

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY**

YEAR ENDED DECEMBER 31, 2016

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COUNTY OF MONMOUTH, NEW JERSEY
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**BOROUGH OF RED BANK
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2016**

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INDEPENDENT AUDITOR'S 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 statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough of Red Bank, County of Monmouth, State of New Jersey as of December 31, 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Red Bank, County of Monmouth, State of New Jersey, as of December 31, 2016, or the results of its operations and changes in fund balance for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Red Bank, County of Monmouth, State of New Jersey, as of December 31, 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year then ended, and the statement of revenues - regulatory basis, statement of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2016 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the basic financial statements.

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

The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide assurance on it.

Prior Period Financial Statements

The financial statements as of December 31, 2015, were audited by other auditors whose report dated June 17, 2016, expressed an unmodified opinion on the regulatory basis of accounting.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2017, on our consideration of the Borough of Red Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Red Bank's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Freehold, New Jersey
June 24, 2017

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

Honorable Mayor and Members
of the Borough Council
Borough of 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, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Borough of Red Bank (herein referred to as "the Borough"), as of and for the year ended December 31, 2016, 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 24, 2017. Our report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Freehold, New Jersey
June 24, 2017

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Cash	A-4	\$ 6,039,839.67	\$ 6,282,376.31
Change Fund	A-5	900.00	50.00
Due From State of New Jersey:			
Seniors' and Veterans' Deductions	A-6	5,121.05	4,871.05
		<u>6,045,860.72</u>	<u>6,287,297.36</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	880,826.69	677,386.08
Tax Title Liens Receivable	A-8	4,556.14	-
Demolition Liens Receivable	A-9	7,678.00	9,281.80
Revenue Accounts Receivable	A-10	38,589.31	45,651.34
Interfund Receivable	A	5,173.91	56,390.76
		<u>936,824.05</u>	<u>788,709.98</u>
Deferred Charges:			
Special Emergency Authorizations	A-11	384,800.00	874,700.00
		<u>7,367,484.77</u>	<u>7,950,707.34</u>
Total Current Fund		<u>7,367,484.77</u>	<u>7,950,707.34</u>
Federal and State Grant Fund:			
Cash	A-4	120,110.01	110,832.25
Federal and State Grants Receivable	A-26	93,997.84	105,954.73
Interfund Receivable	A		24,463.56
		<u>214,107.85</u>	<u>241,250.54</u>
Total Grant Fund		<u>214,107.85</u>	<u>241,250.54</u>
Total Assets		<u>\$ 7,581,592.62</u>	<u>\$ 8,191,957.88</u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3	\$ 919,158.27	\$ 841,408.47
Reserve for Encumbrances	A-3	289,066.30	616,412.67
Accounts Payable	A-13	9,993.79	53,812.00
Due to County for Added Taxes	A-14	37,749.84	56,852.19
Prepaid Taxes	A-15	204,332.67	215,002.15
Tax Overpayments	A-16	9,879.38	1,774.31
Local School District School Tax Payable	A-17	1,764,701.15	1,491,802.17
Regional District High School Tax Payable	A-18	407,978.30	163,746.32
Special Emergency Notes Payable	A-20	364,800.00	854,700.00
Due to State of NJ - Marriage License Fees	A-21	1,575.00	750.00
Due to State of NJ - Training Fees	A-21	4,408.00	7,682.00
Reserve for Revaluation	A-22	80,560.73	85,100.73
Reserve for Sale of Municipal Assets	A-23	392,587.00	
Reserve for Severance Liabilities	A-24	150,150.84	150,150.84
Reserve for Library Expenditures	A-25	192,917.28	82,151.67
Due to Monmouth County Regional Health Commission	A	5,250.00	2,100.00
Interfunds Payable	A		24,463.56
		<hr/>	<hr/>
		4,835,108.55	4,647,909.08
Reserve for Receivables and Other Assets	A	936,824.05	788,709.98
Fund Balance	A-1	1,595,552.17	2,514,088.28
		<hr/>	<hr/>
Total Current Fund		7,367,484.77	7,950,707.34
		<hr/>	<hr/>
Federal and State Grant Fund:			
Reserve for Encumbrances	A-27	21,749.43	10,425.18
Reserve for Federal and State Grants:			
Appropriated	A-27	192,326.77	230,525.36
Unappropriated	A-28	-	300.00
Due to Current Fund	A-29	31.65	
		<hr/>	<hr/>
Total Grant Fund		214,107.85	241,250.54
		<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balance		\$ 7,581,592.62	\$ 8,191,957.88
		<hr/>	<hr/>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 2,035,000.00	\$ 1,360,000.00
Miscellaneous Revenue Anticipated	A-2	7,565,796.63	8,022,332.12
Receipts From Delinquent Taxes	A-2	644,443.51	957,028.92
Receipts From Current Taxes	A-2	43,730,097.83	42,259,610.07
Non-Budget Revenue	A-2	130,549.75	435,184.54
Other Credit To Income:			
Unexpended Balance of Appropriation Reserves	A-12	628,693.89	607,656.67
Interfunds Liquidated	A	51,216.85	16,660.21
Cancellation of Accounts Payable	A-13	1,718.25	-
Adjustment to Change Fund		750.00	
		<hr/>	<hr/>
Total Income		54,788,266.71	53,658,472.53
		<hr/>	<hr/>
Expenditures:			
Budget and Emergency Appropriations :			
Appropriations Within "CAP":			
Operations:			
Salaries and Wages	A-3	7,964,737.00	7,602,903.00
Other Expenses	A-3	6,879,137.00	6,611,983.76
Deferred Charges and Statutory	A-3	1,654,953.00	1,692,945.00
Appropriations Excluded From "CAP":			
Operations:			
Salaries and Wages	A-3	117,912.00	295,681.00
Other Expenses	A-3	1,340,188.44	1,217,954.29
Capital Improvements	A-3	100,000.00	112,500.00
Municipal Debt Service	A-3	2,785,960.48	2,325,687.79
Deferred Charges	A-3	489,900.00	664,700.00
Judgements	A-3	25,000.00	25,000.00
County Taxes	A-3	5,891,034.40	5,584,780.64
Local District School Tax	A-3	16,545,017.00	15,975,869.00
Regional High School Tax	A-3	9,249,069.00	8,760,605.00
Special District Taxes	A-3	512,120.00	512,120.00
Grant Receivable Cancelled	A		24,500.00
Refund of Prior Year Revenue	A	116,774.50	100.81
		<hr/>	<hr/>
Total Expenditures		53,671,802.82	51,407,330.29
		<hr/>	<hr/>
Excess in Revenue		1,116,463.89	2,251,142.24
		<hr/>	<hr/>
Fund Balance, January 1		2,514,088.28	1,622,946.04
		<hr/>	<hr/>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
		3,630,552.17	3,874,088.28
Decreased By:			
Utilized as Anticipated Revenue	A	<u>2,035,000.00</u>	<u>1,360,000.00</u>
Fund Balance, December 31		<u>\$ 1,595,552.17</u>	<u>\$ 2,514,088.28</u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	\$ 2,035,000.00	\$ -	\$ 2,035,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	90,000.00		89,314.00	(686.00)
Other	55,000.00		60,625.00	5,625.00
Fees and Permits				
Other	299,000.00		373,952.91	74,952.91
Fines and Costs:				
Municipal Court	625,000.00		629,197.28	4,197.28
Interest and Costs on Taxes	235,000.00		185,534.15	(49,465.85)
Interest on Investments and Deposits	30,000.00		34,029.08	4,029.08
Utility Operating Surplus of Current Year- Water/Sewer Utility	827,478.00		827,478.00	-
Utility Operating Surplus of Current Year- Parking Utility	876,700.00		876,700.00	-
Energy Receipts Tax	2,011,681.00		2,011,681.00	-
Uniform Construction Code Official Fees	530,000.00		424,083.00	(105,917.00)
Code Enforcement- Property Maintenance Fees	50,000.00		64,775.00	14,775.00
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
Shared Service Agreements Off-Set with Appropriations:				-
Borough of Little Silver- Fire Services	12,500.00		15,030.00	2,530.00
Township of Shrewsbury - Municipal Court	9,000.00		9,738.02	738.02
Red Bank Board of Education- Snow Plowing	13,336.00		13,336.00	-
Public and Private Revenues Off-Set with Appropriations:				
U.S. Older Americans Act- Senior Citizens	29,312.00		29,312.00	-
Recycling Tonnage Grant	9,232.16		9,232.16	-
Drunk Driving Enforcement Fund:				
Police	7,248.34	7,142.40	14,390.74	-
Court	-	2,447.47	2,447.47	-
Clean Communities Program	26,287.73		26,287.73	-
COPS in Shops	300.00		300.00	-
Body Armor Fund		3,707.94	3,707.94	-
Click it or Ticket	5,000.00	1,200.00	6,200.00	-
Other Special Items:				
Franchise Tax Cable Television	192,217.11		192,217.11	-
Uniform Fire Safety Act	110,000.00		134,726.58	24,726.58
Landlord Registration Fees	12,500.00		16,070.00	3,570.00
Utility Operating Surplus of Prior Year- Water/Sewer Utility	400,000.00		400,000.00	-
Utility Operating Surplus of Prior Year- Parking Utility	75,000.00		75,000.00	-
Payment in Lieu of Taxes- Riverview Hospital	175,594.00		193,316.68	17,722.68
R.B.C. Field Rent	130,000.00		130,000.00	-
Payment in Lieu of Taxes- Housing Authority/ River Street/ Habcore	150,000.00		182,566.11	32,566.11
Reserve for Sale of Municipal Assets	36,941.40		36,941.40	-
Hotel Occupancy Tax	165,000.00		180,460.53	15,460.53
Reserve for Payment of Bonds	290,000.00		290,000.00	-
General Capital Fund Balance	27,146.74		27,146.74	-
Total Miscellaneous Revenues	7,506,474.48	14,497.81	7,565,796.63	44,824.34
Receipts from Delinquent Taxes	670,000.00	-	644,443.51	(25,556.49)

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes	11,438,971.00		11,822,706.28	383,735.28
Minimum Library Levy	689,361.32		689,361.32	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	12,128,332.32	-	12,512,067.60	383,735.28
Budget Totals	22,339,806.80	14,497.81	22,757,307.74	403,003.13
Non-Budget Revenues			130,549.75	130,549.75
	<u>\$ 22,339,806.80</u>	<u>\$ 14,497.81</u>	<u>\$ 22,887,857.49</u>	<u>\$ 533,552.88</u>

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue From Collections	\$ 43,730,097.83
Allocated To School, County, and Municipal Open Space Taxes	<u>32,197,240.40</u>

Balance for Support of Municipal Budget Appropriations	11,532,857.43
--------------------------------------------------------	---------------

Add: Appropriation "Reserve for Uncollected Taxes"	<u>979,210.17</u>
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Amount for Support of Municipal Budget Appropriations	<u><u>\$ 12,512,067.60</u></u>
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Receipts From Delinquent Taxes:

Delinquent Tax Collections	\$ 644,443.51
	<u><u>\$ 644,443.51</u></u>

Fees & Permits - Other:

Clerk	\$ 31,698.88
Vital Statistics	152,045.00
Planning & Zoning	139,841.78
Board of Health	35.00
Police Taxi	2,760.00
Recreation Fees	<u>47,572.25</u>
	<u><u>\$ 373,952.91</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

Analysis of Non-Budget Revenue:

FEMA - Sandy	\$ 2,241.66
Copies	49.68
Returned Check Fees	480.00
Interfaith Neighbors	2,520.00
Mon. Boat Club Donation	10,000.00
Search Fees	10.00
Police Records	24,829.70
Auction Proceeds	1,961.00
Admin Fee - SC & Vet	1,170.00
Sidewalk Permits	2,957.77
Planning & Zoning Fees	19,173.39
MRNA - Other	65,156.55
	<hr/>
	\$ 130,549.75
	<hr/>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Unexpended
	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<u>OPERATIONS WITHIN "CAP"</u>						
<u>GENERAL GOVERNMENT:</u>						
General Administration:						
Salaries and Wages	\$ 121,098.00	\$ 121,098.00	\$ 114,247.28		\$ 6,850.72	-
Other Expenses	19,650.00	19,650.00	15,646.57	\$ 1,582.86	2,420.57	-
Municipal Clerk:						
Salaries and Wages	110,458.00	110,458.00	108,711.97		1,746.03	-
Other Expenses	32,500.00	32,500.00	14,429.84	5,193.67	12,876.49	-
Financial Administration:						
Salaries and Wages	146,273.00	146,273.00	145,548.56		724.44	-
Other Expenses	55,500.00	55,500.00	43,023.02	5,839.12	6,637.86	-
Audit Services		-			-	-
Other Expenses	30,000.00	30,000.00	29,679.90		320.10	-
Mayor and Borough Council						
Other Expenses	30,321.00	30,321.00	29,200.56		1,120.44	-
Tax Administration:						
Salaries and Wages	110,238.00	80,238.00	74,853.67		5,384.33	-
Other Expenses	26,425.00	26,425.00	14,344.84		12,080.16	-
Utilization of Banked Sick Time	55,000.00	55,000.00	55,000.00		-	-
Revenue Administration						
Salaries and Wages	82,508.00	82,508.00	78,454.04		4,053.96	-
Other Expenses	21,130.00	21,130.00	15,838.55	304.00	4,987.45	-
Legal Services and Costs						
Other Expenses	120,000.00	158,000.00	152,191.97	2,108.35	3,699.68	-
Engineering Services:		-			-	-
Other Expenses	104,000.00	104,000.00	66,931.41	21,850.00	15,218.59	-
Codification of Ordinances						
Other Expenses	10,000.00	10,000.00	6,118.39	1,195.00	2,686.61	-
<u>LAND USE ADMINISTRATION</u>						
Planning Board:						
Salaries and Wages	77,925.00	77,925.00	66,244.42		11,680.58	-
Other Expenses	38,000.00	20,000.00	13,313.01	971.85	5,715.14	-
Zoning Board of Adjustment						
Salaries and Wages	77,925.00	77,925.00	66,240.36		11,684.64	-
Other Expenses	25,500.00	25,500.00	16,579.94		8,920.06	-
<u>INSURANCE</u>						
Liability Insurance	240,000.00	240,000.00	232,350.38		7,649.62	-
Workers Compensation Insurance	310,000.00	310,000.00	307,245.40		2,754.60	-
Employee Group Insurance	2,927,400.00	2,923,400.00	2,672,846.05		250,553.95	-
Unemployment Insurance	15,000.00	15,000.00	13,592.79		1,407.21	-
Health Insurance Opt Out Payments	65,000.00	66,000.00	65,496.62		503.38	-
<u>PUBLIC SAFETY</u>						
Fire Department:						
Other Expenses	139,950.00	139,950.00	92,522.25	29,276.85	18,150.90	-
Uniform Fire Safety Act (P.L. 1983, Ch. 383)						
Salaries and Wages	140,944.50	140,944.50	126,726.30		14,218.20	-
Other Expenses	10,000.00	10,000.00	9,704.99	158.00	137.01	-
Police Department:						
Salaries and Wages	4,946,600.00	4,959,600.00	4,958,429.31		1,170.69	-
Other Expenses	158,000.00	145,000.00	105,186.29	32,861.76	6,951.95	-
Aid to Volunteer First Aid Companies	48,750.00	48,750.00	43,218.25	876.88	4,654.87	-
Office of Emergency Management:						
Salaries and Wages	5,269.00	5,269.00	5,260.75		8.25	-
Other Expenses	5,500.00	5,500.00	1,228.77	2,250.00	2,021.23	-
Rent Leveling:						
Salaries and Wages	3,000.00	3,000.00	2,832.14		167.86	-
Other Expenses	11,250.00	11,250.00	21.90		11,228.10	-

