

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
AUDIT REPORT FOR THE YEAR ENDED  
DECEMBER 31, 2018**



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

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough of Shrewsbury as of December 31, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

### **Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America**

As described in Note 1, the financial statements are prepared by the Borough of Shrewsbury on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

### **Adverse Opinion on Accounting Principles Generally Accepted in the United States of America**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough, as of December 31, 2018 and 2017, or the results of its operations and changes in fund balance for the years then ended.

### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough, as of December 31, 2018 and 2017, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2018 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

## **Emphasis of Matter**

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, during the year ended December 31, 2018 the Borough adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions - an Amendment of GASB Statement No. 45, 57, & 74. Our opinion is not modified with respect to this matter



## **Other Matters**

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental schedules presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements.

The supplemental schedules presented for the various funds are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated August 7, 2019 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 483

Freehold, New Jersey  
August 7, 2019

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Borough of Shrewsbury, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 7, 2019. Our report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control Over Financial Reporting**

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

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully Submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 483

Freehold, New Jersey  
August 7, 2019

**BASIC FINANCIAL STATEMENTS**

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**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017**

<u>Assets</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Cash	A-4	\$ 4,208,331.45	\$ 5,752,421.03
Cash - Change Fund	A-5	<u>270.00</u>	<u>270.00</u>
		<u>4,208,601.45</u>	<u>5,752,691.03</u>
Receivables With Full Reserves:			
Taxes Receivable	A-7	122,242.48	110,193.46
Tax Title Liens Receivable	A-8	600.17	591.57
Revenue Accounts Receivable	A-9	<u>13,822.02</u>	<u>15,358.33</u>
		<u>136,664.67</u>	<u>126,143.36</u>
		<u>4,345,266.12</u>	<u>5,878,834.39</u>
State and Federal Grant Fund:			
State and Federal Grants Receivable	A-27	32,544.59	68,502.83
Due From Current Fund	A-26	<u>56,377.99</u>	<u>76,591.98</u>
		<u>88,922.58</u>	<u>145,094.81</u>
Total Assets		<u>\$ 4,434,188.70</u>	<u>\$ 6,023,929.20</u>

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

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Appropriation Reserves	A-3,11	\$ 508,580.76	\$ 485,341.18
Encumbrances Payable	A-3,11	67,923.01	94,572.88
Prepaid Taxes	A-12	176,048.39	1,916,461.54
County Taxes Payable	A-13	12,198.70	11,009.23
Regional High School Tax Payable	A-14	804,412.52	693,425.50
Local District School Tax Payable	A-15	1,520,899.00	1,410,696.00
Due To State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-6	1,000.00	500.00
Marriage License Fees	A-20	50.00	50.00
Due To State and Federal Grant Fund	A	56,377.99	76,591.98
Reserve for:			
Vehicle Insurance Reimbursements	A-17	3,323.51	-
Insurance Proceeds	A-18	677.68	-
FEMA	A-19	5,071.11	39,507.69
State Tax Appeals Pending	A-21	25,000.00	25,000.00
Tax Sale	A-22	2,434.73	1,844.10
Wardell House	A-23	27,116.24	35,291.11
Codification	A-24	10,521.80	12,219.30
Police Receipts	A-25	50.15	310.15
		<u>3,221,685.59</u>	<u>4,802,820.66</u>
Reserve for Receivables	A	136,664.67	126,143.36
Fund Balance	A-1	<u>986,915.86</u>	<u>949,870.37</u>
		<u>4,345,266.12</u>	<u>5,878,834.39</u>
State and Federal Grant Fund:			
Reserve for State and Federal Grants:			
Appropriated	A-28	76,927.13	115,094.29
Unappropriated	A-29	11,995.45	30,000.52
		<u>88,922.58</u>	<u>145,094.81</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,434,188.70</u>	<u>\$ 6,023,929.20</u>

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



**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 830,000.00	\$ 770,000.00
Miscellaneous Revenue Anticipated	1,316,398.19	1,338,343.81
Receipts From Delinquent Taxes	110,159.83	168,153.67
Receipts From Current Taxes	25,124,565.55	24,516,735.46
Non-Budget Revenue	52,510.33	79,374.28
Other Credits To Income:		
Cancel County Taxes Payable	0.10	-
Cancel Stale Checks	-	379.46
Prepaid Taxes Cancelled	-	5.60
Adjustment to Reserve for Tax Redemptions	-	875.55
Unexpended Balances of Appropriation Reserves	<u>354,766.78</u>	<u>341,009.01</u>
Total Revenues	<u>27,788,400.78</u>	<u>27,214,876.84</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	3,760,097.00	3,772,098.01
Other Expenses	2,858,885.39	2,907,631.32
Deferred Charges and Statutory		
Expenditures	853,691.06	190,000.00
Budget Appropriations Excluded From "CAPS":		
Operations:		
Other Expenses	209,051.67	843,310.19
Capital Improvements	50,000.00	40,000.00
Municipal Debt Service	1,278,605.75	1,178,260.06
Deferred Charges - Other	135,864.88	126,075.49
Tax Appeals Pending	-	25,000.00
County Taxes	3,464,386.32	3,400,050.98
County Share of Added and Omitted Taxes	12,198.70	11,009.23
Regional High School Tax	5,808,823.00	5,586,850.00
Local District School Tax	8,371,801.00	8,160,392.00
Municipal Open Space Tax	<u>117,950.52</u>	<u>115,817.58</u>
Total Expenditures	<u>26,921,355.29</u>	<u>26,356,494.86</u>
Excess in Revenue	867,045.49	858,381.98
Fund Balance, January 1	<u>949,870.37</u>	<u>861,488.39</u>
	1,816,915.86	1,719,870.37
Decreased By:		
Utilized as Anticipated Revenue	<u>830,000.00</u>	<u>770,000.00</u>
Fund Balance, December 31	<u>\$ 986,915.86</u>	<u>\$ 949,870.37</u>

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

**BOROUGH OF SHREWSBURY**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Anticipated <u>Budget</u>	Added by <u>N.J.S. 40A:4-87</u>	Amount <u>Realized</u>	Excess/ <u>(Deficit)</u>
Fund Balance Anticipated	\$ 830,000.00	\$ -	\$ 830,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	5,000.00	-	5,172.00	172.00
Other	36,000.00	-	36,873.00	873.00
Fees and Permits	115,000.00	-	110,496.96	(4,503.04)
Fines and Costs:				
Municipal Court	185,000.00	-	169,789.05	(15,210.95)
Interest and Costs on Taxes	45,000.00	-	34,948.39	(10,051.61)
Interest on Investments	15,000.00	-	18,613.38	3,613.38
Cable Franchise Fee	70,000.00	-	74,229.38	4,229.38
Mobile Tower Fee	40,000.00	-	42,440.14	2,440.14
Payment in Lieu of Taxes	40,000.00	-	45,000.00	5,000.00
Energy Receipts Tax	381,641.00	-	381,641.00	-
Uniform Construction Code	190,000.00	-	287,347.00	97,347.00
Shared Services- Shrew Twp. Fire	10,000.00	-	10,000.00	-
Clean Communities Program	8,081.01	-	8,081.01	-
Recycling Tonnage Grant	17,688.97	-	17,688.97	-
Alcohol Education and Rehabilitation Fund	2,445.02	-	2,445.02	-
Safe and Secure Communities Program	25,895.00	-	25,895.00	-
Body Armor Fund	1,785.52	-	1,785.52	-
Bulletproof Vest Partnership	-	1,445.02	1,445.02	-
Uniform Fire Safety Act	18,500.00	-	26,507.35	8,007.35
Administrative Costs for Outside Service - Police	12,500.00	-	16,000.00	3,500.00
Total Miscellaneous Revenues	1,219,536.52	1,445.02	1,316,398.19	95,416.65
Receipts From Delinquent Taxes	85,000.00	-	110,159.83	25,159.83
Amount To Be Raised By Taxes For Support of Municipal Budget:				
Local Tax for Municipal Purposes	7,392,918.01	-	7,731,912.51	338,994.50
Budget Revenues	9,527,454.53	1,445.02	9,988,470.53	459,570.98
Non-Budget Revenues	-	-	52,510.33	52,510.33
Total	\$ 9,527,454.53	\$ 1,445.02	\$ 10,040,980.86	\$ 512,081.31

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

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue From Collections	\$ 25,124,565.55
Allocated To School, County Taxes & Municipal Open Space	<u>17,775,159.54</u>
Balance for Support of Municipal Budget Appropriations	7,349,406.01
Add: Appropriation "Reserve for Uncollected Taxes"	<u>382,506.50</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 7,731,912.51</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	<u>\$ 110,159.83</u>
	<u><u>\$ 110,159.83</u></u>

Licenses - Other:

Business Licenses	\$ 25,800.00
Food Licenses	10,425.00
Marriage Licenses	63.00
Raffle & Bingo License	460.00
Vending Licenses	<u>125.00</u>
	<u><u>\$ 36,873.00</u></u>

Fees & Permits:

Fire Marshall Fees	\$ 17,669.00
Garage Sale Permit	260.00
Outdoor Sale Permits	1,580.00
Planning & Zoning Applications	11,376.83
Police Reports	2,726.13
Recreation Fees	63,175.00
Soil Removal Permit	400.00
Street Opening Fees	400.00
Zoning Permits	<u>12,910.00</u>
	<u><u>\$ 110,496.96</u></u>

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

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Analysis of Realized Revenues (continued):

Uniform Construction Code:

Building Permits	\$ 163,947.00
Construction Fines	164.00
Electrical Permits	48,260.00
Plumbing Permits	55,916.00
Fire Permits	14,372.00
Certificates	1,900.00
Mechanical	2,788.00
	287,347.00
	\$ 287,347.00

Analysis of Non-Budget Revenues

Assessor's Lists	\$ 260.00
Auctions	2,035.01
Bad Check Charge	105.00
BOE-Refunds	576.09
Certified Copies	2,862.00
Division of Motor Vehicle Inspection Fee	2,850.00
Elections	400.00
Emergency Notification SY	3,500.00
Homestead Rebate Costs	269.40
Lien Premium	6,000.00
Miscellaneous	2,754.60
Photocopies	7.95
Prior Year Refunds	829.84
Police Unclaimed Funds	12.00
Refunds/Dividends	28,438.44
Shared Service - Web	1,000.00
SC&Vet - State Reimbursements	540.00
Tennis Badge	70.00
	52,510.33
	\$ 52,510.33

**BOROUGH OF SHREWSBURY**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Appropriated			Expended			
	Original Budget	Added by N.J.S. 40A:4-87	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
GENERAL APPROPRIATIONS							
Operations - Within "CAPS"							
GENERAL GOVERNMENT							
General Administration:							
Salaries and Wages	\$ 94,000.00	\$ -	\$ 94,000.00	\$ 90,945.50	\$ -	\$ 3,054.50	\$ -
Other Expenses	10,500.00	-	10,500.00	9,964.08	472.50	63.42	-
Local Ethics Board:							
Other Expenses	50.00	-	50.00	-	-	50.00	-
Mayor and Council:							
Other Expenses	3,000.00	-	3,000.00	2,465.21	428.12	106.67	-
Municipal Clerk:							
Salaries and Wages	112,500.00	-	112,500.00	109,090.41	-	3,409.59	-
Other Expenses	27,775.00	-	27,775.00	19,780.12	1,460.75	6,534.13	-
Printing	12,500.00	-	12,500.00	12,177.87	37.40	284.73	-
Vital Statistics:							
Salaries and Wages	12,500.00	-	12,500.00	12,500.00	-	-	-
Financial Administration (Treasury):							
Salaries and Wages	143,000.00	-	143,000.00	143,000.00	-	-	-
Other Expenses	10,400.00	-	10,400.00	10,132.97	89.00	178.03	-
Audit Services	32,900.00	-	32,900.00	32,900.00	-	-	-
Revenue Administration (Tax Collection):							
Salaries and Wages	69,110.00	-	69,110.00	69,110.00	-	-	-
Other Expenses	4,400.00	-	4,400.00	4,400.00	-	-	-
Tax Assessment Administration:							
Salaries and Wages	27,061.00	-	27,061.00	23,426.27	-	3,634.73	-
Other Expenses	8,840.00	-	8,840.00	6,547.61	-	2,292.39	-
Legal Services (Legal Department):							
Salaries and Wages	14,500.00	-	14,500.00	14,000.16	-	499.84	-
Other Expenses	80,000.00	-	80,000.00	55,667.69	3,582.08	20,750.23	-
Engineering Services:							
Other Expenses	50,000.00	-	50,000.00	46,425.24	-	3,574.76	-
LAND USE ADMINISTRATION							
Planning Board:							
Salaries and Wages	27,250.00	-	27,250.00	26,422.71	-	827.29	-
Other Expenses	1,800.00	-	1,800.00	982.98	-	817.02	-
Zoning Board of Adjustment:							
Salaries and Wages	27,250.00	-	27,250.00	26,978.16	-	271.84	-
Other Expenses	735.00	-	735.00	280.12	-	454.88	-
Zoning Officer:							
Salaries and Wages	4,505.00	-	4,505.00	4,504.56	-	0.44	-
Other Expenses	9,050.00	-	9,050.00	9,048.20	-	1.80	-
CODE ENFORCEMENT AND ADMINISTRATION							
Uniform Construction Code Enforcement:							
Salaries and Wages	70,000.00	-	70,000.00	70,000.00	-	-	-
Other Expenses	3,500.00	-	3,500.00	1,172.59	-	2,327.41	-
Building Inspector:							
Salaries and Wages	11,220.00	-	11,220.00	11,045.80	-	174.20	-
Code Enforcement Official:							
Salaries and Wages	18,200.00	-	18,200.00	18,200.00	-	-	-
Other Expenses	1,000.00	-	1,000.00	822.53	-	177.47	-
INSURANCE							
Other Insurance	120,000.00	-	120,000.00	120,000.00	-	-	-
Waiver of Insurance							
Salaries and Wages	7,500.00	-	7,500.00	7,500.00	-	-	-
Workers Compensation Insurance	154,235.39	-	154,235.39	154,235.39	-	-	-
Employee Group Insurance	1,095,000.00	-	1,095,000.00	1,000,112.60	-	94,887.40	-
PUBLIC SAFETY							
Police Department:							
Salaries and Wages	2,005,000.00	-	2,005,000.00	1,952,248.99	-	52,751.01	-
Other Expenses	167,800.00	-	167,800.00	108,378.54	22,121.91	37,299.55	-
OSHA Police Other Expense	3,000.00	-	3,000.00	165.99	-	2,834.01	-
Office of Emergency Management:							
Other Expenses	4,000.00	-	4,000.00	1,715.72	183.87	2,100.41	-
First Aid Organization - Contribution:							
Other Expenses	21,950.00	-	21,950.00	10,673.32	2,410.00	8,866.68	-
OSHA First Aid Other Expense	3,000.00	-	3,000.00	-	-	3,000.00	-
Fire Protection Official:							
Salaries and Wages	15,326.00	-	15,326.00	15,325.93	-	0.07	-
Fire Marshall:							
Salaries and Wages	17,000.00	-	17,000.00	15,828.67	-	1,171.33	-
Other Expenses	4,000.00	-	4,000.00	1,073.01	-	2,926.99	-
Fire Company:							

