

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
AUDIT REPORT FOR THE YEAR ENDED
DECEMBER 31, 2021**

This page intentionally left blank

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Exhibits</u>	<u>Page</u>
<u>Independent Auditor's Report</u>		1
 <u>Internal Control Section</u>		
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		5
 Financial Statements		
<u>Current Fund</u>		
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	A	9
Statement of Operations and Changes in Fund Balance - Regulatory Basis	A-1	11
Statement of Revenues - Regulatory Basis	A-2	12
Statement of Expenditures - Regulatory Basis	A-3	15
 <u>Trust Fund</u>		
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	B	18
 <u>General Capital Fund</u>		
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	C	19
Statement of Fund Balance - Regulatory Basis	C-1	20
 <u>Public Assistance Fund</u>		
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	D	21
 <u>General Fixed Assets Account Group</u>		
Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	E	22
 <u>Notes To Financial Statements</u>		25
 <u>Supplementary Statements</u>		
<u>Current Fund</u>		
Schedule of Cash Receipts and Disbursements - Collector/Treasurer	A-4	67
Schedule of Change Fund	A-5	68
Schedule of Due From State of New Jersey for Senior Citizens' and Veterans' Deductions	A-6	69
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7	70
Schedule of Tax Title Liens Receivable	A-8	71
Schedule of Revenue Accounts Receivable	A-9	72
Schedule of 2020 Appropriation Reserves - Regulatory Accounting Basis	A-10	73
Schedule of Tax Overpayments	A-11	77
Schedule of Prepaid Taxes	A-12	78
Schedule of County Taxes Payable	A-13	79
Schedule of Regional High School Tax Payable	A-14	80
Schedule of Local District School Tax Payable	A-15	81
Schedule of Due To Trust Fund – Open Space	A-16	82
Schedule of Reserve for FEMA	A-17	83
Schedule of Reserve for Coronavirus Relief	A-18	84
Schedule of Due To State of New Jersey - Marriage License Fees	A-19	85
Schedule of Reserve for State Tax Appeals Pending	A-20	86
Schedule of Reserve for Wardell House	A-21	87
Schedule of Reserve for Police Receipts	A-22	88

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Exhibits</u>	<u>Page</u>
Schedule of Reserve for Unclaimed Court Receipts	A-23	89
Schedule of Due To Two Rivers Water Reclamation Authority	A-24	90
Schedule of Due From/(To) General Capital Fund	A-25	91
Schedule of Due From Current Fund	A-26	92
Schedule of Grants Receivable - State and Federal Grant Fund	A-27	93
Schedule of Reserve for State Grants - Appropriated	A-28	94
Schedule of Reserve for State Grants - Unappropriated	A-29	95
 <u>Trust Fund</u>		
Schedule of Cash - Treasurer	B-1	99
Schedule of Reserve for Expenditures - Animal Control Fund	B-2	100
Schedule of Due To State Department of Health - Animal Control Fund	B-3	101
Schedule of Miscellaneous Trust Fund Reserves	B-4	102
Schedule of Investments - Length of Service Awards Program Fund	B-5	103
Schedule of Miscellaneous Reserves - Length of Service Awards Program Fund	B-6	104
 <u>General Capital Fund</u>		
Schedule of Cash - Treasurer	C-2	107
Schedule of Analysis of General Capital Cash	C-3	108
Schedule of Deferred Charges To Future Taxation - Funded	C-4	109
Schedule of Deferred Charges To Future Taxation - Unfunded	C-5	110
Schedule of General Serial Bonds	C-6	111
Schedule of Bond Anticipation Notes	C-7	112
Schedule of Improvement Authorizations	C-8	113
Schedule of Capital Improvement Fund	C-9	114
Schedule of Reserve for Green Acres	C-10	115
Schedule of Bonds and Notes Authorized But Not Issued	C-11	116
Schedule of Reserve for Debt Service	C-12	117
Schedule of Reserve for Grant Receivable	C-13	118
Schedule of Grant Receivable	C-14	119
Schedule of Due To Current Fund	C-15	120
Schedule of Capital Equipment Lease Obligation	C-16	121
 <u>Public Assistance Fund</u>		
Schedule of Cash - Treasurer	D-1	125
Schedule of Reserve for Expenditures	D-2	126
Schedule of Cash and Reconciliation per N.J.S.A. 40A:5-5	D-3	127
 <u>General Fixed Assets Account Group</u>		
Schedule of General Fixed Assets	E-1	131
 <u>PART II</u>		
Schedule of Financial Statement Findings - Government Auditing Standards		137
 <u>PART III</u>		
Letter of Comments and Recommendations -Regulatory Basis		
Officials in Office and Surety Bonds		143
General Comments		144
Acknowledgment		146

(Concluded)

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

This page intentionally left blank



INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the various funds and account group of the Borough of Shrewsbury, which comprise the statements of assets, liabilities, reserves and fund balance – regulatory basis as of December 31, 2021 and 2020, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the statement of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2021, and the related notes to the financial statements, as listed in the table of contents.

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 Borough of Shrewsbury, as of December 31, 2021 and 2020, and the results of its operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis, statements of expenditures – regulatory basis for the year ended December 31, 2021, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, 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 of Shrewsbury, as of December 31, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended.

Basis for Opinions

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

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

As described in Note 1 of the financial statements, 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 Division of Local Government Services, Department of Community Affairs, 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 and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control(s) relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Shrewsbury's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Shrewsbury's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Shrewsbury's basic financial statements. The accompanying supplemental schedules presented for the various funds and letter of comments and recommendations section 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 schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2022, on our consideration of the Borough of Shrewsbury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Borough of Shrewsbury's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Shrewsbury's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

June 28, 2022
Lakewood, New Jersey

This page intentionally left blank

**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, NJ 07702

We have audited, in accordance with the 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 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, 2021, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements, and have issued our report thereon dated June 28, 2022. 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.

Report on 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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of financial statement findings as item 2021-01.

Borough's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the findings identified in our audit and described in the accompanying schedule of financial statement findings. The Borough's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

June 28, 2022
Lakewood, New Jersey

BASIC FINANCIAL STATEMENTS

This page intentionally left blank

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020**

<u>Assets</u>	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Cash	A-4	\$ 5,500,497.86	\$ 5,260,148.92
Cash - Change Fund	A-5	<u>270.00</u>	<u>270.00</u>
		<u>5,500,767.86</u>	<u>5,260,418.92</u>
Receivables With Full Reserves:			
Taxes Receivable	A-7	201,454.22	173,313.44
Tax Title Liens Receivable	A-8	625.73	617.25
Due From General Capital Fund	A-25	35,000.00	-
Revenue Accounts Receivable	A-9	<u>5,266.25</u>	<u>8,788.88</u>
		242,346.20	182,719.57
		<u>5,743,114.06</u>	<u>5,443,138.49</u>
State and Federal Grant Fund:			
State and Federal Grants Receivable	A-27	41,659.95	38,500.00
Due From Current Fund	A-26	<u>262,197.72</u>	<u>42,306.04</u>
		<u>303,857.67</u>	<u>80,806.04</u>
Total Assets		<u>\$ 6,046,971.73</u>	<u>\$ 5,523,944.53</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, 2021 AND 2020**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Appropriation Reserves	A-3	\$ 551,473.94	\$ 597,054.99
Encumbrances Payable	A-3	60,904.57	66,438.30
Accounts Payable	A-10	50.00	22,710.00
Prepaid Taxes	A-12	401,282.64	224,682.46
County Taxes Payable	A-13	20,199.36	38,350.36
Regional High School Tax Payable	A-14	1,222,656.60	1,107,835.98
Local District School Tax Payable	A-15	1,804,659.00	1,718,360.00
Due To Two Rivers Water Reclamation Authority:			
Sewer Liens	A-24	6,172.23	-
Due To State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-6	500.00	-
Marriage License Fees	A-19	56.00	125.00
Due To State and Federal Grant Fund	A-28	262,197.72	42,306.04
Reserve for:			
FEMA	A-17	5,071.11	5,071.11
State Tax Appeals Pending	A-20	24,185.00	24,185.00
Wardell House	A-21	18,351.38	18,351.38
Police Receipts	A-22	133.15	133.15
Unclaimed Court Receipts	A-23	128.05	-
		<hr/>	<hr/>
		4,378,020.75	3,865,603.77
Reserve for Receivables	A	242,346.20	182,719.57
Fund Balance	A-1	<hr/> 1,122,747.11	<hr/> 1,394,815.15
		<hr/>	<hr/>
		5,743,114.06	5,443,138.49
State and Federal Grant Fund:			
Reserve for State and Federal Grants:			
Appropriated	A-28	64,442.00	38,729.90
Unappropriated	A-29	212,110.82	13,215.37
Encumbrances Payable	A-28	<hr/> 27,304.85	<hr/> 28,860.77
		<hr/>	<hr/>
		303,857.67	80,806.04
		<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balance		<hr/> <hr/> \$ 6,046,971.73	<hr/> <hr/> \$ 5,523,944.53

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, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,000,000.00	\$ 1,000,000.00
Miscellaneous Revenue Anticipated	1,229,509.24	1,097,367.95
Receipts From Delinquent Taxes	173,313.44	86,229.10
Receipts From Current Taxes	26,922,653.48	26,292,824.84
Non-Budget Revenue	64,768.31	59,940.41
Other Credits To Income:		
Cancellation of Accounts Payable	8,310.00	-
Senior Citizen's & Vet's Prior Year Adjustment	-	500.00
Reserve for Insurance Reimb.	-	2,024.08
Reserve for	-	22.02
Reserve for Tax Appeals	-	100,815.00
Unexpended Balances of Appropriation Reserves	312,557.70	454,470.35
	<u>29,711,112.17</u>	<u>29,094,193.75</u>
Total Revenues		
	<u>29,711,112.17</u>	<u>29,094,193.75</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	3,722,450.00	3,649,035.00
Other Expenses	3,085,740.00	3,152,382.00
Deferred Charges and Statutory Expenditures	923,578.00	911,787.00
Budget Appropriations Excluded From "CAPS":		
Operations:		
Other Expenses	305,911.68	280,245.98
Capital Improvements	100,000.00	75,000.00
Municipal Debt Service	1,304,136.80	1,256,792.16
Deferred Charges - Other	148,575.28	140,071.46
Tax Appeals Pending		
Senior Citizen's & Veteran's Cancelled	500.00	-
County Taxes	3,640,281.46	3,483,683.68
County Share of Added and Omitted Taxes	20,199.36	38,350.36
Regional High School Tax	6,645,311.00	6,415,670.00
Local District School Tax	8,924,323.00	8,756,727.00
Municipal Open Space Tax	127,173.63	123,630.89
Interfunds Advanced	35,000.00	-
	<u>28,983,180.21</u>	<u>28,283,375.53</u>
Total Expenditures		
	<u>28,983,180.21</u>	<u>28,283,375.53</u>
Statutory Excess To Fund Balance	727,931.96	810,818.22
Fund Balance, January 1	<u>1,394,815.15</u>	<u>1,583,996.93</u>
	2,122,747.11	2,394,815.15
Decreased By:		
Utilized as Anticipated Revenue	<u>1,000,000.00</u>	<u>1,000,000.00</u>
Fund Balance, December 31	<u>\$ 1,122,747.11</u>	<u>\$ 1,394,815.15</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, 2021

	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	\$ 1,000,000.00	\$ -	\$ 1,000,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	6,500.00	-	8,292.00	1,792.00
Other	36,000.00	-	38,879.00	2,879.00
Fees and Permits	90,000.00	-	103,885.01	13,885.01
Fines and Costs:				
Municipal Court	135,000.00	-	98,680.44	(36,319.56)
Interest and Costs on Taxes	34,000.00	-	58,006.96	24,006.96
Interest on Investments	19,000.00	-	20,211.03	1,211.03
Cable Franchise Fee	70,000.00	-	72,245.17	2,245.17
Mobile Tower Fee	40,000.00	-	46,375.54	6,375.54
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	220,000.00	-	181,703.00	(38,297.00)
Clean Communities Program	7,797.37	8,296.68	16,094.05	-
Alcohol Education and Rehabilitation Fund	5,418.00	4,998.38	10,416.38	-
Safe and Secure Communities Program	13,983.00	-	13,983.00	-
Body Armor Fund	1,482.12	-	1,482.12	-
State Police-HMEP Project	-	3,815.20	3,815.20	-
Bulletproof Vest Partnership	904.65	-	904.65	-
EMAA Grant	10,000.00	-	10,000.00	-
Drunk Driving Enforcement	7,998.15	-	7,998.15	-
OAG Body Worn Camera Grant	-	24,456.00	24,456.00	-
Uniform Fire Safety Act	22,000.00	-	29,128.74	7,128.74
Administrative Costs for Outside Service - Police	14,000.00	-	3,340.00	(10,660.00)
Reserve for Coronavirus Relief	40,283.30	-	40,283.30	-
Reserve to Pay Debt Service	12,688.50	-	12,688.50	-
Total Miscellaneous Revenues	1,208,696.09	41,566.26	1,229,509.24	(20,753.11)
Receipts From Delinquent Taxes	100,000.00	-	173,313.44	73,313.44
Amount To Be Raised By Taxes For Support of Municipal Budget:				
Local Tax for Municipal Purposes	7,630,229.78	-	7,955,465.03	325,235.25
Budget Revenues	9,938,925.87	41,566.26	10,358,287.71	377,795.58
Non-Budget Revenues	-	-	63,353.73	63,353.73
Total	\$ 9,938,925.87	\$ 41,566.26	\$ 10,421,641.44	\$ 441,149.31