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Unexpended Balance Cancelled
	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>PUBLIC WORKS FUNCTIONS</u>						
Streets and Road Maintenance:						
Salaries and Wages	514,500.00	489,500.00	463,587.62		25,912.38	-
Other Expenses	119,250.00	124,250.00	102,115.70	17,608.49	4,525.81	-
Sanitation Department:						
Other Expenses	511,000.00	511,000.00	495,999.96	12,000.04	3,000.00	-
Public Buildings and Grounds:						
Salaries and Wages	554,228.00	574,228.00	573,773.84		454.16	-
Other Expenses	277,000.00	277,000.00	209,123.97	60,623.92	7,252.11	-
<u>LANDFILL/ SOLID WASTE DISPOSAL COSTS</u>						
Landfill:						
Other Expenses	400,000.00	400,000.00	370,348.45	22,858.55	6,793.00	-
<u>CODE ENFORCEMENT:</u>						
Salaries and Wages	139,482.50	139,482.50	126,984.35		12,498.15	-
Other Expenses	7,750.00	7,750.00			7,750.00	-
<u>HEALTH AND WELFARE</u>						
Visiting Nurse Association	24,730.00	24,730.00	18,547.32		6,182.68	-
Relocation Assistance	1,425.00	1,425.00			1,425.00	-
Monmouth County Regional Health Commission	176,288.00	176,288.00	176,288.00		-	-
Animal Control Services	45,375.00	45,375.00	45,007.12		367.88	-
Shade Tree Committee	5,000.00	5,000.00	291.00	4,709.00	-	-
<u>PARKS AND RECREATION</u>						
Recreation Services and Programs:						
Salaries and Wages	194,700.00	194,700.00	175,959.69		18,740.31	-
Other Expenses	80,250.00	80,250.00	58,886.99	8,617.78	12,745.23	-
<u>UTILITY EXPENSES AND BULK PURCHASES</u>						
Street Lighting	260,000.00	260,000.00	202,924.66		57,075.34	-
Electricity	105,000.00	105,000.00	74,857.55		30,142.45	-
Telephone	95,000.00	95,000.00	77,089.38		17,910.62	-
Natural Gas	50,000.00	50,000.00	23,909.64		26,090.36	-
Gasoline	110,000.00	110,000.00	51,679.38		58,320.62	-
<u>UNIFORM CONSTRUCTION CODE APPROPRIATIONS</u>						
<u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u>						
Salaries and Wages	425,328.00	425,328.00	417,629.32		7,698.68	-
Other Expenses	39,507.00	39,507.00	13,244.35	9,097.85	17,164.80	-
Education and Technology:						
Salaries and Wages	88,810.00	88,810.00	87,276.72		1,533.28	-
Other Expenses	37,991.00	37,991.00	33,266.63	3,889.82	834.55	-
Municipal Court:						
Salaries and Wages	192,450.00	192,450.00	192,297.83		152.17	-
Other Expenses	34,495.00	34,495.00	19,824.49	9,856.68	4,813.83	-
Municipal Prosecutor						
Other Expenses	25,200.00	35,200.00	29,375.00		5,825.00	-
Municipal Public Defender						
Other Expenses	10,000.00	10,000.00	9,940.00		60.00	-
Total Operations - Within "CAP"	14,845,874.00	14,842,874.00	13,813,489.45	253,730.47	775,654.08	-

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Unexpended Balance
	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>CONTINGENT</u>	1,000.00	1,000.00	-	-	1,000.00	-
Total Operations - including Contingent Within "CAP"	14,846,874.00	14,843,874.00	13,813,489.45	253,730.47	776,654.08	-
Detail:						
Salaries and Wages	7,986,737.00	7,964,737.00	7,840,058.17	-	124,678.83	-
Other Expenses (Including Contingent)	6,860,137.00	6,879,137.00	5,973,431.28	253,730.47	651,975.25	-
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"</u>						
Deferred Charges						
Prior Year's Bills	693.00	693.00	693.00		-	-
Statutory Expenditures:						
Contribution To:						
Public Employees Retirement System	332,900.00	332,900.00	331,800.00		1,100.00	-
Social Security System (O.A.S.I.)	385,000.00	385,000.00	375,047.15		9,952.85	-
Police and Firemen's Pension Fund	928,360.00	928,360.00	928,358.00		2.00	-
Defined Contribution Retirement Program	5,000.00	8,000.00	7,870.64	115.27	14.09	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAP"	1,651,953.00	1,654,953.00	1,643,768.79	115.27	11,068.94	-
Total General Appropriations for Municipal Purposes - Within "CAP"	16,498,827.00	16,498,827.00	15,457,258.24	253,845.74	787,723.02	-
<u>OPERATIONS- EXCLUDED FROM "CAP"</u>						
Other Operations - Excluded from "CAP":						
LOSAP	55,000.00	55,000.00	41,400.00		13,600.00	-
Municipal Stormwater Management					-	-
Salaries and Wages	100,600.00	100,600.00	93,615.70		6,984.30	-
Other Expenses	5,000.00	5,000.00	834.56	56.50	4,108.94	-
Tax Appeal Refunds						
Other Expenses	150,000.00	150,000.00	146,808.95		3,191.05	-
Snow Emergency EO#15 NJSA 40A:4-45.3(bb)						
Other Expenses	47,188.08	47,188.08	47,188.08		-	-
Maintenance of Free Public Library (P.L. 1985, Ch. 82)						
Other Expenses	689,361.32	689,361.32	607,052.59	15,521.72	66,787.01	-
Interlocal Services:						
9-11 System- County of Monmouth	14,310.00	14,310.00	14,309.96		0.04	-
Recycling Tax P.L. 2007 c. 311	47,000.00	47,000.00	15,906.00	2,985.19	28,108.81	-
Total Other Operations - Excluded from "CAPS"	1,108,459.40	1,108,459.40	967,115.84	18,563.41	122,780.15	-
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>						
Borough of Little Silver:						
Fire Services						
Other Expenses	12,500.00	12,500.00	5,000.00		7,500.00	-
Red Bank School District:						
Snow Plowing:						
Other Expenses	12,000.00	12,000.00		12,000.00	-	-
Township of Shrewsbury:						
Municipal Court						
Other Expenses	9,000.00	9,000.00	3,187.75	4,657.15	1,155.10	-
Total Interlocal Municipal Service Agreements	33,500.00	33,500.00	8,187.75	16,657.15	8,655.10	-

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Unexpended
	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:</u>						
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	214,463.00	214,463.00	214,463.00			-
Other Expenses	9,800.00	9,800.00	9,800.00			-
NJ - Drunk Driving Enforcement Fund - Police	7,248.34	14,390.74	14,390.74			-
NJ - Drunk Driving Enforcement Fund - Court		2,447.47	2,447.47			-
COPS in Shops Grant	300.00	300.00	300.00			-
State of NJ - Body Armor Grant		3,707.94	3,707.94			-
State of NJ - Recycling Tonnage Grant	9,232.16	9,232.16	9,232.16			-
NJ Clean Communities Program	26,287.73	26,287.73	26,287.73			-
Click It or Ticker	5,000.00	6,200.00	6,200.00			-
Total Public and Private Programs Offset By Revenues	301,643.23	316,141.04	316,141.04			
Total Operations - Excluded from "CAPS"	1,443,602.63	1,458,100.44	1,291,444.63	35,220.56	131,435.25	-
Detail:						
Salaries and Wages	117,912.00	117,912.00	93,615.70	-	6,984.30	-
Other Expenses	1,325,690.63	1,340,188.44	1,197,828.93	35,220.56	124,450.95	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u>						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-	-	-
Total Capital Improvements - Excluded From "CAPS"	100,000.00	100,000.00	100,000.00	-	-	-
<u>MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	1,519,000.00	1,519,000.00	1,519,000.00			-
Interest on Bonds	467,161.00	467,161.00	467,160.88			0.12
Interest on Notes	20,000.00	20,000.00	8,286.92			11,713.08
Interest on Special Emergency Notes	5,500.00	5,500.00	-			5,500.00
Green Trust Loan Program:						-
Loan Repayments for Principal and Interest	73,344.00	73,344.00	73,344.00			-
Capital Lease Obligations:						-
Principal	638,000.00	638,000.00	638,000.00			-
Interest	80,262.00	80,262.00	80,168.68			93.32
Total Municipal Debt Service - Excluded From "CAPS"	2,803,267.00	2,803,267.00	2,785,960.48	-	-	17,306.52
<u>DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS":</u>						
Deferred Charges:						
Special Emergency Authorizations - 5 Years (N.J.S 40A:4-55)	489,900.00	489,900.00	489,900.00		-	
Total Deferred Charges - Municipal - Excluded From "CAPS"	489,900.00	489,900.00	489,900.00	-	-	-
<u>JUDGEMENTS</u>						
JUDGEMENTS	25,000.00	25,000.00	25,000.00		-	
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	4,861,769.63	4,876,267.44	4,692,305.11	35,220.56	131,435.25	17,306.52
Subtotal General Appropriations	21,360,596.63	21,375,094.44	20,149,563.35	289,066.30	919,158.27	17,306.52

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			Unexpended
	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<u>RESERVE FOR UNCOLLECTED TAXES</u>	979,210.17	979,210.17	979,210.17	-	-	-
Total General Appropriations	<u>\$ 22,339,806.80</u>	<u>\$ 22,354,304.61</u>	<u>\$ 21,128,773.52</u>	<u>\$ 289,066.30</u>	<u>\$ 919,158.27</u>	<u>\$ 17,306.52</u>
Budget		\$ 22,339,806.80				
Appropriation by N.J.S. 40A:4-87		<u>14,497.81</u>				
		<u>\$ 22,354,304.61</u>				
Analysis of Paid or Charged:						
Reserve for Uncollected Taxes			\$ 979,210.17			
Deferred Charges:						
Special Emergency Authorizations			489,900.00			
Reserve for State & Federal Grants			316,141.04			
Disbursed			<u>19,343,522.31</u>			
			<u>\$ 21,128,773.52</u>			

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

<u>Assets</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Animal Control Trust Fund:			
Cash	B-1	\$ 22,636.14	\$ 13,113.27
Intergovernmental Receivable	B-2	433.30	5,294.77
		<u>23,069.44</u>	<u>18,408.04</u>
Payroll Trust			
Cash	B-1	95,973.36	50,277.71
		<u>95,973.36</u>	<u>50,277.71</u>
Other Trust Funds:			
Cash	B-1	3,808,374.18	4,220,065.38
Interfund Receivable		2,253.31	
		<u>3,810,627.49</u>	<u>4,220,065.38</u>
Total Assets		<u>\$ 3,929,670.29</u>	<u>\$ 4,288,751.13</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal Control Trust Fund:			
Interfund Payable	B-3	\$ 4,500.00	\$ 6,472.04
Reserve for Animal Control Fund Expenditures	B-4	18,569.44	11,908.40
Due to State of New Jersey	B-5	-	27.60
		<u>23,069.44</u>	<u>18,408.04</u>
Payroll Trust Fund:			
Payroll Deductions Payable	B-6	95,947.40	427.30
Interfunds Payable	B	25.96	49,850.41
		<u>95,973.36</u>	<u>50,277.71</u>
Other Trust Funds:			
Interfunds Payable	B	616.30	5,400.26
Due to State of New Jersey	B		5,397.00
Reserve for Miscellaneous Trust Funds	B-7	3,810,011.19	4,209,268.12
		<u>3,810,627.49</u>	<u>4,220,065.38</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,929,670.29</u>	<u>\$ 4,288,751.13</u>

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**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

<u>Assets</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Cash	C-2,C-3	\$ 4,128,462.81	\$ 7,378,989.61
Investment in Notes	C-4	364,800.00	
Intergovernmental Receivable:			
Monmouth County Improvement Authority	C-5	26,576.40	22,734.64
Capital Lease Obligations - Funded	C-6	1,354,000.00	1,992,000.00
Deferred Charges To Future Taxation:			
Funded	C-7	12,301,607.76	13,886,322.48
Unfunded	C-8	777,861.70	136,111.70
Total Assets		<u>\$ 18,953,308.67</u>	<u>\$ 23,416,158.43</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds Payable	C-9	\$ 11,969,521.50	\$ 13,488,521.50
Bond Anticipation Notes	C-10	777,861.00	2,142,605.00
Capital Lease Obligations	C-11	1,354,000.00	1,992,000.00
Green Trust Loan Program	C-12	332,086.26	397,800.98
Improvement Authorizations:			
Funded	C-13	1,476,294.20	3,219,775.46
Unfunded	C-13	478,831.09	136,111.70
Reserve for Encumbrances	C-13	1,608,085.19	1,411,974.09
Capital Improvement Fund	C-14	106,191.76	41,941.76
Miscellaneous Reserves	C-15	850,437.67	558,281.20
Fund Balance	C-1	-	27,146.74
Total Liabilities, Reserves and Fund Balance		<u>\$ 18,953,308.67</u>	<u>\$ 23,416,158.43</u>

There were Bonds & Notes Authorized but not Issued on December 31, 2016 of \$.70 and on December 31, 2015 was \$136,111.70.

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 27,146.74
Decreased By:	
Anticipated as Revenue - Current Fund	<u>27,146.74</u>
Balance, December 31, 2016	<u><u>\$ -</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	1,591,344.42	1,336,766.34
Change Fund	D	225.00	50.00
Water & Sewer Line Repairs Receivable	D		2,793.75
		<u>1,591,569.42</u>	<u>1,339,610.09</u>
Receivables With Full Reserves:			
Consumer Accounts Receivable	D-7	821,258.27	835,243.62
Liens Receivable	D-8	3,232.75	20.00
Water & Sewer Line Repairs Receivable	D-22	17,060.58	
		<u>841,551.60</u>	<u>835,263.62</u>
Total Operating Fund		<u>2,433,121.02</u>	<u>2,174,873.71</u>
Capital Fund:			
Cash	D-5,D-6	2,662,094.99	3,571,721.99
Fixed Capital	D-9	14,319,636.67	14,319,636.67
Fixed Capital Authorized and Uncompleted	D-10	17,243,932.80	13,518,932.80
Total Capital Fund		<u>34,225,664.46</u>	<u>31,410,291.46</u>
Total Assets		<u>\$ 36,658,785.48</u>	<u>\$ 33,585,165.17</u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balances</u>			
Operating Fund:			
Appropriation Reserves	D-4	\$ 637,399.25	\$ 251,897.01
Reserve for Encumbrances	D-4	77,671.62	158,452.67
Rent Overpayments	D-12	21,077.10	15,507.02
Accrued Interest on Bonds & Notes	D-13	95,041.60	98,239.31
Reserve for Water-Sewer Line Repairs	D-23	50,241.21	50,650.42
Accounts Payable	D		198.00
Reserve for Fees for Other Towns	D	77.24	
		881,508.02	574,944.43
Reserve for Receivables	D	841,551.60	835,263.62
Fund Balance	D-1	710,061.40	764,665.66
Total Operating Fund		2,433,121.02	2,174,873.71
Capital Fund:			
Serial Bonds	D-14	10,131,020.30	11,190,600.43
Bond Anticipation Notes	D-15	1,900,000.00	705,440.00
Reserve for Encumbrances	D-16	1,878,683.38	1,048,505.60
Improvement Authorizations:			
Funded	D-16	540,454.08	1,588,663.66
Unfunded	D-16	1,854,792.42	-
Capital Improvement Fund	D-17	3,074.00	3,074.00
Reserve for:			
Amortization	D-18	17,498,392.99	16,438,812.86
Deferred Amortization	D-19	209,156.18	209,156.18
Reserve for Preliminary Costs - Well	D-20	1,845.00	7,500.00
Reserve for Payment of Bonds	D-21	192,869.89	203,162.51
Fund Balance	D-2	15,376.22	15,376.22
Total Capital Fund		34,225,664.46	31,410,291.46
Total Liabilities, Reserves and Fund Balances		\$ 36,658,785.48	\$ 33,585,165.17

There were Bonds & Notes Authorized but not Issued on December 31, 2016 of \$1,825,000.00 and on December 31, 2015 was \$0.00.

