

SHREWSBURY TOWNSHIP

FINANCIAL STATEMENTS

DECEMBER 31, 2016

SHREWSBURY TOWNSHIP
TABLE OF CONTENTS
DECEMBER 31, 2016

	<u>PAGE NO.</u>
Independent Auditors' Report	1
Government-Entity Wide Presentation: Statement of Assets, Liabilities and Fund Balances - Cash Basis	2
Government-Entity Wide Presentation: Statement of Revenues, Expenditures and Changes in Fund Balance - Cash Basis	3
Fund Financial Statement Presentation: Combined Statement of Assets, Liabilities and Fund Balances - All Fund Types - Cash Basis	4
Fund Financial Statement Presentation: Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Fund Types - Cash Basis	5
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds - Cash Basis	6
Notes to Financial Statements	7-12
 <u>SUPPLEMENTARY INFORMATION:</u>	
Combined Statement of Assets, Liabilities and Fund Balances - Special Revenue Funds - Cash Basis	13
Combined Statement of Revenues, Expenditures and Changes in Fund Balances Special Revenue Funds - Cash Basis	14
Combined Statement of Assets, Liabilities and Fund Balances - Capital Project Funds - Cash Basis	15
Combined Statement of Revenues, Expenditures and Changes in Fund Balances Capital Project Funds - Cash Basis	16

SHREWSBURY TOWNSHIP
GOVERNMENT- ENTITY WIDE PRESENTATION
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS
DECEMBER 31, 2016

	Governmental Funds
<u>ASSETS</u>	
Cash and Temporary Investments (Note 2)	\$ 2,988,907
Due From Other Funds	31,957
Other Current Assets	0
TOTAL ASSETS	\$ <u>3,020,864</u>
<u>LIABILITIES</u>	
Other Current Liabilities	\$ 577
Due To Other Funds	31,957
Long-Term Liabilities	442,879
Current Portion of Long-Term Debt	38,110
TOTAL LIABILITIES	<u>513,523</u>
<u>FUND BALANCES</u>	
Unreserved Fund Balances	<u>2,507,341</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>3,020,864</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, 2016

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	\$ 497,843	\$ 144,057	\$ 124,753	\$ (229,033)
Public Safety	371,693	55,410		(316,283)
Health and Welfare	4,724			(4,724)
Sanitation	4,582	143,339		138,757
Highways	884,287	3,948	351,942	(528,397)
Other Public Works Enterprises	3,629			(3,629)
Culture - Recreation	403,823			(403,823)
Community Development	5,467			(5,467)
Debt Service	13,809			(13,809)
Payroll Taxes and Other Employee Benefits	198,120			(198,120)
Insurance				0
Miscellaneous				0
Total Governmental Activities:	<u>2,387,977</u>	<u>346,754</u>	<u>476,695</u>	<u>(1,564,528)</u>
General Revenues:				
				259,809
				971,766
				269,917
				13,585
				23,351
				<u>1,538,428</u>
				(26,100)
				2,533,441
				<u>\$ 2,507,341</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, 2016

	<u>Governmental Fund Types</u>				<u>Fiduciary Fund Type</u>	<u>Totals (Memo Only)</u>
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	<u>Volunteer Fire relief Fund</u>	
<u>ASSETS</u>						
Cash	\$ 2,216,138	\$ 662,864	\$ 109,905	\$ 0	\$ 0	\$ 2,988,907
Due From Other Funds	25,000	6,957				31,957
Other Current Assets						0
TOTAL ASSETS	<u>2,241,138</u>	<u>669,821</u>	<u>109,905</u>	<u>0</u>	<u>0</u>	<u>3,020,864</u>
<u>LIABILITIES</u>						
Other Current Liabilities	577					577
Payroll Taxes Payable						0
Due To Other Funds	6,957		25,000			31,957
Long-Term Liabilities			442,879			442,879
Current Portion of Long-Term Debt			38,110			38,110
TOTAL LIABILITIES	<u>7,534</u>	<u>0</u>	<u>505,989</u>	<u>0</u>	<u>0</u>	<u>513,523</u>
<u>FUND BALANCES</u>						
Unreserved Fund Balances	2,233,604	669,821	(396,084)	0	0	2,507,341
TOTAL FUND BALANCES	<u>2,233,604</u>	<u>669,821</u>	<u>(396,084)</u>	<u>0</u>	<u>0</u>	<u>2,507,341</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,241,138</u>	<u>\$ 669,821</u>	<u>\$ 109,905</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,020,864</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, 2016

