

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
AUDIT REPORT FOR THE YEAR ENDED
DECEMBER 31, 2014**

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COUNTY OF MONMOUTH, NEW JERSEY
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**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Shrewsbury
County of Monmouth
Borough of Shrewsbury, New Jersey

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Shrewsbury, County of Monmouth, State of New Jersey as of December 31, 2014 and 2013, and the related comparative statement of operations and changes in fund balance--regulatory basis for the years then ended, the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2014.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statements, the Borough of Shrewsbury prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between these regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Borough of Shrewsbury, County of Monmouth, State of New Jersey, as of December 31, 2014 and 2013, or the results of its operations and changes in fund balance for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2014 and 2013. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Fund, and represent 27.58% and 27.60% of the assets, liabilities, reserves and fund balance, of the Borough’s Trust Funds as of December 31, 2014 and 2013.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Shrewsbury, County of Monmouth, State of New Jersey, as of December 31, 2014 and 2013, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2015, on our consideration of the Borough of Shrewsbury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Shrewsbury's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

May 16, 2015
Freehold, New Jersey

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INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members
of the Borough Council
Borough of Shrewsbury
County of Monmouth
Borough of Shrewsbury, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Borough of Shrewsbury (herein referred to as “the Borough”) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements, and have issued our report thereon dated May 16, 2015.

Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1 .

Our report on the financial statements - regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund. As discussed in Note 1 the LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the year ended December 31, 2014. With the exception of the LOSAP Trust Fund our opinion on the financial statements- regulatory basis was unmodified.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
CR #483

May 16, 2015
Freehold, New Jersey

BASIC FINANCIAL STATEMENTS

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**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

<u>Assets</u>	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Cash	A-4	\$ 3,877,961.68	\$ 3,361,893.74
Cash - Change Fund	A-5	<u>145.00</u>	<u>145.00</u>
		<u>3,878,106.68</u>	<u>3,362,038.74</u>
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	A-6	<u>141.86</u>	<u>-</u>
Receivables With Full Reserves:			
Taxes Receivable	A-7	269,776.10	243,645.90
Tax Title Liens Receivable	A-8	565.89	556.81
Revenue Accounts Receivable	A-9	<u>13,839.05</u>	<u>15,243.61</u>
		<u>284,181.04</u>	<u>259,446.32</u>
Deferred Charges:			
Special Emergency (40A:4-53)	A-10	49,200.00	73,800.00
Emergency (40A:4-46)	A-11	<u>-</u>	<u>30,000.00</u>
		<u>4,211,629.58</u>	<u>3,725,285.06</u>
State and Federal Grant Fund:			
State and Federal Grants Receivable	A-32	4,036.36	36,545.24
Due From Current Fund	A	<u>57,993.06</u>	<u>20,904.94</u>
		<u>62,029.42</u>	<u>57,450.18</u>
Total Assets		<u><u>\$ 4,273,659.00</u></u>	<u><u>\$ 3,782,735.24</u></u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Appropriation Reserves	A-3	\$ 373,280.24	\$ 474,181.52
Encumbrances Payable	A-3	87,372.41	109,217.66
Accounts Payable	A-13	9,168.04	2,684.24
Due To State of New Jersey - Senior Citizens' and Veterans' Deductions		-	358.14
Prepaid Taxes	A-15	138,434.18	125,972.26
County Taxes Payable	A-16	69,013.10	15,246.10
Regional High School Tax Payable	A-17	515,746.19	218,974.50
Local District School Tax Payable	A-18	1,016,898.00	952,468.00
Due To Sewerage Authority	A-20	3,597.33	5,562.76
Due To State of New Jersey:			
Marriage License Fees	A-21	125.00	75.00
State Grant Fund	A	57,993.06	20,904.94
Reserve for:			
State Tax Appeals Pending	A-22	45,936.50	50,000.00
Tax Redemptions	A-23	1,345.75	5,994.61
Wardell House	A-24	157,500.00	157,500.00
Codification	A-25	374.26	4,664.07
Fire Apparatus	A-26	-	100,000.00
Debt Service	A-27	10,687.94	23,990.80
Police Receipts	A-28	100.00	-
Insurance Claims	A-30	761.04	-
		<u>2,488,333.04</u>	<u>2,267,794.60</u>
Reserve for Receivables	A	284,181.04	259,446.32
Fund Balance	A-1	<u>1,439,115.50</u>	<u>1,198,044.14</u>
		<u>4,211,629.58</u>	<u>3,725,285.06</u>
State and Federal Grant Fund:			
Reserve for State and Federal Grants:			
Appropriated	A-33	37,733.43	33,842.77
Unappropriated	A-34	24,295.99	23,607.41
		<u>62,029.42</u>	<u>57,450.18</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,273,659.00</u>	<u>\$ 3,782,735.24</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,080,000.00	\$ 897,062.97
Miscellaneous Revenue Anticipated	1,245,827.48	1,567,765.23
Receipts From Delinquent Taxes	243,645.90	317,683.90
Receipts From Current Taxes	22,985,185.68	21,611,159.46
Non-Budget Revenue	235,851.58	65,275.17
Other Credits To Income:		
PY Revenue	-	75.92
Grant Appropriation Cancelled	1,640.72	1,804.21
Cancel Stale Checks	376.00	610.00
Statutory Excess	-	1.00
Tax Overpayments Cancelled	3,384.42	-
Adjustment to Reserve for Tax Redemptions	5,212.86	-
PY Accounts Payable Cancelled	1,221.74	-
Unexpended Balances of Appropriation Reserves	392,598.15	255,668.60
	<u>26,194,944.53</u>	<u>24,717,106.46</u>
Total Revenues		
	<u>26,194,944.53</u>	<u>24,717,106.46</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	3,705,092.00	3,593,615.00
Other Expenses	2,864,125.21	2,898,807.46
Deferred Charges and Statutory Expenditures	199,700.00	205,000.00
Budget Appropriations Excluded From "CAPS":		
Operations:		
Other Expenses	714,489.77	808,408.26
Capital Improvements	90,000.00	150,000.00
Municipal Debt Service	911,882.16	795,954.64
Deferred Charges - Other	81,154.76	52,705.71
NSF Checks Cancelled	-	214.47
Canceled Grants Receivable	441.27	1,432.64
County Taxes	3,256,397.51	3,069,324.20
County Share of Added and Omitted Taxes	69,013.10	15,246.10
Regional High School Tax	5,231,492.39	4,638,149.83
Local District School Tax	7,650,085.00	7,504,695.00
Municipal Open Space Tax	100,000.00	100,000.00
	<u>24,873,873.17</u>	<u>23,833,553.31</u>
Total Expenditures		
	<u>24,873,873.17</u>	<u>23,833,553.31</u>
Excess in Revenue	1,321,071.36	883,553.15
Adjustments To Income Before Surplus:		
Expenditures Included Above Which Are By		
Statute Deferred Charges To Budget of		
Succeeding Year and Current Year	<u>-</u>	<u>30,000.00</u>
Statutory Excess To Fund Balance	1,321,071.36	913,553.15
Fund Balance, January 1	<u>1,198,044.14</u>	<u>1,181,553.96</u>
	2,519,115.50	2,095,107.11
Decreased By:		
Utilized as Anticipated Revenue	<u>1,080,000.00</u>	<u>897,062.97</u>
Fund Balance, December 31	<u>\$ 1,439,115.50</u>	<u>\$ 1,198,044.14</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Anticipated <u>Budget</u>	Amount <u>Realized</u>	Excess/ <u>(Deficit)</u>
Fund Balance Anticipated	\$ 1,080,000.00	\$ 1,080,000.00	\$ -
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	5,000.00	5,040.00	40.00
Other	35,000.00	35,571.00	571.00
Fees and Permits	120,000.00	106,525.45	(13,474.55)
Fines and Costs:			
Municipal Court	135,000.00	135,871.44	871.44
Interest and Costs on Taxes	63,000.00	70,041.36	7,041.36
Interest on Investments	15,000.00	15,787.43	787.43
Cable Franchise Fee	56,000.00	61,263.62	5,263.62
Mobile Tower Fee	35,000.00	40,865.12	5,865.12
Payment in Lieu of Taxes	40,000.00	40,000.00	-
Energy Receipts Tax	381,641.00	381,641.00	-
Uniform Construction Code	195,000.00	248,479.00	53,479.00
Shared Services- Shrew Twp Fire	10,000.00	10,000.00	-
Clean Communities Program	7,298.43	7,298.43	-
Recycling Tonnage Grant	13,146.56	13,146.56	-
Alcohol Education and Rehabilitation Fund	949.94	949.94	-
Safe and Secure Communities Program	25,895.00	25,895.00	-
Body Armor Fund	2,212.48	2,212.48	-
State Police - HMEP Project	1,429.36	1,429.36	-
Uniform Fire Safety Act	22,000.00	21,985.93	(14.07)
Administrative Costs for Outside Service - Police	5,000.00	8,521.50	3,521.50
Reserve to Pay Debt Service	13,302.86	13,302.86	-
Total Miscellaneous Revenues	1,181,875.63	1,245,827.48	63,951.85
Receipts From Delinquent Taxes	194,000.00	243,645.90	49,645.90
Amount To Be Raised By Taxes For Support of Municipal Budget:			
Local Tax for Municipal Purposes	6,553,387.00	7,120,975.71	567,588.71
Budget Revenues	9,009,262.63	9,690,449.09	681,186.46
Non-Budget Revenues	-	235,851.58	235,851.58
Total	\$ 9,009,262.63	\$ 9,926,300.67	\$ 917,038.04

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue From Collections	\$ 22,985,185.68
Allocated To School, County Taxes & Municipal Open Space	16,306,988.00
Balance for Support of Municipal Budget Appropriations	6,678,197.68
Add: Appropriation "Reserve for Uncollected Taxes"	442,778.03
Amount for Support of Municipal Budget Appropriations	\$ 7,120,975.71

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 243,645.90
	\$ 243,645.90

Licenses - Other:

Business Licenses	\$ 26,900.00
Food Licenses	7,875.00
Marriage Licenses	78.00
Raffle & Bingo License	640.00
Vending Licenses	75.00
Civil Union Licenses	3.00
	\$ 35,571.00

Fees & Permits:

Fire Marshall Fees	\$ 28,436.00
Outdoor Sale Permits	1,950.00
Planning & Zoning Applications	5,145.00
Police Reports	2,289.45
Recreation Fees	51,295.00
Street Opening Fees	1,000.00
Zoning Permits	15,840.00
Other Misc	570.00
	\$ 106,525.45

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

Analysis of Realized Revenues (continued):

Uniform Construction Code:

Building Permits	\$ 142,828.00
Electrical Permits	40,662.00
Plumbing Permits	46,115.00
Fire Permits	15,374.00
Certificates	3,500.00
	<hr/>
	\$ 248,479.00
	<hr/> <hr/>

