

SHREWSBURY TOWNSHIP

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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, 2025, 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, 2025, 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, Smyser, & Burg
Certified Public Accountants

York, Pennsylvania
March 3, 2026

SHREWSBURY TOWNSHIP
GOVERNMENT- ENTITY WIDE PRESENTATION
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES - CASH BASIS
DECEMBER 31, 2025

	<u>Governmental Funds</u>
<u>ASSETS</u>	
Cash and Temporary Investments (Note 2)	\$ 3,000,549
Due From Other Funds	27,957
Other Current Assets	<u>0</u>
TOTAL ASSETS	\$ <u>3,028,506</u>
<u>LIABILITIES</u>	
Other Current Liabilities	\$ 60,789
Payroll Taxes Payable	401
Due To Other Funds	27,957
Long-Term Liabilities	4,338,067
Current Portion of Long-Term Debt	<u>164,000</u>
TOTAL LIABILITIES	4,591,214
<u>FUND BALANCES</u>	
Unreserved Fund Balances	<u>(1,562,708)</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>3,028,506</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, 2025

Functions/Programs	Program Revenues			Net (Expenditures) Revenue and Changes in Fund Balance
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
General Government	\$ 544,964	\$ 85,022	\$ 229,297	\$ (230,645)
Public Safety	652,618	139,085		(513,533)
Health and Welfare	7,153			(7,153)
Sanitation		38,623		38,623
Highways	1,355,641	25,973	369,048	(960,620)
Other Public Works Enterprises				
Culture - Recreation	884,164		281,800	(602,364)
Community Development				
Debt Service	125,143			(125,143)
Payroll Taxes and Other Employee Benefits	335,949			(335,949)
Miscellaneous	3,192			(3,192)
Interfund Transfers	1,300			(1,300)
Total Governmental Activities:	3,910,124	288,703	880,145	(2,741,276)
General Revenues:				
Property Taxes Levied for General Purposes				581,576
Income Taxes Levied for General Purposes				1,397,451
Other Taxes Levied for General Purposes				311,657
Investment Earnings				98,734
Proceeds of General Fixed Asset Disposition				
Interfund Transfers				1,300
Miscellaneous				61,620
Total General Revenues				2,452,338
Change in Fund Balances				(288,938)
Fund Balances - Beginning				(1,273,770)
Fund Balances - Ending				\$ (1,562,708)

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, 2025

	Governmental Fund Types				Fiduciary	Totals (Memo Only)
	General Fund	Special Revenue Funds	Capital Project Fund	Debt Service Fund	Fund Type Volunteer Fire relief Fund	
ASSETS						
Cash	\$ 2,633,106	\$ 340,180	\$ 27,263	\$ 0	\$ 0	\$ 3,000,549
Due From Other Funds	25,000	2,957				27,957
Other Current Assets						0
TOTAL ASSETS	2,658,106	343,137	27,263	0	0	3,028,506
LIABILITIES						
Other Current Liabilities	60,789					60,789
Payroll Taxes Payable	401					401
Due To Other Funds	2,957		25,000			27,957
Long-Term Liabilities	4,338,067					4,338,067
Current Portion of Long-Term Debt	164,000					164,000
TOTAL LIABILITIES	4,566,214	0	25,000	0	0	4,591,214
FUND BALANCES						
Unreserved Fund Balances	(1,908,108)	343,137	2,263	0	0	(1,562,708)
TOTAL FUND BALANCES	(1,908,108)	343,137	2,263	0	0	(1,562,708)
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,658,106	\$ 343,137	\$ 27,263	\$ 0	\$ 0	\$ 3,028,506

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, 2025

	Governmental Fund Types				Totals (Memo Only)
	General Fund	Special Revenue Funds	Capital Project Funds	Debt Service Funds	
REVENUES					
Taxes	\$ 1,767,146	\$ 523,538		\$	\$ 2,290,684
Licenses and Permits	61,527				61,527
Fines and Forfeits	14,776				14,776
Interest and Rents	81,632	11,598	5,504		98,734
Intergovernmental Revenues	229,297	369,048	281,800		880,145
Charges for Services	215,832	11,344			227,176
Miscellaneous Revenues	11,844				11,844
Refunds of Prior Year Expenditures	35,000				35,000
Sale of General Fixed Assets					
Interfund Transfers		1,300			1,300
TOTAL REVENUES	2,417,054	916,828	287,304	0	3,621,186
EXPENDITURES					
General Government	533,061	11,903			544,964
Public Safety	134,403	518,215			652,618
Health & Human Services	7,153				7,153
Public Works - Sanitation					
Public Works - Highways	1,042,511	313,130			1,355,641
Other Public Works Enterprises					
Culture and Recreation	604,953		279,211		884,164
Community Development					
Debt Services	125,143				125,143
Payroll Taxes and Other Employee Benefits	335,949				335,949
Insurance					
Miscellaneous Expenditures	2,924				2,924
Refund of Prior Year Revenues	152	116			268
Interfund Transfers	1,300				1,300
TOTAL EXPENDITURES	2,787,549	843,364	279,211	0	3,910,124
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(370,495)	73,464	8,093	0	(288,938)
FUND BALANCES - BEGINNING OF YEAR	(1,537,613)	269,673	(5,830)	0	(1,273,770)
FUND BALANCES - END OF YEAR	\$(1,908,108)	\$ 343,137	\$ 2,263	\$ -	\$(1,562,708)

