

SHREWSBURY TOWNSHIP

FINANCIAL STATEMENTS

DECEMBER 31, 2015

SHREWSBURY TOWNSHIP
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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 of Shrewsbury Township, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor Responsibility

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

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

Basis of Accounting

As described in Note 1, the Township's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when obligations are incurred. Accordingly, the accompanying financial statements are not intended to present fairly, the financial position and results of operations in conformity with generally accepted accounting principles.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Shrewsbury Township as of and for the year ending December 31, 2015, and the respective changes in financial position in accordance with the cash basis of accounting described in Note 1.

Our audit was conducted 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
May 11, 2016

SHREWSBURY TOWNSHIP
GOVERNMENT- ENTITY WIDE PRESENTATION
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS
DECEMBER 31, 2015

	<u>Governmental Funds</u>
<u>ASSETS</u>	
Cash and Temporary Investments (Note 2)	\$ 3,051,166
Due From Other Funds	2,957
Other Current Assets	<u>304</u>
TOTAL ASSETS	\$ <u>3,054,427</u>
<u>LIABILITIES</u>	
Other Current Liabilities	\$ 0
Due To Other Funds	2,957
Long-Term Liabilities	480,949
Current Portion of Long-Term Debt	<u>37,080</u>
TOTAL LIABILITIES	520,986
<u>FUND BALANCES</u>	
Unreserved Fund Balances	<u>2,533,441</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>3,054,427</u>

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, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expenditures) Revenue and Changes in Fund Balance
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General Government	\$ 438,002	\$ 98,752	\$ 75,861	\$ (263,389)
Public Safety	373,957	54,226		(319,731)
Health and Welfare	4,724			(4,724)
Sanitation	68,090	66,321		(1,769)
Highways	821,692	31,803	301,629	(488,260)
Other Public Works Enterprises	3,629			(3,629)
Culture - Recreation	55,259			(55,259)
Community Development				-
Debt Service	14,859			(14,859)
Payroll Taxes and Other Employee Benefits	182,669			(182,669)
Insurance				0
Miscellaneous				0
Total Governmental Activities:	<u>1,962,881</u>	<u>251,102</u>	<u>377,490</u>	<u>(1,334,289)</u>
General Revenues:				
Property Taxes Levied for General Purposes				262,824
Income Taxes Levied for General Purposes				973,807
Other Taxes Levied for General Purposes				233,964
Investment Earnings				11,366
Proceeds of General Fixed Asset Disposition				22,983
Miscellaneous				20,096
Total General Revenues				<u>1,525,040</u>
Change in Fund Balances				190,751
Fund Balances - Beginning				2,342,690
Fund Balances - Ending				<u>\$ 2,533,441</u>

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, 2015

	Governmental Fund Types				Fiduciary Fund Type Volunteer Fire relief Fund	Totals (Memo Only)
	General Fund	Special Revenue Funds	Capital Project Fund	Debt Service Fund		
ASSETS						
Cash	\$2,378,671	\$ 541,820	\$ 130,675	\$ 0	\$ 0	\$ 3,051,166
Due From Other Funds		2,957				2,957
Other Current Assets	304					304
TOTAL ASSETS	<u>2,378,975</u>	<u>544,777</u>	<u>130,675</u>	<u>0</u>	<u>0</u>	<u>3,054,427</u>
LIABILITIES						
Other Current Liabilities						0
Payroll Taxes Payable						0
Due To Other Funds	2,957					2,957
Long-Term Liabilities			480,949			480,949
Current Portion of Long-Term Debt			37,080			37,080
TOTAL LIABILITIES	<u>2,957</u>	<u>0</u>	<u>518,029</u>	<u>0</u>	<u>0</u>	<u>520,986</u>
FUND BALANCES						
Unreserved Fund Balances	2,376,018	544,777	(387,354)	0	0	2,533,441
TOTAL FUND BALANCES	<u>2,376,018</u>	<u>544,777</u>	<u>(387,354)</u>	<u>0</u>	<u>0</u>	<u>2,533,441</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,378,975</u>	<u>\$ 544,777</u>	<u>\$ 130,675</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,054,427</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, 2015