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, 2021**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue From Collections	\$ 26,922,653.48
Allocated To School, County Taxes & Municipal Open Space	<u>19,357,288.45</u>
Balance for Support of Municipal Budget Appropriations	7,565,365.03
Add: Appropriation "Reserve for Uncollected Taxes"	<u>390,100.00</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 7,955,465.03</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 173,313.44
	<u><u>\$ 173,313.44</u></u>

Licenses - Other:

Business Licenses	\$ 26,300.00
Food Licenses	12,350.00
Marriage Licenses	134.00
Raffle & Bingo License	45.00
Vending Licenses	<u>50.00</u>
	<u><u>\$ 38,879.00</u></u>

Fees & Permits:

Fire Marshall Fees	\$ 11,582.00
Garage Sale Permit	150.00
Landscaping Permit	40.00
Outdoor Sale Permits	225.00
Planning & Zoning Applications	3,315.00
Police Reports	3,311.01
Recreation Fees	65,107.00
Soil Removal Permit	550.00
Street Opening Fees	610.00
Zoning Permits	<u>18,995.00</u>
	<u><u>\$ 103,885.01</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, 2021**

Analysis of Realized Revenues (continued):

Uniform Construction Code:

Building Permits	\$ 101,969.00
Electrical Permits	38,129.00
Plumbing Permits	19,198.00
Fire Permits	8,847.00
Certificates	1,850.00
Mechanical	11,710.00
	11,710.00
	\$ 181,703.00

Analysis of Non-Budget Revenues

Assessor's Lists	\$ 140.00
Auctions	11,225.63
Bad Check Charge	40.00
Certified Copies	1,870.00
DMV Inspection Fee	3,575.50
Elections	400.00
FEMA Reimbursement	6,094.39
Miscellaneous	2,487.51
PILOT	720.00
Prior Year Refunds	1,733.18
Refund of Insurance Claims	4,717.90
Refunds/Dividends	23,872.41
Shared Service - Court Oceanport	5,911.81
SC&Vet - State Reimbursements	565.40
	565.40
	\$ 63,353.73

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, 2021

	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	\$ 120,000.00	\$ -	\$ 127,000.00	\$ 123,686.98	\$ -	\$ 3,313.02	\$ -
Other Expenses	67,450.00	-	67,450.00	66,911.22	455.00	83.78	-
Local Ethics Board:							
Other Expenses	50.00	-	50.00	-	-	50.00	-
Salary and Wage Adjustment Program							
Salaries and Wages	1,000.00	-	1,000.00	-	-	1,000.00	-
Mayor and Council:							
Other Expenses	3,000.00	-	3,000.00	1,745.07	-	1,254.93	-
Municipal Clerk:							
Salaries and Wages	85,000.00	-	87,000.00	84,936.87	-	2,063.13	-
Other Expenses	22,150.00	-	22,150.00	15,903.08	194.91	6,052.01	-
Printing	14,000.00	-	14,000.00	13,630.00	160.00	210.00	-
Financial Administration (Treasury):							
Salaries and Wages	98,000.00	(30,000.00)	68,000.00	65,606.60	-	2,393.40	-
Other Expenses	11,500.00	-	11,500.00	6,831.81	-	4,668.19	-
Audit Services	35,000.00	-	35,000.00	33,900.00	-	1,100.00	-
Revenue Administration (Tax Collection):							
Salaries and Wages	74,550.00	-	88,550.00	83,779.62	-	4,770.38	-
Other Expenses	3,250.00	-	3,250.00	2,985.72	-	264.28	-
Tax Assessment Administration:							
Salaries and Wages	26,550.00	-	26,550.00	26,010.00	-	540.00	-
Other Expenses	9,940.00	-	9,940.00	8,498.45	-	1,441.55	-
Legal Services (Legal Department):							
Salaries and Wages	15,000.00	-	15,000.00	14,280.00	-	720.00	-
Other Expenses	90,000.00	-	90,000.00	69,301.48	1,170.00	19,528.52	-
Engineering Services:							
Other Expenses	60,000.00	-	62,000.00	52,191.25	2,345.00	7,463.75	-
LAND USE ADMINISTRATION							
Planning Board:							
Salaries and Wages	28,500.00	-	28,500.00	27,548.47	-	951.53	-
Other Expenses	1,400.00	-	1,400.00	382.60	-	1,017.40	-
Zoning Board of Adjustment:							
Salaries and Wages	28,500.00	-	28,500.00	27,581.44	-	918.56	-
Other Expenses	500.00	-	500.00	82.77	-	417.23	-
Zoning Officer:							
Salaries and Wages	4,800.00	-	5,300.00	4,769.39	-	530.61	-
Other Expenses	9,588.00	-	12,588.00	11,385.00	-	1,203.00	-
CODE ENFORCEMENT AND ADMINISTRATION							
Uniform Construction Code Enforcement:							
Salaries and Wages	86,000.00	-	86,000.00	67,179.01	-	18,820.99	-
Other Expenses	2,525.00	-	2,525.00	1,055.21	-	1,469.79	-
Building Inspector:							
Salaries and Wages	12,000.00	-	12,000.00	11,674.08	-	325.92	-
Other Expenses	-	-	-	-	-	-	-
Code Enforcement Official:							
Salaries and Wages	22,000.00	-	12,000.00	3,163.65	-	8,836.35	-
Other Expenses	1,100.00	-	1,100.00	138.32	-	961.68	-
INSURANCE							
Other Insurance							
Waiver of Insurance	135,000.00	-	137,000.00	136,718.00	-	282.00	-
Workers Compensation Insurance							
Salaries and Wages	17,500.00	-	17,500.00	11,128.20	-	6,371.80	-
Workers Compensation Insurance	163,187.00	-	163,187.00	163,187.00	-	-	-
Employee Group Insurance	1,015,000.00	-	985,000.00	880,510.13	-	104,489.87	-
PUBLIC SAFETY							
Police Department:							
Salaries and Wages	2,265,000.00	-	2,265,000.00	2,245,079.29	-	19,920.71	-
Other Expenses	178,000.00	-	178,000.00	117,781.83	12,818.47	47,399.70	-
OSHA Police Other Expense	3,000.00	-	3,000.00	-	-	3,000.00	-
Office of Emergency Management:							
Other Expenses	18,000.00	-	18,000.00	1,145.00	-	16,855.00	-
First Aid Organization							
FAO Contribution	22,950.00	-	22,950.00	21,977.14	971.78	1.08	-
OSHA First Aid Other Expense	3,000.00	-	3,000.00	-	-	3,000.00	-
Fire Protection Official:							
Salaries and Wages	16,300.00	-	16,300.00	15,946.08	-	353.92	-
Fire Marshall:							
Salaries and Wages	17,000.00	-	17,000.00	16,555.92	-	444.08	-
Other Expenses	4,385.00	-	4,385.00	2,650.50	-	1,734.50	-
Fire Company:							
Other Expenses	31,150.00	-	31,150.00	17,309.78	13,581.90	258.32	-
Occupational Safety Law (P.L. 1983, Ch. 516):							
OSHA - Fire Company Other Expenses	3,000.00	-	3,000.00	-	1,638.84	1,361.16	-

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, 2021

	Appropriated			Expended			
	Original Budget	Added by N.J.S. 40A:4-87	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
PUBLIC WORKS							
Streets and Road Maintenance:							
Salaries and Wages	670,000.00	(22,500.00)	647,500.00	631,663.27	-	15,836.73	-
Other Expenses	34,560.00	-	34,560.00	20,108.72	2,871.84	11,579.44	-
OSHA Other Expenses	2,500.00	-	2,500.00	1,237.14	640.00	622.86	-
Vehicle Maintenance	54,600.00	-	58,100.00	51,362.89	3,410.91	3,326.20	-
Shade Tree Commission:							
Salaries and Wages	600.00	-	600.00	-	-	600.00	-
Other Expenses	13,400.00	-	13,400.00	2,710.03	7,781.00	2,908.97	-
Solid Waste Collection							
Contractual	228,000.00	-	228,000.00	228,000.00	-	-	-
Buildings and Grounds:							
Salaries and Wages	16,000.00	-	16,000.00	13,333.24	-	2,666.76	-
Other Expenses	61,500.00	-	61,500.00	48,288.25	3,806.54	9,405.21	-
Stream Maintenance							
Other Expenses	11,500.00	-	11,500.00	-	-	11,500.00	-
Municipal Court:							
Salaries and Wages	135,000.00	-	135,000.00	128,482.04	-	6,517.96	-
Other Expenses	8,255.00	-	8,255.00	5,116.70	522.00	2,616.30	-
Public Defender (P.L. 1997, c.256):							
Salaries and Wages	10,000.00	-	10,000.00	5,661.70	-	4,338.30	-
HEALTH AND HUMAN SERVICES							
Public Health Services (Board of Health):							
Salaries and Wages	1,350.00	-	1,350.00	1,252.11	-	97.89	-
Other Expenses	52,100.00	-	52,100.00	51,787.80	-	312.20	-
OSHA Other Expense	500.00	-	500.00	-	-	500.00	-
Environmental Health Services:							
Salaries and Wages	800.00	-	800.00	197.82	-	602.18	-
Other Expenses	1,000.00	-	1,000.00	380.58	-	619.42	-
Animal Control Services:							
Other Expenses	2,000.00	-	2,000.00	-	-	2,000.00	-
RECREATION AND EDUCATION							
Recreation Services and Programs:							
Salaries and Wages	10,500.00	-	10,500.00	8,691.50	-	1,808.50	-
Senior Citizens	3,500.00	-	3,500.00	-	-	3,500.00	-
Miscellaneous Other Expenses	43,700.00	-	43,700.00	30,366.72	3,480.00	9,853.28	-
Maintenance of Parks:							
Other Expenses	84,500.00	-	79,500.00	44,529.82	4,256.38	30,713.80	-
UNCLASSIFIED							
Utility Expenses and Bulk Purchases:							
Electricity	55,000.00	-	55,000.00	36,025.83	-	18,974.17	-
Street Lighting	56,000.00	-	56,000.00	44,235.85	-	11,764.15	-
Telephone (excluding telephone acquisition)	38,000.00	-	33,000.00	25,632.88	800.00	6,567.12	-
Water	15,000.00	-	20,000.00	3,990.68	-	16,009.32	-
Fire Hydrant Service	98,000.00	-	104,000.00	82,673.99	-	21,326.01	-
Gas (natural or propane)	18,000.00	-	18,000.00	11,777.72	-	6,222.28	-
Fuel Oil	24,000.00	-	26,500.00	23,306.84	-	3,193.16	-
Cellular Telephone	14,000.00	-	14,000.00	10,851.14	-	3,148.86	-
Gasoline	28,000.00	-	35,500.00	31,358.39	-	4,141.61	-
Landfill/Solid Waste Disposal Costs	230,000.00	-	225,000.00	217,646.43	-	7,353.57	-
Accumulated Leave Compensation:							
Salaries and Wages	500.00	-	500.00	-	-	500.00	-
Total Operations - Within "CAPS"	6,848,190.00	(52,500.00)	6,795,690.00	6,215,817.04	60,904.57	518,968.39	-
Contingent	12,500.00	-	12,500.00	5,137.87	-	7,362.13	-
Total Operations Including Contingent - Within "CAPS"	6,860,690.00	(52,500.00)	6,808,190.00	6,220,954.91	60,904.57	526,330.52	-
Detail:							
Salaries and Wages	3,762,450.00	(52,500.00)	3,722,450.00	3,618,207.28	-	104,242.72	-
Other Expenses	3,098,240.00	-	3,085,740.00	2,602,747.63	60,904.57	422,087.80	-
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"							
Statutory Expenditures:							
Contribution To:							
Public Employees' Retirement System	215,207.00	-	215,207.00	215,207.00	-	-	-
Social Security System (O.A.S.I.)	180,000.00	-	180,000.00	163,513.08	-	16,486.92	-
Police and Firemen's Retirement System	524,371.00	-	524,371.00	524,371.00	-	-	-
Disability Insurance	2,000.00	-	2,000.00	2,000.00	-	-	-
Unemployment	2,000.00	-	2,000.00	2,000.00	-	-	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	923,578.00	-	923,578.00	907,091.08	-	16,486.92	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	7,784,268.00	(52,500.00)	7,731,768.00	7,128,045.99	60,904.57	542,817.44	-

