

TOWNSHIP OF FOX, PENNSYLVANIA

December 31, 2021

TOWNSHIP OF FOX, PENNSYLVANIA

Kersey, Pennsylvania

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2021

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SHARKEY PICCIRILLO & KEEN, LLP
CERTIFIED PUBLIC ACCOUNTANTS

DuBois, Pennsylvania 15801

INDEPENDENT AUDITOR'S REPORT

To the Board of Township Supervisors
Township of Fox, Pennsylvania
Kersey, Pennsylvania

Adverse, Qualified, and Unmodified 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 the Township of Fox, Pennsylvania, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter described in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of the Township of Fox, Pennsylvania, as of December 31, 2021, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion on Aggregate Remaining Fund Information

In our opinion, except for the matter described in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information for the primary government of the Township of Fox, Pennsylvania, as of December 31, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Business-Type Activities, and Each Major Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund for the primary government of the Township of Fox, Pennsylvania, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse, Qualified, and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the Township of Fox, Pennsylvania, 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 adverse, qualified, and unmodified opinions.

Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units and Qualified Opinion on the Aggregate Remaining Fund Information

The financial statements do not include financial data for the Township of Fox, Pennsylvania's legally separate component units. Accounting principles generally accepted in the United States of America require financial data for those component units to be reported with the financial data of the Township's primary government unless the Township of Fox, Pennsylvania also issues financial statements for the financial reporting entity that include the financial data for its component units. The Township of Fox, Pennsylvania has not issued such reporting entity financial statements. The effects of not including the Township of Fox, Pennsylvania's legally separate component units on the aggregate discretely presented component units and the aggregate remaining fund information have not been determined.

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 the Township of Fox, Pennsylvania'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 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, 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 the Township of Fox, Pennsylvania'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 the Township of Fox, Pennsylvania'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 31-33 be presented to supplement the basic primary government financial statements. Such information is the responsibility of management and, although not a part of the basic primary government 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 primary government financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic primary government financial statements, and other knowledge we obtained during our audit of the basic primary government 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic primary government financial statements. Such missing information, although not a part of the basic primary government 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 primary government financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic primary government financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Fox, Pennsylvania's basic primary government financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the primary government basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic primary government financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic primary government 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 primary government financial statements or to the basic primary government financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the primary government basic financial statements as a whole.

Sharkey Piccirillo + Keen, LLP

SHARKEY PICCIRILLO & KEEN, LLP
January 20, 2023

TOWNSHIP OF FOX, PENNSYLVANIA

STATEMENT OF NET POSITION

December 31, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash			
Investments	\$ 4,816,654	\$ 16,386	\$ 4,833,040
Accounts receivable	12,200,195	-	12,200,195
Taxes receivable	-	20,109	20,109
Due from other funds	9,826	-	9,826
Prepaid expenses	7,468	-	7,468
Notes receivable	21,903	-	21,903
Capital assets:	1,155,944	-	1,155,944
Land			
Land improvements	138,163	47,524	185,687
Infrastructure	790,181	1,418	791,599
Water system and reservoir	5,979,317	-	5,979,317
Buildings and improvements	-	442,493	442,493
Equipment	2,755,413	366,059	3,121,472
Accumulated depreciation	3,852,091	92,976	3,945,067
	(8,178,713)	(750,259)	(8,928,972)
Total Assets	23,548,442	236,706	23,785,148
LIABILITIES			
Accounts payable			
Hauling deposits	23,956	-	23,956
Due to other governments	33,455	-	33,455
Due to other funds	1,420	-	1,420
	-	7,468	7,468
Total Liabilities	58,831	7,468	66,299
NET POSITION			
Net investment in capital assets			
Restricted for:	5,336,452	200,211	5,536,663
Public works			
Unrestricted	89,126	-	89,126
	18,064,033	29,027	18,093,060
Total Net Position	\$ 23,489,611	\$ 229,238	\$ 23,718,849

See accompanying notes to basic financial statements.