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

**BOROUGH OF SHREWSBURY**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Appropriated			Expended			Cancelled
	Original Budget	Added by N.J.S. 40A:4-87	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Other Expenses	29,825.00	-	29,825.00	19,581.94	9,715.40	527.66	-
Occupational Safety Law (P.L. 1983, Ch. 516):							
OSHA - Fire Company Other Expenses	3,000.00	-	3,000.00	1,708.00	-	1,292.00	-
<b>PUBLIC WORKS</b>							
Streets and Road Maintenance:							
Salaries and Wages	920,000.00	-	920,000.00	830,917.36	-	89,082.64	-
Other Expenses	21,500.00	-	21,500.00	8,105.98	1,750.00	11,644.02	-
OSHA Other Expenses	2,500.00	-	2,500.00	2,500.00	-	-	-
Vehicle Maintenance	40,500.00	-	40,500.00	34,063.35	1,623.47	4,813.18	-
Shade Tree Commission:							
Salaries and Wages	600.00	-	600.00	-	-	600.00	-
Other Expenses	14,000.00	-	14,000.00	9,630.73	2,094.62	2,274.65	-
Solid Waste Collection:							
Contractual	165,000.00	-	165,000.00	165,000.00	-	-	-
Buildings and Grounds:							
Salaries and Wages	10,000.00	-	10,000.00	10,000.00	-	-	-
Other Expenses	57,000.00	-	57,000.00	53,607.37	2,482.10	910.53	-
Municipal Court:							
Salaries and Wages	131,500.00	-	131,500.00	128,555.19	-	2,944.81	-
Other Expenses	7,975.00	-	7,975.00	6,939.71	796.25	239.04	-
Public Defender (P.L. 1997, c.256):							
Salaries and Wages	9,500.00	-	9,500.00	9,231.12	-	268.88	-
<b>HEALTH AND HUMAN SERVICES</b>							
Public Health Services (Board of Health):							
Salaries and Wages	1,275.00	-	1,275.00	1,250.22	-	24.78	-
Other Expenses	47,000.00	-	47,000.00	45,592.90	-	1,407.10	-
OSHA Other Expense	500.00	-	500.00	-	-	500.00	-
Environmental Health Services:							
Salaries and Wages	800.00	-	800.00	800.00	-	-	-
Other Expenses	1,000.00	-	1,000.00	88.15	-	911.85	-
Animal Control Services:							
Other Expenses	50.00	-	50.00	-	-	50.00	-
<b>RECREATION AND EDUCATION</b>							
Recreation Services and Programs:							
Salaries and Wages	9,500.00	-	9,500.00	9,500.00	-	-	-
Senior Citizens	3,500.00	-	3,500.00	3,305.73	-	194.27	-
Miscellaneous Other Expenses	56,500.00	-	56,500.00	43,186.89	5,281.77	8,031.34	-
Maintenance of Parks:							
Other Expenses	19,100.00	-	19,100.00	16,673.01	209.66	2,217.33	-
<b>UNCLASSIFIED</b>							
Utility Expenses and Bulk Purchases:							
Electricity	75,000.00	-	75,000.00	49,231.26	-	25,768.74	-
Street Lighting	48,000.00	-	48,000.00	37,982.09	-	10,017.91	-
Telephone (excluding telephone acquisition)	38,000.00	-	38,000.00	30,264.06	-	7,735.94	-
Water	15,000.00	-	15,000.00	11,992.77	-	3,007.23	-
Fire Hydrant Service	98,000.00	-	98,000.00	76,917.21	-	21,082.79	-
Gas (natural or propane)	22,000.00	-	22,000.00	12,473.47	-	9,526.53	-
Fuel Oil	30,000.00	-	30,000.00	18,465.63	3,384.61	8,149.76	-
Cellular Telephone	14,000.00	-	14,000.00	11,504.13	-	2,495.87	-
Gasoline	45,000.00	-	45,000.00	33,620.16	-	11,379.84	-
Landfill/Solid Waste Disposal Costs	163,000.00	-	163,000.00	148,985.54	9,799.50	4,214.96	-
Accumulated Leave Compensation:							
Salaries and Wages	500.00	-	500.00	-	-	500.00	-
Salary and Wage Adjustment Program:							
Salaries and Wages	500.00	-	500.00	493.28	-	6.72	-
<b>Total Operations - Within "CAPS"</b>							
	<u>6,606,482.39</u>	<u>-</u>	<u>6,606,482.39</u>	<u>6,051,416.19</u>	<u>67,923.01</u>	<u>487,143.19</u>	<u>-</u>
<b>Contingent</b>							
	<u>12,500.00</u>	<u>-</u>	<u>12,500.00</u>	<u>11,142.37</u>	<u>-</u>	<u>1,357.63</u>	<u>-</u>
<b>Total Operations Including Contingent - Within "CAPS"</b>							
	<u>6,618,982.39</u>	<u>-</u>	<u>6,618,982.39</u>	<u>6,062,558.56</u>	<u>67,923.01</u>	<u>488,500.82</u>	<u>-</u>
<b>Detail:</b>							
Salaries and Wages	3,760,097.00	-	3,760,097.00	3,600,874.33	-	159,222.67	-
Other Expenses	2,858,885.39	-	2,858,885.39	2,461,684.23	67,923.01	329,278.15	-
<b>Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"</b>							
Prior Year Bill-Cummins Power Systems	3,221.83	-	3,221.83	3,027.53	-	-	194.30

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

**BOROUGH OF SHREWSBURY**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Appropriated			Expended			Cancelled
	Original Budget	Added by N.J.S. 40A:4-87	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Statutory Expenditures:							
Contribution To:							
Public Employees' Retirement System	252,161.53	-	252,161.53	252,161.53	-	-	-
Social Security System (O.A.S.I.)	190,000.00	-	190,000.00	178,789.56	-	11,210.44	-
Police and Firemen's Retirement System	404,502.00	-	404,502.00	404,502.00	-	-	-
Disability Insurance	2,000.00	-	2,000.00	-	-	2,000.00	-
Unemployment	2,000.00	-	2,000.00	-	-	2,000.00	-
<b>Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"</b>	<b>853,885.36</b>	<b>-</b>	<b>853,885.36</b>	<b>838,480.62</b>	<b>-</b>	<b>15,210.44</b>	<b>194.30</b>
<b>Total General Appropriations for Municipal Purposes - Within "CAPS"</b>	<b>7,472,867.75</b>	<b>-</b>	<b>7,472,867.75</b>	<b>6,901,039.18</b>	<b>67,923.01</b>	<b>503,711.26</b>	<b>194.30</b>
GENERAL APPROPRIATIONS							
Operations - Excluded From "CAPS"							
911 System	7,315.13	-	7,315.13	7,315.13	-	-	-
LOSAP	46,000.00	-	46,000.00	46,000.00	-	-	-
Engineering Services	6,850.00	-	6,850.00	2,480.50	-	4,369.50	-
PUBLIC AND PRIVATE PROGRAMS							
OFFSET BY REVENUES							
Alcohol Education and Rehabilitation Fund:							
Other Expenses	2,445.02	-	2,445.02	2,445.02	-	-	-
Safe and Secure Communities Program:							
Other Expenses	25,895.00	-	25,895.00	25,895.00	-	-	-
Matching Funds - Borough Share	91,046.00	-	91,046.00	91,046.00	-	-	-
Matching Funds For Grants	500.00	-	500.00	-	-	500.00	-
Clean Communities Program	8,081.01	-	8,081.01	8,081.01	-	-	-
Body Armor Fund	1,785.52	-	1,785.52	1,785.52	-	-	-
Recycling Tonnage Grant	17,688.97	-	17,688.97	17,688.97	-	-	-
Bulletproof Vest Partnership	-	1,445.02	1,445.02	1,445.02	-	-	-
<b>Total Operations - Excluded From "CAPS"</b>	<b>207,606.65</b>	<b>1,445.02</b>	<b>209,051.67</b>	<b>204,182.17</b>	<b>-</b>	<b>4,869.50</b>	<b>-</b>
Detail:							
Other Expenses	207,606.65	1,445.02	209,051.67	204,182.17	-	4,869.50	-
Capital Improvement Fund - Excluded From "CAPS"							
Capital Improvement Fund	50,000.00	-	50,000.00	50,000.00	-	-	-
<b>Total Capital Improvement Fund - Excluded From "CAPS"</b>	<b>50,000.00</b>	<b>-</b>	<b>50,000.00</b>	<b>50,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal	691,000.00	-	691,000.00	691,000.00	-	-	-
BAN Paydown	350,000.00	-	350,000.00	350,000.00	-	-	-
Interest on Bonds	192,885.50	-	192,885.50	192,882.50	-	-	3.00
Interest on Notes	44,723.25	-	44,723.25	44,723.25	-	-	-
<b>Total Municipal Debt Service - Excluded from "CAPS"</b>	<b>1,278,608.75</b>	<b>-</b>	<b>1,278,608.75</b>	<b>1,278,605.75</b>	<b>-</b>	<b>-</b>	<b>3.00</b>

**BOROUGH OF SHREWSBURY**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Appropriated			Expended			Cancelled
	Original Budget	Added by N.J.S. 40A:4-87	Budget After Modification	Paid or Charged	Encumbered	Reserved	
Deferred Charges - Excluded From "CAPS"							
Deferred Charges to Future Taxation Unfunded:							
Ord # 915 - Improvements to DPW	3,724.31	-	3,724.31	3,724.31	-	-	-
Ord # 1007 - Pedestrian Safety Improvements	792.67	-	792.67	792.67	-	-	-
Ord # 1008 - Acquisition of Generator	1,500.00	-	1,500.00	1,500.00	-	-	-
Ord # 1029 - Improvements to Various Roads	21,016.80	-	21,016.80	21,016.80	-	-	-
Ord #1022 - Acq of Ladder Truck	27,836.63	-	27,836.63	27,836.63	-	-	-
Ord # 1028 - Fire Equipment	21,850.00	-	21,850.00	21,850.00	-	-	-
Ord # 1033 - Impts to First Aid	14,250.00	-	14,250.00	14,250.00	-	-	-
Ord # 1034 - Fire Equipment	11,400.00	-	11,400.00	11,400.00	-	-	-
Ord # 1038 - Acq Equip-Municipal Complex	33,494.47	-	33,494.47	33,494.47	-	-	-
Total Deferred Charges Other - Excluded from "CAPS"	135,864.88	-	135,864.88	135,864.88	-	-	-
Total General Appropriations - Excluded From "CAPS"	1,672,080.28	1,445.02	1,673,525.30	1,668,652.80	-	4,869.50	3.00
Subtotal General Appropriations	9,144,948.03	1,445.02	9,146,393.05	8,569,691.98	67,923.01	508,580.76	197.30
Reserve for Uncollected Taxes	382,506.50	-	382,506.50	382,506.50	-	-	-
Total General Appropriations	\$ 9,527,454.53	\$ 1,445.02	\$ 9,528,899.55	\$ 8,952,198.48	\$ 67,923.01	\$ 508,580.76	\$ 197.30
Adopted Budget			\$ 9,527,454.53				
Added by N.J.S. 40A:4-87			1,445.02				
			<u>\$ 9,528,899.55</u>				
<u>Analysis of Paid or Charged</u>							
Reserve for Uncollected Taxes				\$ 382,506.50			
Cash Disbursed				8,421,305.44			
Reserve for State and Federal Grants - Appropriated				<u>148,386.54</u>			
				<u>\$ 8,952,198.48</u>			



