



COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE

BOROUGH OF RED BANK

**90 Monmouth Street
Red Bank, New Jersey 07701**

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

Presented by

**Eugenia Poulos
Chief Financial Officer
Borough of Red Bank**

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Borough of Red Bank

90 Monmouth Street
Red Bank, NJ 07701

Tel: (732) 530-2777

June 17, 2016

Honorable Mayor and Members of the Governing Body
Borough of Red Bank
County of Monmouth, New Jersey

The Comprehensive Annual Financial Report for the Borough of Red Bank, County of Monmouth, State of New Jersey, as of and for the years ended December 31, 2015 and 2014 is submitted herewith and includes financial statements, supplemental schedules and other information. I believe it is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Borough of Red Bank as measured by the financial activity of its various funds and account group; and that all disclosures necessary to enable the reader to gain an understanding of the Borough's financial affairs have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Auditors' Comments and Recommendations. The Introductory Section includes this transmittal letter, the Borough's organization chart, a roster of officials and a list of consultants and advisors. The Financial Section includes the annual financial statements and individual fund financial schedules, as well as the independent auditors' report and the 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*. The Statistical Section includes selected financial, economic and demographic information, generally presented on a multi-year basis and is unaudited. The fourth and final section is prepared by the independent auditor and contains their required annual comments and recommendations, if any, to the Mayor and Council. Responsibility for completeness and clarity of the report, including disclosures, rests with the Chief Financial Officer and ultimately with the Mayor and Council.

The regulatory-basis financial statements have been audited by Wiss & Company, LLP, Livingston, New Jersey, whose opinion is expressed in the Financial Section. Please note that the auditors' report states that the financial statements are presented fairly in conformity with the regulatory basis of accounting as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

PRESENT AND FUTURE CHALLENGES

2015 saw an increase in our Current Fund Balance of \$894,142.24. The current tax collection rate was in line with the historical average. The challenges for the future include maintaining our excellent collection percentage, continuing to improve miscellaneous revenues and limiting the growth of expenditures in order to continue to hold the tax rate near steady.

PRESENT AND FUTURE CHALLENGES

The tax revaluation was finally completed at the end of 2015 for 2016 taxes/budget. This year the Borough issued a total of \$202,503 in tax credits/refunds, down from \$1,257,995 in 2014. The number of County appeals in 2015 was 143, a large reduction of 163 appeals from a total of 306 County appeals in 2014. As a result of the appeals, the net valuation of the Borough of Red Bank decreased in 2015 by 5.34%, from \$2,192,403,361 to \$2,075,371,065.

In 2015, our Current Fund, which encompasses the general government functions of the Borough, had total revenues and other income of \$54,778,776.57 and total expenditures of \$52,527,634.33. The following schedules summarize municipal revenues and expenses for 2015 and 2014. Below is a comparison of the Current Fund revenues.

| | <u>2015</u> | <u>2014</u> | <u>Increase/ (Decrease)</u> | |
|--------------------------------|----------------------|----------------------|---------------------------------|---------------|
| Fund Balance | \$ 1,360,000 | \$ 1,000,000 | \$ 360,000 | 36.00 % |
| Municipal/Library Purposes Tax | 12,528,005 | 12,007,909 | 520,096 | 4.33 |
| Delinquent Tax Receipts | 957,029 | 891,331 | 65,698 | 7.37 |
| Miscellaneous Anticipated | | | | |
| Revenues | 5,915,227 | 4,697,613 | 1,217,614 | 25.92 |
| Intergovernmental Revenue | 2,107,107 | 2,139,619 | (32,512) | -1.52 |
| Other Credits to Income | 642,851 | 1,022,544 | (379,693) | -37.13 |
| Non-Budget Revenues | <u>435,184</u> | <u>471,359</u> | <u>(36,175)</u> | <u>-7.67</u> |
| | <u>\$ 23,945,403</u> | <u>\$ 22,230,375</u> | <u>\$ 1,715,028</u> | <u>7.71 %</u> |

1. Municipal/Library Purposes Taxes - These are the taxes levied on all property owners residing in the Borough. Revenues depicted above represent only the portion of taxes received that the Borough retains.
2. Delinquent Tax Receipts - This represents receipts from delinquent taxes and tax title liens.
3. Intergovernmental Revenue - This represents funds received from the State of New Jersey or the Federal Government in the form of grants or direct aid.
4. Miscellaneous Anticipated Revenues - This represents all of the miscellaneous revenues of the Borough including fees, fines, licenses, interest and other direct user charges, except those detailed separately above.
5. Non-Budget Revenue and Other Credits - These are items that are not budgeted as revenue items, however, are included in the overall revenue.

The decrease in expenditures in 2015 from 2014 was approximately 2.54% as follows. This was mainly driven by expenditure decreases in the areas of tax appeals and debt service offset in part by an increase in deferred charges and statutory expenditures.

| | <u>2015</u> | <u>2014</u> | <u>Increase/ (Decrease)</u> | |
|---|----------------------|----------------------|---------------------------------|-----------------|
| General Government | \$ 2,397,148 | \$ 2,662,953 | \$ (265,805) | (9.98) % |
| Land Use Administration | 218,700 | 223,748 | (5,048) | (2.26) |
| Insurance | 3,508,970 | 3,554,000 | (45,030) | (1.27) |
| Public Safety | 5,544,330 | 5,323,585 | 220,745 | 4.15 |
| Public Works | 1,851,225 | 1,649,715 | 201,510 | 12.21 |
| Landfill/Solid Waste Disposal Costs | 384,000 | 380,000 | 4,000 | 1.05 |
| Health and Welfare | 243,795 | 239,882 | 3,913 | 1.63 |
| Parks and Recreation | 269,150 | 450,608 | (181,458) | (40.27) |
| Utility Expenses and Bulk Purchases | 600,000 | 574,200 | 25,800 | 4.49 |
| Uniform Construction Code | 403,365 | 380,485 | 22,880 | 6.01 |
| Contingent | 1,000 | 1,000 | | |
| Deferred Charges and Statutory Expenditures | 2,357,645 | 1,916,707 | 440,938 | 23.00 |
| State and Federal Grants | 281,839 | 127,938 | 153,901 | 120.29 |
| Capital Improvements | 112,500 | 79,800 | 32,700 | 40.98 |
| Municipal Debt Service | 2,344,222 | 2,807,937 | (463,715) | (16.51) |
| Tax Appeals/Judgements | 50,000 | 860,000 | (810,000) | (94.19) |
| Reserve for Uncollected Taxes | <u>1,101,770</u> | <u>1,002,969</u> | <u>98,801</u> | <u>9.85</u> |
| | <u>\$ 21,669,659</u> | <u>\$ 22,235,527</u> | <u>\$ (565,868.00)</u> | <u>(2.54) %</u> |

The Borough owns and operates Water-Sewer and Parking Utilities. These budgetary subdivisions were created to allow for the segregation of the revenue and expense of these operating Enterprises of the Borough. The Utilities are under the operational control of the Mayor and Council.

The Water-Sewer Utility serves the entire Borough, which encompasses 4,500 accounts and a population of 10,000. Overall fund balance rose by \$186,785 from 2014 levels. Water-Sewer Utility revenues realized were about 5.9% greater than the previous years realized revenues, due in large part to an increase in connection fee revenues of about \$312,000.

The Parking Utility operates metered municipal parking lots and owns a 450 car parking garage, which it leases to Riverview Medical Center. Overall fund balance rose by \$110,921 from 2014 levels, due in part to an increase in parking fee revenues of \$62,876.

Both the Parking Utility and Water-Sewer Utility remained self-liquidating for 2015.

The Mayor and Council continue to pursue areas of budgetary reduction and revenue enhancement in order to control or eliminate the need for tax increases for municipal purposes.

MAJOR ACTIVITIES AFFECTING BUDGET/FINANCIAL CONDITIONS

The Borough of Red Bank encompasses 1.8 square miles. It is a fully developed mature community with a strong commercial and professional office district surrounded by single-family residential homes and several apartment complexes. It has a diverse, stable population. A downtown special improvement district has helped make our commercial district thrive in an unprecedented manner.

PROSPECTS FOR THE FUTURE

The municipal tax rate was held steady in 2015. Future development should be added to the tax rolls in 2016. These new ratables and ongoing cost containments should help stabilize future municipal tax rates. However, future budgets do continue to present significant challenges.

CASH MANAGEMENT

The Borough invests all surplus funds for appropriate periods of time as determined by the Chief Financial Officer. During 2015 no investments were made.

DEBT ADMINISTRATION

The Borough has managed its debt well. The current outstanding net debt of the Borough is \$13,667,882.02 which represents .673% of its average equalized value. Debt service appropriations for 2015 and 2014 for the Current Fund were 11.18% and 13.29%, respectively, of the total Current Fund budget.

RISK MANAGEMENT

The Borough was a charter member of the Monmouth Municipal Joint Insurance Fund that, along with the state wide Municipal Excess Liability Joint Insurance Fund, Municipal Excess Liability Residual Claims Fund and Environmental Joint Insurance Fund provides the most comprehensive insurance coverage available in local government anywhere in the United States. These funds provide professional risk management, legal defense, loss prevention, claims management and actuarial services and are regulated by the N.J. Department of Insurance.

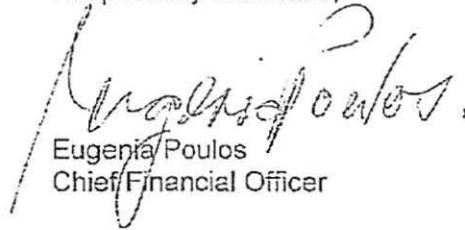
The success of these funds is unprecedented and they have served as a national example of well-run, innovative self-insurance funds.

The Borough participates in the Central Jersey Health Insurance Fund for employee health benefits. This fund is regulated by the State of New Jersey Department of Insurance.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the Administration Department. I would also like to express my appreciation to Wiss & Company, LLP for their help and assistance in the preparation of the Borough's Comprehensive Annual Financial Report.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Eugenia Poulos", is written over the typed name and title. The signature is fluid and cursive, with a large initial 'E' and 'P'.

Eugenia Poulos
Chief Financial Officer

BOROUGH OF RED BANK
ROSTER OF OFFICIALS
DECEMBER 31, 2015

Governing Body

Pasquale Menna, Mayor
Kathleen Horgan, Council President
Edward Zipprich, Councilman
Cindy Burnham, Councilwoman
Linda Schwabenbauer, Councilwoman
Mark Taylor, Councilman
Michael Whelan, Councilman

Other Officials

Eugenia Poulos, Treasurer, Water-Sewer Comptroller, Parking Utility Collector and
Chief Financial Officer

Ashlesha Deshpande, Tax and Utility Collector
Mitchell Elias, Tax Assessor
Stanley J. Sickels, Borough Administrator, Construction Code Official and Fire Marshal
Pamela Borghi, Borough Clerk
William Himelman, Magistrate
Daniel O'Hern, Attorney
Cathleen Gerber, Municipal Court Administrator
Christine Ballard, Engineer
Jacqueline Reynolds, Senior Center Director
Gary Watson, Assistant Administrator, Director of Public Utilities
Donna Barr, Director of Planning and Zoning

BOROUGH OF RED BANK
CONSULTANTS AND ADVISORS
DECEMBER 31, 2015

AUDIT FIRM

Wiss & Company, LLP
354 Eisenhower Parkway
Livingston, New Jersey 07039

ATTORNEY

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Byrnes O'Hern, LLC
28 Leroy Place
Red Bank, New Jersey 07701

BOND COUNSEL

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9000 Midlantic Drive
Suite 300
PO Box 5054
Mount Laurel, New Jersey 08054

BOROUGH OF RED BANK
CONSULTANTS AND ADVISORS (CONTINUED)
DECEMBER 31, 2015

OFFICIAL NAMED DEPOSITORIES

Amboy National Bank

Bank of America

Bank of New York/Mellon

TD Bank, N.A.

PNC Bank

NJ Cash Management Fund

Investors Savings Bank

Sovereign Bank

Two Rivers Community Bank

Valley National Bank

Wachovia Bank

Wells Fargo

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying basic financial statements – regulatory basis, which comprise the statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough of Red Bank ("Borough"), County of Monmouth, State of New Jersey, as of December 31, 2015 and 2014 and the related statements of revenues, expenditures and changes in fund balance - regulatory basis, the statements of fund balance – regulatory basis, the statements of operations and changes in operating fund balance – regulatory basis, the statements of revenues – regulatory basis, the statements of expenditures – regulatory basis of the various funds and the related notes to the financial statements for the years then ended as listed in the basic financial statements section of the accompanying table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"). 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 the requirements prescribed by the Division. Those standards and the requirements prescribed by the Division require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

As described in Note 1 to the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division (regulatory-basis), 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.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2015 and 2014, or the results of its operations and changes in fund balances for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects the statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough as of December 31, 2015 and 2014, and the results of its operations and changes in fund balances of such funds – regulatory basis for the years then ended, and the revenues - regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2015 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 to the financial statements.

Report on Supplementary Information as Required by the Division in Accordance with the Regulatory-Basis

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Borough's basic financial statements. The supplementary information, as identified as Exhibits B-5 through FWS-6 and the comments and recommendations supplementary information is presented for purposes of additional analysis as required by the Division and is not a required part of the 2015 regulatory - basis financial statements of the Borough. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Borough's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2016, on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.



David A. Kaplan
Registered Municipal Accountant
No. 433



WISS & COMPANY, LLP

Livingston, New Jersey
June 17, 2016

**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**

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the regulatory-basis financial statements of the Borough of Red Bank ("Borough"), County of Monmouth, New Jersey as of and for the year ended December 31, 2015, 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 17, 2016, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



David A. Kaplan
Registered Municipal Accountant
No. 433



WISS & COMPANY, LLP

Livingston, New Jersey
June 17, 2016

BASIC FINANCIAL STATEMENTS

BOROUGH OF RED BANK
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2014)

| | Governmental Funds | | | Utilities | | General Fixed Assets Account Group | Totals Memorandum Only | |
|-------------------------------------|--------------------|--------------------|-----------------|-----------------|------------------|--|---------------------------|------------------|
| | Current | General Capital | Trust Funds | Operating | Capital | | 2015 | 2014 |
| ASSETS AND OTHER DEBITS | | | | | | | | |
| Cash and Cash Equivalents | \$ 6,282,426.31 | \$ 7,378,989.61 | \$ 4,283,456.36 | \$ 2,214,356.98 | \$ 3,901,965.53 | | \$ 24,061,194.79 | \$ 18,251,805.00 |
| Intergovernmental Receivables | 4,871.05 | 22,734.64 | | | | | 27,605.69 | 13,503.23 |
| Receivables and Other Assets: | | | | | | | | |
| Delinquent Property Taxes | 677,386.08 | | | | | | 677,386.08 | 1,035,015.82 |
| Consumer Accounts Receivable | | | | 835,243.62 | | | 835,243.62 | 807,863.00 |
| Inventory | | | | 206,259.29 | | | 206,259.29 | 215,980.99 |
| Liens Receivable | | | | 20.00 | | | 20.00 | 3,768.08 |
| Demolition Liens Receivable | 9,281.80 | | | | | | 9,281.80 | 8,930.09 |
| Other Accounts Receivable | 45,651.34 | | 5,294.77 | 2,793.75 | | | 53,739.86 | 37,557.75 |
| Interfunds Receivable | 56,390.76 | | | 6,226.91 | | | 62,617.67 | 53,565.62 |
| Capital Lease Obligations, Unfunded | | 1,992,000.00 | | | | | 1,992,000.00 | 1,682,100.00 |
| Deferred Charges | 874,700.00 | 14,022,434.18 | | | | | 14,897,134.18 | 15,457,687.58 |
| Fixed Capital | | | | | 32,353,128.40 | | 32,353,128.40 | 31,127,881.56 |
| Fixed Assets | | | | | | \$ 30,649,451.00 | 30,649,451.00 | 30,752,887.00 |
| Federal and State Grant Fund: | | | | | | | | |
| Cash and Cash Equivalents | 110,832.25 | | | | | | 110,832.25 | 160,091.90 |
| Federal and State Grants Receivable | 105,954.73 | | | | | | 105,954.73 | 117,154.73 |
| Interfunds Receivable | 24,463.56 | | | | | | 24,463.56 | |
| Total Assets and Other Debits | \$ 8,191,957.88 | \$ 23,416,158.43 | \$ 4,288,751.13 | \$ 3,264,900.55 | \$ 36,255,093.93 | \$ 30,649,451.00 | \$ 106,066,312.92 | \$ 99,725,792.35 |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2014)

| | Governmental Funds | | Trust Funds | Utilities | | General Fixed Assets Account Group | Totals | |
|---|------------------------|-------------------------|------------------------|------------------------|-------------------------|--|--------------------------|-------------------------|
| | Current | General Capital | | Operating | Capital | | Memorandum Only | |
| | | | | | | | 2015 | 2014 |
| LIABILITIES, RESERVES AND FUND BALANCE | | | | | | | | |
| Liabilities and Reserves: | | | | | | | | |
| Appropriation Reserves | \$ 841,408.47 | | | \$ 606,823.09 | | | \$ 1,448,231.56 | \$ 1,425,020.60 |
| Other Liabilities and Reserves | 2,927,337.05 | \$ 2,012,197.05 | \$ 4,227,028.42 | 473,909.06 | \$ 1,491,246.91 | | 11,131,718.49 | 9,603,681.55 |
| Improvement Authorizations | | 3,355,887.16 | | | 1,688,999.46 | | 5,044,886.62 | 4,950,923.16 |
| Accrued Interest on Bonds and Notes | | | | 99,113.43 | | | 99,113.43 | 130,516.12 |
| Reserve for Amortization | | | | | 20,303,371.79 | | 20,303,371.79 | 18,958,910.32 |
| Deferred Reserve for Amortization | | | | | 579,156.18 | | 579,156.18 | 559,156.18 |
| Interfunds Payable | 24,463.56 | | 61,722.71 | | 894.96 | | 87,081.23 | 53,565.62 |
| Bond Anticipation Notes | | 2,142,605.00 | | | 705,440.00 | | 2,848,045.00 | 7,296,395.00 |
| Special Emergency Notes | 854,700.00 | | | | | | 854,700.00 | 1,700,288.23 |
| Serial and Refunding Bonds | | 13,488,521.50 | | | 11,470,600.43 | | 24,959,121.93 | 17,342,702.06 |
| Loans Payable | | 397,800.98 | | | | | 397,800.98 | 462,220.88 |
| Capital Lease Payable - Principal | | 1,992,000.00 | | | | | 1,992,000.00 | 1,682,100.00 |
| Reserve for Receivables and Other Assets | 788,709.98 | | | 1,041,522.91 | | | 1,830,232.89 | 2,125,775.94 |
| Federal and State Grant Fund: | | | | | | | | |
| Reserve for Encumbrances | 10,425.18 | | | | | | 10,425.18 | |
| Unappropriated/Appropriated Reserves | 230,825.36 | | | | | | 230,825.36 | 277,246.63 |
| Total Liabilities and Reserves | 5,677,869.60 | 23,389,011.69 | 4,288,751.13 | 2,221,368.49 | 36,239,709.73 | | 71,816,710.64 | 66,568,502.29 |
| Equity and Other Credits: | | | | | | | | |
| Investment in General Fixed Assets | | | | | | \$ 30,649,451.00 | 30,649,451.00 | 30,752,887.00 |
| Fund Balance | 2,514,088.28 | 27,146.74 | | 1,043,532.06 | 15,384.20 | | 3,600,151.28 | 2,404,403.06 |
| Total Equity and Other Credits | 2,514,088.28 | 27,146.74 | | 1,043,532.06 | 15,384.20 | 30,649,451.00 | 34,249,602.28 | 33,157,290.06 |
| Total Liabilities, Reserves and Fund Balance | \$ 8,191,957.88 | \$ 23,416,158.43 | \$ 4,288,751.13 | \$ 3,264,900.55 | \$ 36,255,093.93 | \$ 30,649,451.00 | \$ 106,066,312.92 | \$ 99,725,792.35 |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, PARKING UTILITY AND WATER-SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | Current Fund | | | Utility Operating Funds (1) | | |
|---|------------------|------------------|---|-----------------------------|-----------------|---|
| | Final Budget | Actual | Variance Favorable/ (Unfavorable) | Final Budget | Actual | Variance Favorable/ (Unfavorable) |
| Revenues: | | | | | | |
| Fund Balance Anticipated | \$ 1,360,000.00 | \$ 1,360,000.00 | | \$ 64,595.56 | \$ 64,595.56 | |
| Water-Sewer Rents and Connection Fees | | | | 6,656,069.00 | 6,961,279.34 | \$ 305,210.34 |
| Parking Meter and Lot Fees | | | | 1,422,465.44 | 1,487,314.74 | 64,849.30 |
| Miscellaneous Revenues | 5,258,909.58 | 5,915,225.57 | \$ 656,315.99 | 95,000.00 | 108,206.09 | 13,206.09 |
| State Aid | 2,011,681.00 | 2,011,681.00 | | | | |
| Federal and State Grants | 95,425.55 | 95,425.55 | | | | |
| | 8,726,016.13 | 9,382,332.12 | 656,315.99 | 8,238,130.00 | 8,621,395.73 | 383,265.73 |
| Receipts from Delinquent Taxes | 1,030,000.00 | 957,028.92 | (72,971.08) | | | |
| Amount to be Raised by Taxes for Support of Municipal Budget: | | | | | | |
| Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes | 11,234,994.58 | 11,849,357.09 | 614,362.51 | | | |
| Minimum Library Levy | 678,648.17 | 678,648.17 | | | | |
| Budget Totals | 21,669,658.88 | 22,867,366.30 | 1,197,707.42 | 8,238,130.00 | 8,621,395.73 | 383,265.73 |
| Non-budget Revenues | | 435,184.54 | 435,184.54 | | | |
| Other Credits to Income | | 642,851.09 | 642,851.09 | | 397,536.47 | 397,536.47 |
| Taxes Allocated to School, County and Special Districts | | 30,833,374.64 | 30,833,374.64 | | | |
| Total Revenues | \$ 21,669,658.88 | \$ 54,778,776.57 | \$ 33,109,117.69 | \$ 8,238,130.00 | \$ 9,018,932.20 | \$ 780,802.20 |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, PARKING UTILITY AND WATER-SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | Current Fund | | | Utility Operating Funds (1) | | |
|---|-------------------------|----------------------|--|-----------------------------|---------------------|--|
| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Favorable/ (Unfavorable)</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Favorable/ (Unfavorable)</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General Government | \$ 2,397,148.07 | \$ 2,397,148.07 | | | | |
| Land Use Administration | 218,700.00 | 218,700.00 | | | | |
| Insurance | 3,508,970.00 | 3,508,970.00 | | | | |
| Public Safety | 5,544,330.00 | 5,544,330.00 | | | | |
| Public Works | 1,851,225.43 | 1,851,225.43 | | | | |
| Landfill/Solid Waste Disposal Costs | 384,000.00 | 384,000.00 | | | | |
| Health and Welfare | 243,795.00 | 243,795.00 | | | | |
| Parks and Recreation | 269,150.00 | 269,150.00 | | | | |
| Utility Expenses and Bulk Purchases | 600,000.00 | 600,000.00 | | | | |
| Uniform Construction Code | 403,365.00 | 403,365.00 | | | | |
| Contingent | 1,000.00 | 1,000.00 | | | | |
| State and Federal Grants | 281,838.55 | 281,838.55 | | | | |
| Operating - Utility Funds | | | | \$ 5,769,917.00 | \$ 5,769,917.00 | |
| Capital Improvements | 112,500.00 | 112,500.00 | | 30,000.00 | 30,000.00 | |
| Debt Service | 2,344,222.00 | 2,344,222.00 | | 1,162,566.00 | 1,162,566.00 | |
| Deferred Charges and Statutory | | | | | | |
| Expenditures | 2,357,645.00 | 2,357,645.00 | | 222,980.00 | 222,980.00 | |
| Tax Appeals/Judgements | 50,000.00 | 50,000.00 | | | | |
| Surplus - General Budget | | | | 1,052,667.00 | 1,052,667.00 | |
| Reserve for Uncollected Taxes | <u>1,101,769.83</u> | <u>1,101,769.83</u> | | | | |
| Total Budget Expenditures | <u>21,669,658.88</u> | <u>21,669,658.88</u> | | <u>8,238,130.00</u> | <u>8,238,130.00</u> | |
| Other Expenditures | | 24,600.81 | \$ (24,600.81) | | | |
| County, School and Special District Taxes | | <u>30,833,374.64</u> | <u>(30,833,374.64)</u> | | | |
| Total Expenditures | <u>21,669,658.88</u> | <u>52,527,634.33</u> | <u>(30,857,975.45)</u> | <u>8,238,130.00</u> | <u>8,238,130.00</u> | |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, PARKING UTILITY AND WATER-SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

| | Current Fund | | | Utility Operating Funds (1) | | |
|------------------------------------|-----------------|-----------------|---|-----------------------------|-----------------|---|
| | Final Budget | Actual | Variance Favorable/ (Unfavorable) | Final Budget | Actual | Variance Favorable/ (Unfavorable) |
| Statutory Excess to Fund Balance | - | \$ 2,251,142.24 | \$ 2,251,142.24 | | \$ 780,802.20 | \$ 780,802.20 |
| Fund Balance, January 1 | | 1,622,946.04 | 1,622,946.04 | | 745,825.42 | 745,825.42 |
| | - | 3,874,088.28 | 3,874,088.28 | | 1,526,627.62 | 1,526,627.62 |
| Decreased By: | | | | | | |
| Utilization as Anticipated Revenue | | 1,360,000.00 | 1,360,000.00 | | 64,595.56 | (64,595.56) |
| Transferred to Current Fund | | | | | 418,500.00 | (418,500.00) |
| | | 1,360,000.00 | 1,360,000.00 | | 483,095.56 | (483,095.56) |
| Fund Balance, December 31 | \$ - | \$ 2,514,088.28 | \$ 2,514,088.28 | \$ - | \$ 1,043,532.06 | \$ 1,043,532.06 |

(1) Includes Parking and Water-Sewer Utilities.