TOWNSHIP OF FOX, PENNSYLVANIA

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2021

Functions/Programs	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	Total
Primary Government:							
Governmental activities:							
General government	455,105	\$ 733,172	\$ 263,104	\$ -	\$ 541,171	\$ -	\$ 541,171
Public safety	178,031	-	16,809	-	(161,222)	-	(161,222)
Public works	939,178	-	279,219	-	(659,959)	-	(659,959)
Culture and recreation	223,012	9,066	44,952	-	(168,994)	-	(168,994)
Community services	65,302	2,200	-	-	(63,102)	-	(63,102)
Total governmental activities	1,860,628	744,438	604,084	-	(512,106)	-	(512,106)
Business-type activities:							
Water	92,369	70,965	-	-	-	(21,404)	(21,404)
Total business-type activities	92,369	70,965	-	-	-	(21,404)	(21,404)
Total Primary Government	\$ 1,952,997	\$ 815,403	\$ 604,084	\$ -	(512,106)	(21,404)	(533,510)
General Revenues:							
Taxes:							
Real estate					181,674	-	181,674
Per capita					11,873	-	11,873
Realty transfer					36,854	-	36,854
Earned income					417,209	-	417,209
Local services					10,319	-	10,319
Occupational					501	-	501
Intergovernmental revenues					21,093	-	21,093
Interest					89,118	-	89,118
Miscellaneous					2,705	-	2,705
Gain on sale of capital assets					42,875	-	42,875
Total General Revenues and Transfers					814,221	-	814,221
Change in Net Position					302,115	(21,404)	280,711
Net Position - Beginning					23,187,496	250,607	23,438,103
Net Position - Ending					\$ 23,489,611	\$ 229,203	\$ 23,718,814

See accompanying notes to basic financial statements.

TOWNSHIP OF FOX, PENNSYLVANIA

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2021

<u>ASSETS</u>	General	State	Other Governmental Funds	Total Governmental Funds
Cash				
Investments	\$ 4,356,548	\$ 113,082	\$ 347,024	\$ 4,816,654
Taxes receivable	12,200,195	-	-	12,200,195
Due from other funds	8,129	-	1,697	9,826
Prepaid expenses	14,679	-	-	14,679
Total Assets	<u>\$ 16,601,454</u>	<u>\$ 113,082</u>	<u>\$ 348,721</u>	<u>\$ 17,063,257</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ 23,956	\$ -	\$ 23,956
Hauling deposits	33,455	-	-	33,455
Due to other funds	-	-	-	-
Due to other governments	1,420	-	7,211	7,211
Total Liabilities	<u>34,875</u>	<u>23,956</u>	<u>7,211</u>	<u>66,042</u>
Fund Balances:				
Nonspendable				
Restricted:	21,903	-	-	21,903
Public works				
Assigned:		89,126		89,126
Capital projects				
Public safety	139,653	-	-	139,653
Public works			312,965	312,965
Culture and recreation	36,488	-	-	36,488
Unassigned			28,545	28,545
Total Fund Balances	<u>16,368,535</u>	<u>89,126</u>	<u>341,510</u>	<u>16,368,535</u>
Total Liabilities and Fund Balances	<u>\$ 16,601,454</u>	<u>\$ 113,082</u>	<u>\$ 348,721</u>	<u>\$ 17,063,257</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF FOX, PENNSYLVANIA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

December 31, 2021

Total Fund Balances - Governmental Funds		\$ 16,997,215
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:		
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$ 13,515,165	
Less accumulated depreciation	<u>(8,178,713)</u>	
		5,336,452
Certain long-term receivables are not currently available and, therefore, are not reported in the funds:		
Notes receivable		<u>1,155,944</u>
Net Assets of Governmental Activities		<u>\$ 23,489,611</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF FOX, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

	<u>General</u>	<u>State</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes				
Intergovernmental	\$ 580,124	\$ -	\$ 78,306	\$ 658,430
Charges for services	358,549	218,929	-	577,478
Interest	744,438	-	-	744,438
Miscellaneous	89,118	13	39	89,170
Total Revenues	<u>1,822,476</u>	<u>218,942</u>	<u>105</u>	<u>50,352</u>
			78,450	2,119,868
Expenditures:				
Current:				
General government	437,664	-	-	437,664
Public safety	110,393	-	20,323	130,716
Public works	444,991	89,638	-	534,629
Culture and recreation	162,639	-	201	162,840
Community services	18,201	-	-	18,201
Capital outlay	377,068	49,262	-	426,330
Total Expenditures	<u>1,550,956</u>	<u>138,900</u>	<u>20,524</u>	<u>1,710,380</u>
Excess (Deficiency) of Revenues over Expenditures	<u>271,520</u>	<u>80,042</u>	<u>57,926</u>	<u>409,488</u>
Other Financing Sources (Uses):				
Proceeds from sale of capital assets	42,875	-	-	42,875
Total Other Financing Sources (Uses)	<u>42,875</u>	<u>-</u>	<u>-</u>	<u>42,875</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>314,395</u>	<u>80,042</u>	<u>57,926</u>	<u>452,363</u>
Fund Balances-Beginning	<u>16,252,184</u>	<u>9,084</u>	<u>283,584</u>	<u>16,544,852</u>
Fund Balances-Ending	<u>\$ 16,566,579</u>	<u>\$ 89,126</u>	<u>\$ 341,510</u>	<u>\$ 16,997,215</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF FOX, PENNSYLVANIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES

