

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
YEARS ENDED DECEMBER 31, 2011 AND 2010

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
with
INDEPENDENT AUDITORS' REPORTS
and
COMMENTS AND RECOMMENDATIONS

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

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COUNTY OF MONMOUTH, NEW JERSEY

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COUNTY OF MONMOUTH, NEW JERSEY

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying regulatory-basis financial statements of the Borough of Shrewsbury, County of Monmouth, New Jersey ("Borough") as of December 31, 2011 and 2010, and for the year ended December 31, 2011, which collectively comprise the Borough's basic financial statements listed as financial statement exhibits in the Table of Contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and requirements prescribed by the Division require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the Borough prepares its financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. In addition, the financial statements of the Length of Service Award Program Fund ("LOSAP") 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 Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 17.33% and 27.11% of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2011 and 2010.

In our opinion, because of the effects of the Borough's preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2011 and 2010, or the changes in its financial position, or, where applicable, its cash flows for the years then ended. Further, the Borough has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Also in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the regulatory-basis financial statements referred to above present fairly, in all material respects, the financial position, on a regulatory accounting basis, of the various funds of the Borough as of December 31, 2011 and 2010, and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the Statements of Revenues - Regulatory Basis and the Statement of Expenditures - Regulatory Basis of the various funds for the years ended December 31, 2011 and 2010 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated March 1, 2012 on our consideration of the Borough's internal control structure over financial reporting and 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 and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the regulatory-basis financial statements taken as a whole. The accompanying supplementary schedules and Comments section listed in the Table of Contents are presented for purposes of additional analysis as required by the Division and are not a required part of the regulatory-basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

Independent Auditors

Eugene M. Farrell
Registered Municipal Accountant
(#409)

March 1, 2012

FINANCIAL STATEMENTS

DRAFT

CURRENT FUND
EXHIBITS

DRAFT

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

Assets	Reference	2011	2010	Liabilities, Reserves and Fund Balance	Reference	2011	2010
Cash	1-A	\$ 3,663,546.51	\$ 4,354,142.59	Appropriation Reserves	A-3,9-A	\$ 337,362.66	\$ 297,324.40
Cash - Change Fund	2-A	145.00	145.00	Encumbrances Payable	10-A	120,338.87	60,639.45
				Accounts Payable	11-A	4,808.51	4,808.51
				Tax Overpayments	12-A	10,635.15	19,106.56
				Prepaid Taxes	13-A	95,358.64	95,503.72
				County Taxes Payable	14-A	3,592.05	5,097.62
				Regional High School Tax Payable	15-A	337,001.63	1,003,670.35
				Local District School Tax Payable	16-A	1,128,666.00	1,790,282.00
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	3-A	391.86	141.86	Due To State of New Jersey:			
				Marriage License Fees	18-A	100.00	50.00
				State Grant Fund	A	57,985.35	48,093.07
Receivables With Full Reserves:				Reserve for:			
Taxes Receivable	4-A	296,632.77	236,697.53	State Tax Appeals Pending	19-A	150,000.00	90,000.00
Tax Title Liens Receivable	5-A	537.35	526.51	Wardell House	26-B	165,000.00	
Revenue Accounts Receivable	6-A	9,331.58	7,804.30	Tax Redemptions	20-A	4,486.91	23,530.34
				Codification	22-A	11,240.92	18,717.46
Deferred Charges:				Reserve for Receivables			
Emergency (40A-4-46)	23-A	25,000.00		Fund Balance	A	306,501.70	245,028.34
					A-1	1,267,315.19	897,605.97
				State and Federal Grant Fund:			
				Due To Current Fund	A	3,995,585.07	4,599,457.79
				Reserve for State and Federal Grants:			
				Appropriated	24-A	40,156.05	42,240.18
				Unappropriated	25-A	22,047.37	16,213.67
				Total Liabilities, Reserves and Fund Balance		\$ 4,057,788.49	\$ 4,657,911.64
Total Assets		\$ 4,057,788.49	\$ 4,657,911.64			\$ 4,057,788.49	\$ 4,657,911.64

See accompanying notes.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2011 and 2010

<u>Revenue and Other Income Realized</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Fund Balance Utilized	A-2	\$ 1,365,000.00	\$ 1,100,000.00
Miscellaneous Revenue Anticipated	A-2	1,123,946.19	1,145,751.08
Receipts From Delinquent Taxes	A-2	236,697.53	362,262.24
Receipts From Current Taxes	A-2	21,000,612.48	21,043,267.66
Non-Budget Revenue	A-2	146,957.40	108,033.41
Other Credits To Income:			
Cancelled Overpayments	12-A	15,702.99	
Grant Appropriation Cancelled	A-1		316.54
Accounts Payable Cancelled	11-A	79.50	510.16
Cancelled Reserves	A-1		3,868.68
Interfunds Returned	A-1		19,053.14
Unexpended Balances of Appropriation Reserves	9-A	<u>125,785.02</u>	<u>228,236.52</u>
Total Revenues		<u>24,014,781.11</u>	<u>24,011,299.43</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	3,812,290.50	3,812,040.50
Other Expenses	A-3	2,566,002.87	2,451,786.63
Deferred Charges and Statutory Expenditures	A-3	212,000.00	209,000.00
Budget Appropriations Excluded From "CAPS":			
Operations:			
Other Expenses	A-3	837,692.01	734,538.18
Capital Improvements	A-3	45,000.00	10,000.00
Municipal Debt Service	A-3	905,098.76	904,095.73
Deferred Charges - Other	A-3	81,143.11	28,500.00
Tax Appeals Pending	19-A	97,753.97	
Grants Receivable Cancelled	A-1		38,040.10
Refund of Prior Year Revenue	A-1		138.76
County Taxes	14-A	3,138,190.87	3,171,825.22
County Share of Added and Omitted Taxes	14-A	3,592.05	5,097.62
Regional High School Tax	15-A	3,974,404.00	4,307,740.62
Local District School Tax	16-A	6,552,745.00	6,855,850.00
Municipal Open Space Tax	17-A	<u>79,158.75</u>	<u>80,816.66</u>
Total Expenditures		<u>22,305,071.89</u>	<u>22,609,470.02</u>
Excess in Revenue		1,709,709.22	1,401,829.41
Adjustments To Income Before Surplus:			
Expenditures Included Above Which Are By Statute Deferred Charges To Budget of Succeeding Year and Current Year	A-3,23-A	<u>25,000.00</u>	
Statutory Excess To Fund Balance		1,734,709.22	1,401,829.41
Fund Balance, January 1	A	<u>897,605.97</u>	<u>595,776.56</u>
Decreased By:		2,632,315.19	1,997,605.97
Utilized as Anticipated Revenue	A-2	<u>1,365,000.00</u>	<u>1,100,000.00</u>
Fund Balance, December 31	A	<u>\$ 1,267,315.19</u>	<u>\$ 897,605.97</u>

See accompanying notes.

BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Amount Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 1,365,000.00	\$ 1,365,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	6-A	5,000.00	5,172.00	\$ 172.00
Other	6-A	34,000.00	35,343.00	1,343.00
Fees and Permits	6-A	112,000.00	118,285.25	6,285.25
Fines and Costs:				
Municipal Court	6-A	124,000.00	103,133.76	(20,866.24)
Interest and Costs on Taxes	6-A	65,000.00	63,441.46	(1,558.54)
Interest on Investments	6-A	40,000.00	36,948.51	(3,051.49)
Cable Franchise Fee	6-A	45,000.00	51,899.63	6,899.63
Mobile Tower Fee	6-A	33,000.00	34,318.07	1,318.07
Payment in Lieu of Taxes	6-A	40,000.00	40,000.00	
Energy Receipts Tax	6-A	381,641.00	381,641.00	
Uniform Construction Code	6-A	95,000.00	171,991.00	76,991.00
Clean Communities Program	6-A	1,332.14	1,332.14	
Recycling Tonnage Grant	6-A	11,863.15	11,863.15	
Alcohol Education and Rehabilitation Fund	6-A	1,256.83	1,256.83	
Safe and Secure Communities Program	6-A	20,441.00	20,441.00	
Body Armor Fund	6-A	1,761.55	1,761.55	
State Police - HMEP Project	6-A	2,662.44	2,662.44	
Uniform Fire Safety Act	6-A	20,000.00	25,064.23	5,064.23
Drunk Drivers Enforcement Fund	6-A	12,548.72	12,548.72	
Administrative Costs for Outside Service - Police	6-A	4,500.00	4,842.45	342.45
Total Miscellaneous Revenues	A-1	1,051,006.83	1,123,946.19	72,939.36
Receipts From Delinquent Taxes	A-1	185,000.00	236,697.53	51,697.53
Amount To Be Raised By Taxes For Support of Municipal Budget:				
Local Tax for Municipal Purposes	4-A	6,268,019.26	6,262,320.65	(5,698.61)
Budget Revenues	A-3	8,869,026.09	8,987,964.37	118,938.28
Non-Budget Revenues	A-1,A-2		146,957.40	146,957.40
		<u>\$ 8,869,026.09</u>	<u>\$ 9,134,921.77</u>	<u>\$ 265,895.68</u>

See accompanying notes.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>	
<u>Allocation of Current Tax</u>		
Allocation of Current Tax Collections:		
Revenue From Collections	A-1	\$ 21,000,612.48
Allocated To School, County Taxes and Municipal Open Space	4-A	<u>15,173,090.67</u>
Balance for Support of Municipal Budget Appropriations		5,827,521.81
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>434,798.84</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 6,262,320.65</u>
<u>Allocation of Delinquent Tax</u>		
Allocation of Delinquent Tax Collections:		
Revenue From Collections - Taxes	4-A	<u>236,697.53</u>
Receipts From Delinquent Taxes	A-2	<u>\$ 236,697.53</u>
Revenue From Collections Collections	4-A	<u>21,000,612.48</u>
Total Revenue From Collections	A-2	<u>\$ 21,000,612.48</u>

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

Reference

Analysis of Non-Budget Revenues

Assessor's Lists		\$ 340.00
Certified Copies		3,580.00
Prior Year Refunds		37,113.77
NSF Check Charge		140.00
Elections		800.00
Division of Motor Vehicle		
Inspection Fee		6,748.25
Miscellaneous		7,353.90
Homestead Rebate Costs		17,476.53
2% Administrative Fee		805.00
Photocopies		5.33
Statutory Excess		1,329.70
Tennis Badge		833.00
Emergency Notification SY		2,000.00
FEMA Reimbursement		21,984.98
Newsletter Advertising Fees		600.00
BOE - Refunds		23,701.88
Refunds		<u>22,145.06</u>
	A-2	<u>\$ 146,957.40</u>
Cash	1-A	\$ 145,627.70
Due To State of New Jersey -		
Due From Animal Control Fund	7-A	<u>1,329.70</u>
		<u>\$ 146,957.40</u>