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

| | |
|---|---------------------|
| <u>BALANCE, DECEMBER 31, 2014</u> | \$ 20,247.40 |
| <u>INCREASED BY</u> | |
| Net Premium Received on 2015 MCIA Bond Sale | <u>6,899.34</u> |
| <u>BALANCE, DECEMBER 31, 2015</u> | <u>\$ 27,146.74</u> |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
PARKING UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

BALANCE, DECEMBER 31, 2015 AND 2014

\$ 7.98

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

BALANCE, DECEMBER 31, 2015 AND 2014

\$ 15,376.22

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2015 AND 2014

| | December 31, | |
|--|------------------------|------------------------|
| | <u>2015</u> | <u>2014</u> |
| <u>ASSETS</u> | | |
| Cash and Cash Equivalents | \$ 6,282,426.31 | \$ 5,479,380.84 |
| Intergovernmental Receivable: | | |
| Due from State of New Jersey: | | |
| Senior Citizens' and Veterans' Deductions | 4,871.05 | 5,871.05 |
| Receivables and Other Assets with Full Reserves: | | |
| Delinquent Property Taxes | 677,386.08 | 1,035,015.82 |
| Liens Receivable: | | |
| Tax Title Liens Receivable | | 3,748.08 |
| Demolition | 9,281.80 | 8,930.09 |
| Revenue Accounts Receivable | 45,651.34 | 37,557.75 |
| Interfunds Receivable | 56,390.76 | 16,660.21 |
| Deferred Charges: | | |
| Emergency Appropriation N.J.S. 40A:4-46 | | 24,800.00 |
| Special Emergency Authorizations N.J.S. 40A:4-53 | 874,700.00 | 1,514,600.00 |
| | <u>7,950,707.34</u> | <u>8,126,563.84</u> |
| Federal and State Grant Fund: | | |
| Cash and Cash Equivalents | 110,832.25 | 160,091.90 |
| Federal and State Grants Receivable | 105,954.73 | 117,154.73 |
| Interfund Receivable | 24,463.56 | |
| | <u>241,250.54</u> | <u>277,246.63</u> |
| Total Assets | <u>\$ 8,191,957.88</u> | <u>\$ 8,403,810.47</u> |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2015 AND 2014

| | December 31, | |
|---|------------------------|------------------------|
| | <u>2015</u> | <u>2014</u> |
| <u>LIABILITIES, RESERVES AND</u> | | |
| <u>FUND BALANCE</u> | | |
| Current Fund: | | |
| Liabilities: | | |
| Appropriation Reserves | \$ 841,408.47 | \$ 1,014,377.08 |
| Prepaid Taxes | 215,002.15 | 132,469.36 |
| Payroll Taxes Payable | | 130,554.15 |
| Accounts Payable | 53,812.00 | 1,507.09 |
| Due to State of NJ - Marriage License Fees | 750.00 | 2,975.00 |
| Due to State of NJ - Training Fees | 7,682.00 | 6,505.00 |
| Tax Overpayments | 1,774.31 | 19,378.47 |
| Local School District Tax Payable | 1,491,802.17 | 987,983.67 |
| Regional High School District Tax Payable | 163,746.32 | 119,655.44 |
| Due County for Added Taxes | 56,852.19 | 7,244.27 |
| Special Emergency Notes Payable | 854,700.00 | 1,700,288.23 |
| Reserve for Encumbrances | 616,412.67 | 620,950.51 |
| Reserve for Sale of Municipal Assets | | 400,750.00 |
| Reserve for Revaluation | 85,100.73 | 85,100.73 |
| Reserve for Severance Liabilities | 150,150.84 | 150,150.84 |
| Reserve for Library Expenditures | 82,151.67 | 11.95 |
| Due to Monmouth County Regional Health Commission | 2,100.00 | |
| Interfunds Payable | 24,463.56 | 21,804.06 |
| | <u>4,647,909.08</u> | <u>5,401,705.85</u> |
| Reserve for Receivables and Other Assets | 788,709.98 | 1,101,911.95 |
| Fund Balance | <u>2,514,088.28</u> | <u>1,622,946.04</u> |
| Total Current Fund | <u>7,950,707.34</u> | <u>8,126,563.84</u> |
| Federal and State Grant Fund: | | |
| Reserve for Federal and State Grants: | | |
| Appropriated | 230,525.36 | 270,846.63 |
| Unappropriated | 300.00 | 6,400.00 |
| Reserve for Encumbrances | <u>10,425.18</u> | |
| Total Federal and State Grant Fund | <u>241,250.54</u> | <u>277,246.63</u> |
| Total Liabilities, Reserves and Fund Balance | <u>\$ 8,191,957.88</u> | <u>\$ 8,403,810.47</u> |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

| | <u>2015</u> | <u>2014</u> |
|--|-----------------|-----------------|
| Revenues and Other Income Realized: | | |
| Fund Balance Utilized | \$ 1,360,000.00 | \$ 1,000,000.00 |
| Miscellaneous Revenues Anticipated | 5,915,225.57 | 4,697,612.56 |
| State Aid | 2,011,681.00 | 2,011,681.00 |
| Federal and State Grants | 95,425.55 | 127,938.44 |
| Receipts from Delinquent Taxes | 957,028.92 | 891,330.69 |
| Receipts from Current Taxes | 12,528,005.26 | 12,007,909.12 |
| Taxes Allocated to School, County and Special Districts | 30,833,374.64 | 29,874,949.73 |
| Non-Budget Revenues | 435,184.54 | 471,358.83 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 607,656.67 | 833,742.11 |
| Current Budget Appropriations Canceled | 18,534.21 | 101,749.08 |
| Interfunds Liquidated | 16,660.21 | 87,052.31 |
| | <hr/> | <hr/> |
| Total Revenues and Other Income | 54,778,776.57 | 52,105,323.87 |
| | <hr/> | <hr/> |
| Expenditures: | | |
| Budget and Emergency Appropriations: | | |
| Within "CAPS": | | |
| General Government | 1,190,351.33 | 1,534,523.00 |
| Land Use Administration | 218,700.00 | 223,748.00 |
| Public Safety | 5,544,330.00 | 5,323,585.00 |
| Public Works | 1,851,225.43 | 1,649,714.70 |
| Landfill/Solid Waste Disposal Costs | 384,000.00 | 380,000.00 |
| Health and Welfare | 243,795.00 | 239,882.00 |
| Parks and Recreation | 269,150.00 | 450,608.00 |
| Utility Expenses and Bulk Purchases | 600,000.00 | 574,200.00 |
| Uniform Construction Code | 403,365.00 | 380,485.00 |
| Contingent | 1,000.00 | 1,000.00 |
| Insurance | 3,508,970.00 | 3,554,000.00 |
| Deferred Charges and Statutory Expenditures | 1,692,945.00 | 1,525,604.00 |
| Excluded from "CAPS": | | |
| General Government | 1,206,796.74 | 1,128,430.09 |
| Tax Appeals/Judgements | 50,000.00 | 860,000.00 |
| State and Federal Grants | 281,838.55 | 127,938.44 |
| Capital Improvements | 112,500.00 | 79,800.00 |
| Municipal Debt Service | 2,344,222.00 | 2,807,936.94 |
| Deferred Charges | 664,700.00 | 391,103.30 |
| Reserve for Uncollected Taxes | 1,101,769.83 | 1,002,969.39 |
| Special Improvement District Tax | 512,120.00 | 512,120.00 |
| County Taxes | 5,527,928.45 | 5,708,515.20 |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

| | <u>2015</u> | <u>2014</u> |
|---|-----------------------------|------------------------|
| Expenditures (Continued): | | |
| Due to County for Added and Omitted Taxes | \$ 56,852.19 | \$ 7,244.27 |
| Local District School Taxes | 15,975,869.00 | 14,974,647.00 |
| Regional High School District Tax | 8,760,605.00 | 8,672,423.26 |
| Grant Receivable Cancelled | 24,500.00 | |
| Refund of Prior Year Revenue | <u>100.81</u> | <u>30,163.00</u> |
| Total Expenditures | <u>52,527,634.33</u> | <u>52,140,640.59</u> |
| Excess (Deficiency) in Revenue over Expenditures | 2,251,142.24 | (35,316.72) |
| Adjustment to Income Before Fund Balance: | | |
| Expenditures included above which are by statute deferred charges to budgets of succeeding years | <u> </u> | <u>1,199,800.00</u> |
| Statutory Excess to Fund Balance | 2,251,142.24 | 1,164,483.28 |
| Fund Balance, January 1 | <u>1,622,946.04</u> | <u>1,458,462.76</u> |
| | 3,874,088.28 | 2,622,946.04 |
| Decreased by: | | |
| Utilized as Anticipated Revenue | <u>1,360,000.00</u> | <u>1,000,000.00</u> |
| Fund Balance, December 31 | <u>\$ 2,514,088.28</u> | <u>\$ 1,622,946.04</u> |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2015 REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

| | <u>Budget</u> | <u>Added by N.J.S.A. 40A:4-87</u> | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|--|---------------------|---|---------------------|------------------------------------|
| Surplus Anticipated | \$ 1,360,000.00 | | \$ 1,360,000.00 | |
| Miscellaneous Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | 89,000.00 | | 91,314.00 | \$ 2,314.00 |
| Other | 51,000.00 | | 57,340.00 | 6,340.00 |
| Fees and Permits: | | | | |
| Other | 305,000.00 | | 299,455.68 | (5,544.32) |
| Uniform Construction Code Official Fees | 430,000.00 | | 877,963.00 | 447,963.00 |
| Code Enforcement - Property Maintenance Fees | 50,000.00 | | 65,035.00 | 15,035.00 |
| Fines and Costs: | | | | |
| Municipal Court | 600,000.00 | | 645,798.09 | 45,798.09 |
| Interest and Costs on Taxes | 235,000.00 | | 262,332.17 | 27,332.17 |
| Interest on Investments and Deposits | 20,000.00 | | 33,383.23 | 13,383.23 |
| | <u>1,780,000.00</u> | | <u>2,332,621.17</u> | <u>552,621.17</u> |
| State Aid Without Offsetting Appropriations: | | | | |
| Energy Receipts Tax | <u>2,011,681.00</u> | | <u>2,011,681.00</u> | |
| | <u>2,011,681.00</u> | | <u>2,011,681.00</u> | |
| Special Items of Revenue Offset with Appropriations: | | | | |
| U.S. Older Americans Act - Senior Citizens | 29,312.00 | | 29,312.00 | |
| Drunk Driving Enforcement Fund: | | | | |
| Police | | \$ 8,431.71 | 8,431.71 | |
| Court | | 2,917.19 | 2,917.19 | |
| Clean Communities Program | | 22,996.88 | 22,996.88 | |
| COPS in Shops | | 4,900.00 | 4,900.00 | |
| Body Armor Fund | | 3,867.77 | 3,867.77 | |
| Click it or Ticket | | 4,000.00 | 4,000.00 | |
| Pedestrian Safety Education and Enforcement Funds | | 19,000.00 | 19,000.00 | |
| | <u>29,312.00</u> | <u>66,113.55</u> | <u>95,425.55</u> | |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2015 REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

| | <u>Budget</u> | Added by N.J.S.A. <u>40A:4-87</u> | <u>Realized</u> | Excess or <u>(Deficit)</u> |
|---|-------------------------|---|-------------------------|----------------------------------|
| Interlocal Service Agreements: | | | | |
| Borough of Little Silver - Fire Services | \$ 12,500.00 | | \$ 13,560.00 | \$ 1,060.00 |
| Township of Shrewsbury - Municipal Court | 9,000.00 | | 9,561.50 | 561.50 |
| Borough of Little Silver - Construction | 200,000.00 | | 248,481.00 | 48,481.00 |
| Red Bank Board of Education - Snow Plowing | 13,011.00 | | 13,011.00 | |
| Franchise Tax Cable Television | 182,000.00 | | 182,698.08 | 698.08 |
| Uniform Fire Safety Act | 110,000.00 | | 123,453.62 | 13,453.62 |
| Landlord Registration Fees | 12,500.00 | | 14,750.00 | 2,250.00 |
| Utility Operating Surplus of Current Year -Water/Sewer Utility | 500,000.00 | | 500,000.00 | |
| Utility Operating Surplus of Current Year -Parking Utility | 552,667.00 | | 552,667.00 | |
| Utility Operating Surplus of Prior Year -Water/Sewer Utility | 343,500.00 | | 343,500.00 | |
| Utility Operating Surplus of Prior Year -Parking Utility | 75,000.00 | | 75,000.00 | |
| Payment in Lieu of Taxes - Riverview Hospital | 175,594.00 | | 190,322.86 | 14,728.86 |
| R.B.C. Field Rent | 130,000.00 | | 130,000.00 | |
| Payment in Lieu of Taxes - Housing Authority/River Street/Habcore | 150,000.00 | | 157,911.79 | 7,911.79 |
| Reserve for Sale of Municipal Assets | 400,750.00 | | 400,750.00 | |
| Hotel Occupancy Tax | 162,000.00 | | 176,549.97 | 14,549.97 |
| Reserve for Payment of Bonds | 450,387.58 | | 450,387.58 | |
| | <u>3,478,909.58</u> | | <u>3,582,604.40</u> | <u>103,694.82</u> |
| Receipts from Delinquent Taxes | <u>1,030,000.00</u> | | <u>957,028.92</u> | <u>(72,971.08)</u> |
| Amount to be Raised by Taxation for Support of Municipal Budget: | | | | |
| Local Tax for Municipal Purposes | 11,234,994.58 | | 11,849,357.09 | 614,362.51 |
| Minimum Library Levy | 678,648.17 | | 678,648.17 | |
| Total Amount to be Raised by Taxes for Support of Municipal Budget | <u>11,913,642.75</u> | | <u>12,528,005.26</u> | <u>614,362.51</u> |
| Budget Totals | 21,603,545.33 | \$ 66,113.55 | 22,867,366.30 | 1,197,707.42 |
| Non-Budget Revenue | | | <u>435,184.54</u> | <u>435,184.54</u> |
| | <u>\$ 21,603,545.33</u> | <u>\$ 66,113.55</u> | <u>\$ 23,302,550.84</u> | <u>\$ 1,632,891.96</u> |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

| | Original Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | Canceled |
|-------------------------------------|--------------------|------------------------------|--------------------|-------------|------------|----------|
| GENERAL GOVERNMENT | | | | | | |
| General Administration: | | | | | | |
| Salaries and Wages | \$ 110,307.00 | \$ 110,307.00 | \$ 109,788.01 | \$ | \$ 518.99 | |
| Other Expenses | 17,875.00 | 17,875.00 | 13,234.17 | \$ 2,971.94 | 1,668.89 | |
| Municipal Clerk: | | | | | | |
| Salaries and Wages | 104,200.00 | 104,200.00 | 103,201.89 | | 998.11 | |
| Other Expenses | 32,500.00 | 32,500.00 | 12,068.98 | 8,155.11 | 12,275.91 | |
| Codification of Ordinances | | | | | | |
| Financial Administration: | | | | | | |
| Salaries and Wages | 142,300.00 | 142,300.00 | 135,893.85 | | 6,406.15 | |
| Other Expenses | 54,500.00 | 54,500.00 | 42,545.23 | 6,525.10 | 5,429.67 | |
| Audit Services: | | | | | | |
| Other Expenses | 30,000.00 | 30,000.00 | 29,992.50 | | 7.50 | |
| Mayor and Borough Council: | | | | | | |
| Salaries and Wages | 30,321.00 | 30,321.00 | 28,744.32 | | 1,576.68 | |
| Tax Assessment Administration: | | | | | | |
| Salaries and Wages | 70,158.00 | 72,658.00 | 72,038.75 | | 619.25 | |
| Other Expenses | 30,425.00 | 27,925.00 | 5,139.68 | 4,008.57 | 18,776.75 | |
| Reserve for Accumulated Banked Time | 55,000.00 | 55,000.00 | 55,000.00 | | | |
| Revenue Administration: | | | | | | |
| Salaries and Wages | 81,812.00 | 81,812.00 | 74,850.89 | | 6,961.11 | |
| Other Expenses | 19,550.00 | 19,550.00 | 15,868.18 | 2,507.75 | 1,174.07 | |
| Legal Services and Costs: | | | | | | |
| Other Expenses | 160,000.00 | 135,000.00 | 104,171.69 | 1,045.21 | 29,783.10 | |
| Engineering Services: | | | | | | |
| Other Expenses | 104,000.00 | 129,000.00 | 82,303.71 | 40,081.50 | 6,614.79 | |
| Codification of Ordinances: | | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 637.00 | 2,580.00 | 6,783.00 | |
| LAND USE ADMINISTRATION | | | | | | |
| Planning Board: | | | | | | |
| Salaries and Wages | 79,900.00 | 65,900.00 | 59,941.76 | | 5,958.24 | |
| Other Expenses | 17,665.00 | 27,665.00 | 13,464.44 | 426.48 | 13,774.08 | |
| Zoning Board of Adjustment: | | | | | | |
| Salaries and Wages | 79,900.00 | 79,900.00 | 60,204.41 | | 19,695.59 | |
| Other Expenses | 31,485.00 | 31,485.00 | 28,663.83 | 850.32 | 1,970.85 | |
| Rent Leveling Board: | | | | | | |
| Salaries and Wages | 3,000.00 | 3,000.00 | 3,000.00 | | | |
| Other Expenses | 10,750.00 | 10,750.00 | 116.50 | | 10,633.50 | |
| INSURANCE | | | | | | |
| Liability Insurance | 242,000.00 | 242,000.00 | 239,174.32 | | 2,825.68 | |
| Worker Compensation Insurance | 348,000.00 | 348,000.00 | 347,814.08 | | 185.92 | |
| Employee Group Insurance | 2,900,000.00 | 2,838,970.00 | 2,396,389.28 | 240,450.73 | 202,129.99 | |
| Unemployment Insurance | 15,000.00 | 15,000.00 | 14,559.32 | | 440.68 | |
| Employee Opt Out - Group Insurance | 25,000.00 | 65,000.00 | 60,744.37 | | 4,255.63 | |

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

| | Original Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | Canceled |
|---|--------------------|------------------------------|--------------------|--------------|-------------|----------|
| PUBLIC SAFETY | | | | | | |
| Fire Department: | | | | | | |
| Other Expenses | \$ 136,950.00 | \$ 136,950.00 | \$ 105,801.89 | \$ 23,347.92 | \$ 7,800.19 | |
| Uniform Fire Safety Act (P.L. 1983, Ch. 383): | | | | | | |
| Salaries and Wages | 94,975.00 | 94,975.00 | 83,236.32 | | 11,738.68 | |
| Other Expenses | 10,000.00 | 10,000.00 | 5,401.05 | 1,043.00 | 3,555.95 | |
| Police Department: | | | | | | |
| Salaries and Wages | 4,863,000.00 | 4,863,000.00 | 4,858,417.40 | | 4,582.60 | |
| Other Expenses | 158,000.00 | 158,000.00 | 90,725.29 | 56,376.45 | 10,898.26 | |
| Aid to Volunteer First Aid Companies | 48,750.00 | 48,750.00 | 40,973.92 | 3,974.05 | 3,802.03 | |
| Office of Emergency Management: | | | | | | |
| Salaries and Wages | 5,210.00 | 5,210.00 | 5,161.68 | | 48.32 | |
| Other Expenses | 5,500.00 | 5,500.00 | 144.10 | | 5,355.90 | |
| Municipal Court: | | | | | | |
| Salaries and Wages | 187,350.00 | 187,850.00 | 187,341.78 | | 508.22 | |
| Other Expenses | 34,595.00 | 34,095.00 | 24,573.69 | 4,169.32 | 5,351.99 | |
| PUBLIC WORKS FUNCTIONS | | | | | | |
| Streets and Road Maintenance: | | | | | | |
| Salaries and Wages | 228,170.00 | 229,170.00 | 227,149.83 | | 2,020.17 | |
| Other Expenses | 111,550.43 | 106,550.43 | 68,812.16 | 23,083.39 | 14,654.88 | |
| Sanitation Dept: | | | | | | |
| Salaries and Wages | 547,250.00 | 342,250.00 | 340,441.62 | | 1,808.38 | |
| Other Expenses | 70,100.00 | 230,100.00 | 220,994.12 | 7,728.25 | 1,377.63 | |
| Public Buildings and Grounds: | | | | | | |
| Salaries and Wages | 555,680.00 | 566,680.00 | 566,181.70 | | 498.30 | |
| Other Expenses | 276,000.00 | 271,725.00 | 184,895.56 | 49,812.15 | 37,017.29 | |
| Code Enforcement: | | | | | | |
| Salaries and Wages | 97,000.00 | 97,000.00 | 96,389.74 | | 610.26 | |
| Other Expenses | 7,750.00 | 7,750.00 | | | 7,750.00 | |
| LANDFILL/SOLID WASTE DISPOSAL COSTS | | | | | | |
| Landfill: | | | | | | |
| Other Expenses | 384,000.00 | 384,000.00 | 319,599.74 | 51,013.14 | 13,387.12 | |
| HEALTH AND WELFARE | | | | | | |
| Visiting Nurse Association | 29,315.00 | 29,315.00 | 18,547.32 | 6,182.44 | 4,585.24 | |
| Relocation Assistance | 1,425.00 | 1,425.00 | | | 1,425.00 | |
| Monmouth County Regional Health Commission | 167,655.00 | 167,655.00 | 167,654.00 | | 1.00 | |
| Animal Control Services | 42,400.00 | 40,400.00 | 38,457.89 | | 1,942.11 | |
| Shade Tree Committee | 5,000.00 | 5,000.00 | | 4,900.00 | 100.00 | |
| PARKS AND RECREATION FUNCTIONS | | | | | | |
| Recreation Services and Programs: | | | | | | |
| Salaries and Wages | 182,650.00 | 165,650.00 | 141,384.58 | | 24,265.42 | |
| Other Expenses | 86,500.00 | 103,500.00 | 81,032.03 | 18,108.54 | 4,359.43 | |

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

| | Original Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | Canceled |
|---|----------------------|------------------------------|----------------------|-------------------|-------------------|----------|
| <u>UTILITY EXPENSES AND BULK PURCHASES</u> | | | | | | |
| Street Lighting | \$ 230,000.00 | \$ 230,000.00 | \$ 219,053.83 | | \$ 10,946.17 | |
| Electricity | 105,000.00 | 105,000.00 | 84,782.25 | | 20,217.75 | |
| Telephone | 105,000.00 | 105,000.00 | 79,200.46 | | 25,799.54 | |
| Natural Gas | 50,000.00 | 50,000.00 | 33,166.80 | | 16,833.20 | |
| Gasoline | 110,000.00 | 110,000.00 | 104,352.23 | \$ 2,317.90 | 3,329.87 | |
| <u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</u> | | | | | | |
| <u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u> | | | | | | |
| Salaries and Wages | 360,720.00 | 360,720.00 | 360,402.59 | | 317.41 | |
| Other Expenses | 43,370.00 | 42,645.00 | 26,840.69 | 15,767.68 | 36.63 | |
| Education and Technology: | | | | | | |
| Salaries and Wages | 58,203.33 | 62,203.33 | 61,650.56 | | 552.77 | |
| Other Expenses | 40,000.00 | 40,000.00 | 33,393.37 | 1,162.79 | 5,443.84 | |
| Municipal Prosecutor: | | | | | | |
| Other Expenses | 25,200.00 | 25,200.00 | 25,200.00 | | | |
| Municipal Public Defender: | | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 10,000.00 | | | |
| Total Operations within "CAPS" | 14,279,916.76 | 14,213,886.76 | 13,020,911.35 | 578,589.73 | 614,385.68 | |
| <u>CONTINGENT</u> | <u>1,000.00</u> | <u>1,000.00</u> | | | <u>1,000.00</u> | |
| Total Operations Including Contingent - within "CAPS" | <u>14,280,916.76</u> | <u>14,214,886.76</u> | <u>13,020,911.35</u> | <u>578,589.73</u> | <u>615,385.68</u> | |
| Detail: | | | | | | |
| Salaries and Wages | 7,823,903.00 | 7,602,903.00 | 7,513,771.12 | | 89,131.88 | |
| Other Expenses (Including Contingent) | 6,457,013.76 | 6,611,983.76 | 5,507,140.23 | 578,589.73 | 526,253.80 | |
| <u>DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL WITHIN "CAPS"</u> | | | | | | |
| Statutory Expenditures: | | | | | | |
| Contribution to: | | | | | | |
| Public Employees' Retirement System | 331,585.00 | 352,615.00 | 352,611.09 | | 3.91 | |
| Social Security System (O.A.S.I.) | 382,000.00 | 382,000.00 | 371,948.47 | | 10,051.53 | |
| Police and Firemen's Pension Fund | 950,830.00 | 950,830.00 | 950,826.00 | | 4.00 | |
| Defined Contribution Retirement Program | 7,500.00 | 7,500.00 | 3,718.94 | | 3,781.06 | |
| Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS" | <u>1,671,915.00</u> | <u>1,692,945.00</u> | <u>1,679,104.50</u> | | <u>13,840.50</u> | |
| Total General Appropriations for Municipal Purposes within "CAPS" | <u>15,952,831.76</u> | <u>15,907,831.76</u> | <u>14,700,015.85</u> | <u>578,589.73</u> | <u>629,226.18</u> | |

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

| | Original Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | Canceled |
|--|--------------------|------------------------------|--------------------|--------------|---------------|----------|
| OPERATIONS - EXCLUDED FROM "CAPS" | | | | | | |
| Other Operations - Excluded from "CAPS": | | | | | | |
| LOSAP | \$ 70,000.00 | \$ 70,000.00 | \$ 54,050.00 | | \$ 15,950.00 | |
| Municipal Stormwater Management: | | | | | | |
| Salaries and Wages | 96,328.00 | 99,328.00 | 99,042.81 | | 285.19 | |
| Other Expenses | 5,000.00 | 2,000.00 | 235.92 | \$ 39.75 | 1,724.33 | |
| Tax Appeal Refunds: | | | | | | |
| Other Expenses | 25,000.00 | 25,000.00 | 24,855.95 | | 144.05 | |
| Snow Emergency EO#15 NJSA 40A:4-45.3 (bb) | | | | | | |
| Other Expenses | 64,299.57 | 64,299.57 | 64,299.57 | | | |
| Maintenance of Free Public Library (P.L. 1985, Ch. 82) | | | | | | |
| Salaries and Wages | 378,691.90 | 378,691.90 | 313,333.03 | | 65,358.87 | |
| Other Expenses | 299,956.27 | 299,956.27 | 190,634.37 | 24,207.25 | 85,114.65 | |
| Interlocal Services: | | | | | | |
| 911 System - County of Monmouth | 14,310.00 | 14,310.00 | 14,309.96 | | 0.04 | |
| Recycling Tax PL 2007 c. 311 | | 45,000.00 | 38,523.72 | 2,494.84 | 3,981.44 | |
| Total Other Operations - Excluded from "CAPS" | \$ 953,585.74 | \$ 998,585.74 | \$ 799,285.33 | \$ 26,741.84 | \$ 172,558.57 | |
| Interlocal Municipal Service Agreements: | | | | | | |
| Borough of Little Silver: | | | | | | |
| Fire Services: | | | | | | |
| Salaries and Wages | 16,000.00 | 16,000.00 | 12,777.71 | | 3,222.29 | |
| Other Expenses | 2,000.00 | 2,000.00 | | | 2,000.00 | |
| Inspection of Building - Uniform Construction Code: | | | | | | |
| Salaries and Wages | 179,041.00 | 179,041.00 | 157,155.36 | | 21,885.64 | |
| Other Expenses | 15,170.00 | 15,170.00 | 6,622.00 | 8,546.68 | 1.32 | |
| Red Bank School District: | | | | | | |
| Snow Plowing: | | | | | | |
| Other Expenses | 12,000.00 | 12,000.00 | 2,581.48 | | 9,418.52 | |
| Township of Shrewsbury: | | | | | | |
| Municipal Court: | | | | | | |
| Other Expenses | 9,000.00 | 9,000.00 | 3,369.63 | 2,534.42 | 3,095.95 | |
| Total Interlocal Municipal Service Agreements | 233,211.00 | 233,211.00 | 182,506.18 | 11,081.10 | 39,623.72 | |

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

| | Original Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | Canceled |
|---|--------------------|------------------------------|--------------------|--------------|---------------|----------|
| OPERATIONS - EXCLUDED FROM "CAPS" (CONTINUED) | | | | | | |
| Public and Private Programs Offset by Revenues: | | | | | | |
| U.S. Older American Act Grant: | | | | | | |
| Senior Citizens Center: | | | | | | |
| Salaries and Wages | \$ 17,312.00 | \$ 17,312.00 | \$ 17,312.00 | | | |
| Other Expenses | 12,000.00 | 12,000.00 | 12,000.00 | | | |
| U.S. Older American Act Grant - Local Match: | | | | | | |
| Salaries and Wages | 175,338.00 | 175,338.00 | 175,338.00 | | | |
| Other Expenses | 11,075.00 | 11,075.00 | 11,075.00 | | | |
| NJ - Drunk Driving Enforcement Fund - Police | | 8,431.71 | 8,431.71 | | | |
| NJ - Drunk Driving Enforcement Fund - Court | | 2,917.19 | 2,917.19 | | | |
| COPS In Shops Grant | | 4,900.00 | 4,900.00 | | | |
| Pedestrian Safety, Education & Enforcement Fund | | 19,000.00 | 19,000.00 | | | |
| Click it or Ticket | | 4,000.00 | 4,000.00 | | | |
| State of NJ - Body Armor Grant | | 3,867.77 | 3,867.77 | | | |
| NJ Clean Communities Grant | | 22,996.88 | 22,996.88 | | | |
| Total Public and Private Programs Offset by Revenues | 215,725.00 | 281,838.55 | 281,838.55 | | | |
| Total Operations - Excluded from "CAPS" | 1,402,521.74 | 1,513,635.29 | 1,263,630.06 | \$ 37,822.94 | \$ 212,182.29 | |
| Detail: | | | | | | |
| Salaries and Wages | 292,681.00 | 295,681.00 | 273,510.17 | | 22,170.83 | |
| Other Expenses | 1,109,840.74 | 1,217,954.29 | 990,119.89 | 37,822.94 | 190,011.46 | |
| CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS" | | | | | | |
| Capital Improvement Fund | 112,500.00 | 112,500.00 | 112,500.00 | | | |
| Total Capital Improvements Excluded from "CAPS" | 112,500.00 | 112,500.00 | 112,500.00 | | | |