December 31, 2021

Net Changes in Fund Balances - Total Governmental Funds		\$	452,363
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets are depreciated over their estimated useful lives:			
Expenditures for capital assets		\$	426,330
Less: current year depreciation			<u>(576,578)</u>
			<u>(150,248)</u>
Change in Net Position of Governmental Activities		\$	<u>302,115</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF FOX, PENNSYLVANIA

STATEMENT OF NET POSITION

PROPRIETARY FUND

December 31, 2021

<u>ASSETS</u>	
Current assets:	
Cash	\$ 16,386
Accounts receivable	20,109
Total current assets	<u>36,495</u>
Noncurrent assets:	
Capital Assets:	
Land	47,524
Land improvements	1,418
Water system and reservoir	442,493
Buildings and improvements	366,059
Equipment	92,976
Less accumulated depreciation	(750,259)
Total noncurrent assets	<u>200,211</u>
Total assets	<u>236,706</u>
 <u>LIABILITIES</u>	
Current liabilities:	
Due to other funds	7,468
Total current liabilities	<u>7,468</u>
 <u>NET POSITION</u>	
Net investment in capital assets	200,211
Unrestricted	29,027
Total net position	<u>\$ 229,238</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF FOX, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUND

For the Year Ended December 31, 2021

Operating Revenues:	
Charges for services	\$ 69,965
Tap fees	1,000
Miscellaneous	35
Total Operating Revenues	<u>71,000</u>
Operating Expenses:	
Emergency water supply	68,197
Materials and supplies	2,291
Lab fees	1,886
Contractual services	2,850
Utilities	2,548
Administrative and general	1,405
Repairs and maintenance	1,315
Depreciation	11,877
Total Operating Expenses	<u>92,369</u>
Change in Net Position	(21,369)
Total Net Position - Beginning	<u>250,607</u>
Total Net Position - Ending	<u>\$ 229,238</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF FOX, PENNSYLVANIA

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

For the Year Ended December 31, 2021

Cash Flows from Operating Activities:	
Receipts from customers	\$ 76,026
Payments to vendors and suppliers	(77,642)
Net Cash Used in Operating Activities	<u>(1,616)</u>
Cash Flows from Investing Activities:	
Acquisitions of capital assets	<u>(85,183)</u>
Net Decrease in Cash	(86,799)
Cash:	
Beginning	<u>103,185</u>
Ending	<u>\$ 16,386</u>
Reconciliation of Operating Loss To Net Cash Used In Operating Activities:	
Operating Loss	\$ (21,369)
Adjustments to Reconcile Operating Loss to	
Net Cash Used In Operating Activities:	
Depreciation	11,877
Decrease in accounts receivable	5,026
Increase in due to other funds	2,850
Net Cash Used In Operating Activities	<u>\$ (1,616)</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF FOX, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

December 31, 2021

<u>ASSETS</u>	<u>Pension Trust Fund</u>
Investment assets, at fair value:	
Fixed annuities	\$ 334,099
Equity mutual funds	591,463
Total Investment Assets, at Fair Value	<u>\$ 925,562</u>
 <u>LIABILITIES</u>	 <hr style="width: 10%; margin: auto;"/>
 <u>NET POSITION</u>	
Net position restricted for pension benefits	 <u>\$ 925,562</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF FOX, PENNSYLVANIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

For the Year Ended December 31, 2021

	<u>ADDITIONS</u>	<u>Pension Trust Fund</u>
Contributions:		
State Aid		\$ 16,800
Total contributions		<u>16,800</u>
Investment Income:		
Net Increase in Fair Value of Investments		76,564
Net investment Income		<u>76,564</u>
Total Additions		<u>93,364</u>
	<u>DEDUCTIONS</u>	
Contract fees and charges		70
Benefits		-
Total Deductions		<u>70</u>
Change in Net Position		93,294
Net Position Restricted for Pension Benefits - Beginning		<u>832,268</u>
Net Position Restricted for Pension Benefits - Ending		<u>\$ 925,562</u>

See accompanying notes to basic financial statements.

TOWNSHIP OF FOX, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 1 – Reporting Entity

The Township of Fox, Pennsylvania is a body corporate and politic created under the provisions of the Commonwealth of Pennsylvania. The Township is governed by an elected Board of Supervisors. The Township provides what are considered general government services including public safety, streets, parks and recreation, community services, planning and zoning, permits and inspection, general administrative, and water services.

The major accounting principles and practices followed by the Township are presented below to assist the reader in evaluating the financial statements and the accompanying notes.

Consistent with the guidance contained in GASB No. 14, *The Financial Reporting Entity*, the criteria used by the Township to evaluate the possible inclusion of related entities (Authorities, Boards, Councils, etc.) within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the Township reviews the applicability of the following criteria:

The Township is financially accountable for:

1. Organizations that make up the legal Township entity.
2. Legally separate organizations if Township officials appoint a voting majority of the organizations' governing body and the Township is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.
 - a. Impose its Will - If the Township can significantly influence the programs, projects, or activities of, or the level or services performed or provided by, the organization.
 - b. Financial Benefit or Burden - Exists if the Township:
 - (1) is entitled to the organization's resources, or
 - (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization, or
 - (3) is obligated in some manner for the debt of the organization.
3. Organizations that are fiscally dependent on the Township. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the Township.