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY OPERATING FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$ 194,771.00	\$ 25,739.00
Rents	D-3	6,953,027.71	6,646,440.70
Reserve for Connection Fees	D-3	59,898.28	314,838.60
Miscellaneous	D-3	100,025.91	102,870.88
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	D-11	161,064.17	138,247.52
Cancel Accounts Payable	D	198.00	
		<hr/>	<hr/>
Total Revenue		<u>7,468,985.07</u>	<u>7,228,136.70</u>
Expenditures:			
Operating	D-4	4,421,876.52	4,911,417.00
Capital Improvements	D-4	50,000.00	30,000.00
Debt Service	D-4	1,439,415.61	1,057,870.44
Deferred Charges and Statutory			
Expenditures	D-4	173,000.00	172,825.00
Surplus - General Budget	D-4	827,478.00	500,000.00
Prior Year Surplus - General Budget	D	400,000.00	343,500.00
Refund of Prior Year Revenue	D	17,048.16	
		<hr/>	<hr/>
Total Expenditures		<u>7,328,818.29</u>	<u>7,015,612.44</u>
Excess in Revenue		140,166.78	212,524.26
Fund Balance, January 1	D	764,665.62	577,880.36
		<hr/>	<hr/>
		904,832.40	790,404.62
Decreased By:			
Utilized as Anticipated Revenue	D-1	194,771.00	25,739.00
		<hr/>	<hr/>
Fund Balance, December 31		<u><u>\$ 710,061.40</u></u>	<u><u>\$ 764,665.62</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 and 2015

\$ 15,376.22

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 194,771.00	\$ 194,771.00	
Rents	6,500,000.00	6,953,027.71	\$ 453,027.71
Water & Sewer Connection Fees	122,000.00	59,898.28	(62,101.72)
Miscellaneous	95,000.00	100,025.91	5,025.91
	<u>\$ 6,911,771.00</u>	<u>\$ 7,307,722.90</u>	<u>\$ 395,951.90</u>

Analysis of Realized Revenues

Water & Sewer Rents:	
Collections	\$ 6,958,597.79
Overpayments Created	<u>(5,570.08)</u>
	<u>\$ 6,953,027.71</u>
Miscellaneous:	
Miscellaneous Revenue	\$ 88,247.50
Interest on Investments	<u>11,778.41</u>
	<u>\$ 100,025.91</u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			
	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating:						
Salaries and Wages	\$ 824,862.00	\$ 824,862.00	\$ 790,564.05		\$ 34,297.95	
Other Expenses	1,973,850.00	1,973,850.00	1,688,926.13	\$ 52,671.62	232,252.25	
Regional Sewer Authority Charges	800,000.00	798,164.52	741,328.00		56,836.52	
Manasquan River Water Purchases	800,000.00	800,000.00	524,761.09		275,238.91	
Accumulated Purchases	25,000.00	25,000.00	25,000.00		-	
Total Operating	4,423,712.00	4,421,876.52	3,770,579.27	52,671.62	598,625.63	-
Capital Improvements:						
Capital Outlay	50,000.00	50,000.00		25,000.00	25,000.00	-
Total Capital Improvements	50,000.00	50,000.00	-	25,000.00	25,000.00	-
Debt Service:						
Payment of Bond Principal	1,059,581.00	1,059,581.00	1,059,580.13			\$ 0.87
Interest on Bonds	355,000.00	378,712.04	378,712.04			
Interest on Notes	23,000.00	1,123.44	1,123.44			
Total Debt Service	1,437,581.00	1,439,416.48	1,439,415.61	-	-	0.87
Statutory Expenditures:						
Contributions To:						
Public Employees' Retirement System	105,000.00	105,000.00	105,000.00		-	
Social Security System (O.A.S.I.)	63,000.00	63,000.00	49,226.38		13,773.62	
Unemployment Compensation Insurance	5,000.00	5,000.00	5,000.00		-	
Total Statutory Expenditures	173,000.00	173,000.00	159,226.38	-	13,773.62	-
Surplus (General Budget)	827,478.00	827,478.00	827,478.00	-	-	-
	<u>\$ 6,911,771.00</u>	<u>\$ 6,911,771.00</u>	<u>\$ 6,196,699.26</u>	<u>\$ 77,671.62</u>	<u>\$ 637,399.25</u>	<u>\$ 0.87</u>
Cash Disbursements			\$ 6,199,897.03			
Accrued Interest			(3,197.77)			
			<u>\$ 6,196,699.26</u>			

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Assets</u>			
Operating Fund:			
Cash	E-5	\$ 1,068,365.27	\$ 877,540.64
Change Fund	E	100.00	
Interfunds Receivable	E		6,226.91
		<hr/>	<hr/>
Total Operating Fund		1,068,465.27	883,767.55
		<hr/>	<hr/>
Capital Fund:			
Cash	E-5,E-6	80,395.21	330,243.54
Fixed Capital	E-7	4,191,488.21	4,191,488.21
Fixed Capital Authorized and Uncompleted	E-8	323,070.72	323,070.72
		<hr/>	<hr/>
Total Capital Fund		4,594,954.14	4,844,802.47
		<hr/>	<hr/>
Total Assets		\$ 5,663,419.41	\$ 5,728,570.02
		<hr/> <hr/>	<hr/> <hr/>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balances</u>			
Operating Fund:			
Appropriation Reserves	E-4	\$ 205,999.05	\$ 354,926.08
Reserve for Encumbrances	E-4	46,690.96	22,818.95
Interfund Payable	E	2,253.31	
Accrued Interest on Bonds & Notes	E-10	979.17	874.12
Accounts Payable	E	1,302.00	1,302.00
Reserve for Parking Fee Variance	E	224,980.00	224,980.00
		<hr/>	<hr/>
		482,204.49	604,901.15
Fund Balance	E-1	586,260.78	278,866.40
		<hr/>	<hr/>
Total Operating Fund		1,068,465.27	883,767.55
		<hr/>	<hr/>
Capital Fund:			
Serial Bonds	E-11	270,000.00	280,000.00
Improvement Authorizations:			
Funded	E-12	56,735.79	100,335.80
Reserve for Encumbrances	E-12	16,473.25	221,092.80
Capital Improvement Fund	E-13	3,400.00	3,400.00
Reserve for:			
Amortization	E-14	3,874,558.93	3,864,558.93
Deferred Amortization	E-15	370,000.00	370,000.00
Reserve for Payment of Bonds	E	3,778.19	4,512.00
Interfunds Payable	E		894.96
Fund Balance	E-2	7.98	7.98
		<hr/>	<hr/>
Total Capital Fund		4,594,954.14	4,844,802.47
		<hr/>	<hr/>
Total Liabilities, Reserves and Fund Balances		\$ 5,663,419.41	\$ 5,728,570.02
		<hr/>	<hr/>

There were no Bonds & Notes Authorized but not Issued on December 31, 2016 and 2015.

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY OPERATING FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	E-3	\$ 67,934.56	\$ 38,856.56
Parking Fees	E-3	1,420,140.28	1,137,649.26
Riverview Hospital Lease Agreement	E-3	349,665.48	349,665.48
Non-Budget Revenues	E-3	12,015.67	5,335.21
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	E-9	344,572.72	154,593.39
Adjustment to Change Fund	E	100.00	
		<hr/>	<hr/>
Total Revenue		2,194,428.71	1,686,099.90
		<hr/>	<hr/>
Expenditures:			
Operating	E-4	802,075.00	858,500.00
Debt Service	E-4	21,324.77	-
Deferred Charges and Statutory Expenditures	E-4	44,000.00	50,155.00
Surplus - General Budget	E-4	876,700.00	552,667.00
Prior Year Surplus - General Budget	E	75,000.00	75,000.00
		<hr/>	<hr/>
Total Expenditures		1,819,099.77	1,536,322.00
		<hr/>	<hr/>
Excess in Revenue		375,328.94	149,777.90
Fund Balance, January 1	E	278,866.40	167,945.06
		<hr/>	<hr/>
		654,195.34	317,722.96
Decreased By:			
Utilized as Anticipated Revenue	E-1	67,934.56	38,856.56
		<hr/>	<hr/>
Fund Balance, December 31		<u>\$ 586,260.78</u>	<u>\$ 278,866.40</u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 and 2015

\$ 7.98

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 67,934.56	\$ 67,934.56	
Parking Fees	1,326,700.00	1,420,140.28	\$ 93,440.28
Riverview Hospital - Lease Payment	349,665.44	349,665.48	0.04
	<hr/>	<hr/>	<hr/>
	1,744,300.00	1,837,740.32	93,440.32
Non-budgeted Revenues		12,015.67	12,015.67
	<hr/>	<hr/>	<hr/>
	\$ 1,744,300.00	\$ 1,849,755.99	\$ 105,455.99
	<hr/>	<hr/>	<hr/>

Non-budgeted Revenues:

Interest Earnings	\$ 4,897.81
Cancellation of Outstanding Checks	<hr/> 7,117.86
	<hr/>
	\$ 12,015.67
	<hr/>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Appropriations		Expended			
	Original Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	Cancelled
Operating:						
Salaries and Wages	\$ 251,575.00	\$ 251,575.00	\$ 170,602.78		\$ 80,972.22	
Other Expenses	545,500.00	545,500.00	383,114.38	\$ 46,690.96	115,694.66	
Accumulated Purchases	5,000.00	5,000.00	5,000.00		-	
Total Operating	802,075.00	802,075.00	558,717.16	46,690.96	196,666.88	-
Debt Service:						
Payment of Bond Principal	10,000.00	10,000.00	10,000.00		-	
Interest on Bonds	11,525.00	11,525.00	11,324.77		(0.00)	200.23
Total Debt Service	21,525.00	21,525.00	21,324.77	-	(0.00)	200.23
Statutory Expenditures:						
Contributions To:						
Public Employees' Retirement System	23,000.00	23,000.00	23,000.00		-	
Social Security System (O.A.S.I.)	20,000.00	20,000.00	10,667.83		9,332.17	
Unemployment Compensation Insurance	1,000.00	1,000.00	1,000.00		-	
Total Statutory Expenditures	44,000.00	44,000.00	34,667.83	-	9,332.17	-
Surplus (General Budget)	876,700.00	876,700.00	876,700.00		-	
	<u>\$ 1,744,300.00</u>	<u>\$ 1,744,300.00</u>	<u>\$ 1,491,409.76</u>	<u>\$ 46,690.96</u>	<u>\$ 205,999.05</u>	<u>\$ 200.23</u>
Cash Disbursements			\$ 1,491,304.71			
Accrued Interest			105.05			
			<u>\$ 1,491,409.76</u>			

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

<u>Assets</u>	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Land and Buildings	F-1	\$ 16,650,652.00	\$ 17,828,976.00
Contents	F-1	-	2,551,481.00
Vehicles and Equipment	F-1	<u>15,793,716.39</u>	<u>10,268,994.00</u>
Total Assets		<u>\$ 32,444,368.39</u>	<u>\$ 30,649,451.00</u>
<u>Fund Balance</u>			
Investment in Fixed Assets	F-1	<u>\$ 32,444,368.39</u>	<u>\$ 30,649,451.00</u>
Fund Balance		<u>\$ 32,444,368.39</u>	<u>\$ 30,649,451.00</u>

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**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies

Description of Financial 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.

Component Units

The Borough of Red Bank had no component units as defined by Governmental Accounting Standards Board Statement No.14, as amended by GASB Statements No. 39 and 61.

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

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

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.

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

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

Utility Fixed Assets- 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 Water & 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.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Fund Balance – Fund Balance included in the Current, Water & Sewer Operating, and Parking Utility Funds represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

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

Property Tax Revenues – 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, local school district, and regional high 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.

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

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

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

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 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 through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

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

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

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

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.

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.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended December 31, 2016, the Borough implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the Borough is required to measure certain investments at fair value for financial reporting purposes. In addition, the Borough is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the Borough's financial statements.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued)

The Borough implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the Borough's financial statements.

The Borough implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the Borough's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. Implementation of this Statement did not impact the Borough's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. Implementation of this Statement did not impact the Borough's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Implementation of this Statement did not impact the Borough's financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Borough's financial statements.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Summary of Significant Accounting Policies (continued)

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended December 31, 2017. Management has not yet determined the potential impact on the Borough's financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting requirements for certain asset retirement obligations and establishes the timing and pattern of recognition of a liability and corresponding deferred outflow of resources. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Borough's financial statements.

Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Borough's financial statements.

Note 2. Deposits and Investments

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

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Deposits

Note 2. Deposits and Investments (continued)

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

As of December 31, 2016, the Borough's bank balance of \$21,135,531.91 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 20,298,586.84
Uninsured and Uncollateralized	<u>836,945.07</u>
	<u>\$ 21,135,531.91</u>

Investments

The Borough's general capital fund contains an investment in current fund special emergency notes in the amount \$364,800.00. The Note is an interest free internal note due from the Borough's current fund. The notes mature on 5/24/2017 and 9/25/2017 in the amount of \$220,000.00 and \$144,800.00, respectively. There is no custodial, interest rate, credit or concentration of credit risk associated with this type of investment.

Note 3. Property Taxes

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

Comparison Schedule of Tax Rates:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$ 2.107</u>	<u>\$ 2.033</u>	<u>\$ 1.913</u>
Apportionment of Tax Rate:			
Municipal - Local Purpose	0.551	0.541	0.543
Municipal Library	0.033	0.033	0.031
County - General	0.267	0.253	0.247
County - Open Space	0.015	0.014	0.013
Local School	0.796	0.770	0.683
Regional School	0.445	0.422	0.396

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 3. Property Taxes (continued)

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2016	\$ 2,078,099,910
2015	2,075,371,065
2014	2,192,403,361

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2016	\$ 44,570,413.65	\$ 43,730,097.83	98.11%
2015	43,234,075.90	42,259,610.07	97.74%
2014	42,695,991.95	40,977,050.91	95.97%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2016	\$ 4,556.14	\$ 880,826.69	\$ 885,382.83	1.99%
2015		677,386.08	677,386.08	1.57%
2014	3,748.08	1,035,015.82	1,038,763.90	2.43%

Note: 4: Property Acquired By Tax Title Lien Liquidation

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

Note: 5: Water & Sewer Utility Service Charges

The following is a three-year comparison of water-sewer utility charges (rents) and collections for the current and previous two years.

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2016	\$ 835,243.62	\$ 6,941,280.08	\$ 7,776,523.70	\$ 6,953,027.71	89.41%
2015	807,863.00	6,673,821.23	7,481,684.23	6,646,440.74	88.83%
2014	760,090.64	6,543,137.58	7,303,228.22	6,495,365.22	88.93%

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 6. Fund Balances Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2016	\$ 1,595,552.17	\$ 1,450,000.00	90.88%
2015	2,514,088.28	2,035,000.00	80.94%
2014	1,622,946.04	1,360,000.00	83.80%
Water-Sewer Utility Operating Fund:			
2016	\$ 710,061.40	\$ 239,000.00	33.66%
2015	764,665.62	194,771.00	25.47%
2014	577,880.36	25,739.00	4.45%
Parking Utility Fund:			
2016	\$ 586,160.78	\$ 345,201.56	58.89%
2015	278,866.40	67,934.56	24.36%
2014	167,945.06	38,856.56	23.14%

Note 7. Interfund Receivables and Payables

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2016:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 5,173.91	
State and Federal Grant Fund		\$ 31.65
Animal Control Trust		4,500.00
Payroll Trust		25.96
Trust Other Fund	2,253.31	616.30
Parking Operating Fund		2,253.31
	<hr/>	<hr/>
	\$ 7,427.22	\$ 7,427.22

The purpose of these interfunds was short-term borrowings. During the year 2017, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

The following is a summary of interfund transfers:

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 7. Interfund Receivables and Payables (continued)

Fund	Transfers In	Transfers Out
Current Fund	\$ 56,880.15	\$ 254,165.27
State and Federal Grant Fund	249,041.61	343,298.78
Animal Control Trust	4,500.00	6,472.04
Paryoll Trust Fund	583.66	50,408.11
Trust Other Fund	39,122.44	46,159.72
Parking Utility Fund	46,986.36	38,506.14
Parking Utility Capital Fund		894.96
	<u>\$ 397,114.22</u>	<u>\$ 739,905.02</u>

Note 8. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year 2016:

	Balance December 31, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2016</u>
Land and Buildings	\$ 17,828,976.00		\$ 1,178,324.00	\$ 16,650,652.00
Contents	2,551,481.00		2,551,481.00	
Vehicles & Equipment	10,268,994.00	\$ 5,524,722.39		15,793,716.39
	<u>\$ 30,649,451.00</u>	<u>\$ 5,524,722.39</u>	<u>\$ 3,729,805.00</u>	<u>\$ 32,444,368.39</u>

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 9. Pension Obligations

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

The following represents the membership tiers for PERS:

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

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2016, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2016, the Borough's contributions to PERS was \$459,800.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 9. Pension Obligations

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

Components of Net Pension Liability - At December 31, 2016, the Borough reported a liability of \$17,109,703 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Borough's proportion measured as of June 30, 2016, was 0.05777% which was an increase of .00428% from its proportion measured as of June 30, 2015.

Collective Balances at December 31, 2016 and December 31, 2015

	<u>12/31/2016</u>	<u>12/31/2015</u>
Actuarial valuation date (including roll forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	\$ 6,097,305	\$ 2,716,330
Deferred Inflows of Resources	1,434,416	2,013,038
Net Pension Liability	17,109,703	12,005,591
 Borough's portion of the Plan's total net pension Liability	 0.05777%	 0.05348%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 318,189	\$ -
Changes of Assumptions	3,544,217	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	652,409	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	1,582,490	1,434,416
	<u>\$ 6,097,305</u>	<u>\$ 1,434,416</u>

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations

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

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

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

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

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations

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

Year Ending	
<u>Dec 31,</u>	<u>Amount</u>
2017	\$ 1,014,756
2018	1,014,759
2019	1,195,902
2020	978,791
2021	<u>458,683</u>
	<u>\$ 4,662,891</u>

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

Inflation	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 9. Pension Obligations

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations

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

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Boroughs's Proportionate Share of the Net Pension Liability	\$ 20,965,944	\$ 17,109,703	\$ 13,926,041

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

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

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

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations

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

The following represents the membership tiers for PFRS:

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

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

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2016, the Borough's contributions to PFRS was \$928,358.