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

| | Original Budget | Budget After Modification | Paid or Charged | Encumbered | Reserved | Canceled |
|--|-------------------------|------------------------------|-------------------------|---------------|---------------|------------------|
| MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS" | | | | | | |
| Payment of Bond Principal | \$ 1,203,000.00 | \$ 1,203,000.00 | \$ 1,203,000.00 | | | |
| Interest on Bonds | 251,435.00 | 233,435.00 | 220,219.76 | | \$ | 13,215.24 |
| Note Principal | 100,000.00 | 100,000.00 | 100,000.00 | | | |
| Interest on Notes | 34,711.00 | 52,711.00 | 47,585.91 | | | 5,125.09 |
| Interest on Special Emergency Notes | 9,401.00 | 9,401.00 | 9,401.00 | | | |
| Green Trust Loan Program: | | | | | | |
| Loan Repayments for Principal and Interest | 73,345.00 | 73,345.00 | 73,343.82 | | | 1.18 |
| Capital Lease Obligations: | | | | | | |
| Principal | 602,100.00 | 602,100.00 | 602,100.00 | | | |
| Interest | 70,230.00 | 70,230.00 | 70,037.30 | | | 192.70 |
| Total Municipal Debt Service - Excluded from "CAPS" | <u>2,344,222.00</u> | <u>2,344,222.00</u> | <u>2,325,687.79</u> | | | <u>18,534.21</u> |
| DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS" | | | | | | |
| Deferred Charges: | | | | | | |
| Emergency Appropriation | 24,800.00 | 24,800.00 | 24,800.00 | | | |
| Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55) | <u>639,900.00</u> | <u>639,900.00</u> | <u>639,900.00</u> | | | |
| Total Deferred Charges - Municipal - Excluded from "CAPS" | <u>664,700.00</u> | <u>664,700.00</u> | <u>664,700.00</u> | | | |
| JUDGEMENTS | <u>25,000.00</u> | <u>25,000.00</u> | <u>25,000.00</u> | | | |
| Total General Appropriations for Municipal Purposes Excluded from "CAPS" | <u>4,548,943.74</u> | <u>4,660,057.29</u> | <u>4,391,517.85</u> | \$ 37,822.94 | \$ 212,182.29 | 18,534.21 |
| Subtotal General Appropriations | 20,501,775.50 | 20,567,889.05 | 19,091,533.70 | 616,412.67 | 841,408.47 | 18,534.21 |
| RESERVE FOR UNCOLLECTED TAXES | <u>1,101,769.83</u> | <u>1,101,769.83</u> | <u>1,101,769.83</u> | | | |
| Total General Appropriations | \$ <u>21,603,545.33</u> | \$ <u>21,669,658.88</u> | \$ <u>20,193,303.53</u> | \$ 616,412.67 | \$ 841,408.47 | \$ 18,534.21 |
| Detail: | | | | | | |
| Original Budget | | \$ 21,603,545.33 | | | | |
| Added by N.J.S.A. 40A:4-87 | | <u>66,113.55</u> | | | | |
| | | \$ <u>21,669,658.88</u> | | | | |

BOROUGH OF RED BANK
TRUST FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
REGULATORY BASIS
AS OF DECEMBER 31, 2015 AND 2014

| | <u>Animal Control</u> | | <u>Payroll Trust</u> | <u>Other</u> | | <u>Totals</u> | |
|--|-----------------------|---------------------|----------------------|------------------------|------------------------|------------------------|------------------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| <u>ASSETS</u> | | | | | | | |
| Cash and Cash Equivalents | \$ 13,113.27 | \$ 17,606.48 | \$ 50,277.71 | \$ 4,220,065.38 | \$ 3,385,671.72 | \$ 4,283,456.36 | \$ 3,403,278.20 |
| Intergovernmental Receivable | 5,294.77 | 7,632.18 | | | | 5,294.77 | 7,632.18 |
| Interfunds Receivable | | | | | 32,706.40 | | 32,706.40 |
| Total Assets | <u>\$ 18,408.04</u> | <u>\$ 25,238.66</u> | <u>\$ 50,277.71</u> | <u>\$ 4,220,065.38</u> | <u>\$ 3,418,378.12</u> | <u>\$ 4,288,751.13</u> | <u>\$ 3,443,616.78</u> |
| <u>LIABILITIES AND RESERVES</u> | | | | | | | |
| Accounts Payable - State of NJ | \$ 27.60 | \$ 52.20 | | \$ 5,397.00 | \$ | \$ 5,424.60 | \$ 52.20 |
| Payroll Deductions Payable | | | \$ 427.30 | | | 427.30 | |
| Various Reserves | 11,908.40 | 8,526.25 | | 4,209,268.12 | 3,418,378.12 | 4,221,176.52 | 3,426,904.37 |
| Interfunds Payable | <u>6,472.04</u> | <u>16,660.21</u> | <u>49,850.41</u> | <u>5,400.26</u> | | <u>61,722.71</u> | <u>16,660.21</u> |
| Total Liabilities and Reserves | <u>18,408.04</u> | <u>25,238.66</u> | <u>50,277.71</u> | <u>4,220,065.38</u> | <u>3,418,378.12</u> | <u>4,288,751.13</u> | <u>3,443,616.78</u> |
| Total Liabilities and Reserves | <u>\$ 18,408.04</u> | <u>\$ 25,238.66</u> | <u>\$ 50,277.71</u> | <u>\$ 4,220,065.38</u> | <u>\$ 3,418,378.12</u> | <u>\$ 4,288,751.13</u> | <u>\$ 3,443,616.78</u> |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2015 AND 2014

| | December 31, | |
|--|-------------------------|-------------------------|
| <u>ASSETS</u> | <u>2015</u> | <u>2014</u> |
| Cash and Cash Equivalents | \$ 7,378,989.61 | \$ 4,883,620.13 |
| Intergovernmental Receivable: Monmouth County Improvement Authority | <u>22,734.64</u> | |
| Interfund Receivable: Due from Current Fund | | <u>3,998.00</u> |
| Capital Lease Obligations - Unfunded | <u>1,992,000.00</u> | <u>1,682,100.00</u> |
| Deferred Charges to Future Taxation: | | |
| Funded | 13,886,322.48 | 9,399,220.88 |
| Unfunded | <u>136,111.70</u> | <u>4,519,066.70</u> |
| | <u>14,022,434.18</u> | <u>13,918,287.58</u> |
| Total Assets | <u>\$ 23,416,158.43</u> | <u>\$ 20,488,005.71</u> |
| <u>LIABILITIES, RESERVES AND</u> <u>FUND BALANCE</u> | | |
| Bond Anticipation Notes | \$ 2,142,605.00 | \$ 4,382,955.00 |
| Serial Bonds | <u>11,302,000.00</u> | <u>8,418,000.00</u> |
| Refunding Serial Bonds | <u>2,186,521.50</u> | <u>519,000.00</u> |
| Green Trust Loan Payable | <u>397,800.98</u> | <u>462,220.88</u> |
| Capital Lease Obligations Payable - Principal | <u>1,992,000.00</u> | <u>1,682,100.00</u> |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2015 AND 2014

| | December 31, | |
|---|-------------------------|-------------------------|
| | <u>2015</u> | <u>2014</u> |
| <u>LIABILITIES, RESERVES AND</u> <u>FUND BALANCE (CONTINUED)</u> | | |
| Other Liabilities and Reserves: | | |
| Capital Improvement Fund | \$ 41,941.76 | \$ 49,046.76 |
| Reserve for Encumbrances | 1,411,974.09 | 1,834,726.28 |
| Reserve for: | | |
| Payment of Bonds | 354,552.16 | 502,137.58 |
| Down Payment on Improvements | 2,061.64 | 2,061.64 |
| Future Boat Ramp Improvements | 196,667.40 | 196,667.40 |
| Marine Park Improvements | 5,000.00 | 5,000.00 |
| | <u>2,012,197.05</u> | <u>2,589,639.66</u> |
| Improvement Authorizations: | | |
| Funded | 3,219,775.46 | 358,685.47 |
| Unfunded | 136,111.70 | 2,055,157.30 |
| | <u>3,355,887.16</u> | <u>2,413,842.77</u> |
| Fund Balance | <u>27,146.74</u> | <u>20,247.40</u> |
| Total Liabilities, Reserves and Fund Balance | \$ <u>23,416,158.43</u> | \$ <u>20,488,005.71</u> |

There were Bonds and Notes Authorized But Not Issued of \$136,111.70 at December 31, 2015 and at December 31, 2014.

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - PARKING AND WATER-SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2015 AND 2014

| | Parking Utility | | Water-Sewer Utility | | Totals (Memorandum Only) | |
|---|------------------------|----------------------|------------------------|------------------------|-----------------------------|------------------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 877,540.64 | \$ 583,975.82 | \$ 1,336,816.34 | \$ 1,062,283.21 | \$ 2,214,356.98 | \$ 1,646,259.03 |
| Consumer Accounts Receivable | | | 835,243.62 | 807,863.00 | 835,243.62 | 807,863.00 |
| Water-Sewer Utility Liens Receivable | | | 20.00 | 20.00 | 20.00 | 20.00 |
| Interfunds Receivable | 6,226.91 | | | | 6,226.91 | |
| Other Receivable | | | 2,793.75 | | 2,793.75 | |
| Inventory | 206,259.29 | 215,980.99 | | | 206,259.29 | 215,980.99 |
| Total Assets | <u>\$ 1,090,026.84</u> | <u>\$ 799,956.81</u> | <u>\$ 2,174,873.71</u> | <u>\$ 1,870,166.21</u> | <u>\$ 3,264,900.55</u> | <u>\$ 2,670,123.02</u> |
| LIABILITIES, RESERVES AND FUND BALANCE | | | | | | |
| Liabilities: | | | | | | |
| Appropriation Reserves | \$ 354,926.08 | \$ 164,124.49 | \$ 251,897.01 | \$ 246,519.03 | \$ 606,823.09 | \$ 410,643.52 |
| Other Liabilities and Reserves: | | | | | | |
| Reserve for Encumbrances | 22,818.95 | 11,123.92 | 158,452.67 | 90,358.72 | 181,271.62 | 101,482.64 |
| Interfunds Payable | | 14,902.35 | | 199.00 | | 15,101.35 |
| Reserve for Parking Fee Variance | 224,980.00 | 225,880.00 | | | 224,980.00 | 225,880.00 |
| Accounts Payable | 1,302.00 | | 198.00 | | 1,500.00 | |
| Reserve for Water-Sewer Line Repairs | | | 50,650.42 | 6,330.00 | 50,650.42 | 6,330.00 |
| Customer Overpayments | | | 15,507.02 | 10,479.98 | 15,507.02 | 10,479.98 |
| | <u>249,100.95</u> | <u>251,906.27</u> | <u>224,808.11</u> | <u>107,367.70</u> | <u>473,909.06</u> | <u>359,273.97</u> |
| Accrued Interest on Bonds and Notes | 874.12 | | 98,239.31 | 130,516.12 | 99,113.43 | 130,516.12 |
| Reserve for Receivables and Inventory | 206,259.29 | 215,980.99 | 835,263.62 | 807,883.00 | 1,041,522.91 | 1,023,863.99 |
| Fund Balance | 278,866.40 | 167,945.06 | 764,665.66 | 577,880.36 | 1,043,532.06 | 745,825.42 |
| Total Liabilities, Reserves and Fund Balance | <u>\$ 1,090,026.84</u> | <u>\$ 799,956.81</u> | <u>\$ 2,174,873.71</u> | <u>\$ 1,870,166.21</u> | <u>\$ 3,264,900.55</u> | <u>\$ 2,670,123.02</u> |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
PARKING UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

| | <u>2015</u> | <u>2014</u> |
|---|-----------------------------|----------------------|
| Revenue and Other Income Realized: | | |
| Operating Fund Balance Appropriated | \$ 38,856.56 | \$ 75,500.00 |
| Parking Fees | 1,137,649.26 | 1,074,773.56 |
| Riverview Hospital - Lease Agreement | 349,665.48 | 349,665.48 |
| Non-Budget Revenue | 5,335.21 | 5,575.32 |
| Other Credits to Income - Unexpended Balance of Appropriation Reserves | 154,593.39 | 87,829.31 |
| Current Year's Budget Appropriations Cancelled | <u> </u> | <u>50,000.00</u> |
| Total Income | <u>1,686,099.90</u> | <u>1,643,343.67</u> |
| Expenditures: | | |
| Operating | 858,500.00 | 897,833.00 |
| Deferred Charges and Statutory Expenditures | 50,155.00 | 78,000.00 |
| Surplus Transferred to Current Fund | <u>552,667.00</u> | <u>552,667.00</u> |
| Total Expenditures | <u>1,461,322.00</u> | <u>1,528,500.00</u> |
| Statutory Excess to Fund Balance | 224,777.90 | 114,843.67 |
| Fund Balance, January 1 | <u>167,945.06</u> | <u>203,601.39</u> |
| | 392,722.96 | 318,445.06 |
| Decreased by: | | |
| Utilized as Anticipated Revenue | 38,856.56 | 75,500.00 |
| Transferred to Current Fund | <u>75,000.00</u> | <u>75,000.00</u> |
| | <u>113,856.56</u> | <u>150,500.00</u> |
| Fund Balance, December 31 | <u>\$ 278,866.40</u> | <u>\$ 167,945.06</u> |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
PARKING UTILITY OPERATING FUND
STATEMENT OF 2015 REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

| | Anticipated Budget | Realized | Excess |
|------------------------------------|-----------------------------|------------------------|---------------------|
| Operating Fund Balance Anticipated | \$ 38,856.56 | \$ 38,856.56 | |
| Parking Fees | 1,072,800.00 | 1,137,649.26 | \$ 64,849.26 |
| Riverview Hospital - Lease Payment | <u>349,665.44</u> | <u>349,665.48</u> | <u>0.04</u> |
| | 1,461,322.00 | 1,526,171.30 | 64,849.30 |
| Non-budgeted Revenues | <u> </u> | <u>5,335.21</u> | <u>5,335.21</u> |
| | <u>\$ 1,461,322.00</u> | <u>\$ 1,531,506.51</u> | <u>\$ 70,184.51</u> |

Non-budgeted Revenues:

Miscellaneous:

Interest on Investments:

Operating Fund

Sundry

\$ 2,848.68

2,486.53

\$ 5,335.21

BOROUGH OF RED BANK
PARKING UTILITY OPERATING FUND
STATEMENT OF 2015 EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Encumbered</u> | <u>Reserved</u> |
|--|-------------------------------|--------------------------------------|-------------------------------|----------------------------|-----------------------------|
| <u>OPERATING</u> | | | | | |
| Salaries and Wages | \$ 310,500.00 | \$ 310,500.00 | \$ 174,958.46 | | \$ 135,541.54 |
| Other Expenses | <u>548,000.00</u> | <u>548,000.00</u> | <u>315,627.54</u> | \$ <u>22,818.95</u> | <u>209,553.51</u> |
| Total Operating | <u>858,500.00</u> | <u>858,500.00</u> | <u>490,586.00</u> | <u>22,818.95</u> | <u>345,095.05</u> |
| <u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u> | | | | | |
| Statutory Expenditures: | | | | | |
| Contribution to: | | | | | |
| Public Employees' Retirement System | 24,155.00 | 24,155.00 | 24,151.16 | | 3.84 |
| Social Security System (O.A.S.I.) | 25,000.00 | 25,000.00 | 15,172.81 | | 9,827.19 |
| Unemployment Compensation Insurance | <u>1,000.00</u> | <u>1,000.00</u> | <u>1,000.00</u> | | |
| Total Deferred Charges and Statutory Expenditures | <u>50,155.00</u> | <u>50,155.00</u> | <u>40,323.97</u> | | <u>9,831.03</u> |
| <u>SURPLUS (GENERAL BUDGET)</u> | <u>552,667.00</u> | <u>552,667.00</u> | <u>552,667.00</u> | | |
| Total Parking Utility Appropriations | \$ <u><u>1,461,322.00</u></u> | \$ <u><u>1,461,322.00</u></u> | \$ <u><u>1,083,576.97</u></u> | \$ <u><u>22,818.95</u></u> | \$ <u><u>354,926.08</u></u> |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
WATER-SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

| | <u>2015</u> | <u>2014</u> |
|---|----------------------|----------------------|
| Revenue and Other Income Realized: | | |
| Operating Fund Balance Appropriated | \$ 25,739.00 | \$ 115,313.00 |
| Collection of Water-Sewer Rents | 6,646,440.74 | 6,495,365.22 |
| Water and Sewer Connection Fees | 314,838.60 | 2,968.00 |
| Miscellaneous | 102,870.88 | 82,453.99 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 138,247.52 | 99,466.55 |
| Current Appropriations Cancelled | <u>104,695.56</u> | <u>100,004.87</u> |
| Total Income | <u>7,332,832.30</u> | <u>6,895,571.63</u> |
| Expenditures: | | |
| Operating | 4,911,417.00 | 5,021,184.00 |
| Capital Outlay | 30,000.00 | 17,000.00 |
| Debt Service | 1,162,566.00 | 1,106,129.00 |
| Deferred Charges and Statutory Expenditures | 172,825.00 | 181,000.00 |
| Surplus - General Budget | <u>500,000.00</u> | <u>500,000.00</u> |
| Total Expenditures | <u>6,776,808.00</u> | <u>6,825,313.00</u> |
| Excess in Revenues/ Statutory Excess to Fund Balance | 556,024.30 | 70,258.63 |
| Fund Balance, January 1 | <u>577,880.36</u> | <u>797,934.73</u> |
| | <u>1,133,904.66</u> | <u>868,193.36</u> |
| Decreased by: | | |
| Utilized as Anticipated Revenue | 25,739.00 | 115,313.00 |
| Transferred to Current Fund | <u>343,500.00</u> | <u>175,000.00</u> |
| | <u>369,239.00</u> | <u>290,313.00</u> |
| Fund Balance, December 31 | <u>\$ 764,665.66</u> | <u>\$ 577,880.36</u> |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF 2015 REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

| | Anticipated <u>Budget</u> | <u>Realized</u> | <u>Excess</u> |
|------------------------------------|------------------------------|------------------------|----------------------|
| Operating Fund Balance Anticipated | \$ 25,739.00 | \$ 25,739.00 | |
| Rents and Other Charges | 6,400,000.00 | 6,646,440.74 | \$ 246,440.74 |
| Water and Sewer Connection Fees | 256,069.00 | 314,838.60 | 58,769.60 |
| Miscellaneous | <u>95,000.00</u> | <u>102,870.88</u> | <u>7,870.88</u> |
| | <u>\$ 6,776,808.00</u> | <u>\$ 7,089,889.22</u> | <u>\$ 313,081.22</u> |

BOROUGH OF RED BANK
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF 2015 EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Encumbered</u> | <u>Reserved</u> | <u>Canceled</u> |
|---|------------------------|--------------------------------------|----------------------------|----------------------|----------------------|----------------------|
| <u>OPERATING</u> | | | | | | |
| Salaries and Wages | \$ 759,067.00 | \$ 759,067.00 | \$ 755,169.03 | | \$ 3,897.97 | |
| Other Expenses | 1,979,750.00 | 1,979,750.00 | 1,653,538.87 | \$ 141,502.67 | 184,708.46 | |
| Regional Sewer Authority Charges | 1,447,600.00 | 1,447,600.00 | 1,445,699.00 | | 1,901.00 | |
| Manasquan River Water Purchases | 700,000.00 | 700,000.00 | 664,743.42 | | 35,256.58 | |
| Accumulated Absences | 25,000.00 | 25,000.00 | 25,000.00 | | | |
| Total Operating | <u>4,911,417.00</u> | <u>4,911,417.00</u> | <u>4,544,150.32</u> | <u>141,502.67</u> | <u>225,764.01</u> | |
| <u>CAPITAL IMPROVEMENTS</u> | | | | | | |
| Capital Outlay | <u>30,000.00</u> | <u>30,000.00</u> | | <u>16,950.00</u> | <u>13,050.00</u> | |
| Total Capital Improvements | <u>30,000.00</u> | <u>30,000.00</u> | | <u>16,950.00</u> | <u>13,050.00</u> | |
| <u>DEBT SERVICE</u> | | | | | | |
| Payment of Bond Principal | 874,571.00 | 874,571.00 | 853,973.19 | | | \$ 20,597.81 |
| Interest on Bonds | 244,420.00 | 244,420.00 | 160,322.25 | | | 84,097.75 |
| Interest on Notes | <u>43,575.00</u> | <u>43,575.00</u> | <u>43,575.00</u> | | | |
| Total Debt Service | <u>1,162,566.00</u> | <u>1,162,566.00</u> | <u>1,057,870.44</u> | | | <u>104,695.56</u> |
| <u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u> | | | | | | |
| Statutory Expenditures: | | | | | | |
| Contribution to: | | | | | | |
| Public Employees' Retirement System | 107,825.00 | 107,825.00 | 107,822.66 | | 2.34 | |
| Social Security System (O.A.S.I.) | 60,000.00 | 60,000.00 | 46,919.34 | | 13,080.66 | |
| Unemployment Compensation Insurance | <u>5,000.00</u> | <u>5,000.00</u> | <u>5,000.00</u> | | | |
| Total Deferred Charges and Statutory Expenditures | <u>172,825.00</u> | <u>172,825.00</u> | <u>159,742.00</u> | | <u>13,083.00</u> | |
| <u>SURPLUS (GENERAL BUDGET)</u> | | | | | | |
| | <u>500,000.00</u> | <u>500,000.00</u> | <u>500,000.00</u> | | | |
| Total Water-Sewer Utility Appropriations | <u>\$ 6,776,808.00</u> | <u>\$ 6,776,808.00</u> | <u>\$ 6,261,762.76</u> | <u>\$ 158,452.67</u> | <u>\$ 251,897.01</u> | <u>\$ 104,695.56</u> |

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - PARKING AND WATER-SEWER UTILITY CAPITAL FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2015 AND 2014

| | <u>Parking Utility</u> | | <u>Water-Sewer Utility</u> | | <u>Totals</u> | |
|--|------------------------|------------------------|----------------------------|-------------------------|-------------------------|-------------------------|
| | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> | <u>2015</u> | <u>2014</u> |
| <u>ASSETS</u> | | | | | | |
| Cash and Cash Equivalents | \$ 330,243.54 | \$ 167,688.80 | \$ 3,571,721.99 | \$ 2,671,578.00 | \$ 3,901,965.53 | \$ 2,839,266.80 |
| Fixed Capital | 4,191,488.21 | 3,864,558.93 | 14,319,636.67 | 13,273,489.83 | 18,511,124.88 | 17,138,048.76 |
| Fixed Capital Authorized and Uncompleted | 323,070.72 | 350,000.00 | 13,518,932.80 | 13,639,832.80 | 13,842,003.52 | 13,989,832.80 |
| | <u>4,514,558.93</u> | <u>4,214,558.93</u> | <u>27,838,569.47</u> | <u>26,913,322.63</u> | <u>32,353,128.40</u> | <u>31,127,881.56</u> |
| Interfund Receivable | | 2.01 | | 199.00 | | 201.01 |
| Total Assets | <u>\$ 4,844,802.47</u> | <u>\$ 4,382,249.74</u> | <u>\$ 31,410,291.46</u> | <u>\$ 29,585,099.63</u> | <u>\$ 36,255,093.93</u> | <u>\$ 33,967,349.37</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | | | | |
| Serial Bonds | \$ 280,000.00 | | \$ 11,190,600.43 | \$ 8,405,702.06 | \$ 11,470,600.43 | \$ 8,405,702.06 |
| Bond Anticipation Notes | | | 705,440.00 | 2,913,440.00 | 705,440.00 | 2,913,440.00 |
| Improvement Authorizations: | | | | | | |
| Funded | \$ 100,335.80 | \$ 164,282.83 | 1,588,663.66 | 227,086.28 | 1,688,999.46 | 391,369.11 |
| Unfunded | | | | 2,145,711.28 | | 2,145,711.28 |
| | <u>100,335.80</u> | <u>164,282.83</u> | <u>1,588,663.66</u> | <u>2,372,797.56</u> | <u>1,688,999.46</u> | <u>2,537,080.39</u> |
| Capital Improvement Fund | 3,400.00 | 3,400.00 | 3,074.00 | 10,574.00 | 6,474.00 | 13,974.00 |
| Reserve for Payment of Bonds | 4,512.00 | | 203,162.51 | 111,096.77 | 207,674.51 | 111,096.77 |
| Reserve for Encumbrances | 221,092.80 | | 1,056,005.60 | 452,605.45 | 1,277,098.40 | 452,605.45 |
| Interfunds Payable | 894.96 | | | | 894.96 | |
| | <u>229,899.76</u> | <u>3,400.00</u> | <u>1,262,242.11</u> | <u>574,276.22</u> | <u>1,492,141.87</u> | <u>577,676.22</u> |
| Reserve for Amortization | 3,864,558.93 | 3,864,558.93 | 16,438,812.86 | 15,094,351.39 | 20,303,371.79 | 18,958,910.32 |
| Deferred Reserve for Amortization | 370,000.00 | 350,000.00 | 209,156.18 | 209,156.18 | 579,156.18 | 559,156.18 |
| Fund Balance | 7.98 | 7.98 | 15,376.22 | 15,376.22 | 15,384.20 | 15,384.20 |
| Total Liabilities, Reserves and Fund Balance | <u>\$ 4,844,802.47</u> | <u>\$ 4,382,249.74</u> | <u>\$ 31,410,291.46</u> | <u>\$ 29,585,099.63</u> | <u>\$ 36,255,093.93</u> | <u>\$ 33,967,349.37</u> |

There were no Bonds and Notes Authorized But Not Issued at December 31, 2015 and at December 31, 2014 in either the Parking or Water-Sewer Utility Capital funds.

BOROUGH OF RED BANK
GENERAL FIXED ASSETS
COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2015 AND 2014

| | December 31, | |
|------------------------------------|-------------------------|-------------------------|
| | <u>2015</u> | <u>2014</u> |
| General Fixed Assets: | | |
| Land and Buildings | \$ 17,828,976.00 | \$ 17,828,976.00 |
| Contents | 2,551,481.00 | 2,551,481.00 |
| Vehicles and Equipment | <u>10,268,994.00</u> | <u>10,372,430.00</u> |
| | <u>\$ 30,649,451.00</u> | <u>\$ 30,752,887.00</u> |
| Investment in General Fixed Assets | <u>\$ 30,649,451.00</u> | <u>\$ 30,752,887.00</u> |

See accompanying notes to the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

1. Summary of Significant Accounting Policies

Reporting Entity

The Governmental Accounting Standards Board (GASB) has established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") requires the financial statements of the Borough of Red Bank ("Borough") to be reported separately.

The Borough is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough do not include the operations of the municipal library or the local school district, inasmuch as their activities are administered by separate boards.

Entity-wide and Fund Financial Statements

The entity-wide financial statements (i.e., the combined statement of assets, liabilities, reserves and fund balance - regulatory basis and the combined statement of revenues, expenses and changes in fund balance - budget and actual - regulatory basis) report information on all of the activities of the Borough.

Separate fund financial statements are reported for each fund following the entity-wide financial statements.

Description of Funds

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

The accounting policies of the Borough conform to the accounting principles applicable to municipalities, which have been prescribed by the Division. Such principles and practices 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. Under this method of accounting, the financial transactions and accounts of the Borough are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operations of a specific government activity.

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

1. Summary of Significant Accounting Policies (continued)

As required by the Division, the Borough accounts for its financial transactions through the following individual funds and account group:

Current Fund – records resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund – records the receipts, custodianship and disbursement of monies in accordance with the purpose for which each reserve was established.

General Capital Fund – records the receipt and disbursement of funds for the acquisition of general infrastructure and other capital facilities, other than those acquired through the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

Parking Utility Operating and Capital Funds – account for the operation and acquisition of capital facilities of the municipally-owned parking utility.

Water/Sewer Utility Operating and Capital Funds – account for the operation and acquisition of capital facilities of the municipally-owned water/sewer utility.

General Fixed Assets Account Group – utilized to account for land, buildings, machinery, equipment and vehicles that have been acquired by other governmental funds, other than utility funds.

Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from GAAP applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues – are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2015 and 2014

1. Summary of Significant Accounting Policies (continued)

Expenditures – are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's statutory appropriation reserve balance. GAAP requires expenditures in the Current Fund to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Appropriation Reserves – unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis. Appropriation reserves are not established under GAAP.

Encumbrances – contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Deferred Charges – the basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances.

Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for deferred charges on the Current Fund, Parking Utility Fund or Sewer Utility Fund balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

1. Summary of Significant Accounting Policies (continued)

Compensated Absences – expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation.

Sale of Municipal Assets – the proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

Interfunds – the advances from the Current Fund are reported as interfund receivables 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. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies – the costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets. GAAP does not require the establishment of an offsetting reserve.

Fixed Capital – Parking and Water/Sewer Utility – the property and equipment purchased by the Parking Utility Fund and Water/Sewer Utility Fund are recorded in its capital account at cost and is adjusted for dispositions and abandonments. The amount reported for reserve for amortization of fixed capital acquired on the balance sheet of the Parking Utility and Sewer Utility Capital Funds represent the aggregate charges (capital outlay and debt service) to the operating budget and reserve for capital outlay for the costs of the acquisitions of property and equipment and proceeds from grants-in-aid. The Parking Utility and Water/Sewer Utilities do not record depreciation of property and equipment.

GAAP does not require the establishment of a reserve for amortization of fixed capital, whereas it does require the recognition of depreciation of property and equipment by the Parking Utility and Sewer Utility Fund.

Fixed Assets – Current Fund and General Capital Fund – the property and equipment purchased by the Current Fund and the General Capital Fund are recorded as expenditures at the time of purchase and are capitalized in the General Fixed Assets Account Group.