See accompanying notes.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Original Budget	Appropriated Emergency Appropriation	Budget After Modification	Expended		Cancelled
				Paid or Charged	Reserved	
GENERAL APPROPRIATIONS						
Operations - Within "CAPS"						
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	\$ 72,500.00		\$ 75,000.00	\$ 73,790.51	\$ 1,209.49	
Other Expenses	10,500.00		10,500.00	9,799.97	700.03	
Local Ethics Board:						
Other Expenses	50.00		50.00		50.00	
Mayor and Council:						
Other Expenses	1,000.00		1,000.00	1,000.00		
Municipal Clerk:						
Salaries and Wages	100,000.00		105,000.00	105,000.00		
Other Expenses	22,000.00		22,000.00	20,668.57	1,331.43	
Printing	3,000.00		3,000.00	2,766.52	233.48	
Vital Statistics:						
Salaries and Wages	10,560.50		10,660.50	6,935.61	3,724.89	
Financial Administration (Treasury):						
Salaries and Wages	121,200.00		123,200.00	122,746.46	453.54	
Other Expenses	10,100.00		10,100.00	8,173.91	1,926.09	
Audit Services	29,700.00		29,700.00	29,700.00		
Revenue Administration (Tax Collection):						
Salaries and Wages	58,000.00		59,100.00	59,100.00		
Other Expenses	4,500.00		4,500.00	4,228.22	271.78	
Tax Assessment Administration:						
Salaries and Wages	31,905.00		31,905.00	31,901.98	3.02	
Other Expenses	3,500.00		3,500.00	1,749.27	1,750.73	
Legal Services (Legal Department):						
Salaries and Wages	17,132.00		17,132.00	17,130.99	1.01	
Other Expenses	45,000.00		44,000.00	41,059.88	2,940.12	
Engineering Services:						
Other Expenses	32,000.00		45,000.00	39,428.97	5,571.03	
LAND USE ADMINISTRATION						
Planning Board:						
Salaries and Wages	34,000.00		31,000.00	26,792.64	4,207.36	
Other Expenses	1,575.00		1,575.00	1,412.72	162.28	
Zoning Board of Adjustment:						
Salaries and Wages	33,000.00		30,000.00	25,414.69	4,585.31	
Other Expenses	500.00		500.00	477.57	22.43	
Zoning Officer:						
Salaries and Wages	16,000.00		16,000.00	10,578.62	5,421.38	
Other Expenses	500.00		500.00		500.00	
CODE ENFORCEMENT AND ADMINISTRATION						
Uniform Construction Code Enforcement:						
Salaries and Wages	65,600.00		65,600.00	63,502.61	2,097.39	
Other Expenses	1,440.00		1,440.00	1,096.64	343.36	
Building Inspector:						
Salaries and Wages	13,213.00		13,213.00	11,571.25	1,641.75	
Code Enforcement Official:						
Salaries and Wages	16,000.00		16,000.00	15,628.32	371.68	
Other Expenses	800.00		800.00	742.99	57.01	

See accompanying notes.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Original Budget	Appropriated Emergency Appropriation	Budget After Modification	Expended		Cancelled
				Paid or Charged	Reserved	
GENERAL APPROPRIATIONS						
Operations - Within "CAPS"						
INSURANCE						
Other Insurance	110,000.00		110,000.00	101,061.90	8,938.10	
Waiver of Insurance	9,275.33		9,275.33	9,275.33		
Workers Compensation Insurance	152,070.55		152,070.55	152,070.55		
Employee Group Insurance	920,000.00		914,000.00	897,095.70	16,904.30	
PUBLIC SAFETY						
Police Department:						
Salaries and Wages	2,138,500.00		2,141,500.00	2,059,836.63	81,663.37	
Other Expenses	148,000.00		162,000.00	152,451.63	9,548.37	
OSHA	3,000.00		3,000.00	1,360.50	1,639.50	
Occupational Safety Law - 911	5,460.99		5,460.99	5,460.99		
Office of Emergency Management:						
Other Expenses	3,600.00		3,600.00	1,942.41	1,657.59	
First Aid Organization - Contribution:						
Other Expenses	9,000.00		9,000.00	6,847.76	2,152.24	
Fire Protection Official:						
Salaries and Wages	13,213.00		13,213.00	13,211.98	1.02	
Fire Marshall:						
Salaries and Wages	26,792.00		26,792.00	26,791.01	0.99	
Other Expenses	4,950.00		4,950.00	4,950.00		
Fire Company:						
Other Expenses	4,000.00		4,000.00	2,797.29	1,202.71	
Fire:						
Other Expenses	23,400.00		29,400.00	27,928.45	1,471.55	
Occupational Safety Law (P.L. 1983, Ch. 516):						
OSHA - First Aid Other Expenses:	3,000.00		3,000.00	2,895.00	105.00	
PUBLIC WORKS						
Streets and Road Maintenance:						
Salaries and Wages	760,375.00		714,275.00	703,183.02	11,091.98	
Other Expenses	17,500.00		17,500.00	16,147.24	1,352.76	
OSHA Other Expenses	2,500.00		2,500.00	2,500.00		
Vehicle Maintenance	36,000.00		41,000.00	32,744.52	8,255.48	
Shade Tree Commission:						
Salaries and Wages	500.00		500.00	500.00		
Other Expenses	4,050.00		4,050.00	3,864.72	185.28	
Solid Waste Collection:						
Contractual	161,765.00		161,765.00	161,765.00		
Buildings and Grounds:						
Salaries and Wages	9,600.00		10,100.00	9,761.40	338.60	
Other Expenses	27,500.00		32,500.00	29,899.76	2,800.24	
Municipal Court:						
Salaries and Wages	120,000.00		122,000.00	120,429.51	1,570.49	
Other Expenses	5,100.00		5,900.00	5,751.48	148.52	
Public Defender (P.L. 1997, c.256):						
Salaries and Wages	10,000.00		10,000.00	10,000.00		

See accompanying notes.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Appropriated		Expended		Cancelled
	Original Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	
GENERAL APPROPRIATIONS					
Operations - Within "CAPS"					
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Salaries and Wages	1,100.00		1,100.00	1,010.41	89.59
Other Expenses	38,000.00		38,000.00	37,434.00	566.00
OSHA Other Expense	2,000.00		2,000.00		2,000.00
Environmental Health Services:					
Salaries and Wages	500.00		500.00	500.00	
Other Expenses	2,275.00		2,275.00	1,378.94	896.06
Animal Control Services:					
Other Expenses	50.00		50.00		50.00
Welfare/Administration of Public Assistance:					
Other Expenses	5,341.00		5,341.00	5,341.00	
RECREATION AND EDUCATION					
Recreation Services and Programs:					
Salaries and Wages	8,500.00		8,500.00	7,248.75	1,251.25
Senior Citizens	2,500.00		2,500.00	2,500.00	
Miscellaneous Other Expenses	50,000.00		50,000.00	41,250.05	8,749.95
Maintenance of Parks:					
Salaries and Wages	165,000.00		169,000.00	167,183.87	1,816.13
Other Expenses	18,500.00		21,500.00	19,001.33	2,498.67
UNCLASSIFIED					
Utility Expenses and Bulk Purchases:					
Electricity	85,000.00		84,000.00	64,839.02	19,160.98
Street Lighting	52,000.00		52,000.00	47,834.70	4,165.30
Telephone (excluding telephone acquisition)	50,000.00		50,000.00	38,190.98	11,809.02
Water	11,000.00		10,000.00	8,180.51	1,819.49
Fire Hydrant Service	84,000.00		84,000.00	85,959.42	8,040.58
Gas (natural or propane)	22,000.00		22,000.00	17,676.08	4,323.92
Fuel Oil	40,000.00		39,000.00	38,498.39	501.61
Cellular Telephone	17,500.00		17,500.00	12,400.70	5,099.30
Gasoline	54,000.00		54,000.00	52,872.11	1,127.89
Landfill/Solid Waste Disposal Costs	183,000.00		168,200.00	131,476.35	36,723.65
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"	6,377,793.37		6,377,793.37	6,075,499.30	302,294.07
Contingent	500.00		500.00		500.00
Total Operations Including Contingent - Within "CAPS"	6,378,293.37		6,378,293.37	6,075,499.30	302,794.07
Detail:					
Salaries and Wages	3,844,290.50		3,812,290.50	3,689,750.26	122,540.24
Other Expenses	2,534,002.87		2,566,002.87	2,385,749.04	180,253.83

See accompanying notes.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Original Budget	Appropriated Emergency Appropriation	Budget After Modification	Expended		Cancelled
				Paid or Charged	Reserved	
GENERAL APPROPRIATIONS						
Operations - Within "CAPS"						
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						
Statutory Expenditures:						
Contribution To:						
Social Security System (O.A.S.I.)	195,000.00		195,000.00	177,074.49	17,925.51	
Disability Insurance	2,000.00		2,000.00	1,352.92	647.08	
Unemployment	10,000.00		10,000.00		10,000.00	
Stormwater Permit	5,000.00		5,000.00	1,154.00	3,846.00	
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	212,000.00		212,000.00	179,581.41	32,418.59	
Total General Appropriations for Municipal Purposes - Within "CAPS"	6,590,293.37		6,590,293.37	6,255,080.71	335,212.66	
GENERAL APPROPRIATIONS						
Operations - Excluded From "CAPS"						
911 System	46,000.00		46,000.00	44,850.00	1,150.00	
LOSAP						
Statutory Expenditures:						
Public Employees' Retirement System	211,237.00		211,237.00	211,237.00		
Police and Firemen's Retirement System	444,185.00		444,185.00	444,185.00		
PUBLIC AND PRIVATE PROGRAMS						
Alcohol Education and Rehabilitation Fund:						
Other Expenses	1,256.83		1,256.83	1,256.83		
Safe and Secure Communities Program:						
State Share	20,441.00		20,441.00	20,441.00		
Matching Funds - Borough Share	83,404.18		83,404.18	83,404.18		
Matching Funds For Other Expenses	1,000.00		1,000.00		1,000.00	
Clean Communities Program	1,332.14		1,332.14	1,332.14		
Body Armor Fund	1,761.55		1,761.55	1,761.55		
Recycling Tonnage Grant	11,863.15		11,863.15	11,863.15	0.00	
State Police-HMEP Project	2,662.44		2,662.44	2,662.44		
Div of Motor Vehicles - DDEF - Police Other	12,548.72		12,548.72	12,548.72		
Total Operations - Excluded From "CAPS"	837,692.01		837,692.01	835,542.01	2,150.00	
Detail:						
Other Expenses	837,692.01		837,692.01	835,542.01	2,150.00	
Capital Improvement Fund - Excluded From "CAPS"						
Capital Improvement Fund	20,000.00		20,000.00	20,000.00		
Fire Pumper Truck and Rescue Vehicle		\$	25,000.00	25,000.00		
Total Capital Improvement Fund - Excluded From "CAPS"	20,000.00		45,000.00	45,000.00		

See accompanying notes.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

STATEMENT OF EXPENDITURES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	Original Budget	Appropriated Emergency Appropriation	Budget After Modification	Expended		Cancelled
				Paid or Charged	Reserved	
GENERAL APPROPRIATIONS						
Operations - Excluded from "CAPS"						
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	523,000.00		523,000.00	523,000.00		
Interest on Bonds	382,098.76		382,098.76	382,098.76		
Total Municipal Debt Service - Excluded from "CAPS"	905,098.76		905,098.76	905,098.76		
Deferred Charges - Excluded From "CAPS"						
Deferred Charges to Future Taxation Unfunded:						
Ord # 804 - Road Improvements	0.72		0.72	0.72		
Ord # 847 - Improvements to White Road	587.50		587.50	587.50		
Ord # 934 - Fire Equipment	52,129.01		52,129.01	52,129.01		
Ord # 945 - Fire Equipment	14,190.88		14,190.88	14,190.88		
Ord # 946 - Fire Aid Equipment	14,235.00		14,235.00	14,235.00		
Total Municipal Debt Service - Excluded from "CAPS"	81,143.11		81,143.11	81,143.11		
Total General Appropriations - Excluded From "CAPS"	1,843,933.88	25,000.00	1,868,933.88	1,866,783.88	2,150.00	
Subtotal General Appropriations	8,434,227.25	25,000.00	8,459,227.25	8,121,864.59	337,362.66	
Reserve for Uncollected Taxes	434,798.84		434,798.84	434,798.84		
Total General Appropriations	\$ 8,869,026.09	\$ 25,000.00	\$ 8,894,026.09	\$ 8,556,663.43	\$ 337,362.66	\$ 0.00
	A-2	23-A	A-3		A	A-3
Analysis of Paid or Charged						
Reserve for Uncollected Taxes	A-2			\$ 434,798.84		
Cash Disbursed	1-A			7,866,255.71		
Encumbrances Payable	10-A			120,338.87		
Reserve for State and Federal Grants - Appropriated	24-A			135,270.01		
				\$ 8,556,663.43		

See accompanying notes.

