

SHREWSBURY TOWNSHIP

FINANCIAL STATEMENTS

DECEMBER 31, 2022

SHREWSBURY TOWNSHIP
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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Shrewsbury Township
Glen Rock, Pennsylvania

Opinions

We have audited the financial statements of the governmental activities of Shrewsbury Township, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with audit standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Shrewsbury Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards we;

Exercise professional judgement and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatements 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 Shrewsbury 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 our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Shrewsbury Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis and budgetary comparison information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Kochenour, Earnest, Smysler, & Burg
Certified Public Accountants

SHREWSBURY TOWNSHIP
GOVERNMENT- ENTITY WIDE PRESENTATION
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS
DECEMBER 31, 2022

	<u>Governmental Funds</u>
<u>ASSETS</u>	
Cash and Temporary Investments (Note 2)	\$ 4,567,183
Due From Other Funds	27,957
Other Current Assets	<u>0</u>
TOTAL ASSETS	\$ <u>4,595,140</u>
<u>LIABILITIES</u>	
Other Current Liabilities	\$ 2,607
Payroll Taxes Payable	2,304
Due To Other Funds	27,957
Long-Term Liabilities	4,899,538
Current Portion of Long-Term Debt	<u>191,922</u>
TOTAL LIABILITIES	5,124,328
<u>FUND BALANCES</u>	
Unreserved Fund Balances	<u>(529,188)</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>4,595,140</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, 2022

Functions/Programs	Program Revenues		Net (Expenditures) Revenue and Changes in Fund Balance
	Expenses	Operating Grants and Contributions	
Governmental Activities:			
General Government	\$ 5,947,303	\$ 494,108	\$ (5,347,658)
Public Safety	553,628		(434,716)
Health and Welfare	8,141		(8,141)
Sanitation		66,242	66,242
Highways	987,374	459,893	(500,732)
Other Public Works Enterprises			
Culture - Recreation	57,921		(10,421)
Community Development			
Debt Service	137,833		(137,833)
Payroll Taxes and Other Employee Benefits	279,816		(279,816)
Miscellaneous	1,063		(1,063)
Interfund Transfers			0
Total Governmental Activities:	7,973,079	954,001	(6,654,138)
General Revenues:			
Property Taxes Levied for General Purposes			357,701
Income Taxes Levied for General Purposes			1,216,540
Other Taxes Levied for General Purposes			440,243
Investment Earnings			27,942
Proceeds of General Fixed Asset Disposition			23,750
Interfund Transfers			
Miscellaneous			148,667
Total General Revenues			2,214,843
Change in Fund Balances			(4,439,295)
Fund Balances - Beginning			3,910,107
Fund Balances - Ending			\$ (529,188)

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, 2022

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memo Only)
	General Fund	Special Revenue Funds	Capital Project Fund	Debt Service Fund		
ASSETS						
Cash	\$ 3,611,516	\$ 576,834	\$ 378,833	\$ 0	\$ 0	\$ 4,567,183
Due From Other Funds	25,000	2,957				27,957
Other Current Assets						0
TOTAL ASSETS	<u>3,636,516</u>	<u>579,791</u>	<u>378,833</u>	<u>0</u>	<u>0</u>	<u>4,595,140</u>
LIABILITIES						
Other Current Liabilities	2,607					2,607
Payroll Taxes Payable	2,304					2,304
Due To Other Funds	2,957		25,000			27,957
Long-Term Liabilities	4,709,000		190,538			4,899,538
Current Portion of Long-Term Debt	147,000		44,922			191,922
TOTAL LIABILITIES	<u>4,863,868</u>	<u>0</u>	<u>260,460</u>	<u>0</u>	<u>0</u>	<u>5,124,328</u>
FUND BALANCES						
Unreserved Fund Balances	(1,227,352)	579,791	118,373	0	0	(529,188)
TOTAL FUND BALANCES	<u>(1,227,352)</u>	<u>579,791</u>	<u>118,373</u>	<u>0</u>	<u>0</u>	<u>(529,188)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,636,516</u>	<u>\$ 579,791</u>	<u>\$ 378,833</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,595,140</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, 2022