**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017**

<u>Assets</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 6,990.95	\$ 9,375.18
		<u>6,990.95</u>	<u>9,375.18</u>
Trust - Other Fund:			
Cash - Treasurer	B-1	<u>1,566,974.46</u>	<u>1,672,003.07</u>
Length of Service Award Program Fund ("LOSAP") :			
Investments	B-6	<u>656,054.36</u>	<u>678,413.94</u>
Total Assets		<u>\$ 2,230,019.77</u>	<u>\$ 2,359,792.19</u>
 <u>Liabilities and Reserves</u>  			
Animal Control Fund:			
Reserve for Expenditures	B-2	\$ 6,984.35	\$ 8,106.51
Due to State Department of Health	B-3	6.60	4.20
Reserve of Due to Borough of Red Bank	B-4	<u>-</u>	<u>1,264.47</u>
		<u>6,990.95</u>	<u>9,375.18</u>
Trust - Other Fund:			
Miscellaneous Trust Fund Reserves	B-5	<u>1,566,974.46</u>	<u>1,672,003.07</u>
Length of Service Award Program Fund ("LOSAP") :			
Miscellaneous Reserves	B-7	<u>656,054.36</u>	<u>678,413.94</u>
Total Liabilities and Reserves		<u>\$ 2,230,019.77</u>	<u>\$ 2,359,792.19</u>

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

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017**

<u>Assets</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Cash - Treasurer	C-2,C-3	\$ 431,191.32	\$ 9,901.17
Grants Receivable	C-15	110,000.00	-
Deferred Charges To Future Taxation:			
Funded	C-4	7,002,000.00	4,318,000.00
Unfunded	C-5	803,247.03	3,908,500.28
		<u>8,346,438.35</u>	<u>8,236,401.45</u>
Total Assets		<u>\$ 8,346,438.35</u>	<u>\$ 8,236,401.45</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-6	\$ 7,002,000.00	\$ 4,318,000.00
Bond Anticipation Notes	C-7	-	3,217,500.00
Improvement Authorizations:			
Funded	C-8	521,546.73	980.68
Unfunded	C-8	615,274.21	447,091.86
Capital Improvement Fund	C-9	33,512.44	61,412.44
Reserve for Fire Apparatus	C-10	-	100.00
Reserve for Green Acres	C-11	0.13	0.13
Reserve for Debt Service	C-13	52,688.50	180,000.00
Reserve for Grant Receivable	C-14	110,000.00	-
Fund Balance	C-1	11,416.34	11,316.34
		<u>8,346,438.35</u>	<u>8,236,401.45</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,346,438.35</u>	<u>\$ 8,236,401.45</u>

There were Bonds and Notes Authorized on December 31, 2018 of \$803,247.03 and on December 31, 2017 of \$691,000.28.

**BOROUGH OF SHREWSBURY  
 COUNTY OF MONMOUTH, NEW JERSEY  
 GENERAL CAPITAL FUND  
 STATEMENT OF FUND BALANCE - REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 11,316.34
Increased By:	
Cancellation - Reserve for Fire/First Aid Apparatus	100.00
Balance, December 31, 2018	\$ 11,416.34

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
PUBLIC ASSISTANCE FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017**

<u>Assets</u>	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Cash - Treasurer	D-1	<u>\$ 8,767.24</u>	<u>\$ 8,767.24</u>
Total Assets		<u><u>\$ 8,767.24</u></u>	<u><u>\$ 8,767.24</u></u>
 <u>Reserves</u>  			
Reserve for Public Assistance Expenditures	D-2	<u>\$ 8,767.24</u>	<u>\$ 8,767.24</u>
Total Reserves		<u><u>\$ 8,767.24</u></u>	<u><u>\$ 8,767.24</u></u>

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

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
STATEMENTS OF ASSETS AND FUND BALANCE -  
REGULATORY BASIS  
DECEMBER 31, 2018 AND 2017**

	<u>Reference</u>	Balance December 31, <u>2018</u>	Balance December 31, <u>2017</u>
Land	E-1	\$ 2,467,076.00	\$ 2,467,076.00
Buildings	E-1	4,741,553.33	4,741,553.33
Machinery and Equipment	E-1	<u>6,729,072.64</u>	<u>6,840,973.38</u>
Total General Fixed Assets		<u>\$ 13,937,701.97</u>	<u>\$ 14,049,602.71</u>
Investment in General Fixed Assets		<u>\$ 13,937,701.97</u>	<u>\$ 14,049,602.71</u>

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

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

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 1. Summary of Significant Accounting Policies**

**Description of Financial Reporting Entity**

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

**Component Units** - GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Borough are not presented in accordance with GAAP (as discussed below). Therefore, the Borough had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80.

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

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

**Current Fund** – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

**General Capital Fund** – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

**General Fixed Asset Account Group** – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Borough.

**BOROUGH OF SHREWSBURY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

**Cash, Cash Equivalents and Investments** - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost with the exception of LOSAP investments which are reported at fair value. Therefore unrealized gains or losses on investments have not been recorded.

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

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

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

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

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

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

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

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

**Foreclosed property** – Foreclosed Property or “Property Acquired for Taxes” is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Borough to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

**Deferred Charges** – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**Fund Balance** – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

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

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

**County Taxes** – The municipality is responsible for levying, collecting and remitting County taxes for the County of Monmouth. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10<sup>th</sup> of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Shrewsbury School District and Red Bank Regional School District. Operations are charged for the full amount required to be raised from taxation to operate the local and regional school district July 1 to June 30.

**Deferred School Taxes** – School taxes raised in advance in the Current Fund for a school fiscal year (July I to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

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

**Expenditures** – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount.

**BOROUGH OF SHREWSBURY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis.

**Appropriation Reserves** – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31<sup>st</sup> of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

**Long-Term Debt** - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Compensated Absences** – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

**Recent Accounting Pronouncements** – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts 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 their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact of the Borough’s financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans.

**Note 2. Deposits and Investments**

The Borough is governed by the deposit and investment limitations of New Jersey state law.

**Deposits**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Borough’s deposits may not be returned. Although the Borough does not have a formal

**BOROUGH OF SHREWSBURY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 2. Deposits and Investments (continued):**

policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2018, the Borough's bank balance of \$6,328,068.11 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 4,902,120.54
Uninsured and Uncollateralized	<u>1,425,947.57</u>
	<u>\$ 6,328,068.11</u>

**Investments**

Fair Value Measurement – The fair value measurements of investments are required to be reported based on the hierarchy established by generally accepted accounting principles. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

Under regulatory basis of accounting, investments are measured at cost in the Borough's financial statements. However, had the financial statements been prepared in accordance with GAAP, the Borough's fair value, hierarchy level and maturities of its investments at December 31, 2018 would be as followed:

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 2. Deposits and Investments (continued):**

<u>Investment Type</u>	Carrying Value	Fair Value as of December 31, 2018			Investment Maturities (in
		Level 1	Level 3	Total	Less Than 1 Year
Money Markets	\$ 423,824.65	\$ 423,824.65	\$ -	\$ 423,824.65	\$ 423,824.65
Mutual Funds	55,301.73	55,301.73	-	55,301.73	55,301.73
Fixed Account Investment Contract	176,927.98	-	176,927.98	176,927.98	176,927.98
	<u>\$ 656,054.36</u>	<u>\$ 479,126.38</u>	<u>\$ 176,927.98</u>	<u>\$ 656,054.36</u>	<u>\$ 656,054.36</u>
<u>Fund</u>					
Trust Fund - LOSAP	656,054.36	479,126.38	176,927.98	656,054.36	656,054.36
	<u>\$ 656,054.36</u>	<u>\$ 479,126.38</u>	<u>\$ 176,927.98</u>	<u>\$ 656,054.36</u>	<u>\$ 656,054.36</u>

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Borough will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A; 5-15.1, the Borough’s investment policies place no limit in the amount the Borough may invest in any one issuer. More than 5% of the Borough’s investments are in Mutual Funds, Money Markets, and Fixed Account Investment Contract. These investments represent 100% of the Borough’s total investments.

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 3. Property Taxes**

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

**Comparison Schedule of Tax Rates**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$ 2.151</u>	<u>\$ 2.136</u>	<u>\$ 2.110</u>
Apportionment of Tax Rate:			
Municipal	0.642	0.644	0.649
County	0.296	0.296	0.299
Local School	0.716	0.710	0.684
Regional School District	0.497	0.486	0.478
<u>Year</u>	<u>Amount</u>		
2018	\$ 1,169,547,013.00		
2017	1,149,161,895.00		
2016	1,117,762,711.00		

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2018	\$ 25,245,563.56	\$ 25,124,565.55	99.52%
2017	24,625,464.37	24,516,735.46	99.55%
2016	23,726,359.72	23,565,005.14	99.31%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2018	\$ 600.17	\$ 122,242.48	\$ 122,842.65	0.49%
2017	591.57	110,193.46	110,785.03	0.45%
2016	583.03	168,153.67	168,736.70	0.71%

**Number of Tax Title Liens**

<u>Year</u>	<u>Number</u>
2018	2
2017	2
2016	2

The last tax sale was held on December 14, 2018.

**Note 4: Property Acquired By Tax Title Lien Liquidation**

The Borough had no properties acquired by liquidation of tax title liens as of December 31, 2018, 2017 or 2016.



**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 5. Fund Balances Appropriated**

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b>Current Fund:</b>			
2018	\$ 986,915.86	\$ 810,000.00	82.07%
2017	949,870.37	830,000.00	87.38%
2016	861,488.39	770,000.00	89.38%

**Note 6. Disaggregated Receivable and Payable Balances**

There are no significant components of receivable and payable balances reported in the financial statements.

**Note 7. Interfund Receivables, Payables and Transfers**

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2018:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
Current Fund	\$ -	\$ 56,377.99
State and Federal Grant Fund	56,377.99	-
	<u>\$ 56,377.99</u>	<u>\$ 56,377.99</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>
Current Fund	\$ 186,553.70	\$ 166,339.71
State and Federal Grant Fund	166,339.71	186,553.70
	<u>\$ 352,893.41</u>	<u>\$ 352,893.41</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 8. Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2018:

	Balance December 31, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2018</u>
Land	\$ 2,467,076.00	\$ -	\$ -	\$ 2,467,076.00
Buildings and Improvements	4,741,553.33	-	-	4,741,553.33
Machinery & Equipment	6,840,973.38	255,907.93	367,808.67	6,729,072.64
	<u>\$ 14,049,602.71</u>	<u>\$ 255,907.93</u>	<u>\$ 367,808.67</u>	<u>\$ 13,937,701.97</u>

**Note 9. Pension Obligations**

**A. Public Employees' Retirement System (PERS)**

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2018, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2018, the Borough's contractually required contribution to PERS plan was \$244,944.00.

**Components of Net Pension Liability** - At December 31, 2018, the Borough's proportionate share of the PERS net pension liability was \$4,848,635.00. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Borough's proportion measured as of June 30, 2018, was 0.024625480% which was a decrease of 0.0025460277% from its proportion measured as of June 30, 2017.

**Collective Balances at December 31, 2018 and December 31, 2017**

	<u>12/31/2018</u>	<u>12/30/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 1,025,274.00	\$ 1,644,141.00
Deferred Inflows of Resources	2,102,986.00	1,283,397.00
Net Pension Liability	4,848,635.00	6,325,093.00
Borough's portion of the Plan's total net pension Liability	0.02463%	0.02717%

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2018, the Borough's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2018 measurement date is \$206,941.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$244,944.00 to the plan in 2018.

At December 31, 2018, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 92,464.00	\$ 25,001.00
Changes of Assumptions	798,975.00	1,550,336.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	45,480.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	133,835.00	482,169.00
	\$ 1,025,274.00	\$ 2,102,986.00

The Borough will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<b>Year Ending</b>	<b>Amount</b>
<b><u>Dec 31,</u></b>	
2019	\$ (120,156.00)
2020	(147,430.00)
2021	(340,255.00)
2022	(319,675.00)
2023	<u>(150,196.00)</u>
	<u><u>\$ (1,077,712.00)</u></u>

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

base year of 2012 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

**Discount Rate** - The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 6,096,599.00</u>	<u>\$ 4,848,634.00</u>	<u>\$ 3,801,672.00</u>

**B. Police and Firemen's Retirement System (PFRS)**

**Plan Description** – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011



**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Pension Obligations (continued):**

**B. Police and Firemen's Retirement System (PFRS) (continued):**

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Contributions** - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2018, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2018, the Borough's contractually required contributions to PFRS plan was \$462,655.00.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

**Net Pension Liability and Pension Expense** - At December 31, 2018 the Borough's proportionate share of the PFRS net pension liability was \$6,403,761.00. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Borough's proportion measured as of June 30, 2018, was 0.0473243249%, which was an increase of 0.0016188375% from its proportion measured as of June 30, 2017.