Analysis of Non-Budget Revenues

Assessor's Lists	\$ 250.00
Assessment Search	10.00
Auctions	4,534.35
BOE-Refunds	9,391.69
Certified Copies	2,990.00
Division of Motor Vehicle Inspection Fee	5,157.00
Elections	800.00
Emergency Notification SY	7,000.00
Miscellaneous	3,021.78
Newsletter Advertising Fees	2,100.00
NSF Check Charge	70.00
Photocopies	36.38
Prior Year Refunds	11,051.33
Refunds/Dividends	25,865.11
Shared Service - Fire	500.00
Shared Facility	16,500.00
SC&Vet - State Reimbursements	685.00
Tennis Badge	536.00
FEMA - Hurricane Sandy	145,352.94
	<hr/>
	\$ 235,851.58
	<hr/> <hr/>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	Appropriated		Expended			
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
GENERAL APPROPRIATIONS						
Operations - Within "CAPS"						
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	84,000.00	85,000.00	85,000.00	-	-	-
Other Expenses	12,000.00	12,000.00	10,523.77	41.85	1,434.38	-
Local Ethics Board:						
Other Expenses	50.00	50.00	-	-	50.00	-
Mayor and Council:						
Other Expenses	4,000.00	4,000.00	2,917.31	20.00	1,062.69	-
Municipal Clerk:						
Salaries and Wages	116,000.00	116,000.00	115,114.73	-	885.27	-
Other Expenses	32,000.00	32,000.00	27,975.14	1,824.95	2,199.91	-
Printing	12,000.00	12,000.00	9,491.69	282.72	2,225.59	-
Vital Statistics:						
Salaries and Wages	11,655.00	11,655.00	11,655.00	-	-	-
Financial Administration (Treasury):						
Salaries and Wages	132,500.00	132,500.00	131,871.07	-	628.93	-
Other Expenses	16,000.00	16,000.00	6,630.26	1,038.00	8,331.74	-
Audit Services	32,500.00	32,500.00	29,700.00	-	2,800.00	-
Revenue Administration (Tax Collection):						
Salaries and Wages	64,000.00	64,025.00	64,024.98	-	0.02	-
Other Expenses	4,500.00	4,500.00	4,500.00	-	-	-
Tax Assessment Administration:						
Salaries and Wages	34,200.00	30,200.00	30,114.28	-	85.72	-
Other Expenses	10,000.00	11,000.00	6,297.23	-	4,702.77	-
Legal Services (Legal Department):						
Salaries and Wages	18,500.00	18,500.00	17,593.39	-	906.61	-
Other Expenses	50,000.00	50,000.00	46,100.95	1,550.00	2,349.05	-
Engineering Services:						
Other Expenses	55,000.00	69,500.00	50,626.25	-	18,873.75	-
LAND USE ADMINISTRATION						
Planning Board:						
Salaries and Wages	25,000.00	25,400.00	25,086.85	-	313.15	-
Other Expenses	1,500.00	1,500.00	966.58	-	533.42	-
Zoning Board of Adjustment:						
Salaries and Wages	25,000.00	25,100.00	24,792.09	-	307.91	-
Other Expenses	500.00	500.00	477.48	-	22.52	-
Zoning Officer:						
Salaries and Wages	4,162.00	4,162.00	4,162.00	-	-	-
Other Expenses	8,825.00	8,825.00	8,422.00	-	403.00	-
CODE ENFORCEMENT AND ADMINISTRATION						
Uniform Construction Code Enforcement:						
Salaries and Wages	66,000.00	65,800.00	62,316.34	-	3,483.66	-
Other Expenses	3,500.00	3,700.00	2,526.44	675.00	498.56	-
Building Inspector:						
Salaries and Wages	14,200.00	14,200.00	14,158.79	-	41.21	-
Code Enforcement Official:						
Salaries and Wages	17,000.00	17,000.00	16,357.73	-	642.27	-
Other Expenses	950.00	950.00	486.86	-	463.14	-

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	Appropriated		Expended			
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
INSURANCE						
Disability Insurance	4,000.00	4,000.00	141.00	-	3,859.00	-
Other Insurance	112,000.00	114,000.00	112,693.00	-	1,307.00	-
Waiver of Insurance					-	-
Unemployment	5,000.00	5,000.00	-	-	5,000.00	-
Workers Compensation Insurance	142,620.34	142,620.34	142,620.34	-	-	-
Employee Group Insurance	1,120,000.00	1,078,600.00	1,060,724.37	-	17,875.63	-
PUBLIC SAFETY						
Police Department:						
Salaries and Wages	1,950,000.00	1,950,000.00	1,883,247.41	-	66,752.59	-
Other Expenses	160,100.00	160,100.00	140,831.93	17,531.81	1,736.26	-
OSHA Police Other Expense	3,000.00	3,000.00	1,022.00	1,510.00	468.00	-
Occupational Safety Law - 911	7,242.71	7,242.71	7,242.71	-	-	-
Office of Emergency Management:						
Other Expenses	4,500.00	4,500.00	734.83	-	3,765.17	-
First Aid Organization - Contribution:						
Other Expenses	15,950.00	15,950.00	8,012.22	4,130.30	3,807.48	-
Fire Protection Official:						
Salaries and Wages	14,200.00	14,200.00	14,158.79	-	41.21	-
Fire Marshall:						
Salaries and Wages	28,750.00	28,750.00	28,709.99	-	40.01	-
Other Expenses	4,500.00	4,500.00	4,340.82	-	159.18	-
Fire Company:						
Other Expenses	32,500.00	37,900.00	28,248.63	9,485.65	165.72	-
Occupational Safety Law (P.L. 1983, Ch. 516):						
OSHA - Fire Company Other Expenses	3,000.00	3,000.00	2,449.65	-	550.35	-
OSHA - First Aid Other Expenses	3,000.00	3,000.00	1,250.82	-	1,749.18	-
PUBLIC WORKS						
Streets and Road Maintenance:						
Salaries and Wages	945,000.00	945,000.00	913,858.56	-	31,141.44	-
Other Expenses	33,500.00	47,500.00	24,972.91	-	22,527.09	-
OSHA Other Expenses	2,500.00	2,500.00	2,500.00	-	-	-
Vehicle Maintenance	40,000.00	40,000.00	32,465.11	7,508.42	26.47	-
Shade Tree Commission:						
Salaries and Wages	600.00	600.00	-	-	600.00	-
Other Expenses	4,000.00	4,000.00	703.66	2,145.00	1,151.34	-
Solid Waste Collection:						
Contractual	156,000.00	156,000.00	143,000.00	-	13,000.00	-
Buildings and Grounds:						
Salaries and Wages	11,000.00	11,000.00	10,593.91	-	406.09	-
Other Expenses	40,000.00	49,000.00	34,726.73	2,265.00	12,008.27	-
Municipal Court:						
Salaries and Wages	118,000.00	126,000.00	123,475.76	-	2,524.24	-
Other Expenses	6,300.00	6,300.00	5,169.58	-	1,130.42	-
Public Defender (P.L. 1997, c.256):						
Salaries and Wages	8,000.00	8,000.00	8,000.00	-	-	-

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	Appropriated		Expended			
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
HEALTH AND HUMAN SERVICES						
Public Health Services (Board of Health):						
Salaries and Wages	1,250.00	1,250.00	1,154.15	-	95.85	-
Other Expenses	42,500.00	42,500.00	42,351.00	-	149.00	-
OSHA Other Expense	1,000.00	1,000.00	-	-	1,000.00	-
Environmental Health Services:						
Salaries and Wages	750.00	750.00	750.00	-	-	-
Other Expenses	2,250.00	2,250.00	1,375.00	-	875.00	-
Animal Control Services:						
Other Expenses	50.00	50.00	-	-	50.00	-
Welfare/Administration of Public Assistance:						
Other Expenses	5,000.00	5,000.00	5,000.00	-	-	-
RECREATION AND EDUCATION						
Recreation Services and Programs:						
Salaries and Wages	9,000.00	9,000.00	8,711.00	-	289.00	-
Senior Citizens	2,500.00	2,500.00	1,794.84	705.16	-	-
Miscellaneous Other Expenses	50,000.00	50,000.00	45,554.10	209.00	4,236.90	-
Maintenance of Parks:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses	18,950.00	18,950.00	9,298.90	2,933.18	6,717.92	-
UNCLASSIFIED						
Utility Expenses and Bulk Purchases:						
Electricity	86,000.00	86,000.00	65,519.98	7,908.20	12,571.82	-
Street Lighting	42,000.00	45,000.00	36,540.54	-	8,459.46	-
Telephone (excluding telephone acquisition)	40,000.00	40,000.00	34,476.42	1,243.48	4,280.10	-
Water	17,000.00	17,000.00	7,954.68	652.42	8,392.90	-
Fire Hydrant Service	94,000.00	94,000.00	75,821.34	7,281.20	10,897.46	-
Gas (natural or propane)	20,000.00	24,000.00	20,069.66	2,838.76	1,091.58	-
Fuel Oil	38,000.00	38,000.00	28,000.76	-	9,999.24	-
Cellular Telephone	15,000.00	15,000.00	10,549.01	39.61	4,411.38	-
Gasoline	70,000.00	70,000.00	44,105.90	3,265.75	22,628.35	-
Landfill/Solid Waste Disposal Costs	179,000.00	161,975.00	141,844.70	8,285.24	11,845.06	-
Deferred Charge-Prior Year Bill:						
Deferred Charge-Prior Bill	2,662.16	2,662.16	2,662.16	-	-	-
Accumulated Leave Compensation:						
Salaries and Wages	500.00	500.00	-	-	500.00	-
Salary and Wage Adjustment Program:						
Salaries and Wages	500.00	500.00	-	-	500.00	-
Total Operations - Within "CAPS"	6,568,717.21	6,568,717.21	6,129,318.08	85,370.70	354,028.43	-
Contingent	500.00	500.00	-	-	500.00	-
Total Operations Including Contingent - Within "CAPS"	6,569,217.21	6,569,217.21	6,129,318.08	85,370.70	354,528.43	-
Detail:						
Salaries and Wages	3,699,767.00	3,705,092.00	3,594,906.82	-	110,185.18	-
Other Expenses	2,869,450.21	2,864,125.21	2,534,411.26	85,370.70	244,343.25	-

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	Appropriated		Expended			
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						
Statutory Expenditures:						
Contribution To:						
Social Security System (O.A.S.I.)	197,000.00	197,000.00	180,196.48	-	16,803.52	-
Stormwater Permit	2,700.00	2,700.00	2,700.00	-	-	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	199,700.00	199,700.00	182,896.48	-	16,803.52	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	6,768,917.21	6,768,917.21	6,312,214.56	85,370.70	371,331.95	-
911 System						
LOSAP	48,300.00	48,300.00	44,850.00	-	3,450.00	-
Statutory Expenditures:						
Public Employees' Retirement System	196,721.00	196,721.00	196,721.00	-	-	-
Police and Firemen's Retirement System	334,439.00	334,439.00	334,439.00	-	-	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Alcohol Education and Rehabilitation Fund:						
Other Expenses	949.94	949.94	949.94	-	-	-
Safe and Secure Communities Program:						
State Share	25,895.00	25,895.00	25,895.00	-	-	-
Matching Funds - Borough Share	83,598.00	83,598.00	83,598.00	-	-	-
Matching Funds For Other Expenses	500.00	500.00	-	-	500.00	-
Clean Communities Program	7,298.43	7,298.43	7,298.43	-	-	-
Body Armor Fund	2,212.48	2,212.48	2,212.48	-	-	-
Recycling Tonnage Grant	13,146.56	13,146.56	13,146.56	-	-	-
State Police-HMEP Project	1,429.36	1,429.36	1,429.36	-	-	-
Total Operations - Excluded From "CAPS"	714,489.77	714,489.77	710,539.77	-	3,950.00	-
Detail:						
Other Expenses	714,489.77	714,489.77	710,539.77	-	3,950.00	-
Capital Improvement Fund - Excluded From "CAPS"						
Capital Improvement Fund	40,000.00	40,000.00	40,000.00	-	-	-
Fire Pumper Truck and Rescue Vehicle	50,000.00	50,000.00	50,000.00	-	-	-
Total Capital Improvement Fund - Excluded From "CAPS"	90,000.00	90,000.00	90,000.00	-	-	-

