

**SHREWSBURY TOWNSHIP**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

**SHREWSBURY TOWNSHIP**  
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**DECEMBER 31, 2012**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Supervisors  
Shrewsbury Township  
Glen Rock, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Shrewsbury Township, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

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

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

As described in Note 1, the Township prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of Pennsylvania, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Shrewsbury Township, as of and for the year ended December 31, 2012, and the respective changes in financial position in accordance with the cash basis of accounting.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Shrewsbury Township. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Kochenour, Earnest, Smyser & Burg*

Certified Public Accountants

York, Pennsylvania  
March 18, 2013

**SHREWSBURY TOWNSHIP**  
**GOVERNMENT- ENTITY WIDE PRESENTATION**  
**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS**  
**DECEMBER 31, 2012**

	<b><u>Governmental Funds</u></b>
<b><u>ASSETS</u></b>	
Cash and Temporary Investments (Note 2)	\$ 2,209,981
Due From Other Funds	12,398
<b>TOTAL ASSETS</b>	<b>\$ <u>2,222,379</u></b>
<b><u>LIABILITIES</u></b>	
Developer Escrows Payable	\$ 6,802
Payroll Taxes Payable	
Due To Other Funds	12,398
Long-Term Liabilities	588,953
Current Portion of Long-Term Debt	<u>36,047</u>
<b>TOTAL LIABILITIES</b>	<b>644,200</b>
<b><u>FUND BALANCES</u></b>	
Unreserved Fund Balances	<u>1,578,179</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>2,222,379</u></b>

See accompanying notes to the financial statements.

**SHREWSBURY TOWNSHIP**  
**GOVERNMENT - ENTITY WIDE PRESENTATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CASH BASIS**  
**DECEMBER 31, 2012**

Functions/Programs	Program Revenues		Net (Expenditures) Revenue and Changes in Fund Balance
	Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities:</b>			
General Government	\$ 443,978	\$ 64,969	\$ (332,329)
Public Safety	333,066		(250,219)
Health and Welfare			0
Sanitation	229,475	42,796	(146,985)
Highways	693,158	285,177	(395,603)
Culture - Recreation	23,099		(23,099)
Debt Service	87,477		(87,477)
Payroll Taxes and Other Employee Benefits	173,012		(173,012)
Insurance			0
Miscellaneous	18,910		(18,910)
<b>Total Governmental Activities:</b>	<b>2,002,175</b>	<b>392,942</b>	<b>(1,427,634)</b>

<b>General Revenues:</b>	
Property Taxes Levied for General Purposes	183,105
Income Taxes Levied for General Purposes	924,931
Other Taxes Levied for General Purposes	211,912
Investment Earnings	4,465
Miscellaneous	75,485
<b>Total General Revenues</b>	<b>1,399,898</b>
<b>Change in Fund Balances</b>	<b>(27,736)</b>
<b>Fund Balances - Beginning</b>	<b>1,605,915</b>
<b>Fund Balances - Ending</b>	<b>\$ 1,578,179</b>

See accompanying notes to the financial statements.

**SHREWSBURY TOWNSHIP**  
**FUND FINANCIAL STATEMENT PRESENTATION**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -**  
**ALL FUND TYPES - CASH BASIS**  
**DECEMBER 31, 2012**