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense – the requirements of GASB Statement 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* require governmental entities to record their distributive share of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. Refer to Note 7 – Pension Plans for these disclosures.

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

1. Summary of Significant Accounting Policies (continued)

Regulatory-Basis Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the basic financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

Comparative Data

Comparative data for the prior year has been presented in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Subsequent Events

The Borough has reviewed and evaluated all events and transactions from December 31, 2015 through June 17, 2016, the date that the financial statements were available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at December 31, 2015 have been recognized in the accompanying financial statements.

GASBs Implemented in the 2015 Fiscal Year

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* ("GASB No. 68"). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68* ("GASB 71"). The objective of this Statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68 concerning the transition provisions related to certain pension contributions made to defined benefit pension plans prior to the implementation of that Statement by employers and nonemployer contributing entities.

Since the City does not follow generally accepted accounting principles, the GASB will not result in a change in the City's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASBs (See Note 7 for additional information).

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

1. Summary of Significant Accounting Policies (continued)

Recent Pronouncements

The GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in June 2015. This Statement replaces the requirements of Statement 45 and the primary objective of this Statement is to improve accounting and reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017. Management has not yet determined the impact of the Statement on the financial statements.

The GASB issued Statement 77, *Tax Abatement Disclosures* in August 2015. This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2015. Management has not yet determined the impact of the Statement on the financial statements.

2. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

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

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

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Cash and cash equivalents include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less. Investments are stated at cost, which approximates fair value.

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2015 and 2014

2. Deposits and Investments – (Continued)

As of December 31, 2015, cash and cash equivalents of the Borough consisted of checking and money market accounts. As of December 31, 2014, cash and cash equivalents of the Borough consisted of checking and money market accounts and a special emergency self-funded note.

The carrying amounts of the Borough's deposits at December 31, 2015 and 2014 were \$24,171,927.04 and \$18,411,896.90, respectively (excludes petty cash) and the bank balances at December 31, 2015 and 2014 were \$25,044,148.20 and \$19,989,880.17, respectively. Of the 2015 amount, \$750,000.00 was covered by federal depository insurance, \$24,243,870.49 was covered by a collateral pool maintained by the bank as required by New Jersey Statutes in accordance with the New Jersey Governmental Unit Deposit Protection Act ("GUDPA") and \$50,277.71 of payroll agency funds were not covered by GUDPA.

GASB Statement No. 40 requires that the Borough disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the Borough would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities are not pledged to the depositor), collateralized with the securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the Borough.

The Borough does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the Borough's deposits were fully collateralized by funds held by the financial institution, but not in the name of the Borough. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Investments

New Jersey statutes permit the Borough to purchase the following types of securities.

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds and other obligations of the Borough or bonds or other obligations of school districts, which are part of the Borough or school districts located within the Borough.
- d. Bonds or other obligations, having a maturity date of not more than twelve months from the date of purchase, which are approved by the New Jersey Department of Treasury, Division of Investments.

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

2. Deposits and Investments – (Continued)

- e. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- f. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- g. Bonds and other obligations of the Borough or bonds or other obligations of school districts, which are part of the Borough or school districts located within the Borough.
- h. Bonds or other obligations, having a maturity date of not more than twelve months from the date of purchase, which are approved by the New Jersey Department of Treasury, Division of Investments.

Custodial Credit Risk: All of the Borough's investments are insured or registered in the Borough's name or held by an entity as its agent in the Borough's name. The Borough does not have a policy for custodial credit risk for its investments.

Concentration of Credit Risk: The Borough places no limit on the amount the Borough may invest in any one issuer.

Credit Risk: The Borough does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosures be made as to the credit rating of all debt security investments except for obligations of the U.S. Government or investments guaranteed by the U.S. Government.

Interest Rate Risk: The Borough does not have a policy to limit interest rate risk, however, its practice is typically to invest in investments with short maturities.

During 2015 and 2014, the Borough had no investments.

3. School Debt

The Borough of Red Bank Board of Education is a Type II School District. As such, the members of the Board of Education are elected by the citizens of the Borough and school appropriations are set by a Board of Education. Bonds and notes authorized by voter referendum to finance capital expenditures are general obligations of the Board of Education and, as such, are reported on the comparative statements of assets, liabilities and fund balance of the Board of Education.

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2015 and 2014

4. Long-Term Debt

The Local Bond Law governs that issuance of bonds to finance general municipal capital expenditures. All bonds issued by the Borough are general obligations bonds backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, must be paid off within ten years or retired by the issuance of bonds.

Schedule of Changes in Long-Term Debt:

| <u>Type</u> | <u>January 1, 2015</u> | <u>Issued</u> | <u>Refundings/ Payments</u> | <u>December 31, 2015</u> |
|--------------------------|----------------------------|-------------------------|---------------------------------|------------------------------|
| General Improvements | \$ 8,418,000.00 | \$ 5,785,000.00 | \$ 2,901,000.00 | \$ 11,302,000.00 |
| Refunding Bonds | 519,000.00 | 1,800,521.50 | 133,000.00 | 2,186,521.50 |
| Parking Improvements | | 280,000.00 | | 280,000.00 |
| Water/Sewer Improvements | <u>8,405,702.06</u> | <u>6,859,478.50</u> | <u>4,074,580.13</u> | <u>11,190,600.43</u> |
| | <u>\$ 17,342,702.06</u> | <u>\$ 14,725,000.00</u> | <u>\$ 7,108,580.13</u> | <u>\$ 24,959,121.93</u> |

| <u>Type</u> | <u>January 1, 2014</u> | <u>Payments</u> | <u>December 31, 2014</u> |
|--------------------------|----------------------------|------------------------|------------------------------|
| General Improvements | \$ 9,764,000.00 | \$ 1,346,000.00 | \$ 8,418,000.00 |
| Refunding Bonds | 658,000.00 | 139,000.00 | 519,000.00 |
| Water/Sewer Improvements | <u>9,240,282.19</u> | <u>834,580.13</u> | <u>8,405,702.06</u> |
| | <u>\$ 19,662,282.19</u> | <u>\$ 2,319,580.13</u> | <u>\$ 17,342,702.06</u> |

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

4. Long-Term Debt – (Continued)

The following represents bonds outstanding:

General Serial Bonds

\$7,391,000 2007 Bonds due in a final annual installment of \$830,000 in July 2016 at an interest rate of 4.25%.

\$ 830,000.00

\$5,637,000 2012 Bonds due in annual installments of \$350,000 to \$612,000 through October 2025 at an interest rate of 2.00%.

4,687,000.00

\$5,785,000 2015 Bonds due in annual installments of \$290,000 to \$555,000 through 2029 at interest rates of 2.00% to 5.00%.

5,785,000.00

\$ 11,302,000.00

Refunding Bonds

\$540,000 2011 Pension Early Retirement Incentive Refunding Bonds due in annual installments of \$49,000 to \$81,000 through 2021 at interest rates ranging from 3.95% to 5.70%.

\$ 386,000.00

\$1,800,521.50 2015 refunding Bonds due in annual installments of \$876,752.50 to \$923,769.00 through 2018 at interest rates ranging from 4.00% to 5.70%.

1,800,521.50

\$ 2,186,521.50

Parking Utility Improvement Bonds

\$280,000 2015 Parking Utility Bonds due in annual installments of \$10,000 to \$20,000 through 2035 at interest rates ranging from 2.00% to 5.00%.

\$ 280,000.00

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

4. Long-Term Debt – (Continued)

Water-Sewer Utility Capital Fund Serial Bonds

| | |
|--|--------------------------------|
| \$2,780,000 2004 Bonds due in annual installments ranging from \$275,000 to \$280,000 through February, 2017 at interest rates ranging from 4.125% to 4.25%. | \$ 555,000.00 |
| \$6,385,000 2007 Bonds due in a final annual installment of \$455,000 in 2016 at an interest rate of 4.25%. | 455,000.00 |
| \$680,000 2009 Series A NJEIT Trust Loan Bonds due in annual installments ranging from \$30,000 to \$50,000 through August, 2029 at interest rates ranging from 3.5% to 5.00%. | 550,000.00 |
| \$2,040,227 2009 NJEIT Series A Fund Loan Bonds due in annual installments of \$34,580.13 through August, 2029 at an interest rate of 0%. | 484,121.93 |
| \$2,662,000 2012 Bonds due in annual installments of \$135,000 to \$252,000 through October, 2027 at interest rates ranging from 2.00% to 2.10%. | 2,287,000.00 |
| \$3,775,000 2015 Bonds due in annual installments of \$130,000 to \$260,000 through 2035 at interest rates ranging from 2.00% to 5.00%. | 3,775,000.00 |
| \$3,084,478.50 2015 Refunding Bonds due in annual installments of \$448,247.50 to \$555,000.00 through 2022 at interest rates ranging from 4.00% to 5.00%. | <u>3,084,478.50</u> |
| | \$ <u>11,190,600.43</u> |
| Grand Total | \$ <u><u>24,959,121.93</u></u> |

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

4. Long-Term Debt – (continued)

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

| | |
|--|----------------------------|
| Equalized valuation basis* - December 31, 2015 | <u>\$ 2,029,602,387.00</u> |
| 3 1/2% of equalized valuation basis | \$ 71,036,083.55 |
| Net debt | <u>13,667,882.02</u> |
| Remaining borrowing power | <u>\$ 57,368,201.53</u> |

* Equalized valuation basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the Borough of the last three (3) preceding years.

Summary of Municipal Debt (excluding Type II School Debt)

The Borough's debt is summarized as follows:

| | <u>2015</u> | <u>2014</u> |
|--|-------------------------|-------------------------|
| Issued: | | |
| General: | | |
| Bonds and notes | \$ 15,631,126.50 | \$ 13,319,955.00 |
| Green trust loans | 397,800.98 | 462,220.88 |
| Parking Utility: | | |
| Bonds | 280,000.00 | |
| Water/Sewer Utility: | | |
| Bonds and notes | <u>11,896,040.43</u> | <u>11,319,142.06</u> |
| Total issued | 28,204,967.91 | 25,101,317.94 |
| Less: Cash and reserves on hand | <u>(2,497,157.16)</u> | <u>(613,234.35)</u> |
| Net debt issued | <u>25,707,810.75</u> | <u>24,488,083.59</u> |
| Authorized but not issued: | | |
| General: | | |
| Bonds and notes | 136,111.70 | 136,111.70 |
| Water/Sewer Utility: | | |
| Bonds and notes | <u>-</u> | <u>290,673.00</u> |
| Total authorized but not issued | <u>136,111.70</u> | <u>426,784.70</u> |
| Net bonds and notes issued and authorized but not issued | <u>\$ 25,843,922.45</u> | <u>\$ 24,914,868.29</u> |

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2015 and 2014

4. Long-Term Debt – (continued)

Summary of Statutory Debt Condition (Annual Debt Statement)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.673%.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|-------------------------------|-------------------------|-------------------------|-------------------------|
| Local School District Debt | \$ 2,465,000.00 | \$ 2,465,000.00 | \$ None |
| Regional School District Debt | 2,266,465.29 | 2,266,465.29 | None |
| Parking Utility Debt | 280,000.00 | 280,000.00 | None |
| Water/Sewer Utility Debt | 11,896,040.43 | 11,896,040.43 | None |
| General Debt | <u>16,165,039.18</u> | <u>2,497,157.16</u> | <u>13,667,882.02</u> |
| | <u>\$ 30,607,544.90</u> | <u>\$ 16,939,662.88</u> | <u>\$ 13,667,882.02</u> |

Net debt \$13,667,882.02 divided by equalized valuation basis per N.J.S. 40A:2-2, as amended, \$2,029,602,837 equals 0.673%.

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2015 and 2014

4. Long-Term Debt – (continued)

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

| Calendar Year | General Capital Fund | | | Water/Sewer Utility Capital Fund | | |
|---------------|-------------------------|------------------------|-------------------------|----------------------------------|------------------------|-------------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2016 | \$ 1,519,000.00 | \$ 467,160.88 | \$ 1,986,160.88 | \$ 1,059,580.13 | \$ 382,112.20 | \$ 1,441,692.33 |
| 2017 | 1,612,752.50 | 496,935.19 | 2,109,687.69 | 1,062,827.63 | 291,916.91 | 1,354,744.54 |
| 2018 | 1,693,769.00 | 351,886.00 | 2,045,655.00 | 815,811.13 | 292,018.60 | 1,107,829.73 |
| 2019 | 810,000.00 | 324,814.50 | 1,134,814.50 | 879,580.13 | 292,489.50 | 1,172,069.63 |
| 2020 | 870,000.00 | 296,032.00 | 1,166,032.00 | 909,580.13 | 254,989.50 | 1,164,569.63 |
| 2021-2025 | 4,913,000.00 | 1,013,758.50 | 5,926,758.50 | 3,347,900.65 | 822,297.50 | 4,170,198.15 |
| 2026-2030 | 2,070,000.00 | 265,000.00 | 2,335,000.00 | 1,865,320.63 | 398,919.00 | 2,264,239.63 |
| 2031-2035 | | | | 1,250,000.00 | 133,525.00 | 1,383,525.00 |
| | <u>\$ 13,488,521.50</u> | <u>\$ 3,215,587.07</u> | <u>\$ 16,704,108.57</u> | <u>\$ 11,190,600.43</u> | <u>\$ 2,868,268.21</u> | <u>\$ 14,058,868.64</u> |

| Calendar Year | Parking Utility Fund | | |
|---------------|----------------------|----------------------|----------------------|
| | Principal | Interest | Total |
| 2016 | \$ 10,000.00 | \$ 11,219.72 | \$ 21,219.72 |
| 2017 | 10,000.00 | 11,750.00 | 21,750.00 |
| 2018 | 10,000.00 | 11,350.00 | 21,350.00 |
| 2019 | 10,000.00 | 10,850.00 | 20,850.00 |
| 2020 | 10,000.00 | 10,350.00 | 20,350.00 |
| 2021-2025 | 60,000.00 | 44,000.00 | 104,000.00 |
| 2026-2030 | 75,000.00 | 26,750.00 | 101,750.00 |
| 2031-2035 | 95,000.00 | 10,325.00 | 105,325.00 |
| | <u>\$ 280,000.00</u> | <u>\$ 136,594.72</u> | <u>\$ 416,594.72</u> |

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

4. Long-Term Debt – (continued)

Green Trust Loan Agreements

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|----------------------|---------------------|----------------------|
| 2016 | \$ 65,714.72 | \$ 7,629.08 | \$ 73,343.80 |
| 2017 | 67,035.59 | 6,308.21 | 73,343.80 |
| 2018 | 68,383.01 | 4,960.79 | 73,343.80 |
| 2019 | 69,757.50 | 3,586.30 | 73,343.80 |
| 2020 | 40,068.03 | 2,184.17 | 42,252.20 |
| sub-total | <u>310,958.85</u> | <u>24,668.55</u> | <u>293,375.20</u> |
| 2021 | 9,470.90 | 1,689.72 | 11,160.62 |
| 2022 | 9,661.26 | 1,499.36 | 11,160.62 |
| 2023 | 9,855.45 | 1,305.17 | 11,160.62 |
| 2024 | 10,053.54 | 1,107.08 | 11,160.62 |
| 2025 | 10,255.62 | 905.00 | 11,160.62 |
| sub-total | <u>49,296.77</u> | <u>6,506.33</u> | <u>55,803.10</u> |
| Thereafter | <u>37,545.36</u> | <u>1,516.76</u> | <u>39,062.12</u> |
| | <u>\$ 397,800.98</u> | <u>\$ 32,691.64</u> | <u>\$ 388,240.42</u> |

Bond anticipation notes

| <u>Fund</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Amount</u> |
|---------------------------|----------------------|----------------------|------------------------|
| General Capital | 1.00% | 1/7/16 | \$ 715,000.00 |
| General Capital | 1.00% | 1/7/16 | 861,405.00 |
| General Capital | 1.00% | 1/7/16 | 566,200.00 |
| Water/Sewer Utility Capit | 1.00% | 1/7/16 | 205,440.00 |
| Water/Sewer Utility Capit | 1.00% | 1/7/16 | <u>500,000.00</u> |
| | | | <u>\$ 2,848,045.00</u> |

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

4. Long-Term Debt – (continued)

Special emergency notes

| <u>Fund</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Amount</u> |
|-------------|--------------------------|--------------------------|----------------------|
| Current | 0.65% | 5/19/16 | \$ 300,000.00 |
| Current | 0.55% | 09/30/16 | 217,200.00 |
| Current | 0.70% | 12/22/16 | <u>337,500.00</u> |
| | | | <u>\$ 854,700.00</u> |

5. Fund Balances Appropriated

The following fund balances at December 31, 2015 were appropriated in the 2016 budget:

| | |
|------------------------------------|-----------------|
| Current Fund | \$ 2,035,000.00 |
| Water/Sewer Utility Operating Fund | 194,771.00 |
| Parking Utility Operating Fund | 67,934.56 |

The following fund balances at December 31, 2014 were appropriated in the 2015 budget:

| | |
|------------------------------------|-----------------|
| Current Fund | \$ 1,360,000.00 |
| Water/Sewer Utility Operating Fund | 25,739.00 |
| Parking Utility Operating Fund | 38,856.56 |

6. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and local school district. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes collected in advance are recorded as cash liabilities in the financial statements and are as follows:

| | Balance, December 31 | |
|---------------|-----------------------------|----------------------|
| | 2015 | 2014 |
| Prepaid taxes | <u>\$ 215,002.15</u> | <u>\$ 132,469.36</u> |

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2015 and 2014

7. Pension Plans

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

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, the PERS and PFRS bill the Borough annually at an actuarially determined rate for its required contribution. The current rate is 6.92% and 10%, respectively, of annual covered payroll. The contribution requirements of plan members and the Borough are established and may be amended by the Board of Trustees of the respective plan. The Borough's contributions to the PERS for the years ended December 31, 2015, 2014 and 2013 were \$463,554.00, \$424,083.00 and \$418,034.00, respectively, equal to the required contributions for each year. The Borough's contributions to the PFRS for the years ended December 31, 2015, 2014 and 2013 were \$950,826.00, \$892,521.00 and \$909,033.00, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employee's Retirement System (PERS)

At December 31, 2015 and 2014, the Borough's liability for its proportionate share of the net pension liability was \$12,005,591 and \$12,158,476, respectively. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2014, which was rolled forward to June 30, 2015. The Borough's proportion of the net pension liability 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 entities, actuarially determined. At June 30, 2015, the Borough's proportion was 0.0534817949 percent, which was an increase of 0.0179199161 from its proportion measured as of June 30, 2014.

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2015 and 2014

7. Pension Plans – (Continued)

At December 31, 2015, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS from the following sources were:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Changes of assumptions | \$ 1,289,305 | |
| Net difference between projected and actual earnings on pension plan investments | 286,411 | \$ 193,027 |
| Changes in proportion and differences between Borough contributions and proportionate share of contributions | 1,140,614 | 1,820,011 |
| Borough contributions subsequent to the measurement date | 229,900 | |
| | <u>\$ 2,946,230</u> | <u>\$ 2,013,038</u> |

\$229,900 is reflected above as deferred outflows of resources related to pensions resulting from Borough contributions subsequent to the measurement date.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized as follows:

Year ended December 31:

| | |
|------------|-------------------|
| 2016 | \$ 108,442 |
| 2017 | 108,442 |
| 2018 | 108,442 |
| 2019 | 108,442 |
| 2020 | 156,699 |
| Thereafter | 112,825 |
| | <u>\$ 703,292</u> |

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2015 and 2014

7. Pension Plans – (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|------------------------------|
| Inflation rate | 3.04% |
| Salary increases | |
| 2012-2021 | 2.15 - 4.40% based on age |
| Thereafter | 3.15 - 5.40% based on age |
| Investment rate of return | 7.90% |

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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.

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

7. Pension Plans – (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

| Asset Class | Allocation | Real Rate of Return |
|-------------------------------|-------------------|----------------------------|
| Cash | 5.00% | 1.04% |
| Core Bonds | 1.75% | 1.64% |
| Intermediate-Term Bonds | 10.00% | 1.79% |
| Mortgages | 2.10% | 1.62% |
| High Yield Bonds | 2.00% | 4.03% |
| Inflation-Indexed Bonds | 1.50% | 3.25% |
| Broad US Equities | 27.25% | 8.52% |
| Developed Foreign Markets | 12.00% | 6.88% |
| Emerging Market Equities | 6.40% | 10.00% |
| Private Equity | 9.25% | 12.41% |
| Hedge Funds / Absolute Return | 12.00% | 4.72% |
| Real Estate (Property) | 2.00% | 6.83% |
| Commodities | 1.00% | 5.32% |
| Global Debt ex US | 3.50% | -0.40% |
| REIT | 4.25% | 5.12% |
| | <u>100.00%</u> | |

Discount rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015 based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

7. Pension Plans – (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 as of June 30, 2015 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 (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

| | At 1% Decrease (3.90%) | At Current Discount Rate (4.90%) | At 1% Increase (5.90%) |
|---|------------------------------|--|------------------------------|
| Borough's proportionate share of the net pension liability | \$ 14,921,481 | \$ 12,005,591 | \$ 9,560,930 |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances at June 30, 2015 are as follows:

| | |
|--|-------------------|
| Collective deferred outflows of resources | \$ 2,946,265,815 |
| Collective deferred inflows of resources | \$ 360,920,604 |
| Collective net pension liability - Local Group | \$ 22,447,996,119 |
| Borough's Proportion | 0.0534817949% |

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

7. Pension Plans – (Continued)

The average of the expected remaining service lives of all plan members is 5.72 and 6.44 years for 2015 and 2014, respectively.

Police and Firemen's Retirement System (PFRS)

At December 31, 2015 and 2014, the Borough's proportionate share of the net pension liability was \$19,023,426 and \$15,572,179, respectively. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2014, which was rolled forward to June 30, 2015. The Borough's proportion of the net pension liability 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 entities, actuarially determined. At June 30, 2015, the Borough's proportion was 0.1142101293 percent, which was an increase of 0.0095842065 from its proportion measured as of June 30, 2014.

At December 31, 2015, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources were:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Changes of assumptions | \$ 3,512,197 | |
| Net difference between projected and actual earnings on pension plan investments | | \$ 331,086 |
| Difference between expected and actual experience | | 164,083 |
| Changes in proportion and differences between Borough contributions and proportionate share of contributions | 131,217 | - |
| Borough contributions subsequent to the measurement date | 464,179 | |
| | <u>\$ 4,107,593</u> | <u>\$ 1,546,464</u> |

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

7. Pension Plans – (Continued)

\$464,179 is reported as deferred outflows of resources related to pensions resulting from Borough contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended December 31: | | |
|--------------------------------|----|------------------|
| 2016 | \$ | 365,979 |
| 2017 | | 365,979 |
| 2018 | | 365,979 |
| 2019 | | 365,979 |
| 2020 | | 400,328 |
| Thereafter | | 232,706 |
| | \$ | <u>2,096,950</u> |

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---------------|
| Inflation rate | 3.04% |
| Salary increases | |
| 2012-2021 | 2.60 - 9.48% |
| | based on age |
| Thereafter | 3.60 - 10.48% |
| | based on age |
| Investment rate of return | 7.90% |

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2015 and 2014

7. Pension Plans – (Continued)

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Mortality projected one year using Projection Scale AA and one year using Projections Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

| Asset Class | Allocation | Real Rate of Return |
|-------------------------------|-------------------|----------------------------|
| Cash | 5.00% | 1.04% |
| Core Bonds | 1.75% | 1.64% |
| Intermediate-Term Bonds | 10.00% | 1.79% |
| Mortgages | 2.10% | 1.62% |
| High Yield Bonds | 2.00% | 4.03% |
| Inflation-Indexed Bonds | 1.50% | 3.25% |
| Broad US Equities | 27.25% | 8.52% |
| Developed Foreign Markets | 12.00% | 6.88% |
| Emerging Market Equities | 6.40% | 10.00% |
| Private Equity | 9.25% | 12.41% |
| Hedge Funds / Absolute Return | 12.00% | 4.72% |
| Real Estate (Property) | 2.00% | 6.83% |
| Commodities | 1.00% | 5.32% |
| Global Debt ex US | 3.50% | -0.40% |
| REIT | 4.25% | 5.12% |
| | <u>100.00%</u> | |

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

7. Pension Plans – (Continued)

Discount rate

The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on 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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79 percent) or 1-percentage-point higher (6.79 percent) than the current rate:

| | At 1% Decrease (4.79%) | At Current Discount Rate (5.79%) | At 1% Increase (6.79%) |
|---|------------------------------|--|------------------------------|
| Borough's proportionate share of the net pension liability | \$25,078,925 | \$ 19,023,426 | \$ 14,085,716 |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Police and Firemen's Retirement System.

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

7. Pension Plans – (Continued)

Additional Information

Collective balances at June 30, 2015 are as follows:

| | | |
|--|----|-------------------|
| Collective deferred outflows of resources | \$ | 3,075,206,294 |
| Collective deferred inflows of resources | \$ | 433,559,708 |
| Collective net pension liability - Local Group | \$ | 18,117,234,618 |
| Borough's Proportion | | 0.1142101293% |

Collective net pension expense for the Local Group for the measurement period ended June 30, 2015 is \$1,619,458,723.

The average of the expected remaining service lives of all plan members is 5.53 and 6.17 years for the 2015 and 2014 years, respectively.

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 amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and the State is treated as a nonemployer contributing entity. The nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the Borough as of June 30, 2015 is 0.1142101293% and the nonemployer contributing entities' contribution for the year ended June 30, 2015 was \$86,843. The state's proportionate share of the net pension liability attributable to the Borough as of June 30, 2015 is \$1,668,291.

8. Compensated Absences

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation would approximate \$1,925,293.00 and \$1,970,526.19 at December 31, 2015 and December 31, 2014 respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements. As of December 31, 2015 and 2014, \$484,715.94 and \$264,815.94, respectively, was set aside for the payment of compensated absences.

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2015 and 2014

9. Tax Appeals

There are several tax appeals pending before the State Tax Court of New Jersey requesting a reduction of assessments for the year 2015 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from tax revenues, through the establishment of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51. The Borough has \$55,521.43 in a Current Fund reserve set aside for these appeals in the event that the tax reductions are granted. Additionally, the Borough's 2016 adopted budget provides \$12,000.00 for this purpose. In accordance with the National Council on Governmental Accounting Statement 4, *Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences*, the Borough charges to current fund operations or a reduction of current tax collections, all state board judgments rendered during the year which will be paid from expendable available resources. The Borough's share of the County taxes paid on any successful tax appeal would result in appropriate reductions applied against the County tax levy of the following year.

10. Commitments and Contingencies

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 the grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2015, the Borough estimates that no material liabilities will result from such audits.

The Borough is involved in certain legal proceedings, the resolution and impact on the financial statements of which, individually or in the aggregate, in the opinion of management as advised by legal counsel, would not be significant to the accompanying financial statements.

11. Risk Management

The Borough participates in a Joint Insurance Fund ("JIF"), which currently serves as administrator of the Borough's insurance program. The joint insurance pool is a public utility risk pool currently operating as a common risk management and insurance program for municipalities in New Jersey. The JIF covers all Borough claims in excess of \$100,000 per occurrence and is funded by Borough budget appropriations to pay for premiums that are assessed annually. The JIF is expected to be self-sustaining through member premiums, of which the Borough portion is reported as expenditure in the Borough's financial statements. In addition, the Borough is not aware of any claims pending that have a demand in excess of these coverages. There have been no settlements which exceeded insurance coverage for each of the past three fiscal years.

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

12. Deferred Compensation

The Borough of Red Bank offers its employees a Deferred Compensation Plan, created in accordance with the provisions of N.J.S. 43:15B-1 et.seq. and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer of a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The administrator for the Borough of Red Bank Deferred Compensation Plan is VALIC.

The plan's assets are not the property of the Borough and therefore are not presented in the financial statements.

13. Interfund Receivables and Payables

The following are reflected as interfund receivables and payables on the various statements of assets, liabilities, reserves and fund balance – regulatory basis:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|---------------------------|---------------------------------|------------------------------|
| Current | \$ 56,390.76 | \$ 24,463.56 |
| Federal and State Grant | 24,463.56 | |
| Payroll | | 49,850.41 |
| Animal Control Trust | | 6,472.04 |
| Parking Utility Operating | 6,226.91 | |
| Parking Utility Capital | | 894.96 |
| Trust Other | | 5,400.26 |
| | <u>\$ 87,081.23</u> | <u>\$ 87,081.23</u> |

The interfund between the Current and Animal Control Funds arose from the excess in the Reserve for Animal Control which is due to the Current Fund. The interfund payable in the Payroll Trust Fund is due to the establishment of the Payroll Trust Fund in 2015 and excess funds being transferred to the Payroll Trust Fund. The interfund between the Current Fund and the Federal and State Grant Fund arose from the normal interaction between these two funds.