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

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 9. Pension Obligations

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

Net Pension Liability and Pension Expense - At December 31, 2016, the Borough's proportionate share of the PFRS net pension liability is valued to be \$24,123,786. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Borough's proportion measured as of June 30, 2016, was .12629%, which was a decrease of .01208% from its proportion measured as of June 30, 2015.

Collective Balances at December 31, 2016 and December 31, 2015

	<u>12/31/2016</u>	<u>12/31/2015</u>
Actuarial valuation date (including roll forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	\$ 6,520,473	\$ 3,643,414
Deferred Inflows of Resources	977,356	1,546,464
Net Pension Liability	24,123,786	19,023,426
 Borough's portion of the Plan's total net pension Liability	 0.12629%	 0.11421%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 158,135
Changes of Assumptions	3,341,343	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,690,305	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	1,488,825	819,221
	<u>\$ 6,520,473</u>	<u>\$ 977,356</u>

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations

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

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

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

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

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations

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

Year Ending	
<u>Dec 31,</u>	<u>Amount</u>
2017	\$ 1,197,938
2018	1,197,937
2019	1,595,209
2020	1,089,952
2021	<u>462,079</u>
	<u>\$ 5,543,115</u>

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

The State's proportionate share of the PFRS net pension liability attributable to the Borough is \$519,971 as of December 31, 2016. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2016 was .03241%, which was a decrease of .00090% from its proportion measured as of June 30, 2015, which is the same proportion as the Borough's. At December 31, 2016, the Borough's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 24,123,786
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>2,025,800</u>
	<u>\$ 26,149,586</u>

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

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations

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

Inflation	3.08%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2010 - June 30, 2013

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55%) or 1-percentage-point higher (6.55%) than the current rate:

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 9. Pension Obligations

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

	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
Borough's Proportionate Share of the Net Pension Liability	\$ 31,105,853.00	\$ 24,123,786.00	\$ 18,430,330.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>2,612,121.00</u>	<u>2,025,800.00</u>	<u>1,547,691.00</u>
	<u>\$ 33,717,974.00</u>	<u>\$ 26,149,586.00</u>	<u>\$ 19,978,021.00</u>

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

Note 10. Post-Employment Benefits Other Than Pension 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.

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. In accordance with GASB Statement 45 the Borough is only required to calculate every three years. The Borough's contributions for postretirement benefits for the years ended December 31, 2016, 2015 and 2014 were \$1,419,351, \$1,408,044 and \$1,367,196, respectively. The last actuarial valuation was completed for the year ending December 31, 2014. The Borough's annual OPEB Cost Summary for year 2014 is as follows:

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 10. Post-Employment Benefits Other Than Pension Benefits (continued)

	<u>2014</u>
Annually Required Contributions (ARC)	\$ 4,812,497.00
Interest on the Net OPEB Obligation	-
Adjustment to the ARC	-
	<hr/>
Annual OPEB Cost	4,812,497.00
Pay-as-you-go contributions (Existing Retirees)	<u>(1,367,196.00)</u>
Increase/(Decrease) in Net OPEB Obligation	3,445,301.00
Net OPEB Obligations, January 1	-
	<hr/>
Net OPEB Obligations, December 31st	<u>\$ 3,445,301.00</u>
Percentage of Annual OPEB cost contributed	40%

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

Actuarial Date	<u>12/31/2014</u>
Actuarial Accrued Liability (AAL)	\$ 48,759,106.00
Actuarial Value of Plan Assets	-
	<hr/>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 48,759,106.00</u>
Funded Ratio	0.00%

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.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 11. Capital Debt

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 13,079,468.76	\$ 16,028,927.48	\$ 13,782,175.88
Water & Sewer Utility:			
Bonds, Notes and Loans	12,031,020.30	11,896,040.43	11,319,142.06
Parking Utility:			
Bonds, Notes and Loans	270,000.00	280,000.00	
	<hr/>	<hr/>	<hr/>
Total Debt Issued	25,380,489.06	28,204,967.91	25,101,317.94
	<hr/>	<hr/>	<hr/>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	0.70	136,111.70	136,111.70
Water & Sewer Utility:			
Bonds, Notes and Loans	1,825,000.00		290,673.00
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	1,825,000.70	136,111.70	426,784.70
	<hr/>	<hr/>	<hr/>
Total Gross Debt	\$ 27,205,489.76	\$ 28,341,079.61	\$ 25,528,102.64
	<hr/>	<hr/>	<hr/>
Deductions:			
General:			
Funds on Hand For Payment of Bonds,			
Notes and Loans:	\$ 646,708.63	\$ 2,497,157.16	\$ 613,234.35
Water & Sewer Utility:			
Self Liquidating Debt (see below)	13,856,020.30	11,896,040.43	11,609,815.06
Parking Utility:			
Self Liquidating Debt (see below)	270,000.00	280,000.00	
	<hr/>	<hr/>	<hr/>
Total Deductions	14,772,728.93	14,673,197.59	12,223,049.41
	<hr/>	<hr/>	<hr/>
Total Net Debt	\$ 12,432,760.83	\$ 13,667,882.02	\$ 13,305,053.23
	<hr/>	<hr/>	<hr/>

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 11. Capital Debt (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 2,145,000.00	\$ 2,145,000.00	
Regional School District	1,964,089.00	1,964,089.00	
General Debt	13,079,469.46		\$ 12,432,760.83
Water & Sewer Utility:	13,856,020.30	13,856,020.30	
Parking Utility Debt	270,000.00	270,000.00	
	<u>\$ 31,314,578.76</u>	<u>\$ 18,235,109.30</u>	<u>\$ 12,432,760.83</u>

The Borough's statutory net debt is the Net Debt, as calculated above of, divided by the average Equalized Valuation Basis of \$ 2,069,870,032.33, which equals a statutory net debt at December 31, 2016 of .601%. New Jersey statute 40A:2-6, as amended, limits the debt of a municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2016 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 72,445,451.13
Net Debt	<u>12,432,760.83</u>
Remaining Borrowing Power	<u>\$ 60,012,690.30</u>

Self-Liquidating Utility Calculation

Water-Sewer Utility per N.J.S.A. 40A:2-45

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 7,307,722.90
Deductions:	
Operating and Maintenance Costs	\$ 4,594,876.52
Debt Service	<u>1,439,415.61</u>
Total Deductions	<u>6,034,292.13</u>
Excess/(Deficit) in Revenue	<u>\$ 1,273,430.77</u>

*If Excess in Revenues all Utility Debt is Deductible

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 11. Capital Debt (continued)

A revised annual debt statement should be filed by the chief financial officer.

**Self-Liquidating Utility Calculation,
Parking Utility per N.J.S.A. 40A:2-45**

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 1,849,755.99
Deductions:	
Operating and Maintenance Costs	\$ 846,075.00
Debt Service	<u>21,324.77</u>
Total Deductions	<u>867,399.77</u>
Excess/(Deficit) in Revenue	<u>\$ 982,356.22</u>

*If Excess in Revenues all Utility Debt is Deductible

GENERAL CAPITAL DEBT

A. Serial Bonds

<u>Description</u>	Balance December 31, <u>2016</u>
\$540,000 2011 Pension Early Retirement Incentive Refunding Bonds due in annual installments of \$56,000 to \$81,000 through 2021 at interest rates ranging from 4.42% to 5.70%.	\$ 337,000.00
\$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%.	4,337,000.00
\$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%.	5,495,000.00
\$1,800,521.50 2015 Refunding Bonds due in annual installments of \$876,752.50 to \$923,769.00 through 2018 at an interest rate of 4.00%.	<u>1,800,521.50</u>
	<u>\$ 11,969,521.50</u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 11. Capital Debt (continued)

The following schedule represents the remaining debt service, through maturity, for the general serial bonds described above for the next five (5) years and five (5) year increments thereafter:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	1,612,752.50	496,935.19	2,109,687.69
2018	1,693,769.00	351,886.00	2,045,655.00
2019	810,000.00	324,814.50	1,134,814.50
2020	870,000.00	296,032.00	1,166,032.00
2021	936,000.00	264,998.50	1,200,998.50
2022-2026	4,457,000.00	852,260.00	5,309,260.00
2027-2031	1,590,000.00	161,500.00	1,751,500.00
	<u>\$ 11,969,521.50</u>	<u>\$ 2,748,426.19</u>	<u>\$ 14,717,947.69</u>

B. Green Trust Loans

The following schedule represents the remaining debt service, through maturity, for the green trust loans described above for the next five (5) years and five (5) year increments thereafter:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2021	9,470.90	1,689.72	11,160.62
2022-2026	50,287.62	5,515.47	55,803.09
2027-2031	27,083.64	817.90	27,901.54
	<u>\$ 332,086.29</u>	<u>\$ 25,062.56</u>	<u>\$ 357,148.85</u>

C. Capital 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.

The following schedule represents the remaining debt service, through maturity, for the capital lease payable described above for the next five (5) years and five (5) year increments thereafter:

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 11. Capital Debt (continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	21,540.00	212,540.00
2021	92,000.00	12,320.00	104,320.00
2022-2026	191,000.00	19,250.00	210,250.00
	<u>\$ 1,354,000.00</u>	<u>\$ 192,190.00</u>	<u>\$ 1,546,190.00</u>

D. Bond Anticipation Notes

<u>Improvement Description</u>	<u>Ordinance</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2016</u>
Acquisition of Water Park	31-05	12/16/2016	12/15/2017	1.150%	\$ 98,611.00
Acquisition of Various Capital Equipment and Completion of Various Capital Projects	16-15	12/16/2016	12/15/2017	1.150%	<u>679,250.00</u>
					<u>\$ 777,861.00</u>

E. Bonds and Notes Authorized But Not Issued

As of December 31, 2016, the Borough had \$.70 in General Capital bonds and notes authorized but not issued.

WATER & SEWER UTILITY

A. Serial Bonds

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 11. Capital Debt (continued)

<u>Description</u>	Balance December 31, <u>2016</u>
\$2,780,000 2004 Bonds due in annual installments ranging from \$275,000 to \$280,000 through February, 2017 at an interest rate of 4 .25%.	\$ 280,000.00
\$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 5.0%	520,000.00
\$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%.	449,541.80
\$2,662,000 2012 Bonds due in annual installments of \$140,000 to \$252,000 through October, 2027 at interest rates ranging from 2.00% to 2.10%.	2,152,000.00
\$3,775,000 2015 Bonds due in annual installments of \$130,000 to \$260,000 through 2035 at interest rates ranging from 3.50% to 5.00%.	3,645,000.00
\$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><u>\$ 10,131,020.30</u></u>

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

The following schedule represents the remaining debt service, through maturity, for the water and sewer serial bonds described above for the next five (5) years and five (5) year increments thereafter:

Note 11. Capital Debt (continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,062,827.63	\$ 291,916.91	\$ 1,354,744.54
2018	815,811.13	292,018.60	1,107,829.73
2019	879,580.13	292,489.50	1,172,069.63
2020	909,580.13	254,989.50	1,164,569.63
2021	944,580.13	218,914.50	1,163,494.63
2022-2026	2,907,900.65	714,010.00	3,621,910.65
2027-2031	1,595,740.50	332,042.00	1,927,782.50
2032-2036	1,015,000.00	89,775.00	1,104,775.00
	<u>\$ 10,131,020.30</u>	<u>\$ 2,486,156.01</u>	<u>\$ 12,617,176.31</u>

B. Bond Anticipation Notes

<u>Improvement Description</u>	<u>Ordinance</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2016</u>
Acquisition and Installation of Water Meters	16-02	12/16/2016	12/15/2017	1.150%	<u>\$ 1,900,000.00</u>
					<u>\$ 1,900,000.00</u>

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2016, the Borough had \$1,825,000.00 in Water & Sewer Capital bonds and notes authorized but not issued.

PARKING UTILITY CAPITAL DEBT

A. Serial Bonds

<u>Description</u>	<u>Balance December 31, 2016</u>
\$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%.	<u>\$ 270,000.00</u>

The following schedule represents the remaining debt service, through maturity, for the serial bonds described above for the next five (5) years and five (5) year increments thereafter:

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 11. Capital Debt (continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	10,000.00	9,850.00	19,850.00
2022-2026	65,000.00	41,000.00	106,000.00
2027-2031	75,000.00	23,225.00	98,225.00
2032-2036	80,000.00	7,000.00	87,000.00
	<u>\$ 270,000.00</u>	<u>\$ 125,375.00</u>	<u>\$ 395,375.00</u>

Summary of Principal Debt

A summary of the activity of the Borough's principal debt is as follows:

	Balance December 31, <u>2015</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2016</u>	Balance Due Within <u>One Year</u>
General Capital:					
Serial Bonds	\$ 13,488,521.50		\$ 1,519,000.00	\$ 11,969,521.50	\$ 1,612,752.50
Green Trust Loans	397,800.98		65,714.72	332,086.26	67,035.59
Capital Lease Payable	1,992,000.00		638,000.00	1,354,000.00	342,000.00
Bond Anticipation Notes	2,142,605.00	\$ 777,861.00	2,142,605.00	777,861.00	777,861.00
	<u>\$ 18,020,927.48</u>	<u>\$ 777,861.00</u>	<u>\$ 4,365,319.72</u>	<u>\$ 14,433,468.76</u>	<u>\$ 2,799,649.09</u>
Utility Capital:					
Serial Bonds	\$ 11,190,600.43		\$ 1,059,580.13	\$ 10,131,020.30	\$ 1,062,827.63
Bond Anticipation Notes	705,440.00	\$ 1,900,000.00	705,440.00	1,900,000.00	1,900,000.00
	<u>\$ 705,440.00</u>	<u>\$ 1,900,000.00</u>	<u>\$ 705,440.00</u>	<u>\$ 1,900,000.00</u>	<u>\$ 1,900,000.00</u>
Parking Capital:					
Serial Bonds	\$ 280,000.00	\$ -	\$ 10,000.00	\$ 270,000.00	\$ 10,000.00
	<u>\$ 280,000.00</u>	<u>\$ -</u>	<u>\$ 10,000.00</u>	<u>\$ 270,000.00</u>	<u>\$ 10,000.00</u>

Note 12. Special Emergency Note Payable

The Borough authorized the issuance of interest-free internal notes from the Borough's General Capital Fund to finance the costs of the deferred charges related to the special emergency authorizations described below. The balance of the Notes at December 31, 2016 is \$364,800.00.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 13. Deferred Charges to be raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

<u>Description</u>	<u>Balance</u> <u>December 31, 2016</u>	<u>2017 Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
Current Fund:			
Special Emergency Authorizations (40A:4-55)	\$ 384,000.00	\$ 152,400.00	\$ 231,600.00

Note 14. School Taxes

Local School District Taxes and Regional High School Taxes have been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the current fund liabilities as follows:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	<u>12/31/16</u>	<u>12/31/15</u>	<u>12/31/16</u>	<u>12/31/15</u>
Balance of Tax	\$ 8,021,425.65	\$ 7,748,526.67	\$ 4,624,534.66	\$ 4,380,302.68
Deferred	6,256,724.50	6,256,724.50	4,216,556.36	4,216,556.36
Tax Payable	<u>\$ 1,764,701.15</u>	<u>\$ 1,491,802.17</u>	<u>\$ 407,978.30</u>	<u>\$ 163,746.32</u>

Note 15. 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 full-time Borough employees, permits them to defer 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 and AXA Advisors.

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

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 16. Accrued Sick, Vacation and Compensation Time

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 \$1,849,401.20 and \$1,925,293.00 at December 31, 2016 and December 31, 2015 respectively. In accordance with New Jersey accounting principles, this amount is not reported as a liability in the accompanying financial statements. As of December 31, 2016 and 2015, \$279,474.80 and \$334,565.10, respectively, was set aside for the payment of compensated absences.

Note 17. 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.

Note 18. 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 granters. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the granter agency. As of December 31, 2016, 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.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 19. Tax Appeals

There are several tax appeals pending before the State Tax Court of New Jersey requesting a reduction of assessments for the year 2016 and prior. Any reduction in assessed valuation will result in a refund of prior year's 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's 2017 adopted budget provides \$50,000.00 for this purpose. In addition, the Borough is part of a PILOT program with the County of Monmouth. Each year for five years, the Borough and County will complete property assessments and make adjustments on 20% of the Boroughs properties. 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.

Note 20. Subsequent Events

The Borough of Red Bank has evaluated subsequent events occurring after December 31, 2016 through the date of June 24, 2017, which is the date the financial statements were available to be issued. There were no subsequent material events that need to be disclosed.