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, 2021

	Appropriated			Expended			
	Original Budget	Added by N.J.S. 40A:4-87	Budget After Modification	Paid or Charged	Encumbered	Reserved	Cancelled
GENERAL APPROPRIATIONS							
Operations - Excluded From "CAPS"							
911 System	7,315.13	-	7,315.13	7,315.13	-	-	-
LOSAP	32,200.00	-	32,200.00	31,050.00	-	1,150.00	-
Recycling Tax	3,000.00	-	3,000.00	-	-	3,000.00	-
Engineering Services	10,000.00	-	10,000.00	5,493.50	-	4,506.50	-
Shared Services							
CMFO & CTC - Township of Howell	-	52,500.00	52,500.00	52,500.00	-	-	-
PUBLIC AND PRIVATE PROGRAMS							
OFFSET BY REVENUES							
Alcohol Education and Rehabilitation Fund:							
Other Expenses	5,418.00	4,998.38	10,416.38	10,416.38	-	-	-
Safe and Secure Communities Program:							
Other Expenses	13,983.00	-	13,983.00	13,983.00	-	-	-
Matching Funds - Borough Share	111,747.00	-	111,747.00	111,747.00	-	-	-
Drunk Driving Enforcement Fund	7,998.15	-	7,998.15	7,998.15	-	-	-
Clean Communities Program	7,797.37	8,296.68	16,094.05	16,094.05	-	-	-
Body Armor Fund	1,482.12	-	1,482.12	1,482.12	-	-	-
State Police-HMEP Project	-	3,815.20	3,815.20	3,815.20	-	-	-
Bulletproof Vest Partnership	904.65	-	904.65	904.65	-	-	-
EMAA Grant	10,000.00	-	10,000.00	10,000.00	-	-	-
OAG Body Worn Camera Grant	-	24,456.00	24,456.00	24,456.00	-	-	-
Total Operations - Excluded From "CAPS"	211,845.42	94,066.26	305,911.68	297,255.18	-	8,656.50	-
Detail:							
Other Expenses	211,845.42	94,066.26	305,911.68	297,255.18	-	8,656.50	-
Capital Improvement Fund - Excluded From "CAPS"							
Capital Improvement Fund	100,000.00	-	100,000.00	100,000.00	-	-	-
Total Capital Improvement Fund - Excluded From "CAPS"	100,000.00	-	100,000.00	100,000.00	-	-	-
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal	932,000.00	-	932,000.00	932,000.00	-	-	-
BAN Paydown	120,000.00	-	120,000.00	120,000.00	-	-	-
Interest on Bonds	246,632.50	-	246,632.50	246,632.13	-	-	0.37
Interest on Notes	5,504.67	-	5,504.67	5,504.67	-	-	-
Total Municipal Debt Service - Excluded from "CAPS"	1,304,137.17	-	1,304,137.17	1,304,136.80	-	-	0.37
Deferred Charges - Excluded From "CAPS"							
Ord # 1048 - Acq DPW Equip/ Vehicles	105,645.58	-	105,645.58	105,645.58	-	-	-
Ord # 1049 - Impts tp DPW	4,175.00	-	4,175.00	4,175.00	-	-	-
Ord. # 1062 - Police Equipment	6,071.75	-	6,071.75	6,071.75	-	-	-
Ord. # 1064 Impts to Municipal Complex	7,000.00	-	7,000.00	7,000.00	-	-	-
Ord. #1063 Acq of Fire Equip	6,552.96	-	6,552.96	6,552.96	-	-	-
Ord. #1047 & 1070 Acq Equip & Impts Munic Complex	19,129.99	-	19,129.99	19,129.99	-	-	-
Total Deferred Charges Other - Excluded from "CAPS"	148,575.28	-	148,575.28	148,575.28	-	-	-
Total General Appropriations - Excluded From "CAPS"	1,764,557.87	94,066.26	1,858,624.13	1,849,967.26	-	8,656.50	0.37
Subtotal General Appropriations	9,548,825.87	41,566.26	9,590,392.13	8,978,013.25	60,904.57	551,473.94	0.37
Reserve for Uncollected Taxes	390,100.00	-	390,100.00	390,100.00	-	-	-
Total General Appropriations	\$ 9,938,925.87	\$ 41,566.26	\$ 9,980,492.13	\$ 9,368,113.25	\$ 60,904.57	\$ 551,473.94	\$ 0.37
Adopted Budget			\$ 9,938,925.87				
Added by N.J.S. 40A:4-87			41,566.26				
			<u>\$ 9,980,492.13</u>				
Analysis of Paid or Charged							
Reserve for Uncollected Taxes				\$ 390,100.00			
Cash Disbursed				8,777,116.70			
Reserve for State and Federal Grants - Appropriated				200,896.55			
				<u>\$ 9,368,113.25</u>			

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

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020**

<u>Assets</u>	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 54.55	\$ 21.40
		<u>54.55</u>	<u>21.40</u>
Trust - Other Fund:			
Cash - Treasurer	B-1	<u>1,913,370.06</u>	<u>1,584,677.23</u>
Length of Service Award Program Fund ("LOSAP") :			
Investments	B-6	<u>1,015,254.60</u>	<u>904,862.70</u>
Total Assets		<u>\$ 2,928,679.21</u>	<u>\$ 2,489,561.33</u>
 <u>Liabilities and Reserves</u> 			
Animal Control Fund:			
Reserve for Expenditures	B-2	\$ 54.55	\$ 11.80
Due to State Department of Health	B-3	<u>-</u>	<u>9.60</u>
		<u>54.55</u>	<u>21.40</u>
Trust - Other Fund:			
Reserve for Encumbrances	B-4	313.00	13,137.75
Miscellaneous Trust Fund Reserves	B-4	<u>1,913,057.06</u>	<u>1,571,539.48</u>
		<u>1,913,370.06</u>	<u>1,584,677.23</u>
Length of Service Award Program Fund ("LOSAP") :			
Miscellaneous Reserves	B-6	<u>1,015,254.60</u>	<u>904,862.70</u>
Total Liabilities and Reserves		<u>\$ 2,928,679.21</u>	<u>\$ 2,489,561.33</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, 2021 AND 2020**

<u>Assets</u>	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Cash - Treasurer	C-2,C-3	\$ 4,607.67	\$ 848,931.91
Grants Receivable	C-14	626,250.00	491,250.00
Deferred Charges To Future Taxation:			
Funded	C-4	4,245,000.00	5,177,000.00
Unfunded	C-5	3,257,591.84	2,559,917.12
Capital Equipment Lease Obligation	C	139,327.22	-
		<hr/>	<hr/>
Total Assets		<u>\$ 8,272,776.73</u>	<u>\$ 9,077,099.03</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-6	\$ 4,245,000.00	\$ 5,177,000.00
Bond Anticipation Notes	C-7	1,925,000.00	1,200,000.00
Improvement Authorizations:			
Funded	C-8	85,408.26	278,269.60
Unfunded	C-8	1,164,507.46	1,651,799.77
Encumbrance Payable	C-8	254,679.88	266,312.25
Capital Improvement Fund	C-9	38,862.44	17,612.44
Reserve for Green Acres	C-10	0.13	0.13
Reserve for Debt Service	C-12	-	12,688.50
Reserve for Grant Receivable	C-13	261,250.00	261,250.00
Interfund Due to Current Fund	C-15	35,000.00	-
Capital Equipment Lease Obligation Payable	C-16	139,327.22	-
Fund Balance	C-1	123,741.34	212,166.34
		<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,272,776.73</u>	<u>\$ 9,077,099.03</u>

There were Bonds and Notes Authorized but not Issued on December 31, 2021 in the amount of \$1,332,591.84 and on December 31, 2020 in the amount of \$1,359,917.12.

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 212,166.34
Decreased By:	
Improvement Authorizations	<u>88,425.00</u>
Balance, December 31, 2021	<u><u>\$ 123,741.34</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
PUBLIC ASSISTANCE FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2021 AND 2020**

<u>Assets</u>	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Cash - Treasurer	D-1	<u>\$ 4,736.26</u>	<u>\$ 8,767.24</u>
Total Assets		<u><u>\$ 4,736.26</u></u>	<u><u>\$ 8,767.24</u></u>
 <u>Reserves</u> 			
Reserve for Public Assistance Expenditures	D-2	<u>\$ 4,736.26</u>	<u>\$ 8,767.24</u>
Total Reserves		<u><u>\$ 4,736.26</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, 2021 AND 2020**

	<u>Reference</u>	Balance December 31, <u>2021</u>	Balance December 31, <u>2020</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>6,385,445.78</u>	<u>6,125,287.17</u>
Total General Fixed Assets		<u>\$ 13,594,075.11</u>	<u>\$ 13,333,916.50</u>
Investment in General Fixed Assets		<u>\$ 13,594,075.11</u>	<u>\$ 13,333,916.50</u>

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

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

This page intentionally left blank

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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, 80, 90, and 97, 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, 80, 90 and 97.

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 States 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.

Public Assistance Trust Fund – These funds are for receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 10th 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.

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.

BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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 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

BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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 10th 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 10th of the current year and due to be paid to the County by February 15th 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 1 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. 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 31st 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.

BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2021:

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020.

Management has determined that the implementation of these Statements did not have a significant impact on the Borough’s financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 87, *Leases*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2021.

Statement No. 93, *Replacement of Interbank Offered Rates*. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.* Requirements of this pronouncement related to section 1, paragraph 4 are effective immediately. All other requirements will be effective for reporting periods beginning June 15, 2021. Management has determined the implementation of certain provisions within this Statement did not have a significant impact on the Borough’s financial statements.

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 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, 2021, the Borough’s bank balance of \$7,506,931.73 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 5,812,094.28
Uninsured and Uncollateralized	<u>1,694,837.45</u>
	<u><u>\$ 7,506,931.73</u></u>

Investments

Under the 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 generally accepted accounting principles (GAAP), investments would be reported at fair value (except for fully benefit-responsive investment contracts, which would be reported at contract value). Contract value is the relevant measure for the portion of the Length of Service Awards Program (LOSAP) Plan attributable to

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 2. Deposits and Investments (continued):

fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the LOSAP Plan.

Investments at Fair Value – The fair value measurements of investments are required to be reported based on the hierarchy established by GAAP. 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. As of December 31, 2021 the Borough had no investments held at Level 2 or 3.

Following is a description of the valuation methodologies used for investments measured at fair value.

Money Market Funds: Valued at the quoted NAV of shares held by the Borough at year-end.

Mutual Funds: Valued at quoted market prices which represent the net asset value (“NAV”) shares held by the Borough at year-end.

The Borough’s fair value, hierarchy level and maturities of its investments at December 31, 2021 was as follows:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2021</u>		<u>Investment Maturities (in Years)</u>
		<u>Level 1</u>	<u>Total</u>	<u>Less Than 1 Year</u>
Mutual Funds	\$ 784,903.31	\$ 784,903.31	\$ 784,903.31	\$ 784,903.31
Money Market	35,097.11	35,097.11	35,097.11	35,097.11
	<u>\$ 820,000.42</u>	<u>\$ 820,000.42</u>	<u>\$ 820,000.42</u>	<u>\$ 820,000.42</u>
<u>Fund</u>				
Trust Fund - LOSAP	\$ 820,000.42	\$ 820,000.42	\$ 820,000.42	\$ 820,000.42
	<u>\$ 820,000.42</u>	<u>\$ 820,000.42</u>	<u>\$ 820,000.42</u>	<u>\$ 820,000.42</u>

Investments at Contract Value - The Borough held a fully benefit-responsive investment contract with the AIG Retirement Services (AIG) totaling \$195,254.18 as of December 31, 2021. AIG maintains the contributions in the group fixed annuity contracts (fixed accounts). The accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contracts held by the Borough are guaranteed investment contracts. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rates that are guaranteed to the LOSAP Plan. The Borough’s ability to receive amounts due in accordance with the fully benefit-responsive investment contracts is dependent on the contract issuer’s ability to meet its financial obligations. The fixed accounts continue in-force until they are terminated by AIG or the LOSAP Plan and do not define a maturity date.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 2. Deposits and Investments (continued):

No events are probable of occurring that might limit the ability of the LOSAP Plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP Plan to transact at contract value with participants. These contracts meet the fully benefit-responsive investment contract criteria and therefore are reported at contract value.