	Governmental Fund Types				Totals (Memo Only)
	General Fund	Special Revenue Funds	Capital Project Funds	Debt Service Funds	
REVENUES					
Taxes	\$ 1,705,497	\$ 308,987	\$	\$	\$ 2,014,484
Licenses and Permits	70,420				70,420
Fines and Forfeits	46,545				46,545
Interest and Rents	22,500	3,974	1,468		27,942
Intergovernmental Revenues	494,108	459,893			954,001
Charges for Services	211,259	2,332	80,929		294,520
Miscellaneous Revenues	3,793				3,793
Refunds of Prior Year Expenditures	98,329				98,329
Sale of General Fixed Assets	23,750				23,750
Interfund Transfers					
TOTAL REVENUES	<u>2,676,201</u>	<u>775,186</u>	<u>82,397</u>	<u>0</u>	<u>3,533,784</u>
EXPENDITURES					
General Government	5,943,106	4,197			5,947,303
Public Safety	241,150	312,478			553,628
Health & Human Services	8,141				8,141
Public Works - Sanitation					
Public Works - Highways					
Other Public Works Enterprises	675,569	311,805			987,374
Culture and Recreation	38,062		19,859		57,921
Community Development					
Debt Services	131,000		6,833		137,833
Payroll Taxes and Other Employee Benefits	279,816				279,816
Insurance					
Miscellaneous Expenditures	1,063				1,063
Refund of Prior Year Revenues					
Interfund Transfers					
TOTAL EXPENDITURES	<u>7,317,907</u>	<u>628,480</u>	<u>26,692</u>	<u>0</u>	<u>7,973,079</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES					
	(4,641,706)	146,706	55,705	0	(4,439,295)
FUND BALANCES - BEGINNING OF YEAR	<u>3,414,354</u>	<u>433,085</u>	<u>62,668</u>	<u>0</u>	<u>3,910,107</u>
FUND BALANCES - END OF YEAR	<u>\$ (1,227,352)</u>	<u>\$ 579,791</u>	<u>\$ 118,373</u>	<u>\$ -</u>	<u>\$ (529,188)</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, 2022

	General Fund		Special Revenue Funds		Capital Project Fund		Over (Under) Budget
	Budget	Actual	Budget	Actual	Budget	Actual	
REVENUES							
Taxes	\$ 1,493,650	\$ 1,705,497	\$ 303,100	\$ 308,987	\$ -	\$ -	\$ -
Licenses and Permits	61,200	70,420	-	-	-	-	-
Fines and Forfeits	10,900	46,545	-	-	-	-	-
Interest	15,200	22,500	427	3,974	-	-	-
Intergovernmental Revenues	472,941	494,108	345,000	459,893	130	1,468	1,338
Charges for Services	150,516	211,259	2,300	2,332	281,800	-	(281,800)
Miscellaneous Revenues	17,500	3,793	-	-	79,580	80,929	1,349
Refunds of Prior Year Expenditures	-	98,329	-	-	-	-	-
Sale of Fixed Assets	900,000	23,750	-	-	-	-	-
Interfund Transfers	235,000	-	43,482	-	85,000	-	(85,000.00)
Proceeds from General Long-Term Debt	-	-	-	-	-	-	-
TOTAL REVENUES	3,356,907	2,676,201	694,309	775,186	446,510	82,397	(364,113)
EXPENDITURES							
General Government	6,565,626	5,943,106	10,420	4,197	-	-	-
Public Safety	271,021	241,150	300,100	312,478	-	-	-
Health & Welfare	-	8,141	-	-	-	-	-
Public Works - Sanitation	-	-	-	-	-	-	-
Public Works - Highways	573,321	675,569	540,000	311,805	-	-	-
Other Public Works Enterprises	-	-	-	-	-	-	-
Culture and Recreation	46,800	38,062	-	-	626,600	19,859	(606,741)
Community Development	-	-	-	-	-	-	-
Debt Services	275,000	131,000	-	-	-	-	-
Payroll Taxes and Other Employee Benefits	263,009	279,816	-	-	50,373	6,833	(43,540)
Insurance	-	1,063	-	-	-	-	-
Miscellaneous Expenditures	-	-	-	-	-	-	-
Refund of Prior Year Revenues	-	-	-	-	-	-	-
Interfund Transfers	364,322	-	-	-	-	-	-
TOTAL EXPENDITURES	8,359,099	7,317,907	850,520	628,480	676,973	26,692	(650,281)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (5,002,192)	(4,641,706)	\$(156,211)	146,706	\$(230,463)	55,705	\$ 286,168
UND BALANCES - BEGINNING OF YEAR		3,414,354		433,085		62,668	
UND BALANCES - END OF YEAR		\$(1,227,352)		\$ 579,791		\$ 118,373	

See accompanying notes to the financial statements.