SUPPLEMENTARY SCHEDULES

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CURRENT FUND

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**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2016**

		Current Fund	Grant Fund
Balance, December 31, 2015		\$ 6,282,376.31	\$ 110,832.25
Increased By Receipts:			
Non-Budget Revenues	\$ 130,549.75		
State of New Jersey - Senior Citizens' and Veterans' Deductions	58,500.00		
Taxes Receivable	43,980,712.53		
Tax Overpayments	25,527.53		
Prepaid Taxes	204,332.67		
Revenue Accounts Receivable	7,473,918.59		
Special Emergency Notes	364,800.00		
Due to Monmouth County Regional Health	7,200.00		
Due To State	7,947.00		
Reserve for Sale of Municipal Assets	392,587.00		
Interfund - Animal Control Trust	6,472.04		
Interfund - Trust Other (Payroll)	50,408.11		
Due Current Fund		\$ 249,041.61	
Grants Receivable		103,534.93	
		<u>52,702,955.22</u>	<u>352,576.54</u>
		58,985,331.53	463,408.79
Decreased By Disbursements:			
2016 Budget Appropriations	19,343,522.31		
2015 Appropriation Reserves	708,367.85		
Accounts Payable	52,093.75		
County Taxes	5,910,136.75		
Local School District School Taxes	16,272,118.02		
Regional High School Taxes	9,004,837.02		
Special District Taxes	512,120.00		
Tax Overpayments	17,422.15		
Special Emergency Notes	854,700.00		
Due to Monmouth County Regional Health	4,050.00		
Due To State	10,396.00		
Reserve for Revaluation	4,540.00		
Due to Federal & State Grant Fund	249,041.61		
Interfund - Trust Other	1,462.74		
Interfund - Trust Other (Payroll)	583.66		
Change Fund	100.00		
Due Current Fund		283.40	
Grants - Appropriated		343,015.38	
		<u>52,945,491.86</u>	<u>343,298.78</u>
Balance, December 31, 2016		<u><u>\$ 6,039,839.67</u></u>	<u><u>\$ 120,110.01</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	<u>Increase</u>	<u>Adjustment</u>	Balance December 31, <u>2016</u>
Municipal Court	\$ 50.00	\$ 150.00		\$ 200.00
Borough Clerk			\$ 25.00	25.00
Tax Collector			225.00	225.00
Planning and Zoning			100.00	100.00
Building Inspector			50.00	50.00
Vital Statistics			100.00	100.00
Parks and Recreation			200.00	200.00
	<hr/>			
	\$ 50.00	\$ 150.00	\$ 700.00	\$ 900.00
	<hr/>			

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance, December 31, 2015		\$ 4,871.05
Increased By:		
Senior Citizens' Deductions per Tax Duplicate	\$ 11,750.00	
Veterans' Deductions per Tax Duplicate	45,250.00	
Senior Citizens' and Veterans' Deductions		
Allowed By Tax Collector	<u>1,750.00</u>	<u>58,750.00</u>
		63,621.05
Decreased By:		
Cash Received From State of New Jersey		<u>58,500.00</u>
Balance, December 31, 2016		<u><u>\$ 5,121.05</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, 2015	2016 Levy	Added Taxes	2015 Collections	2016 Collections	Due From/(To) State of New Jersey	Overpayments Applied	Transferred To Tax Title Liens	Cancellations	Balance December 31, 2016
2014	\$ 8.37								\$ 7.84	\$ 0.53
2015	677,377.71				\$ 644,443.51				32,922.57	11.63
2016	\$ 44,570,413.65	\$ 44,570,413.65	\$ 47,635.47	\$ 215,004.58	\$ 43,336,269.02	\$ 58,750.00	\$ 120,074.23	\$ 3,626.15	3,510.61	880,814.53
	\$ 677,386.08	\$ 44,570,413.65	\$ 47,635.47	\$ 215,004.58	\$ 43,980,712.53	\$ 58,750.00	\$ 120,074.23	\$ 3,626.15	\$ 36,441.02	\$ 880,826.69
<u>Analysis of Property Tax Levy</u>										
				215,004.58	43,336,269.02	58,750.00	120,074.23			
<u>Tax Yield</u>										
General Purpose Tax				\$ 43,775,702.88						
Special District Taxes				512,120.00						
Added/Omitted Taxes (R.S. 54-4-63, 1 et seq.)				282,590.77						
						\$ 44,570,413.65				
<u>Tax Levy</u>										
Local School District Tax			\$ 16,545,017.00							
Regional District High School Tax			9,249,069.00							
County Taxes:										
County Tax			\$ 5,535,317.65							
County Open Space Tax			317,966.91							
Due County for Added and Omitted Taxes			37,749.84							
				5,891,034.40						
Special Districts Taxes				512,120.00						
					32,197,240.40					
Local Tax for Municipal Purposes				12,128,332.32						
Add: Additional Tax Levied				244,840.93						
					12,373,173.25					
						\$ 44,570,413.65				

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$	-
Increased By:			
Transfer from Demolition Liens Receivable	735.96		
Interest and Costs at Tax Sale	\$ 194.03		
Transfers From Taxes Receivable	<u>3,626.15</u>		
			<u>4,556.14</u>
Balance, December 31, 2016		\$	<u><u>4,556.14</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DEMOLITION LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$	9,281.80
Decreased By:			
Transfer to Tax Title Liens Receivable	\$	735.96	
Adjustment		<u>867.84</u>	
			<u>1,603.80</u>
Balance, December 31, 2016		\$	<u><u>7,678.00</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Accrued in <u>2016</u>	<u>Collections</u>	Balance December 31, <u>2016</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		\$ 89,314.00	\$ 89,314.00	
Other		60,625.00	60,625.00	
Fees and Permits				
Other		373,952.91	373,952.91	
Fines and Costs:				
Municipal Court	\$ 45,651.34	622,135.25	629,197.28	\$ 38,589.31
Interest and Costs on Taxes		185,534.15	185,534.15	
Interest on Investments and Deposits		34,029.08	34,029.08	
Utility Operating Surplus of Current Year- Parking Utility		876,700.00	876,700.00	
Energy Receipts Tax		2,011,681.00	2,011,681.00	
Uniform Construction Code Official Fees		424,083.00	424,083.00	
Code Enforcement- Property Maintenance Fees		64,775.00	64,775.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:				
Shared Service Agreements Off-Set with Appropriations:				
Borough of Little Silver- Fire Services		15,030.00	15,030.00	
Township of Shrewsbury - Municipal Court		9,738.02	9,738.02	
Red Bank Board of Education- Snow Plowing		13,336.00	13,336.00	
Other Special Items:				
Franchise Tax Cable Television		192,217.11	192,217.11	
Uniform Fire Safety Act		134,726.58	134,726.58	
Landlord Registration Fees		16,070.00	16,070.00	
Utility Operating Surplus of Prio Year- Water/Sewer Utility		400,000.00	400,000.00	
Utility Operating Surplus of Prio Year- Parking Utility		75,000.00	75,000.00	
Payment in Lieu of Taxes- Riverview Hospital		193,316.68	193,316.68	
R.B.C. Field Rent		130,000.00	130,000.00	
Payment in Lieu of Taxes- Housing Authority/ River Street/ Habcore		182,566.11	182,566.11	
Reserve for Sale of Municipal Assets		36,941.40	36,941.40	
Hotel Occupancy Tax		180,460.53	180,460.53	
Reserve for Payment of Bonds		290,000.00	290,000.00	
General Capital Fund Balance		27,146.74	27,146.74	
	\$ 45,651.34	\$ 7,466,856.56	\$ 7,473,918.59	\$ 38,589.31

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY (N.J.S. 40A:4-53)
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Description</u>	Amount <u>Authorized</u>	Balance December 31, <u>2015</u>	Decreased by Budget <u>Appropriation</u>	Balance December 31, <u>2016</u>
2013	Utilization Banked Time	\$ 362,000.00	\$ 217,200.00	\$ 72,400.00	\$ 144,800.00
2014	Tax Appeals	675,000.00	337,500.00	337,500.00	-
2014	Tax Revaluation	500,000.00	320,000.00	80,000.00	240,000.00
			<u>\$ 874,700.00</u>	<u>\$ 489,900.00</u>	<u>\$ 384,800.00</u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, 2015		Balance After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserves</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
GENERAL APPROPRIATIONS					
General Administration:					
Salaries and Wages		\$ 518.99	\$ 518.99		\$ 518.99
Other Expenses	\$ 2,971.94	1,668.89	4,640.83	\$ 2,602.18	2,038.65
Municipal Clerk:					
Salaries and Wages		998.11	998.11		998.11
Other Expenses	8,155.11	12,275.91	20,431.02	9,972.68	10,458.34
Financial Administration:					
Salaries and Wages		6,406.15	6,406.15		6,406.15
Other Expenses	6,525.10	5,429.67	11,954.77	5,461.54	6,493.23
Audit Services					
Other Expenses		7.50	7.50		7.50
Mayor and Borough Council					
Other Expenses		1,576.68	1,576.68		1,576.68
Tax Administration:					
Salaries and Wages		619.25	619.25		619.25
Other Expenses	4,008.57	18,776.75	22,785.32	3,008.57	19,776.75
Revenue Administration					
Salaries and Wages		6,961.11	6,961.11		6,961.11
Other Expenses	2,507.75	1,174.07	3,681.82	1,477.55	2,204.27
Legal Services and Costs					
Other Expenses	1,045.21	29,783.10	30,828.31	24,107.20	6,721.11
Engineering Services:					
Other Expenses	40,081.50	6,614.79	66,696.29	56,560.09	10,136.20
Codification of Ordinances					
Other Expenses	2,580.00	6,783.00	9,363.00	2,580.00	6,783.00
Planning Board:					
Salaries and Wages		5,958.24	5,958.24		5,958.24
Other Expenses	426.48	13,774.08	14,200.56	5,664.48	8,536.08
Zoning Board of Adjustment					
Salaries and Wages		19,695.59	19,695.59	10,160.19	9,535.40
Other Expenses	850.32	1,970.85	2,821.17	2,450.32	370.85
Liability Insurance		2,825.68	2,825.68		2,825.68
Workers Compensation Insurance		185.92	185.92		185.92
Employee Group Insurance	240,450.73	202,129.99	422,580.72	236,065.91	186,514.81
Unemployment Insurance		440.68	440.68	(405.54)	846.22
Health Insurance Opt Out Payments		4,255.63	4,255.63		4,255.63
Fire Department:					
Other Expenses	23,347.92	7,800.19	31,148.11	20,201.49	10,946.62
Uniform Fire Safety Act (P.L. 1983, Ch. 383)					
Salaries and Wages		11,738.68	11,738.68		11,738.68
Other Expenses	1,043.00	3,555.95	4,598.95	1,184.75	3,414.20
Police Department:					
Salaries and Wages		4,582.60	5,582.60	5,498.06	84.54
Other Expenses	56,376.45	10,898.26	66,274.71	65,540.10	734.61
Aid to Volunteer First Aid Companies	3,974.05	3,802.03	7,776.08	3,966.32	3,809.76
Office of Emergency Management:					
Salaries and Wages		48.32	48.32		48.32
Other Expenses		5,355.90	5,355.90	13.10	5,342.80
Rent Leveling:					
Other Expenses		10,633.50	10,633.50		10,633.50
Streets and Road Maintenance:					
Salaries and Wages		2,020.17	2,020.17	(6,215.44)	8,235.61
Other Expenses	23,083.39	14,654.88	37,738.27	27,577.69	10,160.58
Sanitation Department:					
Salaries and Wages		1,808.38	1,808.38		1,808.38
Other Expenses	7,728.25	1,377.63	9,105.88	563.25	8,542.63

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, 2015		Balance After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserves</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Public Buildings and Grounds:					
Salaries and Wages		498.30	498.30	(38.00)	536.30
Other Expenses	49,812.15	37,017.29	86,829.44	38,627.57	48,201.87
Landfill:			-		-
Other Expenses	51,013.14	13,387.12	64,400.26	49,397.32	15,002.94
Code Enforcement:					
Salaries and Wages		610.26	610.26		610.26
Other Expenses		7,750.00	7,750.00		7,750.00
Visiting Nurse Association	6,182.44	4,585.24	10,767.68	6,182.44	4,585.24
Relocation Assistance		1,425.00	1,425.00		1,425.00
Monmouth County Regional Health Commission		1.00	1.00		1.00
Animal Control Services		1,942.11	1,942.11		1,942.11
Shade Tree Committee	4,900.00	100.00	5,000.00	4,900.00	100.00
Recreation Services and Programs:					
Salaries and Wages		24,265.42	24,265.42		24,265.42
Other Expenses	18,108.54	4,359.43	22,467.97	13,005.04	9,462.93
Street Lighting		10,946.17	20,946.17	20,835.84	110.33
Electricity		20,217.75	20,217.75	7,281.71	12,936.04
Telephone		25,799.54	15,799.54	6,292.27	9,507.27
Natural Gas		16,833.20	16,833.20	3,050.40	13,782.80
Gasoline	2,317.90	3,329.87	5,647.77		5,647.77
Contingent		1,000.00	1,000.00		1,000.00
State Uniform Construction Code:					
Salaries & Wages		317.41	317.41		317.41
Other Expenses	15,767.68	36.63	15,804.31	14,350.82	1,453.49
Education and Technology:					
Salaries and Wages		552.77	552.77		552.77
Other Expenses	1,162.79	5,443.84	6,606.63	3,287.79	3,318.84
Municipal Court:			-		-
Salaries and Wages		508.22	508.22		508.22
Other Expenses	4,169.32	5,351.99	9,521.31	4,438.32	5,082.99
Statutory Expenditures:					
Contribution To:					
Public Employees Retirement System		3.91	3.91		3.91
Social Security System (O.A.S.I.)		10,051.53	10,051.53	(6,204.69)	16,256.22
Police and Firemen's Pension Fund		4.00	4.00		4.00
Defined Contribution Retirement Program		3,781.06	3,781.06	375.56	3,405.50
LOSAP		15,950.00	15,950.00		15,950.00
Municipal Stormwater Management					
Salaries and Wages		285.19	285.19		285.19
Other Expenses	39.75	1,724.33	1,764.08	39.75	1,724.33
Tax Appeal Refunds					
Other Expenses		144.05	144.05		144.05
Maintenance of Free Public Library (P.L. 1985, Ch. 82)					
Other Expenses	24,207.25	150,473.52	174,680.77	174,680.77	-
Interlocal Services:					
9-11 System- County of Monmouth		0.04	0.04		0.04
Recycling Tax P.L. 2007 c. 311	2,494.84	3,981.44	6,476.28	2,051.10	4,425.18
Borough of Little Silver:					
Fire Services					
Other Expenses		5,222.29	5,222.29		5,222.29
Inspection of Building - UCC					
Salaries & Wages		21,885.64	21,885.64		21,885.64
Other Expenses	8,546.68	1.32	8,548.00	6,064.23	2,483.77

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, 2015		Balance After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserves</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
Red Bank School District:					
Snow Plowing:					
Other Expenses		9,418.52	9,418.52		9,418.52
Township of Shrewsbury:					
Municipal Court					
Other Expenses	2,534.42	3,095.95	5,630.37	2,474.52	3,155.85
Total General Appropriations	<u>\$ 616,412.67</u>	<u>\$ 841,408.47</u>	<u>\$ 1,457,821.14</u>	<u>\$ 829,127.25</u>	<u>\$ 628,693.89</u>
Reserve for Library				\$ 110,765.61	
Accounts Payable				9,993.79	
Disbursed				<u>708,367.85</u>	
				<u>\$ 829,127.25</u>	

