

STOWE TOWNSHIP

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## FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

**STOWE TOWNSHIP**  
ALLEGHENY COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORT OF  
CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEAR ENDED  
DECEMBER 31, 2022**

**STOWE TOWNSHIP**  
**ALLEGHENY COUNTY, PENNSYLVANIA**

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# Mark C. Turnley

Certified Public Accountant

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To the Board of Commissioners  
Stowe Township, Pennsylvania

## Independent Auditor's Report

### Adverse and Unmodified Opinions

I have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of Stowe Township, Pennsylvania as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Stowe Township's basic financial statements as listed in the table of contents.

#### *Summary of Opinions*

| <u>Opinion Unit</u>                  | <u>Type of Opinion</u> |
|--------------------------------------|------------------------|
| Governmental Activities              | Adverse                |
| Business-Type Activities             | Adverse                |
| Governmental Fund -General Fund      | Unmodified             |
| Proprietary Fund                     | Unmodified             |
| Aggregate Remaining Fund Information | Unmodified             |

#### *Adverse Opinion on Governmental Activities*

In my opinion, because of the significance of the matter described in the Basis for Adverse and Unmodified Opinions section of my report, the financial statements referred to above do not present fairly the financial position (Exhibit A) of the governmental activities of Stowe Township as of December 31, 2022 or the changes in financial position (Exhibit B) for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Unmodified Opinions on Each Major Fund and Aggregate Remaining Fund Information*

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of Stowe Township as of December 31, 2022 and the respective changes in financial position, and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Adverse and Unmodified Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Stowe Township, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse and unmodified audit opinions.

### *Matter Giving Rise to Adverse Opinion on Governmental Activities*

As described in Note 1 to the financial statements, Stowe Township prepares its statement of net position (Exhibit A) and statement of activities (Exhibit B) for governmental activities using the modified accrual basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accounting principles generally accepted in the United States of America require the preparation of these government-wide financial statements using the full accrual basis of accounting, including capitalizing and depreciating fixed assets and recognizing long-term debt obligations, which would increase the assets, liabilities and net position and change the expenses of the governmental activities. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the governmental activities has 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 Stowe Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My 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 my 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.

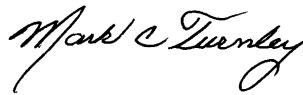
In performing an audit in accordance with generally accepted auditing standards, I:

- 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 Stowe Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Stowe Township's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

## Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Stowe Township, Pennsylvania's basic financial statements. The supplementary information (Schedules 1 through 4) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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 my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Mark C. Turnley, CPA

December 1, 2023  
New Brighton, Pennsylvania

**STOWE TOWNSHIP**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

**EXHIBIT A**

|                                                                           | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>         |
|---------------------------------------------------------------------------|------------------------------------|-------------------------------------|----------------------|
| <b>ASSETS</b>                                                             |                                    |                                     |                      |
| <b>Current Assets</b>                                                     |                                    |                                     |                      |
| Cash and Cash Equivalents                                                 | \$ 2,563,612                       | \$ 1,720,956                        | \$ 4,284,568         |
| Investments                                                               | -                                  | 1,587,493                           | 1,587,493            |
| Accounts Receivable                                                       | 17,206                             | -                                   | 17,206               |
| Taxes Receivable                                                          | 4,027,927                          | -                                   | 4,027,927            |
| Accrued Sewage Fees                                                       | -                                  | 60,240                              | 60,240               |
| Delinquent Sewage Fees Receivable (Net)                                   | -                                  | 980,900                             | 980,900              |
| Due From Other Funds                                                      | (32,232)                           | 32,232                              | -                    |
| <b>Total Current Assets</b>                                               | <b>\$ 6,576,513</b>                | <b>\$ 4,381,821</b>                 | <b>\$ 10,958,334</b> |
| <b>TOTAL ASSETS</b>                                                       | <b>\$ 6,576,513</b>                | <b>\$ 4,381,821</b>                 | <b>\$ 10,958,334</b> |
| <b>LIABILITIES</b>                                                        |                                    |                                     |                      |
| <b>Current Liabilities</b>                                                |                                    |                                     |                      |
| Accounts Payable                                                          | \$ 55,279                          | \$ 392,368                          | \$ 447,647           |
| Accrued Compensated Absences                                              | 6,658                              | -                                   | 6,658                |
| Payroll Tax Liabilities                                                   | 900                                | -                                   | 900                  |
| Fire Escrow                                                               | 19,882                             | -                                   | 19,882               |
| <b>Total Current Liabilities</b>                                          | <b>\$ 82,719</b>                   | <b>\$ 392,368</b>                   | <b>\$ 475,087</b>    |
| <b>TOTAL LIABILITIES</b>                                                  | <b>\$ 82,719</b>                   | <b>\$ 392,368</b>                   | <b>\$ 475,087</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                      |                                    |                                     |                      |
| Delinquent Real Estate Taxes                                              | \$ 3,987,647                       | \$ -                                | \$ 3,987,647         |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                | <b>\$ 3,987,647</b>                | <b>\$ -</b>                         | <b>\$ 3,987,647</b>  |
| <b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>                | <b>\$ 4,070,366</b>                | <b>\$ 392,368</b>                   | <b>\$ 4,462,734</b>  |
| <b>NET POSITION</b>                                                       |                                    |                                     |                      |
| Restricted                                                                | \$ 422,175                         | \$ -                                | \$ 422,175           |
| Unrestricted                                                              | 2,083,972                          | 3,989,453                           | 6,073,425            |
| <b>TOTAL NET POSITION</b>                                                 | <b>\$ 2,506,147</b>                | <b>\$ 3,989,453</b>                 | <b>\$ 6,495,600</b>  |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b> | <b>\$ 6,576,513</b>                | <b>\$ 4,381,821</b>                 | <b>\$ 10,958,334</b> |

The accompanying notes are an integral part of these financial statements

**STOWE TOWNSHIP  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

| Functions/Programs                                | Expenses            | Program Revenues     |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                       |
|---------------------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|---------------------------------------------------|--------------------------|-----------------------|
|                                                   |                     | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-Type Activities | Total                 |
| <b>Governmental Activities:</b>                   |                     |                      |                                    |                                  |                                                   |                          |                       |
| General Government                                | \$ 690,946          | \$ 205,623           | \$ 322,366                         | \$ -                             | \$ (162,957)                                      |                          | \$ (162,957)          |
| Public Safety - Police                            | 1,404,117           | 142,120              | -                                  | -                                | (1,261,997)                                       |                          | (1,261,997)           |
| Public Safety - Fire                              | 120,277             | -                    | 28,471                             | -                                | (91,806)                                          |                          | (91,806)              |
| Public Safety - Other                             | 27,132              | 18,103               | -                                  | -                                | (9,029)                                           |                          | (9,029)               |
| Public Works - Highways/Infrastructure            | 677,276             | 49,897               | 172,954                            | -                                | (454,425)                                         |                          | (454,425)             |
| Culture and Recreation                            | 2,047               | -                    | -                                  | -                                | (2,047)                                           |                          | (2,047)               |
| Community Development                             | 52,851              | -                    | -                                  | 85,050                           | 32,199                                            |                          | 32,199                |
| Debt Service                                      | 624,692             | -                    | -                                  | -                                | (624,692)                                         |                          | (624,692)             |
| Employee Benefits and Insurance                   | 856,205             | -                    | 134,692                            | -                                | (721,513)                                         |                          | (721,513)             |
| Miscellaneous                                     | 9,537               | -                    | -                                  | -                                | (9,537)                                           |                          | (9,537)               |
| <b>Total Governmental Activities</b>              | <b>\$ 4,465,080</b> | <b>\$ 415,743</b>    | <b>\$ 658,483</b>                  | <b>\$ 85,050</b>                 | <b>\$ (3,305,804)</b>                             |                          | <b>\$ (3,305,804)</b> |
| <b>Business-Type activities:</b>                  |                     |                      |                                    |                                  |                                                   |                          |                       |
| Sewer                                             | \$ 1,656,651        | \$ 1,719,697         | \$ -                               | \$ -                             |                                                   | \$ 63,046                | \$ 63,046             |
| <b>Total Business-Type Activities</b>             | <b>\$ 1,656,651</b> | <b>\$ 1,719,697</b>  | <b>\$ -</b>                        | <b>\$ -</b>                      |                                                   | <b>\$ 63,046</b>         | <b>\$ 63,046</b>      |
| <b>Total Primary Government</b>                   | <b>\$ 4,465,080</b> | <b>\$ 415,743</b>    | <b>\$ 658,483</b>                  | <b>\$ 85,050</b>                 | <b>\$ (3,305,804)</b>                             | <b>\$ 63,046</b>         | <b>\$ (3,242,758)</b> |
| <b>General Revenues:</b>                          |                     |                      |                                    |                                  |                                                   |                          |                       |
| Taxes:                                            |                     |                      |                                    |                                  |                                                   |                          |                       |
| Property Taxes, Levied for General Purposes (net) |                     |                      |                                    |                                  | \$ 1,808,294                                      | \$ -                     | \$ 1,808,294          |
| Act 511 Taxes                                     |                     |                      |                                    |                                  | 884,390                                           | -                        | 884,390               |
| Sales Tax                                         |                     |                      |                                    |                                  | 380,866                                           | -                        | 380,866               |
| PURTA/Alcohol Beverage tax                        |                     |                      |                                    |                                  | 4,553                                             | -                        | 4,553                 |
| Payment in Lieu of Taxes                          |                     |                      |                                    |                                  | 19,198                                            | -                        | 19,198                |
| Investment Earnings (Loss)                        |                     |                      |                                    |                                  | 16,276                                            | (18,661)                 | (2,385)               |
| Miscellaneous                                     |                     |                      |                                    |                                  | 50,273                                            | -                        | 50,273                |
| <b>Total General Revenues</b>                     |                     |                      |                                    |                                  | <b>\$ 3,163,850</b>                               | <b>\$ (18,661)</b>       | <b>\$ 3,145,189</b>   |
| <b>Change in Net Position</b>                     |                     |                      |                                    |                                  | <b>\$ (141,954)</b>                               | <b>\$ 44,385</b>         | <b>\$ (97,569)</b>    |
| Net Position — January 1, 2022                    |                     |                      |                                    |                                  | 2,648,101                                         | 3,945,068                | 6,593,169             |
| <b>Net Position — December 31, 2022</b>           |                     |                      |                                    |                                  | <b>\$ 2,506,147</b>                               | <b>\$ 3,989,453</b>      | <b>\$ 6,495,600</b>   |