The financial statements include only the primary government of the Township of Fox, Pennsylvania, which consists of all funds, organizations institutions, agencies, departments, and offices that comprise the Township's legal entity. The primary government financial statements do not include financial data for the Township's legally separate component units or joint ventures/jointly governed organizations. However, based on the foregoing criteria, the organization listed below has been identified as a component unit which would otherwise be includible in the Township's financial reporting entity:

TOWNSHIP OF FOX, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 1 – Reporting Entity (Continued)

Fox Township Sewer Authority was incorporated under the Municipality Authorities Act of 1945 and operates with a board appointed by the Township Council. The Authority was created by the Township to operate and maintain the Township's sewer system, and to either borrow funds or issue bonds to carry out its purpose. The Authority's fiscal year is from January to December and separately issued financial statements of the Authority are available through the Authority's office at 116 Irishtown Road, Kersey, PA 15846.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the Township have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

Significant accounting policies of the Township are described below.

A. Basis of Presentation

The Township's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Township as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the financial condition of the governmental and business-type activities of the Township at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Township's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods and services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Township. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the Township.

TOWNSHIP OF FOX, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

A. Basis of Presentation (Continued)

Fund Financial Statements

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 are designed to present financial information of the Township at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. A fund is considered major if it is the primary operating fund of the Township or meets the following criteria: total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The Township reports the difference between its governmental fund assets and deferred outflows of resources and its liabilities and deferred inflows of resources as fund balance. The following are the Township's major governmental funds:

General Fund

The General Fund is the primary operating fund of the Township. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

State Fund

The State Fund is a special revenue fund used to account for the Township's share of liquid fuels tax revenues from the Commonwealth of Pennsylvania, which are restricted for maintenance and upgrading of roads, streets, and bridges.

TOWNSHIP OF FOX, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

Governmental Funds (Continued)

The other governmental funds of the Township account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Operating revenues and expenses generally result from providing services and producing or delivering goods or services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The Township's proprietary fund is classified as an enterprise fund, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges in a manner similar to private business enterprises.

The Township's sole proprietary fund is the Toby Water Fund, which is reported as a major enterprise fund. The Toby Water Fund accounts for the operation and maintenance of the Township's water supply and distribution system.

Fiduciary Funds

Fiduciary funds are used to account for resources held by the Township in a trust or custodial capacity for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide financial statements. The Township utilizes one fiduciary fund, the Pension Trust Fund, which accounts for the assets of the Township's pension plan.

C. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Township are included on the statement of net position and the statement of activities present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

TOWNSHIP OF FOX, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

Governmental fund financial statements are prepared using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports the sources (revenues and other financing resources) and uses (expenditures and other financing uses) of current financial resources. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers revenues to be available when they are collected within 60 days of the end of the year. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Proprietary and fiduciary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

D. Cash and Cash Equivalents

For the purposes of the statement of cash flows for the proprietary fund, the Township considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents at December 31, 2021.

E. Accounts Receivable

The Township considers all accounts receivable of the proprietary fund to be fully collectible; accordingly, no allowance for doubtful accounts is required. Accounts determined to be uncollectible are charged to operations in the period that available collection methods are exhausted.

F. Taxes Receivable and Uncollectible Taxes

Taxes receivable are reported net of an allowance for uncollectible taxes of \$9,826. The Township considers all taxes assessed and not received within one year to be uncollectible.

G. Capital Assets and Depreciation

Capital assets purchased and constructed are reported at cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Maintenance and repairs are charged to operations. Renewals and betterments are capitalized and depreciated based upon the expected life of such improvements. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

TOWNSHIP OF FOX, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

G. Capital Assets and Depreciation (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	10-25 years
Buildings and improvements	10-40 years
Infrastructure	10-25 years
Water system and reservoir	10-25 years
Equipment	5-20 years

H. Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements, or transfers, as applicable. Loans are amounts provided between funds with a requirement for repayment and are reported as interfund receivables and payables on the fund financial statements. Transfers are flows of resources between funds without requirement for repayment and are reported as transfers in and transfers out on the fund financial statements. Loans and transfers within governmental activities or business-type activities are eliminated on the government-wide financial statements, while loans and transfers between governmental activities and business-type activities are not eliminated.