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 53,812.00
Increased By:		
Transferred From Appropriation Reserves		<u>9,993.79</u>
		63,805.79
Decreased By:		
Cancelled	\$ 1,718.25	
Cash Disbursements	<u>52,093.75</u>	
		<u>53,812.00</u>
Balance, December 31, 2016		<u><u>\$ 9,993.79</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 56,852.19
Increased By:		
2016 Tax Levy:		
County Tax	\$ 5,535,317.65	
County Open Space Fund Tax	317,966.91	
Due County for Added and Omitted Taxes	<u>37,749.84</u>	
		<u>5,891,034.40</u>
		5,947,886.59
Decreased By:		
Payments		<u>5,910,136.75</u>
Balance, December 31, 2016		<u><u>\$ 37,749.84</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 215,002.15
Increased By:	
Collection of 2016 Taxes	<u>204,332.67</u>
	419,334.82
Decreased By:	
Applied To 2016 Taxes	<u>215,002.15</u>
Balance, December 31, 2016	<u><u>\$ 204,332.67</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$	1,774.00
Increased By:			
Overpayments Created	\$	120,074.23	
Cash Receipts		<u>25,527.53</u>	
			<u>145,601.76</u>
			147,375.76
Decreased By:			
Overpayments Transferred		120,074.23	
Cash Disbursements		<u>17,422.15</u>	
			<u>137,496.38</u>
Balance, December 31, 2016		\$	<u><u>9,879.38</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		
School Tax Payable	\$ 1,491,802.17	
School Tax Deferred	<u>6,256,724.50</u>	
		\$ 7,748,526.67
Increased By:		
Levy - School Year July 1, 2016 to June 30, 2017		<u>16,545,017.00</u>
		24,293,543.67
Decreased By:		
Payments		<u>16,272,118.02</u>
Balance, December 31, 2016		
School Tax Payable	1,764,701.15	
School Tax Deferred	<u>6,256,724.50</u>	
		<u>\$ 8,021,425.65</u>
<u>2016 Liability for Local District School Tax</u>		
Tax Payable, December 31, 2016	\$ 1,764,701.15	
Tax Paid	<u>16,272,118.02</u>	
		18,036,819.17
Less: Tax Payable, December 31, 2015		<u>1,491,802.17</u>
Amount Charged To 2016 Operations		<u>\$ 16,545,017.00</u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		
School Tax Payable	\$ 163,746.32	
School Tax Deferred	<u>4,216,556.36</u>	
		\$ 4,380,302.68
Increased By:		
Levy - School Year July 1, 2016 to June 30, 2017		<u>9,249,069.00</u>
		13,629,371.68
Decreased By:		
Payments		<u>9,004,837.02</u>
Balance, December 31, 2016		
School Tax Payable	\$ 407,978.30	
School Tax Deferred	<u>4,216,556.36</u>	
		<u>\$ 4,624,534.66</u>
<u>2016 Liability for Regional High School Tax</u>		
Tax Payable, December 31, 2016	\$ 407,978.30	
Tax Paid	<u>9,004,837.02</u>	
		9,412,815.32
Less:		
Tax Payable, December 31, 2015		<u>163,746.32</u>
Amount Charged To 2016 Operations		<u>\$ 9,249,069.00</u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ -
Increased By:	
2016 Fire Districts Levy	<u>512,120.00</u>
	512,120.00
Decreased By:	
Payments	<u>512,120.00</u>
Balance, December 31, 2016	<u><u>\$ -</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Descriptions</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2016</u>
Utilization Banked Time	8/28/2013	10/30/2015	9/30/2016	0.55%	\$ 217,200.00		\$ 217,200.00	
	8/28/2013	9/26/2016	9/25/2017	0.00%		\$ 144,800.00		\$ 144,800.00
Tax Appeals	8/28/2013	12/21/2015	12/22/2016	0.70%	337,500.00		337,500.00	
Tax Revaluation	1/22/2014	5/25/2015	5/19/2016	0.65%	300,000.00		\$ 300,000.00	
	1/22/2014	5/25/2016	5/24/2017	0.00%		220,000.00		220,000.00
					<u>\$ 854,700.00</u>	<u>\$ 364,800.00</u>	<u>\$ 854,700.00</u>	<u>\$ 364,800.00</u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance December 31, <u>2016</u>
Due to State of NJ:				
Marriage Licenses	\$ 750.00	\$ 3,575.00	\$ 2,750.00	\$ 1,575.00
DCA Training Fees	7,682.00	4,372.00	7,646.00	4,408.00
	<hr/>			
	\$ 8,432.00	\$ 7,947.00	\$ 10,396.00	\$ 5,983.00
	<hr/>			

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR REVALUATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 85,100.73
Decreased By:	
Cash Disbursements	<u>4,540.00</u>
Balance, December 31, 2016	<u><u>\$ 80,560.73</u></u>

**CURRENT FUND
SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ -
Increased By:	
Cash Receipts	<u>392,587.00</u>
Balance, December 31, 2016	<u><u>\$ 392,587.00</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR SEVERANCE LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 and 2015	<u><u>\$ 150,150.84</u></u>
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**CURRENT FUND
SCHEDULE OF RESERVE FOR LIBRARY EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 82,151.67
Increased By:	
Transfer from Appropriated Reserves	<u>110,765.61</u>
Balance, December 31, 2016	<u><u>\$ 192,917.28</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Budget Revenue <u>Realized</u>	<u>Received</u>	Transferred From Grants <u>Unappropriated</u>	Balance December 31, <u>2016</u>
Local Grants:					
U.S. Older Americans Act	\$ 31,312.00	\$ 29,312.00	\$ 29,312.00		\$ 31,312.00
State Grants:					
Recycling Tonnage Grant		9,232.16			9,232.16
Drunk Driving Enforcement Grant:					-
Police	3,200.00	14,390.74	14,390.74		3,200.00
Court	-	2,447.47	2,447.47		-
Pedestrian Safety Grant	15,000.00		11,800.00		3,200.00
Clean Communities Program	2,665.36	26,287.73	26,287.73		2,665.36
Over the Limit Under Arrest	6,400.00				6,400.00
COPS in SHOPS	1,200.00	300.00		\$ 300.00	1,200.00
Click It or Ticket	250.00	6,200.00	1,200.00		5,250.00
Body Armor Replacement Fund		3,707.94	3,707.94		-
Bulletproof Vest Program	4,602.37				4,602.37
Drive Sober or Get Pulled Over	5,750.00				5,750.00
Community Stewardship Incentive Program (CSIP)	30,000.00		12,000.00		18,000.00
Federal Grants:					
Bulletproof Vest Program	5,575.00		2,389.05		3,185.95
	<u>\$ 105,954.73</u>	<u>\$ 91,878.04</u>	<u>\$ 103,534.93</u>	<u>\$ 300.00</u>	<u>\$ 93,997.84</u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	Transferred from 2016 Budget <u>Appropriation</u>	Transferred From Encumbrances <u>Payable</u>	Paid or <u>Charged</u>	Transferred To Encumbrances <u>Payable</u>	Balance December 31, <u>2016</u>
Local:						
U.S. Older Americans Act	\$ 50,399.23	\$ 253,575.00	\$ 1,052.88	\$ 234,304.45	\$ 570.02	\$ 70,152.64
State:						
Recycling Tonnage Grant	55,826.83	9,232.16	2,634.00	57,493.50		10,199.49
Drunk Driving Enforcement Grant:						-
Police	9,329.53	14,390.74	169.00	10,201.50		13,687.77
Court	29,646.63	2,447.47				32,094.10
Pedestrian Safety Grant	15,400.00			8,200.00		7,200.00
Clean Communities Program	16,980.13	26,287.73	4,970.00	18,821.53	21,179.41	8,236.92
Over the Limit Under Arrest	6,475.00					6,475.00
COPS in SHOPS	7,800.01	300.00				8,100.01
Click It or Ticket	5,250.00	6,200.00		1,200.00		10,250.00
Body Armor Replacement Fund	17,464.00	3,707.94	799.65	11,994.75		9,976.84
Drive Sober or Get Pulled Over	5,950.00					5,950.00
Community Stewardship Incentive Program (CSIP)	10,004.00					10,004.00
Federal Grants:						
Bulletproof Vest Program			799.65	799.65		-
	<u>\$ 230,525.36</u>	<u>\$ 316,141.04</u>	<u>\$ 10,425.18</u>	<u>\$ 343,015.38</u>	<u>\$ 21,749.43</u>	<u>\$ 192,326.77</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016

	Balance December 31, <u>2015</u>	Cash <u>Received</u>	Transferred To Grants <u>Receivable</u>	Balance December 31, <u>2016</u>
State Grants:				
COPS in SHOPS	\$ 300.00		\$ 300.00	\$ -
	<u>\$ 300.00</u>	<u>\$ -</u>	<u>\$ 300.00</u>	<u>\$ -</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM/(TO) CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance, December 31, 2015		\$ 24,463.56
Increased By:		
Local Matching Funds	\$ 224,263.00	
Cash Disbursements	<u>283.40</u>	
		<u>224,546.40</u>
		249,009.96
Decreased By:		
Cash Receipts		<u>249,041.61</u>
Balance, December 31, 2016		<u><u>\$ (31.65)</u></u>

TRUST FUND

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**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>Animal Control Trust Fund</u>	<u>Payroll Trust Fund</u>	<u>Other Trust Funds</u>
Balance, December 31, 2015	\$ 13,113.27	\$ 50,277.71	\$ 4,220,065.38
Increased By Receipts:			
Intergovernmental Receivable	4,861.47		
Due To State of New Jersey	652.80		
Fees Collected	22,202.88		
Payroll Deductions Payable		12,599,019.74	
Interfund - Parking Utility			38,506.14
Interfund - Current Fund	4,500.00	583.66	616.30
Miscellaneous Trust Funds			3,810,462.91
	<u>32,217.15</u>	<u>12,599,603.40</u>	<u>3,849,585.35</u>
	<u>45,330.42</u>	<u>12,649,881.11</u>	<u>8,069,650.73</u>
Decreased By Disbursements:			
Due To State of New Jersey	680.40		
Expenditures per R.S. 4:19-15.11	15,541.84		
Payroll Deductions Payable		12,503,499.64	
Accounts Payable - State of NJ			5,397.00
Interfund - Current Fund	6,472.04	50,408.11	
Interfund - Parking Utility			46,159.72
Miscellaneous Trust Funds			4,209,719.83
	<u>22,694.28</u>	<u>12,553,907.75</u>	<u>4,261,276.55</u>
Balance, December 31, 2016	<u>\$ 22,636.14</u>	<u>\$ 95,973.36</u>	<u>\$ 3,808,374.18</u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ACCOUNTS RECEIVABLE - INTERGOVERNMENTAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 5,294.77
Decreased By:	
Cash Receipts	<u>4,861.47</u>
Balance, December 31, 2016	<u><u>\$ 433.30</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 6,472.04
Increased By:	
Cash Receipts	<u>4,500.00</u>
	10,972.04
Decreased By:	
Cash Disbursements	<u>6,472.04</u>
Balance, December 31, 2016	<u><u>\$ 4,500.00</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 11,908.40
Increased By:		
Cash Receipts:		
Animal Control License Fees Collected - 2016	\$ 6,620.40	
Animal Control Contracts	<u>15,582.48</u>	
		<u>22,202.88</u>
		34,111.28
Decreased By:		
Expenditures Per R.S. 4:19-15.11		<u>15,541.84</u>
Balance, December 31, 2016		<u><u>\$ 18,569.44</u></u>

License Fees Collected

2015	\$ 23,017.14
2014	<u>7,542.80</u>
	<u><u>\$ 30,559.94</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO NEW JERSEY STATE DEPARTMENT OF HEALTH
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 27.60
Increased By:	
State Registration Fees Collected	<u>652.80</u>
	680.40
Decreased By:	
Disbursed To State	<u>680.40</u>
Balance, December 31, 2016	<u><u>\$ -</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PAYROLL TRUST FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 427.30
Increased By:	
Cash Receipts	<u>12,599,019.74</u>
	12,599,447.04
Decreased By:	
Cash Disbursements	<u>12,503,499.64</u>
Balance, December 31, 2016	<u><u>\$ 95,947.40</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE RESERVE FOR VARIOUS TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Balance December 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2016</u>
Bid Deposits	\$ 400.00	\$ 2,250.00		\$ 2,650.00
TT&L Redemption	11,431.48	566,808.92	\$ 515,233.42	63,006.98
Law Enforcement Tr	25,547.86	1,930.50	1,389.40	26,088.96
Vehicle Impound Trucks	80,909.62	13,848.20	18,350.00	76,407.82
Tax Sale Premium	1,426,700.00	327,800.00	508,400.00	1,246,100.00
Recycling	39,953.06	11,244.44	12,493.39	38,704.11
Uniform Fire Safety/Acct Penalty Monies	34,181.44	3,300.00	2,262.18	35,219.26
Recreation - Donations	9,653.96	13,409.00	23,062.96	-
Parking Offenses Adjudication Act (POAA)	19,010.92	4,236.00	10,962.70	12,284.22
Eisner Foundation: Charitable Scientific	305,953.55	295.29	4,795.29	301,453.55
Eisner Foundation: Riverside Garden Maintenance	8,464.62			8,464.62
Police - Forfeited Property	2,694.10	250.40		2,944.50
Police - Extra Duty Pay	194,015.24	411,342.50	347,112.50	258,245.24
Inspection Fees Escrow	170,996.75	110,025.74	118,627.51	162,394.98
Performance & Maintenance Escrow	855,736.50	195,852.75	490,172.11	561,417.14
Review Escrow	125,846.91	346,640.12	340,392.21	132,094.82
Redevelopment Escrow		20,320.00	16,875.44	3,444.56
Dedicated Fire Penalty	8,098.49	225.80	651.95	7,672.34
Police Donations	2,234.68	10,570.60	1,375.81	11,429.47
Public Defender Fees	9,117.76	11,203.00	7,100.00	13,220.76
Manalapan RCA Agreement	329,761.32	22,978.20	15,165.87	337,573.65
Shade Tree	750.00			750.00
Unemployment Trust	35,979.19	40,392.79	41,746.72	34,625.26
Council on Affordable Housing Dev	14,944.23	14,957.68	1,357.58	28,544.33
Wayfinding Signs	4,330.00			4,330.00
Four Connections Fiberoptics	6,691.00			6,691.00
Yard Sales	132.74			132.74
Human Relations	310.00			310.00
Environmental Commission	200.00			200.00
Count Basie 365	1,702.41			1,702.41
Accumulated Absence Liability	334,565.10	108,587.80	163,678.10	279,474.80
Snow Expenses	68,941.85	47,188.08	49,160.17	66,969.76
Community Garden	959.01	682.00	881.35	759.66
OEM Trust	4,000.00			4,000.00
Online Tax Sale - Pass Through	320.51	1,342,374.48	1,342,374.48	320.51
Parks & Rec Trust-Green Acres	74,733.82	101,980.38	127,856.39	48,857.81
Parks and Recreation Trust		79,768.24	48,242.31	31,525.93
	<u>\$ 4,209,268.12</u>	<u>\$ 3,810,462.91</u>	<u>\$ 4,209,719.84</u>	<u>\$ 3,810,011.19</u>

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GENERAL CAPITAL FUND

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**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 7,378,989.61
Increased By:		
Bond Anticipation Notes	\$ 777,861.00	
Capital Improvement Fund	100,000.00	
Miscellaneous Reserves	<u>598,716.79</u>	
		<u>1,476,577.79</u>
		8,855,567.40
Decreased By:		
Investment in Notes - Current Fund	364,800.00	
Fund Balance - Anticipated in Current Fund	27,146.74	
Due from MCIA	3,841.76	
Bond Anticipation Notes	2,142,605.00	
Improvement Authorizations	1,882,150.77	
Miscellaneous Reserves	<u>306,560.32</u>	
		<u>4,727,104.59</u>
Balance, December 31, 2016		<u><u>\$ 4,128,462.81</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH
FOR THE YEAR ENDED DECEMBER 31, 2016**

		Balance December 31, <u>2016</u>
Reserve for Encumbrances		\$ 1,608,085.19
Capital Improvement Fund		106,191.76
Miscellaneous Reserves		850,437.67
Investment in Notes		(364,800.00)
Ingovernmental Receivable		(26,576.40)
<u>Ordinance Number</u>	<u>Improvement Description</u>	
1-04	Renov & Improv to Red Bank Library	17,456.33
31-05	Acquisition of Water Front Park	90,815.99
6-32,9-42,10-10	Conversion of Muni Land to Waterfront Park	40,977.01
9-44	Various Improvements to Count Basie Park	19,197.29
13-15,15-14,16-15	Various Capital Equipment and Capital Improvements	388,014.40
14-8/14-11	Acquisition of Various Capital Equipment and Completion of Various Capital Projects	552,443.60
14-12, 15-13	Bulkhead Repair Library & North Prospect	61,919.12
15-08	2015 Road Improvement	784,300.85
		<hr/>
		\$ 4,128,462.81
		<hr/>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF INVESTMENT IN NOTES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ -
Increased By:	
Investment in Current Fund Special Emergency Notes	<u>364,800.00</u>
Balance, December 31, 2015	<u><u>\$ 364,800.00</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM MCIA
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 22,734.64
Increased By:	
Cash Disbursements	<u>3,841.76</u>
Balance, December 31, 2015	<u><u>\$ 26,576.40</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL LEASE OBLIGATIONS - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 1,992,000.00
Decreased By:	
Principal Paid	<u>638,000.00</u>
Balance, December 31, 2016	<u><u>\$ 1,354,000.00</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015			\$ 13,886,322.48
Decreased By:			
Serial Bonds Paid	\$	1,519,000.00	
Green Trust Loan Paid		<u>65,714.72</u>	
			<u>1,584,714.72</u>
Balance, December 31, 2016			<u><u>\$ 12,301,607.76</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2016