	Governmental Fund Types				Fiduciary Fund Type Volunteer Fire relief Fund	Totals (Memo Only)
	General Fund	Special Revenue Funds	Capital Project Fund	Debt Service Fund		
<b>ASSETS</b>						
Cash	\$ 1,589,220	\$ 477,348	\$ 34,563	\$ 108,850	\$ 0	\$ 2,209,981
Due From Other Funds	9,441	2,957				12,398
<b>TOTAL ASSETS</b>	<u>1,598,661</u>	<u>480,305</u>	<u>34,563</u>	<u>108,850</u>	<u>0</u>	<u>2,222,379</u>
<b>LIABILITIES</b>						
Developer Escrows Payable	6,802					6,802
Payroll Taxes Payable						0
Due To Other Funds	2,957			9,441		12,398
Long-Term Liabilities	588,953					588,953
Current Portion of Long-Term Debt	36,047					36,047
<b>TOTAL LIABILITIES</b>	<u>634,759</u>	<u>0</u>	<u>0</u>	<u>9,441</u>	<u>0</u>	<u>644,200</u>
<b>FUND BALANCES</b>						
Unreserved Fund Balances	963,902	480,305	34,563	99,409	0	1,578,179
<b>TOTAL FUND BALANCES</b>	<u>963,902</u>	<u>480,305</u>	<u>34,563</u>	<u>99,409</u>	<u>0</u>	<u>1,578,179</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,598,661</u>	<u>\$ 480,305</u>	<u>\$ 34,563</u>	<u>\$ 108,850</u>	<u>\$ 0</u>	<u>\$ 2,222,379</u>

See accompanying notes to the financial statements.

**SHREWSBURY TOWNSHIP**  
**FUND FINANCIAL STATEMENT PRESENTATION**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - ALL FUND TYPES - CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2012**

	Governmental Fund Types				Totals (Memo Only)
	General Fund	Special Revenue Funds	Capital Project Funds	Debt Service Funds	
<b>REVENUES</b>					
Taxes	\$ 1,181,388	\$ 138,560	\$	\$	\$ 1,319,948
Licenses and Permits	26,972				26,972
Fines and Forfeits	21,483				21,483
Interest and Rents	1,099	2,722	85	559	4,465
Intergovernmental Revenues	135,449	257,493			392,942
Charges for Services	152,805	1,822			154,627
Miscellaneous Revenues	12,144				12,144
Refunds of Prior Year Expenditures	24,901				24,901
Sale of General Fixed Assets	16,957				16,957
Interfund Transfers	87,477		2,500		89,977
<b>TOTAL REVENUES</b>	<b>1,660,675</b>	<b>400,597</b>	<b>2,585</b>	<b>559</b>	<b>2,064,416</b>
<b>EXPENDITURES</b>					
General Government	441,470	2,508			443,978
Public Safety	190,211	142,855			333,066
Public Works - Sanitation	229,475				229,475
Public Works - Highways	473,572	219,586			693,158
Culture and Recreation	23,099				23,099
Debt Services	87,477				87,477
Payroll Taxes and Other Employee Benefits	173,012				173,012
Insurance					-
Miscellaneous Expenditures	18,438				18,438
Refund of Prior Year Revenues	472				472
Interfund Transfers	2,500			87,477	89,977
<b>TOTAL EXPENDITURES</b>	<b>1,639,726</b>	<b>364,949</b>	<b>0</b>	<b>87,477</b>	<b>2,092,152</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	20,949	35,648	2,585	(86,918)	(27,736)
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>942,952</b>	<b>444,657</b>	<b>31,978</b>	<b>186,328</b>	<b>1,605,915</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 963,901</b>	<b>\$ 480,305</b>	<b>\$ 34,563</b>	<b>\$ 99,410</b>	<b>\$ 1,578,179</b>

See accompanying notes to the financial statements.

**SHREWSBURY TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - BUDGET AND ACTUAL -**  
**GENERAL AND SPECIAL REVENUE FUNDS - CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2012**