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, 2025

	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	\$ 1,789,300	\$ 1,767,146	\$ (22,154)	\$ 533,175	\$ 523,538	\$ (9,637)	\$ -	\$ -	\$ -
Licenses and Permits	58,500	61,527	3,027	-	-	-	-	-	-
Fines and Forfeits	9,300	14,776	5,476	-	-	-	-	-	-
Interest	60,000	81,632	21,632	15,910	11,598	(4,312)	50	5,504	5,454
Intergovernmental Revenues	395,150	229,297	(165,853)	360,275	369,048	8,773	228,930	281,800	52,870
Charges for Services	117,631	215,832	98,201	13,330	11,344	(1,986)	140,000	-	(140,000)
Miscellaneous Revenues	10,500	11,844	1,344	-	-	-	-	-	-
Refunds of Prior Year Expenditures	-	35,000	35,000	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-
Interfund Transfers	-	-	-	-	1,300	1,300	-	-	-
Proceeds from General Long-Term Debt	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	2,440,381	2,417,054	(23,327)	922,690	916,828	(5,862)	368,980	287,304	(81,676)
EXPENDITURES									
General Government	557,305	533,061	(24,244)	15,035	11,903	(3,132)	-	-	-
Public Safety	322,425	134,403	(188,022)	522,415	518,215	(4,200)	-	-	-
Health & Welfare	-	7,153	7,153	-	-	-	-	-	-
Public Works - Sanitation	-	-	-	2,550	-	(2,550)	-	-	-
Public Works - Highways	976,150	1,042,511	66,361	500,840	313,130	(187,710)	-	-	-
Other Public Works Enterprises	-	-	-	-	-	-	-	-	-
Culture and Recreation	353,525	604,953	251,428	-	-	-	312,734	279,211	(33,523)
Community Development	-	-	-	-	-	-	-	-	-
Debt Services	324,875	125,143	(199,732)	-	-	-	-	-	-
Payroll Taxes and Other Employee Benefits	296,848	335,949	39,101	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Miscellaneous Expenditures	-	2,924	2,924	-	-	-	-	-	-
Refund of Prior Year Revenues	120	152	32	-	116	116	-	-	-
Interfund Transfers	-	1,300	1,300	-	-	-	-	-	-
TOTAL EXPENDITURES	2,831,248	2,787,549	(43,699)	1,040,840	843,364	(197,476)	312,734	279,211	(33,523)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (390,867)	(370,495)	\$ 20,372	\$(118,150)	73,464	\$ 191,614	\$ 56,246	8,093	\$ (48,153)
UND BALANCES - BEGINNING OF YEAR		(1,537,613)			269,673			(5,830)	
UND BALANCES - END OF YEAR		\$(1,908,108)			\$ 343,137			\$ 2,263	

See accompanying notes to the financial statements.

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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. The purpose of the EMS Fund is to contribute the Township's fair portion of municipal funding to the two EMS agencies that serve Shrewsbury Township; Glen Rock Ambulance and Rose (New Freedom) Ambulance. The funds cover expenses for workers' compensation insurance, tax collector commission, and the balance in a contribution directly to each ambulance service. The Sewer Maintenance (GR) Fund was created to collect a special assessment annually for the sole purpose of maintaining the sanitary sewer collection system located in Shrewsbury Township that is served by the Glen Rock Water & Sewer Authority.

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.

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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 4, 2024 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 2025 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 4, 2024.