TRUST FUND

EXHIBIT

DRAFT

BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Animal Control Fund:				Animal Control Fund:			
Cash - Treasurer	1-B	\$ 14,805.50	\$ 10,357.20	Reserve for Expenditures	2-B	\$ 10,437.80	\$ 10,357.20
				Due To:			
				Red Bank Borough	9-B	4,361.70	
				State Board of Health	3-B	6.00	
						14,805.50	10,357.20
Trust - Other Fund:				Trust - Other Fund:			
Cash - Treasurer	1-B	1,412,295.52	695,341.92	Outside Employment Trust Fund	5-B	5,083.75	
				Miscellaneous Trust Fund Reserves	6-B	1,407,211.77	695,341.92
						1,412,295.52	695,341.92
Length of Service Award Program Fund ("LOSAP") - Unaudited:				Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Investments	7-B	299,202.72	262,515.29	Miscellaneous Reserves	8-B	299,202.72	262,515.29
						1,726,303.74	968,214.41
Total Assets		\$ 1,726,303.74	\$ 968,214.41	Total Liabilities and Reserves		\$ 1,726,303.74	\$ 968,214.41

See accompanying notes.

GENERAL CAPITAL FUND
EXHIBITS

DRAFT

BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash - Treasurer				General Serial Bonds	6-C	\$ 5,002,000.00	\$ 5,425,000.00
Deferred Charges To Future Taxation:				Encumbrance Payable	10-C	49,790.52	
Funded	1-C,2-C	\$ 422,193.80	\$ 533,676.97	Improvement Authorizations:			
Unfunded				Funded	7-C	612,891.07	630,973.48
	4-C	5,002,000.00	5,425,000.00	Unfunded	7-C	1,063,327.72	355,595.11
	5-C	1,308,795.11	636,738.22	Capital Improvement Fund	8-C	4,538.44	28,338.44
				Reserve for Green Acres	3-C	0.13	0.13
				Fund Balance	C-1	441.03	155,508.03
Total Assets		\$ 6,732,988.91	\$ 6,595,415.19	Total Liabilities, Reserves and Fund Balance		\$ 6,732,988.91	\$ 6,595,415.19



See accompanying notes.

BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 155,508.03
Decreased By:		
Improvement Authorizations	7-C	<u>155,067.00</u>
Balance, December 31, 2011	C	<u>\$ 441.03</u>

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See accompanying notes.

PUBLIC ASSISTANCE FUND

EXHIBIT

DRAFT

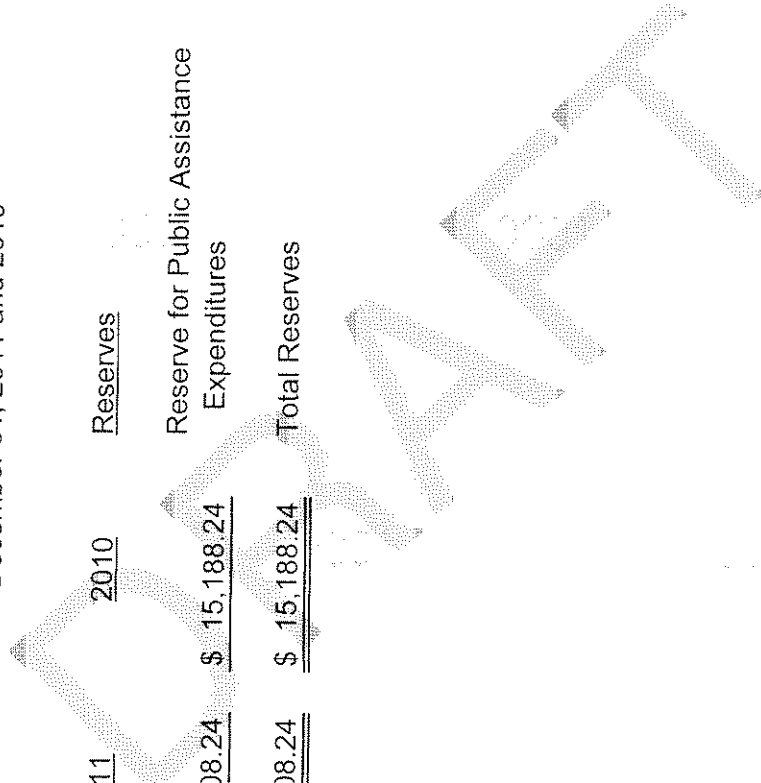
BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

<u>Assets</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>	<u>Reserves</u>	<u>Reference</u>	<u>2011</u>	<u>2010</u>
Cash - Treasurer	1-D	\$ 14,208.24	\$ 15,188.24	Reserve for Public Assistance Expenditures	2-D	\$ 14,208.24	\$ 15,188.24
Total Assets		\$ 14,208.24	\$ 15,188.24	Total Reserves		\$ 14,208.24	\$ 15,188.24



See accompanying notes.

GENERAL FIXED ASSETS ACCOUNT GROUP
EXHIBIT

DRAFT

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
REGULATORY ACCOUNTING BASIS

December 31, 2011 and 2010

	<u>Reference</u>	Balance December 31, <u>2011</u>	Balance December 31, <u>2010</u>
Land		\$ 2,467,076.00	\$ 2,465,200.00
Buildings		4,741,553.33	4,741,553.33
Machinery and Equipment		<u>4,541,171.02</u>	<u>4,500,831.00</u>
Total General Fixed Assets	1-E	<u>\$ 11,749,800.35</u>	<u>\$ 11,707,584.33</u>
Investment in General Fixed Assets	1-E	<u>\$ 11,749,800.35</u>	<u>\$ 11,707,584.33</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

DRAFT

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

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 are considered component units under GAAP. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Funds

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with GAAP.

The accounting policies of the Borough conform to the accounting principles and practices applicable to municipalities prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The accompanying financial statements are presented in the format prescribed by the State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and are a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds:

Current Fund - is used to account for all revenues and expenditures applicable to the general operations of Borough departments.

Trust Funds - are used to account for assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies. Funds held by the Borough which have restrictions placed on the use of such funds are recorded in the Trust Fund.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

General Capital Fund - is used to account for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

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

General Fixed Assets Account Group - The Borough has complied with Technical Accounting Directive No. 85-2 issued by the Division of Local Government Services. Technical Accounting Directive No. 85-2 utilizes the following accounting policies:

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets, consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land which is valued at estimated market value.

No depreciation is provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital are not accounted for separately.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services differ in certain respects from GAAP applicable to local government units. The more significant differences follow.

A modified accrual basis of accounting is followed by the Borough. Modifications from the accrual basis follow:

Revenues

Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and federal grants for operating purposes are realized as revenues when anticipated in the Borough budget. Receivables for property taxes are recorded with offsetting reserves within the Current Fund. Other amounts that are due to the Borough which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Expenditures

- (a) Disbursements for Current Fund inventory-type items are considered expenditures at the time of purchase;
- (b) Prepaid expenses are not recorded;
- (c) Interest on long-term debt included in the General Capital Fund is recorded as an expenditure when paid;
- (d) The encumbrance method of accounting, which records commitments such as purchase orders and contracts as a charge against the current year's budget in addition to expenditures made or accrued, is utilized. The cash basis of accounting, however, is followed for recording the Borough's share of contributions for fringe benefits, such as retirement plans, accrued sick leave and vacation leave.

Appropriation reserves are recorded at December 31 for unexpended appropriation balances except for amounts which, according to state statutes, may be cancelled by the governing body. The appropriation reserves are available to satisfy specific claims, commitments or contracts incurred during the preceding fiscal year. At the end of the succeeding fiscal year, the remaining unexpended balances lapse to fund balance through other credits to revenue.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

Had the Borough's financial statements been prepared under generally accepted accounting principles, the encumbrance method of accounting would be followed for expenditures presently reflected on a paid or charged basis, appropriation reserves would not be recorded, revenues susceptible to accrual would have been reflected without offsetting reserves and inventories would not be reflected as expenditures at the time of purchase.

Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

D. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services in accordance with N.J.S.A. 40A:4 et seq.

E. Grants

Current Fund - State and federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs.

Trust Fund - State and federal grants and assistance awards are dedicated by rider in the Trust Fund. A receivable and corresponding spending reserve are recorded when the grant is awarded.

Capital Fund - State and federal grants and assistance awards are recorded as a funding source for improvement authorizations or are established as receivables with an offsetting reserve.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

F. Assessment and Collection of Property Taxes

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Local Unit, Local School District, County and Special Districts, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Local Unit Tax Collector on or before May 13. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

G. Foreclosed Property

Real property acquired for taxes is recorded in the Current Fund at assessed valuation when such property is acquired and is fully reserved.

H. Interfund Receivables

Interfund receivables created by cash transfers from the Current Fund are recorded with offsetting reserves created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in other funds are not offset by reserves.

I. Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the Current Fund budget. As funds are raised, the deferred charges are reduced.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

J. Pension Plans

Substantially, all Borough employees participate in the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Borough is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, PERS and PFRS bill the Borough annually at an actuarially determinable rate for its required contribution. The current rate is 5.5% for PERS and 8.5% for PFRS of annual covered payroll.

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2011	\$ 211,237.00	\$ 444,185.00
2010	162,661.00	369,922.00
2009	141,120.00	333,129.00

K. 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 and Fire Department. 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".

Annual Contributions - The annual contribution to be made by the Borough for each active volunteer member shall be \$1,150.00 per year of active emergency service, commencing with the year 2004.

Appropriations - Appropriations for the purpose of funding the Borough's LOSAP shall be included as a separate line item in the Borough's budget, commencing with the year 2005.

Estimated Cost - The estimated cost of the program to the Borough has been calculated to be approximately \$46,000.00 per year. (This amount may vary annually, however, based upon the total number of eligible active volunteer members in the program).

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)
- L. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits, the State of New Jersey Cash Management Fund and government money market mutual funds through registered broker/dealers and banks. The New Jersey Governmental Unit Deposit Protection Act ("GUDPA") requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)
- L. Deposits and Investments (continued)

Investments

New Jersey statutes establish the following securities as eligible for the investment of Borough funds:

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Government Money Market Mutual Funds.
- (c) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (d) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (e) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- (f) Local Government Investment Pools.
- (g) Deposits with the State of New Jersey Cash Management Fund established pursuant to Section 1 of P.L. 1977, C. 281 (C.52:18A:90.4).

Repurchase agreements (15.1(a)(8)) must comply with the following conditions:

- (a) The underlying securities are permitted investments, pursuant to the list contained in (a) and (c) above.
- (b) The custody of the collateral is transferred to a third party. This means the bank must contract with a trusted third party to hold the collateral to ensure it is not pledged against any other investments.
- (c) The maturity of the agreement is not more than 30 days.
- (d) The underlying securities are purchased through a GUDPA bank.
- (e) A master repurchase agreement providing for the custody and security of collateral is executed.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (continued)

Local Government Investment Pools ("LGIP") (15.1(e)(2)) are subject to the following requirements:

- (a) It is managed in accordance with the SEC's government money market rules (2a-7).
- (b) It is rated in the highest category by a nationally recognized statistical rating organization.
- (c) Have their portfolio limited to U.S. Government securities as defined in 2a-7 and repurchase agreements that are collateralized by such U.S. Government securities.

Every local unit must have a Cash Management Plan ("Plan"); the Plan is subject to audit. In addition, when the Plan permits investments for more than one year, the investment must approximate the prospective use of funds. This primarily relates to U.S. securities and local bond issue purchases. The law also requires that cash management plans provide for the CFO to give the governing body a monthly report that summarizes:

- (a) All investments made or redeemed over the past month.
- (b) Each organization holding local unit funds.
- (c) The amount of securities purchased or sold, class or type of securities purchased, book value, earned income, fees incurred, and market value of all investments as of the report date.
- (d) Other information that may be required by the governing body.