The accompanying notes are an integral part of these financial statements

**STOWE TOWNSHIP  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

**EXHIBIT C**

|                                                                               | <b>GENERAL<br/>FUND</b> | <b>DEBT<br/>SERVICE<br/>FUND</b> | <b>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> |
|-------------------------------------------------------------------------------|-------------------------|----------------------------------|---------------------------------------------|-----------------------------------------|
| <b>ASSETS</b>                                                                 |                         |                                  |                                             |                                         |
| Cash and Cash Equivalents                                                     | \$ 1,894,472            | \$ 144,520                       | \$ 524,620                                  | \$ 2,563,612                            |
| Accounts Receivable                                                           | 17,206                  | -                                | -                                           | 17,206                                  |
| Taxes Receivable                                                              | 4,027,927               | -                                | -                                           | 4,027,927                               |
| <b>TOTAL ASSETS</b>                                                           | <b>\$ 5,939,605</b>     | <b>\$ 144,520</b>                | <b>\$ 524,620</b>                           | <b>\$ 6,608,745</b>                     |
| <br><b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>      |                         |                                  |                                             |                                         |
| <b>LIABILITIES</b>                                                            |                         |                                  |                                             |                                         |
| Accounts Payable                                                              | \$ 55,279               | \$ -                             | \$ -                                        | \$ 55,279                               |
| Accrued Compensated Absences                                                  | 6,658                   | -                                | -                                           | 6,658                                   |
| Payroll Tax Liabilities                                                       | 900                     | -                                | -                                           | 900                                     |
| Fire Escrow                                                                   | 19,882                  | -                                | -                                           | 19,882                                  |
| Due to Other Funds                                                            | 32,232                  | -                                | -                                           | 32,232                                  |
| <b>TOTAL LIABILITIES</b>                                                      | <b>\$ 114,951</b>       | <b>\$ -</b>                      | <b>\$ -</b>                                 | <b>\$ 114,951</b>                       |
| <br><b>DEFERRED INFLOW OF RESOURCES</b>                                       |                         |                                  |                                             |                                         |
| Delinquent Real Estate Taxes                                                  | \$ 3,987,647            | \$ -                             | \$ -                                        | \$ 3,987,647                            |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                                    | <b>\$ 3,987,647</b>     | <b>\$ -</b>                      | <b>\$ -</b>                                 | <b>\$ 3,987,647</b>                     |
| <b>TOTAL LIABILITIES AND DEFERRED INFLOWS<br/>OF RESOURCES</b>                | <b>\$ 4,102,598</b>     | <b>\$ -</b>                      | <b>\$ -</b>                                 | <b>\$ 4,102,598</b>                     |
| <br><b>FUND BALANCES</b>                                                      |                         |                                  |                                             |                                         |
| Restricted                                                                    | \$ -                    | \$ 144,520                       | \$ 277,655                                  | \$ 422,175                              |
| Assigned                                                                      | -                       | -                                | 246,965                                     | 246,965                                 |
| Unassigned                                                                    | 1,837,007               | -                                | -                                           | 1,837,007                               |
| <b>TOTAL FUND BALANCES</b>                                                    | <b>\$ 1,837,007</b>     | <b>\$ 144,520</b>                | <b>\$ 524,620</b>                           | <b>\$ 2,506,147</b>                     |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b> | <b>\$ 5,939,605</b>     | <b>\$ 144,520</b>                | <b>\$ 524,620</b>                           | <b>\$ 6,608,745</b>                     |

The accompanying notes are an integral part of these financial statements

**STOWE TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                                              | <u>GENERAL FUND</u> | <u>DEBT<br/>SERVICE<br/>FUND</u> | <u>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</u> | <u>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</u> |
|--------------------------------------------------------------|---------------------|----------------------------------|---------------------------------------------|-----------------------------------------|
| <b>REVENUES</b>                                              |                     |                                  |                                             |                                         |
| Taxes                                                        | \$ 2,591,212        | \$ 482,337                       | \$ -                                        | \$ 3,073,549                            |
| Licenses and Permits                                         | 126,078             | -                                | -                                           | 126,078                                 |
| Fines and Forfeitures                                        | 32,594              | -                                | -                                           | 32,594                                  |
| Interest and Rents                                           | 16,199              | 27                               | 50                                          | 16,276                                  |
| Intergovernmental                                            | 595,496             | -                                | 172,954                                     | 768,450                                 |
| Charges for Services                                         | 255,906             | -                                | -                                           | 255,906                                 |
| Miscellaneous                                                | 16,825              | -                                | -                                           | 16,825                                  |
| <b>Total Revenues</b>                                        | <b>\$ 3,634,310</b> | <b>\$ 482,364</b>                | <b>\$ 173,004</b>                           | <b>\$ 4,289,678</b>                     |
| <b>EXPENDITURES</b>                                          |                     |                                  |                                             |                                         |
| General Government                                           | \$ 689,384          | \$ 1,562                         | \$ -                                        | \$ 690,946                              |
| Public Safety                                                | 1,551,526           | -                                | -                                           | 1,551,526                               |
| Public Works                                                 | 677,276             | -                                | -                                           | 677,276                                 |
| Culture and Recreation                                       | 2,047               | -                                | -                                           | 2,047                                   |
| Community Development                                        | 52,851              | -                                | -                                           | 52,851                                  |
| Debt Service                                                 | 90,083              | 534,609                          | -                                           | 624,692                                 |
| Employee Benefits and Insurance                              | 856,205             | -                                | -                                           | 856,205                                 |
| Miscellaneous                                                | 9,537               | -                                | -                                           | 9,537                                   |
| <b>Total Expenditures</b>                                    | <b>\$ 3,928,909</b> | <b>\$ 536,171</b>                | <b>\$ -</b>                                 | <b>\$ 4,465,080</b>                     |
| <b>Excess ( Deficiency) of Revenue<br/>over Expenditures</b> | <b>\$ (294,599)</b> | <b>\$ (53,807)</b>               | <b>\$ 173,004</b>                           | <b>\$ (175,402)</b>                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                                  |                                             |                                         |
| Operating Transfers In                                       | \$ 33,632           | \$ -                             | \$ -                                        | \$ 33,632                               |
| Operating Transfers Out                                      | -                   | -                                | (33,632)                                    | (33,632)                                |
| Sale of Township Property                                    | 1,200               | -                                | -                                           | 1,200                                   |
| Refund of Prior Year Expenditures                            | 32,248              | -                                | -                                           | 32,248                                  |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>\$ 67,080</b>    | <b>\$ -</b>                      | <b>\$ (33,632)</b>                          | <b>\$ 33,448</b>                        |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>\$ (227,519)</b> | <b>\$ (53,807)</b>               | <b>\$ 139,372</b>                           | <b>\$ (141,954)</b>                     |
| FUND BALANCE - JANUARY 1, 2022                               | 2,064,526           | 198,327                          | 385,248                                     | 2,648,101                               |
| <b>FUND BALANCE - DECEMBER 31, 2022</b>                      | <b>\$ 1,837,007</b> | <b>\$ 144,520</b>                | <b>\$ 524,620</b>                           | <b>\$ 2,506,147</b>                     |

The accompanying notes are an integral part of these financial statements

**STOWE TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL**  
**GOVERNMENTAL FUNDS - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                                               | Budgeted Amounts    |                     | Actual<br>(Budgetary Basis) | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---------------------------------------------------------------|---------------------|---------------------|-----------------------------|---------------------------------------------------------|
|                                                               | Original            | Final               |                             |                                                         |
| <b>REVENUES</b>                                               |                     |                     |                             |                                                         |
| Taxes                                                         | \$ 2,239,437        | \$ 2,239,437        | \$ 2,591,212                | \$ 351,775                                              |
| Licenses and Permits                                          | 153,500             | 153,500             | 126,078                     | (27,422)                                                |
| Fines and Forfeitures                                         | 43,500              | 43,500              | 32,594                      | (10,906)                                                |
| Interest and Rents                                            | 5,000               | 5,000               | 16,199                      | 11,199                                                  |
| Intergovernmental                                             | 176,233             | 176,233             | 595,496                     | 419,263                                                 |
| Charges for Services                                          | 173,600             | 173,600             | 255,906                     | 82,306                                                  |
| Miscellaneous                                                 | 20,000              | 20,000              | 16,825                      | (3,175)                                                 |
| <b>Total Revenues</b>                                         | <b>\$ 2,811,270</b> | <b>\$ 2,811,270</b> | <b>\$ 3,634,310</b>         | <b>\$ 823,040</b>                                       |
| <b>EXPENDITURES</b>                                           |                     |                     |                             |                                                         |
| General Government                                            | \$ 337,087          | \$ 337,087          | \$ 689,384                  | \$ (352,297)                                            |
| Public Safety                                                 | 1,095,867           | 1,095,867           | 1,551,526                   | (455,659)                                               |
| Health and Human Services                                     | 1,000               | 1,000               | -                           | 1,000                                                   |
| Public Works                                                  | 507,509             | 507,509             | 677,276                     | (169,767)                                               |
| Culture and Recreation                                        | 5,000               | 5,000               | 2,047                       | 2,953                                                   |
| Community Development                                         | -                   | -                   | 52,851                      | (52,851)                                                |
| Debt Service                                                  | 121,247             | 121,247             | 90,083                      | 31,164                                                  |
| Employee Benefits and Insurance                               | 913,560             | 913,560             | 856,205                     | 57,355                                                  |
| Miscellaneous                                                 | -                   | -                   | 9,537                       | (9,537)                                                 |
| <b>Total Expenditures</b>                                     | <b>\$ 2,981,270</b> | <b>\$ 2,981,270</b> | <b>\$ 3,928,909</b>         | <b>\$ (947,639)</b>                                     |
| <b>Excess ( Deficiency) of Revenues<br/>over Expenditures</b> | <b>\$ (170,000)</b> | <b>\$ (170,000)</b> | <b>\$ (294,599)</b>         | <b>\$ (124,599)</b>                                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                     |                     |                             |                                                         |
| Operating Transfers In                                        | \$ 170,000          | \$ 170,000          | \$ 33,632                   | \$ (136,368)                                            |
| Sale of Township Property                                     | -                   | -                   | 1,200                       | 1,200                                                   |
| Refund Prior Year Expenditures                                | -                   | -                   | 32,248                      | 32,248                                                  |
| <b>Total Other Financing Sources (Uses)</b>                   | <b>\$ 170,000</b>   | <b>\$ 170,000</b>   | <b>\$ 67,080</b>            | <b>\$ (102,920)</b>                                     |
| <b>NET CHANGE IN FUND BALANCES</b>                            | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ (227,519)</b>         | <b>\$ (227,519)</b>                                     |
| FUND BALANCE - JANUARY 1, 2022                                | -                   | -                   | 2,064,526                   | 2,064,526                                               |
| <b>FUND BALANCE - DECEMBER 31, 2022</b>                       | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ 1,837,007</b>         | <b>\$ 1,837,007</b>                                     |

The accompanying notes are an integral part of these financial statements

**STOWE TOWNSHIP**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND - SEWER FUND**  
**DECEMBER 31, 2022**

**ASSETS****Current Assets**

|                                         |                     |
|-----------------------------------------|---------------------|
| Cash and Cash Equivalents               | \$ 1,720,956        |
| Investments                             | 1,587,493           |
| Accrued Sewage Fees                     | 60,240              |
| Delinquent Sewage Fees Receivable (Net) | 980,900             |
| Due From Other Funds                    | 32,232              |
| <b>Total Current Assets</b>             | <b>\$ 4,381,821</b> |

**TOTAL ASSETS****\$ 4,381,821****LIABILITIES****Current Liabilities**

|                                  |                   |
|----------------------------------|-------------------|
| Accounts Payable                 | \$ 392,368        |
| <b>Total Current Liabilities</b> | <b>\$ 392,368</b> |

**TOTAL LIABILITIES****\$ 392,368****NET POSITION**

|                           |                     |
|---------------------------|---------------------|
| Unrestricted              | \$ 3,989,453        |
| <b>TOTAL NET POSITION</b> | <b>\$ 3,989,453</b> |

**TOTAL LIABILITIES AND NET POSITION****\$ 4,381,821**

The accompanying notes are an integral part of these financial statements

**STOWE TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND - SEWER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**OPERATING REVENUES**

|                                 |                     |
|---------------------------------|---------------------|
| Sewer Collections               | \$ 1,719,697        |
| <b>Total Operating Revenues</b> | <b>\$ 1,719,697</b> |

**OPERATING EXPENSES**

|                                 |                     |
|---------------------------------|---------------------|
| Account Charges                 | \$ 27,198           |
| Engineering Services            | 4,924               |
| Alcosan Cycle Payments          | 1,591,919           |
| Vactor Services/Cleaning        | 5,600               |
| Sewer Maintenance               | 27,010              |
| <b>Total Operating Expenses</b> | <b>\$ 1,656,651</b> |

|                                            |                  |
|--------------------------------------------|------------------|
| <b>TOTAL OPERATING INCOME &lt;LOSS&gt;</b> | <b>\$ 63,046</b> |
|--------------------------------------------|------------------|