	Governmental Fund Types				Totals (Memo Only)
	General Fund	Special Revenue Funds	Capital Project Funds	Debt Service Funds	
REVENUES					
Taxes	\$ 1,253,010	\$ 217,585	\$	\$	\$ 1,470,595
Licenses and Permits	47,122				47,122
Fines and Forfeits	12,477				12,477
Interest and Rents	8,505	2,778	83		11,366
Intergovernmental Revenues	75,861	301,629			377,490
Charges for Services	137,963	2,389	63,628		203,980
Miscellaneous Revenues	7,619				7,619
Refunds of Prior Year Expenditures					-
Sale of General Fixed Assets	22,983				22,983
Interfund Transfers			2,340		2,340
TOTAL REVENUES	<u>1,565,540</u>	<u>524,381</u>	<u>66,051</u>	<u>0</u>	<u>2,155,972</u>
EXPENDITURES					
General Government	432,601	5,401			438,002
Public Safety	165,338	208,619			373,957
Health & Human Services	4,724				4,724
Public Works - Sanitation	68,090				68,090
Public Works - Highways	600,381	221,311			821,692
Other Public Works Enterprises	3,629				3,629
Culture and Recreation	51,759		3,500		55,259
Community Development					-
Debt Services			14,859		14,859
Payroll Taxes and Other Employee Benefits	182,669				182,669
Insurance					-
Miscellaneous Expenditures					-
Refund of Prior Year Revenues					-
Interfund Transfers	2,340				2,340
TOTAL EXPENDITURES	<u>1,511,531</u>	<u>435,331</u>	<u>18,359</u>	<u>0</u>	<u>1,965,221</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	54,009	89,050	47,692	0	190,751
FUND BALANCES - BEGINNING OF YEAR	<u>2,322,009</u>	<u>455,727</u>	<u>(435,046)</u>	<u>0</u>	<u>2,342,690</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,376,018</u>	<u>\$ 544,777</u>	<u>\$ (387,354)</u>	<u>\$ -</u>	<u>\$ 2,533,441</u>

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, 2015

	General Fund			Special Revenue Funds			Capital Project Fund		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
REVENUES									
Taxes	\$1,101,125	\$ 1,253,010	\$ 151,885	\$ 214,800	\$ 217,585	\$ 2,785	\$ -	\$ -	\$ -
Licenses and Permits	37,520	47,122	9,602	-	-	-	-	-	-
Fines and Forfeits	7,750	12,477	4,727	-	-	-	-	-	-
Interest	2,000	8,505	6,505	820	2,778	1,958	35	83	48
Intergovernmental Revenues	211,983	75,861	(136,122)	301,287	301,629	342	-	-	-
Charges for Services	80,025	137,963	57,938	2,425	2,389	(36)	89,210	63,628	(25,582)
Miscellaneous Revenues	3,250	7,619	4,369	-	-	-	-	-	-
Refunds of Prior Year Expenditures	-	-	-	-	-	-	-	-	-
Sale of Fixed Assets	25,000	22,983	(2,017)	-	-	-	-	-	-
Interfund Transfers	208,000	-	(208,000)	-	-	-	-	2,340	2,340.00
TOTAL REVENUES	<u>1,676,653</u>	<u>1,565,540</u>	<u>(111,113)</u>	<u>519,332</u>	<u>524,381</u>	<u>5,049</u>	<u>89,245</u>	<u>66,051</u>	<u>(23,194)</u>
EXPENDITURES									
General Government	413,365	432,601	19,236	12,100	5,401	(6,699)	-	-	-
Public Safety	183,400	165,338	(18,062)	203,575	208,619	5,044	-	-	-
Health & Welfare	-	4,724	4,724	-	-	-	-	-	-
Public Works - Sanitation	100,000	68,090	(31,910)	-	-	-	-	-	-
Public Works - Highways	673,560	600,381	(73,179)	285,840	221,311	(64,529)	-	-	-
Other Public Works Enterprises	-	3,629	3,629	-	-	-	-	-	-
Culture and Recreation	285,400	51,759	(233,641)	-	-	-	93,500	3,500	(90,000)
Community Development	-	-	-	-	-	-	-	-	-
Debt Services	-	-	-	-	-	-	65,845	14,859	(50,986)
Payroll Taxes and Other Employee Benefits	-	182,669	182,669	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Miscellaneous Expenditures	191,768	-	(191,768)	-	-	-	-	-	-
Refund of Prior Year Revenues	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	2,340	2,340	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>1,847,493</u>	<u>1,511,531</u>	<u>(335,962)</u>	<u>501,515</u>	<u>435,331</u>	<u>(66,184)</u>	<u>159,345</u>	<u>18,359</u>	<u>(140,986)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (170,840)</u>	<u>54,009</u>	<u>\$ 224,849</u>	<u>\$ 17,817</u>	<u>89,050</u>	<u>\$ 71,233</u>	<u>\$ (70,100)</u>	<u>47,692</u>	<u>\$ 117,792</u>
FUND BALANCES - BEGINNING OF YEAR		<u>2,322,009</u>			<u>455,727</u>			<u>(435,046)</u>	
FUND BALANCES - END OF YEAR		<u>\$ 2,376,018</u>			<u>\$ 544,777</u>			<u>\$(387,354)</u>	

See accompanying notes to the financial statements.