	General Fund		Special Revenue Funds		Over (Under) Budget
	Budget	Actual	Budget	Actual	
<b>REVENUES</b>					
Taxes	\$ 970,000	\$ 1,181,388	\$ 135,000	\$ 138,560	\$ 3,560
Licenses and Permits	19,270	26,972	-	-	-
Fines and Forfeits	10,500	21,483	-	-	-
Interest	2,500	1,099	-	2,722	2,722
Intergovernmental Revenues	90,400	135,449	254,794	257,493	2,699
Charges for Services	135,560	152,805	3,000	1,822	(1,178)
Miscellaneous Revenues	25,000	12,144	-	-	-
Refunds of Prior Year Expenditures	-	24,901	-	-	-
Sale of Fixed Assets	-	16,957	-	-	-
Interfund Transfers	512,325	87,477	-	-	-
<b>TOTAL REVENUES</b>	<b>1,765,555</b>	<b>1,660,675</b>	<b>392,794</b>	<b>400,597</b>	<b>7,803</b>
<b>EXPENDITURES</b>					
General Government	430,750	441,470	2,000	2,508	508
Public Safety	204,925	190,211	139,400	142,855	3,455
Health & Welfare	-	-	-	-	-
Public Works - Sanitation	148,200	229,475	-	-	-
Public Works - Highways	724,700	473,572	250,000	219,586	(30,414)
Culture and Recreation	49,200	23,099	-	-	-
Debt Services	25,000	87,477	-	-	-
Payroll Taxes and Other Employee Benefits	-	173,012	-	-	-
Insurance	-	-	-	-	-
Miscellaneous Expenditures	187,280	18,438	-	-	-
Refund of Prior Year Revenues	-	472	-	-	-
Interfund Transfers	-	2,500	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,770,055</b>	<b>1,639,726</b>	<b>391,400</b>	<b>364,949</b>	<b>(26,451)</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (4,500)</b>	<b>20,949</b>	<b>\$ 1,394</b>	<b>35,648</b>	<b>\$ 34,254</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>		<b>942,952</b>		<b>444,657</b>	
<b>FUND BALANCES - END OF YEAR</b>		<b>\$ 963,901</b>		<b>\$ 480,305</b>	
		<b>(6)</b>			

See accompanying notes to the financial statements.

**SHREWSBURY TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

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

**PRINCIPLES DETERMINING SCOPE OF REPORTING ENTITY**

The financial statements of Shrewsbury Township consist of all the funds of Shrewsbury Township. The financial report includes the accounts of all the Township's operations and includes all the entities which are considered controlled by or dependent on the Township. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

**GOVERNMENT-ENTITY WIDE FINANCIAL STATEMENTS**

The Statement of Assets, Liabilities and Fund Balances and the Statement of Revenues, Expenditures, and Changes in Fund Balance display financial information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, charges for services and other revenues. The various governmental funds listed below are all combined together for the Government-Entity Wide financial statement presentation. We have added these two financial statements due to recent accounting changes.

**FUND FINANCIAL STATEMENTS**

The accounts of the Township are organized on the basis of funds and accounting groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Combined Statement of Assets, Liabilities and Fund Balances and the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Funds are the respective fund financial statements.

**GOVERNMENT FUNDS PRESENTED IN THE FINANCIAL STATEMENTS**

**GENERAL FUND:** The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

**SPECIAL REVENUE FUNDS:** The Special Revenue Funds account for revenues derived from specific taxes or other earmarked revenue sources. The State Liquid Fuels Highway Aid Fund and the Street Light/Capital Improvement Fund are special revenue funds used to account for revenue from the Commonwealth of Pennsylvania for the maintenance and construction of highways and streets and other capital improvements. The Fire Tax Fund was created to account for tax revenue collected for and distributed to the three fire companies that serve the township.

**CAPITAL PROJECT FUND:** Capital Project Funds are used to account for future capital expenditures. The Capital Reserve Fund for recreation fees is a Capital Project Fund. It's purpose is to accumulate fees paid by developers for the construction of a recreation complex. The Equipment Fund was created to account for the money received for the sale of highway equipment.

**SHREWSBURY TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

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

**DEBT SERVICE FUND:** Debt Service Funds are used to account for funds generated for future payments of debt obligations of the Township. The EDU Fund is a Debt Service Fund. Its purpose is to accumulate fees paid by developers for each Sewer EDU of capacity that they purchase. These funds are accumulated for the future payment of Sewer Debt Obligations for the Township.

**FIDUCIARY FUND TYPE**

**AGENCY FUND:** This fund is used to account for assets held by the Township as an agent for other funds and/or other governments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The Volunteer Fire Relief Fund is an agency funds.

**BASIS OF ACCOUNTING**

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for on the basis of cash receipts and expenditures; consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the liability is incurred.