**NON-OPERATING REVENUE <EXPENSE>**

|                                                    |                    |
|----------------------------------------------------|--------------------|
| Investment Earnings (Loss)                         | \$ (18,661)        |
| <b>TOTAL NON-OPERATING REVENUE &lt;EXPENSE&gt;</b> | <b>\$ (18,661)</b> |

|                                |                  |
|--------------------------------|------------------|
| <b>CHANGES IN NET POSITION</b> | <b>\$ 44,385</b> |
|--------------------------------|------------------|

|                                |           |
|--------------------------------|-----------|
| NET POSITION - JANUARY 1, 2022 | 3,945,068 |
|--------------------------------|-----------|

|                                         |                     |
|-----------------------------------------|---------------------|
| <b>NET POSITION - DECEMBER 31, 2022</b> | <b>\$ 3,989,453</b> |
|-----------------------------------------|---------------------|

The accompanying notes are an integral part of these financial statements

**STOWE TOWNSHIP**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND - SEWER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

|                                                         |                         |
|---------------------------------------------------------|-------------------------|
| Cash Received from User Charges                         | \$ 2,060,321            |
| Cash Paid to Vendors for Goods and Services             | (2,045,054)             |
| <b>Net Cash Provided (Used) by Operating Activities</b> | <b><u>\$ 15,267</u></b> |

**CASH FLOWS FROM INVESTING ACTIVITIES:**

|                                                                     |                         |
|---------------------------------------------------------------------|-------------------------|
| Investment Earnings (Loss)                                          | \$ 15,344               |
| <b>Net Cash Provided (Used) by Non-Capital Financing Activities</b> | <b><u>\$ 15,344</u></b> |

**Net Increase (Decrease) in Cash and Cash Equivalents** **\$ 30,611**

**Cash and Cash Equivalents - January 1, 2022** 1,690,345

**Cash and Cash Equivalents - December 31, 2022** **\$ 1,720,956**

**RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:**

Operating Income (Loss) \$ 63,046

Adjustments to reconcile excess revenues over expenditures provided by (used in) operating activities:

Changes in assets and liabilities:

|                                          |           |
|------------------------------------------|-----------|
| (Increase) Decrease in Sewer Receivables | 340,622   |
| Increase (Decrease) in Accounts Payable  | (388,401) |

**Net Cash Provided (Used) by Operating Activities** **\$ 15,267**

The accompanying notes are an integral part of these financial statements

**STOWE TOWNSHIP**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2022**

|                                    | <b><u>POLICE<br/>PENSION<br/>FUND</u></b> | <b><u>NON-UNIFORM<br/>PENSION<br/>FUND</u></b> |
|------------------------------------|-------------------------------------------|------------------------------------------------|
| <b>ASSETS</b>                      |                                           |                                                |
| Money Market Funds                 | \$ 56,059                                 | \$ 10,117                                      |
| Mutual Funds                       | 2,887,121                                 | 422,219                                        |
| Unallocated Insurance Contracts    | -                                         | 128,536                                        |
| <b>TOTAL ASSETS</b>                | <b><u>\$ 2,943,180</u></b>                | <b><u>\$ 560,872</u></b>                       |
| <b>LIABILITIES</b>                 |                                           |                                                |
| Due to Other Funds                 | \$ -                                      | \$ -                                           |
| <b>TOTAL LIABILITIES</b>           | <b><u>\$ -</u></b>                        | <b><u>\$ -</u></b>                             |
| <b>NET POSITION</b>                |                                           |                                                |
| Held in Trust for Pension Benefits | \$ 2,943,180                              | \$ 560,872                                     |
| <b>TOTAL NET POSITION</b>          | <b><u>\$ 2,943,180</u></b>                | <b><u>\$ 560,872</u></b>                       |

The accompanying notes are an integral part of these financial statements

**STOWE TOWNSHIP**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

|                                         | <u>POLICE<br/>PENSION<br/>FUND</u> | <u>NON-UNIFORM<br/>PENSION<br/>FUND</u> |
|-----------------------------------------|------------------------------------|-----------------------------------------|
| <b>ADDITIONS</b>                        |                                    |                                         |
| Contributions:                          |                                    |                                         |
| Employer Contributions                  | \$ 205,632                         | \$ 33,404                               |
| Employee Contributions                  | 7,722                              | -                                       |
| Total Contributions                     | <u>\$ 213,354</u>                  | <u>\$ 33,404</u>                        |
| Investment Earnings:                    |                                    |                                         |
| Interest/Dividends                      | \$ 68,073                          | \$ 17,347                               |
| Unrealized Gains/(Losses)               | (505,271)                          | (71,810)                                |
| Total Investment Earnings               | <u>\$ (437,198)</u>                | <u>\$ (54,463)</u>                      |
| <b>TOTAL ADDITIONS</b>                  | <b><u>\$ (223,844)</u></b>         | <b><u>\$ (21,059)</u></b>               |
| <b>DEDUCTIONS</b>                       |                                    |                                         |
| Benefit Payments                        | \$ 130,787                         | \$ 66,149                               |
| Administrative Expenses                 | 15,224                             | 3,130                                   |
| <b>TOTAL DEDUCTIONS</b>                 | <b><u>\$ 146,011</u></b>           | <b><u>\$ 69,279</u></b>                 |
| <b>CHANGE IN NET POSITION</b>           | <b>\$ (369,855)</b>                | <b>\$ (90,338)</b>                      |
| <b>NET POSITION - JANUARY 1, 2022</b>   | <u>3,313,035</u>                   | <u>651,210</u>                          |
| <b>NET POSITION - DECEMBER 31, 2022</b> | <b><u>\$ 2,943,180</u></b>         | <b><u>\$ 560,872</u></b>                |

The accompanying notes are an integral part of these financial statements

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

Stowe Township, located in Allegheny County, Pennsylvania was incorporated as a First-Class Township under the provisions governing the creation of municipal corporations in the Commonwealth of Pennsylvania. The administration of the Township consists of a five (5) member Board of Commissioners who are elected by the voting public. The Board of Commissioners appoints a Township Secretary to administer the day-to-day operations of the Township. The major functions of the Township include public safety, maintenance of Township infrastructure (roads), maintenance of parks and other recreational facilities for use by Township residents and general administrative functions necessary to facilitate Township resident needs and responsibilities.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Stowe Township consists of all funds, departments, boards and agencies that are not legally separate from the Township. Generally accepted accounting standards define component units as legally separate entities that are included in the Township's reporting entity because of the significance of their operating or financial relationships with the Township. Stowe Township has no component units.

**FINANCIAL STATEMENT PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** – The statement of net position – modified accrual basis (Exhibit A) and the statement of activities – modified accrual basis (Exhibit B) report information about the Township as a whole. These financial statements combine all of the financial activity of the primary government excluding fiduciary funds. As a general rule, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are recorded separately from business-type activities, which rely to a significant extent on fees and charges for services.

The government-wide statement of activities – modified accrual basis, presents a comparison between direct expenses and program revenues for each function of the Township's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies, and contributions that are restricted to meeting the operational or capital requirements of a particular program.

**FUND FINANCIAL STATEMENTS** – Fund financial statements report detailed information about the Township. The focus of governmental fund financial statements is on major funds. Major funds represent the Township's most important funds with the General Fund always considered a major fund. On Exhibits C and E, each major fund is presented in a separate column. Non-major funds are segregated and presented in a single column. Fiduciary funds are reported separately.

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. The government-wide financial statements are presented in conformity with the modified accrual basis of accounting, which is a basis of accounting other than generally accepted accounting principles. The governmental fund financial statements of the Township of Stowe are presented on the modified accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America (GAAP) established by the Government Accounting Standards Board (GASB). Fiduciary funds use the accrual basis of accounting in conformity with GAAP.

Revenue resulting from exchange transactions, in which the Township receives value without directly giving equal values in return, includes property taxes, grants and contributions. On the modified accrual basis, revenue from current year property taxes is recognized when received, and within sixty days subsequent to year-end if they are both measurable and available to fund current year general operations. Revenues from grants and contributions are recognized in the calendar year in which all eligibility requirements have been satisfied. On the modified accrual basis, revenue from non-exchange transactions must also be 'available' before it can be recognized.

The management of the Township of Stowe has determined that the revenues most susceptible to accrual at December 31, 2022 are **1)** delinquent real estate taxes earned by the Township in December of 2022, **2)** deed transfer taxes and vehicle code violations earned by the Township in December 2022 **3)** certain taxpayer assessed Act 511 taxes earned by the Township in December 2022, **4)** cable franchise fees earned during the year and, **5)** other miscellaneous revenues estimable and available to the Township for 2022 but not as yet collected at December 31, 2022. On the governmental fund financial statements, receivables that will not be collected within the 'available' period have been reported as 'deferred inflows of resources'.

On the modified accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures, with certain exceptions, are recognized in the accounting period in which the related fund liability is incurred, if measurable. The primary expenditures deemed susceptible to accrual at December 31, 2022 are those for which the Township's intention was to expense these items as budgeted for in the 2022 official budget, and for which the Township has incurred an obligation during 2022 but has not paid as of December 31, 2022.

**FUND ACCOUNTING**

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Township functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. Fund categories are defined as follows:

**Governmental Funds** – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Township's major and non-major governmental funds:

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**MAJOR GOVERNMENTAL FUNDS:**

**GENERAL FUND** - Established under 'The First-Class Township Code' of the Commonwealth of Pennsylvania and is used for the general operations of the Township. Income in this fund is derived mainly from assessed revenue such as real estate taxes, local taxes established under Act 511 and other miscellaneous revenues not designated for other restricted fund purposes. These revenues are used for general ongoing government services such as public safety, public works, general administration of the Township and other miscellaneous operating expenses.

**DEBT SERVICE FUND** – Established to account for the accumulation of resources for, and the payment of. General Obligations Bonds Series of 2020 and Series of 2021 principal and interest.

**NON-MAJOR GOVERNMENTAL FUNDS:**

**LIQUID FUELS FUND (SPECIAL REVENUE)** - Established and restricted under Act 655 of the Commonwealth of Pennsylvania. Funding is received from the Commonwealth and is restricted in use for the maintenance, repair and construction of roads, streets and bridges for which the Township is responsible.

**CAPITAL PROJECT FUND (CAPITAL PROJECT)** – Established to account for the proceeds of the Township's general obligation bond issues used for various capital projects of the Township.

**Proprietary Funds** - Used to account for activities similar to those found in the private sector, where the determination of net income is necessary and useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies within the Township (internal service funds). The Township maintains the Sewer Fund which is its only proprietary fund. Based on the criteria for determining major funds as set forth by the Government Accounting Standards Board, the Township's proprietary fund is considered a major fund.

**Fiduciary Funds** – Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Township's own programs. Custodial funds report fiduciary activities that are not held in a Trust or equivalent arrangement that meets specific criteria. The Township has two pension trust funds (police pension and non-uniform pension).

**ESTIMATES**

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

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BUDGETS**

In December of 2021, the Township of Stowe adopted its 2022 annual budget for its General Fund totaling \$2,981,270 in accordance with the provisions of the Commonwealth of Pennsylvania First-Class Township Code. The budget is prepared utilizing the modified accrual method of accounting in accordance with generally accepted accounting principles. Budgetary transfers among various expenditure line items are performed, if necessary, as approved by the Board of Commissioners. The adjusted budgetary amounts, if any, are reflected in these financial statements (Exhibit E). Actual expenditures exceeded budgeted expenditures for 2022.