The Borough is permitted to invest public funds in accordance with N.J.S.A. 40A:5-15.1. These investments include bonds or other obligations of the United States or obligations guaranteed by the United States, Government Money Market Mutual Funds, bond or other obligations of the Borough or bonds or other obligations of the school district, local government investment pools, and agreements for the repurchase of fully-collateralized securities, if purchased in accordance with N.J.S.A. 40A:5-15.1. The Borough is also permitted to invest Length of Service Award Program ("LOSAP") funds with the types of eligible investments authorized in N.J.A.C. 5:30-14.19. These investments include interest-bearing accounts or securities in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

1. Summary of Significant Accounting Policies (continued)

M. Inventories of Supplies

The costs of inventories of supplies for all funds are recorded as expenditures at the time the individual items are purchased. The costs of inventories are not included on the various balance sheets.

2. Deposits and Investments

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by FDIC.

Bank balances at December 31, 2011 and 2010 are insured up to \$250,000.00 in the aggregate by the FDIC for each bank. At December 31, 2011 and 2010, the book value of the Borough's deposits were \$5,527,194.57 and \$5,608,851.92, respectively.

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, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the FDIC. Public funds owned by the municipality 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 municipality relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At December 31, 2011 and 2010, the Borough's bank balances of \$5,561,711.72 and \$5,614,928.41, respectively, were exposed to Custodial Credit Risk as follows:

	<u>2011</u>	<u>2010</u>
Insured	\$ 4,788,743.55	\$ 5,196,442.04
Uninsured and Uncollateralized	<u>772,968.17</u>	<u>418,486.37</u>
	<u>\$ 5,561,711.72</u>	<u>\$ 5,614,928.41</u>

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

2. Deposits and Investments (continued)

Deposits (continued)

New Jersey Cash Management Fund

During the year, the Borough participated in the New Jersey Cash Management Fund ("Fund"). The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Fund's participants. Deposits with the Fund are not subject to custodial credit risk as defined above. At December 31, 2011 and 2010, the Borough's deposits with the Fund were \$21,058.91 and \$21,036.09, respectively.

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. The Borough does not have a policy for Custodial Risk. As of December 31, 2011 and 2010, \$299,202.72 and \$262,515.29, respectively, of the Borough's investments was exposed to Custodial Credit Risk, as follows:

	<u>Fair Value (LOSAP)</u>	<u>Book Value</u>	<u>Total Reported Value</u>
<u>2011</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Borough's name			
	<u>\$ 299,202.72</u>	<u>\$ 299,202.72</u>	<u>\$ 299,202.72</u>
<u>2010</u>			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Borough's name			
	<u>\$ 262,515.29</u>	<u>\$ 262,515.29</u>	<u>\$ 262,515.29</u>

Interest Rate Risk

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.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

2. Deposits and Investments (continued)

Investments (continued)

Credit Risk

State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Borough does not have an investment policy that would further limit its investment choices.

The fair value of the above-listed investments were based on quoted market prices.

3. Interfund Balances and Activity

Balances due to/(from) other Funds at December 31, 2011 consist of the following:

Due to Federal and State Grant Fund from Current Fund representing cash advances	<u>\$ 57,985.35</u>
---	---------------------

4. Taxes Receivable

Receivables at December 31, 2011 consisted of the following:

	<u>Current Fund</u>	<u>Total</u>
Property Taxes	<u>\$ 297,170.12</u>	<u>\$ 297,170.12</u>

In 2011, the Borough collected \$236,697.553 ,from delinquent taxes, which represented 99.78% of the delinquent taxes receivable at December 31, 2010.

Receivables at December 31, 2010 consisted of the following:

	<u>Current Fund</u>	<u>Total</u>
Property Taxes	<u>\$ 237,224.04</u>	<u>\$ 237,224.04</u>

In 2010, the Borough collected \$362,262.24 from delinquent taxes, which represented 98.74% of the delinquent taxes receivable at December 31, 2009.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

5. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years 2011 and 2010:

<u>2011</u>	Balance, December 31, <u>2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2011</u>
Land	\$ 2,465,200.00	\$ 1,876.00		\$ 2,467,076.00
Buildings	4,741,553.33			4,741,553.33
Machinery and Equipment	<u>4,500,831.00</u>	<u>40,340.02</u>		<u>4,541,171.02</u>
Total	<u>\$ 11,707,584.33</u>	<u>\$ 42,216.02</u>	<u>\$ 0.00</u>	<u>\$ 11,749,800.35</u>

<u>2010</u>	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
Land	\$ 2,465,200.00			\$ 2,465,200.00
Buildings	4,732,103.33	\$ 9,450.00		4,741,553.33
Machinery and Equipment	<u>4,631,837.27</u>	<u>47,648.73</u>	<u>\$ 178,655.00</u>	<u>4,500,831.00</u>
Total	<u>\$ 11,829,140.60</u>	<u>\$ 57,098.73</u>	<u>\$ 178,655.00</u>	<u>\$ 11,707,584.33</u>

6. Long-Term Debt

The Borough's long-term debt consisted of the following at December 31, 2011:

General Capital Bonds

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	Balance December 31, <u>2011</u>
Refunding Bonds	03/08/07	\$ 3,067,000.00	Various	\$ 2,861,000.00
General Improvements	12/04/08	2,636,000.00	Various	<u>2,141,000.00</u>
				<u>\$ 5,002,000.00</u>

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

Monmouth County Improvement Authority ("M.C.I.A.") Loan

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	Balance December 31, 2011
Shrewsbury Fire Company	06/10/05	\$ 2,275,000.00	Various	\$ 2,085,000.00
Shrewsbury Fire Company	05/01/06	975,000.00	Various	<u>910,000.00</u>
				<u>\$ 2,995,000.00</u>

Schedule of Annual Debt Service for Principal and Interest for All Years of Bonded Debt Issued and Outstanding

General Capital

<u>Calendar Year</u>	<u>General Debt</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 436,000.00	\$ 235,615.00	\$ 671,615.00
2013	447,000.00	216,715.00	663,715.00
2014	460,000.00	197,435.00	657,435.00
2015	481,000.00	174,435.00	655,435.00
2016	503,000.00	150,385.00	653,385.00
2017	523,000.00	126,735.00	649,735.00
2018	436,000.00	101,985.00	537,985.00
2019	459,000.00	79,630.00	538,630.00
2020	480,000.00	57,890.00	537,890.00
2021	497,000.00	37,380.00	534,380.00
2022	<u>280,000.00</u>	<u>14,700.00</u>	<u>294,700.00</u>
	<u>\$ 5,002,000.00</u>	<u>\$ 1,392,905.00</u>	<u>\$ 6,394,905.00</u>

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

Schedule of Annual Debt Service for Principal and Interest
for All Years of Bonded Debt Issued and Outstanding

Monmouth County Improvement Authority ("M.C.I.A.") Loan

<u>Calendar Year</u>	<u>M.C.I.A. Debt</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$ 110,000.00	\$ 124,543.76	\$ 234,543.76
2013	115,000.00	120,568.76	235,568.76
2014	125,000.00	116,181.26	241,181.26
2015	135,000.00	111,293.76	246,293.76
2016	145,000.00	105,843.76	250,843.76
2017	155,000.00	99,987.50	254,987.50
2018	255,000.00	93,577.50	348,577.50
2019	270,000.00	83,167.50	353,167.50
2020	280,000.00	72,142.50	352,142.50
2021	255,000.00	60,202.50	315,202.50
2022	270,000.00	49,325.00	319,325.00
2023	285,000.00	37,743.76	322,743.76
2024	290,000.00	25,518.76	315,518.76
2025	305,000.00	13,081.26	318,081.26
	<u>\$ 2,995,000.00</u>	<u>\$ 1,113,177.58</u>	<u>\$ 4,108,177.58</u>

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

Summary of Municipal Debt (Excluding
Current and Operating Debt and Type I School Debt)

<u>Issued</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General:			
Bonds, Notes and Loans	\$ 7,997,000.00	\$ 8,520,000.00	\$ 9,026,000.00
Total Issued	<u>7,997,000.00</u>	<u>8,520,000.00</u>	<u>9,026,000.00</u>
Less:			
Reserve To Pay Debt Service	_____	_____	_____
Net Debt Issued	<u>7,997,000.00</u>	<u>8,520,000.00</u>	<u>9,026,000.00</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>1,308,795.11</u>	<u>636,738.22</u>	<u>345,688.22</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 9,305,795.11</u>	<u>\$ 9,156,738.22</u>	<u>\$ 9,371,688.22</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 0.83%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local District School	\$ 5,020,300.53	\$ 5,020,300.53	
General	<u>9,305,795.11</u>	_____	<u>\$ 9,305,795.11</u>
	<u>\$ 14,326,095.64</u>	<u>\$ 5,020,300.53</u>	<u>\$ 9,305,795.11</u>

Net Debt \$9,305,795.11 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,125,074,946.00 = 0.83%.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

6. Long-Term Debt (continued)

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

3.5% of Equalized Valuation Basis (Municipal)	\$ 39,377,623.11
Less: Net Debt	<u>9,305,795.11</u>
Remaining Borrowing Power	<u>\$ 30,071,828.00</u>

7. 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 fourth anniversary date of the original issuance.

At December 31, 2011, the Borough had no outstanding bond anticipation notes.

8. Bonds and Notes Authorized But Not Issued

At December 31, 2011, the Borough of Shrewsbury had \$1,308,795.11 authorized but not issued bonds and notes.

9. 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:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Balance of Tax	\$ 3,603,666.00	\$ 3,540,282.00	\$ 2,337,001.63	\$ 2,303,670.35
Deferred	<u>2,475,000.00</u>	<u>1,750,000.00</u>	<u>2,000,000.00</u>	<u>1,300,000.00</u>
Tax Payable	<u>\$ 1,128,666.00</u>	<u>\$ 1,790,282.00</u>	<u>\$ 337,001.63</u>	<u>\$ 1,003,670.35</u>

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

10. Fund Balance Appropriated

The Current Fund balance at December 31, 2011 was \$1,267,315.19 of which \$1,220,000.000 was appropriated and included as anticipated revenue for the year ended December 31, 2012.*

11. Accrued Sick and Vacation Benefits - Unaudited

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. The Borough permits its employees to accumulate unused sick pay, to a maximum of 180 days. The current cost of such unpaid compensation would approximate \$361,689.31 at December 31, 2011. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

12. Post-Employment Retirement Benefits

In addition to the pension benefits as described in Note 1, the Borough provides for health benefits as follows.

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 2011, the Borough paid \$171,101.71 for those costs.

The Borough started contributing to the State Health Benefits Program for Post-Employment Retirement Benefits effective March 1, 2010; prior to that date, Post-Employment Retirement Benefits were provided by Horizon Blue Cross/Blue Shield.

13. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.). The Borough has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. All funds collected from employees are transmitted to the state for this period. The Reserve for Unemployment Compensation Insurance at December 31, 2011 and 2010 totaled \$1,934.54 and \$467.54, respectively.

* Budget not introduced as of the date of this report

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

14. Contingent Liabilities

State and Federal Grants

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2011, the Borough estimates that no material liabilities will result from such audits.

Pending 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.

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.

16. Length of Service Award Program ("LOSAP") - Unaudited

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") to ensure retention of the Borough's volunteer First Aid squad and Fire Department. 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".

Annual Contributions - The annual contribution to be made by the Borough for each active volunteer member shall be \$1,150.00 per year of active emergency service, commencing with the year 2004.

Appropriations - Appropriations for the purpose of funding the Borough's LOSAP shall be included as a separate line item in the Borough's budget, commencing with the year 2005.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2011 and 2010

16. Length of Service Award Program ("LOSAP") - Unaudited (continued)

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active volunteer service in the emergency service organization. Annual contributions shall only be made by the Borough, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility - Each emergency service organization shall provide to the Borough Administrator, acting as the Plan Administrator of LOSAP plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as of each January 1 thereafter. The Plan Administrator shall forward said certified list to the Borough Council for approval, in accordance with the provision of N.J.A.C. 5:30-14.10. The decision of the Borough Council as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

Terms of Participation - The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

Vesting - The Active volunteer member shall not be permitted to receive a distribution for the fund in his or her LOSAP account until the completion of a five-year period.