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 Fund are special revenue funds used to account for revenue from the Commonwealth of Pennsylvania for the maintenance and construction of highways and streets. 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, 2022

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 1, 2021 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 2022 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 1, 2021.

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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>
Cash Reserve - Peoples Bank	\$ 2,634,213	\$ 2,634,213
Checking - Peoples Bank	118,942	118,773
Checking - C&N Bank	404,389	425,430
American Rescue Plan - Peoples Bank	453,872	453,872
Petty Cash	100	-
Pennsylvania Local Government Investment Trust - PLGIT Class	-	-
	<u>3,611,516</u>	<u>3,632,288</u>
<u>HIGHWAY AID FUND</u>		
Checking - Peoples Bank	555,058	555,058
<u>SPECIAL FIRE TAX FUND</u>		
Fire Tax Fund - Peoples Bank	3,022	3,022
<u>FIRE HYDRANT TAX FUND</u>		
Fire Hydrant Tax Fund - Peoples Bank	16,775	16,775
<u>STREET LIGHT FUND</u>		
Checking - C&N Bank	1,979	1,979
<u>CAPITAL RESERVE – RECREATION FUND</u>		
Savings - Peoples Bank	360,856	360,856
<u>SEITZLAND SEWER</u>		
Savings - Peoples Bank	<u>17,977</u>	<u>17,977</u>
TOTAL CASH AND TEMPORARY INVESTMENTS	<u>\$ 4,567,183</u>	<u>\$ 4,587,955</u>

As of December 31, 2022 the carrying amount of deposits was \$4,567,183 and the bank balance was \$4,587,955. All deposits are fully insured by FDIC, FSLIC or collateralized in accordance with Act 72.

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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, 2022, \$4,337,955 of the Township's bank balance of \$4,587,955 was exposed to custodial credit risk as:

Uninsured and Uncollateralized	\$	-
Collateralized with securities held by the pledging financial institution		4,337,955
Uninsured and collateral held by the pledging bank's trust department not in the Township's name		-
	\$	4,337,955

Reconciliation to Financial Statements:

Collateralized with securities held by the pledging financial institution	\$	4,337,955
Plus: Insured Amount		250,000
Less: Outstanding Checks		(21,188)
Plus: Deposits in Transit		316
Carrying Amount - Bank Balances		4,567,083
Plus: Petty Cash		100
Total Cash per Financial Statements	\$	4,567,183

Cash Summary per Respective Funds:

Statement of Net Assets - Cash - Governmental Funds	\$	4,567,183
Total Cash per Financial Statements	\$	4,567,183

NOTE 3 - SHREWSBURY TOWNSHIP G.O. NOTES

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 notes.

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$ 44,796	2026	\$ 48,635
2024	46,041	2027	48,668
2025	47,320		
	TOTAL		\$ 235,460

The Township issued General Obligation Note, Series of 2021 for \$5,000,000 to finance the Township's construction of the new municipal complex, and to pay the costs of the notes.

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$ 147,000	2035	\$ 202,000
2024	151,000	2036	207,000
2025	155,000	2037	213,000
2026	159,000	2038	218,000
2027	164,000	2039	224,000
2028	168,000	2040	230,000
2029	172,000	2041	236,000
2030	177,000	2042	242,000
2031	182,000	2043	248,000
2032	187,000	2044	255,000
2033	192,000	2045	262,000
2034	197,000	2046	268,000

TOTAL	\$ 4,856,000
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SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 Pennsylvania Municipal Retirement System.

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 2022, the Township received a \$33,044 state allotment, which was deposited into the Non-Uniform Employees' Pension Plan along with the Township contribution of \$69 to equal the minimum municipal contribution of \$33,113. The most recent actuarial valuations of the plan is January 1, 2021. 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 based on the highest 60 consecutive months out of the last 120 months) |
| 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,
 2021 (most recent available)

Actuarial accrued Liability	\$ 961,707
Actuarial Value of Plan Assets	<u>1,046,553</u>
Unfunded actuarial accrued liability	\$ (84,846)

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, 2022

NOTE 4 - PENSION PLANS (CONTINUED)

Normal Cost	\$ 27,885
Annual Employee Compensation	453,578
Total normal cost as a percentage of compensation	6.15%

As of January 1, 2021, the pension plan's membership consisted of:

Active participants	10
Inactive Participants	<u>5</u>
Total participants	<u><u>15</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, 2022