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	Appropriated		Expended			
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	585,000.00	585,000.00	585,000.00	-	-	-
Miscellaneous Note Interest	13,302.86	13,302.86	13,265.90	-	-	36.96
Interest on Bonds	313,620.00	313,620.00	313,616.26	-	-	3.74
Total Municipal Debt Service - Excluded from "CAPS"	911,922.86	911,922.86	911,882.16	-	-	40.70
Deferred Charges - Excluded From "CAPS"						
Deferred Charges:						
Emergency Authorization - Other Expense	30,000.00	30,000.00	30,000.00	-	-	-
5 Yr Special Emergency - Other Expense	24,600.00	24,600.00	24,600.00	-	-	-
Capital Budget Unfunded	26,554.76	26,554.76	26,554.76	-	-	-
Total Deferred Charges Other - Excluded from "CAPS"	81,154.76	81,154.76	81,154.76	-	-	-
Total General Appropriations - Excluded From "CAPS"	1,797,567.39	1,797,567.39	1,793,576.69	-	3,950.00	40.70
Subtotal General Appropriations	8,566,484.60	8,566,484.60	8,105,791.25	85,370.70	375,281.95	40.70
Reserve for Uncollected Taxes	442,778.03	442,778.03	442,778.03		-	-
Total General Appropriations	\$ 9,009,262.63	\$ 9,009,262.63	\$ 8,548,569.28	\$ 85,370.70	\$ 375,281.95	\$ 40.70
Adopted Budget		<u>9,009,262.63</u>				
		<u>\$ 9,009,262.63</u>				
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes			442,778.03			
Cash Disbursed			7,866,661.48			
Deferred Charges			54,600.00			
Reserve for Fire Appratus			50,000.00			
Reserve for State and Federal Grants - Appropriated			<u>134,529.77</u>			
			<u>\$ 8,548,569.28</u>			

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

<u>Assets</u>	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Animal Control Fund:			
Cash - Treasurer	B-1	<u>\$ 14,744.07</u>	<u>\$ 15,575.40</u>
Trust - Other Fund:			
Cash - Treasurer	B-1	<u>1,310,855.50</u>	<u>1,237,058.03</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Investments	B-6	<u>504,789.25</u>	<u>477,585.12</u>
Total Assets		<u><u>\$ 1,830,388.82</u></u>	<u><u>\$ 1,730,218.55</u></u>
 <u>Liabilities and Reserves</u> 			
Animal Control Fund:			
Reserve for Expenditures	B-2	\$ 10,632.20	\$ 10,544.80
Due To:			
Red Bank Borough	B-4	<u>4,111.87</u>	<u>5,030.60</u>
		<u>14,744.07</u>	<u>15,575.40</u>
Trust - Other Fund:			
Miscellaneous Trust Fund Reserves	B-5	<u>1,310,855.50</u>	<u>1,237,058.03</u>
		<u>1,310,855.50</u>	<u>1,237,058.03</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Miscellaneous Reserves	B-7	<u>504,789.25</u>	<u>477,585.12</u>
Total Liabilities and Reserves		<u><u>\$ 1,830,388.82</u></u>	<u><u>\$ 1,730,218.55</u></u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

<u>Assets</u>	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Cash - Treasurer	C-2,C-3	\$ 173,881.56	\$ 83,181.04
Deferred Charges To Future Taxation:			
Funded	C-4	6,304,000.00	4,119,000.00
Unfunded	C-5	<u>1,767,991.80</u>	<u>1,496,443.66</u>
Total Assets		<u>\$ 8,245,873.36</u>	<u>\$ 5,698,624.70</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-6	\$ 6,304,000.00	\$ 4,119,000.00
Bond Anticipation Notes	C-7	1,440,207.00	886,857.00
Improvement Authorizations:			
Funded	C-8	8,216.80	95,645.42
Unfunded	C-8	218,348.46	507,678.45
Encumbrance Payable	C-8	76,397.19	59,007.31
Capital Improvement Fund	C-9	37,387.44	25,587.44
Reserve for Fire Apparatus	C-10	150,000.00	-
Reserve for Green Acres	C-11	0.13	0.14
Fund Balance	C-1	<u>11,316.34</u>	<u>4,848.94</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,245,873.36</u>	<u>\$ 5,698,624.70</u>

There were Bonds and Notes Authorized on December 31, 2014 of 327,784.80 and on December 31, 2013 of 609,586.66.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

Balance, December 31, 2013	\$ 4,848.94
Increased By:	
Unexpended Balance of Funded Improvement Authorization Cancelled	<u>6,467.40</u>
Balance, December 31, 2014	<u><u>\$ 11,316.34</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
PUBLIC ASSISTANCE FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

<u>Assets</u>	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Cash - Treasurer	D-1	<u>\$ 8,557.24</u>	<u>\$ 12,449.24</u>
Total Assets		<u><u>\$ 8,557.24</u></u>	<u><u>\$ 12,449.24</u></u>
 <u>Reserves</u> 			
Reserve for Public Assistance Expenditures	D-2	<u>\$ 8,557.24</u>	<u>\$ 12,449.24</u>
Total Reserves		<u><u>\$ 8,557.24</u></u>	<u><u>\$ 12,449.24</u></u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF ASSETS AND FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	Balance December 31, <u>2014</u>	Balance December 31, <u>2013</u>
Land	E-1	\$ 2,467,076.00	\$ 2,467,076.00
Buildings	E-1	4,741,553.33	4,741,553.33
Machinery and Equipment	E-1	<u>5,664,000.02</u>	<u>5,515,668.26</u>
Total General Fixed Assets		<u>\$ 12,872,629.35</u>	<u>\$12,724,297.59</u>
Investment in General Fixed Assets		<u>\$ 12,872,629.35</u>	<u>\$12,724,297.59</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Borough of Shrewsbury, County of Monmouth, New Jersey ("Borough") is governed under the Borough form of New Jersey municipal government. The government consists of a Mayor and a Borough Council comprising 6 Council members, with all positions elected at large. The financial statements of the Borough include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit and whose financial statements can be obtained by contacting the Treasurer of the respective entity.

Component Units

The Borough of Shrewsbury had no component units as defined by Governmental Accounting Standards Board Statement No.14.

Basis of Accounting, Measurement Focus and Basis of Presentation

The financial statements of the Borough of Shrewsbury contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough of Shrewsbury accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

Trust Funds – various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - receipt and disbursement of funds for the acquisition of capital facilities, other than those acquired in the Current Fund.

Public Assistance Fund - is used to account for resources restricted in use for the general welfare of citizens living within the Borough.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. Summary of Significant Accounting Policies (continued):

General Fixed Asset Account Group - to account for fixed assets used in general government operations.

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current, open space trust and sewer utility funds in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the Borough. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40AA-9*. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash and Cash Equivalents - Cash and cash equivalents include petty cash, change funds, and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. Summary of Significant Accounting Policies (continued):

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Boroughs required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Borough to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. Summary of Significant Accounting Policies (continued):

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally over-expenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Fund Balances - Fund balances included in the current fund and utility operating funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Monmouth, the Borough of Shrewsbury School District and the Red Bank Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Borough of Shrewsbury School District and the Red Bank Regional High School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31 and for the regional high school district the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2013 and decreased by the amount deferred at December 31, 2014.

County Taxes - The Borough is responsible for levying, collecting, and remitting county taxes for the County of Gloucester. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 1. Summary of Significant Accounting Policies (continued):

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid; however, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with *N.J.A.C.5:30-5.2*. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis

Volunteer Length of Service Award Plan - The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Borough's volunteer First Aid Squad members. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "Length of Service Award Plan under Section 457(e)11 of the Internal Revenue Code".

The LOSAP Trust Fund has not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements.

N.J.A.C.5:30-14.49 requires that the Borough perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accounts Statements for Accounting and Auditing Review Services.

Subsequent Events - The Borough of Shrewsbury has evaluated subsequent events occurring after December 31, 2014 through the date of May 16, 2015, which is the date the financial statements were available to be issued.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 2. Cash and Cash Equivalents

The Borough is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2014, and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	<u>\$ 5,386,145.05</u>
Total Deposits	<u><u>\$ 5,386,145.05</u></u>
Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance:	
Current Fund	\$ 3,878,106.68
Animal Control Trust Fund	14,744.07
Trust - Other Fund	1,310,855.50
General Capital Fund	173,881.56
Public Assistance Fund	<u>8,557.24</u>
Total Cash & Cash Equivalents	<u><u>\$ 5,386,145.05</u></u>

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule that follows.

As of December 31, 2014, the Borough's bank balances of \$5,422,710.31 were exposed to custodial credit risk as follows:

Uninsured & Uncollateralized	\$ 653,948.80
Insured Under F.D.I.C.	500,000.00
Collateralized Under GUDPA	<u>4,268,761.51</u>
Total	<u><u>\$ 5,422,710.31</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note: 3: Investments

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Borough, and are held by either the counterparty's trust department or agent but no in the Borough name. As of December 31, 2014 the Borough's balance of investments was \$504,789.25, which consisted of mutual funds for the Borough's Length of Service Awards Program in the amount of \$504,789.25, which are not exposed to custodial credit risk because the investments securities are registered in the Borough's name.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits investments that the Borough may purchase. The Borough does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Borough does not place a limit on the amount that may be invested in any one issuer. Of the total December 31, 2014 balance of \$504,789.25, \$504,789.25 is recorded in the Trust Fund – LOSAP.