Termination of Service - Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

Reporting Requirements - 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 Accountants Statements for Accounting and Auditing Review Services.

SUPPLEMENTARY SCHEDULES

DRAFT

CURRENT FUND
SCHEDULES

DRAFT

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR/TREASURER

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 4,354,142.59
Increased By Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 145,627.70	
Due From:			
State of New Jersey for Senior Citizens' and Veterans' Deductions	3-A	40,250.00	
Animal Control Trust Fund	7-A	1,329.70	
Taxes Receivable	4-A	21,101,306.29	
Revenue Accounts Receivable	6-A	1,072,080.36	
Grants Receivable	8-A	41,794.87	
Tax Overpayments	12-A	19,090.74	
2011 Prepaid Taxes	13-A	95,358.64	
Due To State of New Jersey - Marriage License Fees	18-A	700.00	
Reserve for:			
Tax Redemption	20-A	6,046.47	
Wardell House	21-A	165,000.00	
State Grants - Unappropriated	25-A	22,047.37	
		<u>22,710,632.14</u>	
			27,064,774.73
Decreased By Disbursements:			
Appropriation Expenditures	A-3	7,866,255.71	
2010 Appropriation Reserves	9-A	232,178.83	
Tax Overpayments	12-A	11,859.16	
County Taxes	14-A	3,143,288.49	
Regional High School Tax	15-A	4,641,072.72	
Local District School Tax	16-A	7,214,361.00	
Municipal Open Space Tax	17-A	79,158.75	
Accounts Payable	11-A	4,729.01	
Due To State of New Jersey - Marriage License Fees	18-A	650.00	
Reserve for:			
Tax Appeals	19-A	37,753.97	
Tax Redemption	20-A	25,089.90	
Codification	22-A	7,476.54	
State Grants - Appropriated	24-A	137,354.14	
		<u>23,401,228.22</u>	
Balance, December 31, 2011	A		<u>\$ 3,663,546.51</u>

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CHANGE FUND

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010

A

\$ 145.00

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY FOR
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 141.86
Increased By:		
Senior Citizens' Deductions Per Tax Billing		\$ 1,750.00
Veterans' Deductions Per Tax Billing		38,250.00
Veterans' Deductions Allowed		500.00
	4-A	<u>40,500.00</u>
		40,641.86
Decreased By:		
Cash Receipts	1-A	<u>40,250.00</u>
Balance, December 31, 2011	A	<u>\$ 391.86</u>

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2011

Year	Balance December 31, 2010	2011 Levy	Added/ Omitted Taxes 2011	Collections		Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Transfer To Liens/ Arrears/ Cancelled	Balance December 31, 2011
<u>Year</u>	<u></u>	<u></u>	<u></u>	<u>2010</u>	<u>2011</u>	<u></u>	<u></u>	<u></u>
2010	\$ 236,697.53				\$ 236,697.53			\$ 296,632.77
2011		\$ 21,444,106.04	\$ 24,069.40	\$ 95,503.72	20,864,608.76	\$ 40,500.00	\$ 170,930.19	\$ 296,632.77
		<u>\$ 21,444,106.04</u>	<u>\$ 24,069.40</u>	<u>\$ 95,503.72</u>	<u>\$ 21,101,306.29</u>	<u>\$ 40,500.00</u>	<u>\$ 170,930.19</u>	<u>\$ 296,632.77</u>
<u>Reference</u>	A	4-A	4-A	13-A	1-A	3-A		A
4-A					Cancellations Tax Title Liens		\$ 170,919.35	
5-A							<u>10.84</u>	
							<u>\$ 170,930.19</u>	

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2011

<u>Analysis of 2011 Property Tax Levy</u>	<u>Reference</u>			
Tax Yield:				
General Purpose Tax	4-A		\$ 21,444,106.04	
Added Taxes (54:4-63.1 et seq.)	4-A		24,069.40	
				\$ 21,468,175.44
Tax Levy:				
County Taxes (Abstract)	14-A	\$ 2,809,210.59		
County Library Tax (Abstract)	14-A	160,202.52		
County Open Space Fund Tax	14-A	168,777.76		
Due County for Added Taxes (54:4-63.1 et seq.)	14-A	3,592.05		
			\$ 3,141,782.92	
Regional High School Tax (Abstract)	15-A		4,674,404.00	
Local District School Tax (Abstract)	16-A		7,277,745.00	
Municipal Open Space Tax	17-A		79,158.75	
	A-2		15,173,090.67	
Local Tax for Municipal Purposes (Abstract)	A-2	6,268,019.26		
Add:				
Additional Tax Levied	4-A	27,065.51		
Local Tax for Municipal Purposes Levied	4-A		6,295,084.77	
				\$ 21,468,175.44

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 526.51
Increased By:		
Transfer From Taxes Receivable	4-A	<u>10.84</u>
Balance, December 31, 2011	A	<u>\$ 537.35</u>

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	Accrued in <u>2011</u>	<u>Collected</u>	Balance December 31, <u>2011</u>
Licenses:				
Alcoholic Beverages		\$ 5,172.00	\$ 5,172.00	
Other		35,343.00	35,343.00	
Fees and Permits		118,285.25	118,285.25	
Fines and Costs:				
Municipal Court	\$ 7,804.30	104,661.04	103,133.76	\$ 9,331.58
Interest and Costs on Taxes		63,441.46	63,441.46	
Interest on Investments		36,948.51	36,948.51	
Cable Franchise Fee		51,899.63	51,899.63	
Mobile Tower Fee		34,318.07	34,318.07	
Payment in Lieu of Taxes		40,000.00	40,000.00	
Energy Receipts Tax		381,641.00	381,641.00	
Drunk Driving Enforcement Act		12,548.72	12,548.72	
Uniform Construction Code		171,991.00	171,991.00	
Clean Communities Program		1,332.14	1,332.14	
Recycling Tonnage Grant		11,863.15	11,863.15	
Alcohol Education and Rehabilitation Fund		1,256.83	1,256.83	
Safe and Secure Communities Program		20,441.00	20,441.00	
Body Armor Fund		1,761.55	1,761.55	
State Police - HMEP Project		2,662.44	2,662.44	
Uniform Fire Safety Act		25,064.23	25,064.23	
Administrative Costs for Outside Service - Police		4,842.45	4,842.45	
	<u>\$ 7,804.30</u>	<u>\$ 1,125,473.47</u>	<u>\$ 1,123,946.19</u>	<u>\$ 9,331.58</u>
	<u>Reference</u>	A	6-A	A
Cash	1-A		\$ 1,072,080.36	
Grants Receivable	8-A		<u>51,865.83</u>	
	A-2		<u>\$ 1,123,946.19</u>	

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM ANIMAL CONTROL FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 0.00
Increased By:		
Statutory Excess	A-2	<u>1,329.70</u>
		1,329.70
Decreased By:		
Cash Receipts	1-A	<u>1,329.70</u>
Balance, December 31, 2011	A	<u><u>\$ 0.00</u></u>

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BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY

STATE AND FEDERAL GRANT FUND
 SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2011

	Balance December 31, 2010	Increased By Revenue Anticipated 2011	Received	Unappropriated Applied	Balance December 31, 2011
Safe and Secure Communities Program	\$ 2,880.78	\$ 20,441.00	\$ 20,441.00		
Recycling Tonnage	3,000.00	11,863.15		\$ 11,863.15	
Body Armor Grant	3,280.00	1,761.55		1,761.55	
Alcohol Education Rehabilitation Fund		1,256.83		1,256.83	
Clean Communities Program		1,332.14		1,332.14	
Drunk Driving Enforcement Fund		12,548.72	15,429.50		
Green Communities					\$ 3,000.00
State Police-HMEP Project		2,662.44	5,924.37		18.07
Over the Limit Under Arrest					1,200.00
	<u>\$ 10,360.78</u>	<u>\$ 51,865.83</u>	<u>\$ 41,794.87</u>	<u>\$ 16,213.67</u>	<u>\$ 4,218.07</u>
Reference	A	A-2,6-A	1-A	25-A	A

BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance December 31, 2010	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT				
General Administration:				
Salaries and Wages	\$ 282.86	\$ 282.86		\$ 282.86
Other Expenses	1,311.42	1,791.19	\$ 1,733.92	57.27
Local Ethics Board:				
Other Expenses	50.00	50.00		50.00
Mayor and Council:				
Other Expenses	136.92	136.92	14.47	122.45
Municipal Clerk:				
Salaries and Wages	2,020.34	2,020.34	960.00	1,060.34
Other Expenses	2,771.66	3,595.01	3,172.44	422.57
Printing	1,261.25	1,261.25	15.96	1,245.29
Financial Administration (Treasury):				
Salaries and Wages	16.06	16.06		16.06
Other Expenses	3,313.24	5,813.24	5,539.00	274.24
Audit Services	1,000.00	1,000.00		1,000.00
Revenue Administration (Tax Collection):				
Salaries and Wages	287.47	287.47		287.47
Other Expenses	1,214.50	1,214.50	181.98	1,032.52
Tax Assessment Administration:				
Salaries and Wages	3.20	3.20		3.20
Other Expenses	2,529.45	2,697.30	2,475.93	221.37
Legal Services (Legal Department):				
Salaries and Wages	1,612.08	1,612.08		1,612.08
Other Expenses	1,820.01	7,908.83	7,856.92	51.91
Engineering Services:				
Other Expenses	11,178.01	2,178.01	2,178.00	0.01
LAND USE ADMINISTRATION				
Planning Board:				
Salaries and Wages	1,413.95	1,413.95		1,413.95
Other Expenses	224.82	308.82	124.00	184.82
Zoning Board of Adjustment:				
Salaries and Wages	4,215.27	1,915.27		1,915.27
Zoning Officer:				
Salaries and Wages	1,682.36	1,682.36	1,112.23	570.13
Other Expenses	67.55	67.55		67.55
CODE ENFORCEMENT AND ADMINISTRATION				
Uniform Construction Code Enforcement:				
Salaries and Wages	117.55	117.55		117.55
Other Expenses	2.10	532.10	483.67	48.43
Building Inspector:				
Salaries and Wages	46.48	46.48		46.48
Code Enforcement Official:				
Salaries and Wages	536.00	536.00	520.00	16.00
Other Expenses	158.55	158.55		158.55
INSURANCE				
Other Insurance	2,236.29	541.61		541.61
Workers Compensation Insurance	4.11	4.11		4.11
Employee Group Insurance	15,541.61	2,236.29	714.90	1,521.39

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance December 31, <u>2010</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
PUBLIC SAFETY				
Police Department:				
Salaries and Wages	43,000.99	26,000.99	10,986.31	15,014.68
Other Expenses	15,241.28	25,149.59	24,583.71	565.88
OSHA	476.50	476.50	148.50	328.00
Office of Emergency Management:				
Other Expenses	1,788.88	1,958.88	250.11	1,708.77
First Aid Organization - Contribution	5,144.15	5,694.13	2,480.01	3,214.12
OSHA Other Expense	1,160.00	3,000.00	1,840.00	1,160.00
Fire Protection Official:				
Salaries and Wages	46.48	46.48		46.48
Fire Marshall:				
Salaries and Wages	33.92	33.92		33.92
Other Expenses	389.50	464.50	146.00	318.50
Fire:				
Other Expenses	95.83	18,088.98	17,991.97	97.01
Occupational Safety Law (P.L. 1983, Ch. 516):				
Purchase of Fire Company Safety Equipment	1,000.00	1,470.34	1,469.36	0.98
PUBLIC WORKS				
Streets and Road Maintenance:				
Salaries and Wages	6,588.61	15,588.61	8,506.29	7,082.32
Other Expenses	1,724.98	5,839.12	5,737.60	101.52
OSHA Other Expense	741.96	4,000.00	3,015.00	985.00
Vehicle Maintenance	3,748.74	7,376.90	5,336.06	2,040.84
Shade Tree Commission:				
Other Expenses	466.68	3,926.68	3,460.00	466.68
Solid Waste Collection:				
Contractual	10,845.83	10,845.83	10,845.83	
Buildings and Grounds:				
Salaries and Wages	616.00	616.00	360.00	256.00
Other Expenses	2,195.85	3,419.28	3,230.67	188.61
Municipal Court:				
Salaries and Wages	471.90	471.90	400.00	71.90
Other Expenses	560.17	1,505.62	1,206.17	299.45
HEALTH AND HUMAN SERVICES				
Public Health Services (Board of Health):				
Salaries and Wages	134.24	134.24		134.24
Other Expenses	486.96	486.96		486.96
Environmental Health Services:				
Salaries and Wages	3.09	3.09		3.09
Other Expenses	644.79	644.79		644.79