The total Trust Fund LOSAP value held by the Borough at December 31, 2021 was as follows:

Trust Fund - LOSAP (Fair Value)	\$ 820,000.42
Trust Fund - LOSAP (Contract Value)	
Fixed Account Plus	102,560.06
Short Term Fixed	<u>92,694.12</u>
Total Trust Fund - LOSAP	<u>\$1,015,254.60</u>

Custodial credit risk related to Investments - This is the risk that in the event of 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. As of December 31, 2021 the Borough had 7 investments that exceeded 5% of the total investments and these investments represent 68% of the Borough’s total investments.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>\$ 2.121</u>	<u>\$ 2.123</u>	<u>\$ 2.145</u>
Apportionment of Tax Rate:			
Municipal	0.610	0.615	0.635
County	0.286	0.282	0.289
Local School	0.702	0.708	0.727
Regional School District	0.523	0.518	0.494

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2021	\$ 1,271,760,110.00
2020	1,237,510,909.00
2019	1,181,809,217.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2021	\$ 27,124,116.18	\$ 26,922,653.48	99.25%
2020	26,566,967.27	26,393,639.84	99.34%
2019	26,108,164.04	26,003,296.83	99.59%

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>
2021	\$ 625.73	\$ 201,454.22	\$ 202,079.95	0.75%
2020	617.25	173,313.44	173,930.69	0.65%
2019	608.75	86,229.10	86,837.85	0.33%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2021	2
2020	2
2019	2

The last tax sale was held on December 28, 2021.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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, 2021, 2020 or 2019.

Note 5. Fund Balances Appropriated:

The following schedule details the amount of fund balances available at the end of the current year and two 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>
2021	\$ 1,122,747.11	\$ 789,000.00	70.27%
2020	1,394,815.15	1,000,000.00	71.69%
2019	1,583,996.93	1,000,000.00	63.13%

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, 2021:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 35,000.00	\$ 262,197.72
State and Federal Grant Fund	262,197.72	-
Capital Fund	-	35,000.00
	<u>\$ 297,197.72</u>	<u>\$ 297,197.72</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.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 7. Interfund Receivables, Payables and Transfers (continued):

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 921,740.37	\$ 1,176,632.05
State and Federal Grant Fund	396,632.05	176,740.37
Capital Fund	780,000.00	745,000.00
	\$ 2,098,372.42	\$ 2,098,372.42

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.

Note 8. Fixed Assets:

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2021:

	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2021</u>
Land	\$ 2,467,076.00	\$ -	\$ -	\$ 2,467,076.00
Buildings and Improvements	4,741,553.33	-	-	4,741,553.33
Machinery & Equipment	6,125,287.17	317,098.61	56,940.00	6,385,445.78
	\$ 13,333,916.50	\$ 317,098.61	\$ 56,940.00	\$ 13,594,075.11

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 9. Pension Obligations:

A. Public Employees' Retirement System (PERS)

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the year ended June 30, 2021. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2020.

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 Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-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.

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 1/55th 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 1/60th 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.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (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.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 9. Pension Obligations (continued):

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

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 2020, 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, 2020, the Borough's contractually required contribution to PERS plan was \$215,207.

Components of Net Pension Liability - At December 31, 2020, the Borough's proportionate share of the PERS net pension liability was \$3,208,067. The net pension liability was measured as of June 30, 2020. 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, 2019, which was rolled forward to June 30, 2020. 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, 2020. The Borough's proportion measured as of June 30, 2020, was 0.0196724792% which was a decrease of 0.0056557436% from its proportion measured as of June 30, 2019.

Balances at December 31, 2020 and December 31, 2019

	<u>12/31/2020</u>	<u>12/31/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Deferred Outflows of Resources	\$ 420,167	\$ 756,070
Deferred Inflows of Resources	2,651,612	2,052,580
Net Pension Liability	3,208,067	4,563,762
Borough's portion of the Plan's total Net Pension Liability	0.01967%	0.02533%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - At December 31, 2020, the Borough's proportionate share of the PERS expense/(credit), calculated by the plan as of the June 30, 2020 measurement date is \$(205,553). This credit 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 \$215,207 to the plan in 2020.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 9. Pension Obligations (continued):

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

At December 31, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 58,414	\$ 11,345
Changes of Assumptions	104,073	1,343,248
Net Difference between Projected and Actual Earnings on Pension Plan Investments	109,654	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>148,026</u>	<u>1,297,019</u>
	<u>\$ 420,167</u>	<u>\$ 2,651,612</u>

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, 2021**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (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	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
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
June 30, 2019	-	5.21
June 30, 2020	-	5.16
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	-
June 30, 2019	5.00	-
June 30, 2020	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
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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:

Year Ending	Amount
<u>Dec 31,</u>	
2021	\$ (713,491)
2022	(524,843)
2023	(567,177)
2024	(368,107)
2025	<u>(57,827)</u>
	<u><u>\$ (2,231,445)</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	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 9. Pension Obligations (continued):

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

117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. 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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 9. Pension Obligations (continued):

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

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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 4,070,177</u>	<u>\$ 3,208,067</u>	<u>\$ 2,523,175</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 Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-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

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.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 9. Pension Obligations (continued):

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

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, 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 PFRS, 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 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 2020, 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, 2020, the Borough's contractually required contributions to PFRS plan was \$524,371.

Net Pension Liability and Pension Expense - At December 31, 2020 the Borough's proportionate share of the PFRS net pension liability was \$6,064,932. The net pension liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020. 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, 2020. The Borough's proportion measured as of June 30, 2020, was 0.0469374043%, which was an increase of 0.0016560260% from its proportion measured as of June 30, 2019.

Balances at December 31, 2020 and December 31, 2019

	<u>12/31/2020</u>	<u>12/31/2019</u>
	June 30, 2020	June 30, 2019
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 1,016,493	\$ 842,602
Deferred Inflows of Resources	1,994,855	2,532,124
Net Pension Liability	6,064,932	5,541,453
Borough's portion of the Plan's total net pension Liability	0.04694%	0.04528%

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 9. Pension Obligations (continued):

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

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

	<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	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
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
June 30, 2019	-	5.21
June 30, 2020	-	5.16
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	-
June 30, 2019	5.00	-
June 30, 2020	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
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 PFRS that will be recognized in future periods:

Year Ending		
<u>Dec 31,</u>	<u>Amount</u>	
2021	\$	(510,572)
2022		(258,676)
2023		(129,945)
2024		(38,024)
2025		<u>(41,145)</u>
	<u>\$</u>	<u>(978,362)</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 \$941,250 as of December 31, 2020. The net pension liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020. 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, 2020 was 0.0469374043%, which was an increase of 0.0016560260% from its proportion measured as of June 30, 2019, which is the same proportion as the Borough’s. At December 31, 2020, the Borough’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 6,064,932
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>941,250</u>
	<u>\$ 7,006,182</u>

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 9. Pension Obligations (continued):

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

At December 31, 2020, the State’s proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2020 measurement date was \$106,672.

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		
Price		2.75%
Wage		3.25%
Salary Increases:		
Through all future years		3.25 - 15.25%
		Based on Years of Service
Investment Rate of Return		7.00%
Mortality Rate Table		
PFRS	Pub-2010 Safety Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020	
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based		July 1, 2013 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 9. Pension Obligations (continued):

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

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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 9. Pension Obligations (continued):

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 8,065,111	\$ 6,064,932	\$ 4,403,630
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>1,251,669</u>	<u>941,250</u>	<u>683,424</u>
	<u>\$ 9,316,780</u>	<u>\$ 7,006,182</u>	<u>\$ 5,087,054</u>

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

Note 10. Postemployment Benefits Other Than Pensions

General Information about the OPEB Plan

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the year ended June 30, 2021. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2020.

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) Annual Comprehensive Financial Report (ACFR), 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.

BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

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 (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) 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, 2020 were \$5,512,481,278.00 and \$12,598,993,950.00, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) 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, 2019 through June 30, 2020. 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, 2020 was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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:

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. 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, 2020, 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:

	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Borough	\$ 8,417,606.91	\$ 9,645,048.00	\$ 6,355,661.56
State of New Jersey's Total Nonemployer OPEB Liability	15,662,704,137.00	17,946,612,946.00	11,826,026,995.00

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

The following presents the net OPEB liability as of June 30, 2020, 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	\$ 6,143,477.56	\$ 9,645,048.00	\$ 8,729,973.26
State of New Jersey's Total Nonemployer OPEB Liability	11,431,214,644.00	17,946,612,946.00	16,243,926,531.00

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2020:

Collective Balances at December 31, 2020 and December 31, 2019

	12/31/2020	12/31/2019
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 3,168,345,589.00	\$ 11,158,226.00
Collective Deferred Inflows of Resources	7,333,043,620.00	8,761,825,481.00
Collective Net OPEB Liability	17,946,612,946.00	13,546,071,100.00
Borough's Portion	0.053743%	0.052758%

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:	
2021	\$ (964,720,007.00)
2022	(965,594,678.00)
2023	(967,008,484.00)
2024	(968,300,349.00)
2025	(660,258,014.00)
Thereafter	361,183,501.00
	\$ (4,164,698,031.00)

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 7.87, 8.05, 8.14, and 8.04 years for the 2020, 2019, 2018 and 2017 amounts, respectively.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

	June 30, 2019
Active Plan Members	62,547
Retirees Currently Receiving Benefits	30,614
Total Plan Members	93,161

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

Service Cost	\$ 605,949,339.00
Interest on the Total OPEB Liability	497,444,533.00
Change of Benefit Terms	1,034,142.00
Differences Between Expected and Actual Experience	541,506,395.00
Changes of Assumptions	3,074,968,821.00
Contributions From the Employer	(292,404,377.00)
Contributions From Non-Employer Contributing Entity	(35,011,940.00)
Net Investment Income	(2,858,334.00)
Administrative Expense	9,913,267.00
Net Change in Total OPEB Liability	4,400,541,846.00
Total OPEB Liability (Beginning)	13,546,071,100.00
Total OPEB Liability (Ending)	\$ 17,946,612,946.00

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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>2021</u>	<u>2020</u>	<u>2019</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 6,170,000.00	\$ 6,377,000.00	\$ 6,505,000.00
	<hr/>	<hr/>	<hr/>
Total Debt Issued	6,170,000.00	6,377,000.00	6,505,000.00
	<hr/>	<hr/>	<hr/>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	1,332,591.84	1,397,917.12	602,138.58
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	1,332,591.84	1,397,917.12	602,138.58
	<hr/>	<hr/>	<hr/>
Total Gross Debt	\$ 7,502,591.84	\$ 7,774,917.12	\$ 7,107,138.58
	<hr/>	<hr/>	<hr/>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	-	12,688.50	52,688.50
	<hr/>	<hr/>	<hr/>
Total Deductions	-	12,688.50	52,688.50
	<hr/>	<hr/>	<hr/>
Total Net Debt	\$ 7,502,591.84	\$ 7,762,228.62	\$ 7,054,450.08
	<hr/>	<hr/>	<hr/>

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	\$ 495,764.00	\$ 495,764.00	\$ -
Regional High School District Debt	4,509,250.08	4,509,250.08	-
General	7,502,591.84	-	7,502,591.84
	<hr/>	<hr/>	<hr/>
	\$ 12,507,605.92	\$ 5,005,014.08	\$ 7,502,591.84
	<hr/>	<hr/>	<hr/>

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 11. Municipal Debt (continued):

Net Debt \$7,502,591.84 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$1,294,316,160.33, equals 0.580%. 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, 2021 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 45,301,065.61
Net Debt	<u>7,502,591.84</u>
 Remaining Borrowing Power	 <u>\$ 37,798,473.77</u>

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 1, 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 1, 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 1, 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 1, 2032.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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>
2022	\$ 740,000.00	\$ 204,075.00	\$ 944,075.00
2023	495,000.00	168,993.76	663,993.76
2024	510,000.00	146,268.76	656,268.76
2025	535,000.00	122,831.26	657,831.26
2026	240,000.00	98,250.00	338,250.00
2027-2031	1,400,000.00	297,750.00	1,697,750.00
2032-2036	325,000.00	16,250.00	341,250.00
	<u>\$ 4,245,000.00</u>	<u>\$ 1,054,418.78</u>	<u>\$ 5,299,418.78</u>

B. Bond Anticipation Notes Payable – Short Term Debt

On December 31, 2021, the Borough had the following outstanding bond anticipation notes:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2021</u>
Improvements to Obre Place	11/30/2021	11/29/2022	0.42%	\$ 60,000.00
Improvements to Various Roads	11/30/2021	11/29/2022	0.42%	345,000.00
Acquisition of Public Works Equipment/Vehicles	11/30/2021	11/29/2022	0.42%	135,000.00
Improvements to Various Roads	11/30/2021	11/29/2022	0.42%	985,000.00
Improvements to Various Roads	11/30/2021	11/29/2022	0.42%	<u>400,000.00</u>
				<u>\$ 1,925,000.00</u>

C. 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:

	<u>Balance December 31, 2020</u>	<u>Accrued/ Increases</u>	<u>Retired/ Decreases</u>	<u>Balance December 31, 2021</u>	<u>Balance Due Within One Year</u>
General Capital:					
General Bonds	\$ 5,177,000.00	\$ -	\$ 932,000.00	\$ 4,245,000.00	\$ 740,000.00
Bond Anticipation Notes	1,200,000.00	845,000.00	120,000.00	1,925,000.00	1,925,000.00
Authorized But Not Issued	1,359,917.12	966,250.00	993,575.28	1,332,591.84	-
	<u>\$ 7,736,917.12</u>	<u>\$ 1,811,250.00</u>	<u>\$ 2,045,575.28</u>	<u>\$ 7,502,591.84</u>	<u>\$ 2,665,000.00</u>

As of December 31, 2021, the Borough had \$1,332,591.84 in various General Capital bonds and notes authorized but not issued.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 12. Leases:

Republic First National Lease-Purchase Agreement – On June 21, 2021, the Borough authorized by resolution a lease-purchase agreement with Republic First National for the purchase of a 2022 Crestline Ambulance. The financing agreement is in the amount of \$139,327.22 for a term of three years at a rate of 2.87%.