Note: 4: Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparative Schedule of Tax Rate Information

	2014	2013	2012
Tax Rate	<u>\$ 2.271</u>	<u>\$ 2.168</u>	<u>\$ 2.694</u>
Apportionment of Tax Rate			
Municipal	0.663	0.649	0.819
County	0.325	0.307	0.387
Local School	0.762	0.749	0.934
Regional High School	0.521	0.463	0.554

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note: 4: Property Taxes (continued):

Net Valuation Taxable:

2014	<u>\$ 1,003,601,221.00</u>	
2013		<u>\$ 1,001,423,693.00</u>
2012		<u>\$ 790,268,280.00</u>

Comparison of Tax Levies and Collection Currently

Year	Tax Levy	Cash Collections	Percentage of Collections
2014	23,274,359.60	22,985,185.68	98.76%
2013	21,818,444.70	21,611,159.46	99.05%
2012	21,365,310.34	21,002,195.91	98.30%

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2014	\$ 565.89	\$ 269,776.10	\$ 270,341.99	1.16%
2013	556.81	243,645.90	391,771.44	1.12%
2012	548.13	317,683.90	301,879.38	1.49%

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 5: Property Acquired By Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous two years was as follows:

YEAR	AMOUNT
2014	\$ -
2013	-
2012	-

Note 6: Fund Balance Appropriated

The following schedule details the amount of fund balance available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
2014	\$ 1,439,115.50	**
2013	1,198,044.14	1,100,000.00
2012	1,181,553.96	900,000.00
2011	1,267,315.19	1,220,000.00
2010	897,605.97	800,000.00

**2015 budget not adopted as of this date.

Note 7: Pension Plans

The Borough contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Borough employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 7: Pension Plans (continued):

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by *N.J.S.A.43:15A* and *43:3B*.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.0% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

Year	Contribution	Liability	Adjustment	Liability	Liability	Borough
2014	\$ 58,173.00	\$ 157,588.00	\$ (22,330.00)	\$ 3,290.00	\$ 196,721.00	\$ 196,721.00
2013	58,062.00	138,829.00		11,718.00	208,609.00	208,609.00
2012	74,214.00	127,277.00		12,164.00	213,655.00	213,655.00

Police and Firemen's Retirement System - The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by *N.J.S.A.43:16A* and *43:3B*.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 10.0% in October, 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 7: Pension Plans (continued):

Fiscal Year	Normal Contribution	Accrued Liability	Adjustment	Other Liability	Total Liability	Funded by Borough
2014	\$ 144,858.00	\$ 200,404.00	\$ (23,117.00)	\$ 12,294.00	\$ 334,439.00	\$ 334,439.00
2013	171,173.00	226,524.00		16,424.00	414,121.00	414,121.00
2012	183,074.00	206,036.00		14,253.00	403,363.00	403,363.00

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by *N.J.S.A.43:15C-1* et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

As of December 31, 2014, the Borough did not have any employees participating in the Defined Contribution Retirement Program.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

Note 8: Other Post Employment Benefits

Plan Description

The Borough contributes to the State Health Benefits Program (S.H.B.P.), a cost-sharing, multiple employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. S.H.B.P. was established in 1961 under *N.J.S.A.52:14-17.25 et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. S.H.B.P. provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The S.H.B.P. was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the S.H.B.P.

All employees of the Borough who have completed twenty-five (25) years of employment have the option, upon retirement, of retaining all of the health/medical benefits provided. The cost of retirees' health care benefits is recognized as an expenditure when claims are paid. During 2014, the Borough paid \$228,750.20 for those costs.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 8: Other Post Employment Benefits (continued):

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the S.H.B.P. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the S.H.B.P. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the S.H.B.P. are billed to the Borough on a monthly basis. The Borough funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits.

The Borough contributions to SHBP for the years ended December 31, 2014 and 2013 were \$228,750.20 and \$260,240.52, which equaled the required contributions for each year. There were 38 and 2 retired participants eligible at December 31, 2014 and 2013.

Note 9. Interfunds Receivables and Payables

The following interfunds remained as of December 31, 2014:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ -	\$ 57,993.06
Federal and State Grant Fund	<u>57,993.06</u>	<u>-</u>
	<u>\$ 57,993.06</u>	<u>\$ 57,993.06</u>

The purpose of these interfunds is short-term borrowings.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 10. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

	Balance 12/31/2014	2015 Budget Appropriation
Current Fund:		
Special Emergency Authorizations	\$ 49,200.00	\$ 24,600.00
	\$ 49,200.00	\$ 24,600.00

Note 11. Local District School and Regional High School Taxes

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough has elected to defer school taxes as follows:

	Local District School Tax		Regional High School Tax	
	2014	2013	2014	2013
Balance of Tax	\$ 3,791,898.00	\$ 3,727,468.00	\$ 2,615,746.19	\$ 2,318,974.50
Deferred	2,775,000.00	2,775,000.00	2,100,000.00	2,100,000.00
Tax Payable	\$ 1,016,898.00	\$ 952,468.00	\$ 515,746.19	\$ 218,974.50

Note 12. Capital Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the Borough at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 12. Capital Debt (continued):

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$ <u>7,744,207.00</u>	\$ <u>7,775,857.00</u>	\$ <u>8,330,733.00</u>
Total Issued	<u>7,744,207.00</u>	<u>7,775,857.00</u>	<u>8,330,733.00</u>
Less:			
Reserve To Pay Debt Service	<u>10,687.94</u>	<u>23,990.80</u>	<u>133,990.80</u>
Net Debt Issued	<u>7,733,519.06</u>	<u>7,751,866.20</u>	<u>8,196,742.20</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>327,784.80</u>	<u>609,586.66</u>	<u>79,565.72</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 8,061,303.86</u>	<u>\$ 8,361,452.86</u>	<u>\$ 8,276,307.92</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.778%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local District School	\$ 2,275,000.00	\$ 2,275,000.00	
Regional School	1,042,433.99	1,042,433.99	
General	<u>8,071,991.80</u>	<u>10,687.94</u>	<u>\$ 8,061,303.86</u>
	<u>\$ 11,389,425.79</u>	<u>\$ 3,328,121.93</u>	<u>\$ 8,061,303.86</u>

Net Debt \$ 8,061,303.86 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$ 1,035,839,464.33 = 0.778%

Borrowing Power Under N.J.S. 40A:2-6 as Amended

3.5% of Equalized Valuation Basis (Municipal)	\$ 36,254,381.25
Less: Net Debt	<u>8,061,303.86</u>
Remaining Borrowing Power	<u>\$ 28,193,077.39</u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 12. Capital Debt (continued):

The Borough's long-term debt consisted of the following at December 31, 2014:

A. Serial Bonds Payable

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Bonded Debt Issued and Outstanding:

<u>GENERAL DEBT</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest</u>
2015	616,000.00	285,728.76	901,728.76
2016	648,000.00	256,228.76	904,228.76
2017	678,000.00	226,722.50	904,722.50
2018	691,000.00	195,562.50	886,562.50
2019	729,000.00	162,797.50	891,797.50
2020-2024	2,637,000.00	354,902.52	2,991,902.52
2025-2029	305,000.00	13,081.26	318,081.26
Total	<u>\$ 6,304,000.00</u>	<u>\$ 1,495,023.80</u>	<u>\$ 7,799,023.80</u>

B. Bond Anticipation Notes

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding ten years. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that, on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the third anniversary date of the original issuance.

At December 31, 2014, the Borough had the following bond anticipation notes:

12/19/14	Improvements to Blade Run	.50%	\$ 190,000.00
12/19/14	Acquisition of Police Equipment	.50%	22,945.00
12/19/14	Acquisition of Fire Apparatus	.50%	562,233.00
12/19/14	Purchase of Fire Equipment	.50%	58,020.00
12/19/14	Purchase of DPW Equipment	.50%	11,400.00
12/19/14	Purchase of Police Equipment	.50%	9,009.00
12/19/14	Sycamore Avenue Sidewalks	.50%	33,250.00
12/19/14	Improvements to Patterson Ave	.50%	180,000.00
12/19/14	Improvements to Various Roads	.50%	237,500.00
12/19/14	Fire Equipment	.50%	69,350.00
12/19/14	DPW Equipment	.50%	<u>66,500.00</u>
			<u>\$1,440,207.00</u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

Note 12. Capital Debt (continued):

C. Bonds and Notes Authorized But Not Issued

At December 31, 2014, the Borough of Shrewsbury had \$ 327,784.80 authorized but not issued bonds and notes.

During the fiscal year ended December 31, 2014 the following changes occurred in capital debt:

	December 31, 2013	Accrued/ Increases	Retired/ Decreases	December 31, 2014	Due Within One Year
General Capital Fund:					
General Serial Bonds	\$ 4,119,000.00	\$ 2,770,000.00	\$ (585,000.00)	\$ 6,304,000.00	\$ 616,000.00
Bond Anticipation Notes	886,857.00	1,440,207.00	(886,857.00)	1,440,207.00	1,440,207.00
Authorized but Not Issued	609,586.66	535,800.00	(817,601.86)	327,784.80	-
	<hr/>				
Total General Capital	\$ 5,615,443.66	\$ 4,746,007.00	\$ (2,289,458.86)	\$ 8,071,991.80	\$ 2,056,207.00
	<hr/>				

Note 13. Compensated Absences

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused sick pay. Full-time employees are entitled to 15 working days of sick leave per calendar year. Unused sick leave will be accumulated to the employee's credit. However, no employee shall be allowed to accumulate more than 180 days. The current cost of such unpaid compensation would approximate \$345,247.97 at December 31, 2014. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

14. New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2014**

14. New Jersey Unemployment Compensation Insurance (continued):

<u>Fiscal Year</u>	<u>Borough Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014	\$ 10,016.03	\$ 859.40	\$ 14,150.51
2013	37.32	-	4,993.88
2012	3,022.03	0.01	4,956.56

Note 15. Risk Management

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Borough is a member of the Monmouth County Municipal Joint Insurance Fund. The joint insurance pool is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The Joint Insurance Fund will be self-sustaining through member premiums. The Joint Insurance Fund participates in the Municipal Excess Liability Program which has a contract for excess liability insurance for property.

Note 16. Litigation

There are actions which have been instituted against the Borough which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Borough.

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SUPPLEMENTARY SCHEDULES

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CURRENT FUND

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR/TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014

Balance, December 31, 2013		\$ 3,361,893.74
Increased By Receipts:		
Taxes Receivable	\$23,076,460.81	
Revenue Accounts Receivable	1,181,592.85	
Miscellaneous Revenue Not Anticipated	235,851.58	
Due From:		
State of New Jersey for Senior Citizens' and Veterans' Deductions	34,250.00	
Prepaid Taxes	138,434.18	
Due To Sewerage Authority	3,597.33	
Due To State of New Jersey - Marriage License Fees	675.00	
Reserve for:		
Tax Redemption	91,087.77	
Police Receipts	772.00	
Insurance Claims	25,747.08	
Grants Receivable	59,391.97	
Grants - Unappropriated	24,295.99	
	<u>24,872,156.56</u>	<u>24,872,156.56</u>
		28,234,050.30
Decreased By Disbursements:		
Current Budget Appropriations	7,866,661.48	
2013 Appropriation Reserves	181,632.99	
Accounts Payable	1,462.50	
Tax Overpayments	4,591.07	
County Taxes	3,271,643.61	
Regional High School Tax	4,934,720.70	
Local District School Tax	7,585,655.00	
Municipal Open Space Tax	100,000.00	
Due To Sewerage Authority	5,562.76	
Due To State of New Jersey - Marriage License Fees	625.00	
Reserve for:		
Tax Appeals	4,063.50	
Tax Redemption	90,523.77	
Codification	4,289.81	
Fire Appratus	150,000.00	
Police Receipts	672.00	
Insurance Claims	24,986.04	
Grants - Appropriated	128,998.39	
	<u>24,356,088.62</u>	<u>24,356,088.62</u>
Balance, December 31, 2014		<u><u>\$ 3,877,961.68</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CHANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2014 & 2013

\$ 145.00

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY FOR
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ (358.14)
Increased By:		
Senior Citizens' Deductions Per Tax Billing	\$ 1,000.00	
Veterans' Deductions Per Tax Billing	33,500.00	
Veterans' Deductions Allowed	500.00	
		35,000.00
		34,641.86
Decreased By:		
Cash Receipts	34,250.00	
Senior Citizens Deductions Disallowed	250.00	
		34,500.00
Balance, December 31, 2014		\$ 141.86

**BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
 FOR THE YEAR ENDED DECEMBER 31, 2014**

Year	Balance	2014	Added	Collections		Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Transfer To Liens	Cancelled	Balance
	December 31, 2013			Levy	Taxes				2013
2013	\$ 243,645.90	\$ -	\$ -	\$ -	\$ 243,645.90	\$ -	\$ -	\$ -	\$ -
2014	-	23,274,359.60	-	125,972.26	22,824,463.42	34,750.00	9.08	19,388.74	269,776.10
	<u>\$ 243,645.90</u>	<u>\$ 23,274,359.60</u>	<u>\$ -</u>	<u>\$ 125,972.26</u>	<u>\$ 23,068,109.32</u>	<u>\$ 34,750.00</u>	<u>\$ 9.08</u>	<u>\$ 19,388.74</u>	<u>\$ 269,776.10</u>

Analysis of 2014 Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 22,791,784.62
Added Taxes (54:4-63 et seq.)	<u>482,574.98</u>
	<u>\$ 23,274,359.60</u>
Tax Levy:	
Regional High School Taxes	5,231,492.39
Local District School Taxes	7,650,085.00
Municipal Open Space Tax	100,000.00
County Tax	\$ 2,912,054.80
County Library Tax	185,569.10
County Open Space Fund Tax	158,773.61
Added/Omitted County Taxes	<u>69,013.10</u>
	3,325,410.61
Local Taxes for Municipal Purposes	6,553,387.00
Add: Additional Taxes Levied	<u>413,984.60</u>
	<u>6,967,371.60</u>
	<u>\$ 23,274,359.60</u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 556.81
Increased By:	
Transfer From Taxes Receivable	<u>9.08</u>
Balance, December 31, 2014	<u><u>\$ 565.89</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Accrued in 2014	<u>Collected</u>	Balance December 31, <u>2014</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 5,040.00	\$ 5,040.00	\$ -
Other	-	35,571.00	35,571.00	-
Fees and Permits	-	106,525.45	106,525.45	-
Fines and Costs:	-	-	-	-
Municipal Court	15,243.61	134,466.88	135,871.44	13,839.05
Interest and Costs on Taxes	-	70,041.36	70,041.36	-
Interest on Investments	-	15,787.43	15,787.43	-
Cable Franchise Fee	-	61,263.62	61,263.62	-
Mobile Tower Fee	-	40,865.12	40,865.12	-
Payment in Lieu of Taxes	-	40,000.00	40,000.00	-
Energy Receipts Tax	-	381,641.00	381,641.00	-
Uniform Construction Code	-	248,479.00	248,479.00	-
Shared Services- Shrew Twp Fire	-	10,000.00	10,000.00	-
Uniform Fire Safety Act	-	21,985.93	21,985.93	-
Administrative Costs for Outside Service - Police	-	8,521.50	8,521.50	-
Reserve to Pay Debt Service	-	13,302.86	13,302.86	-
	<u>\$ 15,243.61</u>	<u>\$1,193,491.15</u>	<u>\$1,194,895.71</u>	<u>\$ 13,839.05</u>
Cash			\$ 1,181,592.85	
Reserve to Pay Debt Service			<u>13,302.86</u>	
			<u>\$ 1,194,895.71</u>	

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY (NJS 40A:4-53 & N.J.S. 40A-55.1)
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Date</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Balance December 31, 2013</u>	<u>Increased</u>	<u>Raised 2014 Budget</u>	<u>Balance December 31, 2014</u>
5/21/2012	Revaluation	\$ 123,000.00	\$ 73,800.00	\$ -	\$ 24,600.00	\$ 49,200.00
			\$ 73,800.00	\$ -	\$ 24,600.00	\$ 49,200.00

**SCHEDULE OF DEFERRED CHARGES - EMERGENCY (NJS 40A:4-46)
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Date</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Balance December 31, 2013</u>	<u>Increased</u>	<u>Raised 2014 Budget</u>	<u>Balance December 31, 2014</u>
12/31/13	Fire Company - Other Expenses	\$ 30,000.00	\$ 30,000.00	\$ -	\$ 30,000.00	\$ -
			\$ 30,000.00	\$ -	\$ 30,000.00	\$ -

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
GENERAL GOVERNMENT				
General Administration:				
Salaries and Wages	\$ 2,882.16	\$ 2,882.16	\$ -	\$ 2,882.16
Other Expenses	706.21	713.71	7.50	706.21
Local Ethics Board:				
Other Expenses	50.00	50.00	-	50.00
Mayor and Council:				
Other Expenses	988.29	988.29	-	988.29
Municipal Clerk:				
Salaries and Wages	1,732.46	1,732.46	-	1,732.46
Other Expenses	2,848.19	3,264.04	600.48	2,663.56
Printing	2,093.61	2,093.61	725.00	1,368.61
Financial Administration (Treasury):				
Salaries and Wages	202.67	202.67	-	202.67
Other Expenses	2,053.84	2,631.84	578.00	2,053.84
Revenue Administration (Tax Collection):				
Salaries and Wages	18.44	18.44	-	18.44
Other Expenses	550.53	550.53	-	550.53
Tax Assessment Administration:				
Salaries and Wages	3.32	3.32	-	3.32
Other Expenses	457.51	457.51	84.23	373.28
Legal Services (Legal Department):				
Salaries and Wages	1.66	1.66	-	1.66
Other Expenses	2,613.71	10,787.46	8,221.21	2,566.25
Engineering Services:				
Other Expenses	11,574.00	6,574.00	1,181.00	5,393.00
LAND USE ADMINISTRATION				
Planning Board:				
Salaries and Wages	567.73	567.73	-	567.73
Other Expenses	0.73	0.73	-	0.73
Zoning Board of Adjustment:				
Salaries and Wages	42.31	42.31	-	42.31
Other Expenses	0.38	0.38	-	0.38
Zoning Officer:				
Salaries and Wages				
Other Expenses	209.86	209.86	-	209.86

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
CODE ENFORCEMENT AND ADMINISTRATION				
Uniform Construction Code Enforcement:				
Salaries and Wages	5,586.90	5,586.90	-	5,586.90
Other Expenses	120.70	489.66	368.96	120.70
Building Inspector:				
Salaries and Wages	18.88	18.88	-	18.88
Code Enforcement Official:				
Salaries and Wages	1,617.04	1,617.04	-	1,617.04
Other Expenses	100.38	100.38	10.95	89.43
INSURANCE				
Other Insurance	114.98	164.98	164.98	-
Waiver of Insurance	-	-		-
Workers Compensation Insurance	-	-		-
Employee Group Insurance	85,918.26	85,918.26	310.02	85,608.24
PUBLIC SAFETY				
Police Department:				
Salaries and Wages	91,369.62	91,369.62	4,671.32	86,698.30
Other Expenses	4,814.99	16,895.88	14,948.96	1,946.92
OSHA	396.00	1,532.00	1,136.00	396.00
Office of Emergency Management:				
Other Expenses	3,327.07	5,609.91	2,282.84	3,327.07
First Aid Organization - Contribution				
Other Expenses	4,112.18	17,493.93	13,899.61	3,594.32
Fire Protection Official:				
Salaries and Wages	18.88	18.88	-	18.88
Fire Marshall:				
Salaries and Wages	3.06	3.06	-	3.06
Other Expenses	-	319.28	-	319.28
Fire Company:				
Other Expenses	7,769.52	19,398.12	14,878.41	4,519.71
Fire:				
Other Expenses				
Occupational Safety Law (P.L. 1983, Ch. 516):				
OSHA - Fire Company Other Expenses	3,500.00	3,500.00	-	3,500.00
OSHA - First Aid Other Expenses	240.00	3,000.00	2,760.00	240.00
Occupational Safety Law - 911	138.12	138.12	-	138.12

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
PUBLIC WORKS				
Streets and Road Maintenance:				
Salaries and Wages	17,768.78	17,768.78	15,195.10	2,573.68
Other Expenses	1,809.48	28,674.33	28,226.84	447.49
Vehicle Maintenance	7,726.06	4,352.15	3,682.52	669.63
Shade Tree Commission:				
Salaries and Wages	595.34	595.34	-	595.34
Other Expenses	417.27	961.27	544.00	417.27
Solid Waste Collection:				
Contractual	2,000.00	2,000.00	-	2,000.00
Buildings and Grounds:				
Salaries and Wages	253.53	253.53	-	253.53
Other Expenses	381.62	461.62	251.70	209.92
Municipal Court:				
Salaries and Wages	2,485.98	2,485.98	-	2,485.98
Other Expenses	73.18	501.48	408.30	93.18
Public Defender (P.L. 1997, c.256):				
Salaries and Wages	475.52	475.52	-	475.52
HEALTH AND HUMAN SERVICES				
Public Health Services (Board of Health):				
Salaries and Wages	139.53	139.53	-	139.53
Other Expenses	396.00	396.00	-	396.00
OSHA Other Expenses	1,300.00	1,300.00	-	1,300.00
Environmental Health Services:				
Salaries and Wages	15.00	15.00	-	15.00
Other Expenses	654.62	654.62	-	654.62
Animal Control Services:				
Other Expenses	50.00	50.00	-	50.00

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
RECREATION AND EDUCATION				
Recreation Services and Programs:				
Salaries and Wages	1,087.50	1,087.50	-	1,087.50
Senior Citizens	2.03	929.72	927.69	2.03
Miscellaneous Other Expenses	15,900.18	17,261.16	2,295.29	14,965.87
Maintenance of Parks:				
Salaries and Wages	10,227.38	10,227.38	1,015.23	9,212.15
Other Expenses	1,798.26	1,798.26	1,798.26	-
UNCLASSIFIED				
Utility Expenses and Bulk Purchases:				
Electricity	14,035.06	28,322.84	15,362.27	12,960.57
Street Lighting	7,537.79	7,537.79	4,001.31	3,536.48
Telephone (excluding telephone acquisition)	10,763.11	11,764.34	2,407.49	9,356.85
Water	4,000.00	4,000.00	441.96	3,558.04
Fire Hydrant Service	4,271.86	19,364.80	19,364.80	-
Gas (natural or propane)	3,869.86	6,681.56	4,341.95	2,339.61
Fuel Oil	14,345.76	14,345.76	3,181.49	11,164.27
Cellular Telephone	2,426.84	3,435.52	1,452.62	1,982.90
Gasoline	16,265.63	16,265.63	6,006.49	10,259.14
Landfill/Solid Waste Disposal Costs	51,793.08	51,793.08	13,066.25	38,726.83
Accumulated Leave Compensation:				
Salaries and Wages	500.00	500.00	-	500.00
Salary and Wage Adjustment Program:				
Salaries and Wages	500.00	500.00	-	500.00
Contingent	290.12	290.12	-	290.12
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	24,760.96	24,760.96	-	24,760.96
Disability Insurance	4,000.00	4,000.00	-	4,000.00
Unemployment	5,000.00	5,000.00	-	5,000.00
Stormwater Permit	5,000.00	5,000.00	-	5,000.00

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2013 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
PUBLIC AND PRIVATE PROGRAMS				
OFFSET BY REVENUES				
Matching Funds - For Grants	500.00	500.00	-	500.00
	<hr/>			
Total General Appropriations	\$ 474,181.52	\$ 583,399.18	\$ 190,801.03	\$ 392,598.15
	<hr/> <hr/>			
Appropriation Reserves		\$ 474,181.52		
Encumbrances Payable		<u>109,217.66</u>		
		<u>\$ 583,399.18</u>		
Cash Disbursement			\$ 181,632.99	
Accounts Payable			<u>9,168.04</u>	
			<u>\$ 190,801.03</u>	