	<u>State Highway Aid Fund</u>	<u>Street Light Fund</u>	<u>Fire Tax Fund</u>	<u>Fire Hydrant Tax Fund</u>	<u>Total Special Revenue Funds</u>
ASSETS					
Cash	\$ 555,058	\$ 1,979	\$ 3,022	\$ 16,775	\$ 576,834
Due From	<u>0</u>	<u>0</u>	<u>2,957</u>	<u>0</u>	<u>2,957</u>
TOTAL ASSETS	<u>\$ 555,058</u>	<u>\$ 1,979</u>	<u>\$ 5,979</u>	<u>\$ 16,775</u>	<u>\$ 579,791</u>
LIABILITIES					
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
FUND BALANCES					
Unreserved Fund Balances	<u>555,058</u>	<u>1,979</u>	<u>5,979</u>	<u>16,775</u>	<u>579,791</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 555,058</u>	<u>\$ 1,979</u>	<u>\$ 5,979</u>	<u>\$ 16,775</u>	<u>\$ 579,791</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, 2022

	<u>State Highway Aid Fund</u>	<u>Street Light Fund</u>	<u>Fire Tax Fund</u>	<u>Fire Hydrant Tax Fund</u>	<u>Total Special Revenue Funds</u>
REVENUES					
Interest	\$ 3,068	\$ 2	\$ 866	\$ 38	\$ 3,974
Intergovernmental Revenue	459,893				459,893
Taxes			281,585	27,402	308,987
Charges for Services		2,332			2,332
Miscellaneous					0
Interfund Transfers					0
TOTAL REVENUES	<u>462,961</u>	<u>2,334</u>	<u>282,451</u>	<u>27,440</u>	<u>775,186</u>
EXPENDITURES					
General Government	\$ 0	\$ 3,245	\$ 0	\$ 952	\$ 4,197
Public Works - Highways	311,805				311,805
Public Safety			283,884	28,594	312,478
Miscellaneous					0
Interfund Transfers					0
TOTAL EXPENDITURES	<u>311,805</u>	<u>3,245</u>	<u>283,884</u>	<u>29,546</u>	<u>628,480</u>
EXCESS OF REVENUES OVER EXPENDITURES	151,156	(911)	(1,433)	(2,106)	146,706
FUND BALANCES - BEGINNING OF YEAR	<u>403,902</u>	<u>2,890</u>	<u>7,412</u>	<u>18,881</u>	<u>433,085</u>
FUND BALANCES - END OF YEAR	<u>\$ 555,058</u>	<u>\$ 1,979</u>	<u>\$ 5,979</u>	<u>\$ 16,775</u>	<u>\$ 579,791</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, 2022

	<u>Capital Reserve for Recreation Fees Fund</u>	<u>Seitzland Pine St Sewer Fund</u>	<u>Total Capital Project Funds</u>
ASSETS			
Cash	\$ 360,856	\$ 17,977	\$ 378,833
TOTAL ASSETS	<u>\$ 360,856</u>	<u>\$ 17,977</u>	<u>\$ 378,833</u>
LIABILITIES			
Due To	\$ 25,000	\$ 0	\$ 25,000
Current Liabilities		44,922	44,922
Long Term Liabilities		190,538	190,538
TOTAL LIABILITIES	<u>\$ 25,000</u>	<u>\$ 235,460</u>	<u>\$ 260,460</u>
FUND BALANCES			
Unreserved Fund Balances	335,856	(217,483)	118,373
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 360,856</u>	<u>\$ 17,977</u>	<u>\$ 378,833</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, 2022

	Capital Reserve for Recreation Fees Fund	Seitzland Pine St Sewer Fund	Total Capital Project Funds
REVENUES			
Interest	\$ 1,424	\$ 44	\$ 1,468
Intergovernmental Revenue			0
Charges for Services	47,500	33,429	80,929
Interfund Transfers			0
TOTAL REVENUES	48,924	33,473	82,397
EXPENDITURES			
General Government	\$ 0	\$ 0	\$ 0
Public Works - Highway			0
Culture and Recreation	19,859		19,859
Debt Service		6,833	6,833
Refund of Prior Year Revenue			0
Interfund Transfers			0
TOTAL EXPENDITURES	19,859	6,833	26,692
EXCESS OF REVENUES OVER EXPENDITURES	29,065	26,640	55,705
FUND BALANCES - BEGINNING OF YEAR	306,791	(244,123)	62,668
FUND BALANCES - END OF YEAR	\$ 335,856	\$ (217,483)	\$ 118,373

See accompanying notes to the financial statements.