Ordinance Number	Improvement Description	Balance December 31, 2015	2016 Authorizations	Decreased by Authorization Cancelled	Balance December 31, 2016	Analysis of Balance		
						Financed by Bond Anticipation Notes	Expended Improvement Authorizations	Unexpended Improvement Authorizations
31-05	Acquisition of Waterfront Park	\$ 98,611.70		\$	98,611.70	\$ 98,611.00	\$ 0.70	
49-05	Various 2005 Road Improvements	37,500.00		\$ 37,500.00	-	-	-	
16-15	Various Capital Improvements		\$ 679,250.00		679,250.00	679,250.00	-	
		\$ 136,111.70	\$ 679,250.00	\$ 37,500.00	777,861.70	\$ 777,861.00	\$ 0.70	\$ -
Improvement Authorizations Unfunded								
Less: Unexpended proceeds of Bond Anticipation Notes:								
Ordinance Numbers:								
31-05								
16-15								
								\$ 478,831.09
								90,816.69
								388,014.40
								<u>\$ -</u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds			<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Decreased</u>	<u>Balance December 31, 2016</u>
			<u>Outstanding</u>	<u>December 31, 2015</u>	<u>Amount</u>				
			<u>Date</u>						
General Improvement Bonds	07/15/2007	\$ 7,391,000.00					\$ 830,000.00	\$ 830,000.00	
Pension ERI Refunding Bonds	04/3/2011	540,000.00	2017		56,000.00	4.42%	386,000.00	49,000.00	\$ 337,000.00
			2018		60,000.00	4.88%			
			2019		65,000.00	5.10%			
			2020		75,000.00	5.40%			
			2021		81,000.00	5.70%			
General Improvement Bonds	11/01/2012	5,637,000.00	2017		365,000.00	2.00%	4,687,000.00	350,000.00	4,337,000.00
			2018		385,000.00	2.00%			
			2019		405,000.00	2.00%			
			2020		435,000.00	2.00%			
			2021		475,000.00	2.00%			
			2022		530,000.00	2.00%			
			2023		555,000.00	2.00%			
			2024		575,000.00	2.00%			
			2025		612,000.00	2.00%			
MCIA Refunding Bonds	06/25/15	1,800,521.50	2017		876,752.50	4.00%	1,800,521.50		1,800,521.50
			2018		923,769.00	4.00%			

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance December 31, 2015	Decreased	Balance December 31, 2016
			Outstanding		December 31, 2015				
			Date	Amount					
General Improvement Bonds	12/23/15	5,785,000.00	2017	315,000.00	2.00%	5,785,000.00	290,000.00	5,495,000.00	
			2018	325,000.00	4.00%				
			2019	340,000.00	5.00%				
			2020	360,000.00	5.00%				
			2021	380,000.00	5.00%				
			2022	395,000.00	5.00%				
			2023	415,000.00	5.00%				
			2024	435,000.00	5.00%				
			2025	460,000.00	5.00%				
			2026	480,000.00	5.00%				
			2027	505,000.00	5.00%				
			2028	530,000.00	5.00%				
			2029	555,000.00	5.00%				
							\$ 13,488,521.50	\$ 1,519,000.00	\$ 11,969,521.50

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2016**

<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, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2016</u>
13-15	Acquisition of Various Capital Equipment and Completion of Various Capital Projects	12/5/2013	11/24/2015	1/7/2016	1.00%	\$ 715,000.00		\$ 715,000.00	
13-15/15-14	Acquisition of Various Capital Equipment and Completion of Various Capital Projects	11/26/2013	11/24/2015	1/7/2016	1.00%	861,405.00		861,405.00	
14-12/15-13	Bulkhead Repair - Library and North Prospect	11/24/2014	11/24/2015	1/7/2016	1.00%	566,200.00		566,200.00	
31-05	Acquisition of Water Park	12/16/2016	12/16/2016	12/15/2017	1.15%		\$ 98,611.00		\$ 98,611.00
16-15	Acquisition of Various Capital Equipment and Completion of Various Capital Projects	12/16/2016	12/16/2016	12/15/2017	1.15%		679,250.00		679,250.00
						<u>\$ 2,142,605.00</u>	<u>\$ 777,861.00</u>	<u>\$ 2,142,605.00</u>	<u>\$ 777,861.00</u>
Cash Disbursed - Paid by Bond Proceeds								\$ 2,142,605.00	
Cash Disbursed - Renewals									
Issued for Cash							\$ 777,861.00		
							<u>\$ 777,861.00</u>	<u>\$ 2,142,605.00</u>	

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL LEASE PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Schedule of Maturities</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Principal Payment</u>	<u>Balance</u>
			<u>Date</u>	<u>Principal</u>		<u>December 31, 2015</u>		<u>December 31, 2016</u>
Capital Lease Revenue Bonds, Series 2011	10/01/2011	\$ 1,594,000.00	10/1/2017	32,000.00	4.00%	\$ 471,000.00	\$ 310,000.00	\$ 161,000.00
			10/1/2018	33,000.00	2.50%			
			10/1/2019	31,000.00	4.00%			
			10/1/2020	32,000.00	5.00%			
			10/1/2021	33,000.00	5.00%			
2013 Capital Lease - MCIA	10/09/2013	\$ 934,000.00	10/1/2017	137,000.00	5.00%	\$ 609,000.00	\$ 171,000.00	\$ 438,000.00
			10/1/2018	143,000.00	5.00%			
			10/1/2019	32,000.00	4.00%			
			10/1/2020	33,000.00	4.00%			
			10/1/2021	30,000.00	4.00%			
			10/1/2022	31,000.00	4.00%			
			10/1/2023	32,000.00	4.00%			
2015 Capital Lease - MCIA	10/27/2015	\$ 912,000.00	9/1/2017	173,000.00	4.00%	\$ 912,000.00	\$ 157,000.00	\$ 755,000.00
			9/1/2018	179,000.00	5.00%			
			9/1/2019	120,000.00	5.00%			
			9/1/2020	126,000.00	5.00%			
			9/1/2021	29,000.00	5.00%			
			9/1/2022	30,000.00	2.00%			
			9/1/2023	31,000.00	5.00%			
			9/1/2024	33,000.00	5.00%			
			9/1/2025	34,000.00	5.00%			
					\$ 1,992,000.00	\$ 638,000.00	\$ 1,354,000.00	

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACREST TRUST LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Date of Issue	Original Issue	Schedule of Maturities		Interest Rate	Balance December 31, 2015	Principal Payment	Balance December 31, 2016
			Date	Principal				
1992 Riverside Gardens (Dev. 1)	1992	\$ 500,000.00	02/12/17	14,499.85	2.0%	\$ 133,165.56	\$ 28,570.42	\$ 104,595.14
			08/12/17	14,644.84	2.0%			
			02/12/18	14,791.29	2.0%			
			08/12/18	14,939.21	2.0%			
			02/12/19	15,088.60	2.0%			
			08/12/19	15,239.48	2.0%			
			02/12/20	15,391.88	2.0%			
1995 Riverside Gardens (Dev. 2)	1995	\$ 500,000.00	04/25/17	14,499.85	2.0%	\$ 133,165.56	\$ 28,570.42	\$ 104,595.14
			10/25/17	14,644.84	2.0%			
			04/25/18	14,791.29	2.0%			
			10/25/18	14,939.21	2.0%			
			04/25/19	15,088.60	2.0%			
			10/25/19	15,239.48	2.0%			
			04/25/20	15,391.88	2.0%			
1995 Waterfront Acquisition	1995	\$ 175,694.15	04/27/17	4,351.35	2.0%	\$ 131,469.86	\$ 8,573.88	\$ 122,895.98
			10/27/17	4,394.86	2.0%			
			04/27/18	4,438.81	2.0%			
			10/27/18	4,483.20	2.0%			
			04/27/19	4,528.03	2.0%			
			10/27/19	4,573.31	2.0%			
			04/27/20	4,619.04	2.0%			
			10/27/20	4,665.23	2.0%			
			04/27/21	4,711.89	2.0%			
			10/27/21	4,759.01	2.0%			
			04/27/22	4,806.60	2.0%			
			10/27/22	4,854.66	2.0%			
			04/27/23	4,903.21	2.0%			
			10/27/23	4,952.24	2.0%			
			04/27/24	5,001.76	2.0%			
			10/27/24	5,051.78	2.0%			
			04/27/25	5,102.30	2.0%			
			10/27/25	5,153.32	2.0%			
			04/27/26	5,204.85	2.0%			
			10/27/26	5,256.90	2.0%			
			04/27/27	5,309.47	2.0%			
			10/27/27	5,362.57	2.0%			
			04/27/28	5,416.19	2.0%			
			10/27/28	5,470.35	2.0%			
			04/27/29	5,525.06	2.0%			
						\$ 397,800.98	\$ 65,714.72	\$ 332,086.26

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**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 41,941.76
Increased By:	
Budget Appropriation	<u>100,000.00</u>
	141,941.76
Decreased By:	
Appropriated to Finance Improvement Authorizations	<u>35,750.00</u>
Balance, December 31, 2016	<u><u>\$ 106,191.76</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2016</u>
Reserve for:				
Future Boat Improvement Ramp	\$ 196,667.40			\$ 196,667.40
Marine Park Improvement Donation	5,000.00			5,000.00
Down Payment on Improvements	2,061.64			2,061.64
Debt Service	354,552.16	\$ 598,716.79	\$ 306,560.32	646,708.63
	<u>\$ 558,281.20</u>	<u>\$ 598,716.79</u>	<u>\$ 306,560.32</u>	<u>\$ 850,437.67</u>
Cash Receipts				
State of NJ - Basie Park Grant		\$ 538,871.55		
State of NJ - Bridge A Highway Project Grant		50,000.00		
Miscellaneous		<u>9,845.24</u>		
		<u>\$ 598,716.79</u>		
Anticipated As Revenue in Current Fund Budget			\$ 290,000.00	
Cash Disbursements			<u>16,560.32</u>	
			<u>\$ 306,560.32</u>	

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2015</u>	2016 <u>Authorizations</u>	<u>Decreased by</u>		Balance December 31, <u>2016</u>
				<u>BAN Issued</u>	<u>Cancelled</u>	
31-05	Acquisition of Waterfront Park	\$ 98,611.70		\$ 98,611.00	\$	\$ 0.70
05-49	Various 2005 Road Improvements	37,500.00			\$ 37,500.00	
16-15	Various Capital Equipment and Improvements		\$ 679,250.00	679,250.00		
		\$ 136,111.70	\$ 679,250.00	\$ 777,861.00	\$ 37,500.00	\$ 0.70

WATER & SEWER UTILITY FUND

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**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2015	\$ 1,336,766.34	\$ 3,571,721.99
Increased By Receipts:		
Consumer Accounts Receivable	\$ 6,958,597.79	
Reserve for Connection Fees	59,898.28	
Miscellaneous Revenue	100,025.91	
Water & Sewer Line Receivable	3,084.00	
Reserve for Water Line Repairs	104,276.20	
Fees from Other Towns	77.24	
Bond Anticipation Notes		1,900,000.00
	<u>7,225,959.42</u>	<u>1,900,000.00</u>
	8,562,725.76	5,471,721.99
Decreased By Disbursements:		
2016 Budget Appropriations	6,199,897.03	
2015 Appropriation Reserves	249,285.51	
Water & Sewer Line Receivable	17,513.39	
Reserve for Water Line Repairs	104,685.41	
Transfer to Current Fund - PY Surplus	400,000.00	
Accounts Payable		
Improvement Authorizations		2,088,239.38
Bond Anticipation Notes		705,440.00
Reserve for Preliminary Costs - Well		5,655.00
Reserve for Payment of Bonds		10,292.62
	<u>6,971,381.34</u>	<u>2,809,627.00</u>
Balance, December 31, 2016	<u>\$ 1,591,344.42</u>	<u>\$ 2,662,094.99</u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER & SEWER UTILITY CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, <u>2016</u>
Encumbrances Payable	\$ 1,878,683.38
Capital Improvement Fund	3,074.00
Reserve for Preliminary Costs - Well	1,845.00
Reserve for Payment of Bonds	192,869.89
Fund Balance	15,376.22

Ordinance <u>Number</u>	<u>Improvement Description</u>	
4-35	Reconstruction of Sewer Main along Maple Ave	84,832.79
11-02	Various 2011 Capital Improvements	23,223.15
11-07	Various 2011 Drainage Improvements	6,101.34
13-07	Lake Ave Water Utility Improvements	130,988.30
13-14/2015-11	Various 2013 Capital Improvements	27,137.13
14-03	Various 2014 Water Sewer Utility Improvements	264,260.85
15-10	Various WS Improvements 2015 Road	3,910.52
16-01	Water Plant Improv at Chestnut St & Tower Hill	(126,025.00)
16-02	Water and Sewer Utility Meters	155,817.42
		<u>\$ 2,662,094.99</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance, December 31, 2015		\$ 835,243.62
Increased By:		
Water & Sewer Rents Levied		<u>6,941,280.08</u>
		7,776,523.70
Decreased By:		
Collections	\$ 6,958,597.79	
Overpayments Created	(5,570.08)	
Transfer to Liens	<u>2,237.72</u>	
		<u>6,955,265.43</u>
Balance, December 31, 2016		<u><u>\$ 821,258.27</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY OPERATING FUND
SCHEDULE OF LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$	20.00
Increased By:			
Adjustment	\$	975.03	
Transfers From Consumer Accounts Receivable		<u>2,237.72</u>	
			<u>3,212.75</u>
Balance, December 31, 2016		\$	<u><u>3,232.75</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Description</u>	Balance December 31, <u>2016 & 2015</u>
Various Water & Sewer Improvements	\$ 14,319,636.67
	<u>\$ 14,319,636.67</u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2016**

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2015	Authorizations Deferred Charges to Future Revenue	Balance December 31, 2016
		Date	Amount			
35-04/ 23-05	Reconstruction of the Sewer Main Along Maple Ave.	09/28/2004 05/23/2005	1,000,000.00 945,000.00	\$ 1,945,000.00		\$ 1,945,000.00
10-06	Various Facility Improvements	03/13/2006	2,425,000.00	2,425,000.00		2,425,000.00
24-08/04-09 24-09	Various 2008 Capital Improvements	09/22/2008	675,000.00	3,156,503.00		3,156,503.00
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	05/25/2011	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 Along Maple Ave.	07/10/2013 04/22/2015	205,440.00 130,000.00	335,440.00		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 Capital Improvements	4/22/2015	877,000.00	877,000.00		877,000.00
16-01	Water Plant Improv at Chestnut St & Tower Hill	1/27/2016	1,825,000.00	\$ 1,825,000.00		1,825,000.00
16-02	Water and Sewer Utility Meters	1/27/2016	1,900,000.00		1,900,000.00	1,900,000.00
				<u>\$ 13,518,932.80</u>	<u>\$ 3,725,000.00</u>	<u>\$ 17,243,932.80</u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY OPERATING FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31, 2015		Balance After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserves</u>	<u>Modifications</u>	<u>Charged</u>	<u>Lapsed</u>
Operating:					
Salaries and Wages		\$ 3,897.97	\$ 3,897.97	\$ 2,550.02	\$ 1,347.95
Other Expenses	\$ 141,502.67	184,708.46	283,161.13	151,497.94	131,663.19
Regional Sewer Authority Charges		1,901.00	1,901.00		1,901.00
Manasquan River Water Purchases		35,256.58	78,306.58	78,287.55	19.03
Total Operating	141,502.67	225,764.01	367,266.68	232,335.51	134,931.17
Capital Improvements:					
Capital Outlay	16,950.00	13,050.00	30,000.00	16,950.00	13,050.00
Total Capital Improvements	16,950.00	13,050.00	30,000.00	16,950.00	13,050.00
Statutory Expenditures:					
Contributions To:					
Public Employee's Retirement System		2.34	2.34		2.34
Social Security System (O.A.S.I.)		13,080.66	13,080.66		13,080.66
Total Statutory Expenditures	-	13,083.00	13,083.00	-	13,083.00
	\$ 158,452.67	\$ 251,897.01	\$ 410,349.68	\$ 249,285.51	\$ 161,064.17

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY OPERATING FUND
SCHEDULE OF RENT OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 15,507.02
Decreased By:	
Overpayments Applied	<u>15,507.02</u>
	-
Increased By:	
Overpayments Created	<u>21,077.10</u>
Balance, December 31, 2016	<u><u>\$ 21,077.10</u></u>