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2015 and 2014

14. Segment Information for Utility Operating Enterprise Funds

The Borough maintains two enterprise funds that provide water/sewer service and parking operations. Segment information for the year ended December 31, 2015 is as follows:

| | <u>Parking Utility</u> | <u>Water/ Sewer Utility</u> | <u>Total Enterprise Fund</u> |
|-------------------------------------|----------------------------|-------------------------------------|--------------------------------------|
| Revenue and Other Income Realized: | | | |
| Operating Fund Balance Appropri \$ | 38,856.56 | \$ 25,739.00 | \$ 64,595.56 |
| Rents and Connection Fees | | 6,961,279.34 | 6,961,279.34 |
| Parking Fees | 1,487,314.74 | | 1,487,314.74 |
| Miscellaneous Revenues | <u>5,335.21</u> | <u>102,870.88</u> | <u>108,206.09</u> |
| Budget Totals | 1,531,506.51 | 7,089,889.22 | 8,621,395.73 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation | | | |
| Reserves | 154,593.39 | 138,247.52 | 292,840.91 |
| Current Appropriations Canceled | <u></u> | <u>104,695.56</u> | <u>104,695.56</u> |
| Total Revenues | <u>1,686,099.90</u> | <u>7,332,832.30</u> | <u>9,018,932.20</u> |
| Expenditures: | | | |
| Operating | 858,500.00 | 4,911,417.00 | 5,769,917.00 |
| Debt Service | | 1,162,566.00 | 1,162,566.00 |
| Deferred Charges and Statutory | | | |
| Expenditures | 50,155.00 | 172,825.00 | 222,980.00 |
| Capital Improvements | | 30,000.00 | 30,000.00 |
| Surplus - General Budget | <u>552,667.00</u> | <u>500,000.00</u> | <u>1,052,667.00</u> |
| Total Expenditures | <u>1,461,322.00</u> | <u>6,776,808.00</u> | <u>8,238,130.00</u> |
| Statutory Excess to Fund Balance | 224,777.90 | 556,024.30 | 780,802.20 |
| Fund Balance, January 1 | <u>167,945.06</u> | <u>577,880.36</u> | <u>745,825.42</u> |
| | 392,722.96 | 1,133,904.66 | 1,526,627.62 |
| Decreased by: | | | |
| Transferred to Current Fund as | | | |
| Anticipated Revenue | 75,000.00 | 343,500.00 | 418,500.00 |
| Utilization as Anticipated Revenue | <u>38,856.56</u> | <u>25,739.00</u> | <u>64,595.56</u> |
| Fund Balance, December 31 | <u>\$ 278,866.40</u> | <u>\$ 764,665.66</u> | <u>\$ 1,043,532.06</u> |

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

14. Segment Information for Utility Operating Enterprise Funds – (Continued)

Segment information for the year ended December 31, 2014 is as follows:

| | Parking <u>Utility</u> | Water/ Sewer <u>Utility</u> | Total Enterprise <u>Fund</u> |
|-------------------------------------|---------------------------|-----------------------------------|------------------------------------|
| Revenue and Other Income Realized: | | | |
| Operating Fund Balance Appropri \$ | 75,500.00 | \$ 115,313.00 | \$ 190,813.00 |
| Rents | | 6,498,333.22 | 6,498,333.22 |
| Parking Fees | 1,424,439.04 | | 1,424,439.04 |
| Miscellaneous Revenues | <u>5,575.32</u> | <u>82,453.99</u> | <u>88,029.31</u> |
| Budget Totals | 1,505,514.36 | 6,696,100.21 | 8,201,614.57 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation | | | |
| Reserves | 87,829.31 | 99,466.55 | 187,295.86 |
| Current Appropriations Canceled | <u>50,000.00</u> | <u>100,004.87</u> | <u>150,004.87</u> |
| Total Revenues | <u>1,643,343.67</u> | <u>6,895,571.63</u> | <u>8,538,915.30</u> |
| Expenditures: | | | |
| Operating | 897,833.00 | 5,021,184.00 | 5,919,017.00 |
| Debt Service | | 1,106,129.00 | 1,106,129.00 |
| Deferred Charges and Statutory | | | |
| Expenditures | 78,000.00 | 181,000.00 | 259,000.00 |
| Capital Improvements | | 17,000.00 | 17,000.00 |
| Surplus - General Budget | <u>552,667.00</u> | <u>500,000.00</u> | <u>1,052,667.00</u> |
| Total Expenditures | <u>1,528,500.00</u> | <u>6,825,313.00</u> | <u>8,353,813.00</u> |
| Statutory Excess to Fund Balance | 114,843.67 | 70,258.63 | 185,102.30 |
| Fund Balance, January 1 | <u>203,601.39</u> | <u>797,934.73</u> | <u>1,001,536.12</u> |
| | 318,445.06 | 868,193.36 | 1,186,638.42 |
| Decreased by: | | | |
| Transferred to Current Fund as | | | |
| Anticipated Revenue | 75,000.00 | 175,000.00 | 250,000.00 |
| Utilization as Anticipated Revenue | <u>75,500.00</u> | <u>115,313.00</u> | <u>190,813.00</u> |
| Fund Balance, December 31 | \$ <u>167,945.06</u> | \$ <u>577,880.36</u> | \$ <u>745,825.42</u> |

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2015 and 2014

15. Leases

Monmouth County Improvement Authority (MCIA) – The Borough entered into various capital equipment lease programs with MCIA. The leases are for various equipment that is owned by the MCIA and to which the Borough has a bargain purchase option at the end of the lease period in the amount of \$1.00.

| Year Ending Dec. 31, | Principal | Interest | Total |
|-------------------------|------------------------|----------------------|------------------------|
| 2016 | \$ 638,000.00 | \$ 80,261.78 | \$ 718,261.78 |
| 2017 | 342,000.00 | 62,035.00 | 404,035.00 |
| 2018 | 355,000.00 | 46,985.00 | 401,985.00 |
| 2019 | 183,000.00 | 30,060.00 | 213,060.00 |
| 2020 | 191,000.00 | 23,190.00 | 214,190.00 |
| Thereafter | 283,000.00 | 29,920.00 | 312,920.00 |
| | <u>\$ 1,992,000.00</u> | <u>\$ 272,451.78</u> | <u>\$ 2,264,451.78</u> |

16. Regional and Local School Taxes

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

The Borough raises its share of Regional and Local District School Taxes on a school year basis and has elected to defer these taxes as follows:

| Regional High School Taxes | | | |
|----------------------------|----------------------|----------------------|---------------------|
| Balance, December 31 | | | |
| | 2015 | 2014 | Increase |
| Balance of Tax | \$ 4,380,302.68 | \$ 4,336,211.80 | \$ 44,090.88 |
| Deferred Portion | <u>4,216,556.36</u> | <u>4,216,556.36</u> | |
| Tax Payable | <u>\$ 163,746.32</u> | <u>\$ 119,655.44</u> | <u>\$ 44,090.88</u> |

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

16. Regional and Local School Taxes – (Continued)

| | Local District School Taxes Balance, December 31 | | |
|------------------|---|----------------------|----------------------|
| | <u>2015</u> | <u>2014</u> | <u>Increase</u> |
| Balance of Tax | \$ 7,748,526.67 | \$ 7,244,708.17 | \$ 503,818.50 |
| Deferred Portion | <u>6,256,724.50</u> | <u>6,256,724.50</u> | |
| Tax Payable | <u>\$ 1,491,802.17</u> | <u>\$ 987,983.67</u> | <u>\$ 503,818.50</u> |

17. Deferred Charges to be raised in Succeeding Years' Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the Comparative Statement of Assets, Liabilities, Reserves and Fund Balance as follows:

| | <u>Balance December 31, 2015</u> | <u>2016 Budget Appropriation</u> | <u>Balance to Succeeding Budgets</u> |
|----------------------------------|--|--------------------------------------|--|
| Current Fund: | | | |
| Special Emergency Authorizations | | | |
| Per N.J.S. 40A:4-53 | \$ <u>874,700.00</u> | \$ <u>489,900.00</u> | \$ <u>384,800.00</u> |
| Totals | \$ <u>874,700.00</u> | \$ <u>489,900.00</u> | \$ <u>384,800.00</u> |

18. Post Retirement Health Benefits

In addition to the pension and retirement plans described in Note 7, the Borough provides post-retirement health care benefits, in accordance with State statute N.J.S.A. 40A:10-23 to employees who retire with at least 25 years of service with the Borough, or go out on disability with 10 years of service or more. The Borough does not issue a publicly available financial report for the plan. Benefit provisions for the plan are established and amended with the approval of the Borough's governing body and there is no statutory requirement for the Borough to continue this plan for future Borough employees. The plan is a contributory plan with all payments for plan benefits being funded by the Borough.

Borough of Red Bank
Notes to Basic Financial Statements
Years ended December 31, 2015 and 2014

18. Post Retirement Health Benefits – (Continued)

The Borough followed the accounting provisions of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement requires that the Borough disclose its annual OPEB cost for the plan which is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Under GASB Statement 45, the Borough's annual required contribution for 2015 and 2014 is \$4,812,497. The Borough's contributions for post-retirement benefits for the years ended December 31, 2015, 2014 and 2013 were \$1,408,044, \$1,367,196 and \$1,554,249, respectively. The Borough's net OPEB obligation as of December 31, 2015 and 2014 is \$9,861,003 and \$6,456,550.

As of December 31, 2015 and 2014, the actuarial accrued liability for benefits was \$48,759,106, all of which was unfunded.

The actuarial valuation date is December 31, 2014. Actuarial valuations involve estimates of the value reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Borough and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

For the December 31, 2014 actuarial valuation, the projected unit credit funding method was used. The actuarial assumptions included a 4.50% discount rate and an annual healthcare cost trend rate of 8.5% in the first year (2013), reducing by 0.5% per annum, leveling at 5% per annum in year 8, for medical, dental and prescription. As required by Local Finance Notice 2007-15, the Borough's demographic assumptions were selected based on those used by the State Division of Pensions and Benefits calculation from its July 1, 2011 report. The Borough has a total of 238 plan members of which 115 are active participants with an average age of 46 years and 123 are retired participants with an average age of 68 years.

COMBINING AND INDIVIDUAL FUND STATEMENTS –
SUPPLEMENTARY INFORMATION

CURRENT FUND

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| Year | Balance December 31, 2014 | Tax Levy | Added Taxes | Collections | | State Share Senior Citizens' and Veterans Deductions Allowed | Remitted and Canceled | Transferred To Tax Title Liens | Balance December 31, 2015 |
|------|---------------------------------|-------------------------|----------------------|----------------------|-------------------------|--|-----------------------------|--------------------------------------|---------------------------------|
| | | | | 2014 | 2015 | | | | |
| 2014 | \$ 1,035,015.82 | | \$ 18,214.16 | | \$ 957,028.92 | | \$ 96,192.69 | | \$ 8.37 |
| 2015 | | \$ 42,719,200.76 | 496,660.98 | \$ 132,469.36 | 42,066,390.71 | \$ 60,750.00 | 278,522.25 | \$ 351.71 | 677,377.71 |
| | <u>\$ 1,035,015.82</u> | <u>\$ 42,719,200.76</u> | <u>\$ 514,875.14</u> | <u>\$ 132,469.36</u> | <u>\$ 43,023,419.63</u> | <u>\$ 60,750.00</u> | <u>\$ 374,714.94</u> | <u>\$ 351.71</u> | <u>\$ 677,386.08</u> |

ANALYSIS OF 2015 PROPERTY TAX LEVY

Tax Yield:

| | |
|----------------------------------|-------------------------|
| General Purpose Tax | \$ 42,207,080.76 |
| Special Improvement District Tax | 512,120.00 |
| | <u>\$ 42,719,200.76</u> |

TAX LEVY

| | |
|-----------------------------------|-------------------------|
| Local District School Tax | \$ 15,975,869.00 |
| Regional High School District Tax | 8,760,605.00 |
| Special Improvement District Tax | 512,120.00 |
| County Taxes: | |
| County Tax | 5,239,394.09 |
| Open Space Tax | <u>288,534.36</u> |
| | \$ 30,776,522.45 |
| Local Tax for Municipal Purpose | \$ 11,913,642.75 |
| Add: Additional Tax Levied | <u>29,035.56</u> |
| | <u>\$ 42,719,200.76</u> |

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF TAX TITLE AND DEMOLITION LIENS RECEIVABLE

| | |
|-----------------------------------|---------------------------|
| <u>BALANCE, DECEMBER 31, 2014</u> | \$ 12,678.17 |
| <u>INCREASED BY</u> | |
| Transferred from Taxes Receivable | <u>351.71</u> |
| | 13,029.88 |
| <u>DECREASED BY</u> | |
| Cancelled | <u>3,748.08</u> |
| <u>BALANCE, DECEMBER 31, 2015</u> | \$ <u><u>9,281.80</u></u> |

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2014 APPROPRIATION RESERVES

| | Balance December 31, 2014 | | | Balance After Transfers | Paid or Charged | Balance Lapsed |
|--|------------------------------|-----------------------------|-------------|-------------------------------|--------------------|-------------------|
| | Appropriation Reserves | Reserve for Encumbrances | Transfers | | | |
| Appropriation: | | | | | | |
| General Administration | \$ 6,708.21 | | | \$ 6,708.21 | \$ 5,850.52 | \$ 857.69 |
| Mayor and Council | 1,120.44 | | | 1,120.44 | | 1,120.44 |
| Municipal Clerk | 2,354.15 | | \$ 2,000.00 | 4,354.15 | 2,545.19 | 1,808.96 |
| Financial Administration | 3,227.60 | | | 3,227.60 | 2,429.07 | 798.53 |
| Revenue Administration | 4,884.23 | | | 4,884.23 | 4,799.48 | 84.75 |
| Tax Assessment Administration | 2,117.40 | | 1,300.00 | 3,417.40 | 3,384.60 | 32.80 |
| Planning Board | 14,641.77 | | | 14,641.77 | 8,644.61 | 5,997.16 |
| Zoning Board | 14,642.13 | | | 14,642.13 | 7,721.69 | 6,920.44 |
| Rent Leveling Board | 250.00 | | | 250.00 | | 250.00 |
| Police | 46,754.06 | | | 46,754.06 | 41,904.67 | 4,849.39 |
| Office of Emergency Management | 106.87 | | | 106.87 | | 106.87 |
| Municipal Court | 6,046.84 | | | 6,046.84 | 1,762.12 | 4,284.72 |
| Streets and Road Maintenance | 31,609.37 | | | 31,609.37 | 12,726.78 | 18,882.59 |
| Maintenance of Borough Equipment | 65,473.17 | | | 65,473.17 | 25,226.11 | 40,247.06 |
| Sanitation Department | 32,710.60 | | 28,880.00 | 61,590.60 | 60,797.38 | 793.22 |
| Code Enforcement | 2,948.47 | | | 2,948.47 | 1,801.79 | 1,146.68 |
| Recreation Services and Programs | 3,531.23 | | 3,050.00 | 6,581.23 | 6,391.17 | 190.06 |
| Senior Citizen Center | 2,852.40 | | 4,500.00 | 7,352.40 | 7,350.55 | 1.85 |
| Uniform Fire Safety Act (P.L. 1983, Ch. 383) | 11,175.31 | | | 11,175.31 | 1,601.79 | 9,573.52 |
| Construction Code Department | 4,711.58 | | | 4,711.58 | 4,012.60 | 698.98 |
| Municipal Stormwater Management | 704.89 | | 1,120.00 | 1,824.89 | 1,822.37 | 2.52 |
| Total Salaries and Wages | 258,570.72 | | 40,850.00 | 299,420.72 | 200,772.49 | 98,648.23 |
| Appropriation: | | | | | | |
| General Administration | 3,289.36 | \$ 2,155.20 | | 5,444.56 | 1,832.91 | 3,611.65 |
| Financial Administration | 616.42 | 5,890.14 | | 6,506.56 | 5,542.97 | 963.59 |
| Audit Services | 1,245.00 | | | 1,245.00 | 1,245.00 | |
| Revenue Administration | 620.73 | 6,759.68 | | 7,380.41 | 6,453.22 | 927.19 |
| Tax Assessment Administration | 3,996.76 | 12,489.61 | (1,300.00) | 15,186.37 | 9,702.11 | 5,484.26 |
| Legal Services | 37,866.65 | 4,428.40 | | 42,295.05 | 35,518.16 | 6,776.89 |
| Engineering Services and Costs | 15,900.79 | 19,223.65 | 2,900.00 | 38,024.44 | 34,683.61 | 3,340.83 |
| Codification of Ordinances | 8,805.00 | | | 8,805.00 | | 8,805.00 |
| Municipal Land Use Law (N.J.S.A. 40:55D-1): | | | | | | |
| Planning Board | 9,366.96 | 238.08 | | 9,605.04 | 1,467.53 | 8,137.51 |
| Rent Leveling Board | 1,954.40 | | | 1,954.40 | | 1,954.40 |
| General Liability | 824.52 | | | 824.52 | | 824.52 |
| Employee Group Insurance | 178,829.95 | 440.70 | (2,900.00) | 176,370.65 | 440.70 | 175,929.95 |
| Unemployment Insurance | 11,393.32 | | | 11,393.32 | 11,393.32 | |
| Employee Opt Out - Group Insurance | 7,125.00 | | | 7,125.00 | | 7,125.00 |
| Police | 22,552.75 | 44,832.45 | | 67,385.20 | 45,142.57 | 22,242.63 |
| Office of Emergency Management | 2,177.37 | 2,146.45 | | 4,323.82 | 331.45 | 3,992.37 |

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2014 APPROPRIATION RESERVES

| | Balance December 31, 2014 | | | Balance | | Balance |
|---|------------------------------|-----------------------------|----------------|--------------------|--------------------|---------------|
| | Appropriation Reserves | Reserve for Encumbrances | Transfers | After Transfers | Paid or Charged | Lapsed |
| Fire | \$ 10,866.74 | \$ 30,357.94 | | \$ 41,224.68 | \$ 20,029.95 | \$ 21,194.73 |
| Aid to Volunteer First Aid Companies | 27.26 | 8,008.89 | | 8,036.15 | 7,847.85 | 188.30 |
| Uniform Fire Safety Act (Ch. 383 P.L. 1983) | 235.75 | 650.87 | | 886.62 | 250.89 | 635.73 |
| Streets and Road Maintenance | 5,129.15 | 5,860.60 | | 10,989.75 | 6,799.29 | 4,190.46 |
| Sanitation Department | 9,686.95 | 14,625.57 | | 24,312.52 | 12,625.33 | 11,687.19 |
| Special Emergency - Revaluation Services | | 274,000.00 | | 274,000.00 | 274,000.00 | |
| Operations - Excluded from "CAPS" (Continued): | | | | | | |
| Public Buildings and Grounds | 35,276.85 | 50,458.21 | \$ (30,000.00) | 55,735.06 | 28,140.94 | 27,594.12 |
| Landfill | 16,668.12 | 42,262.26 | | 58,930.38 | 31,075.02 | 27,855.36 |
| Recreation Services and Programs | 9,410.37 | 13,192.04 | (3,050.00) | 19,552.41 | 6,723.44 | 12,828.97 |
| Senior Citizen Center | 2,551.65 | 412.90 | (2,500.00) | 464.55 | | 464.55 |
| Visiting Nurse Association | 6,452.68 | | | 6,452.68 | 6,182.44 | 270.24 |
| Animal Control Services | 845.04 | | | 845.04 | | 845.04 |
| Shade Tree Committee | 230.00 | 3,350.00 | | 3,580.00 | 3,350.00 | 230.00 |
| Electricity | 1,820.44 | | 5,000.00 | 6,820.44 | 5,974.65 | 845.79 |
| Street Lighting | 32,774.83 | | (7,000.00) | 25,774.83 | 16,069.78 | 9,705.05 |
| Telephone | 27,647.29 | | (2,000.00) | 25,647.29 | 7,745.45 | 17,901.84 |
| Gasoline | 912.47 | 36.00 | | 948.47 | 70.02 | 878.45 |
| Construction Code Department | 2.08 | 12,235.40 | | 12,237.48 | 9,073.17 | 3,164.31 |
| Education and Technology | 5,603.12 | 5,986.50 | | 11,589.62 | 9,889.00 | 1,700.62 |
| Contingent | 1,000.00 | | | 1,000.00 | | 1,000.00 |
| Deferred Charges and Statutory Expenditures - Municipal Within "CAPS": | | | | | | |
| Statutory Expenditures: | | | | | | |
| Contribution to: | | | | | | |
| Public Employees' Retirement System | 1,000.00 | | | 1,000.00 | 1,000.00 | |
| Social Security System (O.A.S.I.) | 34,205.54 | | | 34,205.54 | (1,556.07) | 35,761.61 |
| Defined Contribution Retirement Program | 4,501.13 | 74.32 | | 4,575.45 | 188.58 | 4,386.87 |
| Operations Excluded from "CAPS": | | | | | | |
| Length of Service Awards Program | 7.06 | | | 7.06 | | 7.06 |
| Municipal Stormwater Management | 10,323.52 | | | 10,323.52 | | 10,323.52 |
| Tax Appeal Refunds | 33,319.70 | 2,500.00 | | 35,819.70 | 27,616.53 | 8,203.17 |
| Maintenance of Free Public Library | 111,700.53 | 13,205.90 | | 124,906.43 | 124,906.43 | |
| Interlocal Municipal Service Agreements: | | | | | | |
| County of Monmouth - 911 Services (P.S.A.P.) | 31.72 | | | 31.72 | | 31.72 |
| Recycling Tax PL 2007 c 311 | 392.85 | 2,466.20 | | 2,859.05 | | 2,859.05 |
| Inspection of Building - Uniform Construction Code | 28,263.01 | 5,621.47 | | 33,884.48 | 26,855.50 | 7,028.98 |
| Borough of Little Silver - Fire Services | 7,680.37 | 525.00 | | 8,205.37 | 1,225.00 | 6,980.37 |
| Board of Education | 7,263.50 | 4,736.50 | | 12,000.00 | 4,736.50 | 7,263.50 |
| Municipal Court | 8,840.00 | | | 8,840.00 | | 8,840.00 |
| Emergency Snow Removal | | 13,092.66 | | 13,092.66 | 13,092.66 | |
| Total Other Expenses | 755,806.36 | 615,584.87 | (40,850.00) | 1,330,541.23 | 821,532.79 | 509,008.44 |
| Grand Total | \$ 1,014,377.08 | \$ 615,584.87 | \$ | \$ 1,629,961.95 | 1,022,305.28 | \$ 607,656.67 |

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF DEFERRED CHARGES

| | | Special Emergencies | | | | Emergency |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | | 2010 | 2013 | 2014 | 2014 | 2014 |
| | | Severance | Utilization | Tax | Revaluation | Down Payment |
| | | Liability | Banked Time | Appeals | Services | on Improvements |
| | <u>Total</u> | <u>(40A:4-53)</u> | <u>(40A:4-53)</u> | <u>(40A:4-53)</u> | <u>(40A:4-53)</u> | <u>(40A: 4-46)</u> |
| <u>BALANCE, DECEMBER 31, 2014</u> | \$ 1,539,400.00 | \$ 150,000.00 | \$ 289,600.00 | \$ 675,000.00 | \$ 400,000.00 | \$ 24,800.00 |
| <u>DECREASED BY</u> | | | | | | |
| 2015 Budget Appropriation | <u>664,700.00</u> | <u>150,000.00</u> | <u>72,400.00</u> | <u>337,500.00</u> | <u>80,000.00</u> | <u>24,800.00</u> |
| <u>BALANCE, DECEMBER 31, 2015</u> | \$ <u>874,700.00</u> | \$ <u> </u> | \$ <u>217,200.00</u> | \$ <u>337,500.00</u> | \$ <u>320,000.00</u> | \$ <u> </u> |

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF SCHOOL TAX PAYABLE

| | <u>Regional High School</u> | <u>Local School District</u> |
|---|-----------------------------|------------------------------|
| <u>BALANCE, DECEMBER 31, 2014</u> | \$ 4,336,211.80 | \$ 7,244,708.17 |
| Detail: | | |
| Deferred | \$ 4,216,556.36 | \$ 6,256,724.50 |
| Payable | <u>119,655.44</u> | <u>987,983.67</u> |
| <u>INCREASED BY</u> | | |
| Levy - School Year 7/1/2015 - 6/30/2016 | <u>8,760,605.00</u> | <u>15,975,869.00</u> |
| | 13,096,816.80 | 23,220,577.17 |
| <u>DECREASED BY</u> | | |
| Cash Disbursed | <u>8,716,514.12</u> | <u>15,472,050.50</u> |
| <u>BALANCE, DECEMBER 31, 2015</u> | <u>\$ 4,380,302.68</u> | <u>\$ 7,748,526.67</u> |
| Detail: | | |
| Deferred | \$ 4,216,556.36 | \$ 6,256,724.50 |
| Payable | <u>163,746.32</u> | <u>1,491,802.17</u> |
| | <u>\$ 4,380,302.68</u> | <u>\$ 7,748,526.67</u> |
| <u>2015 LIABILITY FOR SCHOOL TAX</u> | | |
| 2015 School Taxes Paid | \$ 8,716,514.12 | \$ 15,472,050.50 |
| Add: School Taxes Payable | | |
| December 31, 2015 | <u>163,746.32</u> | <u>1,491,802.17</u> |
| | 8,880,260.44 | 16,963,852.67 |
| Less: School Taxes Payable | | |
| December 31, 2014 | <u>119,655.44</u> | <u>987,983.67</u> |
| Amount Charged to 2015 Operations | <u>\$ 8,760,605.00</u> | <u>\$ 15,975,869.00</u> |

BOROUGH OF RED BANK
FEDERAL AND STATE GRANT FUND
STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE

| <u>Grant</u> | Balance December 31, 2014 | 2015 Budget Revenue Realized | Received | Unappropriated Reserve Applied | Cancelled | Balance December 31, 2015 |
|---|---------------------------------|------------------------------------|--------------|--------------------------------------|--------------|---------------------------------|
| U.S. Older Americans Act: | | | | | | |
| 2013 | \$ 2,000.00 | | | | | \$ 2,000.00 |
| 2014 | 29,312.00 | | \$ 29,312.00 | | | |
| 2015 | | \$ 29,312.00 | | | | 29,312.00 |
| State of New Jersey: | | | | | | |
| Drunk Driving Enforcement Fund: | | | | | | |
| Police - 2014 | 3,200.00 | | | | | 3,200.00 |
| Police - 2015 | | 8,431.71 | 8,431.71 | | | |
| Municipal Court | | 2,917.19 | 2,917.19 | | | |
| State of New Jersey: | | | | | | |
| Clean Communities Program: | | | | | | |
| 2014 | 2,665.36 | | | | | 2,665.36 |
| 2015 | | 22,996.88 | 22,996.88 | | | |
| State of New Jersey: | | | | | | |
| Over the Limit Under Arrest - 2010 Holiday | 1,400.00 | | | | | 1,400.00 |
| Over the Limit Under Arrest - 2010 Holiday Year End Crackdown | 5,000.00 | | | | | 5,000.00 |
| State of New Jersey: | | | | | | |
| COPS in SHOPS | | 4,900.00 | 1,600.00 | \$ 2,100.00 | | 1,200.00 |
| State of New Jersey: | | | | | | |
| Body Armor Grant | | 3,867.77 | 3,867.77 | | | |
| State of New Jersey: | | | | | | |
| Pedestrian Safety Grant | | 19,000.00 | | 4,000.00 | | 15,000.00 |
| State of New Jersey: | | | | | | |
| Bullet Proof Vest Partnership Grant | 4,602.37 | | | | | 4,602.37 |
| State of New Jersey: | | | | | | |
| ECARS Grant - Passenger Rail - 2010 | 24,500.00 | | | | \$ 24,500.00 | |
| CSIP - Community Stewardship Incentive Program | 30,000.00 | | | | | 30,000.00 |
| State of New Jersey | | | | | | |
| Click it or Ticket Program | | | | | | |
| 2014 | 50.00 | | | | | 50.00 |
| 2015 | | 4,000.00 | 3,800.00 | | | 200.00 |
| State of New Jersey | | | | | | |
| Drive Sober or Get Pulled Over | 8,850.00 | | 3,100.00 | | | 5,750.00 |
| Federal - Bulletproof Vest Program | 5,575.00 | | | | | 5,575.00 |
| Total Grants | \$ 117,154.73 | \$ 95,425.55 | \$ 76,025.55 | \$ 6,100.00 | \$ 24,500.00 | \$ 105,954.73 |