	Governmental Fund Types				Totals (Memo Only)
	General Fund	Special Revenue Funds	Capital Project Funds	Debt Service Funds	
<u>REVENUES</u>					
Taxes	\$1,284,032	\$ 217,460	\$	\$	\$ 1,501,492
Licenses and Permits	54,017				54,017
Fines and Forfeits	17,529				17,529
Interest and Rents	9,796	3,704	85		13,585
Intergovernmental Revenues	124,753	351,942			476,695
Charges for Services	212,901	2,351	77,485		292,737
Miscellaneous Revenues	5,822				5,822
Refunds of Prior Year Expenditures					-
Sale of General Fixed Assets					-
Interfund Transfers					-
TOTAL REVENUES	1,708,850	575,457	77,570	0	2,361,877
<u>EXPENDITURES</u>					
General Government	485,369	12,474			497,843
Public Safety	162,021	209,672			371,693
Health & Human Services	4,724				4,724
Public Works - Sanitation	4,582				4,582
Public Works - Highways	656,020	228,267			884,287
Other Public Works Enterprises	3,629				3,629
Culture and Recreation	331,332		72,491		403,823
Community Development	5,467				5,467
Debt Services			13,809		13,809
Payroll Taxes and Other Employee Benefits	198,120				198,120
Insurance					-
Miscellaneous Expenditures					-
Refund of Prior Year Revenues					-
Interfund Transfers					-
TOTAL EXPENDITURES	1,851,264	450,413	86,300	0	2,387,977
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	(142,414)	125,044	(8,730)	0	(26,100)
<u>FUND BALANCES - BEGINNING OF YEAR</u>	2,376,018	544,777	(387,354)	0	2,533,441
<u>FUND BALANCES - END OF YEAR</u>	\$2,233,604	\$ 669,821	\$ (396,084)	\$ -	\$ 2,507,341

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, 2016

	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	\$1,146,300	\$ 1,284,032	\$ 137,732	\$ 218,600	\$ 217,460	\$ (1,140)	\$ -	\$ -	\$ -
Licenses and Permits	41,550	54,017	12,467	-	-	-	-	-	-
Fines and Forfeits	10,000	17,529	7,529	-	-	-	-	-	-
Interest	5,000	9,796	4,796	2,005	3,704	1,699	45	85	40
Intergovernmental Revenues	212,892	124,753	(88,139)	342,000	351,942	9,942	30,000	-	(30,000)
Charges for Services	92,900	212,901	120,001	2,300	2,351	51	63,165	77,485	14,320
Miscellaneous Revenues	2,750	5,822	3,072	-	-	-	-	-	-
Refunds of Prior Year Expenditures	-	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	<u>1,511,392</u>	<u>1,708,850</u>	<u>197,458</u>	<u>564,905</u>	<u>575,457</u>	<u>10,552</u>	<u>93,210</u>	<u>77,570</u>	<u>(15,640)</u>
EXPENDITURES									
General Government	430,235	485,369	55,134	12,100	12,474	374	-	-	-
Public Safety	181,050	162,021	(19,029)	211,050	209,672	(1,378)	-	-	-
Health & Welfare	-	4,724	4,724	-	-	-	-	-	-
Public Works - Sanitation	-	4,582	4,582	-	-	-	-	-	-
Public Works - Highways	655,960	656,020	60	752,840	228,267	(524,573)	-	-	-
Other Public Works Enterprises	3,629	3,629	-	-	-	-	-	-	-
Culture and Recreation	360,400	331,332	(29,068)	-	-	-	66,525	72,491	5,966
Community Development	15,000	5,467	(9,533)	-	-	-	-	-	-
Debt Services	-	-	-	-	-	-	65,705	13,809	(51,896)
Payroll Taxes and Other Employee Benefits	204,402	198,120	(6,282)	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Miscellaneous Expenditures	-	-	-	-	-	-	-	-	-
Refund of Prior Year Revenues	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>1,850,676</u>	<u>1,851,264</u>	<u>588</u>	<u>975,990</u>	<u>450,413</u>	<u>(525,577)</u>	<u>132,230</u>	<u>86,300</u>	<u>(45,930)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (339,284)</u>	<u>(142,414)</u>	<u>\$ 196,870</u>	<u>\$(411,085)</u>	<u>125,044</u>	<u>\$ 536,129</u>	<u>\$ (39,020)</u>	<u>(8,730)</u>	<u>\$ 30,290</u>
FUND BALANCES - BEGINNING OF YEAR		<u>2,376,018</u>			<u>544,777</u>			<u>(387,354)</u>	
FUND BALANCES - END OF YEAR		<u>\$ 2,233,604</u>			<u>\$ 669,821</u>			<u>\$(396,084)</u>	

