL LIABILITIES AND NET POSITION	\$ 236,024

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

WEST VINCENT TOWNSHIP
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND - MODIFIED ACCRUAL BASIS
DECEMBER 31, 2020

	<u>Escrow Fund</u>
ADDITIONS	
Developer deposits	\$ 24,054
TOTAL ADDITIONS	24,054
DEDUCTIONS	
Developer deposits released	118,292
TOTAL DEDUCTIONS	118,292
CHANGE IN NET POSITION	(94,238)
NET POSITION, BEGINNING OF YEAR	330,262
NET POSITION, END OF YEAR	\$ 236,024

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

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

West Vincent Township ("the Township") is a municipal corporation existing and operating under the Township Code of the Commonwealth of Pennsylvania. The Township provides general government, public safety, highway and street, culture and recreation, community development, and some limited utility services (water and sewer) to the residents of the Township.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position - modified accrual basis and the statement of activities - modified accrual basis) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

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 property and earned income tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenues for state and federally funded projects are recognized at the time all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Township must provide local

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Township on a reimbursement basis.

If applicable, property tax receivables collected after 60 days from year end, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax receivables are recorded as deferred inflows of resources until they become available.

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

Expenditure Recognition

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

The financial statements utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. The operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net position - modified accrual basis, statement of activities - modified accrual basis, and the fund financial statements - modified accrual basis, governmental and business-type activities are presented using the modified accrual basis of accounting. 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 changed its basis of accounting from the cash basis of accounting to the modified accrual basis of accounting during 2020. The Township is working toward issuing financial statements prepared in accordance with accounting principles generally accepted in the United States of America.

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

Financial Statement Presentation

The Township reports the following governmental funds:

- The *General Fund* is the Township'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 *State Liquid Fuels Highway Aid Fund (Liquid Fuels Fund)* is a special revenue fund used to account for highway-related projects in the Township. The primary revenue stream is grant revenue.
- The *Open Space Fund* is a special revenue fund used to acquire land for recreational purposes and preserve natural areas. The primary revenue stream is earned income tax.
- The *Road Improvement Fund* is used to account for resources to be used for the Road Improvement Program.
- The *Capital Projects Fund* is used to account for resources to be used for capital projects.

The Township reports the following proprietary fund:

- The *Sewer Fund* accounts for some limited utility services (water and sewer) provided to residents.

The Township reports the following fiduciary fund:

- The *Escrow Fund* is a custodial fund used to hold escrow accounts for those transacting business within the Township.

Assets, Liabilities, and Net Position or Fund Balance

Deposits

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.

State law allows the Township to invest in obligations of the United States of America, the Commonwealth of Pennsylvania, or any agency or instrumentality of either, which are secured by the full faith and credit of such entity. The law also allows for the Township to invest in

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

certificates of deposit of banks, savings and loans, and savings banks both within and outside the Commonwealth of Pennsylvania, provided such amounts are insured by the Federal Deposit Insurance Corporation ("FDIC") or other like insurance, and that deposits in excess of such insurance are collateralized by the depository. The Township may also invest in shares of registered investment companies, provided that investments of the company are authorized investments, as noted above.

Property Taxes

Property taxes are levied as of January 1 on property values assessed as of the same date.

Taxes and fees are billed February 1 and payable under the following terms: a two percent discount February 1 through March 31; face amount April 1 through May 31; and a ten percent penalty after May 31. Any unpaid bills at December 31 are subject to lien, and penalties and interest are assessed.

Long-term Obligations

Long-term debt and other long-term obligations are expensed as paid under the modified accrual basis of accounting. Any issuance premiums or discounts, as well as issuance costs, are recorded as other financing sources and uses at the time of issuance.

Net Position

In the government-wide financial statements, net position can be classified in the following categories:

- Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This category represents net position of the entity, not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

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 funds can be spent. Fund balance for governmental funds can consist of the following:

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

- Non-spendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- Restricted Fund Balance – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the Township's highest level of decision-making authority, the Board of Supervisors. Commitments may be changed or lifted only by the Township taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).
- Assigned Fund Balance – includes amounts intended to be used by the Township for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the Township Board of Supervisors or (b) a body (a budget, finance committee, or Township Manager and Director) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) that are not classified as non-spendable, restricted, or committed.
- Unassigned Fund Balance – this residual classification is used for any residual amounts in the General Fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned. In all cases, encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

Budgetary Information

Annual budgets are adopted on the modified accrual basis of accounting for all funds. All appropriations lapse at year end unless the Board of Supervisors approves a carry-over of an unused budget line item.

Beginning at least 30 days prior to the adoption of the budget, a proposed budget is prepared in a manner designated by the Board of Supervisors. Notice that the proposed budget is available for inspection is published by the Township Secretary in a newspaper of general

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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

circulation. The budget is then made available for a 10-day period. The Board of Supervisors must adopt the budget through a motion by December 31. It is also the duty of the Board of Supervisors to adopt an ordinance levying taxes as allowed by Township Code. All budget revisions require the approval of the Board of Supervisors.