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Pension Obligations (continued):**

**B. Police and Firemen's Retirement System (PFRS) (continued):**

**Collective Balances at December 31, 2018 and December 31, 2017**

	<u>12/31/2018</u>	<u>12/31/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 1,500,007.00	\$ 1,959,820.00
Deferred Inflows of Resources	2,294,199.00	2,017,740.00
Net Pension Liability	6,403,761.00	7,056,044.00
Borough's portion of the Plan's total net pension Liability	0.04732%	0.04571%

**Pension Expense and Deferred Outflows/Inflows of Resources** – At December 31, 2018, the Borough's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2018 measurement date was \$546,650.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$462,665.00 to the plan in 2018.

At December 31, 2018, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 65,150.00	\$ 26,500.00
Changes of Assumptions	549,677.00	1,641,173.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	35,034.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contribution:	<u>885,180.00</u>	<u>591,492.00</u>
	<u>\$ 1,500,007.00</u>	<u>\$ 2,294,199.00</u>

The Borough will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Pension Obligations (continued):**

**B. Police and Firemen's Retirement System (PFRS) (continued):**

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
June 30, 2018	5.73	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	6.17
June 30, 2015	5.53	5.53
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Pension Obligations (continued):**

**B. Police and Firemen’s Retirement System (PFRS) (continued):**

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<b>Year Ending</b>	
<b><u>Dec 31,</u></b>	<b><u>Amount</u></b>
2019	\$ 183,871.00
2020	(102,833.00)
2021	(364,389.00)
2022	(408,076.00)
2023	<u>(102,765.00)</u>
	<u><u>\$ (794,192.00)</u></u>

**Special Funding Situation** – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Borough is \$869,845.00 as of December 31, 2018. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The State’s proportion of the net pension liability associated with the Borough was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2018 was .0473243249%, which was an increase of 0.0016188375% from its proportion measured as of June 30, 2017, which is the same proportion as the Borough’s. At December 31, 2018, the Borough’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Pension Obligations (continued):**

**B. Police and Firemen's Retirement System (PFRS) (continued):**

Borough's Proportionate Share of Net Pension Liability	\$ 6,403,761.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>869,845.00</u>
	<u>\$ 7,273,606.00</u>

At December 31, 2018, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2018 measurement date was \$103,032.00

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2010 - June 30, 2013

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2012 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2012 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Pension Obligations (continued):**

**B. Police and Firemen’s Retirement System (PFRS) (continued):**

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 9. Pension Obligations (continued):**

**B. Police and Firemen’s Retirement System (PFRS) (continued):**

**Discount Rate** - The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Borough’s proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Borough’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.51%) or 1-percentage-point higher (7.51%) than the current rate:

	<b>1% Decrease (5.51%)</b>	<b>Current Discount Rate (6.51%)</b>	<b>1% Increase (7.51%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 8,570,639.00	\$ 6,403,761.00	\$ 4,603,982.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	1,164,180.00	869,845.00	625,375.00
	\$ 9,734,819.00	\$ 7,273,606.00	\$ 5,229,357.00

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

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Postemployment Benefits Other Than Pensions**

**General Information about the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Basis of Presentation**

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.



**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Postemployment Benefits Other Than Pensions (continued):**

**Allocation Methodology**

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2018 were \$6,338,578,586 and \$9,642,524,641, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**Net OPEB Liability**

The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases*:	
Through 2026	1.65% to 8.98%
Thereafter	2.65% to 9.98%

\* - Salary Increases are based on the defined benefit plan that the member is enrolled in and his or her age.

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Borough's as of June 30, 2018 was \$8,773,933.00. The Borough's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2018, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The State's proportionate share of the OPEB Obligation associated with the Borough was based on projection of the State's long-term contributions to the OPEB plan associated with the Borough relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2018, the State proportionate share of the OPEB Obligation attributable to the Borough was 0.056004%, which was a decrease of 0.000231% from its proportion measured as of June 30, 2017.

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Postemployment Benefits Other Than Pensions (continued):**

For the fiscal year ended June 30, 2018, the State of New Jersey recognized an OPEB expense in the amount of \$118,489.00 for the State's proportionate share of the OPEB expense attributable to the Borough. This OPEB expense was based on the OPEB plans June 30, 2018 measurement date.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

100% of active members are considered to participate in the Plan upon retirement.

*Health Care Trend Assumptions*

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

*Discount Rate*

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Sensitivity of Net OPEB Liability to Changes in the Discount Rate*

The following presents the collective net OPEB liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Postemployment Benefits Other Than Pensions (continued):**

	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Borough	\$ 10,294,143.10	\$ 8,773,933.00	\$ 7,559,629.18
State of New Jersey's Total Nonemployer OPEB Liability	18,381,085,096.00	15,666,618,141.00	13,498,373,388.00

***Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:***

The following presents the net OPEB liability as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the Borough	\$ 7,318,866.90	\$ 8,773,933.00	\$ 10,657,004.75
State of New Jersey's Total Nonemployer OPEB Liability	13,068,471,450.00	15,666,618,141.00	19,029,006,023.00

**Additional Information** – The following is a summary of the collective balances of the local group at June 30, 2018:

	12/31/2018	12/31/2017
Collective Deferred Outflows of Resources	\$ 2,115,007,508.00	\$ 1,151,561,955.00
Collective Deferred Inflows of Resources	9,261,653,464.00	3,414,042,238.00
Collective Net OPEB Liability	15,666,618,141.00	20,415,788,739.00
Borough's Portion	0.056004%	0.056235%

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2019	\$ (1,049,390,011.00)
2020	(1,049,390,011.00)
2021	(1,049,390,011.00)
2022	(1,050,264,681.00)
2023	(1,051,678,489.00)
Thereafter	<u>(1,896,532,753.00)</u>
	<u>\$ (7,146,645,956.00)</u>

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 10. Postemployment Benefits Other Than Pensions (continued):**

*Changes in Proportion*

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 8.14 and 8.04 years for the 2018 and 2017 amounts, respectively.

**Plan Membership**

At June 30, 2017, the Program membership consisted of the following:

	June 30, 2017
Active Plan Members	61,789
Retirees Currently Receiving Benefits	26,277
Total Plan Members	88,066

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

Service Cost	\$ 896,235,148.00
Interest on the Total OPEB Liability	764,082,232.00
Differences Between Expected and Actual Experience	(3,626,384,047.00)
Changes of Assumptions	(2,314,240,675.00)
Contributions From the Employer	(421,194,662.00)
Contributions From Non-Employer Contributing Entity	(53,548,285.00)
Net Investment Income	(2,320,422.00)
Administrative Expense	8,200,113.00
Net Change in Total OPEB Liability	(4,749,170,598.00)
Total OPEB Liability (Beginning)	20,415,788,739.00
Total OPEB Liability (Ending)	\$ 15,666,618,141.00

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 11. Municipal Debt**

The following schedule represents the Borough's summary of debt, as filed in the Borough's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Issued:</b>			
General:			
Bonds, Notes and Loans	\$ 7,002,000.00	\$ 7,535,500.00	\$ 7,816,250.00
	<hr/>	<hr/>	<hr/>
Total Debt Issued	7,002,000.00	7,535,500.00	7,816,250.00
	<hr/>	<hr/>	<hr/>
<b>Authorized but not issued:</b>			
General:			
Bonds, Notes and Loans	803,247.03	691,000.28	1,034,175.77
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	803,247.03	691,000.28	1,034,175.77
	<hr/>	<hr/>	<hr/>
<b>Total Gross Debt</b>	<u>\$ 7,805,247.03</u>	<u>\$ 8,226,500.28</u>	<u>\$ 8,850,425.77</u>
	<hr/>	<hr/>	<hr/>
<b>Deductions:</b>			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	52,688.50	180,000.00	-
	<hr/>	<hr/>	<hr/>
Total Deductions	52,688.50	180,000.00	-
	<hr/>	<hr/>	<hr/>
<b>Total Net Debt</b>	<u>\$ 7,752,558.53</u>	<u>\$ 8,046,500.28</u>	<u>\$ 8,850,425.77</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 1,155,000.00	\$ 1,155,000.00	\$ -
Regional High School District Debt	4,549,941.03	4,549,941.03	-
General	7,805,247.03	52,688.50	7,752,558.53
	<hr/>	<hr/>	<hr/>
	<u>\$ 13,510,188.06</u>	<u>\$ 5,757,629.53</u>	<u>\$ 7,752,558.53</u>

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 11. Municipal Debt (continued):**

Net Debt \$7,752,558.53 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$1,175,213,270.67, equals 0.660%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2018 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 41,132,464.47
Net Debt	7,752,558.53
 Remaining Borrowing Power	 \$ 33,379,905.94

**General Debt**

**A. Serial Bonds Payable**

In March 2007, the Borough issued \$3,067,000.00 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on December 01, 2021.

In September 2005, the Borough issued \$2,275,000.00 of MCIA Fire Company Bonds. The MCIA Fire Company Bonds were issued at interest rates varying from 4.00% to 4.25% and mature on September 01, 2025.

In February 2016, the Borough issued \$1,030,000.00 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on December 01, 2022.

In September 2006, the Borough issued \$975,000.00 of MCIA Fire Company Bonds. The MCIA Fire Company Bonds were issued at interest rates varying from 4.30% to 4.375% and mature on September 01, 2025.

In December 2018, the Borough issued \$3,375,000.00 of MCIA Various Improvement Bonds. The MCIA Various Improvement Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on December 01, 2032.

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 11. Municipal Debt (continued):**

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	897,000.00	317,792.50	1,214,792.50
2020	928,000.00	288,792.50	1,216,792.50
2021	932,000.00	246,632.50	1,178,632.50
2022	740,000.00	204,075.00	944,075.00
2023	495,000.00	168,993.76	663,993.76
2024-2028	1,805,000.00	527,100.02	2,332,100.02
2029-2032	1,205,000.00	154,250.00	1,359,250.00
	<u>\$ 7,002,000.00</u>	<u>\$ 1,907,636.28</u>	<u>\$ 8,909,636.28</u>

**B. Bond Anticipation Notes Payable – Short Term Debt**

The Borough had no bond anticipation notes outstanding in the General Capital Fund at December 31, 2018.

**C. Bonds and Notes Authorized But Not Issued**

As of December 31, 2018, the Borough had \$943,542.03 in various General Capital bonds and notes authorized but not issued.

**Summary of Principal Debt**

A summary of the changes in long-term and short term debt of the Borough is as follows:

	Balance December 31, <u>2017</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2018</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 4,318,000.00	\$ 3,375,000.00	\$ 691,000.00	\$ 7,002,000.00	\$ 897,000.00
Bond Anticipation Notes	3,217,500.00	1,225,500.00	4,443,000.00	-	-
Authorized But Not Issued	691,000.28	1,526,100.00	1,413,853.25	803,247.03	-
	<u>\$ 8,226,500.28</u>	<u>\$ 6,126,600.00</u>	<u>\$ 6,547,853.25</u>	<u>\$ 7,805,247.03</u>	<u>\$ 897,000.00</u>

**BOROUGH OF SHREWSBURY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 12. Deferred School Taxes**

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local and regional school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

	Local School District Tax		Regional High School District Tax	
	2018	2017	2018	2017
Balance of Tax	\$ 4,295,899.00	\$ 4,185,696.00	\$ 2,904,412.52	\$ 2,793,425.50
Deferred	2,775,000.00	2,775,000.00	2,100,000.00	2,100,000.00
Tax Payable	\$ 1,520,899.00	\$ 1,410,696.00	\$ 804,412.52	\$ 693,425.50

**Note 13. Deferred Compensation Salary Account**

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

**Note 14. Accrued Sick, Vacation and Compensation Time**

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 vacation, sick pay and compensation time. The Borough permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$295,073.46 at December 31, 2018.

The Borough has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2018, the Borough has reserved in the Other Trust Fund \$46,091.56 to fund compensated absences in accordance with NJSA 40A:4-39.



**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 15. Risk Management**

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

**New Jersey Unemployment Compensation Insurance**

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

<u>Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ 49.27	\$ 141.00	\$ 13,928.15
2017	49.18	136.50	14,019.88
2016	49.60	142.50	14,107.20

**Note 16. Contingencies**

**Grantor Agencies**

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, 2018 the Borough estimates that no material liabilities will result from such audits.

**Litigation**

The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 16. Contingencies (continued):**

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2018.

**Note 17. Tax Abatements**

The Borough is authorized by the New Jersey Housing and Mortgage Financing Act Law of 1983, N.J.S.A. 55:14K-1 et seq. (hereinafter “HMFA Law”), and a Resolution of the Council dated March 13, 2007, to enter into property tax abatement agreements for the purpose of attracting affordable housing. The exemption of the projects from real property taxation subject to this law shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the HMFA Law, may not exceed fifty (50) years.