The Township uses the following procedures in establishing this budgetary data:

- a. In accordance with the First-Class Township Code, the Board of Commissioners each year, at least 30 days prior to the adoption of the annual budget, begin preparation of a proposed budget for all funds showing an estimate of the several amounts of money which will be required for the several specific purposes of Township government and expenses for the ensuing calendar year, and by ordinance appropriate, out of the revenues available for the year, the specific sums required as shown by the budget, as finally adopted. At the option of the Township Commissioners, such budget may be prepared and adopted prior to the first Monday of January of the calendar year to which the budget shall apply. With this option, the first reading of the budget shall take place in November and the final budget shall be finally adopted in the month of December prior to the calendar year to which such budget shall apply.
- b. Final action shall not be taken on the proposed budget until after at least 10 days public notice. The proposed budget shall be published, or otherwise made available for public inspection at least 20 days prior to the date set for adoption of the budget. The Township Commissioners, after making such revisions and changes therein, as appear advisable, shall adopt the budget not later than the 31<sup>st</sup> day of December.
- c. During the month of January, after the municipal election, the Commissioners may amend the budget and levy a tax rate to conform with its amended budget. A period of 10 days public inspection at the office of the Township Secretary, after notice to that effect is published once in a newspaper of general circulation. Any amended budget must be adopted by the Commissioners on or before the 15<sup>th</sup> day of February.

**CASH AND CASH EQUIVALENTS**

For the purposes of these basic financial statements, cash and cash equivalents include amounts in demand deposit accounts and all highly liquid short-term investments with original maturity terms of less than three months.

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**INVESTMENTS**

**Governmental Funds:**

Provisions of the First-Class Township Code Section 1705 authorize the following investments:

- I. U.S. Treasury Bills.
- II. Short-term obligations of the United States Government or its agencies or instrumentalities.
- III. Deposits in savings accounts, time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC), Federal Savings and Loan Insurance Corporation and National Credit Union Share Insurance Fund.
- IV. Obligations of the United States of America, the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth of Pennsylvania, or any of their agencies or instrumentalities backed by the full faith and credit of these governmental units.
- V. Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933.
- VI. Any investment authorized by 20 Pa. C.S. Ch. 73 relating to fiduciaries investments.

Stowe Township's investment portfolio is in compliance with these provisions at December 31, 2022. Fiduciary fund investments include monies invested in money market funds and mutual funds by the Township with Charles Schwab for its sewer maintenance fund and police and non-uniform pension plans, and additional funds invested in unallocated insurance contracts with Guggenheim Life and Annuity Company. Investments are stated at fair value.

**RECEIVABLES**

Taxes and delinquent sewage fees receivable are reflected at net realizable value as of December 31, 2022. The Township provides for an allowance for uncollectable sewage fees based upon an estimate of past delinquent collection experience.

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as 'due from/to other funds' on the governmental funds balance sheet. For the purposes of the government-wide statement of net position, governmental inter-fund receivables and payables have been eliminated.

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**CAPITAL ASSETS AND DEPRECIATION**

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets purchased by governmental and proprietary funds are recorded as expenditures in the fund financial statements.

**ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS**

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. The non-current portion of long-term obligations that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, liabilities that mature or come due for payment within 60 days of the end of the fiscal year-end, are considered to be paid with current available financial resources. Notes and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. The Township's General Fund is typically used to liquidate long-term liability obligations.

Stowe Township does not record long-term obligations in the statement of net position for its governmental and business-type activities in conformity with accounting principles generally accepted in the United States of America.

**COMPENSATED ABSENCES**

The Township reports compensated absences in accordance with Government Accounting Standards Board statements. Sick leave benefits are accrued as a liability at various rates per day for all eligible police and public works department personnel in accordance with the terms of the Township's collective bargaining agreements. Each police officer is entitled to 14 sick days per year. Unused sick days may accumulate to a maximum of 150 days. Eligible public works personnel are entitled to 12 sick days per year. Unused sick days may accumulate to a maximum of 60 days. The total liability for accumulated unused sick days as of December 31, 2022, is \$26,633 of which the Township estimates that approximately \$6,658 will be paid with currently available expendable resources. Accordingly, under the modified accrual basis of accounting, this amount is reflected as a liability of the General Fund.

**UNEARNED REVENUE**

Unearned revenue arises when the Township receives resources before it has legal claim to them. This occurs when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Township has a legal claim to the resources, the unearned revenue liability is removed, and revenue is recognized.

**LONG-TERM DEBT FINANCING COSTS**

Bond issuance costs are recorded as expenditures in the governmental or proprietary fund financial statements in the year paid. The Township did not incur bond issuance costs during the 2022 fiscal year.

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES**

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Township has one item that qualifies for reporting in this category. They are delinquent real estate taxes reported on the governmental funds balance sheet (Exhibit C) and on the statement of net position (Exhibit A).

**NET POSITION**

Generally accepted accounting standards require equity in the government-wide statement of net position to be reported as 'net position' rather than 'fund balance'. Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy Township obligations. Net position is classified as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of debt that is attributable to the acquisition, construction and improvement of the capital assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted – Net position whose use is subject to externally imposed conditions that can be fulfilled by the actions of the Township or by the passage of time, or restrictions which are required to be maintained in perpetuity. Restricted net position includes Act 655 funding from the Commonwealth of Pennsylvania restricted in the use for the maintenance, repair, and construction of roads, streets and bridges in the Township, and various funds restricted for specific Township purposes.
- Unrestricted – Consists of net position that do not meet the definition of 'restricted' or 'net investment in capital assets'.

When an expenditure can be paid using either restricted or unrestricted resources (net position), the Township's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

**FUND EQUITY**

In the Balance Sheet – Governmental Funds (Exhibit C), fund balances are reported in specific categories to make the nature and extent of the constraints placed on any entity's fund balance more transparent in accordance with GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND EQUITY (Continued)**

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory and prepaid expenses) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation. Restricted fund balance includes Act 655 funding from the Commonwealth of Pennsylvania restricted in the use for the maintenance, repair, and construction of roads, streets and bridges in the Township, and various funds restricted for specific Township purposes.
- Committed fund balance – amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Township takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts the Township intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The Township maintains \$246,965 in assigned fund balance for capital purchases.
- Unassigned fund balance – amounts that are available for any purpose.

**OPERATING REVENUES AND EXPENSES**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For Stow Township, these revenues are sewage fees to customers and other miscellaneous revenues directly related to the operations of the Township's Sewer Fund. Operating expenses are the necessary costs incurred to operate the Sewer Fund. The Township did not incur any non-operating revenues from the Sewer Fund. Non-operating expenses for its Sewer Fund consists mainly of investment losses during 2022.

**ADOPTION OF GASB PRONOUNCEMENTS**

The requirements of the following GASB Statement were adopted for the Township's 2022 financial statements. Except where noted, the adoption of this pronouncement did not have a significant impact on the Township's financial statements.

**GASB issued Statement No. 87, 'Leases'.** The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments.

**GASB issued Statement No. 91, 'Conduit Debt Obligations'.** The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS**

**GASB issued Statement No. 97**, *'Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans'*. The primary objectives of this Statement are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensations plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

**GASB issued Statement No. 94**, *'Public-Private and Public-Public Partnerships and Availability Payment Arrangements'*. The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and provide guidance for accounting and financial reporting for availability payment arrangements (APAs). The provisions of this Statement are effective for the Township's December 31, 2023, financial statements.

**GASB issued Statement No. 96**, *'Subscription-Based Information Technology Arrangements'*. The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. The provisions of this Statement are effective for the Township's December 31, 2023, financial statements.

**GASB issued Statement No 99**, *'Omnibus 2022'*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS (Continued)**

**GASB issued Statement No 99 (Continued)**

- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements.
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.

The requirements related to leases, PPPs, and SBITAs are effective for the Township’s December 31, 2023, financial statements.

The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the Township’s December 31, 2024, financial statements.

**GASB issued Statement No 100, ‘Accounting Changes and Error Correction’.** The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The provisions of this Statement are effective for the Township’s December 31, 2024, financial statements.

**GASB issued Statement No 101, ‘Compensated Absences’.** The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for the Township’s December 31, 2024, financial statements.

The effects of implementing these Statements on the Township’s financial statements have not yet been determined.

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS:**

At December 31, 2022, Stowe Township had the following carrying values on its cash and cash equivalent accounts:

|                   | <b>Bank Balance</b> | <b>(Memo Only)<br/>Book Balance</b> |
|-------------------|---------------------|-------------------------------------|
| General Fund      | \$ 1,930,610        | \$ 1,894,472                        |
| Debt Service Fund | 144,520             | 144,520                             |
| Non-major Funds   | 524,620             | 524,620                             |
| Sewer Fund        | 1,720,956           | 1,720,956                           |
| <b>Total</b>      | <b>\$ 4,320,706</b> | <b>\$ 4,284,568</b>                 |

The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government accounts is \$250,000 per official custodian. This coverage includes checking and saving accounts, money market deposit accounts, and certificates of deposit.

**Custodial Credit Risk:**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a policy for custodial credit risk. As of December 31, 2022, \$3,820,706 of the Township's bank balance totals is exposed to custodial credit risk as these amounts exceed the maximum FDIC coverage limits. In accordance with Act number 72-1971 Session of the Commonwealth of Pennsylvania, the above deposits at each depository in excess of \$250,000, if any, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

**INVESTMENTS:**

The following represents the fair value and maturity term of Township proprietary and fiduciary fund investments as of December 31, 2022:

|                                                    | <b>NO STATED<br/>MATURITY</b> |
|----------------------------------------------------|-------------------------------|
| <b>Proprietary Funds:</b>                          |                               |
| Charles Schwab One Account (Cash and mutual funds) | \$ 1,587,493                  |
|                                                    | <b>\$ 1,587,493</b>           |
| <b>Fiduciary Funds:</b>                            |                               |
| Money Market Funds                                 | \$ 66,176                     |
| Mutual Funds                                       | 3,309,340                     |
| Unallocated Insurance Contracts                    | 128,536                       |
|                                                    | <b>\$ 3,504,052</b>           |

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS: (Continued)**

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that in the event of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Township's investments in mutual funds and life insurance policies are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

**Credit Risk:**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township has no formal investment policy that limits its investment choices based on credit ratings by nationally recognized rating organizations.

**Interest Rate and Concentration of Credit Risk:**

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Township places no limit on the amount it may invest in any one issuer.

**Fair Value Measurements:**

The Township of Stowe's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

**Level 1** – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes

**Level 2** – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data

**Level 3** – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS: (Continued)**

The following schedule presents the Investments of the Township by level within the fair value hierarchy:

|              | <b>Fair Value</b>          | <b>Fair Value Measurements</b> |                            |                    |
|--------------|----------------------------|--------------------------------|----------------------------|--------------------|
|              | <b>12/31/2022</b>          | <b>Level 1</b>                 | <b>Level 2</b>             | <b>Level 3</b>     |
| Mutual Funds | \$ 4,882,935               | \$ -                           | \$ 4,882,935               | \$ -               |
|              | <b><u>\$ 4,882,935</u></b> | <b><u>\$ -</u></b>             | <b><u>\$ 4,882,935</u></b> | <b><u>\$ -</u></b> |

Investments held in money market investments and unallocated insurance contracts are not subject to the provisions of fair value measurements.

**NOTE 3 - PROPERTY TAXES**

Stowe Township levies property taxes during the month of March each calendar year. The calendar dates for payment of these taxes is as follows:

**PAYMENT PERIOD**

|                           |                   |
|---------------------------|-------------------|
| March 1 – April 30, 2022  | (Discount period) |
| May 1 – June 30, 2022     | (Face period)     |
| July 1 – December 9, 2022 | (Penalty period)  |

Taxpayers are entitled to a 2% discount if taxes are paid prior to May 1st. Collections after June 30th are assessed a 10% penalty. Tax collectors are required under Act 169 of the Commonwealth of Pennsylvania to submit a reconciliation of their tax duplicate to the District by January 15<sup>th</sup> of the year following levy. Unpaid taxes are remitted to the Township's delinquent real estate tax collector. As of December 31, 2022, the Township had \$300,227 in unpaid real estate taxes for the year 2022 which represents 0.2% of the original assessment.