NOTE 2 CASH AND CASH EQUIVALENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The Township is required by statute to deposit funds in depositories that are either banks, banking institutions, or trust companies located in the Commonwealth of Pennsylvania. To the extent that such deposits exceed federal insurance, the depositories must pledge as collateral obligations of the United States of America, the Commonwealth of Pennsylvania, or any political subdivision of the Commonwealth. Under Act 72 of 1971 ("Act 72"), as amended, the depositories may meet this collateralization requirement by pooling appropriate securities to cover all public funds on deposit excluding the pension funds. At December 31, 2020, the carrying amount of the Township's deposits was \$10,706,464, and the bank balance was \$10,941,385, the difference being outstanding checks and deposits in transit. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$5,708,243 was collateralized by pooled securities in accordance with Act 72. The deposits collateralized in accordance with Act 72 were exposed to custodial credit risk because they were uninsured, and the collateral held by the depository's agent was not in the Township's name.

The remaining \$4,983,142 of the Township's deposits were in the Pennsylvania Local Government Investment Trust ("PLGIT"). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PLGIT acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized rating organization (Standard & Poor's rating of AAAM as of December 31, 2020), and is subject to an independent annual audit.

NOTE 3 LONG-TERM DEBT

During 2016, the Township issued \$5,825,000 of General Obligation Bonds dated September 21, 2016 ("the 2016 General Obligation Bonds") for the purpose of advance refunding \$5,795,000 of the outstanding 2012 General Obligation Bonds. The bonds will mature in December 2031 with interest ranging from 1.0 percent to 2.5 percent due in semi-annual installments in June and December.

WEST VINCENT TOWNSHIP
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2020

NOTE 3 LONG-TERM DEBT (cont'd)

The schedule of future principal maturities and annual interest at December 31, 2020 is as follows:

Governmental Activities:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Maturities</u>
2021	\$ 545,000	\$ 112,465	\$ 657,465
2022	565,000	90,665	655,665
2023	585,000	79,365	664,365
2024	415,000	67,665	482,665
2025	360,000	59,365	419,365
2026 - 2030	1,900,000	182,845	2,082,845
2031	395,000	9,875	404,875
	<u>\$ 4,765,000</u>	<u>\$ 602,245</u>	<u>\$ 5,367,245</u>

A schedule of changes in debt is as follows:

	<u>Beginning Balance 1/1/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 12/31/20</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
2016 General Obligation Bonds	<u>\$ 5,300,000</u>	<u>\$ -</u>	<u>\$ 535,000</u>	<u>\$ 4,765,000</u>	<u>\$ 545,000</u>

For the year ended December 31, 2020, interest paid for the governmental activities was \$128,412.

NOTE 4 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures Over the Budget

For the year ended December 31, 2020, the Township incurred expenditures in excess of the budget in the following functions:

General Fund

General Government	\$ 5,761
Public Safety	\$ 80,682

WEST VINCENT TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont'd)

The excess expenditures were covered by revenues exceeding budgeted amounts, other expenditure category appropriations which did not exceed their budgets.

NOTE 5 CHANGE IN BASIS OF ACCOUNTING

Effective January 1, 2020, the Township changed their basis of accounting from the cash basis of accounting to the modified accrual basis of accounting. As a result, the beginning net position of the governmental activities and business-type activities/Sewer Fund have been increased by \$490,826 and decreased by \$39,545, respectively. In addition, the beginning fund balance of the General Fund and Open Space Fund have been increased by \$337,939 and \$153,547, respectively, and the beginning fund balance of the Road Improvement Fund has been decreased by \$660.

NOTE 6 UNCERTAINTY

As a result of the spread of the COVID-19 coronavirus which is ongoing at December 31, 2020, economic and operational uncertainties have arisen which may impact the Township in 2021. There exist uncertainties surrounding the Township's operations which will have a direct impact on revenue and expenditure items. The extent of the potential impact is unknown as the COVID-19 pandemic continues to develop.

NOTE 7 SUBSEQUENT EVENTS

In February 2021, the Township issued General Obligation Notes, 2021 Series A in the amount of \$500,000.

The Township has evaluated all subsequent events through August 24, 2021, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**WEST VINCENT TOWNSHIP
BUDGETARY COMPARISON SCHEDULE - ROAD IMPROVEMENT
AND CAPITAL PROJECTS FUNDS - MODIFIED ACCRUAL BASIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Original and Final Budget	Actual Amounts (Budgetary Basis)	Variance Positive (Negative)
REVENUES			
Interest, rents, and royalties	\$ 100,000	\$ 112,203	\$ 12,203
TOTAL REVENUES	<u>100,000</u>	<u>112,203</u>	<u>12,203</u>
EXPENDITURES			
Current:			
General government	265,000	-	265,000
Public works - highways and streets	1,350,000	59,324	1,290,676
Culture and recreation	-	894,179	(894,179)
TOTAL EXPENDITURES	<u>1,615,000</u>	<u>953,503</u>	<u>661,497</u>
NET CHANGE IN FUND BALANCE	(1,515,000)	(841,300)	673,700
FUND BALANCE, BEGINNING OF YEAR, RESTATE	<u>6,191,526</u>	<u>6,191,526</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,676,526</u>	<u>\$ 5,350,226</u>	<u>\$ 673,700</u>