See accompanying notes to the financial statements.

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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. It's 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, 2016

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 2, 2015 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 2016 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 2, 2015.

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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	\$ 19,689	\$ 19,565
Checking - BB & T Bank	183,824	217,793
Payroll - BB & T Bank	80,763	80,763
MM Savings - Peoples Bank	504,978	500,978
MM Savings - Peoples Bank	321,110	321,110
Petty Cash	100	-
Pennsylvania Local Government Investment Trust - PLGIT	964,725	968,447
Pennsylvania Local Government Investment Trust - PLGIT PLUS	140,949	140,949
	<u>2,216,138</u>	<u>2,249,605</u>
 <u>HIGHWAY AID FUND</u>		
Checking - Peoples Bank	653,077	653,077
 <u>SPECIAL FIRE TAX FUND</u>		
Fire Tax Fund - Peoples Bank	2,139	2,139
 <u>FIRE HYDRANT TAX FUND</u>		
Fire Hydrant Tax Fund - Peoples Bank	1,937	5,937
 <u>STREET LIGHT FUND</u>		
Checking - Peoples Bank	5,711	5,711
 <u>CAPITAL RESERVE – RECREATION FUND</u>		
Savings - BB & T Bank	4,860	4,860
 <u>SEITZLAND SEWER</u>		
NOW Acct. - BB & T Bank	105,045	105,045
 TOTAL CASH AND TEMPORARY INVESTMENTS	<u><u>\$ 2,988,907</u></u>	<u><u>\$ 3,026,374</u></u>

As of December 31, 2016 the carrying amount of deposits was \$2,988,907 and the bank balance was \$3,026,374. All deposits are fully insured by FDIC, FSLIC or collateralized in accordance with Act 72.

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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, 2016, \$2,526,374 of the Borough's bank balance of \$3,026,374 was exposed to custodial credit risk as:

Uninsured and Uncollateralized	\$ -
Collateralized with securities held by the pledging financial institution	2,526,374
Uninsured and collateral held by the pledging bank's trust department not in the Township's name	-
	\$ 2,526,374

Reconciliation to Financial Statements:

Collateralized with securities held by the pledging financial institution	\$ 2,526,374
Plus: Insured Amount	500,000
Less: Outstanding Checks	(42,179)
Plus: Deposits in Transit	4,612
Carrying Amount - Bank Balances	2,988,807
Plus: Petty Cash	100
Total Cash per Financial Statements	\$ 2,988,907

Cash Summary per Respective Funds:

Statement of Net Assets - Cash - Governmental Funds	\$ 2,988,907
Total Cash per Financial Statements	\$ 2,988,907

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>
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	49,735
2022	43,585		
TOTAL			\$ 480,989

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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 2016, the Township received a \$21,939 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 \$21,939. 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, 2016