For the year ended December 31, 2018, the Borough abated property taxes totaling \$215,326.76 under this program, including the following tax abatement agreement that exceeded 10 percent of the total, which is the percentage the Borough considers to be material for purposes of individual disclosure:

<u>Recipient</u>	<u>Purpose</u>	<u>Amount Abated</u>	<u>Pilot Billings</u>
Meridian Nursing & Rehabilitation	Other	\$ 215,326.76	\$40,000.00
		\$ 215,326.76	\$40,000.00

**Note 18. Length of Service Awards Program**

The Borough’s length of service awards program (“LOSAP”) is reported in the Borough’s trust fund Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

The tax deferred income benefits for the active volunteer firefighters and emergency medical personnel serving the residents the of the Borough come from contributions made solely by the governing body of the Borough, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Borough elected to contribute \$1,150.00 for the year ended December 31, 2018 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December

**BOROUGH OF SHREWSBURY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**Note 18. Length of Service Awards Program (continued):**

31, 2018, the Borough contributed a total of \$46,000.00 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

**Participant Accounts** - Each participant's account is credited with the Borough's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Borough has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Borough's creditors until distributed as benefit payments, are not available for funding the operations of the Borough. The funds may also be used to pay the administrative fees charged by the Plan Administrator. VALIC Financial Advisors ("Plan Administrator"), an approved Length of Service Awards Program provider, is the administrator of the Plan. The Borough's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

**Vesting** - Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

**Payment of Benefits** - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2018 payouts of \$31,072.16 were made to vested participants.

**Plan Information** - Additional information about the Borough's length of service awards program can be obtained by contacting the Plan Administrator.

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**SUPPLEMENTARY SCHEDULES**

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**CURRENT FUND**

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**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR/TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		\$ 5,752,421.03
Increased By Receipts:		
Taxes Receivable	23,291,763.84	
Revenue Accounts Receivable	1,259,057.65	
Miscellaneous Revenue Not Anticipated	52,510.33	
Due From:		
State of New Jersey for Senior Citizens' and Veterans' Deductions	27,000.00	
Tax Overpayments	50,576.66	
Prepaid Taxes	176,048.39	
Due To State of New Jersey -		
Marriage License Fees	525.00	
Reserve for:		
Police Receipts	10.00	
Tax Sale	2,434.73	
Vehicle Insurance Reimbursements	3,079.54	
Insurance Proceeds	6,622.14	
Grants Receivable	62,479.23	
Grants - Unappropriated	11,995.45	
	<u>24,944,102.96</u>	
		30,696,523.99
Decreased By Disbursements:		
Current Budget Appropriations	8,421,305.44	
2017 Appropriation Reserves	225,147.28	
County Taxes	3,475,395.45	
Tax Overpayments	50,576.66	
Regional High School Tax	5,697,835.98	
Local District School Tax	8,261,598.00	
Municipal Open Space Tax	117,950.52	
Due To State of New Jersey -		
Marriage License Fees	525.00	
Reserve for:		
FEMA	34,436.58	
Tax Sale	1,844.10	
Codification	1,697.50	
Vehicle Insurance Reimbursements	819.99	
Insurance Proceeds	4,880.50	
Wardell House	8,174.87	
Police Receipts	270.00	
Grants - Appropriated	185,734.67	
	<u>26,488,192.54</u>	
Balance, December 31, 2018		<u>\$ 4,208,331.45</u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CHANGE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2018 & 2017

\$ 270.00

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY FOR  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		\$ (500.00)
Increased By:		
Senior Citizens' Deductions Per Tax Billing	250.00	
Veterans' Deductions Per Tax Billing	26,500.00	
Senior Citizens Deductions Allowed	150.00	
Veterans' Deductions Allowed	250.00	
	27,150.00	27,150.00
		26,650.00
Decreased By:		
Cash Receipts	27,000.00	
Senior Citizens Deductions Disallowed	650.00	
	27,650.00	27,650.00
Balance, December 31, 2018		\$ (1,000.00)

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Year</u>	Balance December 31, <u>2017</u>	2018 <u>Levy</u>	Added <u>Taxes</u>	<u>2017</u> Collections	<u>2018</u> Collections	Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Transfer To Liens	Cancelled	Balance December 31, <u>2018</u>
2017	\$ 110,193.46	\$ -	\$ 88,606.55	\$ 1,916,461.54	\$ 110,159.83	\$ -	\$ -	\$ 33.63	\$ -
2018	-	25,156,957.01	88,606.55	1,916,461.54	23,181,604.01	26,500.00	8.60	(1,253.07)	122,242.48
	\$ 110,193.46	\$ 25,156,957.01	\$ 88,606.55	\$ 1,916,461.54	\$ 23,291,763.84	\$ 26,500.00	\$ 8.60	\$ (1,219.44)	\$ 122,242.48

Analysis of 2018 Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 25,156,957.01
Added Taxes (54:4-63 et seq.)	<u>88,606.55</u>
	<u>\$ 25,245,563.56</u>
Tax Levy:	
Regional High School Taxes	\$ 5,808,823.00
Local District School Taxes	8,371,801.00
Municipal Open Space Tax	117,950.52
County Tax	\$ 2,931,411.59
County Library Tax	207,778.64
County Open Space Fund Tax	325,196.09
Added/Omitted County Taxes	<u>12,198.70</u>
	3,476,585.02
Local Taxes for Municipal Purposes	7,392,918.01
Add: Additional Taxes Levied	<u>77,486.01</u>
	<u>7,470,404.02</u>
	<u>\$ 25,245,563.56</u>

**BOROUGH OF SHREWSBURY  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF TAX TITLE LIENS RECEIVABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 591.57
Increased By:	
Transfer From Taxes Receivable	8.60
Balance, December 31, 2018	\$ 600.17

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Balance December 31, <u>2017</u>	Accrued in <u>2018</u>	<u>Collected</u>	Balance December 31, <u>2018</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 5,172.00	\$ 5,172.00	\$ -
Other	-	36,873.00	36,873.00	-
Fees and Permits	-	110,496.96	110,496.96	-
Fines and Costs:				
Municipal Court	15,358.33	168,252.74	169,789.05	13,822.02
Interest and Costs on Taxes	-	34,948.39	34,948.39	-
Interest on Investments	-	18,613.38	18,613.38	-
Cable Franchise Fee	-	74,229.38	74,229.38	-
Mobile Tower Fee	-	42,440.14	42,440.14	-
Payment in Lieu of Taxes	-	45,000.00	45,000.00	-
Energy Receipts Tax	-	381,641.00	381,641.00	-
Uniform Construction Code	-	287,347.00	287,347.00	-
Shared Services- Shrew Twp. Fire	-	10,000.00	10,000.00	-
Uniform Fire Safety Act	-	26,507.35	26,507.35	-
Administrative Costs for Outside Service - Police	-	16,000.00	16,000.00	-
	<u>\$ 15,358.33</u>	<u>\$ 1,257,521.34</u>	<u>\$ 1,259,057.65</u>	<u>\$ 13,822.02</u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2017 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Balance December 31, <u>2017</u>	<u>Encumbered</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>GENERAL GOVERNMENT</b>					
General Administration:					
Salaries and Wages	\$ 929.27	\$ -	\$ 929.27	\$ -	\$ 929.27
Other Expenses	595.27	363.58	958.85	924.97	33.88
Local Ethics Board:					
Other Expenses	50.00	-	50.00	-	50.00
Mayor and Council:					
Other Expenses	-	382.84	382.84	382.84	-
Municipal Clerk:					
Salaries and Wages	10,938.17	-	938.17	-	938.17
Other Expenses	8,139.96	193.06	3,333.02	1,232.62	2,100.40
Printing	312.50	209.31	521.81	425.06	96.75
Financial Administration (Treasury):					
Salaries and Wages	92.74	-	92.74	-	92.74
Other Expenses	1,101.59	1,165.00	2,266.59	1,165.00	1,101.59
Revenue Administration (Tax Collection):					
Salaries and Wages	8.23	-	8.23	-	8.23
Other Expenses	1,210.28	79.88	1,290.16	79.88	1,210.28
Tax Assessment Administration:					
Salaries and Wages	0.70	-	0.70	-	0.70
Other Expenses	366.90	-	366.90	-	366.90
Legal Services (Legal Department):					
Salaries and Wages	3,782.84	-	3,782.84	-	3,782.84
Other Expenses	158.97	7,812.18	30,971.15	19,455.50	11,515.65
Engineering Services:					
Other Expenses	14,174.00	-	6,174.00	2,718.50	3,455.50
<b>LAND USE ADMINISTRATION</b>					
Planning Board:					
Salaries and Wages	858.53	-	858.53	46.71	811.82
Other Expenses	303.87	-	303.87	-	303.87
Zoning Board of Adjustment:					
Salaries and Wages	633.31	-	633.31	264.69	368.62
Other Expenses	252.66	-	252.66	110.52	142.14
Zoning Officer:					
Salaries and Wages	0.81	-	0.81	-	0.81
Other Expenses	50.00	-	50.00	-	50.00
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>					
Uniform Construction Code Enforcement:					
Salaries and Wages	134.92	-	134.92	-	134.92
Other Expenses	1,813.40	78.12	1,891.52	165.32	1,726.20
Building Inspector:					
Salaries and Wages	2,370.04	-	2,370.04	-	2,370.04
Code Enforcement Official:					

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2017 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Balance December 31, <u>2017</u>	<u>Encumbered</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages	857.03	-	857.03	-	857.03
Other Expenses	460.72	-	460.72	-	460.72
<b>INSURANCE</b>					
Disability Insurance	2,000.00	-	2,000.00	-	2,000.00
Other Insurance	2,026.29	191.44	2,217.73	191.44	2,026.29
Waiver of Insurance	100.41	-	100.41	-	100.41
Unemployment	2,000.00	-	2,000.00	-	2,000.00
Employee Group Insurance	49,166.21	2,683.04	41,849.25	2,683.04	39,166.21
<b>PUBLIC SAFETY</b>					
Police Department:					
Salaries and Wages	108,125.06	-	78,125.06	11,469.08	66,655.98
Other Expenses	21,395.85	22,595.22	43,991.07	27,895.10	16,095.97
OSHA	-	3,000.00	3,000.00	2,904.75	95.25
Office of Emergency Management:					
Other Expenses	2,740.60	-	2,740.60	231.45	2,509.15
First Aid Organization - Contribution					
Other Expenses	214.10	375.00	5,589.10	4,220.43	1,368.67
Fire Protection Official:					
Salaries and Wages	0.54	-	0.54	-	0.54
Fire Marshall:					
Salaries and Wages	1,422.15	-	1,422.15	-	1,422.15
Other Expenses	247.42	1,475.48	1,722.90	1,475.48	247.42
Fire Company:					
Other Expenses	608.96	5,187.34	5,796.30	5,579.62	216.68
Occupational Safety Law (P.L. 1983, Ch. 516):					
OSHA - Fire Company Other Expenses	847.55	252.45	1,100.00	252.45	847.55
<b>PUBLIC WORKS</b>					
Streets and Road Maintenance:					
Salaries and Wages	57,276.24	-	57,276.24	26,132.86	31,143.38
Other Expenses	9,318.74	90.00	9,408.74	5,920.04	3,488.70
OSHA Other Expense	643.55	-	643.55	599.96	43.59
Vehicle Maintenance	12,654.36	743.28	13,397.64	2,924.42	10,473.22
Shade Tree Commission:					
Salaries and Wages	600.00	-	600.00	-	600.00
Other Expenses	3,367.80	6,638.25	10,006.05	7,501.00	2,505.05
Buildings and Grounds:					
Salaries and Wages	3,339.67	-	3,339.67	-	3,339.67
Other Expenses	1.90	4,791.95	9,793.85	6,485.85	3,308.00
Municipal Court:					



**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2017 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Balance December 31, <u>2017</u>	<u>Encumbered</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages	1,853.38	-	1,853.38	-	1,853.38
Other Expenses	660.79	767.45	1,428.24	767.45	660.79
<b>HEALTH AND HUMAN SERVICES</b>					
Public Health Services (Board of Health):					
Salaries and Wages	25.97	-	25.97	-	25.97
Other Expenses	316.08	-	316.08	-	316.08
OSHA Other Expenses	500.00	-	500.00	-	500.00
Environmental Health Services:					
Salaries and Wages	405.00	-	405.00	-	405.00
Other Expenses	1,737.01	-	1,737.01	-	1,737.01
Animal Control Services:					
Other Expenses	50.00	-	50.00	-	50.00
Welfare/Administration of Public Assistance:					
Other Expenses	2,500.00	-	2,500.00	-	2,500.00
<b>RECREATION AND EDUCATION</b>					
Recreation Services and Programs:					
Salaries and Wages	1,220.71	-	1,220.71	-	1,220.71
Miscellaneous Other Expenses	4,822.15	4,398.27	9,220.42	5,053.27	4,167.15
Maintenance of Parks:					
Other Expenses	2,201.51	991.60	3,193.11	991.60	2,201.51
<b>UNCLASSIFIED</b>					
Utility Expenses and Bulk Purchases:					
Electricity	29,039.24	2,512.15	31,551.39	14,987.24	16,564.15
Street Lighting	14,023.01	-	14,023.01	3,742.09	10,280.92
Telephone (excluding telephone acquisition)	7,557.64	685.11	8,242.75	709.99	7,532.76
Water	5,447.64	766.69	6,214.33	1,168.44	5,045.89
Fire Hydrant Service	6,868.30	7,531.70	14,400.00	7,531.70	6,868.30
Gas (natural or propane)	8,813.39	2,375.36	11,188.75	2,375.36	8,813.39
Fuel Oil	21,094.98	900.62	21,995.60	1,716.51	20,279.09
Cellular Telephone	3,244.24	1,349.30	4,593.54	1,349.30	3,244.24
Gasoline	13,336.60	-	13,336.60	1,731.45	11,605.15
Landfill/Solid Waste Disposal Costs	6,187.36	5,957.21	12,144.57	11,554.30	590.27
Accumulated Leave Compensation:					
Salaries and Wages	500.00	-	30,500.00	30,000.00	500.00
Salary and Wage Adjustment Program:					
Salaries and Wages	500.00	-	500.00	-	500.00
Contingent	100.00	8,030.00	8,130.00	8,030.00	100.00
LOSAP	9,200.00	-	9,200.00	-	9,200.00