The tax millage assessment for the 2022 calendar year is 10.48 mills on the assessed value of land and buildings, which represents \$10.48 of revenue for every \$1,000 of assessed value. The millage is designated, 7.50 mills for the General Fund for general Township operations and 2.98 mills is restricted for debt service obligations due by the Township. Taxes receivables include delinquent property taxes of \$4,027,927. For purposes of the governmental fund financial statements, \$3,987,648 of the above property taxes receivable, although measurable, does not meet the available criteria to finance current fiscal year operations. Accordingly, this amount is equally off-set as a credit to deferred inflow of resources in the government-wide and fund financial statements. No provision has been made for amounts estimated to be uncollectable.

**NOTE 4 – DELINQUENT/ACCRUED SEWAGE FEES RECEIVABLE**

Delinquent sewage fees receivable as of December 31, 2022, total \$1,961,801. Management estimates, based on past collection experience, that approximately 50% of the delinquent sewage fees collected by Creditech and DMC, totaling \$980,901, are considered uncollectable.

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 4 – DELINQUENT/ACCRUED SEWAGE FEES RECEIVABLE (Continued)**

Accordingly, the accompanying financial statements (Exhibits A and F) reflect net delinquent sewage fees receivable of \$980,900 at December 31, 2022. In addition, in April of 2022, the Township billed residents \$60,240 in sewage fees for the last 11 days of December 2022. This amount is reflected as accrued sewage fees in the accompanying financial statements (Exhibits A and F) as of December 31, 2022.

**NOTE 5 – OTHER CURRENT LIABILITIES**

Other current liabilities represent various Township fire escrow fees plus accrued interest totaling \$19,882, set aside to either fund, or insure, the proper completion of capital projects related to Township infrastructure.

**NOTE 6 – INTER-FUND TRANSFERS**

Inter-fund transfers for the year were as follows:

|              | <b><u>TRANSFERS IN</u></b> | <b><u>TRANSFERS OUT</u></b> |
|--------------|----------------------------|-----------------------------|
| General Fund | \$ 187,000                 | \$ -                        |
| Highway Aid  | -                          | 187,000                     |
|              | <b><u>\$ 187,000</u></b>   | <b><u>\$ 187,000</u></b>    |

During 2022, the Highway Aid Fund reimbursed the General Fund \$187,000 for street lighting and road salt. At December 31, 2022, the General Fund owed the Sewer Fund \$32,232 for collections.

**NOTE 7 - LONG-TERM DEBT OBLIGATIONS**

**BONDS PAYABLE – SERIES OF 2020**

In February of 2020, Stowe Township issued General Obligation Bonds – Series of 2020 in the amount of \$3,160,000 to provide funds for 1) to currently refund the General Obligation Bonds, Series of 2012 (the “Refunded Bonds”) and 2) to make various capital improvements to the Township, and 3) to pay the costs of issuing the bonds. The bonds were issued in denominations of \$5,000 with interest payable semi-annually on February 1 and August 1 at rates ranging between 2% and 4%. The bonds are scheduled to mature on August 1, 2035, and are secured by the full faith and taxing power of the Township. The bonds provide for early redemption options as detailed in the official statement of issue.

**BONDS PAYABLE – SERIES OF 2021**

In June of 2021, Stowe Township issued General Obligation Bonds – Series of 2021 in the amount of \$2,880,000 to provide funds for 1) to currently refund the General Obligation Bonds, Series of 2016 (the “Refunded Bonds”) and 2) to make various capital improvements to the Township, and 3) to pay the costs of issuing the bonds. The bonds were issued in denominations of \$5,000 with interest payable semi-annually on February 1 and August 1 at the rate of 2%. The bonds are scheduled to mature on August 1, 2035, and are secured by the full faith and taxing power of the Township. The bonds provide for early redemption options as detailed in the official statement of issue.

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 - LONG-TERM DEBT OBLIGATIONS (Continued)**

**DEFAULT PROVISIONS - BOND ISSUES**

The General Obligation Bonds – Series of 2020 and Series of 2021 are general obligations of the Township. The Bonds are secured by the full faith, credit, and taxing power of the Township. Such a pledge is specifically enforceable but is subject to the limitations of bankruptcy, insolvency, and other laws or equitable principles affecting creditor rights generally. The Pennsylvania Local Government Debt Act prescribes certain remedies to the registered owners of the bonds in the event of default. If the Township fails to make adequate provision in its budget, for any year, the sum payable on the bonds, or fails to appropriate or pay the monies necessary in such year for the payment of maturing principal and interest on the bonds, the registered owners may bring suit in the Court of Common Pleas of Allegheny County directing the Township to make such obligated payments. If the default continues for a period of thirty days, or if the Township fails to comply with any provision of either the bonds or ordinance, the bond holders of 25% in aggregate principal amount of the bonds outstanding may appoint a trustee to represent the bond holders to commence a lawsuit to enforce the rights of all registered bondholders. All taxable real estate in the Township is subject to ad valorem taxation without limitation as to rate or amount to pay debt service on the bonds.

A schedule of the December 31, 2022, debt service requirement on the general obligation bonds is as follows:

| <b>Year End<br/>31-Dec</b> | <b>2020<br/>Principal</b>  | <b>2020<br/>Interest</b> | <b>2021<br/>Principal</b>  | <b>2021<br/>Interest</b> | <b>Total</b>               |
|----------------------------|----------------------------|--------------------------|----------------------------|--------------------------|----------------------------|
| 2023                       | 175,000                    | 66,106                   | 190,000                    | 53,500                   | 484,606                    |
| 2024                       | 180,000                    | 59,106                   | 185,000                    | 49,700                   | 473,806                    |
| 2025                       | 185,000                    | 51,906                   | 185,000                    | 46,000                   | 467,906                    |
| 2026                       | 195,000                    | 44,506                   | 195,000                    | 42,300                   | 476,806                    |
| 2027                       | 200,000                    | 40,606                   | 200,000                    | 38,400                   | 479,006                    |
| 2028-2032                  | 1,060,000                  | 141,531                  | 1,045,000                  | 130,900                  | 2,377,431                  |
| 2033-2035                  | 685,000                    | 30,769                   | 675,000                    | 27,200                   | 1,417,969                  |
|                            | <b><u>\$ 2,680,000</u></b> | <b><u>\$ 434,530</u></b> | <b><u>\$ 2,675,000</u></b> | <b><u>\$ 388,000</u></b> | <b><u>\$ 6,177,530</u></b> |

**DIRECT BORROWINGS - LEASE PURCHASE OBLIGATIONS**

**COMMUNITY FIRST NATIONAL BANK**

In March of 2019, Stowe Township entered into a lease purchase agreement with Community First National Bank for the purchase of a new Chevrolet Silverado Utility/Squad Truck totaling \$60,700. The terms of the agreement call for four annual payments of \$16,803.07 at an interest rate of 3.99%. The first payment is due on May 1, 2020, and the agreement is scheduled to expire on May 1, 2023.

In April of 2019, Stowe Township entered into a lease purchase agreement with Community First National Bank for the purchase of an Elgin Street Sweeper totaling \$194,030. The terms of the agreement call for four annual payments of \$53,312 at an interest rate of 3.65%. The first payment is due on June 1, 2020, and the agreement is scheduled to expire on June 1, 2023.

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 7 - LONG-TERM DEBT OBLIGATIONS (Continued)**

**DIRECT BORROWINGS - LEASE PURCHASE OBLIGATIONS (Continued)**

**DEFAULT PROVISION – COMMUNITY FIRST NATIONAL BANK**

In the event of default of the lease purchase obligation by and between the Township and Community First National Bank (CFNB), all commitments and obligations of CFNB will become immediately due and payable. CFNB may require the Township to redeliver any or all equipment within 15 days after the event of default. In addition, CFNB shall have all rights and remedies provided within the lease purchase agreement or available at law, in equity, or otherwise.

A summary of the remaining capital lease payments at December 31, 2022 is as follows:

| <u>Year End</u><br><u>31-Dec</u> | <u>CFNB</u><br><u>Principal</u> | <u>CFNB</u><br><u>Principal</u> | <u>Interest</u> | <u>Total</u>     |
|----------------------------------|---------------------------------|---------------------------------|-----------------|------------------|
| 2023                             | 16,159                          | 51,437                          | 2,519           | 70,115           |
|                                  | <u>\$ 16,159</u>                | <u>\$ 51,437</u>                | <u>\$ 2,519</u> | <u>\$ 70,115</u> |

The following represents the changes in the Township's long-term liabilities during the 2022 calendar year:

|                            | <u>1/1/2022</u>     | <u>Additions</u> | <u>Reductions</u> | <u>12/31/2022</u>   | <u>Due Within</u><br><u>One Year</u> |
|----------------------------|---------------------|------------------|-------------------|---------------------|--------------------------------------|
| General Obligation Bonds   | \$ 5,700,000        | \$ -             | \$ 345,000        | \$ 5,355,000        | \$ 365,000                           |
| <b>Direct Borrowings:</b>  |                     |                  |                   |                     |                                      |
| Lease Purchase Obligations | 152,829             | -                | 85,232            | 67,597              | 67,597                               |
|                            | <u>\$ 5,852,829</u> | <u>\$ -</u>      | <u>\$ 430,232</u> | <u>\$ 5,422,597</u> | <u>\$ 432,597</u>                    |

**NOTE 8 – OPERATING LEASES**

In July of 2010, Stowe Township has entered into an operating lease with US Bank for copier equipment. Lease expense for this equipment totaled \$10,188 during 2022. Although purchase options are available for certain leased equipment, the Township's intention is to renew lease contracts with updated technology at the conclusion of each lease term. Lease agreements provide for non-appropriation clauses on an annual basis, with equipment returned to the lessor, in the event the Township chooses not to appropriate funds for continued use of this equipment.

**NOTE 9 - TOWNSHIP PENSION PLANS**

The following is a summary of the Township's police and non-uniform pension plans:

**POLICE PENSION PLAN** - The Police Pension Plan is a single-employer defined benefit pension plan, established January 1, 1971, to provide retirement and death benefits to qualified police department employees under the provisions governing police pension plans in the Commonwealth of Pennsylvania and local Township Ordinances.

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

The plan is governed by the Stowe Township Board of Commissioners who are responsible for the management of plan assets. The Board of Commissioners has delegated the authority to manage plan assets to Charles Schwab.

Plan membership as of January 1, 2022, was comprised of:

|                                                                         |           |
|-------------------------------------------------------------------------|-----------|
| Active employees                                                        | 10        |
| Retirees and beneficiaries currently receiving benefits                 | 7         |
| Terminated employees entitled to benefits<br>but not yet receiving them | -         |
| Total                                                                   | <u>17</u> |

The summary of the plan's provisions are as follows:

- PARTICIPANTS** - All full-time policemen of Stowe Township shall be participants in the plan.
- ELIGIBILITY** - All participants are eligible for retirement benefits provided that they have attained the age of 50 with 25 years of credited service.
- BENEFITS** - The plan provides for a monthly benefit equal to 50% of average compensation reduced by 25% of Primary Social Security amount, plus service increment for years of service in excess of 25 (\$100 per month).
- TERMINATION** - The plan provides terminated employees with a return of their contributions, if any, plus 2.5% interest.
- FUNDING** - Employee contributions are equal to 1% of total compensation effective January 1, 2011 through 2014, 1.5% for 2015 and 2.0% for 2016 and thereafter. Township contributions are to be determined by the actuary. Annual contributions are received from the Commonwealth of Pennsylvania as provided by Act 205, the General Municipal Pension State Aid Program. The Township contributed \$205,632 to the plan in 2022.
- VESTING** - Participants are 100% vested after 12 years of service.

**NON-UNIFORM PENSION PLAN** - The Non-Uniform Pension Plan is a single-employer defined benefit pension plan, established December 1, 1971, controlled by the provisions of local Township Ordinances. The plan is governed by the Stowe Township Board of Commissioners who are responsible for the management of plan assets.

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

**NON-UNIFORM PENSION PLAN (Continued)**

The Board of Commissioners has delegated the authority to manage plan assets to Charles Schwab and Guggenheim Life and Annuity Company.