BOROUGH OF RED BANK
STATEMENT OF APPROPRIATED RESERVE - FEDERAL AND STATE GRANT FUND

| <u>Grant</u> | Balance December 31, 2014 | Transferred from 2015 Budget Appropriations | Appropriation By 40A:4-87 | Expended | Balance December 31, 2015 |
|---|---------------------------------|--|------------------------------|------------|---------------------------------|
| | | <u>Budget</u> | | | |
| U.S. Older Americans Act: | | | | | |
| 2013 | \$ 6,696.70 | | | | \$ 6,696.70 |
| 2014 | 29,312.00 | | | \$ 136.63 | 29,175.37 |
| 2015 - Grant Portion | | \$ 29,312.00 | | 29,312.00 | |
| 2015 - Matching Portion Portion | | 186,413.00 | | 171,885.84 | 14,527.16 |
| State of NJ - Clean Communities Program: | | | | | |
| 2013 | 9,203.35 | | | 9,203.35 | |
| 2014 | 21,605.16 | | | 16,635.36 | 4,969.80 |
| 2015 | | | \$ 22,996.88 | 10,986.55 | 12,010.33 |
| State of NJ - Recycling Tonnage Grant | 109,450.69 | | | 53,623.86 | 55,826.83 |
| Federal - Bullet Proof Vest | 2,719.03 | | | 2,719.03 | |
| State of NJ - COPS in SHOPS | | | | | |
| 2012 | 4,500.01 | | | 800.00 | 3,700.01 |
| 2015 | | | 4,900.00 | 800.00 | 4,100.00 |
| State of NJ - Drunk Driving Enforcement Fund: | | | | | |
| Police | 5,253.32 | | 8,431.71 | 4,355.50 | 9,329.53 |
| Municipal Court | 26,729.44 | | 2,917.19 | | 29,646.63 |
| State of NJ - Over the Limit: | | | | | |
| Statewide Crackdown - 2009 | | | | | |
| Statewide Crackdown - 2011 | 4,400.00 | | | | 4,400.00 |
| Holiday Year-End Crackdown - 2010 | 2,075.00 | | | | 2,075.00 |
| State of NJ - Click it or Ticket | 5,050.00 | | 4,000.00 | 3,800.00 | 5,250.00 |

BOROUGH OF RED BANK
STATEMENT OF APPROPRIATED RESERVE - FEDERAL AND STATE GRANT FUND

| <u>Grant</u> | Balance December 31, 2014 | Transferred from 2015 Budget Appropriations | | <u>Expended</u> | Balance December 31, 2015 |
|--|---------------------------------|--|--------------------------------------|----------------------|---------------------------------|
| | | <u>Budget</u> | <u>Appropriation By 40A:4-87</u> | | |
| State of NJ | | | | | |
| Drive Sober or Get Pulled Over | \$ 6,950.00 | | | \$ 1,000.00 | \$ 5,950.00 |
| State of NJ | | | | | |
| Pedestrian Safety Grant | | | \$ 19,000.00 | 3,600.00 | 15,400.00 |
| State of NJ - Body Armor Grant: | | | | | |
| 2013 | 16,784.93 | | | 2,389.05 | 14,395.88 |
| 2015 | | | 3,867.77 | 799.65 | 3,068.12 |
| CSIP - Community Stewardship Incentive Program | <u>20,117.00</u> | | | <u>10,113.00</u> | <u>10,004.00</u> |
| Totals | \$ <u>270,846.63</u> | \$ <u>215,725.00</u> | \$ <u>66,113.55</u> | \$ <u>322,159.82</u> | \$ <u>230,525.36</u> |

BOROUGH OF RED BANK
STATEMENT OF UNAPPROPRIATED RESERVES
STATE AND FEDERAL GRANT FUND

| | Balance December 31, 2014 | Realized as Revenue Budget | Balance December 31, 2015 |
|---------------------------------------|---------------------------------|----------------------------------|---------------------------------|
| <u>State:</u> | | | |
| State of NJ - Pedestrian Safety Grant | \$ 4,000.00 | \$ 4,000.00 | |
| State of NJ - COPS in SHOPS | 2,400.00 | 2,100.00 | \$ 300.00 |
| State of NJ -Body Armor Grant | _____ | _____ | _____ |
| Totals | \$ <u>6,400.00</u> | \$ <u>6,100.00</u> | \$ <u>300.00</u> |

TRUST FUNDS

BOROUGH OF RED BANK
ANIMAL CONTROL TRUST FUND
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

| | | |
|---|------------------|---------------------|
| <u>BALANCE, DECEMBER 31, 2014</u> | | \$ 8,526.25 |
| <u>INCREASED BY</u> | | |
| Dog, Cat and Other License Fees Collected | \$ 6,983.20 | |
| Prior Year's Accounts Payable Cancelled | 34.20 | |
| Animal Control Contracts | <u>16,033.94</u> | <u>23,051.34</u> |
| | | 31,577.59 |
| <u>DECREASED BY</u> | | |
| Expenditures Under R.S. 4:19-15.11 | 13,197.15 | |
| Excess Due to Current Fund | <u>6,472.04</u> | <u>19,669.19</u> |
| <u>BALANCE, DECEMBER 31, 2015</u> | | <u>\$ 11,908.40</u> |

LICENSES AND PENALTY FEES COLLECTED

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------------|
| 2013 | \$ 4,365.60 |
| 2014 | <u>7,542.80</u> |
| | <u>\$ 11,908.40</u> |

AUDITOR'S NOTE

R.S. 4:19-15.11

"There shall be transferred from such special account to the general funds of the Municipality any amounts then in such account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding."

BOROUGH OF RED BANK
TRUST FUND
STATEMENT OF VARIOUS RESERVES

| | Balance December 31, <u>2014</u> | <u>Receipts</u> | <u>Expenditures</u> | Balance December 31, <u>2015</u> |
|--|--|------------------------|------------------------|--|
| Bid Deposits | \$ 400.00 | | | \$ 400.00 |
| TTL Redemption | 12,131.61 | \$ 812,014.24 | \$ 812,714.37 | 11,431.48 |
| Law Enforcement Trust | 17,868.98 | 7,947.01 | 268.13 | 25,547.86 |
| Vehicle Impound Costs | 74,384.62 | 19,060.00 | 12,535.00 | 80,909.62 |
| Tax Sale Premiums | 1,117,300.00 | 1,134,500.00 | 825,100.00 | 1,426,700.00 |
| Recycling | 66,338.84 | 10,050.91 | 36,436.69 | 39,953.06 |
| Recreation Donations | 17,637.35 | 20,884.61 | 28,868.00 | 9,653.96 |
| Parking Offenses Adjudication Act | 20,054.92 | 3,592.00 | 4,636.00 | 19,010.92 |
| Eisner Foundation: | | | | |
| Charitable Scientific | 305,953.55 | | | 305,953.55 |
| Riverside Gardens Maintenance | 8,464.62 | | | 8,464.62 |
| Police - Forfeited Property | 2,560.57 | 133.53 | | 2,694.10 |
| Police - Extra Duty Pay | 99,760.24 | 358,002.50 | 263,747.50 | 194,015.24 |
| Inspection Fees Escrow | 217,942.62 | 85,812.72 | 132,758.59 | 170,996.75 |
| Performance and Maintenance Escrow | 701,915.43 | 182,952.18 | 29,131.11 | 855,736.50 |
| Review Escrow | 116,827.07 | 255,070.42 | 246,050.58 | 125,846.91 |
| Dedicated Fire Penalty | 7,653.49 | 2,090.00 | 1,645.00 | 8,098.49 |
| Unemployment Trust | 24,665.85 | 47,468.24 | 36,154.90 | 35,979.19 |
| Police Donations | 8,260.88 | 634.27 | 6,660.47 | 2,234.68 |
| Manalapan RCA Agreement | 320,773.95 | 15,434.42 | 6,447.05 | 329,761.32 |
| Public Defender Fees | 9,960.76 | 7,677.00 | 8,520.00 | 9,117.76 |
| Council on Affordable Housing - Dev. Fees | 18,627.81 | 4,732.47 | 8,416.05 | 14,944.23 |
| Wayfinding Signs | 4,330.00 | | | 4,330.00 |
| Four Connections Fiberoptics | 6,691.00 | | | 6,691.00 |
| Yard Sales | 132.74 | | | 132.74 |
| Environmental Commission | 200.00 | | | 200.00 |
| Human Relations | 310.00 | | | 310.00 |
| Count Basie 365 | 1,702.41 | | | 1,702.41 |
| Accumulated Absence Liability | 114,665.10 | 219,900.00 | | 334,565.10 |
| Snow Expense | 49,312.50 | 62,611.30 | 42,981.95 | 68,941.85 |
| Community Garden | 559.01 | 400.00 | | 959.01 |
| OEM Trust | 4,000.00 | | | 4,000.00 |
| Online Tax Sale | 320.51 | 1,680,592.55 | 1,680,592.55 | 320.51 |
| Parks & Rec Trust Reserve Marine Park/Union Street | 33,905.25 | 45,725.18 | 4,896.61 | 74,733.82 |
| Shade Tree | 750.00 | | | 750.00 |
| | <u>\$ 3,418,378.12</u> | <u>\$ 4,979,450.55</u> | <u>\$ 4,188,560.55</u> | <u>\$ 4,209,268.12</u> |

GENERAL CAPITAL FUND

**BOROUGH OF RED BANK
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS**

| | Balance December 31, 2014 | Receipts | | | Disbursements | | | Transfer | | Balance December 31, 2015 |
|--|--|------------------------|------------------------|------------------------|-------------------------------|----------------------|----------------------------|------------------------|------------------------|---------------------------------|
| | | Bond Proceeds | Note Proceeds | Other | Improvement Authorizations | Other | Bond Anticipation Notes | From | To | |
| Fund Balance | \$ 20,247.40 | | | \$ 6,899.34 | | | | | | \$ 27,146.74 |
| Capital Improvement Fund | 49,046.76 | | | 112,500.00 | | | | \$ 119,605.00 | | 41,941.76 |
| Due (from)/to Current Fund | (3,998.00) | | | 15,428.65 | | \$ 11,430.65 | | | | |
| Due (from) Monmouth County Improvement Authority | | | | | | 22,734.64 | | | | (22,734.64) |
| Reserve for Future Boat Ramp Improvements | 196,667.40 | | | | | | | | | 196,667.40 |
| Reserve for Encumbrances | 1,834,726.28 | | | | | 1,667,034.54 | | 64,178.91 | \$ 1,308,461.26 | 1,411,974.09 |
| Reserve for Payment of Bonds | 502,137.58 | \$ 207,579.65 | | | | 450,387.58 | | | 95,222.51 | 354,552.16 |
| Reserve for Payment of Notes | | | | | | | | | 2,142,605.00 | 2,142,605.00 |
| Reserves for Marine Park Improvements | 5,000.00 | | | | | | | | | 5,000.00 |
| Reserve for Down Payments on Improvements | 2,061.64 | | | | | | | | | 2,061.64 |
| <u>Ordinance Number</u> | | | | | | | | | | |
| | | | | | | | | | | |
| 04-01 | Renovations and Improvements to the Red Bank Library | 64,330.33 | | | | | | 14,390.00 | | 49,940.33 |
| 05-31 | Acquisition of Waterfront Park | 10,297.20 | | | \$ 615.50 | | | | | 9,681.70 |
| 39-05/ 09-09/10-10 | Various Improvements and Renovations to Marine Park | 98,796.25 | | | | | | | | 98,796.25 |
| 06-32/ 09-42/10-10 | Conversion of Municipal Land to Waterfront Park | 75,192.06 | | | 3,170.00 | | | 30,250.05 | | 41,772.01 |
| 09-44 | Various Improvements to Count Basie Park | 17,922.29 | | | | | | | 1,275.00 | 19,197.29 |
| 10-17 | Tax Appeal Judgements and Settlements | 1,942.18 | | | | | | 1,942.18 | | |
| 11-06 | Various 2011 Roadway Improvements | | | | | | | 132.37 | 132.37 | |
| 12-03 | Acquisition of a Fire Truck | 92,147.34 | | | | | | 92,657.34 | 510.00 | |
| 12-04 | Various Improvements to Count Basie Park Phase III | | | | | | | 490.62 | 490.62 | |
| 13-15/ 15-14 | Acquisition of Various Capital Equipment and Completion of Various Capital Projects | 488,106.38 | 2,342,000.00 | \$ 1,576,405.00 | 26,552.13 | | \$ 1,576,405.00 | 1,576,405.00 | 46,113.19 | 1,273,262.44 |
| 14-8/14-11 | Acquisition of Various Capital Equipment and Completion of Various Capital Projects | 940,650.29 | 2,140,350.00 | | 31,480.67 | | 2,140,350.00 | 168,461.00 | 50,062.73 | 790,771.35 |
| 14-12 | Bulkhead Repair - Library and North Prospect | 488,346.75 | 758,000.00 | 566,200.00 | 3,138.63 | | 566,200.00 | 1,166,756.00 | 8,200.00 | 84,652.12 |
| 15-18 | Various 2015 Roadway Improvements | | 1,533,000.00 | | 263,493.82 | | | 494,804.21 | 77,000.00 | 851,701.97 |
| | | <u>\$ 4,883,620.13</u> | <u>\$ 6,980,929.65</u> | <u>\$ 2,142,605.00</u> | <u>\$ 134,827.99</u> | <u>\$ 328,450.75</u> | <u>\$ 2,151,587.41</u> | <u>\$ 4,282,955.00</u> | <u>\$ 3,730,072.68</u> | <u>\$ 7,378,989.61</u> |

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION, UNFUNDED

| Ordinance Number | Improvement Description | Balance December 31, 2014 | 2015 Authorizations | Funded by Current Fund Appropriation | Funded by Bond Sale | Cancelled | Balance December 31, 2015 | Analysis of Balance December 31, 2015 |
|---------------------|--|---------------------------------|------------------------|--|------------------------|----------------------|---------------------------------|---|
| | | | | | | | | Improvement Authorizations Unfunded |
| 31-05 | Acquistion of Waterfront Park | \$ 98,611.70 | | | | | \$ 98,611.70 | \$ 98,611.70 |
| 49-05 | Various 2005 Road Improvements | 37,500.00 | | | | | 37,500.00 | 37,500.00 |
| 10-17 | Tax Appeal Judgements and Settlements | 100,000.00 | | \$ 100,000.00 | | | | |
| 13-15/15-14 | Acquisition of Various Capital Equipment and Completion of Various Capital Projects | 1,576,405.00 | \$ 765,595.00 | | \$ 1,353,650.00 | \$ 988,350.00 | | |
| 14-8/14-11 | Various Capital Improvements | 2,140,350.00 | | | 2,140,350.00 | | | |
| 14-12/15-13 | Bulkhead Repair/Replacement | 566,200.00 | 191,800.00 | | 758,000.00 | | | |
| 15-18 | Various 2015 Roadway Improvements | | 1,533,000.00 | | 1,533,000.00 | | | |
| | | <u>\$ 4,519,066.70</u> | <u>\$ 2,490,395.00</u> | <u>\$ 100,000.00</u> | <u>\$ 5,785,000.00</u> | <u>\$ 988,350.00</u> | <u>\$ 136,111.70</u> | <u>\$ 136,111.70</u> |

**BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

| Ordinance Number | Description | Ordinance | | Balance December 31, 2014 | | 2015 Authorizations | | Paid or Charged | Ordinance Cancellation | Prior Years Encumbrances Cancelled | Balance December 31, 2015 | |
|--------------------------|--|----------------------------------|------------------------------|------------------------------|-----------------|---|--------------------------------|--------------------|---------------------------|--|------------------------------|---------------|
| | | Date | Amount | Funded | Unfunded | Deferred Charges to Future Taxation, Unfunded | Capital Improvement Fund | | | | Funded | Unfunded |
| 1-04 | Renovations and Improvements to Red Bank Library | 02/10/04 | \$ 1,775,000.00 | \$ 64,330.33 | | | | \$ 14,390.00 | | | \$ 49,940.33 | |
| 31-05 | Acquisition of Waterfront Park | 07/11/05 | 550,000.00 | 10,297.20 | \$ 98,611.70 | | | 615.50 | | | 9,681.70 | \$ 98,611.70 |
| 39-05/ 09-09 | Various Improvements and Renovations to Marine Park | 10/10/05 03/09/09 | 2,826,100.00 1,174,550.00 | 98,796.25 | | | | | | | 98,796.25 | |
| 49-05 | Various 2005 Road Improvements | 11/07/05 | 1,250,000.00 | | 37,500.00 | | | | | | | 37,500.00 |
| 32-06/ 09-42 10-10 | Conversion of Municipal Land to Waterfront Park | 06/12/06 08/10/09 10/10/10 | | 75,192.06 | | | | 33,420.05 | | | 41,772.01 | |
| 09-44 | Various Improvements to Count Basie Park | 10/09/09 | 1,125,000.00 | 17,922.29 | | | | | | \$ 1,275.00 | 19,197.29 | |
| 10-8 | 2010 Road Program | 02/22/10 | 1,115,100.00 | | | | | | | | | |
| 10-17 | Tax Appeal Judgements and Settlements | 05/10/10 | 500,000.00 | | 1,942.18 | | | \$ 1,942.18 | | | | |
| 11-6 | Various 2011 Roadway Improvements | 05/25/11 | 1,484,432.00 | | | | | | 132.37 | 132.37 | | |
| 12-3 | Acquisition of a Fire Truck | 03/14/12 | 1,100,000.00 | 92,147.34 | | | | | 92,657.34 | 510.00 | | |
| 12-4 | Various Improvements to Count Basie Park Phase III | 03/28/12 | 2,110,500.00 | | | | | | 490.62 | 490.62 | | |
| 13-15/ 15-14 | Various Capital Equipment and the Completion of Various Capital Improvements | 7/10/13, 4/22/15 | 2,469,900.00 | | 488,106.38 | \$ 765,595.00 | \$ 34,405.00 | 26,552.13 | | 11,708.19 | 1,273,262.44 | |
| 14-8/ 14-11 | Acquisition of Various Capital Equipment and Completion of Various Capital Projects | 04/9/14, 05/14/14 | 2,253,000.00 | | 940,650.29 | | | 199,941.67 | | 50,062.73 | 790,771.35 | |
| 14-12/15-13 | Bulkhead Repair Library and North Prospect | 5/14/14, 4/22/15 | 796,000.00 | | 488,346.75 | 191,800.00 | 8,200.00 | 603,694.63 | | | 84,652.12 | |
| 15-18 | Various Roadway Improvements | 04/22/15 | 1,610,000.00 | | | 1,533,000.00 | 77,000.00 | 758,298.03 | | | 851,701.97 | |
| | | | | \$ 358,685.47 | \$ 2,055,157.30 | \$ 2,490,395.00 | \$ 119,605.00 | \$ 1,636,912.01 | \$ 95,222.51 | \$ 64,178.91 | \$ 3,219,775.46 | \$ 136,111.70 |

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES

Exhibit D-5

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Original Amount Issued</u> | <u>Date of Issue of Original Note</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance December 31, 2014</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance December 31, 2015</u> |
|-----------------------------|--|---------------------------------------|---|--------------------------|-----------------------------|--------------------------|--|------------------------|------------------------|--|
| 10-17 | Tax Appeal Refunding Note | \$ 500,000.00 | 06/02/10 | 05/14/14 | 05/21/15 | 0.45% | \$ 100,000.00 | | \$ 100,000.00 | |
| 13-15 | Acquisition of Various Capital Equipment and Completion of Various Capital Projects | 725,000.00 | 12/05/13 | 11/25/14 11/24/15 | 11/24/15 01/07/16 | 0.60% 1.00% | 715,000.00 | \$ 715,000.00 | 715,000.00 | \$ 715,000.00 |
| 13-15/15-14 | Acquisition of Various Capital Equipment and Completion of Various Capital Projects | 861,405.00 | 11/26/13 | 11/25/14 11/24/15 | 11/24/15 01/07/16 | 0.60% 1.00% | 861,405.00 | 861,405.00 | 861,405.00 | 861,405.00 |
| 14-8/ 14-11 | Acquisition of Various Capital Equipment and Completion of Various Capital Projects | 2,140,350.00 | 05/23/14 | 05/23/14 | 05/21/15 | 0.64% | 2,140,350.00 | | 2,140,350.00 | |
| 14-12/15-13 | Bulkhead Repair - Library and North Prospect | 566,200.00 | 11/24/14 | 11/25/14 11/24/15 | 11/24/15 01/07/16 | 0.60% 1.00% | 566,200.00 | 566,200.00 | 566,200.00 | 566,200.00 |
| | | | | | | | <u>\$ 4,382,955.00</u> | <u>\$ 2,142,605.00</u> | <u>\$ 4,382,955.00</u> | <u>\$ 2,142,605.00</u> |

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS
YEAR ENDED DECEMBER 31, 2015

| Purpose | Original Issue | | Maturities of Bonds Outstanding December 31, 2015 | | Interest Rate | Balance December 31, 2014 | Issued | Paid | Refunded | Balance December 31, 2015 |
|---------------------|----------------|-----------------|--|---------------|------------------|---------------------------------|-----------------|-----------------|-----------------|---------------------------------|
| | Date | Amount | Date | Amount | | | | | | |
| General Improvement | 7/15/2007 | \$ 7,391,000.00 | 2016 | \$ 830,000.00 | 4.250% | \$ 3,401,000.00 | | \$ 740,000.00 | \$ 1,831,000.00 | \$ 830,000.00 |
| General Improvement | 11/1/2012 | 5,637,000.00 | 2016 | 350,000.00 | 2.000% | 5,017,000.00 | | 330,000.00 | | 4,687,000.00 |
| | | | 2017 | 365,000.00 | 2.000% | | | | | |
| | | | 2018 | 385,000.00 | 2.000% | | | | | |
| | | | 2019 | 405,000.00 | 2.000% | | | | | |
| | | | 2020 | 435,000.00 | 2.000% | | | | | |
| | | | 2021 | 475,000.00 | 2.000% | | | | | |
| | | | 2022 | 530,000.00 | 2.000% | | | | | |
| | | | 2023 | 555,000.00 | 2.000% | | | | | |
| | | | 2024 | 575,000.00 | 2.000% | | | | | |
| | | | 2025 | 612,000.00 | 2.000% | | | | | |
| General Improvement | 12/23/15 | 5,785,000.00 | 2016 | 290,000.00 | 2.000% | | \$ 5,785,000.00 | | | 5,785,000.00 |
| | | | 2017 | 315,000.00 | 4.000% | | | | | |
| | | | 2018 | 325,000.00 | 5.000% | | | | | |
| | | | 2019 | 340,000.00 | 5.000% | | | | | |
| | | | 2020 | 360,000.00 | 5.000% | | | | | |
| | | | 2021 | 380,000.00 | 5.000% | | | | | |
| | | | 2022 | 395,000.00 | 5.000% | | | | | |
| | | | 2023 | 415,000.00 | 5.000% | | | | | |
| | | | 2024 | 435,000.00 | 5.000% | | | | | |
| | | | 2025 | 460,000.00 | 5.000% | | | | | |
| | | | 2026 | 480,000.00 | 5.000% | | | | | |
| | | | 2027 | 505,000.00 | 5.000% | | | | | |
| | | | 2028 | 530,000.00 | 5.000% | | | | | |
| | | | 2029 | 555,000.00 | 5.000% | | | | | |
| | | | | | | \$ 8,418,000.00 | 5,785,000.00 | \$ 1,070,000.00 | \$ 1,831,000.00 | \$ 11,302,000.00 |

**BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF REFUNDING SERIAL BONDS**

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding December 31, 2015 | | Interest Rate | Balance December 31, 2014 | Issued | Paid | Balance December 31, 2015 |
|-----------------------------|---------------|--------------------------|---|--------------|---------------|---------------------------|-----------------|---------------|---------------------------|
| | | | Date | Amount | | | | | |
| MCIA Refunding Bonds | 2/1/2006 | \$ 888,000.00 | | | | \$ 87,000.00 | | \$ 87,000.00 | |
| Pension ERI Refunding Bonds | 4/3/2011 | 540,000.00 | 2016 | \$ 49,000.00 | 3.95% | 432,000.00 | | 46,000.00 | \$ 386,000.00 |
| | | | 2017 | 56,000.00 | 4.42% | | | | |
| | | | 2018 | 60,000.00 | 4.88% | | | | |
| | | | 2019 | 65,000.00 | 5.10% | | | | |
| | | | 2020 | 75,000.00 | 5.40% | | | | |
| | | | 2021 | 81,000.00 | 5.70% | | | | |
| MCIA Refunding Bonds | 6/25/2015 | 1,800,521.50 | 2017 | 876,752.50 | 4.00% | | \$ 1,800,521.50 | | \$ 1,800,521.50 |
| | | | 2018 | 923,769.00 | 4.00% | | | | |
| | | | | | | \$ 519,000.00 | \$ 1,800,521.50 | \$ 133,000.00 | \$ 2,186,521.50 |

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF INTERGOVERNMENTAL RECEIVABLE

Monmouth County
Improvement
Authority

INCREASED BY

Disbursed

\$ 22,734.64

BALANCE, DECEMBER 31, 2015

\$ 22,734.64

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>Ordinance Number</u> | <u>Improvement Description</u> | Balance December 31, <u>2014</u> | 2015 <u>Authorizations</u> | Bonds <u>Issued</u> | Balance December 31, <u>2015</u> |
|-----------------------------|--|--|-------------------------------|------------------------|--|
| 5-31 | Acquisition of Waterfront Park | \$ 98,611.70 | | | \$ 98,611.70 |
| 49-5 | Various 2005 Road Improvements | 37,500.00 | | | 37,500.00 |
| 13-15/15-14 | Bulkhead Repair - Library and North Prospect | | \$ 765,595.00 | \$ 765,595.00 | |
| 14-12/15-13 | Bulkhead Repair - Library and North Prospect | | 191,800.00 | 191,800.00 | |
| 15-18 | Various 2015 Roadway Improvements | | <u>1,533,000.00</u> | <u>1,533,000.00</u> | |
| | | <u>\$ 136,111.70</u> | <u>\$ 2,490,395.00</u> | <u>\$ 2,490,395.00</u> | <u>\$ 136,111.70</u> |

UTILITY OPERATING FUNDS - COMBINED STATEMENTS

PARKING UTILITY OPERATING FUND

BOROUGH OF RED BANK
PARKING UTILITY OPERATING FUND
STATEMENT OF 2014 APPROPRIATION RESERVES

| | Balance December 31, 2014 | | Balance After Transfers | Paid or Charged | Balance Lapsed |
|--|-----------------------------------|-------------------------------------|-------------------------------|-----------------------------|----------------------|
| | <u>Appropriation Reserves</u> | <u>Reserve for Encumbrances</u> | | | |
| Operating: | | | | | |
| Salaries and Wages | \$ 17,284.95 | | \$ 17,284.95 | \$ 8,345.71 | \$ 8,939.24 |
| Other Expenses | 140,069.47 | \$ 11,123.92 | 151,193.39 | 12,309.31 | 138,884.08 |
| Statutory Expenditures: | | | | | |
| Unemployment Compensation Insurance | 5,000.00 | | 5,000.00 | | 5,000.00 |
| Contribution to Social Security System | <u>1,770.07</u> | <u> </u> | <u>1,770.07</u> | <u> </u> | <u>1,770.07</u> |
| | <u>\$ 164,124.49</u> | <u>\$ 11,123.92</u> | <u>\$ 175,248.41</u> | <u>\$ 20,655.02</u> | <u>\$ 154,593.39</u> |

BOROUGH OF RED BANK
PARKING UTILITY OPERATING FUND
STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES

INCREASED BY

Parking Utility Capital Improvement Authorization
 Charged - Ordinance #15-09

\$ 874.12

BALANCE DECEMBER 31, 2015

\$ 874.12

ANALYSIS OF ACCRUAL

| | <u>Date of Issue</u> | <u>Accrual Period</u> | <u>Interest Rate</u> | <u>Amount Outstanding December 31, 2015</u> | <u>Accrual</u> |
|---------------------|--------------------------|---------------------------|--------------------------|---|----------------|
| <u>Serial Bonds</u> | | | | | |
| Serial Bonds - 2015 | 12/23/2015 | 9 Days | Var. | \$ <u>280,000.00</u> | \$ 298.75 |

Add: Excess to be Used in Succeeding Year's Budget

575.37

\$ 874.12

WATER-SEWER UTILITY OPERATING FUND

BOROUGH OF RED BANK
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE

| | |
|-----------------------------------|-----------------------------|
| <u>BALANCE, DECEMBER 31, 2014</u> | \$ 807,863.00 |
| <u>INCREASED BY</u> | |
| Rents Charged in 2015 | <u>6,673,821.23</u> |
| | 7,481,684.23 |
| <u>DECREASED BY</u> | |
| Collections - Net | <u>6,646,440.74</u> |
| <u>BALANCE, DECEMBER 31, 2015</u> | \$ <u><u>835,243.49</u></u> |