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 2,684.24
Increased By:		
Transferred from Appropriation Reserves		<u>9,168.04</u>
		11,852.28
Decreased By:		
Cash Disbursements	\$ 1,462.50	
Prior Year Accounts Payable Cancelled	<u>1,221.74</u>	
		<u>2,684.24</u>
Balance, December 31, 2014		<u><u>\$ 9,168.04</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ -
Increased By:		
Overpayments Created		<u>53,410.69</u>
		53,410.69
Decreased By:		
Overpayments Applied	\$ 32,313.17	
Transfer to Prepaid Taxes	13,122.03	
Cash Disbursements	4,591.07	
Overpayments Cancelled - Operations	<u>3,384.42</u>	
		<u>53,410.69</u>
Balance, December 31, 2014		<u><u>\$ -</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 125,972.26
Increased By:		
Transfer from Overpayments	\$ 13,122.03	
Cash Receipts:		
Collection of 2015 Taxes	125,312.15	
		138,434.18
Decreased By:		
Amount Applied To 2014 Taxes Recievable		264,406.44
		125,972.26
Balance, December 31, 2014		\$ 138,434.18

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 15,246.10
Increased By:		
2014 Tax Levy:		
County Tax	\$ 2,912,054.80	
County Library Tax	185,569.10	
County Open Space Fund Tax	158,773.61	
Due County for Added Taxes	<u>69,013.10</u>	
		<u>3,325,410.61</u>
		3,340,656.71
Decreased By:		
Cash Disbursements		<u>3,271,643.61</u>
Balance, December 31, 2014		<u><u>\$ 69,013.10</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013			
School Tax Payable	\$ 218,974.50		
School Tax Deferred	<u>2,100,000.00</u>		
			\$ 2,318,974.50
Increased By:			
Levy (School Year July 1, 2014 to June 30, 2015)			<u>5,231,492.39</u>
			7,550,466.89
Decreased By:			
Cash Disbursements			<u>4,934,720.70</u>
Balance, December 31, 2014			
School Tax Payable	515,746.19		
School Tax Deferred	<u>2,100,000.00</u>		
			<u><u>\$ 2,615,746.19</u></u>
 <u>2014 Liability for Regional High School Tax</u>			
Tax Payable, December 31, 2014		\$ 515,746.19	
Tax Paid		<u>4,934,720.70</u>	
			5,450,466.89
Less:			
Tax Payable, December 31, 2013		<u>218,974.50</u>	
Amount Charged To 2014 Operations			<u><u>\$ 5,231,492.39</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		
School Tax Payable	\$ 952,468.00	
School Tax Deferred	<u>2,775,000.00</u>	
		\$ 3,727,468.00
Increased By:		
Levy (School Year July 1, 2013 to June 30, 2014)		<u>7,650,085.00</u>
		11,377,553.00
Decreased By:		
Cash Disbursements		<u>7,585,655.00</u>
Balance, December 31, 2014		
School Tax Payable	1,016,898.00	
School Tax Deferred	<u>2,775,000.00</u>	
		<u><u>\$ 3,791,898.00</u></u>
 <u>2013 Liability for Local District School Tax</u>		
Tax Payable, December 31, 2013		\$ 1,016,898.00
Tax Paid		<u>7,585,655.00</u>
		8,602,553.00
Less:		
Tax Payable, December 31, 2013		<u>952,468.00</u>
Amount Charged To 2014 Operations		<u><u>\$ 7,650,085.00</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO TRUST FUND - OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased By:	
Tax Levy	<u>100,000.00</u>
	100,000.00
Decreased By:	
Cash Disbursements	<u>100,000.00</u>
Balance, December 31, 2014	<u><u>\$ -</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO SEWERAGE AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 5,562.76
Increased By:	
Cash Receipts	<u>3,597.33</u>
	9,160.09
Decreased By:	
Cash Disbursements	<u>5,562.76</u>
Balance, December 31, 2014	<u><u>\$ 3,597.33</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSE FEES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 75.00
Increased By:	
Cash Receipts	<u>675.00</u>
	750.00
Decreased By:	
Cash Disbursements	<u>625.00</u>
Balance, December 31, 2014	<u><u>\$ 125.00</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR STATE TAX APPEALS PENDING
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$50,000.00
Decreased By:	
Cash Disbursements	<u>4,063.50</u>
Balance, December 31, 2014	<u><u>\$45,936.50</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR TAX REDEMPTIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 5,994.61
Increased By:		
Cash Receipts		<u>91,087.77</u>
		97,082.38
Decreased By:		
Cash Disbursements	\$ 90,523.77	
Adjustment	<u>5,212.86</u>	
		<u>95,736.63</u>
Balance, December 31, 2014		<u><u>\$ 1,345.75</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR WARDELL HOUSE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2014 & 2013

\$ 157,500.00

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR CODIFICATION
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 4,664.07
Decreased By:	
Cash Disbursements	<u>4,289.81</u>
Balance, December 31, 2014	<u>\$ 374.26</u>

**BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF RESERVE FOR FIRE APPARATUS
 FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 100,000.00
Increased By:	
Raised in Budget	50,000.00
	150,000.00
Decreased By:	
Cash Disbursement - General Capital Fund	150,000.00
Balance, December 31, 2014	\$ -

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 23,990.80
Decreased By:	
Anticipated in Budget	<u>13,302.86</u>
Balance, December 31, 2014	<u><u>\$ 10,687.94</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR POLICE RECEIPTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased By:	
Cash Receipts	<u>772.00</u>
	772.00
Decreased By:	
Cash Disbursements	<u>672.00</u>
Balance, December 31, 2014	<u><u>\$ 100.00</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR INSURANCE CLAIMS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased By:	
Cash Receipts	<u>25,747.08</u>
	25,747.08
Decreased By:	
Cash Disbursements	<u>24,986.04</u>
Balance, December 31, 2014	<u><u>\$ 761.04</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
STATE AND FEDERAL GRANT FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 20,904.94
Increased By:		
Cancellation of Grants - Receivable	\$ 441.27	
Local Matching Funds	83,598.00	
Cash Receipts:		
Grants Receivable	59,391.97	
Grants - Unappropriated	<u>24,295.99</u>	
		<u>167,727.23</u>
		188,632.17
Decreased By:		
Cash Disbursements:		
Grants - Appropriated	128,998.39	
Cancellation of Grants - Appropriated	<u>1,640.72</u>	
		<u>130,639.11</u>
Balance, December 31, 2014		<u><u>\$ 57,993.06</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
STATE AND FEDERAL GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Increased By Revenue Anticipated <u>2014</u>	Cash Received	Transfer from Unappropriated Grants	Cancelled	Balance December 31, <u>2014</u>
Safe and Secure Communities Program	\$ 25,895.00	\$ 25,895.00	\$ 51,790.00	\$ -	\$ -	\$ -
Recycling Tonnage	-	13,146.56		13,146.56	-	-
Body Armor Grant	-	2,212.48	-	2,212.48	-	-
Alcohol Education Rehabilitation Fund	-	949.94	-	949.94	-	-
Clean Communities Program	-	7,298.43	-	7,298.43	-	-
State Police-HMEP Project	8,043.24	1,429.36	7,601.97	-	441.27	1,429.36
Bulletproof Vest Grant	2,607.00	-	-	-	-	2,607.00
	<u>\$ 36,545.24</u>	<u>\$ 50,931.77</u>	<u>\$ 59,391.97</u>	<u>\$ 23,607.41</u>	<u>\$ 441.27</u>	<u>\$ 4,036.36</u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
STATE AND FEDERAL GRANT FUND
SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Grant</u>	Balance December 31, <u>2013</u>	Transferred From 2014 <u>Appropriations</u>	Paid or <u>Charged</u>	<u>Cancelled</u>	Balance December 31, <u>2014</u>
Alcohol Education Rehabilitation Fund	\$ 4,282.43	\$ 949.94		\$ -	\$ 5,232.37
Safe and Secure Communities Program:					-
State Share	-	25,895.00	25,895.00	-	-
Matching Funds - Borough Share	-	83,598.00	83,598.00	-	-
Clean Communities Program	12,362.42	7,298.43	5,461.16	-	14,199.69
Bulletproof Vest	1,465.48		878.35	-	587.13
Body Armor Fund	759.57	2,212.48	1,869.80	-	1,102.25
Recycling Tonnage Grant	10,949.62	13,146.56	8,280.10	-	15,816.08
Over the Limit Under Arrest	1,200.00	-	-	1,200.00	-
State Police - HMEP Project	835.72	1,429.36	1,442.82	440.72	381.54
Drunk Driving Enforcement Fund	1,987.53	-	1,573.16	-	414.37
	<u>\$ 33,842.77</u>	<u>\$ 134,529.77</u>	<u>\$ 128,998.39</u>	<u>\$ 1,640.72</u>	<u>\$ 37,733.43</u>

Grants Appropriated
Local Match

\$ 50,931.77
83,598.00

\$ 134,529.77

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
STATE AND FEDERAL GRANT FUND
SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Grant</u>	Balance December 31, <u>2013</u>	Cash <u>Received</u>	Grants <u>Appropriated</u>	Balance December 31, <u>2014</u>
Alcohol Education Rehabilitation Fund	\$ 949.94	\$ 768.04	\$ 949.94	\$ 768.04
Clean Communities Program	7,298.43	6,845.32	7,298.43	6,845.32
Body Armor Fund	2,212.48	1,765.27	2,212.48	1,765.27
Recycling Tonnage Grant	13,146.56	10,988.63	13,146.56	10,988.63
Drunk Driving Enforcement Fund		3,928.73		3,928.73
	<u>\$ 23,607.41</u>	<u>\$ 24,295.99</u>	<u>\$ 23,607.41</u>	<u>\$ 24,295.99</u>

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TRUST FUNDS

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**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Animal Control</u>	<u>Trust - Other</u>
Balance, December 31, 2013	\$ 15,575.40	\$ 1,237,058.03
Increased By Receipts:		
Animal Control Fund	7,713.00	-
Due To State Department of Health	630.60	-
Miscellaneous Trust Fund Reserves	-	5,914,291.06
	<u>8,343.60</u>	<u>5,914,291.06</u>
	<u>23,919.00</u>	<u>7,151,349.09</u>
Decreased By Disbursements:		
Expenditures Under R.S. 4:19-15.11	1,142.00	-
Due To:		
State Department of Health	630.60	-
Due To: Borough of Red Bank	7,402.33	
Miscellaneous Trust Fund Reserves	-	5,840,493.59
	<u>9,174.93</u>	<u>5,840,493.59</u>
Balance, December 31, 2014	<u>\$ 14,744.07</u>	<u>\$ 1,310,855.50</u>

**BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY
 ANIMAL CONTROL FUND
 SCHEDULE OF RESERVE FOR EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 10,544.80
Increased By:		
Late Fees	\$ 1,555.00	
Prior Year Outstanding Check Void	3.60	
Dog Licenses	5,214.40	
Cat Licenses	940.00	
	7,713.00	
		18,257.80
Decreased By:		
Expenditures Under R.S. 4:19-15.11	1,142.00	
Due To Borough of Red Bank	6,483.60	
	7,625.60	
Balance, December 31, 2014		\$ 10,632.20