Principal and interest payments are provided in the Current Fund budget within the appropriation “CAPS” and are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 45,132.43	\$ 4,005.62	\$ 49,138.05
2023	46,429.97	2,708.08	49,138.05
2024	47,764.82	1,373.23	49,138.05
	<hr/>	<hr/>	<hr/>
	\$ 139,327.22	\$ 8,086.93	\$ 147,414.15
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Note 13. Deferred School Taxes:

School taxes have raised 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:

	<u>Local School District Tax</u>		<u>Regional High School District Tax</u>	
	2021	2020	2021	2020
Balance of Tax	\$ 4,579,659.00	\$ 4,493,360.00	\$ 3,322,656.60	\$ 3,207,835.98
Deferred	<hr/> 2,775,000.00	<hr/> 2,775,000.00	<hr/> 2,100,000.00	<hr/> 2,100,000.00
Tax Payable	<hr/> <hr/> \$ 1,804,659.00	<hr/> <hr/> \$ 1,718,360.00	<hr/> <hr/> \$ 1,222,656.60	<hr/> <hr/> \$ 1,107,835.98

Note 14. 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.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 15. 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 \$275,834.67 at December 31, 2021.

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, 2021, the Borough has reserved in the Other Trust Fund \$33,574.54 to fund compensated absences in accordance with NJSA 40A:4-39.

Note 16. 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 Fund 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 worker'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. 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</u>	<u>Reimbursed</u>	<u>Ending Balance</u>
2021	\$ 8,721.68	\$	600.45	\$ 28,067.45
2020	6,264.95		142.50	19,946.22
2019	48.62		153.00	13,823.77

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 17. 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, 2021 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.

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, 2021.

Note 18. 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. 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, 2021, the Borough abated property taxes totaling \$255,951.68 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	\$ 255,951.68	\$ 40,000.00
		<u>\$ 255,951.68</u>	<u>\$ 40,000.00</u>

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 19. 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 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, 2021 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2021, the Borough contributed a total of \$31,050.00 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. AIG Retirement Services ("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, 2021 payouts of \$45,209.70 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.

**BOROUGH OF SHREWSBURY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2021 and June 28, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

SUPPLEMENTARY SCHEDULES

This page intentionally left blank

CURRENT FUND

This page intentionally left blank

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR/TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$ 5,260,148.92
Increased By Receipts:		
Taxes Receivable	\$ 26,832,776.41	
Revenue Accounts Receivable	1,143,882.32	
Miscellaneous Revenue Not Anticipated	63,353.73	
Due From:		
State of New Jersey for Senior Citizens' and Veterans' Deductions	22,000.00	
Tax Overpayments	44,863.42	
Prepaid Taxes	373,144.44	
Interfunds	745,000.00	
Due To Two Rivers Water Reclamation Authority - Sewer Liens	6,172.23	
Due To State of New Jersey - Marriage License Fees	706.00	
Reserve for:		
Unclaimed Court Receipts	128.05	
Grants Receivable	72,774.23	
Grants - Unappropriated	212,110.82	
	<u>29,516,911.65</u>	<u>29,516,911.65</u>
		34,777,060.57
Decreased By Disbursements:		
Current Budget Appropriations	8,777,116.70	
2020 Appropriation Reserves	350,885.59	
County Taxes	3,678,631.82	
Tax Overpayments Refunded	16,725.22	
Regional High School Tax	6,530,490.38	
Local District School Tax	8,838,024.00	
Interfunds	780,000.00	
Municipal Open Space Tax	127,173.63	
Due To State of New Jersey - Marriage License Fees	775.00	
Grants - Appropriated	176,740.37	
	<u>29,276,562.71</u>	<u>29,276,562.71</u>
Balance, December 31, 2021		<u>\$ 5,500,497.86</u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CHANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2021 & 2020

\$ 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, 2021**

Balance, December 31, 2020		\$ -
Increased By:		
Senior Citizens' Deductions Per Tax Billing	\$ 500.00	
Senior Citizens' Deductions Allowed	250.00	
Veterans' Deductions Per Tax Billing	20,500.00	
Veterans' Deductions Allowed	<u>250.00</u>	
		<u>21,500.00</u>
		21,500.00
Decreased By:		
Cash Receipts	<u>22,000.00</u>	
		<u>22,000.00</u>
Balance, December 31, 2021		<u><u>\$ (500.00)</u></u>

**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, 2021**

<u>Year</u>	Balance December 31, <u>2020</u>	2021 Levy	Added Taxes	<u>2020</u> Collections	<u>2021</u> Collections	Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Transfer To Liens	Cancelled	Balance December 31, <u>2021</u>
2020	\$ 173,313.44	-	-	-	\$ 173,313.44	-	-	-	-
2021	-	26,795,359.92	328,756.26	224,682.46	26,676,471.02	21,500.00	8.48	-	201,454.22
	\$ 173,313.44	\$ 26,795,359.92	\$ 328,756.26	\$ 224,682.46	\$ 26,849,784.46	\$ 21,500.00	\$ 8.48	\$ -	\$ 201,454.22

Cash Receipts 26,832,776.41
Overpayments Applied 17,008.05
26,849,784.46

Analysis of 2021 Property Tax Levy

Tax Yield:
General Purpose Tax \$ 26,795,359.92
Added Taxes (54:4-63 et seq.) 328,756.26
\$ 27,124,116.18

Tax Levy:
Regional High School Taxes \$ 6,645,311.00
Local District School Taxes 8,924,323.00
Municipal Open Space Tax 127,173.63
County Tax \$ 3,045,606.92
County Library Tax 228,597.42
County Open Space Fund Tax 366,077.12
Added/Omitted County Taxes 20,199.36
3,660,480.82

Local Taxes for Municipal Purposes 7,630,229.78
Add: Additional Taxes Levied 136,597.95
7,766,827.73
\$ 27,124,116.18

**BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF TAX TITLE LIENS RECEIVABLE
 FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 617.25
Increased By:	
Transfer From Taxes Receivable	8.48
Balance, December 31, 2021	\$ 625.73

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance December 31, <u>2020</u>	Accrued in <u>2021</u>	<u>Collected</u>	Balance December 31, <u>2021</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 8,292.00	\$ 8,292.00	\$ -
Other	-	38,879.00	38,879.00	-
Fees and Permits	-	103,885.01	103,885.01	-
Fines and Costs:				
Municipal Court	8,788.88	98,680.44	102,203.07	5,266.25
Interest and Costs on Taxes	-	58,006.96	58,006.96	-
Interest on Investments	-	20,211.03	20,211.03	-
Cable Franchise Fee	-	72,245.17	72,245.17	-
Mobile Tower Fee	-	46,375.54	46,375.54	-
Payment in Lieu of Taxes	-	45,000.00	45,000.00	-
Energy Receipts Tax	-	381,641.00	381,641.00	-
Uniform Construction Code	-	181,703.00	181,703.00	-
Uniform Fire Safety Act	-	29,128.74	29,128.74	-
Administrative Costs for Outside Service - Police	-	3,340.00	3,340.00	-
Reserve for Coronavirus Relief	-	40,283.30	40,283.30	-
Reserve to Pay Debt Service	-	12,688.50	12,688.50	-
	<u>\$ 8,788.88</u>	<u>\$ 1,140,359.69</u>	<u>\$ 1,143,882.32</u>	<u>\$ 5,266.25</u>

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance 12/31/2020 <u>Encumbered</u>	<u>Reserved</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
GENERAL GOVERNMENT					
General Administration:					
Other Expenses	\$ 2,038.21	\$ 2,075.38	\$ 4,113.59	\$ 2,149.70	\$ 1,963.89
Local Ethics Board:					
Other Expenses	-	50.00	50.00	-	50.00
Mayor and Council:					
Other Expenses	-	2,395.00	2,395.00	100.00	2,295.00
Municipal Clerk:					
Salaries and Wages	-	4,127.94	4,127.94	-	4,127.94
Other Expenses	-	8,955.57	5,555.57	5,186.35	369.22
Printing	25.00	2,192.31	2,217.31	734.55	1,482.76
Financial Administration (Treasury):					
Salaries and Wages	-	4,240.33	4,240.33	-	4,240.33
Other Expenses	575.00	5,040.95	5,615.95	404.40	5,211.55
Audit Services					
Audit Services	-	450.00	450.00	-	450.00
Revenue Administration (Tax Collection):					
Salaries and Wages	-	123.57	123.57	-	123.57
Other Expenses	-	868.95	868.95	100.44	768.51
Tax Assessment Administration:					
Other Expenses	6,000.00	1,021.94	7,021.94	7,000.00	21.94
Legal Services (Legal Department):					
Salaries and Wages	-	295.00	295.00	-	295.00
Other Expenses	-	5,194.60	11,194.60	10,332.70	861.90
Engineering Services:					
Other Expenses	-	6,454.78	6,454.78	4,295.00	2,159.78
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	-	1,413.38	1,413.38	-	1,413.38
Other Expenses	-	1,279.47	1,279.47	-	1,279.47
Zoning Board of Adjustment:					
Salaries and Wages	-	883.38	883.38	-	883.38
Other Expenses	-	146.40	146.40	-	146.40
Zoning Officer:					
Salaries and Wages	-	13.20	13.20	-	13.20
Other Expenses	-	270.00	270.00	-	270.00
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement:					
Salaries and Wages	-	18,111.49	18,111.49	-	18,111.49

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance 12/31/2020 <u>Encumbered</u>	<u>Reserved</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses	-	1,599.28	1,599.28	1,540.93	58.35
Building Inspector:					
Salaries and Wages	-	632.30	632.30	-	632.30
Code Enforcement Official:					
Salaries and Wages	-	3,952.61	3,952.61	-	3,952.61
Other Expenses	-	598.34	598.34	33.35	564.99
INSURANCE					
Other Insurance	-	654.20	654.20	-	654.20
Waiver of Insurance					
Salaries and Wages	-	3,791.56	3,791.56	-	3,791.56
Employee Group Insurance	871.50	169,864.37	164,735.87	88,757.43	75,978.44
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	-	90,448.90	90,448.90	64,797.56	25,651.34
Other Expenses	11,406.98	35,890.55	47,297.53	33,520.15	13,777.38
Office of Emergency Management:					
Other Expenses	96.00	7,772.82	7,868.82	213.50	7,655.32
First Aid Organization - Contribution					
Other Expenses	-	5,681.04	9,081.04	6,604.17	2,476.87
OSHA First Aid Other Expense	-	3,000.00	3,000.00	-	3,000.00
Fire Protection Official:					
Salaries and Wages	-	54.55	54.55	-	54.55
Fire Marshall:					
Salaries and Wages	-	444.74	444.74	-	444.74
Other Expenses	1,100.00	1,965.00	3,065.00	955.00	2,110.00
Fire Company:					
Other Expenses	2,293.30	2,905.75	5,199.05	3,700.47	1,498.58
Occupational Safety Law (P.L. 1983, Ch. 516):					
OSHA - Fire Company Other Expenses	-	3,000.00	3,000.00	-	3,000.00
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	-	24,860.84	24,860.84	20,616.47	4,244.37
Other Expenses	7,933.45	7,026.24	14,959.69	12,089.84	2,869.85
OSHA Other Expense	257.67	2,242.33	2,500.00	1,484.18	1,015.82
Vehicle Maintenance	5,188.56	2,308.24	7,496.80	6,968.30	528.50
Shade Tree Commission:					
Salaries and Wages	-	600.00	600.00	-	600.00
Other Expenses	3,347.00	8,198.86	11,545.86	3,347.00	8,198.86