I. Deferred Outflows/Inflows of Resources

The government-wide statement of net position and the governmental and proprietary funds balance sheets include separate sections for deferred outflows of resources and deferred inflows of resources, when applicable. Deferred outflows of resources represent a consumption of net position or net assets that apply to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position or net assets that apply to a future period and so will not be recognized as an inflow or resources (revenue) until that time. The Township had no deferred outflows of resources or deferred inflows of resources to report in its financial statements for the current year.

J. Net Position

In the government-wide financial statements, net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted. The Township applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

TOWNSHIP OF FOX, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

K. Fund Balances

In the governmental fund financial statements, fund balances represent the difference between the current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources. Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Township is bound to honor constraints on the specific purposes for which amounts in those resources can be spent. Fund balances are classified as follows:

Nonspendable

Fund balances are reported as nonspendable when amounts cannot be spent because they are not in spendable form (items that are not expected to be converted to cash) or because they are legally or contractually required to be maintained intact.

Restricted

Fund balances are reported as restricted when there are limitations imposed on their use whether through the enabling legislation adopted by the Township or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Committed

Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Township Board of Supervisors through the adoption of a formal resolution or ordinance. Only the Township Board of Supervisors may modify or rescind the commitment.

Assigned

Fund balances are reported as assigned when amounts are constrained by the Township's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned

Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The Township reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

L. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

TOWNSHIP OF FOX, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 3 – Deposits and Investments

Commonwealth of Pennsylvania statutes provide for the investment of monies of governmental and proprietary funds into certain authorized investment types, including United States Treasury bills, short-term obligations of the United States Government or its agencies or instrumentalities, obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, obligations of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision, and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of governmental funds for investment purposes. In addition to the investments authorized for governmental and proprietary funds, investments of the Pension Trust Fund may also be made in corporate stocks and bonds, real estate and other investments consistent with sound business practice.

The deposit and investment policy of the Township adheres to the Commonwealth statutes and prudent business practice. There were no deposit or investment transactions during the year that were in violation of either the Commonwealth statutes or the policy of the Township.

Deposits

The Township's deposits with financial institutions include cash deposits and certificates of deposit through local financial institutions. The certificates of deposits are reported as investments in the government-wide and governmental fund financial statements.

Deposits are categorized to give an indication of the level of custodial credit risk assumed by the Township at December 31, 2021. Category 1 includes cash deposits which are insured by the Federal Deposit Insurance Corporation or collateralized with securities held by the Township or by its agent in the Township's name. Category 2 includes cash deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name. Category 3 includes cash deposits which are uninsured and uncollateralized, or were collateralized in accordance with Act 72, a Commonwealth statute which permits the financial institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name.

At December 31, 2021, the carrying amount of the Township's deposits with financial institutions was \$17,032,403 and the financial institutions balances totaled \$17,056,074, which is categorized as follows:

Category 1	\$ 4,819,210
Category 3	<u>12,236,864</u>
Total	<u>\$ 17,056,074</u>

TOWNSHIP OF FOX, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 3 – Deposits and Investments (Continued)

Investments

The investments of the Employees' Pension Plan are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Custodial credit risk is the risk that, in the event of a failure of the counterparty, securities that are uninsured and not registered in the name of the Township and are held by either the counterparty to the transaction or the counterparty's trust department or agent but not in the government's name will not be returned to the Township. The Township does not have a written investment policy on custodial credit risk. However, all of the Township's investments are either insured or registered in the Township's name and held by the Township's agent.

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Township does not have a written investment policy on concentration of credit risk. Disclosure of concentration of credit risk is not required for investments in U.S. government obligations and mutual funds. There were no investments in any one issuer that represent 5 percent or more of total investments that were required to be disclosed.

Note 4 – Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 138,163	\$ —	\$ —	\$ 138,163
Capital assets being depreciated:				
Land improvements	790,181	—	—	790,181
Infrastructure	5,847,237	132,080	—	5,979,317
Buildings and improvements	2,755,413	—	—	2,755,413
Equipment	<u>3,621,603</u>	<u>294,250</u>	<u>(63,762)</u>	<u>3,852,091</u>
Total capital assets being depreciated	<u>13,014,434</u>	<u>426,330</u>	<u>(63,762)</u>	<u>13,377,002</u>
Less accumulated depreciation for:				
Land improvements	(423,333)	(47,032)	—	(470,365)
Infrastructure	(2,970,750)	(286,612)	—	(3,257,362)
Buildings and improvements	(1,655,388)	(65,823)	—	(1,721,211)
Equipment	<u>(2,616,426)</u>	<u>(177,111)</u>	<u>63,762</u>	<u>(2,729,775)</u>
Total accumulated depreciation	<u>(7,665,897)</u>	<u>(576,578)</u>	<u>63,762</u>	<u>(8,178,713)</u>
Total capital assets being depreciated, net	<u>5,348,537</u>	<u>(150,248)</u>	<u>—</u>	<u>5,198,289</u>
Governmental activities capital assets, net	<u>\$ 5,486,700</u>	<u>\$ (150,248)</u>	<u>\$ —</u>	<u>\$ 5,336,452</u>