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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 - C&N Bank	\$ 1,976,205	\$ 1,986,373
Checking - Peoples Bank	35,307	35,091
Checking - C&N Bank	621,494	659,269
Petty Cash	100	-
	<u>2,633,106</u>	<u>2,680,733</u>
 <u>HIGHWAY AID FUND</u>		
Checking - C&N Bank	328,084	360,781
 <u>SPECIAL FIRE TAX FUND</u>		
Fire Tax Fund - C&N Bank	1,000	18,462
 <u>FIRE HYDRANT TAX FUND</u>		
Fire Hydrant Tax Fund - C&N Bank	11	12
 <u>STREET LIGHT FUND</u>		
Checking - C&N Bank	1,785	1,786
 <u>EMS FUND</u>		
Savings - C&N Bank	1,000	10,290
 <u>SEWER MAINTENANCE (GR) FUND</u>		
Savings - C&N Bank	8,300	8,301
 <u>CAPITAL RESERVE – RECREATION FUND</u>		
Savings - C&N Bank	<u>27,263</u>	<u>27,923</u>
 TOTAL CASH AND TEMPORARY INVESTMENTS	 <u><u>\$ 3,000,549</u></u>	 <u><u>\$ 3,108,288</u></u>

As of December 31, 2025 the carrying amount of deposits was \$3,000,549 and the bank balance was \$3,108,288. All deposits are fully insured by FDIC, FSLIC or collateralized in accordance with Act 72.

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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, 2025, \$2,823,197 of the Township's bank balance of \$3,108,288 was exposed to custodial credit risk as:

Uninsured and Uncollateralized	\$ -
Collateralized with securities held by the pledging financial institution	2,823,197
Uninsured and collateral held by the pledging bank's trust department not in the Township's name	-
	\$ 2,823,197

Reconciliation to Financial Statements:

Collateralized with securities held by the pledging financial institution	\$ 2,823,197
Plus: Insured Amount	285,091
Less: Outstanding Checks	(108,155)
Plus: Deposits in Transit	316
Carrying Amount - Bank Balances	3,000,449
Plus: Petty Cash	100

Total Cash per Financial Statements	\$ 3,000,549
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Cash Summary per Respective Funds:

Statement of Net Assets - Cash - Governmental Funds	\$ 3,000,549
Total Cash per Financial Statements	\$ 3,000,549

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>
2026	48,635	2027	\$ 50,432
TOTAL			\$ 99,067

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>
2026	\$ 159,000	2037	\$ 213,000
2027	164,000	2038	218,000
2028	168,000	2039	224,000
2029	172,000	2040	230,000
2030	177,000	2041	236,000
2031	182,000	2042	242,000
2032	187,000	2043	248,000
2033	192,000	2044	255,000
2034	197,000	2045	262,000
2035	202,000	2046	268,000
2036	207,000		
TOTAL			\$ 4,403,000

SHREWSBURY TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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 2025, the Township received a \$50,785 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 \$50,785. The most recent actuarial valuations of the plan is January 1, 2025. 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, 2025 (most recent available)	
Actuarial accrued Liability	\$ 1,266,776
Actuarial Value of Plan Assets	<u>1,278,375</u>
Unfunded actuarial accrued liability	\$ (11,599)

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, 2025

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, 2025, the pension plan's membership consisted of:

Active participants	10
Inactive Participants	<u>7</u>
Total participants	<u><u>17</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, 2025

	State Highway Aid Fund	Street Light Fund	Fire Tax Fund	Fire Hydrant Tax Fund	EMS Fund	Sewer Maintenance (GR) Fund	Total Special Revenue Funds
ASSETS							
Cash	\$ 328,084	\$ 1,785	\$ 1,000	\$ 11	\$ 1,000	\$ 8,300	\$ 340,180
Due From	0	0	2,957	0	0	0	2,957
TOTAL ASSETS	\$ 328,084	\$ 1,785	\$ 3,957	\$ 11	\$ 1,000	\$ 8,300	\$ 343,137
LIABILITIES							
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES							
Unreserved Fund Balances	328,084	1,785	3,957	11	1,000	8,300	343,137
TOTAL LIABILITIES AND FUND BALANCES	\$ 328,084	\$ 1,785	\$ 3,957	\$ 11	\$ 1,000	\$ 8,300	\$ 343,137