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, 2016

	<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	\$ 653,077	\$ 5,711	\$ 2,139	\$ 1,937	\$ 662,864
Due From	<u>0</u>	<u>0</u>	<u>2,957</u>	<u>4,000</u>	<u>6,957</u>
TOTAL ASSETS	<u><u>\$ 653,077</u></u>	<u><u>\$ 5,711</u></u>	<u><u>\$ 5,096</u></u>	<u><u>\$ 5,937</u></u>	<u><u>\$ 669,821</u></u>
<u>LIABILITIES</u>					
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>FUND BALANCES</u>					
Unreserved Fund Balances	<u>653,077</u>	<u>5,711</u>	<u>5,096</u>	<u>5,937</u>	<u>669,821</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 653,077</u></u>	<u><u>\$ 5,711</u></u>	<u><u>\$ 5,096</u></u>	<u><u>\$ 5,937</u></u>	<u><u>\$ 669,821</u></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, 2016

	<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	\$ 3,176	\$ 6	\$ 521	\$ 1	\$ 3,704
Intergovernmental Revenue	351,942				351,942
Taxes			193,367	24,093	217,460
Charges for Services		2,351			2,351
Interfund Transfers					0
TOTAL REVENUES	<u>355,118</u>	<u>2,357</u>	<u>193,888</u>	<u>24,094</u>	<u>575,457</u>
EXPENDITURES					
General Government	\$ 0	\$ 2,806	\$ 9,668	\$ 0	\$ 12,474
Public Works - Highways	228,267				228,267
Public Safety			187,238	22,434	209,672
Interfund Transfers					0
TOTAL EXPENDITURES	<u>228,267</u>	<u>2,806</u>	<u>196,906</u>	<u>22,434</u>	<u>450,413</u>
EXCESS OF REVENUES OVER EXPENDITURES	126,851	(449)	(3,018)	1,660	125,044
FUND BALANCES - BEGINNING OF YEAR	<u>526,226</u>	<u>6,160</u>	<u>8,114</u>	<u>4,277</u>	<u>544,777</u>
FUND BALANCES - END OF YEAR	<u>\$ 653,077</u>	<u>\$ 5,711</u>	<u>\$ 5,096</u>	<u>\$ 5,937</u>	<u>\$ 669,821</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, 2016

	Capital Reserve for Recreation Fees Fund	Seitzland Pine St Sewer Fund	Total Capital Project Funds
<u>ASSETS</u>			
Cash	\$ 4,860	\$ 105,045	\$ 109,905
TOTAL ASSETS	\$ 4,860	\$ 105,045	\$ 109,905
<u>LIABILITIES</u>			
Due To	\$ 25,000	\$ 0	\$ 25,000
Current Liabilities		38,110	38,110
Long Term Liabilities		442,879	442,879
TOTAL LIABILITIES	\$ 25,000	\$ 480,989	\$ 505,989
<u>FUND BALANCES</u>			
Unreserved Fund Balances	(20,140)	(375,944)	(396,084)
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,860	\$ 105,045	\$ 109,905

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, 2016

	<u>Capital Reserve for Recreation Fees Fund</u>	<u>Seitzland Pine St Sewer Fund</u>	<u>Total Capital Project Funds</u>
REVENUES			
Interest	\$ 37	\$ 48	\$ 85
Intergovernmental Revenue			0
Charges for Services	10,050	67,435	77,485
Interfund Transfers			0
Miscellaneous			0
TOTAL REVENUES	<u>10,087</u>	<u>67,483</u>	<u>77,570</u>
EXPENDITURES			
General Government	\$ 0	\$ 0	\$ 0
Public Works - Sanitation			0
Culture and Recreation	72,491		72,491
Debt Service		13,809	13,809
Interfund Transfers			0
TOTAL EXPENDITURES	<u>72,491</u>	<u>13,809</u>	<u>86,300</u>
EXCESS OF REVENUES OVER EXPENDITURES	(62,404)	53,674	(8,730)
FUND BALANCES - BEGINNING OF YEAR	<u>42,264</u>	<u>(429,618)</u>	<u>(387,354)</u>
FUND BALANCES - END OF YEAR	<u>\$ (20,140)</u>	<u>\$ (375,944)</u>	<u>\$ (396,084)</u>

See accompanying notes to the financial statements.