TOWNSHIP OF FOX, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 4 – Capital Assets (Continued)

<u>Business-type Activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 47,524	\$ -	\$ -	\$ 47,524
Construction in progress	30,540	-	(30,540)	-
Total capital assets not being depreciated	<u>78,064</u>	<u>-</u>	<u>(30,540)</u>	<u>47,524</u>
Capital assets being depreciated:				
Land improvements	418	1,000	-	1,418
Water system and reservoir	327,770	114,723	-	442,493
Buildings and improvements	366,059	-	-	366,059
Equipment	92,976	-	-	92,976
Total capital assets being depreciated	<u>787,223</u>	<u>115,723</u>	<u>-</u>	<u>902,946</u>
Less accumulated depreciation for:				
Land improvements	(418)	(50)	-	(468)
Water system and reservoir	(294,032)	(5,921)	-	(299,953)
Buildings and improvements	(362,453)	(1,006)	-	(363,459)
Equipment	(81,479)	(4,900)	-	(86,379)
Total accumulated depreciation	<u>(738,382)</u>	<u>(11,877)</u>	<u>-</u>	<u>(750,259)</u>
Total capital assets being depreciated, net	<u>48,841</u>	<u>103,846</u>	<u>-</u>	<u>152,687</u>
Business-type activities capital assets, net	<u>\$ 126,905</u>	<u>\$ 103,846</u>	<u>\$ (30,540)</u>	<u>\$ 200,211</u>

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

	<u>Depreciation Expense</u>
Governmental Activities:	
General government	\$ 17,441
Public safety	47,315
Public works	404,549
Culture and recreation	60,172
Community services	47,101
Total depreciation expense	<u>\$ 576,578</u>
Business-type activities:	
Water services	<u>\$ 11,877</u>

TOWNSHIP OF FOX, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 5 – Interfund Balances

Interfund balances at December 31, 2021 consisted of the following:

Receivable Fund	Payable Fund	Amount
General Fund	Toby Water Fund	\$ 7,468
General Fund	Fire Protection Fund	7,211
Total Interfund Balances		\$ 14,679

Interfund balances resulted from the timing differences between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Note 6 – Interfund Transfers

There were no interfund transfers for the year ended December 31, 2021.

Transfers are used to move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 7 – Tax Revenues

Real Estate Property Taxes

Real estate property taxes attach as an enforceable lien on property on January first. The Elk County Assessment Office calculates the yearly and semiannual tax levies and distributes the individual tax duplicates to the Township's tax collector, who is responsible for tax collections.

The yearly tax and first semiannual interim tax levies are billed on or about March 1, with a 2% discount through April 30; face amount due from May 1 through June 30; and 10% penalty added after July 1. The second semiannual interim tax levy is billed on or about July 1, with a 2% discount through August 31; face amount due from September 1 through October 31; and 10% penalty added after November 1.

The Township is permitted by law to levy taxes up to the rate of thirty mills on every dollar of assessed value of real property for general Township purposes. Additional levies for certain other purposes are permitted at specific maximum millages as provided for in the Township Code. Assessed value is 50% of market value. The Township's net taxable assessed value for 2021 was \$64,595,340.

TOWNSHIP OF FOX, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 7 – Tax Revenues (Continued)

Real Estate Property Taxes (Continued)

For 2021, the Township's real estate taxes for general purposes were levied at the millage rate of 1.6 on every dollar of the Township's total net assessed value, and at the millage rate of 1.2 on the total net assessed value for the purpose of purchasing and maintaining fire apparatus and making appropriations to fire companies.

Per Capita Taxes

Per capita taxes are collected at various times during the year by the Township tax collector. The tax is in the amount of \$5.00 per taxpayer. Various income and age provisions determine individual tax liability.

Fire Protection Occupational Taxes

Fire Protection Occupational taxes are levied on employed persons within the Township at the millage rate of 3.0 on every dollar of their individually assessed value. For 2021, the total net assessed value of persons employed within the Township was \$194,523.

Earned Income Taxes

The Township levies a one-half percent tax on the annual earned income of Township residents. The tax is collected at various times throughout the year and remitted to the Township by an appointed collection agency.

Local Services Taxes

Local services taxes are also collected at various times by the Township tax collector. The amount imposed on taxable residents is \$5.00.