**BUDGETS**

In accordance with the laws of the Commonwealth, the budget was adopted December 29, 2011 and a certification filed with the Secretary of Community Affairs for the Commonwealth of Pennsylvania, as of that date.

All unused Budget Appropriations lapse at year-end.

**GENERAL FIXED ASSETS**

Acquisitions of property and equipment are not recorded in a general fixed assets group of accounts, but are included as expenditures in the year of acquisition. Therefore, no depreciation expense is recorded.

**REAL ESTATE TAXES**

The real estate tax rate for the year 2012 was .074 mills. A two percent (2%) discount allowed if paid within two months after the date of the tax notice. Four months after the date of the tax notice, a penalty of ten percent (10%) is charged. Delinquent taxes are returned to the County for collection no later than January 15th of the year following the year of levy.

Real estate taxes are included in revenue during the year of collection. The Real estate tax rate was approved by the Township Supervisors December 29, 2011.

**SHREWSBURY TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

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

**TOTAL MEMO ONLY COLUMNS**

The memo only totals are presented only for informational purposes and the totals do not present consolidated financial information.

**NOTE 2 – CASH AND TEMPORARY INVESTMENTS**

Cash and Temporary Investments consist of the following as of December 31:

	<b><u>Book</u></b>	<b><u>Bank</u></b>
<b><u>GENERAL FUND</u></b>		
Checking - Susquehanna Bank	\$ 802,978	\$ 829,384
Payroll - Peoples Bank	7,751	7,727
MM Savings - Peoples Bank	176,820	176,820
Plan Recording Account - Susquehanna Bank	457	457
Field Signs - Susquehanna Bank	2,336	2,337
Petty Cash	100	-
Pennsylvania Local Government Investment Trust - PLGIT	151,962	151,965
Pennsylvania Local Government Investment Trust - PLGIT PLUS	440,014	440,063
	<u>1,582,418</u>	<u>1,608,753</u>
<b><u>HIGHWAY AID FUND</u></b>		
Checking - York Traditions Bank	155,507	155,520
<b><u>PLAN REVIEW ESCROW</u></b>		
Checking - Peoples Bank	6,802	6,803
<b><u>SPECIAL FIRE TAX FUND</u></b>		
Fire Tax Fund - Peoples Bank	1,279	4,190
<b><u>STREET LIGHT FUND</u></b>		
Checking - Peoples Bank	320,562	320,562
<b><u>CAPITAL RESERVE – RECREATION FUND</u></b>		
Savings - Susquehanna Bank	34,563	34,563
<b><u>DEBT SERVICE - EDU FUND</u></b>		
Savings - Susquehanna Bank	108,850	108,850
Pennsylvania Local Government Investment Trust - EDU Account	-	-
	<u>108,850</u>	<u>108,850</u>
<b>TOTAL CASH AND TEMPORARY INVESTMENTS</b>	<b><u>\$ 2,209,981</u></b>	<b><u>\$ 2,239,241</u></b>

As of December 31, 2012 the carrying amount of deposits was \$2,209,981 and the bank balance was \$2,239,241. All deposits are fully insured by FDIC, FSLIC or collateralized in accordance with Act 72.

**SHREWSBURY TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 2 - CASH AND TEMPORARY INVESTMENTS (CONTINUED)**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2012, \$1,583,721 of the Borough's bank balance of \$2,239,241 was exposed to custodial credit risk as:

Uninsured and Uncollateralized	\$ -
Collateralized with securities held by the pledging financial institution	1,583,721
Uninsured and collateral held by the pledging bank's trust department not in the Township's name	-
	<u>\$ 1,583,721</u>

**Reconciliation to Financial Statements:**

Collateralized with securities held by the pledging financial institution	\$ 1,583,721
Plus: Insured Amount	655,520
Less: Outstanding Checks	(29,384)
Plus: Deposits in Transit	24
Carrying Amount - Bank Balances	<u>2,209,881</u>
Plus: Petty Cash	100
<b>Total Cash per Financial Statements</b>	<b>\$ 2,209,981</b>

**Cash Summary per Respective Funds:**

Statement of Net Assets - Cash - Governmental Funds	\$ 2,209,981
<b>Total Cash per Financial Statements</b>	<b>\$ 2,209,981</b>

**NOTE 3 - SHREWSBURY TOWNSHIP G.O. NOTE, SERIES OF 2011**

The Township issued General Obligation Note, Series of 2011 for \$625,000 to finance the Township's share of the treatment plant upgrade and for installation of public sewers in the Township, and to pay the costs of the bonds.