Plan membership as of January 1, 2021, was comprised of:

|                                                                         |    |
|-------------------------------------------------------------------------|----|
| Active employees                                                        | 6  |
| Retirees and beneficiaries currently receiving benefits                 | 5  |
| Terminated employees entitled to benefits<br>but not yet receiving them | -  |
| Total                                                                   | 11 |

The summary of the plan's provisions are as follows:

- PARTICIPANTS** - All full-time non-uniformed employees of Stowe Township shall be participants in the plan.
- ELIGIBILITY** - All participants are eligible for retirement benefits provided that they have attained the age of 62 with 20 years of credited service.
- BENEFITS** - The plan provides for a monthly benefit equal to \$40 per year of service. Effective, 1/1/2016, benefit accrual is \$60 per year of service.
- TERMINATION** - The plan provides terminated employees with a return of their contributions, if any, plus 5.0% interest.
- FUNDING** - Township contributions are to be determined by the actuary. Employee contributions were not required for 2022. Annual contributions are received from the Commonwealth of Pennsylvania as provided by Act 205, the General Municipal Pension State Aid Program. The Township contributed \$33,404 to the plan in 2022.
- VESTING** - Participant are 100% vested after 5 years of service, effective 7/14/2020.

**FUNDING REQUIREMENTS**

On December 18, 1984, Act 205 was passed into law, and is known as the "Municipal Pension Plan Funding Standard and Recovery Act." The act mandates actuarial funding standards, establishes a recovery program for financially distressed pension plans and provides for the distribution of the tax on premiums of foreign fire insurance companies. The act requires minimum funding standards based on the most recent actuarial valuation report, including normal cost and administrative expense requirements and an amortization contribution of the unfounded actuarial accrued liability. For financially distressed pension plans, the act provides for delayed implementation of this funding standard over either 10 or 15 years. In addition, supplemental state aid is available to all eligible municipalities and will be paid from the supplemental state assistance account.

**STOWE TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 9 - TOWNSHIP PENSION PLANS (Continued)**

In addition to member contributions, the pension plan may also receive an annual allocation from the General Municipal Pension System State Aid Program. The entire proceeds of the insurance premium tax on foreign casualty insurance companies and any investment income earned on those proceeds, and the portion of the proceeds of the insurance premium tax on foreign fire insurance companies which represents the amount of the distributions applicable to paid firefighters, and any investment income earned on the amount of those distributions are specifically designated on the amount of those distributions are specifically designated for municipal pension plans. Any remaining obligation with respect to the pension plan shall be paid by the municipality.

Both retirement plans' investment income was used to fund administrative costs. There are no long-term contracts for contributions as of December 31, 2022. In addition, there are no assets legally reserved for purposes other than the payment of plan member benefit.

**NOTE 10 – RISKS AND UNCERTAINTIES**

**INSURANCE**

Stowe Township is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors, and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

**LEGAL MATTERS**

The Township of Stowe, in the normal course of operations, is party to various legal matters normally associated with municipalities such as real estate tax assessment appeals, personnel wage and benefits, and other miscellaneous legal matters. As of December 31, 2022, the Township is unaware of any pending litigation that would be material to the financial position of the Township of Stowe.

**FEDERAL AND STATE FUNDING**

Stowe Township's state and federally funded programs, including its pension funds, are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The Township is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any other material items of noncompliance which would result in additional interest and penalty costs.

**NOTE 11 – SUBSEQUENT EVENTS**

Management has determined that there are no other events subsequent to December 31, 2022, through the December 1, 2023, date of the 'Independent Audit Report', which is the date the financial statements were available to be issued, that require additional disclosure.

***SUPPLEMENTARY  
INFORMATION***

**STOWE TOWNSHIP  
 DETAIL SCHEDULE OF BUDGETED AND ACTUAL REVENUES  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                      | <b>BUDGET</b>       | <b>ACTUAL</b>       | <b>OVER<br/>(UNDER)<br/>BUDGET</b> |
|--------------------------------------|---------------------|---------------------|------------------------------------|
| <b><u>TAXES:</u></b>                 |                     |                     |                                    |
| R.E. Tax - Current Year              | \$ 1,249,437        | \$ 1,154,391        | \$ (95,046)                        |
| R.E. Tax - Prior Year                | -                   | 50,883              | 50,883                             |
| R.E. Tax Delinquent/Lien             | 125,000             | 120,682             | (4,318)                            |
| Sales & Use 1% County Tax            | 280,000             | 380,866             | 100,866                            |
| Earned Income C/Y                    | 425,000             | 620,148             | 195,148                            |
| Earned Income elinquent              | -                   | 253                 | 253                                |
| Mercantile Tax C/Y                   | 20,000              | 35,698              | 15,698                             |
| Real Estate Transfer Tax             | 40,000              | 103,414             | 63,414                             |
| Local Services Tax - C/Y             | 50,000              | 87,117              |                                    |
| Business Privilege C/Y               | 50,000              | 37,761              | (12,239)                           |
| <b>TOTAL TAXES</b>                   | <b>\$ 2,239,437</b> | <b>\$ 2,591,212</b> | <b>\$ 314,659</b>                  |
| <b><u>LICENSES AND PERMITS:</u></b>  |                     |                     |                                    |
| Alarm Permits & Fees                 | \$ 1,500            | \$ 44               | \$ (1,456)                         |
| Handicap Parking Permits             | 4,500               | 4,125               | (375)                              |
| Vendor's Licenses                    | 500                 | 360                 | (140)                              |
| Junk Yard Licenses                   | 2,000               | 2,000               | -                                  |
| Mechanical Machines                  | 20,000              | 18,875              | (1,125)                            |
| Cable Television Franchise Tax       | 100,000             | 88,175              | (11,825)                           |
| Entertainment Permit                 | 25,000              | 12,500              | (12,500)                           |
| <b>TOTAL LICENSES AND PERMITS</b>    | <b>\$ 153,500</b>   | <b>\$ 126,078</b>   | <b>\$ (27,422)</b>                 |
| <b><u>FINES AND FORFEITURES:</u></b> |                     |                     |                                    |
| State Police Fines                   | \$ 2,000            | \$ 1,288            | \$ (712)                           |
| Parking Fines from Police            | 4,500               | 2,552               | (1,948)                            |
| District Magistrate Fines            | 25,000              | 20,867              | (4,133)                            |
| DUI Fines                            | 12,000              | 7,887               | (4,113)                            |
| <b>TOTAL FINES AND FORFEITURES</b>   | <b>\$ 43,500</b>    | <b>\$ 32,594</b>    | <b>\$ (10,906)</b>                 |
| <b><u>INTEREST AND RENTS:</u></b>    |                     |                     |                                    |
| Interest Earnings                    | \$ 5,000            | \$ 16,199           | \$ 11,199                          |
| <b>TOTAL INTEREST AND RENTS</b>      | <b>\$ 5,000</b>     | <b>\$ 16,199</b>    | <b>\$ 11,199</b>                   |
| <b><u>INTERGOVERNMENTAL:</u></b>     |                     |                     |                                    |
| COVID 19 Relief                      | \$ -                | \$ 322,366          | \$ 322,366                         |
| Grants                               | -                   | 85,050              | 85,050                             |
| Gen Municipal State Pension Aid      | 128,024             | 134,692             | 6,668                              |
| Act 147 Retirement                   | 450                 | -                   | (450)                              |
| PURTA Distribution                   | 3,000               | 2,853               | (147)                              |
| Liquor Licenses                      | 1,700               | 1,700               | -                                  |
| Shale Impact Fee                     | -                   | 1,166               | 1,166                              |
| Foreign Fire Ins Premium Tax         | 23,059              | 28,471              | 5,412                              |
| Payments In Lieu of Taxes            | 20,000              | 19,198              | (802)                              |
| <b>TOTAL INTERGOVERNMENTAL</b>       | <b>\$ 176,233</b>   | <b>\$ 595,496</b>   | <b>\$ 419,263</b>                  |

**STOWE TOWNSHIP**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL REVENUES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                                       | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>OVER<br/>(UNDER)<br/>BUDGET</u> |
|-------------------------------------------------------|---------------------|---------------------|------------------------------------|
| <b><u>CHARGES FOR SERVICES:</u></b>                   |                     |                     |                                    |
| Delinquent Sewage Collected                           | \$ -                | \$ 668              | \$ 668                             |
| Zoning Board Hearing Fees                             | 700                 | 1,575               | 875                                |
| Municipal No - Lien Letters                           | 8,000               | 8,675               | 675                                |
| Task Force Reimbursements                             | -                   | 14,003              | 14,003                             |
| Police Detail Reimbursements                          | -                   | 87,285              | 87,285                             |
| Police Accident Reports                               | 1,000               | 2,843               | 1,843                              |
| School Guard Expense Reimbursement                    | 16,200              | 5,375               | (10,825)                           |
| Building Permits                                      | 4,000               | 9,865               | 5,865                              |
| Occupancy Permits                                     | 10,000              | 6,663               | (3,337)                            |
| Rental Operating Permit                               | 88,400              | 70,870              | (17,530)                           |
| Recycle Bins                                          | -                   | 35                  | 35                                 |
| Street Opening Permits                                | 15,000              | 26,147              | 11,147                             |
| Parking Meter Money                                   | 5,500               | -                   | (5,500)                            |
| County Snow Removal                                   | 8,500               | 4,696               | (3,804)                            |
| PENNDOT Snow Removal Contract                         | 16,300              | 17,206              | 906                                |
| <b>TOTAL CHARGES FOR SERVICES</b>                     | <b>\$ 173,600</b>   | <b>\$ 255,906</b>   | <b>\$ 82,306</b>                   |
| <b><u>MISCELLANEOUS:</u></b>                          |                     |                     |                                    |
| Miscellaneous Revenues                                | \$ 20,000           | \$ 15,825           | \$ (4,175)                         |
| Donations                                             | -                   | 1,000               | 1,000                              |
| <b>TOTAL MISCELLANEOUS</b>                            | <b>\$ 20,000</b>    | <b>\$ 16,825</b>    | <b>\$ (3,175)</b>                  |
| <b><u>OTHER FINANCIAL SOURCES:</u></b>                |                     |                     |                                    |
| Transfer from Liquid Fuels                            | \$ 170,000          | \$ -                | \$ (170,000)                       |
| Transfer from Capital Road Fund                       | -                   | 33,632              | 33,632                             |
| Sale of Township Property                             | -                   | 1,200               | 1,200                              |
| Refund Prior Year Expense                             | -                   | 2,707               | 2,707                              |
| Insurance Reimbursements and Refunds                  | -                   | 29,541              | 29,541                             |
| <b>TOTAL OTHER FINANCIAL SOURCES</b>                  | <b>\$ 170,000</b>   | <b>\$ 67,080</b>    | <b>\$ (102,920)</b>                |
| <b>TOTAL REVENUES AND<br/>OTHER FINANCIAL SOURCES</b> | <b>\$ 2,981,270</b> | <b>\$ 3,701,390</b> | <b>\$ 683,003</b>                  |