BOROUGH OF RED BANK
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS, LOANS AND NOTES
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance December 31, 2015		\$ 98,239.31
Increased by:		
Charged to Budget Appropriations:		
Interest on Bonds & Loans	\$ 378,712.04	
Interest on Notes	<u>1,123.44</u>	
		<u>379,835.48</u>
Subtotal		478,074.79
Decreased by:		
Disbursed		<u>383,033.19</u>
Balance December 31, 2016		<u><u>\$ 95,041.60</u></u>

ANALYSIS OF ACCRUED INTEREST DECEMBER 31, 2016

PRINCIPAL OUTSTANDING DECEMBER 31, 2016	INTEREST RATE	FROM	TO	PERIOD	AMOUNT
Serial Bonds:					
\$ 280,000	Various	08/01/16	12/31/16	150 days	\$ 4,958.33
520,000	Various	08/01/16	12/31/16	150 days	8,786.40
2,152,000	Various	10/01/16	12/31/16	90 days	10,881.75
3,645,000	Various	08/01/16	12/31/16	150 days	29,819.73
3,084,479	Various	12/01/16	12/31/16	90 days	39,687.50
Notes:					
1,900,000	Various	12/15/16	12/31/16	15 days	<u>907.89</u>
Total					<u><u>\$ 95,041.60</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds			<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Decreased</u>	<u>Balance December 31, 2016</u>
			<u>Date</u>	<u>Outstanding December 31, 2015</u>	<u>Amount</u>				
Water-Sewer Bonds	06/15/2004	\$ 2,780,000.00	2017	280,000.00		4.25%	\$ 555,000.00	275,000.00	\$ 280,000.00
Water-Sewer Bonds	07/15/2007	5,385,000.00					455,000.00	455,000.00	-
NJET Trust Loan Bonds	11/23/2009	680,000.00	2017	30,000.00		5.000%	550,000.00	30,000.00	520,000.00
			2018	30,000.00		5.000%			
			2019	35,000.00		4.000%			
			2020	35,000.00		4.000%			
			2021	35,000.00		4.000%			
			2022	40,000.00		3.500%			
			2023	40,000.00		4.000%			
			2024	40,000.00		4.000%			
			2025	45,000.00		3.750%			
			2026	45,000.00		4.000%			
			2027	45,000.00		4.000%			
			2028	50,000.00		4.000%			
			2029	50,000.00		4.000%			
NJET Fund Loan Bonds	11/23/2009	2,040,227.00	2017	34,580.13		0.000%	484,121.93	34,580.13	449,541.80
			2018	34,580.13		0.000%			
			2019	34,580.13		0.000%			
			2020	34,580.13		0.000%			
			2021	34,580.13		0.000%			
			2022	34,580.13		0.000%			

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Purpose	Date of Issue	Maturities of Bonds				Interest Rate	Balance December 31, 2015	Decreased	Balance December 31, 2016
		Original Issue	Outstanding		Amount				
			Date	December 31, 2015					
Water-Sewer Bonds	11/01/2012	2,662,000.00	2017	140,000.00	2.000%	2,287,000.00	135,000.00	2,152,000.00	
			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%				
MCIA Water-Sewer Bonds	12/23/2015	3,775,000.00	2017	130,000.00	4.000%	3,775,000.00	130,000.00	3,645,000.00	
			2018	130,000.00	5.000%				
			2019	130,000.00	5.000%				
			2020	140,000.00	5.000%				

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Purpose	Date of Issue	Maturities of Bonds			Interest Rate	Balance December 31, 2015	Decreased	Balance December 31, 2016
		Original Issue	Outstanding December 31, 2015					
			Date	Amount				
MCIA Water-Sewer Refunding Bonds	06/25/2015	3,084,478.50	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%			
			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%			
						\$ 11,190,600.43	\$ 1,059,580.13	\$ 10,131,020.30

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BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

Ordinance #	Description	Ordinance		Balance		2016 Authorizations			Transfer from		Reserve for		Balance	
		Date	Amount	12/31/2015		Def Charges to	Future Revenues	Encumbrances	Prior Year	Paid or Charged	Encumbrances	12/31/2016		
				Funded	Unfunded							Funded	Unfunded	
4-35	Reconstruction of Sewer Main along Maple Ave	9/28/2004	1,000,000.00	\$	84,832.79							\$	84,832.79	
5-23		5/23/2005	945,000.00											
8-18		8/11/2008												
6-09		3/13/2006	250,000.00											
6-10		3/13/2006	2,425,000.00									\$	14,508.13	
7-22	Water Mains, Fire Hydrant Valves & Sewer Pump Stations	2007	1,140,000.00				\$	14,508.13						
7-23		2007	400,000.00											
8-24	Various 2008 Capital Improvements	9/22/2008	3,291,000.00				200,521.00	\$	134,704.70			66,217.00		
09-04		2/23/2009												
09-24	Various 2010 Capital Improvements		477,900.00											
10-09		2010												
10-39	Septic Tank Improvement (Local Improvement)	2010	42,426.00											
11-02	*Various 2011 Capital Improvements	2/28/2011	1,846,000.00		9,000.00		149,356.63		135,121.75		11.73		23,223.15	
11-07		5/25/2011	189,168.00		11,101.34						5,000.00		6,101.34	
13-07	Lake Ave Water Utility Improvements	6/12/2013	500,000.00		130,988.30								130,988.30	
13-14/2015-11	Various 2013 Capital Improvements	7/10/2013	205,440.00		307,877.29								280,740.16	
	Various 2014 Water Sewer Utility Improvements	2/26/2014	2,208,000.00		951,862.56		366,263.24		383,950.98		669,913.97		264,260.85	
14-03	Various WS Improvements 2015 Road	4/22/2015	877,000.00		92,600.68		317,856.60		397,679.51		8,867.25		3,910.52	
15-10		1/27/2016	1,825,000.00			\$	1,825,000.00		650.00		125,375.00			\$ 1,698,975.00
16-01	Water Plant Improv at Chestnut St & Tower Hill													
16-02	Water and Sewer Utility Meters	1/27/2016	1,900,000.00				1,900,000.00		1,036,132.44		708,050.14			155,817.42
				\$ 1,588,663.66	\$ -	-	\$ 3,725,000.00	\$ 1,048,505.60	\$ 2,088,239.38	\$ 1,878,683.38	\$ 540,454.08	\$ 1,854,792.42		

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY OPERATING FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 and 2015

\$ 3,074.00

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 16,438,812.86
Increased by:	
Serial Bonds Paid by Operating Fund	<u>1,059,580.13</u>
Balance, December 31, 2016	<u><u>\$ 17,498,392.99</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 and 2015

\$ 209,156.18

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR PRELIMINARY COSTS - WELL
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance, December 31, 2015	\$ 7,500.00
Decreased By:	
Cash Disbursements	<u>5,655.00</u>
Balance, December 31, 2016	<u><u>\$ 1,845.00</u></u>

WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF BONDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Balance, December 31, 2015	\$ 203,162.51
Decreased By:	
Cash Disbursements	<u>10,292.62</u>
Balance, December 31, 2016	<u><u>\$ 192,869.89</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY OPERATING FUND
SCHEDULE OF WATER & SEWER LINES RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 2,793.75
Increased By:		
Disbursements paid by Borough (Installment Plans)		<u>17,513.39</u>
		20,307.14
Decreased By:		
Cancellations/Adjustments	\$ 162.56	
Cash Receipts	<u>3,084.00</u>	
		<u>3,246.56</u>
Balance, December 31, 2016		<u><u>\$ 17,060.58</u></u>

**SCHEDULE OF RESERVE FOR WATER & SEWER LINE REPAIRS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 50,650.42
Increased By:		
Cash Receipts		<u>104,276.20</u>
		154,926.62
Decreased By:		
Cash Disbursements		<u>104,685.41</u>
Balance, December 31, 2016		<u><u>\$ 50,241.21</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
WATER & SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2016

Ordinance <u>Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2015</u>	2016 <u>Authorizations</u>	Balance December 31, <u>2016</u>
16-01	Water Plant Improvements at Chesnut Street and Tower Hill	\$ -	\$ 1,825,000.00	\$ 1,825,000.00
		<u>\$ -</u>	<u>\$ 1,825,000.00</u>	<u>\$ 1,825,000.00</u>

PARKING UTILITY FUND

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**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY FUND
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2015	\$ 877,540.64	\$ 330,243.54
Increased By Receipts:		
Parking Fees	\$ 1,420,140.28	
Riverview Hospital Lease Agreement	349,665.48	
Non-budget Revenues	12,015.67	
Due Parking Capital	894.96	
Due Trust Other	46,091.40	
	<u>1,828,807.79</u>	<u>-</u>
	2,706,348.43	330,243.54
Decreased By Disbursements:		
2016 Budget Appropriations	1,491,304.71	
2015 Appropriation Reserves	33,172.31	
Prior Year Surplus - General Budget	75,000.00	
Due Trust Other	38,506.14	
Due from Parking Capital		894.96
Improvement Authorizations		248,219.56
Reserve for Payment of Bonds		733.81
	<u>1,637,983.16</u>	<u>249,848.33</u>
Balance, December 31, 2016	<u>\$ 1,068,365.27</u>	<u>\$ 80,395.21</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY CAPITAL FUND
SCHEDULE OF PARKING UTILITY CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2016

		Balance December 31, <u>2016</u>
Encumbrances Payable		\$ 16,473.25
Capital Improvement Fund		3,400.00
Reserve for Payment of Bonds		3,778.19
Fund Balance		7.98
Ordinance <u>Number</u>	<u>Improvement Description</u>	
12-09	Acquisition and Installation of Parking Pay Stations	23,070.72
15-09	Water and Sewer Utility Meters	33,665.07
		<hr/>
		\$ 80,395.21
		<hr/> <hr/>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Description</u>	Balance December 31, <u>2016 & 2015</u>
Various Parking Improvements	<u>\$ 4,191,488.21</u>
	<u><u>\$ 4,191,488.21</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2016

Ordinance Number	Improvement Description	Ordinance		Balance December 31, <u>2016 and 2015</u>
		<u>Date</u>	<u>Amount</u>	
12-09	Acquisition and Installation of Parking Pay Stations	5/23/2012	350,000.00	\$ 23,070.72
15-09	Various Parking Utility Improvements	4/8/2015	300,000.00	<u>300,000.00</u>
				<u><u>\$ 323,070.72</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY OPERATING FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance December 31,		Balance After	Paid or	Balance
	<u>Encumbered</u>	<u>Reserves</u>	<u>Modifications</u>	<u>Charged</u>	<u>Lapsed</u>
Operating:					
Salaries and Wages		\$ 135,541.54	\$ 135,541.54	\$ 5,781.87	\$ 129,759.67
Other Expenses	\$ 22,818.95	209,553.51	232,372.46	27,390.44	204,982.02
Total Operating	22,818.95	345,095.05	367,914.00	33,172.31	334,741.69
Statutory Expenditures:					
Contributions To:					
Public Employee's Retirement System		3.84	3.84		3.84
Social Security System (O.A.S.I.)		9,827.19	9,827.19		9,827.19
Total Statutory Expenditures	-	9,831.03	9,831.03	-	9,831.03
	\$ 22,818.95	\$ 354,926.08	\$ 377,745.03	\$ 33,172.31	\$ 344,572.72

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS, LOANS AND NOTES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 874.12
Increased by:	
Charged to Budget Appropriations:	
Interest on Bonds & Loans	<u>11,324.77</u>
Subtotal	12,198.89
Decreased by:	
Disbursed	<u>11,219.72</u>
Balance December 31, 2016	<u><u>\$ 979.17</u></u>

ANALYSIS OF ACCRUED INTEREST DECEMBER 31, 2016

PRINCIPAL OUTSTANDING DECEMBER 31, 2016	INTEREST RATE	FROM	TO	PERIOD	AMOUNT
Serial Bonds:					
\$ 270,000	Various	12/01/16	12/31/16	30 days	<u>\$ 979.17</u>
Total					<u><u>\$ 979.17</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Purpose	Date of Issue	Maturities of Bonds			Interest Rate	Balance						
		Original Issue	Outstanding			December 31, 2015	December 31, 2016					
			Date	Amount								
MCIA - Parking Utility Bonds	12/23/2015	\$	280,000.00	2017	10,000.00	4.000%	\$	280,000.00	\$	10,000.00	\$	270,000.00
				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	\$	10,000.00	\$	270,000.00

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

Ordinance #	Description	Ordinance		Balance 12/31/2015		Transfer from Prior Year		Paid or Charged		Reserve for Encumbrances		Balance 12/31/2016	
		Date	Amount	Funded	Unfunded	Encumbrances				Encumbrances		Funded	Unfunded
12-09	Acquisition and Installation of Parking Pay Stations	5/23/2012	350,000.00	\$ 23,070.72								\$ 23,070.72	
15-09	Water and Sewer Utility Meters	4/22/2015	300,000.00	77,265.08		\$ 221,092.80	\$ 248,219.56	\$ 16,473.25				33,665.07	
				\$ 100,335.80	\$ -	\$ 221,092.80	\$ 248,219.56	\$ 16,473.25				\$ 56,735.79	\$ -

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY OPERATING FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 and 2015

\$ 3,400.00

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 3,864,558.93
Increased by:	
Serial Bonds Paid by Operating Fund	<u>10,000.00</u>
Balance, December 31, 2016	<u><u>\$ 3,874,558.93</u></u>

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
PARKING UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 and 2015

\$ 370,000.00

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GENERAL FIXED ASSETS ACCOUNT GROUP

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**BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Balance, December 31, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2016</u>
Land and Buildings	\$ 17,828,976.00		\$ 1,178,324.00	\$ 16,650,652.00
Contents	2,551,481.00		2,551,481.00	-
Vehicles and Equipment	10,268,994.00	5,524,722.39		15,793,716.39
	<u>\$ 30,649,451.00</u>	<u>\$ 5,524,722.39</u>	<u>\$ 3,729,805.00</u>	<u>\$ 32,444,368.39</u>

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**BOROUGH OF RED BANK
COUNTY OF MONMOUTH**

PART II

**SCHEDULE OF FINDINGS & RECOMMENDATIONS
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2016

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BOROUGH OF RED BANK
SCHEDULE OF FINDINGS & RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2016

Schedule of Financial Statement Findings

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

None.

**BOROUGH OF RED BANK
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS PREPARED BY MANAGEMENT**

YEAR ENDED DECEMBER 31, 2016

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

None.

Federal Awards

Not applicable

State Financial Assistance

Not applicable.

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH**

PART III

**SUPPLEMENTARY DATA &
LETTER OF COMMENTS AND RECOMMENDATIONS -
REGULATORY BASIS**

FOR THE YEAR ENDED DECEMBER 31, 2016

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2016:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Pasquale Menna	Mayor	
Kathleen Horgan	Council President	
Edward Zipprich	Councilmember	
Cindy Burnham	Councilmember	
Linda Schwabenbauer	Councilmember	
Mark Taylor	Councilmember	
Michael Whelan	Councilmember	
Eugenia Poulos	Chief Financial Officer	(1)
Ashlesha Deshpande	Tax Collector	(1)
Mitchell Elias	Tax Assessor	
Stanley J. Sickels	Borough Administrator	
Pamela Borghi	Borough Clerk	
William Himelman	Magistrate	
Jean L Cipriani, Esq	Attorney	
Cathleen Gerber	Municipal Court Administrator	
William White	Engineer	
Jacqueline Reynolds	Senior Center Director	
Clifford Keen	Assistant Administrator	
Glenn Carter	Director of Planning and Zoning	

- (1) The Monmouth County JIF provides a limit of \$50,000 less the member entity deductible. The MEL provides its member JIF's excess public employees coverage at limits of \$1,000,000 less the member JIF's retention of \$50,000 for Public Employee Dishonesty.

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

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then December 31, 2016.

GENERAL COMMENTS:

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

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

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500. The Borough has adopted a resolution increasing the threshold to \$40,000 and has appointed the Borough Administrator as qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 2, 2016 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Municipal Council of the Borough of Red Bank, County of Monmouth, State of New Jersey as follows:

- 1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes, utility and all other municipal charges becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged against the delinquency;*
- 2. Effective January 1, 2015, there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order and a thirty (30) day grace period of quarterly utility payments and for all other municipal charges;*
- 3. Any payment not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution;*
- 4. A certified copy of this resolution shall be provided by the Borough Clerk to the Tax Collector, Borough Attorney and Borough Auditor for the Borough of Red Bank.*

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 17, 2016.

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

YEAR	NUMBER OF LIENS
2016	2
2015	2
2014	2

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

OTHER COMMENTS:

None.

RECOMMENDATIONS:

None.

Appreciation

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

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

Freehold, New Jersey
June 24, 2017