STATEMENT OF WATER-SEWER UTILITY LIENS RECEIVABLE

| | |
|--|------------------------|
| <u>BALANCE, DECEMBER 31, 2015 AND 2014</u> | \$ <u><u>20.00</u></u> |
|--|------------------------|

BOROUGH OF RED BANK
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF 2014 APPROPRIATION RESERVES

| | Balance December 31, 2014 | | | Balance After Transfers | Paid or Charged | Balance Lapsed |
|------------------------------------|-----------------------------------|-------------------------------------|------------------|-------------------------------|----------------------|----------------------|
| | <u>Appropriation Reserves</u> | <u>Reserve for Encumbrances</u> | <u>Transfers</u> | | | |
| Operating: | | | | | | |
| Salaries and Wages | \$ 3,247.24 | | \$ 18,000.00 | \$ 21,247.24 | \$ 20,171.36 | \$ 1,075.88 |
| Other Expenses | 61,551.78 | \$ 90,358.72 | | 151,910.50 | 109,767.26 | 42,143.24 |
| Regional Sewer Authority Charges | | | | | | |
| Manasquan River Water Purchases | 134,806.87 | | (18,000.00) | 116,806.87 | 68,691.61 | 48,115.26 |
| Reserve for Accumulated Sick Leave | | | | | | |
| Capital Improvements: | | | | | | |
| Capital Outlay | 17,000.00 | | | 17,000.00 | | 17,000.00 |
| Statutory Expenditures: | | | | | | |
| Contribution to Social Security | 4,913.14 | | | 4,913.14 | | 4,913.14 |
| Unemployment Compensation | 25,000.00 | | | 25,000.00 | | 25,000.00 |
| | <u>\$ 246,519.03</u> | <u>\$ 90,358.72</u> | <u>\$</u> | <u>\$ 336,877.75</u> | <u>\$ 198,630.23</u> | <u>\$ 138,247.52</u> |

BOROUGH OF RED BANK
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES

BALANCE, DECEMBER 31, 2014 \$ 130,516.12

INCREASED BY

2015 Budget Appropriations:

| | | |
|-------------------|---------------|-------------------|
| Interest on Bonds | \$ 160,322.25 | |
| Interest on Notes | 43,575.00 | <u>203,897.25</u> |
| | | 334,413.37 |

DECREASED BY

| | | |
|----------------|--|-------------------|
| Cash Disbursed | | <u>236,174.06</u> |
|----------------|--|-------------------|

BALANCE, DECEMBER 31, 2015 \$ 98,239.31

ANALYSIS OF ACCRUAL

| | <u>Date of Issue</u> | <u>Accrual Period</u> | <u>Interest Rate</u> | Amount Outstanding December 31, <u>2015</u> | <u>Accrual</u> |
|--------------------------------|--------------------------|---------------------------|--------------------------|--|---------------------|
| <u>Serial Bonds</u> | | | | | |
| 2004 Series | 6/15/2004 | 5 Months | Var. | \$ 555,000.00 | \$ 9,684.90 |
| 2007 Series | 8/1/2007 | 5 Months | Var. | 455,000.00 | 8,057.62 |
| 2009 NJEIT Bonds | 11/23/2009 | 5 Months | Var. | 1,034,121.93 | 9,411.46 |
| 2012 Series | 11/1/2012 | 3 Months | Var. | 2,287,000.00 | 11,556.75 |
| 2015 Refunding Bonds | 5/25/2015 | 5 Months | Var. | 3,084,478.50 | 56,069.23 |
| 2015 MCIA Bonds | 12/23/2015 | 7 Days | Var. | <u>3,775,000.00</u> | <u>2,753.91</u> |
| | | | | <u>\$ 11,190,600.43</u> | <u>97,533.87</u> |
| <u>Bond Anticipation Notes</u> | | | | | |
| 2013-07 | 11/24/2015 | 36 days | 1.00% | \$ 500,000.00 | 500.00 |
| 2013-14 | 11/24/2015 | 36 days | 1.00% | <u>205,440.00</u> | <u>205.44</u> |
| | | | | <u>\$ 705,440.00</u> | <u>705.44</u> |
| | | | | | <u>\$ 98,239.31</u> |

UTILITY CAPITAL FUNDS - COMBINED STATEMENTS

PARKING UTILITY CAPITAL FUND

BOROUGH OF RED BANK
PARKING UTILITY CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Balance December 31, 2014 | Receipts | | Disbursements | | Transfer | | Balance December 31, 2015 |
|--|---------------------------------|---|-----------|-------------------------------|-----------|---------------|---------------|---------------------------------|
| | | Bond Proceeds | Other | Improvement Authorizations | Other | To | From | |
| Fund Balance | \$ 7.98 | | | | | | | \$ 7.98 |
| Due to (from) Parking Utility Operating Fund | (2.01) | | \$ 379.47 | | \$ 356.62 | \$ 874.12 | | 894.96 |
| Capital Improvement Fund | 3,400.00 | | | | | | | 3,400.00 |
| Reserve for Payment of Bonds | | \$ 4,512.00 | | | | | | 4,512.00 |
| Reserve for Encumbrances | | | | | | 221,092.80 | | 221,092.80 |
| Improvement Authorizations: | | | | | | | | |
| Ordinance <u>Number</u> | | <u>Description</u> | | | | | | |
| 12-09 | | Acquisition and Installation of Parking Pay Stations | | \$ 141,212.11 | | | | 23,070.72 |
| 15-09 | | Various Parking Utility Improvements | | 768.00 | | | \$ 221,966.92 | 77,265.08 |
| | \$ 167,688.80 | \$ 304,512.00 | \$ 379.47 | \$ 141,980.11 | \$ 356.62 | \$ 221,966.92 | \$ 221,966.92 | \$ 330,243.54 |

BOROUGH OF RED BANK
PARKING UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| <u>Ordinance Number</u> | <u>Description</u> | <u>Ordinance Date</u> | <u>Ordinance Amount</u> | <u>Balance December 31, 2014</u> | <u>2015 Authorization</u> | <u>Transferred to Fixed Capital</u> | <u>Balance December 31, 2015</u> |
|-----------------------------|--|---------------------------|-----------------------------|--|-------------------------------|---|--|
| 12-09 | Acquisition and Installation Parking Pay Stations | 5/23/2012 | \$ 350,000.00 | \$ 350,000.00 | | \$ 326,929.28 | \$ 23,070.72 |
| 15-09 | Various Parking Utility Improvements | 4/8/2015 | 300,000.00 | | \$ 300,000.00 | | 300,000.00 |
| | | | | \$ 350,000.00 | \$ 300,000.00 | \$ 326,929.28 | \$ 323,070.72 |

BOROUGH OF RED BANK
PARKING UTILITY CAPITAL FUND
STATEMENT OF SERIAL BONDS

| Purpose | Original Issue | | Maturities of Bonds Outstanding December 31, 2015 | | | Interest Rate | Increase | Balance December 31, 2015 |
|------------------------------|----------------|---------------|---|--------------|--------|------------------|---------------|---------------------------------|
| | Date | Amount | Date | Amount | | | | |
| | | | | | | | | |
| MCIA - Parking Utility Bonds | 12/23/2015 | \$ 280,000.00 | 2016 | \$ 10,000.00 | 2.000% | \$ 280,000.00 | \$ 280,000.00 | |
| | | | 2017 | 10,000.00 | 4.000% | | | |
| | | | 2018 | 10,000.00 | 5.000% | | | |
| | | | 2019 | 10,000.00 | 5.000% | | | |
| | | | 2020 | 10,000.00 | 5.000% | | | |
| | | | 2021 | 10,000.00 | 5.000% | | | |
| | | | 2022 | 10,000.00 | 5.000% | | | |
| | | | 2023 | 10,000.00 | 5.000% | | | |
| | | | 2024 | 15,000.00 | 5.000% | | | |
| | | | 2025 | 15,000.00 | 5.000% | | | |
| | | | 2026 | 15,000.00 | 5.000% | | | |
| | | | 2027 | 15,000.00 | 5.000% | | | |
| | | | 2028 | 15,000.00 | 5.000% | | | |
| | | | 2029 | 15,000.00 | 5.000% | | | |
| | | | 2030 | 15,000.00 | 3.500% | | | |
| | | | 2031 | 15,000.00 | 3.500% | | | |
| | | | 2032 | 20,000.00 | 3.500% | | | |
| | | | 2033 | 20,000.00 | 3.500% | | | |
| | | | 2034 | 20,000.00 | 3.500% | | | |
| | | | 2035 | 20,000.00 | 3.500% | | | |
| | | | | | | \$ 280,000.00 | \$ 280,000.00 | |

BOROUGH OF RED BANK
PARKING UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

| <u>Ordinance Number</u> | <u>Description</u> | <u>Ordinance</u> | | <u>Balance</u> <u>December 31,</u> <u>2014</u> <u>Funded</u> | <u>2015</u> <u>Authorizations</u> | <u>Paid or</u> <u>Charged</u> | <u>Balance</u> <u>December 31,</u> <u>2015</u> <u>Funded</u> |
|-----------------------------|--|------------------|---------------|---|--------------------------------------|----------------------------------|---|
| | | <u>Date</u> | <u>Amount</u> | | | | |
| 12-09 | Acquisition and Installation Parking Pay Stations | 5/23/2012 | \$ 350,000.00 | \$ 164,282.83 | | \$ 141,212.11 | \$ 23,070.72 |
| 15-09 | Various Parking Utility Improvements | 4/8/2015 | 300,000.00 | | \$ 300,000.00 | 222,734.92 | 77,265.08 |
| | | | | \$ 164,282.83 | \$ 300,000.00 | \$ 363,947.03 | \$ 100,335.80 |

BOROUGH OF RED BANK
PARKING UTILITY CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>December 31, 2014</u> | <u>2015 Authorization</u> | <u>Serial Bonds Issued</u> | <u>Cancelled</u> | <u>December 31, 2015</u> |
|-----------------------------|--------------------------------------|------------------------------|-------------------------------|------------------------------------|------------------|------------------------------|
| 15-09 | Various Parking Utility Improvements | \$ _____ | \$ 300,000.00 | \$ 280,000.00 | \$ 20,000.00 | \$ _____ |
| | | \$ _____ | \$ 300,000.00 | \$ 280,000.00 | \$ 20,000.00 | \$ _____ |

WATER-SEWER UTILITY CAPITAL FUND

BOROUGH OF RED BANK
WATER-SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS

| | | Receipts | | | Disbursements | | | Transfer | | Balance |
|--|---|------------------|---------------------------------------|-------------------|-------------------------------|---------------|-------------------------------|-----------------|-----------------|----------------------|
| | Balance December 31, 2014 | Bond Proceeds | Bond Anticipation Note Proceeds | Other Receipts | Improvement Authorizations | Other | Bond Anticipation Notes | To | From | December 31, 2015 |
| Due to (from) Water-Sewer Utility Operating Fund | \$ (199.00) | | | \$ 199.00 | | | | | | |
| Capital Improvement Fund | 10,574.00 | | | | | | | | | |
| Reserve for Payment of Bonds | 111,096.77 | \$ 11,212.58 | | | | | | \$ 80,853.16 | \$ 7,500.00 | \$ 3,074.00 |
| Reserve for Encumbrances | 452,605.45 | | | | | \$ 456,709.43 | | 1,086,365.95 | 26,256.37 | 203,162.51 |
| Reserve for Preliminary Costs - Well | | | | | | | | 7,500.00 | 7,500.00 | 1,056,005.60 |
| Fund Balance | 15,376.22 | | | | | | | | | 15,376.22 |
| Improvement Authorizations: | | | | | | | | | | |
| Ordinance Number | Description | | | | | | | | | |
| 35-04/ 23-05 | Reconstruction of the Sewer Main Along Maple Ave. | 85,232.79 | | | \$ 400.00 | | | | | 84,832.79 |
| 9-06 | Repair and Replacement of Sewer Lines and Hydrant Installation | 9,713.92 | | | | | | 273.03 | 9,986.95 | |
| 23-07 | Various 2007 Capital Improvements | 49,823.36 | | | | | | | 49,823.36 | |
| 08-24/09-04 09-24 | Various 2008 Capital Improvements | 289,773.00 | \$ 289,773.00 | | 88,851.30 | | \$ 289,773.00 | | 200,521.00 | 400.70 |
| 10-09 | Various 2010 Capital Improvements | 21,042.85 | | | | | | | 21,042.85 | |
| 11-02/14-16 | Various 2011 Capital Improvements | 54,798.02 | | | | | | 9,000.00 | 54,798.02 | 9,000.00 |
| 11-07 | Various 2011 Drainage Improvements | 6,475.34 | | | | | | 4,626.00 | | 11,101.34 |
| 13-07 | Lake Avenue Water Utility Improvements | 124,701.66 | 500,000.00 | 500,000.00 | | | 500,000.00 | 6,286.64 | | 630,988.30 |
| 13-14 | Various 2013 Capital Improvements | 199,344.00 | 335,440.00 | 205,440.00 | 21,466.71 | | 205,440.00 | | | 513,317.29 |
| 14-03/15-11 | Various 2014 Capital Improvements | 1,530,992.62 | 2,208,000.00 | 2,208,000.00 | 79,510.43 | | 4,416,000.00 | 6,070.70 | 505,690.33 | 951,862.56 |
| 15-10 | Various 2015 Improvements | 877,000.00 | 877,000.00 | | 466,542.72 | | 877,000.00 | | 317,856.60 | 92,600.68 |
| | \$ 2,671,578.00 | \$ 4,221,425.58 | \$ 4,080,213.00 | \$ 199.00 | \$ 656,771.16 | \$ 456,709.43 | \$ 6,288,213.00 | \$ 1,200,975.48 | \$ 1,200,975.48 | \$ 3,571,721.99 |

BOROUGH OF RED BANK
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| <u>Ordinance Number</u> | <u>Description</u> | <u>Ordinance Date</u> | <u>Ordinance Amount</u> | <u>Balance December 31, 2014</u> | <u>2015 Authorization</u> | <u>Transferred to Fixed Capital</u> | <u>Canceled</u> | <u>Balance December 31, 2015</u> |
|-----------------------------|---|---------------------------|-------------------------------|--|-------------------------------|---|---------------------|--|
| 35-04/ 23-05 | Reconstruction of the Sewer Main Along Maple Ave. | 9/28/2004, 5/23/2005 | \$ 1,000,000.00 945,000.00 | \$ 1,945,000.00 | | | | \$ 1,945,000.00 |
| 09-06 | Repair and Replacement of Sewer Lines and Hydrant Installation | 3/13/2006 | 250,000.00 | 250,000.00 | | \$ 240,013.05 | \$ 9,986.95 | |
| 10-06 | Various Facility Improvements | 3/13/2006 | 2,425,000.00 | 2,425,000.00 | | | | 2,425,000.00 |
| 23-07 | Various 2007 Capital Improvements | 5/29/2007 | 400,000.00 | 400,000.00 | | 350,176.64 | 49,823.36 | |
| 24-08/04-09 24-09 | Various 2008 Capital Improvements | 9/22/2008 | 675,000.00 | 3,156,503.00 | | | | 3,156,503.00 |
| 10-09 | Various 2010 Capital Improvements | 2/22/2010 | 477,900.00 | 477,900.00 | | 455,957.15 | 21,942.85 | |
| 10-39 | Septic Tank 2010 Improvements | 12/8/2010 | 42,426.00 | 36,821.80 | | | | 36,821.80 |
| 11-02 | Various 2011 Capital Improvements | 2/28/2011 | 1,846,000.00 | 1,846,000.00 | | | | 1,846,000.00 |
| 11-07 | Various 2011 Sewer and Drainage Improvements | 5/25/2011 | 189,168.00 | 189,168.00 | | | | 189,168.00 |
| 13-07 | Lake Avenue Capital Improvements | 6/12/2013 | 500,000.00 | 500,000.00 | | | | 500,000.00 |
| 13-14/15-11 | Various Water Utility Improvements | 7/10/2013 4/22/2015 | 205,440.00 130,000.00 | 205,440.00 | \$ 130,000.00 | | | 335,440.00 |
| 14-03 | Various 2014 Capital Improvements | 2/12/2014 | 2,208,000.00 | 2,208,000.00 | | | | 2,208,000.00 |
| 15-10 | Various 2015 Improvements | 4/22/2015 | 877,000.00 | | 877,000.00 | | | 877,000.00 |
| | | | | <u>\$ 13,639,832.80</u> | <u>\$ 1,007,000.00</u> | <u>\$ 1,046,146.84</u> | <u>\$ 81,753.16</u> | <u>\$ 13,518,932.80</u> |

BOROUGH OF RED BANK
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF SERIAL BONDS

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding December 31, 2015 | | Interest Rate | Balance December 31, 2014 | Increased | Decreased | | Balance December 31, 2015 |
|-------------------|---------------|--------------------------|--|--|--|---------------------------|-----------|-----------------|---------------|---------------------------|
| | | | Date | Amount | | | | Refunded | Disbursed | |
| Water-Sewer Bonds | 6/15/2004 | \$ 2,780,000.00 | 2016 2017 | \$ 275,000.00 280,000.00 | 4.125% 4.250% | \$ 805,000.00 | | | \$ 250,000.00 | \$ 555,000.00 |
| Water-Sewer Bonds | 7/15/2007 | 6,385,000.00 | 2016 | 455,000.00 | 4.250% | 4,090,000.00 | | \$ 3,200,000.00 | 435,000.00 | 455,000.00 |
| NJEIT Trust Bonds | 11/23/09 | 680,000.00 | 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 | 30,000.00 30,000.00 30,000.00 35,000.00 35,000.00 35,000.00 40,000.00 40,000.00 40,000.00 45,000.00 45,000.00 45,000.00 50,000.00 50,000.00 | 5.000% 5.000% 5.000% 4.000% 4.000% 4.000% 3.500% 4.000% 4.000% 3.750% 4.000% 4.000% 4.000% 4.000% | 580,000.00 | | | 30,000.00 | 550,000.00 |
| NJEIT Fund Loan | 11/23/09 | \$ 2,040,227.00 | 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 | 34,580.13 34,580.13 34,580.13 34,580.13 34,580.13 34,580.13 34,580.13 34,580.13 34,580.13 34,580.13 34,580.13 34,580.13 34,580.13 34,580.24 | 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% | 518,702.06 | | | 34,580.13 | 484,121.93 |

BOROUGH OF RED BANK
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF SERIAL BONDS

| Purpose | Date of Issue | Amount of Original Issue | Maturities of Bonds Outstanding December 31, 2015 | | Interest Rate | Balance December 31, 2014 | Increased | Decreased | | Balance December 31, 2015 |
|--|---------------|--------------------------|---|---------------|---------------|---------------------------|-----------------|-----------------|---------------|---------------------------|
| | | | Date | Amount | | | | Refunded | Disbursed | |
| Water-Sewer Bonds | 11/1/2012 | \$ 2,662,000.00 | 2016 | \$ 135,000.00 | 2.000% | \$ 2,412,000.00 | | | \$ 125,000.00 | \$ 2,287,000.00 |
| | | | 2017 | 140,000.00 | 2.000% | | | | | |
| | | | 2018 | 150,000.00 | 2.000% | | | | | |
| | | | 2019 | 155,000.00 | 2.000% | | | | | |
| | | | 2020 | 165,000.00 | 2.000% | | | | | |
| | | | 2021 | 180,000.00 | 2.000% | | | | | |
| | | | 2022 | 195,000.00 | 2.000% | | | | | |
| | | | 2023 | 215,000.00 | 2.000% | | | | | |
| | | | 2024 | 230,000.00 | 2.000% | | | | | |
| | | | 2025 | 235,000.00 | 2.000% | | | | | |
| | | | 2026 | 235,000.00 | 2.100% | | | | | |
| | | | 2027 | 252,000.00 | 2.100% | | | | | |
| | | | MCIA Water-Sewer Bonds | 12/23/2015 | 3,775,000.00 | | 2016 | 130,000.00 | | |
| 2017 | 130,000.00 | 4.000% | | | | | | | | |
| 2018 | 130,000.00 | 5.000% | | | | | | | | |
| 2019 | 130,000.00 | 5.000% | | | | | | | | |
| 2020 | 140,000.00 | 5.000% | | | | | | | | |
| 2021 | 145,000.00 | 5.000% | | | | | | | | |
| 2022 | 155,000.00 | 5.000% | | | | | | | | |
| 2023 | 165,000.00 | 5.000% | | | | | | | | |
| 2024 | 170,000.00 | 5.000% | | | | | | | | |
| 2025 | 180,000.00 | 5.000% | | | | | | | | |
| 2026 | 190,000.00 | 5.000% | | | | | | | | |
| 2027 | 200,000.00 | 5.000% | | | | | | | | |
| 2028 | 210,000.00 | 5.000% | | | | | | | | |
| 2029 | 220,000.00 | 5.000% | | | | | | | | |
| 2030 | 230,000.00 | 3.500% | | | | | | | | |
| 2031 | 235,000.00 | 3.500% | | | | | | | | |
| 2032 | 245,000.00 | 3.500% | | | | | | | | |
| 2033 | 250,000.00 | 3.500% | | | | | | | | |
| 2034 | 260,000.00 | 3.500% | | | | | | | | |
| 2035 | 260,000.00 | 3.500% | | | | | | | | |
| MCIA Water-Sewer Bonds Refunding Bonds | 06/25/2015 | 3,084,478.50 | 2017 | 448,247.50 | 4.000% | | 3,084,478.50 | | | 3,084,478.50 |
| | | | 2018 | 471,231.00 | 4.000% | | | | | |
| | | | 2019 | 525,000.00 | 5.000% | | | | | |
| | | | 2020 | 535,000.00 | 5.000% | | | | | |
| | | | 2021 | 550,000.00 | 4.000% | | | | | |
| | | | 2022 | 555,000.00 | 5.000% | | | | | |
| | | | | | | \$ 8,405,702.06 | \$ 6,859,478.50 | \$ 3,200,000.00 | \$ 874,580.13 | \$ 11,190,600.43 |

BOROUGH OF RED BANK
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Date of Issue of Original Note</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance December 31, 2014</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance December 31, 2015</u> |
|-----------------------------|--|---|--------------------------|-----------------------------|--------------------------|--|------------------------|------------------------|--|
| 13-07 | Various Water Utility Improvements | 11/26/2013 | 11/24/2014 | 11/24/2015 | 0.60% | \$ 500,000.00 | | \$ 500,000.00 | |
| 13-14 | Various Water and Sewer Utility Improvements | 11/26/2013 | 11/24/2014 | 11/24/2015 | 0.60% | 205,440.00 | \$ 500,000.00 | 205,440.00 | \$ 500,000.00 |
| | | | 11/24/2015 | 01/7/2016 | 1.00% | | 205,440.00 | | 205,440.00 |
| 14-03/15-11 | Various Water and Sewer Utility Improvements | 5/22/2014 | 5/22/2014 | 5/21/2015 | 1.00% | 2,208,000.00 | | 2,208,000.00 | |
| | | | 5/21/2015 | 12/30/2015 | 0.50% | | 2,208,000.00 | 2,208,000.00 | |
| | | | 5/21/2015 | 12/30/2015 | 0.50% | | 130,000.00 | 130,000.00 | |
| 15-10 | Various Water and Sewer Utility Improvements | 5/21/2015 | 5/21/2015 | 12/30/2015 | 0.50% | | 877,000.00 | 877,000.00 | |
| 08-24/09-04/ 09-24 | Various 2008 Water/Sewer Improvements | 5/21/2015 | 5/21/2015 | 12/30/2015 | 0.50% | | 289,773.00 | 289,773.00 | |
| | | | | | | <u>\$ 2,913,440.00</u> | <u>\$ 4,210,213.00</u> | <u>\$ 6,418,213.00</u> | <u>\$ 705,440.00</u> |

BOROUGH OF RED BANK
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

| Ordinance Number | Description | Ordinance | | Balance December 31, 2014 | | 2015 Authorizations Deferred Charges to Future Revenue | Improvement Authorization Cancelled | Encumbrance Cancelled | Paid or Charged | Balance December 31, 2015 Funded |
|-----------------------|---|----------------------------------|-------------------------------|---------------------------------|-----------------|--|---|--------------------------|--------------------|---|
| | | Date | Amount | Funded | Unfunded | | | | | |
| 35-04/ 23-05/18-08 | Reconstruction of the Sewer Main Along Maple Ave. | 9/28/2004, 5/23/2005, 8/11/08 | \$ 1,000,000.00 945,000.00 | \$ 85,232.79 | | | | | \$ 400.00 | \$ 84,832.79 |
| 9-06 | Repair and Replacement of Sewer Lines and Hydrant Installation | 3/13/2006 | 250,000.00 | 9,713.92 | | | \$ 9,986.95 | \$ 273.03 | | |
| 23-07 | Various 2007 Capital Improvements | 2007 | 400,000.00 | 49,823.36 | | | 49,823.36 | | | |
| 24-08/4-09/ 24-09 | Various 2008 Capital Improvements | 9/22/2008, 2/23/2009 | 3,291,000.00 | | \$ 289,773.00 | | | | 289,372.30 | 400.70 |
| 10-09 | Various 2010 Capital Improvements | 2010 | 477,900.00 | 21,042.85 | 900.00 | | 21,942.85 | | | |
| 11-02 | Various 2011 Capital Improvements | 2/28/2011 | 1,846,000.00 | 54,798.02 | | | | 9,000.00 | 54,798.02 | 9,000.00 |
| 11-07 | Various 2011 Drainage Improvements | 5/25/2011 | 189,168.00 | 6,475.34 | | | | 4,626.00 | | 11,101.34 |
| 13-07 | Lake Avenue Water Utility Improvements | 6/12/2013 | 500,000.00 | | 124,701.66 | | | 6,286.64 | | 130,988.30 |
| 13-14/15-11 | Various 2013 Capital Improvements | 7/10/2013 | 335,440.00 | | 199,344.00 | \$ 130,000.00 | | | 21,466.71 | 307,877.29 |
| 14-03 | Various 2014 Capital Improvements | 2/12/2014 | 2,208,000.00 | | 1,530,992.62 | | | 6,070.70 | 585,200.76 | 951,862.56 |
| 15-10 | Various 2015 Capital Improvements | 4/22/2015 | 877,000.00 | | | 877,000.00 | | | 784,399.32 | 92,600.68 |
| | | | | \$ 227,086.28 | \$ 2,145,711.28 | \$ 1,007,000.00 | \$ 81,753.16 | \$ 26,256.37 | \$ 1,735,637.11 | \$ 1,588,663.66 |

BOROUGH OF RED BANK
WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Balance December 31, 2014</u> | <u>2015 Authorizations</u> | <u>Serial Bonds Issued</u> | <u>Cancelled</u> | <u>Balance December 31, 2015</u> |
|-----------------------------|--|--|--------------------------------|------------------------------------|------------------|--|
| 08-24/09-04/ 09-24 | Various 2008 Water/Sewer Improvements | \$ 289,773.00 | | \$ 289,773.00 | | |
| 10-09 | Various 2010 Capital Improvements | 900.00 | | | \$ 900.00 | \$ |
| 14-03/15-11 | Various 2014 Capital Improvements | | \$ 130,000.00 | 130,000.00 | | |
| 15-10 | Various 2015 Improvements | | 877,000.00 | 877,000.00 | | |
| | | <u>\$ 290,673.00</u> | <u>\$ 1,007,000.00</u> | <u>\$ 1,296,773.00</u> | <u>\$ 900.00</u> | <u>\$</u> |

OTHER INFORMATION (UNAUDITED)
STATISTICAL SECTION

BOROUGH OF RED BANK
CURRENT FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)
UNAUDITED

| Function | Fiscal Year | | | | | | | | | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| General Government | \$ 2,397,148.07 | \$ 2,662,953.09 | \$ 2,804,750.00 | \$ 2,328,283.48 | \$ 2,161,681.00 | \$ 2,123,121.12 | \$ 2,180,278.07 | \$ 2,262,928.67 | \$ 2,457,480.41 | \$ 2,432,221.89 |
| Land Use Administration | 218,700.00 | 223,748.00 | 195,700.00 | 189,950.00 | 202,780.00 | 174,715.71 | 184,325.66 | 181,800.00 | 198,000.00 | 179,700.00 |
| Insurance | 3,508,970.00 | 3,554,000.00 | 3,332,244.00 | 3,204,450.00 | 2,847,507.00 | 2,694,906.31 | 2,428,157.75 | 2,480,500.00 | 2,340,000.00 | 2,179,000.00 |
| Public Safety | 5,544,330.00 | 5,323,585.00 | 5,340,060.00 | 5,229,944.00 | 5,025,595.00 | 5,087,993.00 | 5,038,821.00 | 4,841,439.18 | 4,737,600.00 | 4,248,400.00 |
| Public Works | 1,851,225.43 | 1,649,714.70 | 1,480,180.00 | 1,977,600.00 | 1,514,180.00 | 1,315,445.00 | 1,304,440.00 | 1,406,526.00 | 1,381,380.00 | 1,251,000.00 |
| Landfill/Solid Waste Disposal Costs | 384,000.00 | 380,000.00 | 390,000.00 | 359,200.00 | 329,200.00 | 359,200.00 | 455,000.00 | 525,000.00 | 580,000.00 | 580,000.00 |
| Health and Welfare | 243,795.00 | 239,882.00 | 232,250.00 | 218,175.00 | 212,240.00 | 192,325.00 | 238,641.00 | 217,886.01 | 198,065.99 | 134,500.00 |
| Parks and Recreation | 269,150.00 | 450,608.00 | 454,325.00 | 465,225.00 | 435,215.00 | 441,105.00 | 469,293.75 | 454,007.00 | 445,734.00 | 399,500.00 |
| Utility Expenses and Bulk Purchases | 600,000.00 | 574,200.00 | 599,000.00 | 625,000.00 | 629,700.00 | 630,000.00 | 675,000.00 | 657,773.82 | 587,000.00 | 545,000.00 |
| Uniform Construction Code | 403,365.00 | 380,485.00 | 347,104.00 | 286,170.00 | 317,340.00 | 280,610.00 | 335,375.00 | 295,210.00 | 283,100.00 | 345,150.00 |
| Contingent and Celebration | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 500.00 | 500.00 | 1,425.00 | 1,500.00 | 2,200.00 | 2,200.00 |
| Deferred Charges and Statutory Expenditures | 2,357,645.00 | 1,916,707.30 | 1,825,162.55 | 1,786,264.92 | 2,025,688.00 | 1,627,095.41 | 1,584,141.19 | 1,241,060.73 | 723,089.96 | 843,456.08 |
| State and Federal Grants | 281,838.55 | 127,938.44 | 167,363.79 | 198,239.69 | 255,784.84 | 157,183.89 | 222,406.13 | 190,977.13 | 2,568,346.04 | 106,464.97 |
| Tax Appeals/Judgements | 50,000.00 | 860,000.00 | 25,000.00 | 25,000.00 | | | | 66,603.84 | | |
| Capital Improvements | 112,500.00 | 79,800.00 | 150,000.00 | 100,000.00 | 50,000.00 | 50,000.00 | 80,000.00 | 30,000.00 | 60,000.00 | 140,000.00 |
| Debt Service | 2,344,222.00 | 2,807,936.94 | 3,255,763.00 | 3,185,524.00 | 3,139,173.50 | 3,215,777.69 | 3,289,398.51 | 3,484,439.00 | 2,787,078.37 | 2,771,891.56 |
| Reserve for Sick/Severance Pay | | | | | 15,000.00 | 823,383.04 | 80,059.00 | 35,956.88 | 50,000.00 | 100,000.00 |
| Reserve for Uncollected Taxes | 1,101,769.83 | 1,002,969.39 | 1,031,247.44 | 997,003.70 | 980,170.85 | 948,926.66 | 1,004,998.61 | 870,673.81 | 861,775.24 | 50,000.00 |
| | <u>\$ 21,669,658.88</u> | <u>\$ 22,235,527.86</u> | <u>\$ 21,631,149.78</u> | <u>\$ 21,177,029.79</u> | <u>\$ 20,141,755.19</u> | <u>\$ 20,122,287.83</u> | <u>\$ 19,571,760.67</u> | <u>\$ 19,244,282.07</u> | <u>\$ 20,260,850.01</u> | <u>\$ 16,308,484.50</u> |

Appropriations divided between inside "CAPS" and outside "CAPS" have been combined.