AUDITOR'S REPORT
SHREWSBURY TOWNSHIP

Notice is hereby given that the auditor's report for the Shrewsbury Township , York County, Pennsylvania has been filed with the Secretary of the Township, the Court of Common Pleas of York County, and the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

The following is a concise summary of the annual audit and financial report-cash basis. The detail auditors' report is available at the Township office for public inspection.

STATEMENT OF REVENUE AND EXPENDITURES-CASH BASIS
YEAR ENDED DECEMBER 31, 2016

GENERAL FUND

BALANCE-BEGINNING OF YEAR		\$ 2,376,018
REVENUE:		
TAXES	\$ 1,284,032	
LICENSES AND PERMITS	54,017	
FINES	17,529	
INTEREST AND RENTS	9,796	
INTERGOVERNMENTAL REVENUE	124,753	
DEPARTMENT EARNINGS	212,901	
MISCELLANEOUS REVENUE	<u>5,822</u>	
TOTAL REVENUE		1,708,850
EXPENDITURES:		
GENERAL GOVERNMENT	\$ 485,369	
PUBLIC SAFETY	162,021	
HEALTH & HUMAN SERVICES	4,724	
PUBLIC WORKS-SANITATION	4,582	
PUBLIC WORKS-HIGHWAY	656,020	
OTHER PUBLIC WORKS ENTERPRISES	3,629	
CULTURE AND RECREATION	331,332	
COMMUNITY DEVELOPMENT	5,467	
MISCELLANEOUS EXPENDITURES	<u>198,120</u>	
TOTAL EXPENDITURES		<u>1,851,264</u>
BALANCE-END OF YEAR		\$ <u><u>2,233,604</u></u>

SPECIAL REVENUE FUNDS-
STATE HIGHWAY AID, STREET LIGHT/CAPITAL IMPROVEMENT,
FIRE TAX AND FIRE HYDRANT TAX FUND

BALANCE-BEGINNING OF YEAR		\$	544,777
REVENUE:			
TAXES	\$	217,460	
INTEREST		3,704	
INTERGOVERNMENTAL REVENUE		351,942	
DEPARTMENT EARNINGS		2,351	
TOTAL REVENUE		<u> </u>	575,457
EXPENDITURES:			
GENERAL GOVERNMENT		12,474	
PUBLIC SAFETY		209,672	
PUBLIC WORKS-HIGHWAY		228,267	
		<u> </u>	450,413
BALANCE-END OF YEAR		\$	<u><u>669,821</u></u>

CAPITAL PROJECT FUNDS -
CAPITAL RESERVE FOR RECREATION FEES AND SEITZLAND PINE ST SEWER FUND

BALANCE-BEGINNING OF YEAR		\$	(387,354)
REVENUE:			
INTEREST			85
DEPARTMENT EARNINGS			77,485
EXPENDITURES:			
MISCELLANEOUS EXPENDITURES			86,300
BALANCE-END OF YEAR		\$	<u><u>(396,084)</u></u>

KOCHENOUR, EARNEST, SMYSER & BURG

Certified Public Accountants
710 South George Street
York, Pa. 17401

Philip G. Lauer, CPA
Mark R. Kephart, CPA

Phone: 717-843-8855
Fax: 717-843-8857

February 21, 2017

Board of Supervisors
Shrewsbury Township
11505 Susquehanna Trail South
Glen Rock, Pa. 17327

Board of Supervisors:

We have completed the audit for Shrewsbury Township for 2016.

We have audited the accompanying basic financial statements of Shrewsbury Township as of and for the year ended 2016. We conducted our audit in accordance with generally accepted auditing standards. We have issued our audit report in accordance with the above standards stating that the basic financial statements present fairly in all material respects the financial position of Shrewsbury Township.

In planning and performing our audit, we considered Shrewsbury Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of Shrewsbury Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Shrewsbury Township's internal control over financial reporting.

We would like to take this opportunity to thank the Township staff for the cooperation and assistance we received during the course of our audit.

Sincerely,

Kochenour, Earnest, Smyser & Burg

Certified Public Accountants