**STOWE TOWNSHIP**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                             | BUDGET            | ACTUAL            | OVER<br>(UNDER)<br>BUDGET |
|---------------------------------------------|-------------------|-------------------|---------------------------|
| <b>GENERAL GOVERNMENT:</b>                  |                   |                   |                           |
| <b>ADMINISTRATION:</b>                      |                   |                   |                           |
| Salary of Commissioners                     | \$ 12,500         | \$ 11,480         | \$ (1,020)                |
| General Expense                             | 3,000             | 17,968            | 14,968                    |
| Computer Support                            | 4,500             | 11,832            | 7,332                     |
| Payroll Service                             | 5,000             | 3,814             | (1,186)                   |
| Petty Cash                                  | -                 | -                 | -                         |
| COG Dinner                                  | 1,000             | 259               | (741)                     |
| Advertising and Printing                    | 3,500             | 2,766             | (734)                     |
| Code Revision                               | 3,000             | 1,195             | (1,805)                   |
| Dues, Subscription & Membership             | 5,500             | 19,631            | 14,131                    |
| LGA/DCA Classes                             | 500               | 125               | (375)                     |
| Meetings, Conferences, Continuing Education | 2,000             | -                 | (2,000)                   |
| Township Auditor                            | 7,000             | 7,991             | 991                       |
| Office/General Administrative Expense       | -                 | 42,093            | 42,093                    |
| Library Contribution                        | 1,000             | -                 | (1,000)                   |
| Account Charge/Fee                          | -                 | 2,950             | 2,950                     |
| Truck/Copier leases                         | -                 | 10,188            | 10,188                    |
| <b>TOTAL ADMINISTRATION</b>                 | <b>\$ 48,500</b>  | <b>\$ 132,292</b> | <b>\$ 83,792</b>          |
| <b>TAX COLLECTION:</b>                      |                   |                   |                           |
| Treasurer/Tax Coll Commission               | \$ 2,500          | \$ 699            | \$ (1,801)                |
| Earned Income Tax Commission                | -                 | 114               | 114                       |
| LST Commission                              | -                 | 826               | 826                       |
| Mercantile Tax Commission                   | 700               | 521               | (179)                     |
| Business Privilege Commission               | 1,000             | 959               | (41)                      |
| Keystone Commission                         | -                 | -                 | -                         |
| Office Supplies and Forms                   | 500               | 609               | 109                       |
| Refunds/exonerations                        | -                 | 12,638            | 12,638                    |
| Tax Collectors Bond                         | 1,800             | 2,394             | 594                       |
| <b>TOTAL TAX COLLECTION</b>                 | <b>\$ 6,500</b>   | <b>\$ 18,760</b>  | <b>\$ 12,260</b>          |
| <b>LEGAL FEES:</b>                          |                   |                   |                           |
| Legal - Twp. Solicitor                      | \$ 45,000         | \$ 31,783         | \$ (13,217)               |
| Legal - Attorney                            | 2,000             | 18,151            | 16,151                    |
| Civil Service Commission Fees               | 2,000             | 1,936             | (64)                      |
| <b>TOTAL LEGAL FEES</b>                     | <b>\$ 49,000</b>  | <b>\$ 51,870</b>  | <b>\$ 2,870</b>           |
| <b>CLERICAL STAFFING:</b>                   |                   |                   |                           |
| Clerical Staffing                           | \$ -              | \$ -              | \$ -                      |
| Secretary Salary                            | 65,000            | 75,577            | 10,577                    |
| Assistant/Clerk Salary                      | 31,387            | 31,911            | 524                       |
| Office Supplies                             | 1,300             | 5,473             | 4,173                     |
| Association Dues                            | 300               | 150               | (150)                     |
| Secretary Bond                              | 100               | 100               | -                         |
| Meeting, Conferences, Con Edu               | 1,000             | -                 | (1,000)                   |
| <b>TOTAL CLERICAL STAFFING</b>              | <b>\$ 99,087</b>  | <b>\$ 113,211</b> | <b>\$ 14,124</b>          |
| <b>ENGINEERING:</b>                         |                   |                   |                           |
| Engineer's Retainer                         | \$ 3,000          | \$ 2,192          | \$ (808)                  |
| Engineering Service fees                    | 60,000            | 71,597            | 11,597                    |
| Elizabeth Ave Landslide                     | -                 | 63                | 63                        |
| Coles Row Landslide                         | -                 | 139,440           | 139,440                   |
| <b>TOTAL ENGINEERING</b>                    | <b>\$ 63,000</b>  | <b>\$ 213,292</b> | <b>\$ 150,291</b>         |
| <b>GENERAL GOVERNMENT BLDG &amp; PLANT:</b> |                   |                   |                           |
| Mun Bldg Maintenance                        | \$ 7,000          | \$ 17,639         | \$ 10,639                 |
| Materials and Supplies                      | 2,500             | 10,890            | 8,390                     |
| Municipal Building Utilites                 | 35,000            | 48,388            | 13,388                    |
| Public Works/Utilites                       | 3,000             | 13,694            | 10,694                    |
| West Park VFD Utilites                      | -                 | 33,237            | 33,237                    |
| Pump Station Electricity                    | 1,000             | 13,161            | 12,161                    |
| 548 Broadway Utilites                       | 11,000            | 12,856            | 1,856                     |
| General Expense - Mun Building              | 3,000             | 2,332             | (668)                     |
| Bldg Maint. - Municipal                     | 5,500             | 4,894             | (606)                     |
| Bldg Maint. - Fire Dept                     | 1,500             | -                 | (1,500)                   |
| Bldg Maint. - Public Works                  | 1,500             | 2,868             | 1,368                     |
| <b>TOTAL GENERAL GOV. BLDG &amp; PLANT</b>  | <b>\$ 71,000</b>  | <b>\$ 159,959</b> | <b>\$ 88,960</b>          |
| <b>TOTAL GENERAL GOVERNMENT</b>             | <b>\$ 337,087</b> | <b>\$ 689,384</b> | <b>\$ 352,297</b>         |

**STOWE TOWNSHIP**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                          | BUDGET              | ACTUAL              | OVER<br>(UNDER)<br>BUDGET |
|------------------------------------------|---------------------|---------------------|---------------------------|
| <b><u>PUBLIC SAFETY:</u></b>             |                     |                     |                           |
| <b><u>POLICE PROTECTION:</u></b>         |                     |                     |                           |
| Full Time Police Salaries                | \$ 818,757          | \$ 1,181,555        | \$ 362,798                |
| Part time Police Salaries                | 37,500              | 27,693              | (9,807)                   |
| Desk Clerk Salaries                      | 3,350               | 638                 | (2,712)                   |
| Admin Assistant                          | -                   | 8,575               | 8,575                     |
| School Crossing Guards                   | 32,400              | 15,361              | (17,039)                  |
| Ordinance Officer Salary                 | 37,310              | 45,422              | 8,112                     |
| Police Parking                           | -                   | (14)                | (14)                      |
| Vehicle - Oil/Grease Service             | -                   | 1,789               | 1,789                     |
| Materials and Supplies                   | 10,000              | 5,945               | (4,055)                   |
| Police Training                          | 3,000               | -                   | (3,000)                   |
| Police Uniform Allowance                 | 8,500               | 11,524              | 3,024                     |
| Police Cleaning Allowance                | -                   | 105                 | 105                       |
| Ammunition Expense                       | 5,000               | 8,059               | 3,059                     |
| Communication Expense                    | 5,000               | 15,513              | 10,513                    |
| Cameras                                  | 10,000              | 300                 | (9,700)                   |
| Police SUV                               | -                   | 417                 | 417                       |
| 21 Charger                               | -                   | 8,585               | 8,585                     |
| Parking Meter Maint                      | 3,000               | 1,860               | (1,140)                   |
| #901 - 15 Dodge Charger                  | 3,000               | 50,538              | 47,538                    |
| #902-19 Ford                             | 3,000               | 3,702               | 702                       |
| #903-15 Dodge Charger                    | -                   | 1,255               | 1,255                     |
| #904-18 Ford                             | 3,000               | 5,640               | 2,640                     |
| #905-05 Chevy                            | -                   | -                   | -                         |
| #907-96 Jeep                             | -                   | -                   | -                         |
| #908/Unmarked Ford Muni Car              | 1,000               | 1,779               | 779                       |
| #909-Unmarked Nissan                     | 1,000               | 1,389               | 389                       |
| 2011 Ford Escape Ordin. Car              | -                   | 2,203               | 2,203                     |
| Police Association Dues                  | 500                 | 1,805               | 1,305                     |
| Meetings and Conferences                 | 500                 | 670                 | 170                       |
| Vehicle Capital Outlay                   | -                   | -                   | -                         |
| 911 Expense/Training                     | 250                 | 920                 | 670                       |
| Asset Forfeiture Related Exp             | -                   | 885                 | 885                       |
| <b>TOTAL POLICE PROTECTION</b>           | <b>\$ 986,067</b>   | <b>\$ 1,404,117</b> | <b>\$ 418,049</b>         |
| <b><u>FIRE PROTECTION:</u></b>           |                     |                     |                           |
| Fire/Emergency Mgmt                      | \$ -                | \$ 52               | \$ 52                     |
| Fire Chief/Emergency Mgmt                | 500                 | 500                 | -                         |
| General Expense V.F.D.                   | 2,500               | 5,208               | 2,708                     |
| Test Air Bottles                         | 5,000               | 1,767               | (3,233)                   |
| Communication/Radio Expense              | 1,000               | 697                 | (303)                     |
| Fire Hydrant Expense                     | 40,000              | 29,888              | (10,112)                  |
| Engine 275 Rosenbauer                    | 3,000               | 11,787              | 8,787                     |
| 275 KME Rescue Pumper                    | 3,000               | 17,348              | 14,348                    |
| Truck 275-1 (05 Chevy Squad)             | 2,000               | 4,647               | 2,647                     |
| Squad 275-2(94 Pierce) SOLD              | 2,000               | -                   | (2,000)                   |
| Squad 275 (05 Chevrolet))                | 2,000               | 338                 | (1,662)                   |
| VFD Squad 2 (19 Chevy)                   | 2,000               | 133                 | (1,867)                   |
| Foreign fire contribution                | 23,000              | 28,471              | 5,471                     |
| Fire Dept Equipment                      | 3,000               | 6,883               | 3,883                     |
| VFD Personal Protection Equipment        | 20,000              | 12,558              | (7,442)                   |
| <b>TOTAL FIRE PROTECTION</b>             | <b>\$ 109,000</b>   | <b>\$ 120,277</b>   | <b>\$ 11,277</b>          |
| <b><u>PLANNING AND ZONING:</u></b>       |                     |                     |                           |
| Code Enforcement Services                | \$ -                | \$ 27,132           | \$ 27,132                 |
| Board of Adjustment                      | 500                 | -                   | (500)                     |
| Planning Commission                      | 300                 | -                   | (300)                     |
| <b>TOTAL PLANNING AND ZONING</b>         | <b>\$ 800</b>       | <b>\$ 27,132</b>    | <b>\$ 26,332</b>          |
| <b>TOTAL PUBLIC SAFETY</b>               | <b>\$ 1,095,867</b> | <b>\$ 1,551,526</b> | <b>\$ 455,658</b>         |
| <b><u>HEALTH AND HUMAN SERVICES:</u></b> |                     |                     |                           |
| Animal Control Contract                  | \$ 1,000            | \$ -                | \$ (1,000)                |
| <b>TOTAL HEALTH AND HUMAN SERVICES</b>   | <b>\$ 1,000</b>     | <b>\$ -</b>         | <b>\$ (1,000)</b>         |