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2010 APPROPRIATION RESERVES

Year ended December 31, 2011

	Balance December 31, <u>2010</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	72.50	72.50		72.50
Miscellaneous Other Expenses	3,309.95	7,005.90	4,676.80	2,329.10
Maintenance of Parks:				
Salaries and Wages	2,790.72	2,790.72		2,790.72
Other Expenses	1,710.80	5,154.60	4,219.44	935.16
UNCLASSIFIED				
Utility Expenses and Bulk Purchases:				
Electricity	11,048.38	11,048.38	9,701.17	1,347.21
Street Lighting	6,979.39	9,979.39	9,480.21	499.18
Telephone (excluding telephone acquisition)	12,228.50	5,628.50	1,102.32	4,526.18
Water	7,076.25	2,076.25	2,076.25	
Fire Hydrant Service	12,820.10	2,820.10		2,820.10
Gas (natural or propane)	12,058.21	12,058.21	3,546.65	8,511.56
Fuel Oil	13,310.68	14,894.35	5,638.24	9,256.11
Cellular Telephone	2,713.73	2,713.73	1,139.67	1,574.06
Gasoline	8,207.25	9,713.49	4,736.63	4,976.86
Landfill/Solid Waste Disposal Costs	23,005.57	23,005.57	9,053.44	13,952.13
Accumulated Leave Compensation:				
Salaries and Wages	500.00	45,000.00	45,000.00	
Salary and Wage Adjustment Program:				
Salaries and Wages	500.00	500.00		500.00
Contingent	500.00	500.00	475.00	25.00
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	15,042.21	15,042.21		15,042.21
Disability Insurance	343.28	343.28		343.28
Unemployment	1,764.44	2,264.44	2,256.00	8.44
Stormwater Permit	4,680.00	4,680.00		4,680.00
PUBLIC AND PRIVATE PROGRAMS				
OFFSET BY REVENUES				
Matching Funds - For Grants	2,000.00	2,000.00		2,000.00
Total General Appropriations	<u>\$ 297,324.40</u>	<u>\$ 357,963.85</u>	<u>\$ 232,178.83</u>	<u>\$ 125,785.02</u>
	Reference	A	1-A	A-1
Appropriation Reserves	A	\$ 297,324.40		
Encumbrances Payable	10-A	<u>60,639.45</u>		
		<u>\$ 357,963.85</u>		

BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 60,639.45
Increased By:		
Current Appropriations	A-3	<u>120,338.87</u>
		180,978.32
Decreased By:		
Transferred To Appropriation Reserves	9-A	<u>60,639.45</u>
Balance, December 31, 2011	A	<u><u>\$ 120,338.87</u></u>

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 4,808.51
Decreased By:			
Cash Disbursements	1-A	\$ 4,729.01	
Cancel To Operations	A-1	<u>79.50</u>	
			<u>4,808.51</u>
Balance, December 31, 2011	A		<u>\$ 0.00</u>

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 19,106.56
Increased By:			
Cash Receipts	1-A		<u>19,090.74</u>
			38,197.30
Decreased By:			
Prior Year Misposting Cancelled	A-1	\$ 15,702.99	
Cash Disbursements	1-A	<u>11,859.16</u>	
			<u>27,562.15</u>
Balance, December 31, 2011	A		<u>\$ 10,635.15</u>

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 95,503.72
Increased By:		
Cash Receipts:		
Collection of 2012 Taxes	1-A	<u>95,358.64</u>
		190,862.36
Decreased By:		
Amount Applied To 2011 Taxes Receivable	4-A	<u>95,503.72</u>
Balance, December 31, 2011	A	<u><u>\$ 95,358.64</u></u>

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 5,097.62
Increased By:			
2011 Tax Levy:			
County Tax	A-1,4-A	\$ 2,809,210.59	
County Library Tax	A-1,4-A	160,202.52	
County Open Space Fund Tax	A-1,4-A	168,777.76	
Due County for Added Taxes	A-1,4-A	<u>3,592.05</u>	
			<u>3,141,782.92</u>
			3,146,880.54
Decreased By:			
Cash Disbursements	1-A		<u>3,143,288.49</u>
Balance, December 31, 2011	A		<u>\$ 3,592.05</u>

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010:			
School Tax Payable	A	\$ 1,003,670.35	
School Tax Deferred	15-A	<u>1,300,000.00</u>	
			\$ 2,303,670.35
Increased By:			
Levy (School Year July 1, 2011 to June 30, 2012)	4-A		<u>4,674,404.00</u>
			6,978,074.35
Decreased By:			
Cash Disbursements	1-A		<u>4,641,072.72</u>
Balance, December 31, 2011:			
School Tax Payable	A	337,001.63	
School Tax Deferred	15-A	<u>2,000,000.00</u>	
			<u>\$ 2,337,001.63</u>
 <u>2011 Liability for Regional High School Tax</u>			
Tax Payable, December 31, 2011	A	\$ 337,001.63	
Tax Paid	1-A	<u>4,641,072.72</u>	
			4,978,074.35
Less:			
Tax Payable, December 31, 2010	A	<u>1,003,670.35</u>	
Amount Charged To 2011 Operations	A-1		<u>\$ 3,974,404.00</u>

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010:			
School Tax Payable	A	\$ 1,790,282.00	
School Tax Deferred	16-A	<u>1,750,000.00</u>	
			\$ 3,540,282.00
Increased By:			
Levy (School Year July 1, 2011 to June 30, 2012)	4-A		<u>7,277,745.00</u>
			10,818,027.00
Decreased By:			
Cash Disbursements	1-A		<u>7,214,361.00</u>
Balance, December 31, 2011:			
School Tax Payable	A	1,128,666.00	
School Tax Deferred	16-A	<u>2,475,000.00</u>	
			<u>\$ 3,603,666.00</u>
 <u>2011 Liability for Local District School Tax</u>			
Tax Payable, December 31, 2011	A		\$ 1,128,666.00
Tax Paid	1-A		<u>7,214,361.00</u>
			8,343,027.00
Less:			
Tax Payable, December 31, 2010	A		<u>1,790,282.00</u>
Amount Charged To 2011 Operations	A-1		<u>\$ 6,552,745.00</u>

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO TRUST FUND - OPEN SPACE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 0.00
Increased By:		
Tax Levy	A-1,4-A	<u>79,158.75</u>
		79,158.75
Decreased By:		
Cash Disbursements	1-A	<u>79,158.75</u>
Balance, December 31, 2011	A	<u><u>\$ 0.00</u></u>

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSE FEES

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 50.00
Increased By:		
Cash Receipts	1-A	<u>700.00</u>
		750.00
Decreased By:		
Cash Disbursements	1-A	<u>650.00</u>
Balance, December 31, 2011	A	<u><u>\$ 100.00</u></u>

DRAFT

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR STATE TAX APPEALS PENDING

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 90,000.00
Increased By:		
Tax Appeals Pending	A-1	<u>97,753.97</u>
		187,753.97
Decreased By:		
Cash Disbursements	1-A	<u>37,753.97</u>
Balance, December 31, 2011	A	<u><u>\$ 150,000.00</u></u>

DRAFT

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX REDEMPTIONS

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 23,530.34
Increased By:		
Cash Receipts	1-A	<u>6,046.47</u>
		29,576.81
Decreased By:		
Cash Disbursements	1-A	<u>25,089.90</u>
Balance, December 31, 2011	A	<u>\$ 4,486.91</u>

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR WARDELL HOUSE

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 0.00
Increased By:		
Cash Receipts	1-A	<u>165,000.00</u>
Balance, December 31, 2011	A	<u>\$ 165,000.00</u>

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR CODIFICATION

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 18,717.46
Decreased By:		
Cash Disbursements	1-A	<u>7,476.54</u>
Balance, December 31, 2011	A	<u>\$ 11,240.92</u>

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES - OTHER

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	A	\$ 0.00
Increased By:		
Emergency Appropriation	A-3	<u>25,000.00</u>
Balance, December 31, 2011	A	<u>\$ 25,000.00</u>

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BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY

STATE AND FEDERAL GRANT FUND

SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED

Year ended December 31, 2011

<u>Grant</u>	<u>Balance</u> December 31, 2010	<u>Transferred</u> From 2011 <u>Appropriations</u>	<u>Expended</u>	<u>Balance</u> December 31, 2011
Alcohol Education Rehabilitation Fund	\$ 3,812.36	\$ 1,256.83		\$ 5,069.19
Safe and Secure Communities Program				
State Share		20,441.00	20,441.00	
Matching Funds - Borough Share		83,404.18	83,404.18	
Clean Communities Program	12,663.50	1,332.14	12,663.50	1,332.14
Body Armor Fund	3,286.13	1,761.55	4,062.50	985.18
Recycling Tonnage Grant	9,298.81	11,863.15	5,315.00	15,846.96
Green Communities	4,500.00			4,500.00
Over the Limit Under Arrest	1,200.00			1,200.00
Hazardous Materials Emergency				
Preparedness Grant	174.42			174.42
Emergency Management Performance Grant	7,246.74		7,246.74	
State Police - HMEP Project	58.22	2,662.44	2,590.87	129.79
Drunk Driving Enforcement Fund		12,548.72	1,630.35	10,918.37
	<u>\$ 42,240.18</u>	<u>\$ 135,270.01</u>	<u>\$ 137,354.14</u>	<u>\$ 40,156.05</u>

Reference

A

A-3

1-A

A

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

STATE AND FEDERAL GRANT FUND

SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	A		\$ 16,213.67
Increased By:			
Body Armor		\$ 1,863.32	
Alcohol Education and Rehabilitation Fund		970.82	
Recycling Tonnage Grant		11,564.55	
Drunk Driving Program		1,322.31	
Clean Communities Program		<u>6,326.37</u>	
	1-A		<u>22,047.37</u>
			38,261.04
Decreased By:			
Budget Appropriation	8-A		<u>16,213.67</u>
Balance, December 31, 2011	A		<u>\$ 22,047.37</u>

TRUST FUND
SCHEDULES

DRAFT

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2011

	<u>Reference</u>	<u>Animal Control</u>	<u>Trust - Other</u>
Balance, December 31, 2010	B	\$ <u>10,357.20</u>	\$ <u>695,341.92</u>
Increased By Receipts:			
Animal Control Fund	2-B	7,964.00	
Due To State Department of Health	3-B	648.00	
Outside Employment Trust Fund	5-B		87,941.25
Miscellaneous Trust Fund Reserves	6-B		<u>5,209,208.98</u>
		<u>8,612.00</u>	<u>5,297,150.23</u>
		<u>18,969.20</u>	<u>5,992,492.15</u>
Decreased By Disbursements:			
Expenditures Under R.S. 4:19-15.11	2-B	2,192.00	
Due To:			
State Department of Health	3-B	642.00	
Current Fund	4-B	1,329.70	
Outside Employment Trust Fund	5-B		82,857.50
Miscellaneous Trust Fund Reserves	6-B		<u>4,497,339.13</u>
		<u>4,163.70</u>	<u>4,580,196.63</u>
Balance, December 31, 2011	B	\$ <u><u>14,805.50</u></u>	\$ <u><u>1,412,295.52</u></u>

BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF RESERVE FOR EXPENDITURES

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 10,357.20
Increased By:			
Late Fees		\$ 1,595.00	
Dog Licenses		5,239.00	
Cat Licenses		<u>1,130.00</u>	
	1-B		<u>7,964.00</u>
			18,321.20
Decreased By:			
Expenditures Under R.S. 4:19-15.11	1-B	2,192.00	
Due To Borough of Red Bank	9-B	4,361.70	
Statutory Excess	4-B	<u>1,329.70</u>	
			<u>7,883.40</u>
Balance, December 31, 2011	B		<u>\$ 10,437.80</u>

Dog License Fees Collected

<u>Year</u>	<u>Amount</u>
2009	\$ 5,120.20
2010	<u>5,317.60</u>
	<u>\$ 10,437.80</u>

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF DUE TO STATE DEPARTMENT OF HEALTH

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 0.00
Increased By:		
Collected in 2011	1-B	<u>648.00</u>
		648.00
Decreased By:		
Payments	1-B	<u>642.00</u>
		642.00
Balance, December 31, 2011	B	<u><u>\$ 6.00</u></u>

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BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF DUE TO CURRENT FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 0.00
Increased By:		
Statutory Excess	2-B	<u>1,329.70</u>
		1,329.70
Decreased By:		
Cash Disbursements	1-B	<u>1,329.70</u>
		1,329.70
Balance, December 31, 2011	B	<u><u>\$ 0.00</u></u>

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF OUTSIDE EMPLOYMENT TRUST FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 0.00
Increased By:		
Cash Receipts	1-B	<u>87,941.25</u>
		87,941.25
Decreased By:		
Cash Disbursements	1-B	<u>82,857.50</u>
Balance, December 31, 2011	B	<u>\$ 5,083.75</u>

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF MISCELLANEOUS TRUST FUND RESERVES

Year ended December 31, 2011

	Balance December 31, 2010	Cash Receipts	Cash Disbursements	Balance December 31, 2011
Tax Sale Premium	\$ 12,200.00	\$ 125,200.00	\$ 11,200.00	\$ 126,200.00
Unemployment Compensation	467.54	1,747.79	280.79	1,934.54
Inspection Fees	15,810.61	12,229.90	11,508.40	16,532.11
Municipal Court - P.O.A.A.	570.41	66.00		636.41
Payroll Deductions	445.79	4,092,967.49	4,054,044.24	39,369.04
Developers' Escrow	261,874.41	717,392.28	331,219.86	648,046.83
Environmental Trust	7,993.87		227.50	7,766.37
Open Space	165,254.54	80,716.75	9,934.95	236,036.34
Sidewalk Repair	86,278.48			86,278.48
Recycling	9,784.62	15,639.76	8,473.83	16,950.55
Rhododendron Garden	56.50			56.50
Law Enforcement Forfeiture Fund	4,800.55	16.76	1.45	4,815.86
Recreation	950.45	527.00	887.50	589.95
Uniform Fire Safety Act	7,444.91	2,085.00	706.99	8,822.92
Alliance on Alcoholism	2,112.75	1,900.00	1,022.15	2,990.60
Traffic Calming Project	34,272.50	94,426.00	1,683.00	127,015.50
Public Defender	686.56	4,051.50	901.94	3,836.12
Accumulated Sick and Vacation	30,028.60	45,000.00	60,000.00	15,028.60
Affordable Housing Trust	54,308.83	15,242.75	5,246.53	64,305.05
	<u>\$ 695,341.92</u>	<u>\$ 5,209,208.98</u>	<u>\$ 4,497,339.13</u>	<u>\$ 1,407,211.77</u>

Reference

B

1-B

1-B

B

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 262,515.29
Increased By:			
Borough Contributions	8-B	\$ 44,850.00	
Interest on Investments	8-B	<u>2,090.30</u>	
			<u>46,940.30</u>
			309,455.59
Decreased By:			
Distributions	8-B	6,172.75	
Loss on Investments	8-B	<u>4,080.12</u>	
			<u>10,252.87</u>
Balance, December 31, 2011	B		<u>\$ 299,202.72</u>

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	B		\$ 262,515.29
Increased By:			
Borough Contributions	7-B	\$ 44,850.00	
Interest on Investments	7-B	<u>2,090.30</u>	
			<u>46,940.30</u>
			309,455.59
Decreased By:			
Distributions	7-B	6,172.75	
Loss on Investments	7-B	<u>4,080.12</u>	
			<u>10,252.87</u>
Balance, December 31, 2011	B		<u>\$ 299,202.72</u>

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL FUND

SCHEDULE OF DUE TO BOROUGH OF RED BANK

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	B	\$ 0.00
Increased By:		
Reserve for Expenditures	2-B	<u>4,361.70</u>
Balance, December 31, 2011	B	<u>\$ 4,361.70</u>

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GENERAL CAPITAL FUND
SCHEDULES

DRAFT

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2011

	<u>Reference</u>		
Balance, December 31, 2010	C		\$ 533,676.97
Increased By Receipts:			
Deferred Charges Unfunded	5-C	\$ 81,143.11	
Capital Improvement Fund:			
Budget Appropriations	8-C	<u>45,000.00</u>	
			<u>126,143.11</u>
			659,820.08
Decreased By Disbursements:			
Improvement Authorizations	7-C		<u>237,626.28</u>
Balance, December 31, 2011	C		<u><u>\$ 422,193.80</u></u>

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH

Year ended December 31, 2011

		Balance December 31, <u>2011</u>
Capital Improvement Fund		\$ 4,538.44
Fund Balance		441.03
Reserve for Green Arces Trust		0.13
Encumbrances Payable		49,790.52
<u>Ordinance Number</u>	<u>Improvement Description</u>	
757	Development of Municipal Complex	17,969.59
891/909	Improvements To Riordan, Monroe, North Monroe	1,123.26
911	Improvements To Various Roads	86,573.80
915	Improvements To DPW Complex	
933	Police Vehicle	2,704.00
934	Fire Equipment	(2,970.99)
941	Acquisition of the Conversation Easement	(200,000.00)
945	Fire Equipment	(12,374.56)
946	First Aid Equipment	(233.84)
947	DPW Truck Upgrade	(6,943.00)
952	Police Equipment	4,130.40
956	Impts To Blade Run	354,513.40
960	Police Equipment	(22,945.00)
961	Police Equipment	21,008.77
962	Fire Equipment	63,034.67
963	First Aid Equipment	13,767.00
964	Development of Municipal Complex	16,000.00
965	DPW Equipment	2,066.18
966	Acquisition of Fire Apparatus	30,000.00
		<u>\$ 422,193.80</u>

Reference

C

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR GREEN ACRES

Year ended December 31, 2011

Reference

Balance, December 31, 2011 and 2010

C

\$ 0.13

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 5,425,000.00
Decreased By:		
Serial Bonds Paid By Budget	6-C	<u>423,000.00</u>
Balance, December 31, 2011	C	<u>\$ 5,002,000.00</u>

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BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2011

Ordinance Number	Improvement Description	Balance December 31, 2010	Increased By 2011 Authorizations	Decreased	Balance December 31, 2011	Analysis of Balance	
						Unexpended Improvement Authorizations	Expenditures
804	Road Improvements	\$ 0.72		\$ 0.72	\$ 75,000.00	\$ 75,000.00	
847	Improvements To White Road	587.50		587.50	2,970.99		2,970.99
910	Pedestrian Safety Program				200,000.00		200,000.00
915	Improvements To DPW Complex	75,000.00			12,409.12	34.56	12,374.56
934	Fire Equipment	55,100.00			4,765.00	4,531.16	233.84
941	Acquisition of Conservation Easement	450,000.00			10,450.00	3,507.00	6,943.00
945	Fire Equipment	26,600.00			399,000.00	399,000.00	
946	First Aid Equipment	19,000.00			34,200.00	11,255.00	22,945.00
947	DPW Truck Upgrade	10,450.00			570,000.00	570,000.00	
956	IMPS TO Blades Run		\$ 399,000.00				
960	Police Equipment		34,200.00				
966	Acquisition of Fire Apparatus		570,000.00				
		<u>\$ 636,738.22</u>	<u>\$ 1,003,200.00</u>	<u>\$ 331,143.11</u>	<u>\$ 1,308,795.11</u>	<u>\$ 1,063,327.72</u>	<u>\$ 245,467.39</u>
		Reference C	7-C,9-C		C	7-C	2-C
	Cash Receipts			\$ 81,143.11			
	Improvement Authorizations			<u>250,000.00</u>			
				<u>\$ 331,143.11</u>			

BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Year ended December 31, 2011

Purpose	Original Issue		Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2010	Decreased	Balance December 31, 2011
	Date	Amount	Date	Amount				
Government Loan Revenue Bonds	12/01/01	\$ 3,200,000.00				\$ 148,000.00	\$ 148,000.00	
Refunding Bonds	03/08/07	3,067,000.00	12/01/12	\$ 296,000.00	4.000%			
			12/01/13	307,000.00	5.000%			
			12/01/14	320,000.00	5.000%			
			12/01/15	336,000.00	5.000%			
			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%		2,996,000.00	135,000.00
Government Loan Revenue Bonds	12/04/08	2,636,000.00	12/01/12-14	140,000.00	5.000%			
			12/01/15	145,000.00	5.000%			
			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%			
		12/01/21	280,000.00	5.000%				
		12/01/22	280,000.00	5.250%		2,281,000.00	140,000.00	2,141,000.00
						\$ 5,425,000.00	\$ 423,000.00	\$ 5,002,000.00

Reference

C C 4-C C

BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2011

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance December 31, 2010		2011 Authorizations	Paid or Charged	Cancelled/ Transferred	Balance December 31, 2011	
				Funded	Unfunded				Funded	Unfunded
757	Development of Municipal Complex	02/08/99	\$ 1,150,000.00	\$ 38,849.72			\$ 20,880.13		\$ 17,969.59	
775	Development of Municipal Complex	10/16/00	4,000,000.00	590.73			590.73			
786	Various Road Improvements	08/06/01	150,000.00	12,863.39			12,863.39			
891/909	Improvements To Riordan, Monroe, North Monroe	04/03/07, 03/03/08	760,000.00	431,123.26				\$ (430,000.00)	1,123.26	
910	Pedestrian Safety Program	04/07/08	275,000.00							
911	Improvements To Various Roads	04/07/08	700,000.00	10,105.18			10,105.18			
915	Improvements To DPW Complex	06/16/08	200,000.00	88,018.80	\$ 75,000.00		1,445.00		86,573.80	\$ 75,000.00
917	First Aid Generator	07/07/08	50,000.00						2,704.00	
933	Police Vehicle	08/03/09	45,000.00	2,704.00			2,970.99			
934	Fire Equipment	07/06/09	58,000.00	7,668.40			7,668.40			
935	Police Equipment	09/08/09	20,500.00							
941	Acquisition of Conservation Easement	04/25/10	450,000.00	250,000.00				250,000.00		
945	Fire Equipment	09/27/10	28,000.00	12,409.12			12,374.56		0.00	34.56
946	First Aid Equipment	09/27/10	20,000.00	4,765.00			233.84			4,531.16
952	DPW Truck Upgrade	09/27/10	11,000.00	10,450.00			7,493.00		4,130.40	3,507.00
953	Police Equipment	12/06/10	7,500.00	7,500.00			3,369.60			
956	DPW Mason Dump Truck	12/20/10	31,000.00	31,000.00			31,000.00			
960	Improvements to Blade Run	04/08/11	850,000.00					430,000.00	354,513.40	389,060.00
961	Police Equipment	08/15/11	36,000.00			\$ 420,000.00	96,486.60			11,255.00
962	Police Equipment	08/15/11	37,417.00			36,000.00	24,745.00			
963	Fire Equipment	08/15/11	78,650.00			37,417.00	16,408.23		21,008.77	
964	First Aid Equipment	08/15/11	17,000.00			78,650.00	15,615.33		63,034.67	
965	Development of Municipal Complex	08/15/11	16,000.00			17,000.00	3,233.00		13,767.00	
966	DPW Equipment	08/15/11	22,000.00			16,000.00			16,000.00	
966	Acquisition of Fire Apparatus	11/21/11	600,000.00			22,000.00	19,933.82		30,000.00	570,000.00
				\$ 630,973.48	\$ 355,595.11	\$ 1,227,067.00	\$ 287,416.80	\$ 250,000.00	\$ 612,891.07	\$ 1,063,327.72
	Cash Disbursed									
	Encumbrances Payable						\$ 237,626.28			
							49,790.52			
	Capital Fund Balance						\$ 287,416.80			
	Deferred Charges To Future Taxation - Unfunded									
	Capital Improvement Fund									
							\$ 155,067.00			
							1,003,200.00			
							68,800.00			
							\$ 1,227,067.00			