Note 8 – Pension Plan

The Township maintains a Money Purchase Pension Trust, administered by Prudential Insurance, for its full-time municipal employees after completing one year of service and being at least 21 years of age. The normal retirement age under the pension is 65, with no early provision requirements, and no voluntary employee contributions. The Township is required to annually contribute 25% of each participant's compensation, up to a maximum contribution of \$2,800 per participant, which is immediately fully vested. The Township's contribution to the pension plan in 2021 was \$16,800, which was covered by the annual allocation from the General Municipal Pension State Aid Program. Forfeitures of the plan shall be allocated to all participants eligible to share in the allocations as if they were the employer's contributions. Terminated participants shall not share in the allocation of contributions and forfeitures.

TOWNSHIP OF FOX, PENNSYLVANIA

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 9 – Contingencies

The Township, pursuant to a guaranty agreement, is contingently liable as a guarantor for a \$5,667,694 loan from the Pennsylvania Infrastructure Investment Authority to the Fox Township Sewer Authority. The proceeds from the loan were used for upgrading, enhancing, expanding and refining the publicly owned treatment works. Terms of the loan include monthly payments of \$18,094 through 2034, which includes interest of 1.0 percent. The balance of the loan at December 31, 2021 was \$2,566,397 with the aggregate annual debt service requirements as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	192,354	24,784	217,138
2023	194,286	22,852	217,138
2024	196,238	20,900	217,138
2025	198,210	18,928	217,138
2026	200,201	16,937	217,138
2027 – 2031	1,031,579	54,111	1,085,690
2032 – 2034	553,529	7,411	560,940
	<u>\$ 2,566,397</u>	<u>\$ 165,923</u>	<u>\$ 2,732,320</u>

Note 10 – Notes Receivable

In December 2003, the Township entered into an agreement with the Fox Township Sewer Authority. Pursuant to the agreement, the Township paid off two of the Authority's outstanding loans totaling \$144,944 and also agreed to extend annual loans to the Authority not to exceed \$75,000. The agreement was amended during 2018 changing the repayment terms. Also, the Authority may continue to request and receive the annual loan not to exceed \$75,000 annually. Beginning in August 2034, the Authority will repay the Township in monthly installments of \$18,000, without interest, and shall continue until the balance of the money due the Township is paid in full. The total amount due from the Authority at December 31, 2021 was \$1,119,944.

During 2007, the Fox Township Ambulance Association, Inc., in consideration of monies paid by the Township for the construction of an ambulance station, agreed to pay to the Township the principal sum of \$126,823, without interest. An initial payment of \$6,823 was made on July 1, 2008 with payments of \$6,000 due on the first day of July annually thereafter over a repayment term of 20 years, with a final payment due July 1, 2027. At December 31, 2021, the amount due from the Ambulance Association was \$36,000.

Note 11 – Subsequent Events

Subsequent events were evaluated through January 20, 2023, which is the date the financial statements were available to be issued. There were no events subsequent to the balance sheet date that should be recorded or disclosed in these financial statements.

TOWNSHIP OF FOX, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2021

Note 9 – Contingencies

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2032 – 2034	553,529	7,411	560,940
	<u>\$ 2,566,397</u>	<u>\$ 165,923</u>	<u>\$ 2,732,320</u>

Note 10 – Notes Receivable

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Note 11 – Subsequent Events

Subsequent events were evaluated through January 20, 2023, which is the date the financial statements were available to be issued.

TOWNSHIP OF FOX, PENNSYLVANIA
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Taxes	\$ 537,800	\$ 537,800	\$ 580,124	\$ 42,324
Intergovernmental	42,635	42,635	358,549	315,914
Charges for services	726,145	726,145	744,438	18,293
Interest	2,050	2,050	89,118	87,068
Miscellaneous	-	-	50,247	50,247
Total Revenues	<u>1,308,630</u>	<u>1,308,630</u>	<u>1,822,476</u>	<u>513,846</u>
Expenditures:				
Current:				
General government	457,113	457,113	437,664	19,449
Public safety	80,502	80,502	110,393	(29,891)
Public works	460,030	460,030	444,991	15,039
Culture and recreation	117,100	117,100	162,639	(45,539)
Community services	64,300	64,300	18,201	46,099
Capital outlay	92,030	92,030	377,068	(285,038)
Total Expenditures	<u>1,271,075</u>	<u>1,271,075</u>	<u>1,550,956</u>	<u>(279,881)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>37,555</u>	<u>37,555</u>	<u>271,520</u>	<u>233,965</u>
Other Financing Sources (Uses):				
Proceeds from sale of assets	-	-	42,875	(42,875)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>42,875</u>	<u>(42,875)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>37,555</u>	<u>37,555</u>	<u>314,395</u>	<u>276,840</u>
Fund Balances-Beginning	<u>16,252,184</u>	<u>16,252,184</u>	<u>16,252,184</u>	<u>-</u>
Fund Balance-Ending	<u>\$ 16,289,739</u>	<u>\$ 16,289,739</u>	<u>\$ 16,566,579</u>	<u>\$ 276,840</u>

See accompanying notes to budgetary comparison schedules.