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2017 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Balance December 31, <u>2017</u>	<u>Encumbered</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	14,941.77	-	14,941.77	-	14,941.77
 PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Alcohol Education and Rehabilitation	0.10	-	0.10	-	0.10
Matching Funds - For Grants	500.00	-	500.00	-	500.00
Clean Communities Program	0.20	-	0.20	-	0.20
	<hr/>				
Total General Appropriations	\$ 485,341.18	\$ 94,572.88	\$ 579,914.06	\$ 225,147.28	\$ 354,766.78
	<hr/>				

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ -
Increased By:	
Overpayments Created	<u>50,576.66</u>
	50,576.66
Decreased By:	
Cash Disbursements	<u>50,576.66</u>
Balance, December 31, 2018	<u><u>\$ -</u></u>

**BOROUGH OF SHREWSBURY  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF PREPAID TAXES  
 FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 1,916,461.54
Increased By:	
Cash Receipts:	
Collection of 2019 Taxes	<u>176,048.39</u>
	2,092,509.93
Decreased By:	
Amount Applied To 2018 Taxes Receivable	<u>1,916,461.54</u>
Balance, December 31, 2018	<u><u>\$ 176,048.39</u></u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		\$ 11,009.23
Increased By:		
2018 Tax Levy:		
County Tax	2,931,411.59	
County Library Tax	207,778.64	
County Open Space Fund Tax	325,196.09	
Due County for Added Taxes	<u>12,198.70</u>	
		<u>3,476,585.02</u>
		3,487,594.25
Decreased By:		
Cash Disbursements	3,475,395.45	
Cancelled to Operations	<u>0.10</u>	
		<u>3,475,395.55</u>
Balance, December 31, 2018		<u><u>\$ 12,198.70</u></u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		
School Tax Payable	\$ 693,425.50	
School Tax Deferred	<u>2,100,000.00</u>	
		\$ 2,793,425.50
Increased By:		
Levy (School Year July 1, 2018 to June 30, 2019)		<u>5,808,823.00</u>
		8,602,248.50
Decreased By:		
Cash Disbursements		<u>5,697,835.98</u>
Balance, December 31, 2018		
School Tax Payable	\$ 804,412.52	
School Tax Deferred	<u>2,100,000.00</u>	
		<u><u>\$ 2,904,412.52</u></u>
 <u>2018 Liability for Regional High School Tax</u>		
Tax Payable, December 31, 2018		\$ 804,412.52
Tax Paid		<u>5,697,835.98</u>
		6,502,248.50
Less:		
Tax Payable, December 31, 2017		<u>693,425.50</u>
Amount Charged To 2018 Operations		<u><u>\$ 5,808,823.00</u></u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		
School Tax Payable	\$ 1,410,696.00	
School Tax Deferred	<u>2,775,000.00</u>	
		\$ 4,185,696.00
Increased By:		
Levy (School Year July 1, 2018 to June 30, 2019)		<u>8,371,801.00</u>
		12,557,497.00
Decreased By:		
Cash Disbursements		<u>8,261,598.00</u>
Balance, December 31, 2018		
School Tax Payable	\$ 1,520,899.00	
School Tax Deferred	<u>2,775,000.00</u>	
		<u>\$ 4,295,899.00</u>
 <u>2018 Liability for Local District School Tax</u>		
Tax Payable, December 31, 2018		\$ 1,520,899.00
Tax Paid		<u>8,261,598.00</u>
		9,782,497.00
Less:		
Tax Payable, December 31, 2017		<u>1,410,696.00</u>
Amount Charged To 2018 Operations		<u>\$ 8,371,801.00</u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE TO TRUST FUND - OPEN SPACE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ -
Increased By:	
Tax Levy	<u>117,950.52</u>
	117,950.52
Decreased By:	
Cash Disbursements	<u>117,950.52</u>
	-
Balance, December 31, 2018	<u><u>\$ -</u></u>



**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR VEHICLE INSURANCE REIMBURSEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		\$ -
Increased By:		
Transfer from Insurance Proceeds	1,063.96	
Cash Receipts	<u>3,079.54</u>	
		<u>4,143.50</u>
		4,143.50
Decreased By:		
Cash Disbursements		<u>819.99</u>
Balance, December 31, 2018		<u><u>\$ 3,323.51</u></u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR INSURANCE PROCEEDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		\$ -
Increased By:		
Cash Receipts		<u>6,622.14</u>
		6,622.14
Decreased By:		
Cash Disbursements	\$ 4,880.50	
Transfer to Vehicle Insurance Reimbursement	<u>1,063.96</u>	
		<u>5,944.46</u>
Balance, December 31, 2018		<u><u>\$ 677.68</u></u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR FEMA  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 39,507.69
Decreased By:	
Cash Disbursements	<u>34,436.58</u>
Balance, December 31, 2018	<u><u>\$ 5,071.11</u></u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSE FEES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 50.00
Increased By:	
Cash Receipts	<u>525.00</u>
	575.00
Decreased By:	
Cash Disbursements	<u>525.00</u>
Balance, December 31, 2018	<u><u>\$ 50.00</u></u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR STATE TAX APPEALS PENDING  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2018 & 2017

\$ 25,000.00

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR TAX SALE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 1,844.10
Increased By:	
Cash Receipts	<u>2,434.73</u>
	4,278.83
Decreased By:	
Cash Disbursements	<u>1,844.10</u>
Balance, December 31, 2018	<u><u>\$ 2,434.73</u></u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR WARDELL HOUSE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 35,291.11
Decreased By:	
Cash Disbursements	<u>8,174.87</u>
Balance, December 31, 2018	<u><u>\$ 27,116.24</u></u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR CODIFICATION  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 12,219.30
Decreased By:	
Cash Disbursements	<u>1,697.50</u>
Balance, December 31, 2018	<u><u>\$ 10,521.80</u></u>



**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR POLICE RECEIPTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 310.15
Increased By:	
Cash Receipts	<u>10.00</u>
	320.15
Decreased By:	
Cash Disbursements	<u>270.00</u>
Balance, December 31, 2018	<u><u>\$ 50.15</u></u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
STATE AND FEDERAL GRANT FUND  
SCHEDULE OF DUE FROM CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		\$ 76,591.98
Increased By:		
Local Matching Funds	91,046.00	
Cash Receipts:		
Grants Receivable	62,479.23	
Grants - Unappropriated	<u>11,995.45</u>	
		<u>166,339.71</u>
		242,931.69
Decreased By:		
Cash Disbursements: - Grants Appropriated	185,734.67	
Cancellation of Grants Receivable	<u>819.03</u>	
		<u>186,553.70</u>
Balance, December 31, 2018		<u><u>\$ 56,377.99</u></u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
STATE AND FEDERAL GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Balance December 31, <u>2017</u>	Increased By Revenue Anticipated <u>2018</u>	Cash Received	Transfer from Unappropriated Grants	Cancelled	Balance December 31, <u>2018</u>
Safe and Secure Communities Program	\$ -	\$ 25,895.00	\$ 25,895.00	\$ -	\$ -	\$ -
Recycling Tonnage	-	17,688.97	-	17,688.97	-	-
Body Armor Grant	-	1,785.52	-	1,785.52	-	-
Alcohol Education Rehabilitation Fund	-	2,445.02	-	2,445.02	-	-
Clean Communities Program	-	8,081.01	-	8,081.01	-	-
ESAA Grant	9,400.00	-	9,400.00	-	-	-
State Police-HMEP Project	27,834.80	-	25,827.25	-	819.03	1,188.52
Community Stew Incentive Program	30,000.00	-	-	-	-	30,000.00
Bulletproof Vest Grant	1,268.03	1,445.02	1,356.98	-	-	1,356.07
	<u>\$ 68,502.83</u>	<u>\$ 57,340.54</u>	<u>\$ 62,479.23</u>	<u>\$ 30,000.52</u>	<u>\$ 819.03</u>	<u>\$ 32,544.59</u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
STATE AND FEDERAL GRANT FUND  
SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Grant</u>	Balance December 31, <u>2017</u>	Transferred From 2018 <u>Appropriations</u>	Paid or <u>Charged</u>	<u>Cancelled</u>	Balance December 31, <u>2018</u>
Alcohol Education Rehabilitation Fund	\$ 7,452.91	\$ 2,445.02	\$ 5,000.00	\$ -	\$ 4,897.93
Safe and Secure Communities Program:					
State Share	-	25,895.00	25,895.00	-	-
Matching Funds - Borough Share	-	91,046.00	91,046.00	-	-
Clean Communities Program	17,126.38	8,081.01	7,616.03	-	17,591.36
Bulletproof Vest	-	1,445.02	-	-	1,445.02
Body Armor Fund	1,380.89	1,785.52	-	-	3,166.41
Recycling Tonnage Grant	26,363.17	17,688.97	15,530.98	-	28,521.16
Community Stew Incentive Program	30,000.00	-	30,000.00	-	-
ESAA Grant:					
State Share	9,400.00	-	-	-	9,400.00
Matching Funds - Borough Share	9,400.00	-	-	-	9,400.00
State Police - HMEP Project	11,111.66	-	7,787.38	819.03	2,505.25
Drunk Driving Enforcement Fund	2,859.28	-	2,859.28	-	-
	<u>\$ 115,094.29</u>	<u>\$ 148,386.54</u>	<u>\$ 185,734.67</u>	<u>\$ 819.03</u>	<u>\$ 76,927.13</u>

Grants Appropriated

\$ 57,340.54

Local Match

91,046.00\$ 148,386.54

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
STATE AND FEDERAL GRANT FUND  
SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Grant</u>	Balance December 31, <u>2017</u>	Cash <u>Received</u>	Grants <u>Appropriated</u>	Balance December 31, <u>2018</u>
Alcohol Education Rehabilitation Fund	\$ 2,445.02	\$ 4,247.48	\$ 2,445.02	\$ 4,247.48
Clean Communities Program	8,081.01	7,747.97	8,081.01	7,747.97
Body Armor Fund	1,785.52	-	1,785.52	-
Recycling Tonnage Grant	17,688.97	-	17,688.97	-
	<u>\$ 30,000.52</u>	<u>\$ 11,995.45</u>	<u>\$ 30,000.52</u>	<u>\$ 11,995.45</u>

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**TRUST FUNDS**

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**BOROUGH OF SHREWSBURY  
 COUNTY OF MONMOUTH, NEW JERSEY  
 TRUST FUND  
 SCHEDULE OF CASH - TREASURER  
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Animal Control</u>	<u>Trust - Other</u>
Balance, December 31, 2017	\$ 9,375.18	\$ 1,672,003.07
Increased By Receipts:		
Animal Control Fund	5,643.20	-
Due To State Department of Health	568.80	-
Miscellaneous Trust Fund Reserves	-	6,540,813.17
	<u>6,212.00</u>	<u>6,540,813.17</u>
	<u>15,587.18</u>	<u>8,212,816.24</u>
Decreased By Disbursements:		
Expenditures Under R.S. 4:19-15.11	437.00	-
Due To:		
State Department of Health	566.40	-
Due To Borough of Red Bank	7,592.83	-
Miscellaneous Trust Fund Reserves	-	6,645,841.78
	<u>8,596.23</u>	<u>6,645,841.78</u>
Balance, December 31, 2018	<u>\$ 6,990.95</u>	<u>\$ 1,566,974.46</u>

**BOROUGH OF SHREWSBURY  
 COUNTY OF MONMOUTH, NEW JERSEY  
 ANIMAL CONTROL FUND  
 SCHEDULE OF RESERVE FOR EXPENDITURES  
 FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		\$	8,106.51
Increased By:			
Dog Licenses	4,418.20		
Dog Late Fees	510.00		
Cat Licenses	610.00		
Cat Late Fees	105.00		
			5,643.20
			13,749.71
Decreased By:			
Expenditures Under R.S. 4:19-15.11	437.00		
Due To Borough of Red Bank	6,328.36		
			6,765.36
Balance, December 31, 2018		\$	6,984.35

<u>Year</u>	<u>Amount</u>
2016	\$ 5,868.80
2017	6,778.00
	\$ 12,646.80

**BOROUGH OF SHREWSBURY  
 COUNTY OF MONMOUTH, NEW JERSEY  
 ANIMAL CONTROL FUND  
 SCHEDULE OF DUE TO STATE DEPARTMENT OF HEALTH  
 FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$	4.20
Increased By:		
Collected in 2018		568.80
		573.00
Decreased By:		
Payments		566.40
Balance, December 31, 2018	\$	6.60