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2013	\$ 36,047	2021	\$ 42,407
2014	35,004	2022	43,585
2015	35,977	2023	44,796
2016	36,976	2024	46,041
2017	38,004	2025	47,320
2018	39,060	2026	48,635
2019	40,145	2027	49,742
2020	41,261		
	<b>TOTAL</b>		<b>\$ 625,000</b>

**SHREWSBURY TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 4 - PENSION PLANS**

Shrewsbury Township's Non-Uniform Pension Plan is a single-employer defined benefit pension plan controlled by the Township. Shrewsbury Township is responsible for the management of plan assets and has delegated the authority to manage plan assets to the Principal Life Insurance Company.

On December 18, 1984, the Governor signed into law Act 205 - The Municipal Pension Plan Funding Standard and Recovery Act. The Act allows municipalities to use the casualty premium taxes received from the Commonwealth to help defray the pension plan costs of non-uniformed employees. During 2012, the Township received a \$8,830 state allotment, which was deposited into the Non-Uniform Employees' Pension Plan along with the Township contribution of \$7,607 to equal the minimum municipal contribution of \$16,437. The most recent actuarial valuations of the plan is January 1, 2011. The Entry Age Normal Cost Method is the actuarial cost method utilized to determine the annual minimum municipal contribution obligation for the plan as specified in Act 205.

The following is a summary of the employee eligibility requirements and benefits under the Township's Non-Uniform Employees' Pension Plan.

Non-Uniformed

- |  |  |
|--|--|
| 1. Covered Employees   | All non-uniformed employees join the plan  |
| 2. Eligibility for Normal Retirement   | Attainment of age 62 with 10 years of vesting service.   |
| 3. Monthly Pension Benefit   | 1.00% of average compensation times accrual service.<br>(average compensation is the monthly average of total pay received for the five latest years.) |
| 4. Required Employee Contributions   | Participants are not required to contribute to the plan.   |
| 5. Standardized measure of<br>Unfunded Pension Benefit Obligation<br>(actuarial present value) as of Jan. 1,<br>2011 (most recent available) |  |

Actuarial accrued Liability	\$ 424,351
Actuarial Value of Plan Assets	<u>545,369</u>
Unfunded actuarial accrued liability	\$ (121,018)

A negative unfunded actuarial accrued liability means that the actuarial value of assets exceeds the actuarial accrued liability by the specified amount.

**SHREWSBURY TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**NOTE 4 - PENSION PLANS (CONTINUED)**

Normal Cost	\$ 16,732
Annual Employee Compensation	316,001
Total normal cost as a percentage of compensation	5.29%

As of January 1, 2011, the pension plan's membership consisted of:

Active participants	9
Inactive Participants	<u>1</u>
Total participants	<u><u>10</u></u>

**NOTE 5 - CONTINGENCIES**

The Township is subject to various claims and legal proceedings covering matters that arise in the ordinary course of its municipal activities. Each of these matters is subject to uncertainties, and some of these matters may be resolved unfavorably to the municipality. Management believes that any liability that may ultimately result from the resolution of these matters would not have a material adverse effect on the financial position of the municipality.

**NOTE 6 - SUBSEQUENT EVENTS**

Management of the Township has evaluated subsequent events through the date of the audit report. No subsequent events were noted.