<u>Year</u>	<u>Amount</u>
2012 \$	5,309.80
2013	5,324.40
	\$ 10,634.20

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE DEPARTMENT OF HEALTH
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased By:	
Collected in 2014	<u>630.60</u>
	630.60
Decreased By:	
Payments	<u>630.60</u>
Balance, December 31, 2014	<u><u>\$ -</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL FUND
SCHEDULE OF DUE TO BOROUGH OF RED BANK
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 5,030.60
Increased By:	
Reserve for Expenditures	<u>6,483.60</u>
Decreased By:	
Cash Disbursements	<u>7,402.33</u>
Balance, December 31, 2014	<u><u>\$ 4,111.87</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF MISCELLANEOUS TRUST FUND RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2014</u>
Tax Sale Premium	\$ 186,200.00	\$ 218,600.00	\$ 198,100.00	\$ 206,700.00
Unemployment Compensation	4,993.88	10,016.03	859.40	14,150.51
Inspection Fees	6,320.12	16,098.00	17,986.89	4,431.23
Municipal Court - P.O.A.A.	762.41	68.00	-	830.41
Payroll Deductions	52,897.37	4,621,573.47	4,637,078.89	37,391.95
Developers' Escrow	552,129.35	263,337.72	221,967.87	593,499.20
Environmental Trust	7,766.37	30.00	828.15	6,968.22
Open Space	172,348.63	100,000.00	6,827.66	265,520.97
Sidewalk Repair	37,509.78	-	36,703.77	806.01
Recycling	4,036.99	11,877.09	13,688.07	2,226.01
Rhododendron Garden	2,666.51	4,449.36	690.17	6,425.70
Law Enforcement Forfeiture Fund	2,091.13	279.04	1,000.00	1,370.17
Recreation	589.95	-	-	589.95
Uniform Fire Safety Act	7,832.08	990.00	3,442.00	5,380.08
Council of Two River Mayors	1,080.67	-	1,080.67	-
Alliance on Alcoholism	3,401.33	1,000.00	62.47	4,338.86
Traffic Calming Project	76,790.00	-	68,227.00	8,563.00
Public Defender	5,777.24	3,824.50	3,830.30	5,771.44
Accumulated Sick and Vacation	30,028.60	-	26,708.66	3,319.94
Tax Redemption	-	508,540.43	460,074.38	48,466.05
Snow Emergency	-	22,500.00	15,840.33	6,659.67
Community Day Donations	-	7,100.00	6,828.78	271.22
Affordable Housing Trust	79,470.62	8,312.79	2,108.50	85,674.91
Reserve for Outside Employment	2,365.00	115,694.63	116,559.63	1,500.00
	<u>\$ 1,237,058.03</u>	<u>\$ 5,914,291.06</u>	<u>\$ 5,840,493.59</u>	<u>\$ 1,310,855.50</u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") - UNAUDITED
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 477,585.12
Increased By:		
Borough Contributions	\$ 44,850.00	
Earnings on Investments	26,002.46	
Interest on Investments	2,045.27	
		72,897.73
		550,482.85
Decreased By:		
Distributions	42,953.05	
Loss on Investments	2,740.55	
		45,693.60
Balance, December 31, 2014		\$ 504,789.25

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") - UNAUDITED
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 477,585.12
Increased By:		
Borough Contributions	\$ 44,850.00	
Earnings on Investments	26,002.46	
Interest on Investments	<u>2,045.27</u>	
		<u>72,897.73</u>
		550,482.85
Decreased By:		
Distributions	42,953.05	
Loss on Investments	<u>2,740.55</u>	
		<u>45,693.60</u>
Balance, December 31, 2014		<u><u>\$ 504,789.25</u></u>

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GENERAL CAPITAL FUND

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**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 83,181.04
Increased By Receipts:		
Deferred Charges Unfunded	\$ 26,554.76	
Grants Receivable	235,147.00	
Reserve for Fire Apparatus	150,000.00	
Bond Anticipation Notes	1,440,207.00	
Capital Improvement Fund:		
Budget Appropriations	40,000.00	
		1,891,908.76
		1,975,089.80
Decreased By Disbursements:		
Bond Anticipation Notes	886,857.00	
Improvement Authorizations	914,351.23	
Reserve for Green Acres	0.01	
		1,801,208.24
Balance, December 31, 2014		\$ 173,881.56

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2014**

		Balance December 31, <u>2014</u>
Encumbrances Payable		\$ 76,397.19
Capital Improvement Fund		37,387.44
Reserve for Green Arces Trust		0.13
Reserve for Fire Apparatus		150,000.00
Fund Balance		11,316.34
<u>Ordinance</u>	<u>Improvement Description</u>	
<u>Number</u>		
915	Improvements To DPW Complex	3,018.80
994	Improvements To Patterson Ave	(31,135.79)
996	Purchase of Fire Equipment	(26,509.18)
997	Purchase of Police Equipment	(18,998.37)
1005	Police Equipment	(34,200.00)
1006	DPW Equipment	1,407.00
1007	Pedestrian Safety Improvements	198.00
1008	Generator for Municipal Building	<u>5,000.00</u>
		<u><u>\$ 173,881.56</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 4,119,000.00
Increased By:	
Adjustment - MCIA Fire Company Bonds	<u>2,770,000.00</u>
	6,889,000.00
Decreased By:	
Serial Bonds Paid By Current Fund	<u>585,000.00</u>
Balance, December 31, 2014	<u><u>\$ 6,304,000.00</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2014**

Ordinance Number	Improvement Description	Balance December 31, 2013	Increased By			Decreased by			Balance December 31, 2014	Bond Anticipation Notes	Analysis of Balance	
			2014 Authorizations	2014	Cancelled	Current Budget Appropriation	Firefighters Grant	DOT Grant			Unexpended Improvement Authorizations	Expenditures
915	Improvements To DPW Complex	\$ 75,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000.00	\$ -	\$ 75,000.00	\$ -	
945	Fire Equipment	34.56	-	(2.00)	36.56	-	-	-	-	-	-	
946	First Aid Equipment	2,552.10	-	2,552.10	-	-	-	-	-	-	-	
956	IMPS TO Blades Run	190,000.00	-	-	-	-	-	190,000.00	190,000.00	-	-	
960	Police Equipment	22,945.00	-	-	-	-	-	22,945.00	22,945.00	-	-	
966	Acquisition of Fire Apparatus	562,233.00	-	-	-	-	-	562,233.00	562,233.00	-	-	
983	Purchase of Fire Equip	58,020.00	-	-	-	-	-	58,020.00	58,020.00	-	-	
984	Purchase of DPW Equip	11,400.00	-	-	-	-	-	11,400.00	11,400.00	-	-	
985	Purchase of Police Equip	9,009.00	-	-	-	-	-	9,009.00	9,009.00	-	-	
994	Improvements to Patterson Ave	380,000.00	-	-	5,172.75	-	150,000.00	224,827.25	180,000.00	13,691.46	31,135.79	
996	Purchase of Fire Equip	123,500.00	-	-	11,843.82	85,147.00	-	26,509.18	-	-	26,509.18	
997	Acquisition of Police Equipment	28,500.00	-	-	9,501.63	-	-	18,998.37	-	-	18,998.37	
998	Sycamore Ave Sidewalks	33,250.00	-	-	-	-	-	33,250.00	33,250.00	-	-	
1003	Improvements to Various Roads	-	237,500.00	-	-	-	-	237,500.00	237,500.00	-	-	
1004	Fire Equipment	-	69,350.00	-	-	-	-	69,350.00	69,350.00	-	-	
1005	Police Equipment	-	34,200.00	-	-	-	-	34,200.00	-	1,407.00	32,793.00	
1006	DPW Equipment	-	66,500.00	-	-	-	-	66,500.00	66,500.00	-	-	
1007	Pedestrian Safety Improvements	-	33,250.00	-	-	-	-	33,250.00	-	-	33,250.00	
1008	Generator for Municipal Building	-	95,000.00	-	-	-	-	95,000.00	-	95,000.00	-	
		\$ 1,418,857.00	\$ 535,800.00	\$ 2,550.10	\$ 26,554.76	\$ 85,147.00	\$ 150,000.00	\$ 1,767,991.80	\$ 1,440,207.00	\$ 185,098.46	\$ 142,686.34	

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Purpose	Original Issue		Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2013	Adjustment	Decreased	Balance December 31, 2014
	Date	Amount	Date	Amount					
Refunding Bonds	03/08/07	\$ 3,067,000.00	12/01/15	\$ 336,000.00	5.000%	\$ 2,258,000.00	\$ -	\$ 320,000.00	\$ 1,938,000.00
			12/01/16	353,000.00	5.000%				
			12/01/17	383,000.00	5.000%				
			12/01/18	214,000.00	5.000%				
			12/01/19	217,000.00	5.000%				
			12/01/20	218,000.00	4.000%				
			12/01/21	217,000.00	4.000%				
Government Loan Revenue Bonds	12/04/08	2,636,000.00	12/01/15	145,000.00	5.000%	1,861,000.00	-	140,000.00	1,721,000.00
			12/01/16	150,000.00	4.000%				
			12/01/17	140,000.00	4.000%				
			12/01/18	222,000.00	5.250%				
			12/01/19	242,000.00	4.500%				
			12/01/20	262,000.00	4.500%				
MCIA Fire Company Bonds - 2005	09/07/05	2,275,000.00	12/01/21	280,000.00	5.000%	-	1,915,000.00	90,000.00	1,825,000.00
			12/01/22	280,000.00	5.250%				
			09/01/15	95,000.00	4.000%				
			09/01/16	100,000.00	4.000%				
			09/01/17	85,000.00	4.000%				
			09/01/18	185,000.00	4.000%				
			09/01/19	195,000.00	4.000%				
			09/01/20	200,000.00	4.250%				
			09/01/21	175,000.00	4.250%				
			09/01/22	185,000.00	4.250%				
MCIA Fire Company Bond - 2006	05/11/06	975,000.00	09/01/23	195,000.00	4.250%	-	855,000.00	35,000.00	820,000.00
			09/01/24	200,000.00	4.250%				
			09/01/25	210,000.00	4.250%				
			09/01/15	40,000.00	4.125%				
			09/01/16	45,000.00	4.125%				
			09/01/17	70,000.00	4.300%				
			09/01/18	70,000.00	4.300%				
			09/01/19	75,000.00	4.300%				
			09/01/20	80,000.00	4.300%				
			09/01/21	80,000.00	4.300%				
			09/01/22	85,000.00	4.375%				
		09/01/23	90,000.00	4.375%					
		09/01/24	90,000.00	4.375%					
		09/01/25	95,000.00	4.375%					
						\$ 4,119,000.00	\$ 2,770,000.00	\$ 585,000.00	\$ 6,304,000.00