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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. The Fire Hydrant Tax Fund was created for the fire hydrant and water use of the 811 properties that are within 780 feet of a fire hydrant.

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. Its purpose is to accumulate fees paid by developers for the construction of a recreation complex. The Seitzland Pine St. Sewer Fund was created to account for the revenue collected and the debt service paid for the project.

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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. It's 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 3, 2014 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 2014 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 3, 2014.

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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:

<u>GENERAL FUND</u>	<u>Book</u>	<u>Bank</u>
Checking - BB & T Bank	\$ 28,149	\$ 28,025
Payroll - BB & T Bank	36,367	36,367
MM Savings - Peoples Bank	1,295,603	1,295,603
MM Savings - Peoples Bank	319,395	319,395
Checking - BB & T Bank	336,905	350,134
Petty Cash	100	-
Pennsylvania Local Government Investment Trust - PLGIT	221,753	223,524
Pennsylvania Local Government Investment Trust - PLGIT PLUS	140,399	140,399
	<u>2,378,671</u>	<u>2,393,447</u>
 <u>HIGHWAY AID FUND</u>		
Checking - Peoples Bank	526,226	526,226
 <u>SPECIAL FIRE TAX FUND</u>		
Fire Tax Fund - Peoples Bank	5,157	1,062
 <u>FIRE HYDRANT TAX FUND</u>		
Fire Hydrant Tax Fund - Peoples Bank	4,277	3,535
 <u>STREET LIGHT FUND</u>		
Checking - Peoples Bank	6,160	6,160
 <u>CAPITAL RESERVE – RECREATION FUND</u>		
Savings - BB & T Bank	42,264	45,764
 <u>SEITZLAND SEWER</u>		
NOW Acct. - BB & T Bank	88,411	88,411
 TOTAL CASH AND TEMPORARY INVESTMENTS	<u><u>\$ 3,051,166</u></u>	<u><u>\$ 3,064,605</u></u>

As of December 31, 2015 the carrying amount of deposits was \$3,051,166 and the bank balance was \$3,064,605. All deposits are fully insured by FDIC, FSLIC or collateralized in accordance with Act 72.

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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, 2015, \$2,564,605 of the Borough's bank balance of \$3,064,605 was exposed to custodial credit risk as:

Uninsured and Uncollateralized	\$	-
Collateralized with securities held by the pledging financial institution		2,564,605
Uninsured and collateral held by the pledging bank's trust department not in the Township's name		-
		\$ 2,564,605

Reconciliation to Financial Statements:

Collateralized with securities held by the pledging financial institution	\$	2,564,605
Plus: Insured Amount		500,000
Less: Outstanding Checks		(54,998)
Plus: Deposits in Transit		41,459
Carrying Amount - Bank Balances		3,051,066
Plus: Petty Cash		100
Total Cash per Financial Statements	\$	3,051,166

Cash Summary per Respective Funds:

Statement of Net Assets - Cash - Governmental Funds	\$	3,051,166
Total Cash per Financial Statements	\$	3,051,166

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>
2016	\$ 36,976	2022	\$ 43,585
2017	38,004	2023	44,796
2018	39,060	2024	46,041
2019	40,145	2025	47,320
2020	41,261	2026	48,635
2021	42,407	2027	49,799
TOTAL			\$ 518,029

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 2015, the Township received a \$21,082 state allotment, which was deposited into the Non-Uniform Employees' Pension Plan along with the Township contribution of \$0 to equal the minimum municipal contribution of \$21,082. The most recent actuarial valuations of the plan is January 1, 2015. 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.
(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
 Unfunded Pension Benefit Obligation
 (actuarial present value) as of Jan. 1,
 2015 (most recent available)

Actuarial accrued Liability	\$ 578,917
Actuarial Value of Plan Assets	<u>617,867</u>
Unfunded actuarial accrued liability	\$ (38,950)

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, 2015

NOTE 4 - PENSION PLANS (CONTINUED)

Normal Cost	\$ 26,058
Annual Employee Compensation	450,448
Total normal cost as a percentage of compensation	5.78%

As of January 1, 2015, the pension plan's membership consisted of:

Active participants	9
Inactive Participants	<u>2</u>
Total participants	<u><u>11</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, 2015