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE OF DUE TO BOROUGH OF RED BANK  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 1,264.47
Increased By:	
Reserve for Expenditures	<u>6,328.36</u>
	7,592.83
Decreased By:	
Cash Disbursements	<u>7,592.83</u>
Balance, December 31, 2018	<u><u>\$ -</u></u>

**BOROUGH OF SHREWSBURY**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**TRUST - OTHER FUND**  
**SCHEDULE OF MISCELLANEOUS TRUST FUND RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Balance December 31, <u>2017</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2018</u>
Tax Sale Premium	\$ 251,900.00	\$ 19,900.00	\$ 172,600.00	\$ 99,200.00
Unemployment Compensation	14,019.88	49.27	141.00	13,928.15
Inspection Fees	1,583.00	19,553.00	19,198.00	1,938.00
Municipal Court - P.O.A.A.	870.41	2.00	-	872.41
Payroll Deductions	9,682.87	5,066,866.55	5,066,952.56	9,596.86
Developers' Escrow	1,074,640.28	353,956.91	607,672.08	820,925.11
Environmental Trust	6,968.22	-	-	6,968.22
Open Space	115,071.95	118,575.69	27,778.35	205,869.29
Recycling	6,520.62	8,429.09	10,226.53	4,723.18
Rhododendron Garden	9,058.22	2,500.00	1,432.04	10,126.18
Law Enforcement Forfeiture Fund	511.06	1.80	-	512.86
Recreation	589.95	3,622.15	2,162.56	2,049.54
Uniform Fire Safety Act	4,843.27	-	150.00	4,693.27
Police Donations	800.00	200.00	100.00	900.00
Alliance on Alcoholism	6,239.87	700.27	136.34	6,803.80
Public Defender	3,222.65	2,907.00	3,325.04	2,804.61
Accumulated Sick and Vacation	15,000.00	55,000.00	23,908.44	46,091.56
Tax Redemption	12,699.60	353,526.86	353,527.03	12,699.43
Snow Emergency	12,485.29	4,093.00	14,649.72	1,928.57
Community Day Donations	138.35	-	-	138.35
Affordable Housing Trust	122,431.32	201,789.08	14,897.58	309,322.82
Traffic Calming Fees	614.01	-	614.01	-
Reserve for Outside Employment	2,112.25	329,140.50	326,370.50	4,882.25
	<u>\$ 1,672,003.07</u>	<u>\$ 6,540,813.17</u>	<u>\$ 6,645,841.78</u>	<u>\$ 1,566,974.46</u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")  
SCHEDULE OF INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		\$ 678,413.94
Increased By:		
Borough Contributions	46,000.00	
Interest on Investments	2,780.71	
	48,780.71	
		727,194.65
Decreased By:		
Distributions	31,072.16	
Loss on Investments	40,068.13	
	71,140.29	
Balance, December 31, 2018		\$ 656,054.36

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")  
SCHEDULE OF MISCELLANEOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		\$ 678,413.94
Increased By:		
Borough Contributions	46,000.00	
Interest on Investments	<u>2,780.71</u>	
		<u>48,780.71</u>
		727,194.65
Decreased By:		
Distributions	31,072.16	
Loss on Investments	<u>40,068.13</u>	
		<u>71,140.29</u>
Balance, December 31, 2018		<u><u>\$ 656,054.36</u></u>

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**GENERAL CAPITAL FUND**

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**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		\$ 9,901.17
Increased By Receipts:		
Unfunded Ordinances Raised in Current Budget	135,864.88	
Bond Anticipation Notes Issued	1,225,500.00	
MCIA Bond Sale Proceeds	3,819,688.50	
Capital Improvement Fund:		
Budget Appropriations	<u>50,000.00</u>	
		<u>5,231,053.38</u>
		5,240,954.55
Decreased By Disbursements:		
Paydown of Bond Anticipation Notes	3,807,000.00	
Notes Redeemed	286,000.00	
Improvement Authorizations	<u>716,763.23</u>	
		<u>4,809,763.23</u>
Balance, December 31, 2018		<u><u>\$ 431,191.32</u></u>

**BOROUGH OF SHREWSBURY  
 COUNTY OF MONMOUTH, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH  
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	Balance December 31, <u>2018</u>
Capital Improvement Fund	\$ 33,512.44
Reserve for Green Acres Trust	0.13
Reserve for Debt Service	52,688.50
Fund Balance	11,416.34

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
1008	Generator for Municipal Building	(90,500.00)
1012	Ave at the Common	40,139.28
1029	Improvements to Various Roads	(6,785.04)
1032	Improvements of Various Roads	7,430.80
1035	Acquisition of Police Equipment	(9,500.00)
1036	Acquisition of Street Sweeper	(16,000.00)
1037	Acquisition of DPW Equipment	555.25
1038	Acquisition of Equipment for Municipal Complex	(14,005.53)
1043	Improvement to Various Roads	464,352.90
1044	Acquisition of Police Equipment	(4,504.53)
1045	Acquisition of Fire Equipment	(11,644.06)
1046	Improvements of First Aid	(14,250.00)
1047	Acquisition of Equipment for Municipal Complex	(8,295.22)
1048	Acquisition for DPW Equipment & Vehicles	(8,138.44)
1049	Improvements to DPW	(4,350.00)
1051	Improvements to Obre Place	9,068.50
		9,068.50
		\$ 431,191.32

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 4,318,000.00
Increased By:	
Serial Bonds Issued	<u>3,375,000.00</u>
	7,693,000.00
Decreased By:	
Serial Bonds Paid By Current Fund	<u>691,000.00</u>
Balance, December 31, 2018	<u><u>\$ 7,002,000.00</u></u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Ordinance Number	Improvement Description	Balance December 31, 2017	Increased By 2018 Authorizations	Decreases	Balance December 31, 2018	Analysis of Balance			
						Unexpended Improvement Authorizations	Expenditures		
915	Improvements To DPW Complex	\$ 3,724.31	\$ -	\$ 3,724.31	\$ -	\$ -	\$ -	\$ -	
956	IMPS TO Blades Run	130,000.00	-	130,000.00	-	-	-	-	
966	Acquisition of Fire Apparatus	380,000.00	-	380,000.00	-	-	-	-	
983	Purchase of Fire Equip	36,000.00	-	36,000.00	-	-	-	-	
994	Improvements to Patterson Ave	13,691.46	-	-	13,691.46	13,691.46	-	-	
1003	Improvements to Various Roads	190,000.00	-	190,000.00	-	-	-	-	
1004	Fire Equipment	55,000.00	-	55,000.00	-	-	-	-	
1006	DPW Equipment	54,000.00	-	54,000.00	-	-	-	-	
1007	Pedestrian Safety Improvements	792.67	-	792.67	-	-	-	-	
1008	Generator for Municipal Building	92,000.00	-	1,500.00	90,500.00	-	-	90,500.00	
1012	Ave at the Common	820,000.00	-	820,000.00	-	-	-	-	
1016	Improvements to Various Roads	217,500.00	-	217,500.00	-	-	-	-	
1019	Acquisition of Ambulance	135,000.00	-	135,000.00	-	-	-	-	
1022	Acquisition of Ladder Truck	940,000.00	-	929,585.00	10,415.00	10,415.00	-	-	
1024	Acquisition of Dump Truck	10,740.00	-	10,740.00	-	-	-	-	
1028	Acquisition of Fire Equipment	21,850.00	-	21,850.00	-	-	-	-	
1029	Improvements to Various Roads	207,801.84	-	201,016.80	6,785.04	6,785.04	-	6,785.04	
1032	Improvements of Various Roads	380,000.00	-	380,000.00	-	-	-	-	
1033	Improvements of First Aid	14,250.00	-	14,250.00	-	-	-	-	
1034	Acquisition of Fire Equipment	11,400.00	-	11,400.00	-	-	-	-	
1035	Acquisition of Police Equipment	9,500.00	-	-	9,500.00	-	-	9,500.00	
1036	Acquisition of Street Sweeper	76,000.00	-	60,000.00	16,000.00	-	-	16,000.00	
1037	Acquisition of DPW Equipment	61,750.00	-	54,000.00	7,750.00	7,750.00	-	-	
1038	Acquisition of Equipment for Municipal Complex	47,500.00	-	33,494.47	14,005.53	-	-	14,005.53	
1043	Improvement to Various Roads	-	845,500.00	845,500.00	-	-	-	-	
1044	Acquisition of Police Equipment	-	9,500.00	-	9,500.00	4,995.47	-	4,504.53	
1045	Acquisition of Fire Equipment	-	19,950.00	-	19,950.00	8,305.94	-	11,644.06	
1046	Improvements of First Aid	-	14,250.00	-	14,250.00	-	-	14,250.00	
1047	Acquisition of Equipment for Municipal Complex	-	47,500.00	-	47,500.00	39,204.78	-	8,295.22	
1048	Acquisition for DPW Equipment & Vehicles	-	58,900.00	-	58,900.00	50,761.56	-	8,138.44	
1049	Improvements to DPW	-	28,500.00	-	28,500.00	24,150.00	-	4,350.00	
1051	Improvements to Obre Place	-	456,000.00	-	456,000.00	456,000.00	-	-	
<b>\$ 3,908,500.28</b>						<b>\$ 1,480,100.00</b>	<b>\$ 4,585,353.25</b>	<b>\$ 803,247.03</b>	<b>\$ 187,972.82</b>

Cancellation - Resolution 2018-126 \$ 152,193.37  
 MCIA Bond Proceeds 3,807,000.00  
 BAN's Paid by Operating Budget 350,000.00  
 Funded by Budget Appropriation 135,864.88  
 Redemption of BAN's 140,295.00  
**\$ 4,585,353.25**

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2018		Interest Rate	Balance December 31, 2017	Increased	Decreased	Balance December 31, 2018
	Date	Amount	Date	Amount					
Refunding Bonds	03/08/07	\$ 3,067,000.00	12/01/19	217,000.00	5.000%	\$ 866,000.00	\$ -	\$ 214,000.00	\$ 652,000.00
			12/01/20	218,000.00	4.000%				
			12/01/21	217,000.00	4.000%				
Government Loan Revenue Bonds	12/04/08	2,636,000.00				222,000.00	-	222,000.00	-
MCIA Fire Company Bonds - 2005	09/07/05	2,275,000.00	09/01/19	195,000.00	4.000%	1,545,000.00	-	185,000.00	1,360,000.00
			09/01/20	200,000.00	4.250%				
			09/01/21	175,000.00	4.250%				
			09/01/22	185,000.00	4.250%				
			09/01/23	195,000.00	4.250%				
			09/01/24	200,000.00	4.250%				
Refunding Bonds - 2016	02/1/2016	1,030,000.00	12/01/19	230,000.00	4.000%	1,020,000.00	-	-	1,020,000.00
			12/01/20	250,000.00	5.000%				
			12/01/21	270,000.00	5.000%				
			12/01/22	270,000.00	5.000%				
MCIA Fire Company Bond - 2006	05/11/06	975,000.00	09/01/19	75,000.00	4.300%	665,000.00	-	70,000.00	595,000.00
			09/01/20	80,000.00	4.300%				
			09/01/21	80,000.00	4.300%				
			09/01/22	85,000.00	4.375%				
			09/01/23	90,000.00	4.375%				
			09/01/24	90,000.00	4.375%				
MCIA Various Improvements - 2018	12/01/18	3,375,000.00	12/21/19	180,000.00	4.000%	-	3,375,000.00	-	3,375,000.00
			12/21/20	180,000.00	5.000%				
			12/21/21	190,000.00	5.000%				
			12/21/22	200,000.00	5.000%				
			12/21/23	210,000.00	5.000%				
			12/21/24	220,000.00	5.000%				
			12/21/25	230,000.00	5.000%				
			12/21/26	240,000.00	5.000%				
			12/21/27	255,000.00	5.000%				
			12/21/28	265,000.00	5.000%				
			12/21/29	280,000.00	5.000%				
			12/21/30	295,000.00	5.000%				
			12/21/31	305,000.00	5.000%				
12/21/32	325,000.00	5.000%							
						<u>\$ 4,318,000.00</u>	<u>\$ 3,375,000.00</u>	<u>\$ 691,000.00</u>	<u>\$ 7,002,000.00</u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Ordinance	Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2017	Change		Balance December 31, 2018
							Increased	Decreased	
956	Improvements to Blade Run	12/21/12	12/19/17	12/14/18	1.39%	\$ 130,000.00	\$ -	\$ 130,000.00	\$ -
966	Acquisition of Fire Apparatus	12/21/12	12/19/17	12/14/18	1.39%	380,000.00	-	380,000.00	-
983	Purchase of Fire Equipment	12/21/12	12/19/17	12/14/18	1.39%	36,000.00	-	36,000.00	-
1003	Improvements to Various Roads	12/19/14	12/19/17	12/14/18	1.39%	190,000.00	-	190,000.00	-
1004	Fire Equipment	12/19/14	12/19/17	12/14/18	1.39%	55,000.00	-	55,000.00	-
1006	DPW Equipment	12/19/14	12/19/17	12/14/18	1.39%	54,000.00	-	54,000.00	-
1012	Ave at the Commons	12/18/15	12/19/17	12/14/18	1.39%	820,000.00	-	820,000.00	-
1016	Improvements to Various Roads	12/18/15	12/19/17	12/14/18	1.39%	217,500.00	-	217,500.00	-
1019	Acquisition of Ambulance	12/16/16	12/19/17	12/14/18	1.39%	135,000.00	-	135,000.00	-
1022	Acquisition of Ladder Truck	12/16/16	12/19/17	12/14/18	1.39%	900,000.00	-	900,000.00	-
1029	Improvements to Various Roads	12/16/16	12/19/17	12/14/18	1.39%	180,000.00	-	180,000.00	-
1032	Improvements of Various Roads	N/A	N/A	N/A	N/A	-	380,000.00	380,000.00	-
1036	Acquisition of Street Sweeper	12/14/17	12/19/17	12/14/18	1.39%	60,000.00	-	60,000.00	-
1037	Acquisition of DPW Equipment	12/14/17	12/19/17	12/14/18	1.39%	60,000.00	-	60,000.00	-
1043	Improvement to Various Roads	N/A	N/A	N/A	N/A	-	845,500.00	845,500.00	-
						<b>\$ 3,217,500.00</b>	<b>\$ 1,225,500.00</b>	<b>\$ 4,443,000.00</b>	<b>\$ -</b>
						BAN's Rolled \$ 1,225,500.00		\$ -	-
						BAN's Redeemed		286,000.00	-
						MCIA Bonds Issued		3,807,000.00	-
						Paid By Operating Budget		350,000.00	-
						<b>\$ 1,225,500.00</b>	<b>\$ 4,443,000.00</b>	<b>\$ -</b>	<b>\$ -</b>