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Ordinance</u>	<u>Improvement Description</u>	<u>Original Issue Date</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2014</u>
956	Improvements to Blade Run	12/21/12	12/19/14	12/18/15	0.50%	\$ 190,000.00	\$ 190,000.00	\$ 190,000.00	\$ 190,000.00
960	Acquisition of Police Equipment	12/21/12	12/19/14	12/18/15	0.50%	22,945.00	22,945.00	22,945.00	22,945.00
966	Acquisition of Fire Apparatus	12/21/12	12/19/14	12/18/15	0.50%	562,233.00	562,233.00	562,233.00	562,233.00
983	Purchase of Fire Equipment	12/21/12	12/19/14	12/18/15	0.50%	58,020.00	58,020.00	58,020.00	58,020.00
984	Purchase of DPW Equipment	12/21/12	12/19/14	12/18/15	0.50%	11,400.00	11,400.00	11,400.00	11,400.00
985	Purchase of Police Equipment	12/21/12	12/19/14	12/18/15	0.50%	9,009.00	9,009.00	9,009.00	9,009.00
994	Improvements to Patterson Ave	12/19/14	12/19/14	12/18/15	0.50%	-	180,000.00	-	180,000.00
998	Sycamore Avenue Sidewalks	12/21/12	12/19/14	12/18/15	0.50%	33,250.00	33,250.00	33,250.00	33,250.00
1003	Improvements to Various Roads	12/19/14	12/19/14	12/18/15	0.50%	-	237,500.00	-	237,500.00
1004	Fire Equipment	12/19/14	12/19/14	12/18/15	0.50%	-	69,350.00	-	69,350.00
1006	DPW Equipment	12/19/14	12/19/14	12/18/15	0.50%	-	66,500.00	-	66,500.00
						\$ 886,857.00	\$ 1,440,207.00	\$ 886,857.00	\$ 1,440,207.00

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	2014 Authorizations				Balance					
				Deferred Charges -		Capital Improvement Fund	Transferred From Encumbrances	December 31, 2013					
				Unfunded	Funded			Unfunded	Funded				
762	Development of Municipal Complex	02/08/99	\$ 1,150,000.00	\$ -	\$ -	\$ 184.31	\$ -	\$ -	\$ -				
915	Improvements To DPW Complex	06/16/08	200,000.00	-	75,000.00	-	-	-	3,018.80				
946	First Aid Equipment	09/27/10	20,000.00	-	2,552.10	-	-	-	-				
952	Police Equipment	12/06/10	7,500.00	-	-	-	-	-	2,552.10				
956	Improvements to Blade Run	04/08/11	850,000.00	-	21,760.68	-	-	-	-				
960	Police Equipment	08/15/11	36,000.00	-	-	-	-	-	-				
962	Fire Equipment	08/15/11	78,650.00	-	-	-	-	-	-				
963	First Aid Equipment	08/15/11	17,000.00	-	-	-	-	-	-				
964	Development of Municipal Complex	08/15/11	16,000.00	-	-	-	-	-	-				
965	DPW Equipment	08/15/11	22,000.00	-	-	-	-	-	-				
984	Purchase of DPW Equipment	06/24/12	12,000.00	-	481.00	-	-	-	-				
994	Improvements To Patterson Ave	05/26/13	400,000.00	-	374,827.25	-	-	-	-				
995	Improvements To Various Roads	05/26/13	85,000.00	-	-	-	-	-	-				
996	Purchase of Fire Equipment	07/08/13	130,000.00	-	14.05	-	-	-	-				
997	Purchase of Police Equipment	07/08/13	30,000.00	-	5,043.37	-	-	-	-				
998	Improvements To Sycamore Ave Sidewalks	09/09/13	35,000.00	-	-	-	-	-	-				
1003	Improvements to Various Roads	4/7/2014	250,000.00	-	237,500.00	-	-	-	-				
1004	Fire Equipment	6/2/2014	73,000.00	-	69,350.00	-	-	-	-				
1005	Police Equipment	6/2/2014	36,000.00	-	34,200.00	-	-	-	-				
1006	DPW Equipment	6/2/2014	70,000.00	-	66,500.00	-	-	-	-				
1007	Pedestrian Safety Improvements	6/2/2014	35,000.00	-	33,250.00	-	-	-	-				
1008	Generator for Municipal Building	9/15/2014	100,000.00	-	95,000.00	-	-	-	-				
				\$ 95,645.42	\$ 507,678.45	\$ 535,800.00	\$ 28,200.00	\$ 59,007.31	\$ 914,351.23	\$ 76,397.19	\$ 9,017.50	\$ 8,216.80	\$ 218,348.46

Fund Balance \$ 6,465.40
Deferred Charges To Future Taxation - Unfunded 2,552.10
\$ 9,017.50

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 25,587.44
Increased By:	
2014 Budget Appropriations	<u>40,000.00</u>
	65,587.44
Decreased By:	
Improvement Authorizations	<u>28,200.00</u>
Balance, December 31, 2014	<u><u>\$ 37,387.44</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR FIRE APPARATUS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased By:	
Cash Receipts	<u>150,000.00</u>
Balance, December 31, 2014	<u><u>\$ 150,000.00</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR GREEN ACRES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 0.14
Decreased By:	
Cash Disbursement	<u>0.01</u>
Balance, December 31, 2014	<u><u>\$ 0.13</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$	-
Increased By:			
Grants Awarded:			
NJ DOT - Patterson Ave	\$ 150,000.00		
Fire Fighters Grant	<u>85,147.00</u>		
			<u>235,147.00</u>
			235,147.00
Decreased By:			
Cash Receipts			<u>235,147.00</u>
Balance, December 31, 2014		\$	<u><u>-</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2014**

Ordinance Number	Improvement Description	Balance December 31, 2013	Decreased by					Balance December 31, 2014
			Increased	Current Budget Appropriation	Firefighters Grant	DOT Grant	Cancelled	
915	Improvements To DPW Complex	\$ 75,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000.00
945	Fire Equipment	34.56	-	34.56	-	-	-	-
946	First Aid Equipment	2,552.10	-	-	-	2,552.10	-	-
994	Improvements to Patterson Ave	380,000.00	-	5,172.75	-	150,000.00	-	44,827.25
996	Purchase of Fire Equipment	123,500.00	-	11,843.82	85,147.00	-	-	26,509.18
997	Purchase of Police Equipment	28,500.00	-	9,501.63	-	-	-	18,998.37
1003	Improvements to Various Roads	-	237,500.00	-	-	-	237,500.00	-
1004	Fire Equipment	-	69,350.00	-	-	-	69,350.00	-
1005	Police Equipment	-	34,200.00	-	-	-	-	34,200.00
1006	DPW Equipment	-	66,500.00	-	-	-	66,500.00	-
1007	Pedestrian Safety Improvements	-	33,250.00	-	-	-	-	33,250.00
1008	Generator for Municipal Building	-	95,000.00	-	-	-	-	95,000.00
		\$ 609,586.66	\$ 535,800.00	\$ 26,552.76	\$ 85,147.00	\$ 150,000.00	\$ 2,552.10	\$ 553,350.00
								\$ 327,784.80

PUBLIC ASSISTANCE FUND

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**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2014**

	P.A.T.F. Account I (75%)	P.A.T.F. Account II (100%)	Fund Total
Balance, December 31, 2013	\$ 4,736.26	\$ 7,712.98	\$ 12,449.24
Decreased By:			
Maintenance Payment	-	3,892.00	3,892.00
Balance, December 31, 2014	<u>\$ 4,736.26</u>	<u>\$ 3,820.98</u>	<u>\$ 8,557.24</u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
PUBLIC ASSISTANCE FUND
SCHEDULE OF RESERVE FOR EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 12,449.24
Decreased By:	
Maintenance Payment	<u>3,892.00</u>
Balance, December 31, 2014	<u>\$ 8,557.24</u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH AND RECONCILIATION PER N.J.S.A. 40A:5-5
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2014 and December 31, 2013 \$ 8,557.24

Reconciliation - December 31, 2014

	P.A.T.F. Account I <u>(75%)</u>	P.A.T.F. Account II <u>(100%)</u>	Fund <u>Total</u>
Balance on Deposit Per Statement of Rumson-Fair Haven Bank:			
Account I	\$ 4,736.26	\$ -	\$ 4,736.26
Account II	-	3,820.98	3,820.98
Balance, January 31, 2014	<u>\$ 4,736.26</u>	<u>\$ 3,820.98</u>	<u>\$ 8,557.24</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

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**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	December 31, <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	December 31, <u>2014</u>
General Fixed Assets:				
Land	\$ 2,467,076.00	\$ -	\$ -	\$ 2,467,076.00
Buildings	4,741,553.33	-	-	4,741,553.33
Machinery and Equipment	5,515,668.26	162,531.76	14,200.00	5,664,000.02
	<hr/>			
Total General Fixed Assets	<u>\$12,724,297.59</u>	<u>\$ 162,531.76</u>	<u>\$14,200.00</u>	<u>\$12,872,629.35</u>

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COMMENTS AND RECOMMENDATIONS

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The Honorable Mayor and Members of the
Borough Council
Borough of Shrewsbury
Shrewsbury, New Jersey

We have audited the financial statements – statutory basis of the Borough of Shrewsbury in the County of Monmouth for the year ended December 31, 2014.

Scope of Audit

The audit covered the financial transactions of the Treasurer, Tax Collector, and the activities of the Mayor and Council and the records of the various outside departments.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Borough Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Borough records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year.

Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made. The minutes indicate that bids were requested by public advertising for the following items:

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4) (continued):

Improvements to Various Roads
Acquisition of Fire Equipment
Acquisition of Police Equipment
Acquisition of DPW Equipment
Pedestrian Safety Improvements
Acquisition of Generator

A test was conducted to determine that expenditures greater than \$5,400 obtained solicitation of quotes. No exceptions were noted.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Borough Council.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 6, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One

Collection of Interest on Delinquent Taxes and Assessments (continued):

Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable.”

The Borough also charges an additional 6% penalty on delinquencies in excess of \$10,000 at the end of the calendar year.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

Tax Collector’s Annual Report

N.J.S.54:4-91 requires that on or before May 1st of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2014 with the governing body.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2014 included real estate taxes for 2014 and 2013.

The last tax sale was held on December 12, 2014 and was complete.

Inspection of 2014 tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

YEAR	NUMBER OF LIENS
2014	3
2013	2
2012	2

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get properties back on a taxpaying basis.

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Deposit of Funds Paid to Local Unit

N.J.S.40A:5-15 States:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall within 48 hours after the receipt thereof, either;

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or;
- b. be deposited to the credit of the local unit in its designated legal depository.”

Our testing revealed no exceptions.

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Borough employees, also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

Municipal Court

A separate report for the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Borough, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

A test sample was selected of fifteen (15) traffic and criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper procedures were in effect for defendants paying on a the partial payment system. This test disclosed no discrepancies regarding fines being properly levied, entering of dispositions and closure procedures.

The computer software does not allow for a posting distribution in the cash receipts journal when a transaction involves both a check and cash payment being made by the defendant. The computer system requires this particular type of transaction be posted as either entirely cash or check. As a result of this limitation no test can be conducted to determine if the receipt detail batch totals from the journal agree with the detail of cash and checks deposited for that particular day.

A review of the partial payment system indicated that collection procedures are being enforced to collect delinquent balances.

Follow Up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. There were no prior year findings.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2014:

NAME	POSITION	AMOUNT OF BOND
Donald W. Burden	Mayor	
William Dodge	Council President	
Michael DeNofa	Councilman	
Anthony Pellegrino	Councilman	
Peter Meyer	Councilman	
Jeff DeSalvo	Councilman	
Deidre DerAsadourian	Councilwoman	
Kathleen P. Krueger	Borough Clerk	\$1,000,000
Thomas X. Seaman	Chief Financial Officer Tax Collector	\$1,000,000
William Fitzpatrick	Tax Assessor	\$1,000,000
Martin M. Barger	Attorney	
James E. Berbue, Jr.	Judge of the Municipal Court	\$1,000,000
Megan Thomas	Municipal Court Administrator	\$1,000,000

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

May 16, 2015
Freehold, New Jersey