**SUPPLEMENTARY INFORMATION**

**SHREWSBURY TOWNSHIP**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -**  
**SPECIAL REVENUE FUNDS - CASH BASIS**  
**DECEMBER 31, 2012**

	State Highway Aid Fund	Street Light/ Capital Improvement Fund	Fire Tax Fund	Total Special Revenue Funds
<b>ASSETS</b>				
Cash	\$ 155,507	\$ 320,562	\$ 1,279	\$ 477,348
Due From	0	0	2,957	2,957
<b>TOTAL ASSETS</b>	<b>\$ 155,507</b>	<b>\$ 320,562</b>	<b>\$ 4,236</b>	<b>\$ 480,305</b>
<b>LIABILITIES</b>				
	\$ 0	\$ 0	\$ 0	\$ 0
<b>FUND BALANCES</b>				
Unreserved Fund Balances	155,507	320,562	4,236	480,305
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 155,507</b>	<b>\$ 320,562</b>	<b>\$ 4,236</b>	<b>\$ 480,305</b>

See accompanying notes to the financial statements.

**SHREWSBURY TOWNSHIP**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-**  
**SPECIAL REVENUE FUNDS - CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2012**

	<u>State Highway Aid Fund</u>	<u>Street Light/ Capital Improvement Fund</u>	<u>Fire Tax Fund</u>	<u>Total Special Revenue Funds</u>
<b><u>REVENUES</u></b>				
Interest	\$ 350	\$ 1,924	\$ 448	\$ 2,722
Intergovernmental Revenue	257,493			257,493
Taxes			138,560	138,560
Charges for Services		1,822		1,822
Interfund Transfers				
<b>TOTAL REVENUES</b>	<u>257,843</u>	<u>3,746</u>	<u>139,008</u>	<u>400,597</u>
<b><u>EXPENDITURES</u></b>				
General Government	\$ 0	\$ 2,508	\$ 0	\$ 2,508
Public Works - Highways	219,586			219,586
Public Safety			142,855	142,855
Interfund Transfers				
<b>TOTAL EXPENDITURES</b>	<u>219,586</u>	<u>2,508</u>	<u>142,855</u>	<u>364,949</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>	38,257	1,238	(3,847)	35,648
<b><u>FUND BALANCES - BEGINNING OF YEAR</u></b>	<u>117,250</u>	<u>319,324</u>	<u>8,083</u>	<u>444,657</u>
<b><u>FUND BALANCES - END OF YEAR</u></b>	<u>\$ 155,507</u>	<u>\$ 320,562</u>	<u>\$ 4,236</u>	<u>\$ 480,305</u>

See accompanying notes to the financial statements.  
(14)

**SHREWSBURY TOWNSHIP**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -**  
**CAPITAL PROJECT FUNDS - CASH BASIS**  
**DECEMBER 31, 2012**

	<b>Capital Reserve for Recreation Fees Fund</b>
<b><u>ASSETS</u></b>	
Cash	\$ 34,563
<b>TOTAL ASSETS</b>	<b>\$ 34,563</b>
<b><u>LIABILITIES</u></b>	
	\$ 0
<b><u>FUND BALANCES</u></b>	
Unreserved Fund Balances	34,563
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 34,563</b>

See accompanying notes to the financial statements.

**SHREWSBURY TOWNSHIP**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-**  
**CAPITAL PROJECT FUNDS - CASH BASIS**  
**YEAR ENDED DECEMBER 31, 2012**

	<u>Capital Reserve for Recreation Fees Fund</u>
<b><u>REVENUES</u></b>	
Interest	\$ 85
Intergovernmental Revenue	
Taxes	
Charges for Services	
Interfund Transfers	2,500
Miscellaneous	
<b>TOTAL REVENUES</b>	<u>2,585</u>
<b><u>EXPENDITURES</u></b>	
General Government	\$ 0
Public Works - Highways	
Public Safety	
Interfund Transfers	
<b>TOTAL EXPENDITURES</b>	<u>0</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>	2,585
<b><u>FUND BALANCES - BEGINNING OF YEAR</u></b>	<u>31,978</u>
<b><u>FUND BALANCES - END OF YEAR</u></b>	<u>\$ 34,563</u>

See accompanying notes to the financial statements.