**STOWE TOWNSHIP**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                                   | BUDGET            | ACTUAL            | OVER<br>(UNDER)<br>BUDGET |
|---------------------------------------------------|-------------------|-------------------|---------------------------|
| <b><u>PUBLIC WORKS:</u></b>                       |                   |                   |                           |
| <b>HIGHWAY MAINTENANCE-GENERAL</b>                |                   |                   |                           |
| Full time Public Works                            | \$ 239,386        | \$ 256,136        | \$ 16,750                 |
| Part time Public Works                            | 7,000             | 242               | (6,758)                   |
| Truck #4 - 2020 Ford-350                          | -                 | 403               | 403                       |
| General Exp & Office Supplies                     | 500               | 28,918            | 28,418                    |
| Vehicle Maint/Repairs                             | -                 | 1,500             | 1,500                     |
| Operating Supplies                                | 10,000            | 7,037             | (2,963)                   |
| P.W.D Uniform Expense                             | 2,000             | 1,853             | (147)                     |
| Vehicle Gas, Oil, Grease                          | -                 | 44,633            | 44,633                    |
| Trk #2 - 2011 Ford F-750 Truck                    | 2,500             | 412               | (2,088)                   |
| Trk #3 - 2018 Chevrolet                           | 2,500             | 574               | (1,926)                   |
| Trk #6 - 2007 Chevy                               | 2,500             | 95                | (2,405)                   |
| Trk #7 - 2007 Chevy                               | 2,500             | -                 | (2,500)                   |
| Elgin Sweeper                                     | 2,500             | 212               | (2,288)                   |
| TRK 1 2014 Ford F550/Finance/Maint                | 2,500             | 942               | (1,558)                   |
| Purchase of Hand Tools                            | 500               | -                 | (500)                     |
| Communication Expense                             | 500               | 74                | (426)                     |
| Backhoe/Equipment Repair                          | 5,000             | 5,105             | 105                       |
| Community Spring Cleanup                          | 2,000             | 404               | (1,596)                   |
| Vehicle Capital Outlay                            | -                 | 111,212           | 111,212                   |
| General P. W. Repair                              | -                 | 14,701            | 14,701                    |
| <b>TOTAL HIGHWAY MAINTENANCE</b>                  | <b>\$ 281,886</b> | <b>\$ 474,453</b> | <b>\$ 192,566</b>         |
| <b>HIGHWAY MAINTENANCE - SNOW &amp; ICE</b>       |                   |                   |                           |
| Materials for Snow & Ice                          | \$ 70,000         | \$ 50,457         | \$ (19,543)               |
| <b>TOTAL HIGHWAY MAINTENANCE - SNOW &amp; ICE</b> | <b>\$ 70,000</b>  | <b>\$ 50,457</b>  | <b>\$ (19,543)</b>        |
| <b>HIGHWAY MAINTENANCE - TRAFFIC SIGN</b>         |                   |                   |                           |
| Traffic Signs                                     | \$ 10,000         | \$ 4,557          | \$ (5,443)                |
| Street Signs and Markings                         | 3,000             | 1,158             | (1,842)                   |
| <b>TOTAL HIGHWAY MAINTENANCE - TRAFFIC SIGN</b>   | <b>\$ 13,000</b>  | <b>\$ 5,715</b>   | <b>\$ (7,285)</b>         |
| <b>HIGHWAY MAINTENANCE - STREET LIGHT</b>         |                   |                   |                           |
| Charges for Street Lights                         | \$ 109,146        | \$ 85,292         | \$ (23,854)               |
| Decorative Lites - Broadway                       | 2,000             | -                 | (2,000)                   |
| Street Light - Other                              | -                 | 29                | 29                        |
| <b>TOTAL MAINTENANCE STREET LIGHT</b>             | <b>\$ 111,146</b> | <b>\$ 85,321</b>  | <b>\$ (25,825)</b>        |
| <b>HIGHWAY MAINTENANCE - HIGHWAYS</b>             |                   |                   |                           |
| Sewer Maintenance                                 | \$ -              | \$ 800            | \$ 800                    |
| Highways - Other                                  | -                 | 37,149            | 37,149                    |
| Street Repair Materials                           | 31,477            | 23,381            | (8,096)                   |
| <b>TOTAL HIGHWAY MAINTENANCE - HIGHWAYS</b>       | <b>\$ 31,477</b>  | <b>\$ 61,330</b>  | <b>\$ 29,853</b>          |
| <b>TOTAL HIGHWAYS</b>                             | <b>\$ 507,509</b> | <b>\$ 677,276</b> | <b>\$ 169,766</b>         |
| <b>TOTAL PUBLIC WORKS</b>                         | <b>\$ 507,509</b> | <b>\$ 677,276</b> | <b>\$ 169,766</b>         |
| <b><u>CULTURE AND RECREATION:</u></b>             |                   |                   |                           |
| Park Maintenance and Repairs                      | \$ 2,000          | \$ 2,047          | \$ 47                     |
| Park Capital Outlay                               | 3,000             | -                 | (3,000)                   |
| <b>TOTAL CULTURE AND RECREATION</b>               | <b>\$ 5,000</b>   | <b>\$ 2,047</b>   | <b>\$ (2,953)</b>         |
| <b><u>COMMUNITY DEVELOPMENT</u></b>               |                   |                   |                           |
| Demolition                                        | \$ -              | \$ 52,851         | \$ 52,851                 |
| <b>TOTAL COMMUNITY DEVELOPMENT</b>                | <b>\$ -</b>       | <b>\$ 52,851</b>  | <b>\$ 52,851</b>          |

**STOWE TOWNSHIP**  
**DETAIL SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                                        | <u>BUDGET</u>       | <u>ACTUAL</u>       | <u>OVER<br/>(UNDER)<br/>BUDGET</u> |
|--------------------------------------------------------|---------------------|---------------------|------------------------------------|
| <b><u>DEBT SERVICE:</u></b>                            |                     |                     |                                    |
| Air Bottle Loan                                        | \$ 18,000           | \$ 7,371            | \$ (10,629)                        |
| Truck/Copier Leases                                    | 13,000              | 27,159              | 14,159                             |
| PW Dump Truck Principal                                | 12,693              | -                   | (12,693)                           |
| Backhoe Lease                                          | 5,000               | -                   | (5,000)                            |
| Elgin Sweeper                                          | 49,629              | 49,629              | -                                  |
| VFD Squad Truck                                        | 14,495              | -                   | (14,495)                           |
| PW 2020 Pickup Truck                                   | -                   | -                   | -                                  |
| T.A.N. Interest                                        | -                   | (0)                 | (0)                                |
| Bottle Loan Interest                                   | -                   | 301                 | 301                                |
| PW Dump Truck Interest                                 | 1,322               | 678                 | (644)                              |
| Elgin Sweeper Interest                                 | 5,249               | 3,683               | (1,566)                            |
| VFW Squad Truck Interest                               | 1,859               | 1,263               | (596)                              |
| <b>TOTAL DEBT SERVICE</b>                              | <b>\$ 121,247</b>   | <b>\$ 90,083</b>    | <b>\$ (31,164)</b>                 |
| <b><u>EMPLOYEE BENEFITS AND INSURANCE:</u></b>         |                     |                     |                                    |
| Hospitalization Premiums                               | \$ 245,000          | \$ 247,481          | \$ 2,481                           |
| Employer Share - FICA                                  | 112,000             | 128,066             | 16,066                             |
| Unemployment Compensation                              | 12,000              | 7,923               | (4,077)                            |
| Huntingdon Insurance                                   | 70,000              | 56,836              | (13,164)                           |
| Workmans Compensation Insurance                        | 100,000             | 102,825             | 2,825                              |
| Life/LT/ST Insurance Benefit                           | 7,500               | 60,828              | 53,328                             |
| Retirement/MMO                                         | 128,024             | -                   | (128,024)                          |
| Retirement - Police Pension                            | 205,632             | 205,632             | -                                  |
| Retirement - Service Pension                           | 33,404              | 33,404              | -                                  |
| Dental and Vision                                      | -                   | 3,000               | 3,000                              |
| Personnel Exp & Insurance - Other                      | -                   | 10,210              | 10,210                             |
| <b>TOTAL EMPLOYEE BENEFITS AND INSURANCE</b>           | <b>\$ 913,560</b>   | <b>\$ 856,205</b>   | <b>\$ (57,355)</b>                 |
| <b><u>OTHER FINANCING USES:</u></b>                    |                     |                     |                                    |
| Miscellaneous Expense                                  | \$ -                | \$ 9,537            | \$ 9,537                           |
| <b>TOTAL OTHER FINANCING USES</b>                      | <b>\$ -</b>         | <b>\$ 9,537</b>     | <b>\$ 9,537</b>                    |
| <b>TOTAL EXPENDITURES AND OTHER<br/>FINANCING USES</b> | <b>\$ 2,981,270</b> | <b>\$ 3,928,909</b> | <b>\$ 947,636</b>                  |

**STOWE TOWNSHIP  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

|                                            | <b>LIQUID<br/>FUELS<br/>FUND</b> | <b>CAPITAL<br/>PROJECT<br/>FUND</b> | <b>TOTAL</b>      |
|--------------------------------------------|----------------------------------|-------------------------------------|-------------------|
| <b>ASSETS:</b>                             |                                  |                                     |                   |
| Cash and Cash Equivalents                  | \$ 277,655                       | \$ 246,965                          | \$ 524,620        |
| <b>TOTAL ASSETS</b>                        | <b>\$ 277,655</b>                | <b>\$ 246,965</b>                   | <b>\$ 524,620</b> |
| <br><b>LIABILITIES AND FUND BALANCE:</b>   |                                  |                                     |                   |
| <b>LIABILITIES:</b>                        |                                  |                                     |                   |
| Due to Other Funds                         | \$ -                             | \$ -                                | \$ -              |
| <b>TOTAL LIABILITIES</b>                   | <b>\$ -</b>                      | <b>\$ -</b>                         | <b>\$ -</b>       |
| <br><b>FUND BALANCES:</b>                  |                                  |                                     |                   |
| Restricted                                 | \$ 277,655                       | \$ -                                | \$ 277,655        |
| Assigned                                   | -                                | 246,965                             | 246,965           |
| <b>TOTAL FUND BALANCES</b>                 | <b>\$ 277,655</b>                | <b>\$ 246,965</b>                   | <b>\$ 524,620</b> |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 277,655</b>                | <b>\$ 246,965</b>                   | <b>\$ 524,620</b> |

**STOWE TOWNSHIP**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

|                                                        | <b>LIQUID<br/>FUELS<br/>FUND</b> | <b>CAPITAL<br/>PROJECT<br/>FUND</b> | <b>TOTAL</b>      |
|--------------------------------------------------------|----------------------------------|-------------------------------------|-------------------|
| <b><u>REVENUES:</u></b>                                |                                  |                                     |                   |
| Liquid Fuels Allocation                                | \$ 172,954                       | \$ -                                | \$ 172,954        |
| Interest                                               | 23                               | 27                                  | 50                |
| <b>TOTAL REVENUES</b>                                  | <b>\$ 172,977</b>                | <b>\$ 27</b>                        | <b>\$ 173,004</b> |
| <b><u>OTHER FINANCING SOURCES:</u></b>                 |                                  |                                     |                   |
| Interfund Transfer                                     | \$ -                             | \$ -                                | \$ -              |
| <b>TOTAL OTHER FINANCING USES</b>                      | <b>\$ -</b>                      | <b>\$ -</b>                         | <b>\$ -</b>       |
| <b>TOTAL REVENUES AND OTHER<br/>FINANCING SOURCES</b>  | <b>\$ 172,977</b>                | <b>\$ 27</b>                        | <b>\$ 173,004</b> |
| <b><u>EXPENDITURES:</u></b>                            |                                  |                                     |                   |
| General Government                                     | \$ -                             | \$ -                                | \$ -              |
| <b>TOTAL EXPENDITURES</b>                              | <b>\$ -</b>                      | <b>\$ -</b>                         | <b>\$ -</b>       |
| <b><u>OTHER FINANCING USES:</u></b>                    |                                  |                                     |                   |
| Interfund Transfer                                     | \$ -                             | \$ 33,632                           | \$ 33,632         |
| <b>TOTAL OTHER FINANCING USES</b>                      | <b>\$ -</b>                      | <b>\$ 33,632</b>                    | <b>\$ 33,632</b>  |
| <b>TOTAL EXPENDITURES AND<br/>OTHER FINANCING USES</b> | <b>\$ -</b>                      | <b>\$ 33,632</b>                    | <b>\$ 33,632</b>  |
| EXCESS REVENUES OVER<br>(UNDER) EXPENDITURES           | \$ 172,977                       | \$ (33,605)                         | \$ 139,372        |
| FUND BALANCE - January 1, 2022                         | 104,678                          | 280,570                             | 385,248           |
| <b>FUND BALANCE - December 31, 2022</b>                | <b>\$ 277,655</b>                | <b>\$ 246,965</b>                   | <b>\$ 524,620</b> |