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance 12/31/2020 <u>Encumbered</u>	<u>Reserved</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Buildings and Grounds:					
Salaries and Wages	-	1,136.88	1,136.88	750.72	386.16
Other Expenses	2,600.25	4,517.34	7,117.59	7,088.24	29.35
Stream Maintenance					
Other Expenses	-	5,500.00	5,500.00	-	5,500.00
Municipal Court:					
Salaries and Wages	-	8,095.27	8,095.27	366.93	7,728.34
Other Expenses	286.54	5,288.25	5,574.79	358.69	5,216.10
Public Defender (P.L. 1997, c.256):					
Salaries and Wages	-	61.10	61.10	-	61.10
 HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health):					
Salaries and Wages	-	197.38	197.38	-	197.38
Other Expenses	3.72	196.32	200.04	3.72	196.32
OSHA Other Expenses	-	500.00	500.00	-	500.00
Environmental Health Services:					
Salaries and Wages	-	800.00	800.00	-	800.00
Other Expenses	-	915.17	915.17	-	915.17
Animal Control Services:					
Other Expenses	-	1,976.70	2,576.70	1,937.97	638.73
 RECREATION AND EDUCATION					
Recreation Services and Programs:					
Senior Citizens	-	2,886.19	2,886.19	-	2,886.19
Miscellaneous Other Expenses	1,197.92	13,066.94	14,264.86	3,572.45	10,692.41
Maintenance of Parks:					
Other Expenses	2,193.99	7,925.55	10,119.54	5,839.92	4,279.62
 UNCLASSIFIED					
Utility Expenses and Bulk Purchases:					
Electricity	-	26,607.84	26,607.84	6,903.13	19,704.71
Street Lighting	6,905.68	1,637.61	10,543.29	10,160.03	383.26
Telephone (excluding telephone acquisition)	-	2,592.46	2,592.46	804.96	1,787.50
Water	612.56	5,538.52	3,551.08	938.60	2,612.48
Fire Hydrant Service	8,045.36	9,712.05	17,757.41	16,211.44	1,545.97
Gas (natural or propane)	1,801.80	1,910.71	3,712.51	1,801.80	1,910.71
Fuel Oil	-	5,453.73	5,453.73	1,146.28	4,307.45
Cellular Telephone	-	4,351.88	4,351.88	1,076.68	3,275.20
Gasoline	-	17,300.33	17,300.33	1,446.97	15,853.36
Landfill/Solid Waste Disposal Costs	1,657.81	11,851.31	16,509.12	14,995.57	1,513.55
Accumulated Leave Compensation:					
Salaries and Wages	-	500.00	500.00	-	500.00

**BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF 2020 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Balance 12/31/2020 Encumbered</u>	<u>Reserved</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salary and Wage Adjustment Program:					
Salaries and Wages	-	1,000.00	1,000.00	-	1,000.00
Contingent	-	1,371.99	1,371.99	600.00	771.99
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	-	3,967.31	3,967.31	-	3,967.31
Disability Insurance	-	2,000.00	2,000.00	-	2,000.00
Unemployment	-	2,000.00	2,000.00	-	2,000.00
GENERAL APPROPRIATIONS					
Operations - Excluded from "CAPS"					
Recycling Tax	-	3,000.00	-	-	-
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Matching Funds - For Grants	-	100.00	100.00	-	100.00
Total General Appropriations	<u>\$ 66,438.30</u>	<u>\$ 597,054.99</u>	<u>\$ 663,493.29</u>	<u>\$ 350,935.59</u>	<u>\$ 312,557.70</u>
Appropriation Reserves			\$ 66,438.30		
Encumbrances Payable			<u>597,054.99</u>		
			<u>\$ 663,493.29</u>		
Cash Disbursement				\$ 350,885.59	
Accounts Payable				<u>50.00</u>	
				<u>\$ 350,935.59</u>	

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ -
Increased By:	
Overpayments Created	<u>44,863.42</u>
	44,863.42
Decreased By:	
Transfer to Prepaid Taxes	28,138.20
Cash Disbursements	<u>16,725.22</u>
Balance, December 31, 2021	<u><u>\$ -</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$ 224,682.46
Increased By:		
Cash Receipts:		
Transfer from Overpayments	\$ 28,138.20	
Collection of 2022 Taxes	<u>373,144.44</u>	
		<u>401,282.64</u>
		625,965.10
Decreased By:		
Amount Applied to 2021 Taxes Receivable	<u>224,682.46</u>	
		<u>224,682.46</u>
Balance, December 31, 2021		<u><u>\$ 401,282.64</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$ 38,350.36
Increased By:		
2021 Tax Levy		
County Tax	\$ 3,045,606.92	
County Library Tax	228,597.42	
County Open Space Fund Tax	366,077.12	
Due County for Added Taxes	<u>20,199.36</u>	
		<u>3,660,480.82</u>
		3,698,831.18
Decreased By:		
Cash Disbursements		<u>3,678,631.82</u>
Balance, December 31, 2021		<u><u>\$ 20,199.36</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, 2021**

Balance, December 31, 2020		
School Tax Payable	\$ 1,107,835.98	
School Tax Deferred	<u>2,100,000.00</u>	
		\$ 3,207,835.98
Increased By:		
Levy for School Year July 1, 2021 to June 30, 2022		<u>6,645,311.00</u>
		9,853,146.98
Decreased By:		
Cash Disbursements		<u>6,530,490.38</u>
Balance, December 31, 2021		
School Tax Payable	\$ 1,222,656.60	
School Tax Deferred	<u>2,100,000.00</u>	
		<u>\$ 3,322,656.60</u>
 <u>2021 Liability for Regional High School Tax</u>		
Tax Payable, December 31, 2021		\$ 1,222,656.60
Tax Paid		<u>6,530,490.38</u>
		7,753,146.98
Less:		
Tax Payable, December 31, 2020		<u>1,107,835.98</u>
Amount Charged to 2021 Operations		<u>\$ 6,645,311.00</u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		
School Tax Payable	\$ 1,718,360.00	
School Tax Deferred	<u>2,775,000.00</u>	
		\$ 4,493,360.00
Increased By:		
Levy for School Year July 1, 2021 to June 30, 2022		<u>8,924,323.00</u>
		13,417,683.00
Decreased By:		
Cash Disbursements		<u>8,838,024.00</u>
Balance, December 31, 2021		
School Tax Payable	\$ 1,804,659.00	
School Tax Deferred	<u>2,775,000.00</u>	
		<u>\$ 4,579,659.00</u>
 <u>2021 Liability for Local District School Tax</u>		
Tax Payable, December 31, 2021		\$ 1,804,659.00
Tax Paid		<u>8,838,024.00</u>
		10,642,683.00
Less:		
Tax Payable, December 31, 2020		<u>1,718,360.00</u>
Amount Charged to 2021 Operations		<u>\$ 8,924,323.00</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, 2021**

Balance, December 31, 2020	\$	-
Increased By:		
Tax Levy		<u>127,173.63</u>
		127,173.63
Decreased By:		
Cash Disbursements		<u>127,173.63</u>
		-
Balance, December 31, 2021	\$	<u><u>-</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR FEMA
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2021 & 2020

\$ 5,071.11

**BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF RESERVE FOR CORONAVIRUS RELIEF
 FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ -
Increased By:	
Cash Receipts	40,283.30
	<hr style="width: 100%;"/>
	40,283.30
Decreased By:	
Current Year Budgeted Withdrawal	40,283.30
	<hr style="width: 100%;"/>
Balance, December 31, 2021	<u><u>\$ -</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, 2021**

Balance, December 31, 2020	\$ 125.00
Increased By:	
Cash Receipts	<u>706.00</u>
	831.00
Decreased By:	
Cash Disbursements	<u>775.00</u>
Balance, December 31, 2021	<u><u>\$ 56.00</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, 2021**

Balance, December 31, 2021 & 2020

\$ 24,185.00

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR WARDELL HOUSE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2021 & 2020

\$ 18,351.38

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR POLICE RECEIPTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2021 & 2020

\$ 133.15

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR UNCLAIMED COURT RECEIPTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ -
Increased By:	
Cash Receipts	<u>128.05</u>
Balance, December 31, 2021	<u><u>\$ 128.05</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO TWO RIVERS WATER RECLAMATION AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ -
Increased By:	
Cash Receipts	<u>6,172.23</u>
Balance, December 31, 2021	<u><u>\$ 6,172.23</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM/(TO) GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ -
Increased By:	
Cash Disbursements	<u>780,000.00</u>
	780,000.00
Decreased By:	
Cash Receipts	<u>745,000.00</u>
Balance, December 31, 2021	<u><u>\$ 35,000.00</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, 2021**

Balance, December 31, 2020		\$ 42,306.04
Increased By:		
Cash Receipts:		
Grants Receivable	\$ 184,521.23	
Grants - Unappropriated	<u>212,110.82</u>	
		<u>396,632.05</u>
		438,938.09
Decreased By:		
Cash Disbursements: - Grants Appropriated		<u>176,740.37</u>
Balance, December 31, 2021		<u><u>\$ 262,197.72</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, 2021**

	Balance December 31, <u>2020</u>	Increased By Revenue Anticipated <u>2021</u>	Cash Received	Transfer from Unappropriated <u>Grants</u>	Balance December 31, <u>2021</u>
Safe and Secure Communities Program	\$ -	\$ 13,983.00	\$ -	\$ -	\$ 13,983.00
Body Armor Grant	-	1,482.12	1,482.12	-	-
Alcohol Education Rehabilitation Fund	-	10,416.38	4,998.38	5,418.00	-
Clean Communities Program	-	16,094.05	8,296.68	7,797.37	-
Drunk Driving Enforcement Fund	-	7,998.15	7,998.15	-	-
County Passthrough Coronavirus Relief EMAA Grant	35,500.00	-	35,500.00	-	-
State Police-HMEP Project	-	10,000.00	10,000.00	-	-
Community Stew Incentive Program	-	3,815.20	1,498.90	-	2,316.30
Bulletproof Vest Grant	3,000.00	-	3,000.00	-	-
OAG Body Worn Camera Grant	-	904.65	-	-	904.65
	-	24,456.00	-	-	24,456.00
	<u>\$ 38,500.00</u>	<u>\$ 89,149.55</u>	<u>\$ 72,774.23</u>	<u>\$ 13,215.37</u>	<u>\$ 41,659.95</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, 2021**

<u>Grant</u>	Balance December 31, 2020	Transferred From 2021 Appropriations	Appropriations by 40A:4-87	Transferred From Encumbrances	Charged	Encumbered	Cancelled	Balance December 31, 2021
Alcohol Education Rehabilitation Fund	\$ 13,687.09	\$ 5,418.00	\$ 4,998.38	\$ -	\$ 1,165.00	\$ -	\$ -	\$ 22,938.47
Safe and Secure Communities Program:								
State Share	-	13,983.00	-	-	13,983.00	-	-	-
Matching Funds - Borough Share	-	111,747.00	-	-	111,747.00	-	-	-
Clean Communities Program	15,220.99	7,797.37	8,296.68	-	2,044.09	-	-	29,270.95
Bulletproof Vest	458.46	904.65	-	-	-	-	-	1,363.11
Body Armor Fund	1,901.28	1,482.12	-	-	-	2,852.85	-	530.55
Recycling Tonnage Grant	5,399.89	-	-	28,860.77	33,002.25	-	-	1,258.41
Coronavirus Relief	1,732.22	-	-	-	1,479.33	-	-	252.89
EMAA Grant:								
State Share	-	10,000.00	-	-	10,000.00	-	-	-
OAG Body Worn Camera Grant	-	-	24,456.00	-	-	24,452.00	-	4.00
State Police - HMEP Project	-	-	3,815.20	-	1,748.90	-	-	2,066.30
Drunk Driving Enforcement Fund	329.97	7,998.15	-	-	1,570.80	-	-	6,757.32
	<u>\$ 38,729.90</u>	<u>\$ 159,330.29</u>	<u>\$ 41,566.26</u>	<u>\$ 28,860.77</u>	<u>\$ 176,740.37</u>	<u>\$ 27,304.85</u>	<u>\$ -</u>	<u>\$ 64,442.00</u>

**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, 2021**

<u>Grant</u>	Balance December 31, <u>2020</u>	Cash <u>Received</u>	Grants <u>Appropriated</u>	Balance December 31, <u>2021</u>
Alcohol Education Rehabilitation Fund	\$ 5,418.00	\$ -	\$ 5,418.00	\$ -
Clean Communities Program	7,797.37	-	7,797.37	-
American Recovery Act	-	212,110.82	-	212,110.82
	<u>\$ 13,215.37</u>	<u>\$ 212,110.82</u>	<u>\$ 13,215.37</u>	<u>\$ 212,110.82</u>

This page intentionally left blank

TRUST FUNDS

This page intentionally left blank

**BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY
 TRUST FUND
 SCHEDULE OF CASH - TREASURER
 FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Animal Control</u>	<u>Trust - Other</u>
Balance, December 31, 2020	\$ 21.40	\$ 1,584,677.23
Increased By Receipts:		
Animal Control Fund	4,833.40	-
Due To State Department of Health	444.60	-
Miscellaneous Trust Fund Reserves	-	5,491,048.66
	<u>5,278.00</u>	<u>5,491,048.66</u>
	<u>5,299.40</u>	<u>7,075,725.89</u>
Decreased By Disbursements:		
Expenditures Under R.S. 4:19-15.11	4,790.65	-
Due To:		
State Department of Health	454.20	-
Miscellaneous Trust Fund Reserves	-	5,162,355.83
	<u>5,244.85</u>	<u>5,162,355.83</u>
Balance, December 31, 2021	<u>\$ 54.55</u>	<u>\$ 1,913,370.06</u>

**BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY
 ANIMAL CONTROL FUND
 SCHEDULE OF RESERVE FOR EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$ 11.80
Increased By:		
Dog Licenses	\$ 3,380.40	
Cat Licenses	478.00	
Late Fees	975.00	
		4,833.40
		4,845.20
Decreased By:		
Expenditures Under R.S. 4:19-15.11	4,790.65	
		4,790.65
Balance, December 31, 2021		\$ 54.55

<u>Year</u>	<u>Amount</u>
2019	\$ 5,064.60
2020	4,011.20
	\$ 9,075.80

**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, 2021**

Balance, December 31, 2020	\$	9.60
Increased By:		
Collected in 2021		444.60
		<u>454.20</u>
Decreased By:		
Payments		454.20
		<u>454.20</u>
Balance, December 31, 2021	\$	<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, 2021

	Balance December 31, <u>2020</u>	Transfer from Encumbrances <u>Payable</u>	Cash <u>Receipts</u>	Paid or <u>Charged</u>	Transfer to Encumbrances <u>Payable</u>	Balance December 31, <u>2021</u>
Accumulated Sick and Vacation	\$ 15,873.44	\$ -	\$ 60,000.00	\$ 42,298.90	\$ -	\$ 33,574.54
Affordable Housing Trust	482,089.49	-	21,634.07	4,496.00	-	499,227.56
Alliance on Alcoholism	4,688.37	-	2,000.00	1,477.10	-	5,211.27
Community Day Donations	138.35	-	-	-	-	138.35
Developers' Escrow	571,102.14	-	30,678.95	85,750.05	-	516,031.04
Environmental Trust	6,968.22	-	-	1,050.00	-	5,918.22
Escrow Deposit	-	-	89.29	89.29	-	-
Escrow Street Openings	6,865.00	-	8,190.00	-	-	15,055.00
Inspection Fees	1,666.00	-	15,945.00	15,082.00	-	2,529.00
Law Enforcement Forfeiture Fund	617.00	-	2.03	-	-	619.03
Municipal Court - P.O.A.A.	890.41	-	2.00	-	-	892.41
Open Space	374,128.19	-	127,173.63	18,202.32	-	483,099.50
Payroll Deductions	13,046.33	-	4,887,565.52	4,859,326.02	-	41,285.83
Police Donations	33,968.75	-	-	33,339.00	-	629.75
Public Defender	2,182.47	-	394.50	-	-	2,576.97
Recreation	2,150.74	-	6,675.00	1,293.22	313.00	7,219.52
Recycling	1,983.80	-	10,735.99	3,356.00	-	9,363.79
Reserve for Outside Employment	4,320.00	-	75,906.00	75,150.00	-	5,076.00
Rhododendron Garden	10,360.61	2,801.75	2,235.00	3,274.09	-	12,123.27
Snow Emergency	534.30	10,336.00	85,000.00	16,058.39	-	79,811.91
Tax Redemption	12,698.73	-	-	-	-	12,698.73
Tax Sale Premium	1,200.00	-	148,100.00	1,200.00	-	148,100.00
Unemployment Compensation	19,946.22	-	8,721.68	600.45	-	28,067.45
Uniform Fire Safety Act	4,120.92	-	-	-	-	4,120.92
	<u>\$ 1,571,539.48</u>	<u>\$ 13,137.75</u>	<u>\$ 5,491,048.66</u>	<u>\$ 5,162,042.83</u>	<u>\$ 313.00</u>	<u>\$ 1,913,370.06</u>

Cash Disbursements	\$ 5,162,042.83
Encumbrances	<u>313.00</u>
	<u>\$ 5,162,355.83</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, 2021**

Balance, December 31, 2020		\$ 904,862.70
Increased By:		
Borough Contributions	\$ 31,050.00	
Earnings on Investments	121,074.58	
Interest on Investments	<u>3,477.02</u>	
		<u>155,601.60</u>
		1,060,464.30
Decreased By:		
Distributions		<u>45,209.70</u>
Balance, December 31, 2021		<u><u>\$ 1,015,254.60</u></u>

**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, 2021**

Balance, December 31, 2020		\$ 904,862.70
Increased By:		
Borough Contributions	\$ 31,050.00	
Earnings on Investments	121,074.58	
Interest on Investments	<u>3,477.02</u>	
		<u>155,601.60</u>
		1,060,464.30
Decreased By:		
Distributions		<u>45,209.70</u>
Balance, December 31, 2021		<u><u>\$ 1,015,254.60</u></u>

GENERAL CAPITAL FUND

This page intentionally left blank

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$ 848,931.91
Increased By Receipts:		
Unfunded Ordinances Raised in Current Fund Budget	\$ 148,575.28	
BAN Paydown Raised in Current Fund Budget	120,000.00	
Bond Anticipation Notes Issued	845,000.00	
Grants Receivable	135,000.00	
Interfund Advancements	780,000.00	
Capital Improvement Fund:		
Budget Appropriations	100,000.00	
	2,128,575.28	2,128,575.28
		2,977,507.19
Decreased By Disbursements:		
Bond Anticipation Notes	120,000.00	
Improvement Authorizations	2,095,211.02	
Reserve for Debt Service	12,688.50	
Interfund Due to Current Fund	745,000.00	
	2,972,899.52	2,972,899.52
Balance, December 31, 2021		\$ 4,607.67

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance December 31, <u>2021</u>
Encumbrances Payable	\$ 254,679.88
Capital Improvement Fund	38,862.44
Reserve for Green Acres Trust	0.13
Due to Current	35,000.00
Due From NJ DOT	(365,000.00)
Fund Balance	123,741.34

<u>Ordinance Number</u>	<u>Improvement Description</u>	
994	Improvements to Patterson Ave	(11,380.00)
1012	Ave at the Common	26,589.50
1047	Acquisition of Equipment for Municipal Complex	(4,400.00)
1049	Improvements to DPW	275.00
1051	Improvements to Obre Place	(66,000.00)
1061	Improvements to Various Roads	(3,440.49)
1063	Acquisition of Fire Equipment	(17,286.49)
1068	Improvements to Various Roads	(60,805.74)
1072	Purchase of OEM Vehicles	2,633.91
1073	Acquaiation of Police Equipment	(5,830.00)
1074	Acquisisiton of Fire Equipment	1,250.00
1075	Purchase of DPW Equipment/Vehicles	(114,250.30)
1081	Improvements to Various Roads	228,296.24
1082	Public Works Equipment	(100,027.60)
1083	Improvement to Municipal Facilities	1,038.85
1084	Acquisition of Equipment	(12,960.00)
1085	Acquisition of Fire Equipment	20,040.00
1086	Acquisition of Police Equipment	27,581.00
1087	Acquisition of First Aid Equipment	6,000.00
		\$ 4,607.67

**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, 2021**

Balance, December 31, 2020	\$ 5,177,000.00
Decreased By:	
Serial Bonds Paid By Current Fund	<u>932,000.00</u>
Balance, December 31, 2021	<u><u>\$ 4,245,000.00</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, 2021**

Ordinance Number	Improvement Description	Balance December 31, 2020	Increased By 2021 Authorizations	Decreases	BAN Paydown	Grants Received	Balance December 31, 2021	Analysis of Balance		
								Bond Anticipation Notes	Unexpended Improvement Authorizations	Expenditures
994	Improvements to Patterson Ave	\$ 13,691.46	\$ -	\$ -	\$ -	\$ -	\$ 13,691.46	\$ -	\$ 2,311.46	\$ 11,380.00
1047	Acquisition of Equipment for Municipal Complex	39,204.78	-	129.99	-	-	39,074.79	-	34,674.79	4,400.00
1048	Acquisition for DPW Equipment & Vehicles	1,395.88	-	1,395.88	-	-	-	-	-	-
1049	Improvements to DPW	275.00	-	275.00	-	-	-	-	-	-
1051	Improvements to Obre Place	141,000.00	-	-	7,500.00	-	133,500.00	60,000.00	-	73,500.00
1061	Improvements to Various Roads	420,000.00	-	-	37,500.00	-	382,500.00	345,000.00	41,559.51	(4,059.51)
1063	Acquisition of Fire Equipment	45,600.00	-	6,552.96	-	-	39,047.04	-	21,760.55	17,286.49
1064	Improvements to the Municipal Complex	7,000.00	-	7,000.00	-	-	-	-	-	-
1066	Acquisition of Public Works Equipment/Vehicles	153,900.00	-	3,900.00	15,000.00	-	135,000.00	135,000.00	-	-
1068	Improvements to Various Roads	1,450,000.00	-	-	60,000.00	-	1,390,000.00	985,000.00	344,194.26	60,805.74
1070	Improvements to Municipal facilities	19,000.00	-	19,000.00	-	-	-	-	-	-
1073	Acquisition of Police Equipment	26,600.00	-	6,071.75	-	-	20,528.25	-	14,698.25	5,830.00
1074	Acquisition of Fire Equipment	23,750.00	-	-	-	-	23,750.00	-	23,750.00	-
1075	Purchase of DPW Equipment/Vehicles	218,500.00	-	104,249.70	-	-	114,250.30	-	-	114,250.30
1081	Improvements to Various Roads	-	800,000.00	-	-	-	800,000.00	400,000.00	400,000.00	-
1082	Public Works Equipment	-	123,500.00	-	-	-	123,500.00	-	23,472.40	100,027.60
1083	Improvement to Municipal Facilities	-	28,500.00	-	-	-	28,500.00	-	28,500.00	-
1084	Acquisition of Equipment	-	14,250.00	-	-	-	14,250.00	-	1,290.00	12,960.00
		\$ 2,559,917.12	\$ 966,250.00	\$ 148,575.28	\$ 120,000.00	\$ -	\$ 3,257,591.84	\$ 1,925,000.00	\$ 936,211.22	\$ 396,380.62

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Purpose</u>	<u>Original Issue</u>		<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Decreased</u>	<u>Balance</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>		<u>December 31, 2020</u>		<u>December 31, 2021</u>
Refunding Bonds	03/08/07	\$ 3,067,000.00				\$ 217,000.00	\$ 217,000.00	\$ -
MCIA Fire Company Bonds - 2005	09/07/05	2,275,000.00	09/01/22	185,000.00	4.250%	965,000.00	175,000.00	790,000.00
			09/01/23	195,000.00	4.250%			
			09/01/24	200,000.00	4.250%			
			09/01/25	210,000.00	4.250%			
Refunding Bonds - 2016	02/01/16	1,030,000.00	12/01/22	270,000.00	5.000%	540,000.00	270,000.00	270,000.00
MCIA Fire Company Bond - 2006	05/11/06	975,000.00	09/01/22	85,000.00	4.375%	440,000.00	80,000.00	360,000.00
			09/01/23	90,000.00	4.375%			
			09/01/24	90,000.00	4.375%			
			09/01/25	95,000.00	4.375%			
MCIA Various Improvements - 2018	12/01/18	3,375,000.00	12/21/22	200,000.00	5.000%	3,015,000.00	190,000.00	2,825,000.00
			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>\$ 5,177,000.00</u>	<u>\$ 932,000.00</u>	<u>\$ 4,245,000.00</u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Ordinance</u>	<u>Improvement Description</u>	<u>Original Issue Date</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2021</u>
1051	Improvements to Obre Place	12/2/2019	11/30/2021	11/29/2022	0.42%	\$ 67,500.00	\$ -	\$ 7,500.00	\$ 60,000.00
1061	Improvements to Various Roads	12/2/2019	11/30/2021	11/29/2022	0.42%	292,500.00	-	28,500.00	264,000.00
1061	Improvements to Various Roads	12/1/2020	11/30/2021	11/29/2022	0.42%	90,000.00	-	9,000.00	81,000.00
1066	Acquisition of Public Works Equipment/Vehicles	12/1/2020	11/30/2021	11/29/2022	0.42%	150,000.00	-	15,000.00	135,000.00
1068	Improvements to Various Roads	12/1/2020	11/30/2021	11/29/2022	0.42%	600,000.00	-	60,000.00	540,000.00
1068	Improvements to Various Roads	11/30/2021	11/30/2021	11/29/2022	0.42%	-	445,000.00	-	445,000.00
1081	Improvements to Various Roads	11/30/2021	11/30/2021	11/29/2022	0.42%	-	400,000.00	-	400,000.00
						<u>\$ 1,200,000.00</u>	<u>\$ 845,000.00</u>	<u>\$ 120,000.00</u>	<u>\$ 1,925,000.00</u>

BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

Ordinance Number	Improvement Description	Ordinance Amount		Balance December 31, 2020		2021 Authorizations		Capital Fund Balance	Capital Improvement Fund	Transferred From Encumbrances	Paid or Charged	Encumbrances Payable	Balance December 31, 2021			
		Date	Amount	Funded	Unfunded	Bonds & Notes A uth. Not Issued	Grants In Aid						Funded	Unfunded	Funded	Unfunded
994	Improvements To Patterson Ave	05/26/13	400,000.00	\$ -	\$ 13,691.46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,380.00	\$ -	\$ 2,311.46		
1012	Ave at the Common	5/4/2015	900,000.00	38,270.28	-	-	-	-	-	-	-	11,680.78	26,589.50	-		
1047	Acquisition of Equipment for Municipal Complex	5/21/2018	50,000.00	-	39,074.79	-	-	-	-	-	-	4,400.00	-	34,674.79		
1049	Improvements to DPW	5/21/2018	30,000.00	-	275.00	-	-	-	-	-	-	-	275.00	-		
1051	Improvements to Obre Place	10/15/2018	480,000.00	-	18,620.72	-	-	-	-	-	18,620.72	-	-	-		
1061	Improvements to Various Roads	6/17/2019	450,000.00	-	49,590.76	-	-	-	-	-	1,206.25	6,825.00	-	41,559.51		
1063	Acquisition of Fire Equipment	6/17/2019	48,000.00	-	36,268.79	-	-	-	-	2,778.25	9,389.49	7,897.00	-	21,760.55		
1068	Improvements to Various Roads	6/15/2020	1,900,000.00	232,283.32	1,450,000.00	-	-	-	-	-	1,270,494.06	67,595.00	-	344,194.26		
1072	Purchase of OEM Vehicles	6/15/2020	40,000.00	6,466.00	-	-	-	-	-	33,534.00	37,366.09	-	2,633.91	14,698.25		
1073	Acquisition of Police Equipment	9/8/2020	28,000.00	-	20,528.25	-	-	-	-	-	5,830.00	-	-	-		
1074	Acquisition of Fire Equipment	9/8/2020	25,000.00	1,250.00	23,750.00	-	-	-	-	-	-	-	1,250.00	23,750.00		
1075	Purchase of DPW Equipment/Vehicles	9/8/2020	230,000.00	-	-	-	-	-	-	230,000.00	230,000.00	-	-	-		
1081	Improvements to Various Roads	5/3/2021	1,140,000.00	-	-	-	-	-	70,000.00	-	486,362.41	25,341.35	-	628,296.24		
1082	Public Works Equipment	5/3/2021	130,000.00	-	-	-	-	-	6,500.00	-	-	106,527.60	-	23,472.40		
1083	Improvement to Municipal Facilities	5/3/2021	30,000.00	-	-	-	-	-	1,500.00	-	-	461.15	1,038.85	28,500.00		
1084	Acquisition of Equipment	5/3/2021	15,000.00	-	-	-	-	-	750.00	-	3,223.00	10,487.00	-	1,290.00		
1085	Acquisition of Fire Equipment	5/3/2021	22,125.00	-	-	-	-	-	22,125.00	-	-	2,085.00	-	-		
1086	Acquisition of Police Equipment	5/3/2021	60,300.00	-	-	-	-	-	60,300.00	-	32,719.00	-	27,581.00	-		
1087	Acquisition of First Aid Equipment	5/3/2021	6,000.00	-	-	-	-	-	6,000.00	-	-	-	6,000.00	-		
				\$ 278,269.60	\$ 1,651,799.77	\$ 966,250.00	\$ 270,000.00	\$ 88,425.00	\$ 78,750.00	\$ 266,312.25	\$ 2,095,211.02	\$ 254,679.88	\$ 85,408.26	\$ 1,164,507.46		

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 17,612.44
Increased By:	
2021 Budget Appropriations	<u>100,000.00</u>
	117,612.44
Decreased By:	
Improvement Authorizations	<u>78,750.00</u>
Balance, December 31, 2021	<u><u>\$ 38,862.44</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR GREEN ACRES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2021 & 2020

\$ 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, 2021**

Ordinance Number	Improvement Description	Balance December 31, 2020	Decreased by			Balance December 31, 2021
			Increased	Current Budget Appropriation	BANs Issued	
994	Improvements to Patterson Ave	\$ 13,691.46	\$ -	\$ -	\$ -	\$ 13,691.46
1047	Acquisition of Equipment for Municipal Complex	39,204.78	-	129.99	-	39,074.79
1048	Acquisition for DPW Equipment & Vehicles	1,395.88	-	1,395.88	-	-
1049	Improvements to DPW	275.00	-	275.00	-	-
1051	Improvements to Obre Place	66,000.00	-	-	-	66,000.00
1061	Improvements to Various Roads	45,000.00	-	-	-	45,000.00
1063	Acquisition of Fire Equipment	45,600.00	-	6,552.96	-	39,047.04
1064	Improvements to the Municipal Complex	7,000.00	-	7,000.00	-	-
1066	Acquisition of Public Works Equipment/Vehicles	3,900.00	-	3,900.00	-	-
1068	Improvements to Various Roads	850,000.00	-	-	445,000.00	405,000.00
1070	Improvements to Municipal facilities	19,000.00	-	19,000.00	-	-
1073	Acquisition of Police Equipment	26,600.00	-	6,071.75	-	20,528.25
1074	Acquisition of Fire Equipment	23,750.00	-	-	-	23,750.00
1075	Purchase of DPW Equipment/Vehicles	218,500.00	-	104,249.70	-	114,250.30
1081	Improvements to Various Roads	-	800,000.00	-	400,000.00	400,000.00
1082	Public Works Equipment	-	123,500.00	-	-	123,500.00
1083	Improvement to Municipal Facilities	-	28,500.00	-	-	28,500.00
1084	Acquisition of Equipment	-	14,250.00	-	-	14,250.00
		\$ 1,359,917.12	\$ 966,250.00	\$ 148,575.28	\$ 845,000.00	\$ 1,332,591.84

**BOROUGH OF SHREWSBURY
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND
 SCHEDULE OF RESERVE FOR DEBT SERVICE
 FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020		\$ 12,688.50
Decreased By:		
Budgeted BAN Paydown - Interfund Current	<u>\$ 12,688.50</u>	<u>12,688.50</u>
Balance, December 31, 2021 & 2020		<u><u>\$ -</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, 2021**

Balance, December 31, 2021 & 2020	<u><u>\$ 261,250.00</u></u>
-----------------------------------	-----------------------------

Analysis of Balance

Improvements to Patterson Avenue - Ord. 994	\$ 50,000.00
Improvements to Avenue Commons - Ord. 1012	60,000.00
Improvements to Various Roads - Ord. 1043	63,750.00
Improvement to Obre Place - Ord. 1051	<u>87,500.00</u>
	<u><u>\$ 261,250.00</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 491,250.00
Increased By:	
Grants Awarded	270,000.00
	761,250.00
Decreased By:	
Cash Receipts	135,000.00
Balance, December 31, 2021	\$ 626,250.00

Analysis of Balance

Improvements to Patterson Avenue - Ord. 994	\$ 50,000.00
Improvements to Avenue Commons - Ord. 1012	60,000.00
Improvements to Various Roads - Ord. 1043	63,750.00
Improvement to Obre Place - Ord. 1051	87,500.00
Improvement to Silverbrook Road - Ord. 1068	50,000.00
Improvement to Samara Drive - Ord. 1068	45,000.00
Improvements to White Street	270,000.00
	\$ 626,250.00

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ -
Increased By:	
Cash Receipts	<u>780,000.00</u>
	780,000.00
Decreased By:	
Cash Disbursements	<u>745,000.00</u>
Balance, December 31, 2021	<u><u>\$ 35,000.00</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL EQUIPMENT LEASE OBLIGATION
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Description</u>	<u>Original Issue</u>		<u>Maturity of Lease Obligation</u>		<u>Interest Rate</u>	<u>Balance</u>	
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>		<u>December 31, 2020</u>	<u>December 31, 2021</u>
Republic First National - Purchase Of Crestline Ambulance	07/07/21	\$ 139,327.22	07/15/22	\$ 45,132.43	2.87%	\$ -	\$ 139,327.22
			07/15/23	46,429.97			
			07/15/24	47,764.82			
						\$ -	\$ 139,327.22
							\$ 139,327.22

This page intentionally left blank

PUBLIC ASSISTANCE FUND

This page intentionally left blank

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2021**

	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, 2020	\$ 4,736.26	\$ 4,030.98	\$ 8,767.24
Decreased By:			
Closeout to State of New Jersey	-	4,030.98	4,030.98
Balance, December 31, 2021	\$ 4,736.26	\$ -	\$ 4,736.26

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
PUBLIC ASSISTANCE FUND
SCHEDULE OF RESERVE FOR EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$ 8,767.24
Decreased By:	
Payment To State	<u>4,030.98</u>
Balance, December 31, 2021	<u><u>\$ 4,736.26</u></u>

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH AND RECONCILIATION PER N.J.S.A. 40A:5-5
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance, December 31, 2020	\$	8,767.24
Decreased By:		
Payment To State		4,030.98
		4,030.98
Balance, December 31, 2021	\$	4,736.26
 <u>Reconciliation - December 31, 2021</u>		
		P.A.T.F.
		Account I
		<u>(75%)</u>
Balance on Deposit Per Statement of 1st Constitution Bank:		
Account I	\$	4,736.26
Account II		-
		-
Balance, December 31, 2021	\$	4,736.26

This page intentionally left blank

GENERAL FIXED ASSETS ACCOUNT GROUP

This page intentionally left blank

**BOROUGH OF SHREWSBURY
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	December 31, <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	December 31, <u>2021</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	6,125,287.17	317,098.61	56,940.00	6,385,445.78
	<hr/>			<hr/>
Total General Fixed Assets	\$ 13,333,916.50	\$ 317,098.61	\$ 56,940.00	\$ 13,594,075.11
	<hr/> <hr/>			<hr/> <hr/>

This page intentionally left blank

COMMENTS AND RECOMMENDATIONS

This page intentionally left blank

BOROUGH OF SHREWSBURY

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

This page intentionally left blank

**BOROUGH OF SHREWSBURY
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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.

Finding 2021-01:

Criteria or specific requirement:

N.J. Admin. Code § 5:30-11.9 states the specific procedures that must be adhered to regarding change orders which exceed the 20 percent limitation as set forth by N.J. Local Public Contracts Law (N.J. LPCL). The procedures include, but are not limited to:

- A written certification justifying the performance of the work or the furnishing of the services which would necessitate issuance of such a change order shall be filed by the contractor with the Borough. This statement shall include explain in detail the factual circumstances that would necessitate the change order; a statement indicating why these circumstances could not have been foreseen; and a statement indicating why issuance of the change order would be in the best interests of the contracting unit and would not constitute an abuse of the rules in this subchapter.
- The governing body shall take appropriate steps to assure that the change order is proper and allowable under this subchapter.
- The governing body shall pass a resolution authorizing a written amendatory contract to be entered into covering the change(s) to be made.
- The resolution described shall be passed before execution of the change order.
- The governing body shall cause to be printed once, in an official newspaper, a brief notice indicating the additional amount to be expended, the original contract price, the nature of the original and additional work and why it is necessary to expend the additional funds.

Condition:

The Borough did not obtain proper approval from the governing body in the form of an official resolution nor advertise the details described above in an official newspaper before executing change order(s) that exceeded the 20 percent limitation set forth by N.J. LPCL.

Cause:

Client monitoring failed to detect a breakdown in the communication channels necessary to remain compliant with certain provisions, laws, and regulations.

Effect:

The Borough is not compliant with N.J. LPCL and the applicable subchapter referenced above that governs the procedures for change orders which exceed 20 percent of an original contract's amount.

Recommendation:

That the Borough continues to monitor bid contracts to ensure that the scope of work and amount proposed are reasonably aligned with the Borough Engineer's expectation and that all change orders receive proper approval before execution.

**BOROUGH OF SHREWSBURY
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

View of Responsible Officials and Corrective Action Plan:

The responsible officials agree with this finding and will address the matter as part of their corrective action plan.

**BOROUGH OF SHREWSBURY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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.

This page intentionally left blank

BOROUGH OF SHREWSBURY

PART III

LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2021

This page intentionally left blank

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2021:

<u>Name</u>	<u>Title</u>
Erik Anderson	Mayor
Jason Sena	Council President
Deidre DerAsadourian	Councilmember
Jaclyn Woehnker	Councilmember
Donald Eddy	Councilmember
Brendan Gilmartin	Councilmember
Daniel Levy	Councilmember
Kerry Quinn	Borough Clerk
Louis Palazzo	Chief Financial Officer
Albert Jardine	Tax Collector
Megan Thomas	Court Administrator



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, 2021.

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 \$44,000 for the period from January 1, 2021 through December 31, 2021.

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 4, 2021 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):

Finding 2021-01

The chief executive officer and/or designee did not obtain proper approval from the governing body in the form of an official resolution nor advertise the details described above in an official newspaper before executing change order(s) that exceeded the 20 percent limitation set forth by N.J. LPCL.

Recommendation:

That the Borough continues to monitor bid contracts to ensure that the scope of work and amount proposed are reasonably aligned with the Borough Engineer's expectation and that all change orders receive proper approval before execution.

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

June 28, 2022
Lakewood, New Jersey