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, 2025

	State Highway Aid Fund	Street Light Fund	Fire Tax Fund	Fire Hydrant Tax Fund	EMS Fund	Sewer Maintenance (GR) Fund	Total Special Revenue Funds
REVENUES							
Interest	\$ 9,300	7	\$ 1,591	\$ 52	\$ 648	\$ 0	\$ 11,598
Intergovernmental Revenue	369,048						369,048
Taxes			286,351	31,888	205,299	8,300	523,538
Charges for Services		3,044					11,344
Miscellaneous				1,300			-
Interfund Transfers							1,300
TOTAL REVENUES	378,348	3,051	287,942	33,240	205,947	8,300	916,828
EXPENDITURES							
General Government	\$ 0	0	\$ 5,416	\$ 1,071	\$ 5,416	\$ 0	\$ 11,903
Public Works - Highways	309,853	3,277		35,245	200,531		313,130
Public Safety			282,439	29			518,215
Miscellaneous			87				116
Interfund Transfers							-
TOTAL EXPENDITURES	309,853	3,277	287,942	36,345	205,947	0	843,364
EXCESS OF REVENUES OVER EXPENDITURES	68,495	(226)	-	(3,105)	-	8,300	73,464
FUND BALANCES - BEGINNING OF YEAR	259,589	2,011	3,957	3,116	1,000	-	269,673
FUND BALANCES - END OF YEAR	\$ 328,084	\$ 1,785	\$ 3,957	\$ 11	\$ 1,000	\$ 8,300	\$ 343,137

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, 2025

GENERAL FUND

BALANCE-BEGINNING OF YEAR		\$	(1,537,613)
REVENUE:			
TAXES	\$	1,767,146	
LICENSES AND PERMITS		61,527	
FINES		14,776	
INTEREST AND RENTS		81,632	
INTERGOVERNMENTAL REVENUE		229,297	
DEPARTMENT EARNINGS		215,832	
MISCELLANEOUS REVENUE		46,844	
TOTAL REVENUE		2,417,054	2,417,054
EXPENDITURES:			
GENERAL GOVERNMENT	\$	533,061	
PUBLIC SAFETY		134,403	
HEALTH & HUMAN SERVICES		7,153	
PUBLIC WORKS-HIGHWAY		1,042,511	
OTHER PUBLIC WORKS ENTERPRISES		-	
CULTURE AND RECREATION		604,953	
MISCELLANEOUS EXPENDITURES		465,468	
TOTAL EXPENDITURES		2,787,549	2,787,549
BALANCE-END OF YEAR			\$ (1,908,108)

SPECIAL REVENUE FUNDS-
STATE HIGHWAY AID, STREET LIGHT,
FIRE TAX, FIRE HYDRANT TAX, EMS, AND SEWER MAINTENANCE (GR) FUND

BALANCE-BEGINNING OF YEAR		\$	269,673
REVENUE:			
TAXES	\$	523,538	
INTEREST		11,598	
INTERGOVERNMENTAL REVENUE		369,048	
DEPARTMENT EARNINGS		11,344	
MISCELLANEOUS REVENUE		1,300	
TOTAL REVENUE		<u>916,828</u>	916,828
EXPENDITURES:			
GENERAL GOVERNMENT		11,903	
PUBLIC SAFETY		518,215	
PUBLIC WORKS-HIGHWAY		313,130	
MISCELLANEOUS EXPENDITURES		116	
TOTAL EXPENDITURES		<u>843,364</u>	843,364
BALANCE-END OF YEAR		\$	<u><u>343,137</u></u>

CAPITAL PROJECT FUND -
CAPITAL RESERVE FOR RECREATION FEES

BALANCE-BEGINNING OF YEAR		\$	(5,830)
REVENUE:			
INTEREST		5,504	
DEPARTMENT EARNINGS		281,800	
TOTAL REVENUE		<u>287,304</u>	287,304
EXPENDITURES:			
MISCELLANEOUS EXPENDITURES			<u>279,211</u>
BALANCE-END OF YEAR		\$	<u><u>2,263</u></u>

KOCHENOUR, EARNEST, SMYSER & BURG

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To the Board of Supervisors
Shrewsbury Township
Glen Rock, Pennsylvania

We have audited the financial statements of Shrewsbury Township for the year ended December 31, 2025, and have issued our report thereon dated March 3, 2026. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter dated November 7, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies of Shrewsbury Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. We noted no transactions entered into by Shrewsbury Township during the year for which there is a lack authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ of the possibility that future events affecting them may differ significantly from those expected.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance and completion of the audit.

Uncorrected and Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements of the financial statements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Representations Requested From Management

We have requested certain written representations from management which are included in the management representation letter dated March 3, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Shrewsbury Township's financial statements or the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing with management each year prior to retention as Shrewsbury Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Shrewsbury Township's basic financial statements. The supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the 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 basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Restrictions on Use

This report is intended solely for the information and use of the Board of Supervisors and management of Shrewsbury Township, and is not intended to be and should not be used by anyone other than these specified parties.

Kochenour Earnest Smyser & Burg

York, Pennsylvania
March 3, 2026