Reference

1-C
10-C

C-1
5-C
8-C

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	C	\$ 28,338.44
Increased By:		
2011 Budget Appropriations	1-C	<u>45,000.00</u>
		73,338.44
Decreased By:		
Improvement Authorizations	7-C	<u>68,800.00</u>
Balance, December 31, 2011	C	<u><u>\$ 4,538.44</u></u>

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BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2011

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, 2010	Increased	Decreased	Balance December 31, 2011
804	Road Improvements	\$ 0.72			
847	Improvements To White Road	587.50		587.50	
915	Improvements To DPW Complex	75,000.00			\$ 75,000.00
934	Fire Equipment	55,100.00			2,970.99
941	Acquisition of Conservation Easement	450,000.00		52,129.01	200,000.00
945	Fire Equipment	26,500.00		250,000.00	12,409.12
946	First Aid Equipment	19,000.00		14,190.88	4,765.00
947	DPW Truck Upgrade	10,450.00		14,235.00	10,450.00
956	Improvements To Blades Run		\$ 399,000.00		399,000.00
960	Police Equipment		34,200.00		34,200.00
966	Acquisition of Fire Apparatus		570,000.00		570,000.00
		<u>\$ 636,738.22</u>	<u>\$ 1,003,200.00</u>	<u>\$ 331,143.11</u>	<u>\$ 1,308,795.11</u>

Reference 9-C

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2010

Reference

Balance, December 31, 2009	C	\$ 0.00
Increased By:		
Improvement Authorizations	7-C	<u>49,790.52</u>
Balance, December 31, 2010	C	<u>\$ 49,790.52</u>

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PUBLIC ASSISTANCE FUND
SCHEDULES

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BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2011

	<u>Reference</u>	P.A.T.F. Account I <u>(75%)</u>	P.A.T.F. Account II <u>(100%)</u>	<u>Fund Total</u>
Balance, December 31, 2010	D	\$ 4,736.26	\$ 10,451.98	\$ 15,188.24
Decreased By:				
Maintenance Payment	2-D		980.00	980.00
Balance, December 31, 2011	D	<u>\$ 4,736.26</u>	<u>\$ 9,471.98</u>	<u>\$ 14,208.24</u>

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

SCHEDULE OF RESERVE FOR EXPENDITURES

Year ended December 31, 2011

	<u>Reference</u>	
Balance, December 31, 2010	D	\$ 15,188.24
Decreased By:		
Maintenance Payment	1-D	<u>980.00</u>
Balance, December 31, 2011	D	<u>\$ 14,208.24</u>

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

SCHEDULE OF CASH AND RECONCILIATION PER N.J.S.A. 40A:5-5

December 31, 2011 to January 31, 2012

	<u>Reference</u>	
Balance, December 31, 2011	1-D	\$ 14,208.24
Decreased By:		
Maintenance Payment		<u>140.00</u>
Balance, January 31, 2012		<u><u>\$ 14,068.24</u></u>

Reconciliation - January 31, 2012

	P.A.T.F. Account I (75%)	P.A.T.F. Account II (100%)	Fund Total
Balance on Deposit Per Statement of Rumson-Fair Haven Bank:			
Account #312000136	\$ 4,736.26		\$ 4,736.26
Account #312000144		<u>\$ 9,331.98</u>	<u>9,331.98</u>
Balance, January 31, 2012	<u><u>\$ 4,736.26</u></u>	<u><u>\$ 9,331.98</u></u>	<u><u>\$ 14,068.24</u></u>

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF GENERAL FIXED ASSETS

Year ended December 31, 2011

	December 31, <u>2010</u>	<u>Additions</u>	December 31, <u>2011</u>
General Fixed Assets:			
Land	\$ 2,465,200.00	\$ 1,876.00	\$ 2,467,076.00
Buildings	4,741,553.33		4,741,553.33
Machinery and Equipment	<u>4,500,831.00</u>	<u>40,340.02</u>	<u>4,541,171.02</u>
Total General Fixed Assets	<u>\$ 11,707,584.33</u>	<u>\$ 42,216.02</u>	<u>\$ 11,749,800.35</u>

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COMMENTS SECTION

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

An audit of the financial accounts and transactions of the Borough of Shrewsbury, County of Monmouth, New Jersey ("Borough") for the year ended December 31, 2011, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

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

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Investments were verified by physical inspection, or by independent certifications obtained directly from the depositories.

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

Revenues and receipts were verified as to source and amount insofar as the records permitted.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Contracts and Agreements Required to be Advertised per N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent, for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold (40A:11-3), shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder".

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 bid threshold within the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion shall be sought before a commitment is made.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

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

The minutes indicate that bids were requested by public advertising for the following items:

One Custom Pumper Fire Apparatus
Road Improvements to Blades Run Drive and Winding Brook Way

The system of records did not provide for an accumulation of payments by categories of materials or supplies, or related work or labor. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the furnishing of labor materials and supplies or the hiring of teams or vehicles", other than 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.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method of authorizing interest and the maximum rate to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 3, 2011 adopted a resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Mayor and Council of the Borough of Shrewsbury that a ten-day grace period be allowed on the payment of taxes due quarterly on the first days of February, May, August and November after which times all taxes amounting up to \$1,500.00 shall be subject to interest at the rate of eight (8) percent per annum and all taxes amounting to more than \$1,500.00 shall be subject to interest at the rate of eighteen (18) percent per annum.

BE IT RESOLVED if the tenth day falls on a holiday or weekend the grace period shall be extended to the next business day.

BE IT FURTHER RESOLVED that an additional penalty of six (6) percent will be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year.

BE IT FURTHER RESOLVED that a certified copy of this resolution be forwarded to the Chief Financial Officer.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Tax Sale

The last tax sale was held on December 9, 2011 and was complete.

Inspection of 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:

<u>Year</u>	<u>Number of Liens</u>
2011	2
2010	2
2009	2

Confirmation of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payment was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2011 Taxes and Delinquent Taxes	50

For those confirmation notices which were not returned by taxpayers, we audited subsequent cash collections as an alternative procedure when possible.

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Comparative Statement of Operations
and Changes in Fund Balance - Current Fund

	2011		2010	
	Amount	Percent	Amount	Percent
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 1,365,000.00	5.68 %	\$ 1,100,000.00	4.58 %
Miscellaneous - From Other Than Local Property Tax Levies	1,412,471.10	5.88	1,505,769.53	6.27
Collection of Delinquent Taxes and Tax Title Liens	236,697.53	0.99	362,262.24	1.51
Collection of Current Tax Levy	21,000,612.48	87.45	21,043,267.66	87.64
Total Revenues	24,014,781.11	100.00 %	24,011,299.43	100.00 %
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	8,459,227.25	37.93 %	8,149,961.04	36.05 %
County Taxes	3,141,782.92	14.09	3,176,922.84	14.05
Local and Regional School Taxes	10,527,149.00	47.20	11,163,590.62	49.38
Municipal Open Space Tax	79,158.75	0.35	80,816.66	0.36
Other Expenditures	97,753.97	0.44	38,178.86	0.17
Total Expenditures	22,305,071.89	100.00 %	22,609,470.02	100.00 %
Excess in Revenue	1,709,709.22		1,401,829.41	
Add: Expenditures Included Above Which Are By Statute Deferred Charges To Budgets of Succeeding Years	25,000.00			
Statutory Excess To Fund Balance	1,734,709.22		1,401,829.41	
Fund Balance, January 1	897,605.97		595,776.56	
	2,632,315.19		1,997,605.97	
Decreased By: Utilized as Anticipated Revenue	1,365,000.00		1,100,000.00	
Fund Balance, December 31	\$ 1,267,315.19		\$ 897,605.97	

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Comparative Schedule of Tax Rate Information

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	\$ 2.709	\$ 2.634	\$ 2.554

Apportionment of Tax Rate

Municipal	.792	.776	.745
County	.396	.393	.399
Local School	.920	.885	.860
Regional High School	.591	.570	.540
Municipal Open Space	.010	.010	.010

Assessed Valuations

2011	\$ 791,587,495.00
2010	\$ 808,166,606.00
2009	\$ 813,679,312.00

Comparison of Tax Levies and Collection Currently

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2011	\$ 21,468,175.44	\$ 21,055,274.69	97.82%
2010	21,321,187.57	21,043,267.66	98.69
2009	20,811,759.56	20,400,395.22	98.02

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Comparative Schedule of Tax Title Liens

<u>Tax Title Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$ 537.35	\$ 296,632.77	\$ 297,170.12	1.38%
2010	526.51	236,697.53	237,224.04	1.11
2009	515.97	366,374.18	366,890.15	1.76

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2011	\$ 1,267,315.19	\$ 1,220,000.00*
2010	897,605.97	800,000.00
2009	595,776.56	1,100,000.00

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* Budget not introduced as of the date of this report

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2011

Officials in Office and Surety Bonds

<u>Name</u>	<u>Title</u>
Donald Burden	Mayor
Jeff DeSalvo	Councilman
Michael DeNofa	Councilman
Peter Meyer	Councilman
Anthony Pellegrino	Councilman
William Dodge	Councilman
Thomas Menapace	Councilman
Bonnie Brookes	Deputy Clerk
Kathy Krueger	Borough Clerk/Registrar/Assessment Searcher
Thomas X. Seaman	CFO, Tax Collector/Borough Administrator
Kyle Butler	Deputy Tax Collector
James E. Berube, Jr.	Judge
Sydney Lineberry	Municipal Court Administrator
Susan Milnes	Deputy Court Administrator
Cary Costa	Construction Code Official
Barbara Miceli	Director of Welfare
Martin M. Barger	Attorney
Stephen Walters	Assessor
Cranmer Engineering, PA	Engineer
Lorraine Kelleher	Planning/Zoning Officer

During 2011, the Borough of Shrewsbury was provided insurance as part of the Municipal Excess Liability Joint Insurance Fund. The Government Crime Policy coverage is as follows:

Employee Theft - Per Loss Coverage	\$ 1,000,000.00
Forgery or Alteration	1,000,000.00
Inside the Premises - Theft of Money and Securities	1,000,000.00
Inside the Premises - Robbery or Safe Burglary of Other Property	1,000,000.00
Computer Fraud	1,000,000.00
Public Employee Dishonesty	1,000,000.00

All of the above bonds were examined and found to be properly executed.

INTERNAL CONTROL/COMPLIANCE SECTION

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Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Robert H. Hutchins, CPA, CVA, CFF
Eugene M. Farrell, CPA, RMA, CFP
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

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

We have audited the regulatory-basis financial statements of the Borough of Shrewsbury, County of Monmouth, New Jersey ("Borough") as of and for the year ended December 31, 2011 which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated March 1, 2012 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), and a qualified opinion since the Division does not require the Length of Service Award Program ("LOSAP") to be audited, only reviewed. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; and 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.

Internal Control Over Financial Reporting

Management of the Borough is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

Honorable Mayor and Members
of the Borough Council
Borough of Shrewsbury, New Jersey
Page 2

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 Borough's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of 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.

This report is intended solely for the information and use of the Borough of Shrewsbury's management, and Council members, others within the organization, and the Division of Local Government Services, and is not intended to be and should not be used by anyone other than these specified parties.

Independent Auditors

Eugene M. Farrell
Registered Municipal Accountant
(#409)

March 1, 2012

COMMENTS AND RECOMMENDATIONS

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BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2011

None noted.

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