**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance December 31, 2017		2018 Authorizations		Paid or Charged	Adjustments/Cancelled	Balance December 31, 2018	
				Funded	Unfunded	Bonds & Notes Issued	Capital Improvement Fund			Funded	Unfunded
915	Improvements To DPW Complex	06/16/08	\$ 200,000.00	\$ -	\$ 3,724.31	\$ -	\$ -	\$ 3,724.31	\$ -	\$ -	\$ -
994	Improvements To Patterson Ave	05/26/13	400,000.00	-	13,691.46	-	-	-	-	-	13,691.46
1006	DPW Equipment	6/2/2014	70,000.00	480.68	-	-	-	480.68	-	-	-
1007	Pedestrian Safety Improvements	6/2/2014	35,000.00	-	625.17	-	-	625.17	-	-	-
1008	Generator for Municipal Building	9/15/2014	100,000.00	-	90,500.00	-	-	90,500.00	-	-	-
1012	Ave at the Common	5/4/2015	900,000.00	-	156,303.78	-	-	16,459.50	99,705.00	40,139.28	-
1022	Acquisition of Ladder Truck	10/5/2015	1,200,000.00	-	12,163.37	-	-	-	1,748.37	-	10,415.00
1024	Acquisition of Dump Truck	3/21/2016	166,000.00	-	10,740.00	-	-	-	10,740.00	-	-
1029	Improvements to Various Roads	7/19/2016	250,000.00	-	6,785.04	-	-	6,785.04	-	-	-
1032	Improvements of Various Roads	4/17/2017	400,000.00	-	50,659.76	-	-	43,228.96	-	7,430.80	-
1033	Improvements of First Aid	5/15/2017	15,000.00	-	3.50	-	-	3.50	-	-	-
1034	Acquisition of Fire Equipment	5/15/2017	12,000.00	-	3,724.69	-	-	3,724.69	-	-	-
1035	Acquisition of Police Equipment	5/15/2017	10,000.00	500.00	9,500.00	-	-	10,000.00	-	-	-
1036	Acquisition of Street Sweeper	5/15/2017	80,000.00	-	36,000.00	-	-	-	36,000.00	-	-
1037	Acquisition of DPW Equipment	5/15/2017	65,000.00	-	18,665.25	-	-	6,360.00	4,000.00	555.25	7,750.00
1038	Acquisition of Equipment for Municipal Complex	5/15/2017	50,000.00	-	34,005.53	-	-	34,005.53	-	-	-
1043	Improvement to Various Roads	5/21/2018	890,000.00	-	-	845,500.00	-	425,647.10	-	464,352.90	-
1044	Acquisition of Police Equipment	5/21/2018	10,000.00	-	-	9,500.00	500.00	5,004.53	-	-	4,995.47
1045	Acquisition of Fire Equipment	5/21/2018	21,000.00	-	-	19,950.00	1,050.00	12,694.06	-	-	8,305.94
1046	Improvements of First Aid	5/21/2018	15,000.00	-	-	14,250.00	750.00	15,000.00	-	-	-
1047	Acquisition of Equipment for Municipal Complex	5/21/2018	50,000.00	-	-	47,500.00	2,500.00	10,795.22	-	-	39,204.78
1048	Acquisition for DPW Equipment & Vehicles	5/21/2018	62,000.00	-	-	58,900.00	3,100.00	11,238.44	-	-	50,761.56
1049	Improvements to DPW	5/21/2018	30,000.00	-	-	28,500.00	1,500.00	5,850.00	-	-	24,150.00
1051	Improvements to Obre Place	10/15/2018	480,000.00	-	-	456,000.00	24,000.00	14,931.50	-	9,068.50	456,000.00
				\$ 980.68	\$ 447,091.86	\$ 1,480,100.00	\$ 77,900.00	\$ 717,058.23	\$152,193.37	\$ 521,546.73	\$ 615,274.21

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ 61,412.44
Increased By:	
2018 Budget Appropriations	<u>50,000.00</u>
	111,412.44
Decreased By:	
Improvement Authorizations	<u>77,900.00</u>
Balance, December 31, 2018	<u><u>\$ 33,512.44</u></u>

**BOROUGH OF SHREWSBURY  
 COUNTY OF MONMOUTH, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF RESERVE FOR FIRE APPARATUS  
 FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$	100.00
Decreased By:		
Cancellation		100.00
Balance, December 31, 2018	\$	-

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR GREEN ACRES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2018 & 2017

\$ 0.13

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Ordinance Number	Improvement Description	Balance December 31, 2017	Decreased by			Balance December 31, 2018
			Increased	Current Budget Appropriation	Cancelled	
915	Improvements To DPW Complex	\$ 3,724.31	\$ -	\$ 3,724.31	\$ -	\$ -
994	Improvements to Patterson Ave	13,691.46	-	-	-	13,691.46
1007	Pedestrian Safety Improvements	792.67	-	792.67	-	-
1008	Generator for Municipal Building	92,000.00	-	1,500.00	-	90,500.00
1012	Ave at the Common	-	-	-	-	-
1022	Acquisition of Ladder Truck	40,000.00	-	27,836.63	1,748.37	10,415.00
1024	Acquisition of Dump Truck	10,740.00	-	-	10,740.00	-
1028	Acquisition of Fire Equipment	21,850.00	-	21,850.00	-	-
1029	Improvement to Various Roads	27,801.84	-	21,016.80	-	6,785.04
1032	Improvements of Various Roads	380,000.00	-	-	-	380,000.00
1033	Improvements of First Aid	14,250.00	-	14,250.00	-	-
1034	Acquisition of Fire Equipment	11,400.00	-	11,400.00	-	-
1035	Acquisition of Police Equipment	9,500.00	-	-	-	9,500.00
1036	Acquisition of Street Sweeper	16,000.00	36,000.00	-	36,000.00	16,000.00
1037	Acquisition of DPW Equipment	1,750.00	10,000.00	-	4,000.00	7,750.00
1038	Acquisition of Equipment for Municipal Complex	47,500.00	-	33,494.47	-	14,005.53
1043	Improvement to Various Roads	-	845,500.00	-	-	845,500.00
1044	Acquisition of Police Equipment	-	9,500.00	-	-	9,500.00
1045	Acquisition of Fire Equipment	-	19,950.00	-	-	19,950.00
1046	Improvements of First Aid	-	14,250.00	-	-	14,250.00
1047	Acquisition of Equipment for Municipal Complex	-	47,500.00	-	-	47,500.00
1048	Acquisition for DPW Equipment & Vehicles	-	58,900.00	-	-	58,900.00
1049	Improvements to DPW	-	28,500.00	-	-	28,500.00
1051	Improvements to Obre Place	-	456,000.00	-	-	456,000.00
		\$ 691,000.28	\$ 1,526,100.00	\$ 135,864.88	\$ 52,488.37	\$ 1,225,500.00
						\$ 803,247.03

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR DEBT SERVICE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017		\$ 180,000.00
Increased By:		
Cash Receipts	12,688.50	
Deferred Charges Future Taxation Unfunded	<u>40,000.00</u>	
		<u>52,688.50</u>
		232,688.50
Decreased By:		
Budgeted BAN Paydown - Interfund Current		<u>180,000.00</u>
Balance, December 31, 2018		<u><u>\$ 52,688.50</u></u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR GRANT RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ -
Increased By:	
Grant Awards	<u>110,000.00</u>
Balance, December 31, 2018	<u><u>\$ 110,000.00</u></u>

Analysis of Balance

Improvements to Patterson Avenue - Ord. 994	\$ 50,000.00
Improvements to Avenue Commons - Ord. 1012	<u>60,000.00</u>
	<u><u>\$ 110,000.00</u></u>

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2017	\$ -
Increased By:	
Grants Awarded	<u>110,000.00</u>
Balance, December 31, 2018	<u>\$ 110,000.00</u>

Analysis of Balance

Improvements to Patterson Avenue - Ord. 994	\$ 50,000.00
Improvements to Avenue Commons - Ord. 1012	<u>60,000.00</u>
	<u>\$ 110,000.00</u>



**PUBLIC ASSISTANCE FUND**

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**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	P.A.T.F. Account I <u>(75%)</u>	P.A.T.F. Account II <u>(100%)</u>	Fund <u>Total</u>
Balance, December 31, 2018 & 2017	\$ 4,736.26	\$ 4,030.98	\$ 8,767.24

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF RESERVE FOR EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2018 & 2017

\$ 8,767.24

**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH AND RECONCILIATION PER N.J.S.A. 40A:5-5  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Balance, December 31, 2018 & 2017 \$ 8,767.24

Reconciliation - December 31, 2018

	P.A.T.F. Account I <u>(75%)</u>	P.A.T.F. Account II <u>(100%)</u>	Fund <u>Total</u>
Balance on Deposit Per Statement of 1st Constitution Bank:			
Account I	\$ 4,736.60	\$ -	\$ 4,736.60
Account II	-	4,030.98	4,030.98
Balance, December 31, 2018	<u>\$ 4,736.60</u>	<u>\$ 4,030.98</u>	<u>\$ 8,767.58</u>

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**GENERAL FIXED ASSETS ACCOUNT GROUP**

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**BOROUGH OF SHREWSBURY  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
SCHEDULE OF GENERAL FIXED ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	December 31, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	December 31, <u>2018</u>
General Fixed Assets:				
Land	\$ 2,467,076.00	\$ -	\$ -	\$ 2,467,076.00
Buildings	4,741,553.33	-	-	4,741,553.33
Machinery and Equipment	6,840,973.38	255,907.93	367,808.67	6,729,072.64
	<hr/>			
Total General Fixed Assets	\$ 14,049,602.71	\$ 255,907.93	\$ 367,808.67	\$ 13,937,701.97
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**COMMENTS AND RECOMMENDATIONS**

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**BOROUGH OF SHREWSBURY**

**PART II**

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -  
GOVERNMENT AUDITING STANDARDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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**BOROUGH OF SHREWSBURY**  
**SCHEDULE OF FINANCIAL STATEMENT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**BOROUGH OF SHREWSBURY  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Financial Statement Findings

No Prior Year Findings.



**BOROUGH OF SHREWSBURY**

**PART III**

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2018.

#### **GENERAL COMMENTS:**

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

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

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$40,000 for the year ended December 31, 20187.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold “for the performance of any work, or the furnishing of any materials, supplies or labor” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

## **Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body on January 2, 2018 adopted the following resolution authorizing interest to be charged on delinquent taxes:

*NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and*

*BE IT FURTHER RESOLVED, by the Borough Council of the Borough of Shrewsbury, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and*

*BE IT FURTHER RESOLVED, by the Borough Council of the Borough of Shrewsbury, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.*

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

### **OTHER COMMENTS (FINDINGS):**

None.

### **RECOMMENDATIONS:**

None.

## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2018:

<u>Name</u>	<u>Title</u>
Donald Burden	Mayor
Erik Anderson	Councilmember
Deidre DerAsadourian	Council President
Jeff DeSalvo	Councilmember
Donald Eddy	Councilmember
Peter Meyer	Councilmember
Kim Doran Eulner	Councilmember
Maureen L. Muttie	Borough Clerk
Thomas X. Seaman	Chief Financial Officer, Tax Collector
Megan Thomas	Court Administrator
Martin M. Barger	Solicitor

## Appreciation

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 483

Freehold, New Jersey  
August 7, 2019