TOWNSHIP OF FOX, PENNSYLVANIA
BUDGETARY COMPARISON SCHEDULE

STATE FUND

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	206,166	206,166	218,929	12,763
Charges for services	-	-	-	-
Interest	100	100	13	(87)
Miscellaneous	-	-	-	-
Total Revenues	<u>206,266</u>	<u>206,266</u>	<u>218,942</u>	<u>12,676</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	215,352	215,352	89,638	125,714
Culture and recreation	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	49,262	(49,262)
Total Expenditures	<u>215,352</u>	<u>215,352</u>	<u>138,900</u>	<u>76,452</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(9,086)</u>	<u>(9,086)</u>	<u>80,042</u>	<u>89,128</u>
Fund Balance-Beginning	<u>9,084</u>	<u>9,084</u>	<u>9,084</u>	<u>-</u>
Fund Balance-Ending	<u>\$ (2)</u>	<u>\$ (2)</u>	<u>\$ 89,126</u>	<u>\$ 89,128</u>

See accompanying notes to budgetary comparison schedules.

TOWNSHIP OF FOX, PENNSYLVANIA

NOTES TO BUDGETARY COMPARISON SCHEDULE

December 31, 2021

Note 1 – Budgetary Information

The Township has adopted the following procedures in establishing the budgetary data reflected in the basic financial statements:

- (1) The Township prepares preliminary operating budgets for each fund for the fiscal year commencing the following January 1. The operating budgets submitted include proposed expenditures and the means of financing them, as well as narrative justification for increases of operating expenditures.
- (2) Budgets, as submitted, are subject to a detailed review by the Township Board of Supervisors.
- (3) As required by the Township Code, the proposed budgets are made available for public inspection for at least twenty days prior to the date of adoption. Adoption is required by December 31. Subsequent to the budget approval, the Board of Supervisors adopts the appropriation measures required to put the budgets into effect and fix the rate of taxation.
- (4) Within 15 days subsequent to the legal adoption of the budgets, the Township files copies of the budgets with the Department of Community and Economic Development of the Commonwealth of Pennsylvania. Should supplemental budget appropriations be required, the Supervisors may authorize the transfer of funds between line items by means of approved budget changes.
- (5) Budgeting control is at the individual fund level. Expenditures may not legally exceed budgeted appropriations at this level.
- (6) Annual budgets are adopted for the General Fund, and Special Revenue Funds.
- (7) The Township Board of Supervisors may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including the proceeds of any borrowing. The Supervisors may authorize the transfer of any balance of any appropriated item or any portion thereof.

TOWNSHIP OF FOX, PENNSYLVANIA

COMBINING BALANCE SHEET

NON-MAJOR GOVERNMENTAL FUNDS

December 31, 2021

	<u>Special Revenue Funds</u>		<u>Total Other Governmental Funds</u>
	<u>Community Park</u>	<u>Fire Protection</u>	
<u>ASSETS</u>			
Cash	\$ 28,545	\$ 318,479	\$ 347,024
Taxes receivable	-	1,697	1,697
Total Assets	<u>\$ 28,545</u>	<u>\$ 320,176</u>	<u>\$ 348,721</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Due to other funds	-	7,211	7,211
Total Liabilities	<u>-</u>	<u>7,211</u>	<u>7,211</u>
Fund Balances:			
Assigned:			
Public safety	-	312,965	312,965
Culture and recreation	28,545	-	28,545
Total Fund Balances	<u>28,545</u>	<u>312,965</u>	<u>341,510</u>
Total Liabilities and Fund Balances	<u>\$ 28,545</u>	<u>\$ 320,176</u>	<u>\$ 348,721</u>

TOWNSHIP OF FOX, PENNSYLVANIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

	<u>Special Revenue Funds</u>		Total Other Governmental Funds
	<u>Community Park</u>	<u>Fire Protection</u>	
Revenues:			
Taxes			
Interest	\$ -	\$ 78,306	\$ 78,306
Miscellaneous	9	30	39
Total Revenues	<u>105</u>	<u>-</u>	<u>105</u>
	<u>114</u>	<u>78,336</u>	<u>78,450</u>
Expenditures:			
Current:			
Public safety			
General government	-	20,323	20,323
Culture and recreation	-	-	-
Total Expenditures	<u>201</u>	<u>-</u>	<u>201</u>
	<u>201</u>	<u>20,323</u>	<u>20,524</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(87)</u>	<u>58,013</u>	<u>57,926</u>
Other Financing Sources (Uses):			
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(87)</u>	<u>58,013</u>	<u>57,926</u>
Fund Balances-Beginning	<u>28,632</u>	<u>254,952</u>	<u>283,584</u>
Fund Balances-Ending	<u>\$ 28,545</u>	<u>\$ 312,965</u>	<u>\$ 341,510</u>