BOROUGH OF RED BANK
PARKING UTILITY OPERATING FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)
UNAUDITED

Exhibit H-2

| <u>Function</u> | <u>Fiscal Year</u> | | | | | | | | | |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|----------------------|
| | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
| Operating | \$ 858,500.00 | \$ 897,833.00 | \$ 731,200.00 | \$ 662,500.00 | \$ 487,700.00 | \$ 635,012.00 | \$ 729,100.00 | \$ 792,234.00 | \$ 791,480.00 | \$ 723,500.00 |
| Debt Service | | | 62,250.00 | 107,500.00 | 114,200.00 | 187,578.00 | 189,700.00 | 245,766.00 | 247,118.75 | 243,459.18 |
| Deferred Charges and Statutory Expenditures | 50,155.00 | 78,000.00 | 58,000.00 | 55,000.00 | 56,000.00 | 56,000.00 | 62,000.00 | 47,000.00 | 47,000.00 | 29,586.25 |
| Surplus (General Budget) | <u>552,667.00</u> | <u>552,667.00</u> | <u>680,000.00</u> | <u>655,000.00</u> | <u>655,000.00</u> | <u>656,410.00</u> | <u>135,000.00</u> | <u>100,000.00</u> | | |
| | <u>\$ 1,461,322.00</u> | <u>\$ 1,528,500.00</u> | <u>\$ 1,531,450.00</u> | <u>\$ 1,480,000.00</u> | <u>\$ 1,312,900.00</u> | <u>\$ 1,535,000.00</u> | <u>\$ 1,115,800.00</u> | <u>\$ 1,185,000.00</u> | <u>\$ 1,085,598.75</u> | <u>\$ 996,545.43</u> |

BOROUGH OF RED BANK
WATER-SEWER UTILITY OPERATING FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)
UNAUDITED

| Function | Fiscal Year | | | | | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| Operating | \$ 4,911,417.00 | \$ 5,021,184.00 | \$ 4,751,656.00 | \$ 4,816,919.87 | \$ 4,171,600.78 | \$ 4,193,201.00 | \$ 4,608,176.00 | \$ 4,906,532.05 | \$ 5,082,104.62 | \$ 4,523,807.89 |
| Capital Improvements | 30,000.00 | 17,000.00 | | | 10,000.00 | 17,500.00 | 155,000.00 | | | |
| Debt Service | 1,162,566.00 | 1,106,129.00 | 1,236,000.00 | 1,079,080.13 | 1,051,122.64 | 1,000,827.42 | 929,000.00 | 1,193,645.00 | 898,554.38 | 726,064.25 |
| Deferred Charges and Statutory Expenditures | 172,825.00 | 181,000.00 | 124,000.00 | 123,500.00 | 115,000.00 | 125,000.00 | 128,024.00 | 279,259.40 | 122,307.04 | 145,984.36 |
| Surplus (General Budget) | 500,000.00 | 500,000.00 | 950,000.00 | 990,000.00 | 990,000.00 | 993,720.00 | 355,000.00 | 200,000.00 | 286,000.00 | |
| | <u>\$ 6,776,808.00</u> | <u>\$ 6,825,313.00</u> | <u>\$ 7,061,656.00</u> | <u>\$ 7,009,500.00</u> | <u>\$ 6,337,723.42</u> | <u>\$ 6,330,248.42</u> | <u>\$ 6,175,200.00</u> | <u>\$ 6,579,436.45</u> | <u>\$ 6,388,966.04</u> | <u>\$ 5,395,856.50</u> |

BOROUGH OF RED BANK
CURRENT FUND REVENUES BY SOURCE
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)
UNAUDITED

Exhibit H-4

| Source | Fiscal Year | | | | | | | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| Fund Balance Anticipated | \$ 1,360,000.00 | \$ 1,000,000.00 | \$ 500,000.00 | \$ 500,000.00 | \$ 250,000.00 | \$ 350,000.00 | \$ 1,255,000.00 | \$ 1,300,000.00 | \$ 1,300,000.00 | \$ 1,185,769.05 |
| Taxes (1) | 12,528,005.26 | 12,007,909.12 | 12,405,394.67 | 11,361,405.10 | 11,450,687.64 | 10,525,142.55 | 10,736,805.17 | 10,344,639.22 | 8,663,680.47 | 7,760,128.96 |
| Delinquent Taxes | 957,028.92 | 891,330.69 | 861,867.45 | 1,024,210.42 | 1,133,337.42 | 849,803.52 | 965,911.37 | 962,570.81 | 728,820.90 | 678,059.56 |
| Miscellaneous Revenues | 5,915,225.57 | 4,697,612.56 | 5,697,166.39 | 5,290,724.41 | 5,202,032.25 | 5,089,249.34 | 3,808,198.06 | 3,794,444.35 | 4,227,425.27 | 4,148,567.70 |
| State Aid | 2,011,681.00 | 2,011,681.00 | 2,011,681.00 | 2,011,681.00 | 2,011,681.00 | 2,011,681.00 | 2,528,825.00 | 2,943,666.00 | 2,770,744.00 | 2,843,480.00 |
| Federal and State Grants/Interlocal | 95,425.55 | 127,938.44 | 167,363.79 | 198,239.69 | 255,784.84 | 157,183.89 | 222,406.13 | 190,977.13 | 2,568,346.04 | 106,464.97 |
| Non-budget Revenues and Other Items | 435,184.54 | 471,358.83 | 333,539.04 | 900,538.90 | 668,458.19 | 432,182.79 | 401,065.00 | 692,422.65 | 667,064.74 | 464,533.37 |
| | <u>\$ 23,302,550.84</u> | <u>\$ 21,207,830.64</u> | <u>\$ 21,977,012.34</u> | <u>\$ 21,286,799.52</u> | <u>\$ 20,971,981.34</u> | <u>\$ 19,415,243.09</u> | <u>\$ 19,918,210.73</u> | <u>\$ 20,228,720.16</u> | <u>\$ 20,926,081.42</u> | <u>\$ 17,187,003.61</u> |

(1) Excludes tax allocated to county, school and special improvement district.

BOROUGH OF RED BANK
PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUATION
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

| <u>Year</u> | <u>Borough</u> | <u>County</u> | <u>County Open Space Fund</u> | <u>District School</u> | <u>Regional High School</u> | <u>Total</u> | <u>Collection Rates Current</u> | <u>Delinquent Taxes as Percent of Levy</u> |
|-------------|----------------|---------------|---|----------------------------|-------------------------------------|--------------|---|--|
| 2015 | \$ 0.574 | \$ 0.253 | \$ 0.014 | \$ 0.770 | \$ 0.422 | \$ 2.033 | 98.42% | 1.58% |
| 2014 | 0.574 | 0.247 | 0.013 | 0.683 | 0.396 | 1.913 | 97.53% | 2.47% |
| 2013 | 0.555 | 0.242 | 0.013 | 0.616 | 0.384 | 1.810 | 97.82% | 2.38% |
| 2012 | 0.523 | 0.247 | 0.014 | 0.588 | 0.385 | 1.757 | 97.98% | 2.57% |
| 2011 | 0.509 | 0.242 | 0.015 | 0.569 | 0.377 | 1.712 | 97.29% | 2.79% |
| 2010 | 0.484 | 0.249 | 0.016 | 0.556 | 0.374 | 1.679 | 97.05% | 3.11% |
| 2009 | 0.462 | 0.238 | 0.016 | 0.530 | 0.367 | 1.613 | 98.16% | 2.44% |
| 2008 | 0.445 | 0.231 | 0.015 | 0.538 | 0.365 | 1.594 | 97.38% | 2.73% |
| 2007 * | 0.384 | 0.237 | 0.015 | 0.534 | 0.371 | 1.541 | 97.09% | 3.02% |
| 2006 | 0.836 | 0.528 | 0.030 | 1.200 | 0.834 | 3.428 | 97.99% | 2.12% |

Source: Tax Collector.

* Revaluation

BOROUGH OF RED BANK
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

| <u>Year Ended</u> <u>December 31,</u> | <u>Net</u> <u>Tax Levy</u> | <u>Current Tax</u> <u>Collections</u> | <u>Percentage</u> <u>of Collections</u> |
|--|-------------------------------|--|--|
| 2015 | \$ 42,937,339.49 | \$ 42,259,610.07 | 98.42% |
| 2014 | 42,013,718.04 | 40,977,050.91 | 97.53% |
| 2013 | 40,772,587.02 | 39,882,088.68 | 97.82% |
| 2012 | 39,463,704.02 | 38,668,937.34 | 97.98% |
| 2011 | 39,231,035.19 | 38,168,792.40 | 97.29% |
| 2010 | 38,537,727.81 | 37,404,390.39 | 97.05% |
| 2009 | 37,413,630.34 | 36,726,439.35 | 98.16% |
| 2008 | 37,210,091.47 | 36,238,095.23 | 97.38% |
| 2007 | 35,414,391.89 | 34,387,238.22 | 97.09% |
| 2006 | 34,148,086.45 | 33,462,074.21 | 97.99% |

BOROUGH OF RED BANK
DELINQUENT TAXES AND TAX TITLE LIENS
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

| <u>Year Ended</u> <u>December 31,</u> | <u>Amount of</u> <u>Tax Title Liens</u> | <u>Amount of</u> <u>Delinquent</u> <u>Taxes</u> | <u>Total</u> <u>Delinquent</u> | <u>Percentage</u> <u>of Tax Levy</u> |
|--|--|---|-----------------------------------|---|
| 2015 | \$ None | \$ 677,386.08 | \$ 677,386.08 | 1.58% |
| 2014 | 3,748.08 | 1,035,015.82 | 1,038,763.90 | 2.47% |
| 2013 | 2,096.77 | 968,907.91 | 971,004.68 | 2.38% |
| 2012 | 73,982.43 | 940,771.26 | 1,014,753.69 | 2.57% |
| 2011 | 34,978.22 | 1,041,029.66 | 1,076,007.88 | 2.79% |
| 2010 | 66,040.00 | 1,133,421.82 | 1,199,461.82 | 3.11% |
| 2009 | 53,963.78 | 859,076.05 | 913,039.83 | 2.44% |
| 2008 | 53,514.75 | 964,090.82 | 1,017,605.57 | 2.73% |
| 2007 | 45,541.00 | 1,022,711.47 | 1,068,252.47 | 3.02% |
| 2006 | 41,077.99 | 681,742.14 | 722,820.13 | 2.12% |

BOROUGH OF RED BANK
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

| <u>Year Ended</u> <u>December 31,</u> | <u>Aggregate</u> <u>Assessed</u> <u>Valuations</u> <u>of Real</u> <u>Property</u> | <u>Estimated</u> <u>Full Cash</u> <u>Valuations</u> | <u>Percentage of</u> <u>Net Assessed</u> <u>to Estimated</u> <u>Full Cash</u> <u>Valuations</u> |
|--|---|---|---|
| 2015 | \$ 2,075,371,065 | \$ 2,060,944,454 | 100.70% |
| 2014 | 2,185,727,921 | 2,029,271,118 | 107.71% |
| 2013 | 2,219,797,941 | 1,999,817,965 | 111.10% |
| 2012 | 2,236,728,471 | 2,002,801,281 | 111.68% |
| 2011 | 2,248,335,831 | 2,124,880,286 | 105.81% |
| 2010 | 2,259,382,600 | 2,213,778,758 | 102.06% |
| 2009 | 2,278,411,100 | 2,349,056,818 | 96.99% |
| 2008 | 2,271,728,671 | 2,361,292,466 | 96.49% |
| 2007 | * 2,238,531,929 | 2,274,699,653 | 98.41% |
| 2006 | 968,840,300 | 2,141,083,536 | 45.25% |

* Revaluation

Source: Table of Equalized Valuations, State of New Jersey, Division of Taxation.

BOROUGH OF RED BANK
SCHEDULE OF TEN LARGEST TAXPAYERS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015
UNAUDITED

| <u>Taxpayer</u> | <u>Assessed Value - 2014</u> | <u>As a Percent of Net Assessed Valuation Taxable</u> |
|-----------------|----------------------------------|---|
| #1 | \$ 31,419,500 | 1.51% |
| #2 | 33,307,800 | 1.60% |
| #3 | 25,120,200 | 1.21% |
| #4 | 24,830,700 | 1.20% |
| #5 | 19,706,000 | 0.95% |
| #6 | 16,202,500 | 0.78% |
| #7 | 12,819,300 | 0.62% |
| #8 | 10,506,700 | 0.51% |
| #9 | 9,983,800 | 0.48% |
| #10 | <u>9,942,300</u> | <u>0.48%</u> |
| | \$ <u><u>193,838,800</u></u> | <u><u>9.34%</u></u> |

Source: Red Bank Tax Assessor

BOROUGH OF RED BANK
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015
UNAUDITED

| | |
|---|----------------------------|
| Average Equalized Valuation | \$ <u>2,029,602,387.00</u> |
| Borrowing Margin - 3½% of Average Equalized Valuation | \$ 71,036,083.55 |
| Net Debt | <u>13,667,882.02</u> |
| Remaining Borrowing Power | \$ <u>57,368,201.53</u> |

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|---|-------------------------|----------------------------|-------------------------|
| Municipal Debt - Borough of Red Bank | \$ <u>28,341,079.61</u> | \$ <u>14,673,197.59</u> | \$ 13,667,882.02 |
| Overlapping Net Debt Apportioned to the Municipality: | | <u>Red Bank Allocation</u> | |
| County of Monmouth (1) | | 1.9370% | <u>8,468,383.80</u> |
| | | | \$ <u>22,136,265.82</u> |

Source: (1) County of Monmouth Annual Debt Statement
and Abstract of Ratables

BOROUGH OF RED BANK
RATIO OF BONDED DEBT, BOND ANTICIPATION NOTES AND
LOANS TO EQUALIZED VALUE AND DEBT PER CAPITA
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

| <u>Year Ended</u> <u>December 31,</u> | <u>Borough</u> <u>Population (1)</u> | <u>Equalized</u> <u>Valuation (2)</u> | <u>Net</u> <u>Debt (3)</u> | <u>Ratio of</u> <u>Net Debt to</u> <u>Equalized</u> <u>Valuation</u> | <u>Net</u> <u>Debt Per</u> <u>Capita</u> |
|--|---|--|-------------------------------|---|--|
| 2015 | 12,206 | \$ 2,061,518,094.00 | \$ 13,667,882.02 | 0.66% | \$ 1,119.77 |
| 2014 | 12,206 | 1,990,213,711.00 | 13,667,882.02 | 0.69% | 1,119.77 |
| 2013 | 12,206 | 1,999,817,964.86 | 12,035,249.50 | 0.60% | 986.01 |
| 2012 | 12,206 | 2,002,801,281.34 | 13,424,562.71 | 0.67% | 1,099.83 |
| 2011 | 12,206 | 2,124,880,286.00 | 12,089,612.19 | 0.57% | 990.46 |
| 2010 | 12,206 | 2,213,778,758.00 | 13,347,506.59 | 0.60% | 1,093.52 |
| 2009 | 11,844 | 2,339,711,542.00 | 14,015,208.71 | 0.60% | 1,183.32 |
| 2008 | 11,844 | 2,345,040,730.00 | 15,250,681.84 | 0.65% | 1,287.63 |
| 2007 | 11,844 | 2,264,471,395.00 | 17,214,453.79 | 0.76% | 1,453.43 |
| 2006 | 11,844 | 2,141,083,536.00 | 17,281,292.46 | 0.81% | 1,459.08 |

(1) U.S. Bureau of the Census Population Division

(2) Per the State of New Jersey only Real Property included.

(3) Per Annual Debt Statement or amendments thereto - includes Self-Liquidating Net Debt, if applicable.

BOROUGH OF RED BANK
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES (1)
FOR BONDED DEBT, BOND ANTICIPATION NOTES AND LOANS (2)
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

| <u>Year Ended</u> <u>December 31,</u> | <u>Bond</u> <u>and Note</u> <u>Principal</u> | <u>Interest</u> <u>on Bonds</u> <u>and Notes</u> | <u>Green</u> <u>Trust</u> <u>Loans</u> | <u>Capital</u> <u>Equipment</u> <u>Leases</u> | <u>Total</u> <u>Municipal</u> <u>Debt</u> <u>Service</u> | <u>Total</u> <u>Current Fund</u> <u>Governmental</u> <u>Fund Expenditures</u> | <u>Ratio of</u> <u>Debt Service to</u> <u>Current Fund</u> <u>Expenditures</u> |
|--|--|--|--|---|---|--|---|
| 2015 | \$ 1,303,000.00 | \$ 277,206.67 | \$ 73,343.82 | \$ 672,137.30 | \$ 2,325,687.79 | \$ 20,809,716.20 | 11.18% |
| 2014 | 1,585,000.00 | 335,882.31 | 135,716.94 | 749,588.61 | 2,806,187.86 | 21,119,401.70 | 13.29% |
| 2013 | 2,189,000.00 | 379,215.31 | 133,923.44 | 552,192.60 | 3,254,331.35 | 20,173,382.51 | 16.13% |
| 2012 | 1,742,000.00 | 374,339.53 | 133,923.47 | 934,065.10 | 3,184,328.10 | 20,279,322.55 | 15.70% |
| 2011 | 1,938,000.00 | 439,504.73 | 133,923.46 | 594,010.84 | 3,105,439.03 | 19,508,469.28 | 15.92% |
| 2010 | 1,947,000.00 | 481,076.79 | 148,040.27 | 486,475.58 | 3,062,592.64 | 19,130,821.58 | 16.01% |
| 2009 | 1,988,000.00 | 541,789.66 | 144,939.87 | 606,077.40 | 3,280,806.93 | 18,931,384.56 | 17.33% |
| 2008 | 1,919,000.00 | 632,492.86 | 144,939.88 | 638,812.12 | 3,335,244.86 | 18,556,622.68 | 17.97% |
| 2007 | 1,444,000.00 | 638,584.23 | 162,623.98 | 376,420.95 | 2,621,629.16 | 19,282,838.23 | 13.60% |
| 2006 | 1,400,000.00 | 477,521.60 | 163,594.83 | 717,603.70 | 2,758,720.13 | 15,536,461.33 | 17.76% |

(1) Actual Paid or Charged Amounts.

(2) Excludes Parking Utility, Water-Sewer Utility and Special Assessment Debt.

BOROUGH OF RED BANK
CALCULATION OF "SELF-LIQUIDATING PURPOSE" PER N.J.S. 40A:2-45
PARKING UTILITY OPERATING FUND
UNAUDITED

| | |
|--|-----------------|
| Cash Receipts from Parking Fees or Other Charges | \$ 1,531,506.51 |
|--|-----------------|

Deductions:

| | |
|--------------------------------|----------------------|
| Operating and Maintenance Cost | \$ <u>908,655.00</u> |
|--------------------------------|----------------------|

| | |
|------------------|-------------------|
| Total Deductions | <u>908,655.00</u> |
|------------------|-------------------|

| | |
|-------------------|-----------------------------|
| Excess in Revenue | \$ <u><u>622,851.51</u></u> |
|-------------------|-----------------------------|

BOROUGH OF RED BANK
CALCULATION OF "SELF-LIQUIDATING PURPOSE" PER N.J.S. 40A:2-45
WATER-SEWER UTILITY OPERATING FUND
UNAUDITED

| | | |
|---|---------------------|-----------------------------|
| Cash Receipts from Fees, Rents or Other Charges | | \$ 7,089,889.22 |
| Deductions: | | |
| Operating and Maintenance Cost | \$ 5,084,242.00 | |
| Debt Service | <u>1,057,870.44</u> | |
| Total Deductions | | <u>6,142,112.44</u> |
| Excess in Revenue | | \$ <u><u>947,776.78</u></u> |

Source: Annual Debt Statement

BOROUGH OF RED BANK
DEMOGRAPHIC STATISTICS
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

| <u>Year Ended</u> <u>December 31,</u> | <u>Unemployment</u> <u>Rate</u> |
|--|------------------------------------|
| 2015 | N/A |
| 2014 | 4.6% |
| 2013 | 5.8% |
| 2012 | 7.0% |
| 2011 | 10.3% |
| 2010 | 10.6% |
| 2009 | 10.6% |
| 2008 | 6.5% |
| 2007 | 3.7% |
| 2006 | 4.1% |

Source : NJ Department of Labor and Workforce Development Website.

N/A - Not Available

BOROUGH OF RED BANK
MISCELLANEOUS STATISTICS
DECEMBER 31, 2015
UNAUDITED

| | |
|--|------------------|
| Date of Incorporation | March 10, 1908 |
| Form of Government | Borough |
| Area | 1.8 square miles |
| Total Number of Employees (includes part-time) | 235 |

Source: Borough Records.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS DECEMBER 31, 2015

Contracts and Agreements Required To Be Advertised for N.J.S. 40A:11-4

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

If the purchasing agent is a qualified purchasing agent, the governing body of the contracting unit may establish that the bid threshold may be up to \$36,000.00 through June 30, 2015 and \$40,000.00 thereafter. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contract pursuant to this section. Under N.J.S.A. 40A:11-9(b) the Borough appointed their Administrator as their Qualified Purchasing Agent. Accordingly, the 2015 bid threshold was \$36,000.00 through June 30, 2015 and \$40,000.00 thereafter.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00/\$40,000.00 within the calendar year. When a question arises, the Borough Counsel'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 on a test basis did not reveal any individual payments, contracts or agreements in excess of \$36,000.00/\$40,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

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

Collection of Interest on Delinquent Taxes and Utility Charges

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes and assessments on or before the date when they would become delinquent. The Governing Body, in January 2015, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

RESOLVED, that in accordance with N.J.S. 54:4-67, as amended, the Tax Collector is hereby authorized and directed to charge eight percent (8%) per annum on the first

Collection of Interest on Delinquent Taxes and Utility Charges – (Continued)

\$1,500.00 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500.00 becoming delinquent after the due date, and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten-day grace period of quarterly tax payments made by cash, check or money order.

Water-Sewer Utility delinquencies are charged interest at the rate of one and one-half percent per month pursuant to New Jersey Statutes.

Our examination of the Tax Collector and Water-Sewer Utility Collector's records on a test basis, indicated that interest was collected in accordance with the foregoing resolutions and statutes.

Delinquent Taxes, Tax Title Liens and Delinquent Water-Sewer Rents and Liens

The detail of all unpaid taxes for 2015 and prior years and tax title liens is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2015 covering all unpaid charges on that date was verified with the accounting control figures shown in this report.

The 2015 tax sale was complete. Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

Except as noted below, the detail of all unpaid Water-Sewer rents for 2015 and prior years is being properly carried in the Water-Sewer Collector's records. An abstract taken from these records as at December 31, 2015, covering all unpaid charges on that date was verified with the accounting control figures shown in this report.

Finding: During our testing of Water-Sewer cash receipts, we noticed that approximately 70 accounts are set-up in the Borough's accounting software with an incorrect billing rate, according to the Borough's billing structure. We also noted water and sewer connection fees revenues decreased significantly, due in part to several omitted billings.

Recommendation: We recommend that the Borough institute a stronger review process over the water-sewer billing process to ensure that the correct fees are being charged to each customer.

Cash Balances

The cash balances in all funds were verified by independent certifications obtained from the depositories as at December 31, 2015. Supplemental bank reconciliations were reviewed as of March 31, 2016.

Cash counts were made at various dates in all departments of the Borough and bank balances were independently reconciled to the records or to such schedules of receipts and disbursements provided for audit.

The change funds and petty cash funds were counted.

Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were reconciled to the records maintained to the extent deemed necessary.

Expenditures

The vouchers for all funds were examined on a test basis to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute. Our examination of expenditures revealed the Borough was in compliance with the required procedures and requirements.

Payroll

An examination was made of the employees' compensation records for the year 2015 on a test basis to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance. Vouchers for overtime and part-time wages were checked. No exceptions were noted for those items tested.

The Borough uses an outside vendor for processing of both net pay and withholdings. A (SOC 1) Report on Internal Control of Service Organizations was on file.

Our examination of the payroll did not cover verification of the validity and reasonableness of the allocation of salaries for individuals whose job encompasses activities that relate to more than one of the Borough's Operating Funds or Departments. The allocation of salaries for individuals whose duties encompass more than one fund or appropriation is done at the sole discretion of the management of the Borough. It is proper and legal to allocate salaries amongst funds as long as the duties of the individuals relate to the costs charged to the fund or function.

Municipal Court

Finding: During our audit of the Municipal Court, we noted one instance where fees assessed by the judge were not entered correctly into the AOC system and the defendant was not appropriately charged for the violation.

Recommendation: We recommend that Municipal Court institute stronger controls over the recording of assessed fees.

Follow-up on Prior Year's Recommendations

In accordance with Government Auditing Standards, our procedures included a review of all prior year's recommendations including findings. A corrective action plan was adopted for 2014 audit recommendations. The corrective actions were effective but there is one repeated audit recommendation, as noted below.

Appreciation

We desire to express our appreciation for the cooperation received from the Borough Officials and employees and the courtesies extended to us during the course of the audit.

RECOMMENDATIONS

It is recommended:

- * 2015-1 The Borough institute a stronger review process over the water-sewer billing process to ensure that the correct fees are being charged to each customer.
- 2015-2 The Municipal Court institute stronger controls over the recording of assessed fees.

The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

* Repeated from 2014 Recommendation.