	<u>State Highway Aid Fund</u>	<u>Street Light/ Capital Improvement Fund</u>	<u>Fire Tax Fund</u>	<u>Fire Hydrant Tax Fund</u>	<u>Total Special Revenue Funds</u>
<u>ASSETS</u>					
Cash	\$ 526,226	\$ 6,160	\$ 5,157	\$ 4,277	\$ 541,820
Due From	0	0	2,957		2,957
TOTAL ASSETS	<u>\$ 526,226</u>	<u>\$ 6,160</u>	<u>\$ 8,114</u>	<u>\$ 4,277</u>	<u>\$ 544,777</u>
<u>LIABILITIES</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>FUND BALANCES</u>					
Unreserved Fund Balances	<u>526,226</u>	<u>6,160</u>	<u>8,114</u>	<u>4,277</u>	<u>544,777</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 526,226</u>	<u>\$ 6,160</u>	<u>\$ 8,114</u>	<u>\$ 4,277</u>	<u>\$ 544,777</u>

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, 2015

	<u>State Highway Aid Fund</u>	<u>Street Light/ Capital Improvement Fund</u>	<u>Fire Tax Fund</u>	<u>Fire Hydrant Tax Fund</u>	<u>Total Special Revenue Funds</u>
REVENUES					
Interest	\$ 2,254	\$ 7	\$ 517	\$ 0	\$ 2,778
Intergovernmental Revenue	301,629				301,629
Taxes			193,898	23,687	217,585
Charges for Services		2,389			2,389
Interfund Transfers					0
TOTAL REVENUES	<u>303,883</u>	<u>2,396</u>	<u>194,415</u>	<u>23,687</u>	<u>524,381</u>
EXPENDITURES					
General Government	\$ 0	\$ 2,501	\$ 2,900	\$ 0	\$ 5,401
Public Works - Highways	221,311				221,311
Public Safety			189,209	19,410	208,619
Interfund Transfers					-
TOTAL EXPENDITURES	<u>221,311</u>	<u>2,501</u>	<u>192,109</u>	<u>19,410</u>	<u>435,331</u>
EXCESS OF REVENUES OVER EXPENDITURES	82,572	(105)	2,306	4,277	89,050
FUND BALANCES - BEGINNING OF YEAR	<u>443,654</u>	<u>6,265</u>	<u>5,808</u>	<u>0</u>	<u>455,727</u>
FUND BALANCES - END OF YEAR	<u>\$ 526,226</u>	<u>\$ 6,160</u>	<u>\$ 8,114</u>	<u>\$ 4,277</u>	<u>\$ 544,777</u>

See accompanying notes to the financial statements.

SHREWSBURY TOWNSHIP
COMBINED STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -
CAPITAL PROJECT FUNDS - CASH BASIS
DECEMBER 31, 2015

	<u>Capital Reserve for Recreation Fees Fund</u>	<u>Seitzland Pine St Sewer Fund</u>	<u>Total Capital Project Funds</u>
<u>ASSETS</u>			
Cash	\$ 42,264	\$ 88,411	\$ 130,675
TOTAL ASSETS	<u>\$ 42,264</u>	<u>\$ 88,411</u>	<u>\$ 130,675</u>
<u>LIABILITIES</u>			
Current Liabilities	\$ 0	\$ 37,080	\$ 37,080
Long Term Liabilities		480,949	480,949
TOTAL LIABILITIES	<u>\$ 0</u>	<u>\$ 518,029</u>	<u>\$ 518,029</u>
<u>FUND BALANCES</u>			
Unreserved Fund Balances	42,264	(429,618)	(387,354)
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 42,264</u>	<u>\$ 88,411</u>	<u>\$ 130,675</u>

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, 2015

	Capital Reserve for Recreation Fees Fund	Seitzland Pine St Sewer Fund	Total Capital Project Funds
<u>REVENUES</u>			
Interest	\$ 46	\$ 37	\$ 83
Intergovernmental Revenue			0
Charges for Services		63,628	63,628
Interfund Transfers	2,340		2,340
Miscellaneous			0
TOTAL REVENUES	2,386	63,665	66,051
<u>EXPENDITURES</u>			
General Government	\$ 0	\$ 0	\$ 0
Public Works - Sanitation			0
Culture and Recreation	3,500		3,500
Debt Service		14,859	14,859
Interfund Transfers			0
TOTAL EXPENDITURES	3,500	14,859	18,359
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	(1,114)	48,806	47,692
<u>FUND BALANCES - BEGINNING OF YEAR</u>	43,378	(478,424)	(435,046)
<u>FUND BALANCES - END OF YEAR</u>	\$ 42,264	\$ (429,618)	\$ (387,354)

See accompanying notes to the financial statements.