

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

**REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2017**

**BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Exhibit No.</u>		<u>Page No.</u>
<u>PART I</u>		
	Independent Auditor's Report	1
	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 <i>Government Auditing Standards</i> .	4
	<u>CURRENT FUND</u>	
A	Comparative Balance Sheets - Regulatory Basis	6
A-1	Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	8
A-2	Statement of Revenues - Regulatory Basis	10
A-3	Statement of Expenditures - Regulatory Basis	15
	<u>TRUST FUND</u>	
B	Comparative Balance Sheets - Regulatory Basis	25
	<u>GENERAL CAPITAL FUND</u>	
C	Comparative Balance Sheets - Regulatory Basis	26
	<u>WATER/SEWER UTILITY FUND</u>	
D	Comparative Balance Sheets - Regulatory Basis	27
D-1	Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	29
D-2	Comparative Statement of Fund Balance - Regulatory Basis	30
D-3	Statement of Revenues - Regulatory Basis	31
D-4	Statement of Expenditures - Regulatory Basis	32
	<u>PARKING UTILITY FUND</u>	
E	Comparative Balance Sheets - Regulatory Basis	33
E-1	Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	35
E-2	Comparative Statement of Fund Balance - Regulatory Basis	36
E-3	Statement of Revenues - Regulatory Basis	37
E-4	Statement of Expenditures - Regulatory Basis	38

**BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Exhibit No.</u>		<u>Page No.</u>
<u>PAYROLL FUND</u>		
F	Comparative Balance Sheets - Regulatory Basis	39
<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>		
G	Comparative Statement of General Fixed Assets - Regulatory Basis	40
<u>NOTES TO FINANCIAL STATEMENTS</u> 41		
SUPPLEMENTARY EXHIBITS		
<u>CURRENT FUND</u>		
A-4	Schedule of Cash	91
A-5	Schedule of Taxes Receivable and Analysis of Property Tax Levy	92
A-6	Schedule of Tax Title Liens	93
A-7	Schedule of Demolition Liens	93
A-8	Schedule of Revenue Accounts Receivable	94
A-9	Schedule of Due from State - C. 20, P.L. 1971	95
A-10	Schedule of Due to State	96
A-11	Schedule of Appropriation Reserves	97
A-12	Schedule of Reserve for Encumbrances	103
A-13	Schedule of Tax Overpayments	103
A-14	Schedule of Prepaid Taxes	104
A-15	Schedule of County Taxes Payable	105
A-16	Schedule of Local District School Tax Payable	106
A-17	Schedule of Regional High School Taxes Payable	107
A-18	Schedule of Special Improvement District Taxes Payable	108
A-19	Schedule of Deferred Charges - Special Emergency (N.J.S.A.40A:4-53)	109
A-20	Schedule of Accounts Payable	110
A-21	Schedule of Due from/(to) - Federal and State Grant Fund	111
A-22	Schedule of Interfunds Receivable/(Payable) - Other Funds	112
A-23	Schedule of Various Reserves	113
A-24	Schedule of Special Emergency Notes Payable	114
A-25	Federal and State Grant Fund - Schedule of Grants Receivable	115
A-26	Federal and State Grant Fund - Schedule of Appropriated Reserves	117
A-27	Federal and State Grant Fund - Schedule of Unappropriated Reserves	118
A-28	Federal and State Grant Fund - Schedule of Due from/(to) Current Fund	119
A-29	Federal and State Grant Fund - Schedule of Reserve for Encumbrances	120
A-28	Schedule of Non-Federal Cost Share Receivable	115
A-29	Schedule of Reserve for Revaluation	116
A-30	Schedule of Reserve for Hurricane Sandy	117
A-31	Schedule of Payroll Deductions Payable	117
A-32	Schedule of Reserve for FEMA	118

**BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Exhibit No.</u>		<u>Page No.</u>
<u>TRUST FUND</u>		
B-1	Schedule of Cash	121
B-2	Schedule of Intergovernmental Funds Receivable	122
B-3	Schedule of Interfund - Current Fund	123
B-4	Schedule of Reserve for Animal Control Fund Expenditures - Animal Control Trust Fund	124
B-5	Schedule of Due to State of New Jersey - Animal Control Trust Fund	125
B-6	Schedule of Reserve for Encumbrances	126
B-7	Schedule of Various Reserves - Trust Other Fund	127
B-8	Schedule of Interfunds - Due (to)/from - Trust Other	128
B-9	Schedule of Funds Held by Trustee – Length of Service Award Program Fund (“LOSAP”)	129
B-10	Schedule of Reserve for Length of Service Award Program – Length of Service Award Program Fund (“LOSAP”)	129
<u>GENERAL CAPITAL FUND</u>		
C-1	Schedule of Cash	130
C-2	Analysis of General Capital Cash	131
C-3	Schedule Investments in Notes	132
C-4	Schedule of Intergovernmental – Due from Monmouth County Improvement Authority	133
C-5	Schedule of Grants Receivable	134
C-6	Schedule of Interfund - Current Fund	135
C-7	Schedule of Deferred Charges to Future Taxation - Funded	136
C-8	Schedule of Deferred Charges to Future Taxation - Unfunded	137
C-9	Schedule of Miscellaneous Reserves	138
C-10	Schedule of General Serial Bonds	139
C-11	Schedule of Bond Anticipation Notes	141
C-12	Schedule of Green Trust Loan Payable	142
C-13	Schedule of Improvement Authorizations	143
C-14	Schedule of Reserve for Encumbrances	144
C-15	Schedule of Capital Improvement Fund	145
C-18	Schedule of Bonds and Notes Authorized but Not Issued	146
<u>WATER/SEWER UTILITY FUND</u>		
D-5	Schedule of Cash and Investments	147
D-6	Analysis of Water/Sewer Utility Capital Cash and Investments	148
D-7	Schedule of Consumer Accounts Receivable	149
D-8	Schedule of Liens Receivable	150
D-9	Schedule of Appropriation Reserves	151
D-10	Schedule of Customer Overpayments	152
D-11	Schedule of Accrued Interest on Bonds, Loans and Notes	153
D-12	Schedule of Water/Sewer Line Repair Receivable	154

**BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Exhibit No.</u>		<u>Page No.</u>
<u>WATER/SEWER UTILITY FUND</u>		
D-13	Schedule of Reserve for Water/Sewer Line Repairs	154
D-14	Schedule of Due from Water/Sewer Capital Fund	155
D-15	Schedule of Reserve for Encumbrances - Utility Fund	156
D-16	Schedule of Fixed Capital	157
D-17	Schedule of Fixed Capital Authorized and Uncompleted	158
D-18	Schedule of Water/Sewer Utility Serial Bonds	159
D-19	Schedule of Water/Sewer Utility Bond Anticipation Notes	162
D-20	Schedule of Improvement Authorizations	163
D-21	Schedule of Reserve for Encumbrances - Capital Fund	164
D-22	Schedule of Capital Improvement Fund	165
D-23	Schedule of Reserve of Amortization	166
D-24	Schedule of Deferred Reserve for Amortization	167
D-25	Schedule of Reserve for Preliminary Costs - Well	168
D-26	Schedule of Reserve for Payment of Bonds	168
D-27	Schedule of Due from State of New Jersey Environmental Infrastructure Trust Fund	169
D-28	Schedule of State of New Jersey Environmental Infrastructure Short-Term Trust Loan Payable	169
D-29	Schedule of Bonds and Notes Authorized but Not Issued	170
<u>PARKING UTILITY FUND</u>		
E-5	Schedule of Cash and Investments	171
E-6	Analysis of Parking Utility Cash	172
E-7	Schedule of Fixed Capital	173
E-8	Schedule of Fixed Capital Authorized and Uncompleted	174
E-9	Schedule of Appropriation Reserves	175
E-10	Schedule of Accrued Interest Payable	176
E-11	Schedule of Reserve for Encumbrances	177
E-12	Schedule of Parking Utility Serial Bonds	178
E-13	Schedule of Parking Utility Bond Anticipation Notes	179
E-14	Schedule of Improvement Authorizations	180
E-15	Schedule of Capital Improvement Fund	181
E-16	Schedule of Reserve for Amortizations	182
E-17	Schedule of Deferred Reserve for Amortization	183
E-18	Schedule of Reserve for Encumbrances	184
E-19	Schedule of Accounts Payable	185
E-20	Schedule of Interfund - Trust Other	186
E-21	Schedule of Reserve for Parking Fee Variance	187

**BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

<u>Exhibit No.</u>		<u>Page No.</u>
<u>PAYROLL TRUST FUND</u>		
F-1	Schedule of Cash	188
F-2	Schedule of Payroll Deductions	189
F-3	Schedule of Interfund - Current Fund	190
F-4	Schedule of Interfunds - Trust Other Fund	191
F-5	Schedule of Due from Internal Revenue Service	192
<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>		
G-1	Schedule of Investments in General Fixed Assets	193
<u>PART II</u>		
<u>SCHEDULE OF FINDINGS AND RESPONSES</u>		194
<u>GENERAL COMMENTS</u>		195
<u>OTHER COMMENTS</u>		197
<u>OFFICIALS IN OFFICE AND SURETY BONDS</u>		198
<u>APPRECIATION</u>		199

FALLON & LARSEN LLP

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheets-regulatory basis of the various funds and comparative statement of general fixed asset account group of the Borough of Red Bank, New Jersey (the "Borough"), as of December 31, 2017, and the related statement of operations and changes in fund balance-regulatory basis, statements of revenues-regulatory basis and statements of expenditures-regulatory basis for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the 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.

1390 Route 36 Hazlet, New Jersey 07730
Phone (732)888-2070 Fax (732)888-6245 www.falloncpa.com

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2017, or the results of its operations and the 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 financial position of the various funds and fixed asset account group of the Borough as of December 31, 2017, and the results of its operations and changes in its fund balance of the individual funds for the year then ended and the revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2017, in conformity with accounting principles and practices prescribe by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1 to the financial statements.

Prior Period Financial Statements and Supplementary Information

The financial statements of the Borough of Red Bank, as of and for the year ended December 31, 2016 were audited by other auditors whose report dated June 24, 2017, expressed an unmodified opinion on those statements.

The 2016 supplementary information was subjected to auditing procedures applied in the 2016 audit of the financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2016 financial statements as a whole.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that schedule of pension contributions and schedule of net pension liability be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the

methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the Borough that collectively comprise the Borough's financial statements. The accompanying financial information listed as supplementary exhibits and supplementary data in the table of contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the financial statements.

The accompanying financial information listed as supplementary exhibits and supplementary schedules in the table of contents are the responsibility of management and were derived from and relate 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 supplementary exhibits and supplementary data are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

Charles J. Fallon CPA RMA

Charles J. Fallon
Certified Public Accountant
Registered Municipal Accountant #506

Fallon & Larsen LLP

Fallon & Larsen LLP

Hazlet, New Jersey
June 29, 2018

FALLON & LARSEN LLP
Certified Public Accountants

**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**

To the 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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the regulatory financial statements of the Borough of Red Bank, of the State of New Jersey (“Borough”), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough’s financial statements and have issued our report thereon dated June 29, 2018. We expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America. As described in Note 1, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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 Borough’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over financial reporting as described in the accompanying schedule of findings and responses as item 2017-001, that we consider to be a significant deficiency.

Compliance and Other Matters

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

Purpose of this Report

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

Charles J. Fallon CPA RMA

Charles J. Fallon
Certified Public Accountant
Registered Municipal Accountant #506

Fallon & Larsen LLP

Fallon & Larsen LLP

Hazlet, New Jersey
June 29, 2018

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
ASSETS			
Cash	A-4	\$ 9,125,469.31	\$ 6,039,839.67
Cash - Change Fund		900.00	900.00
Due from State of New Jersey, Chap. 20 P.L. 1971	A-9	1,486.81	5,121.05
		<u>9,127,856.12</u>	<u>6,045,860.72</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	567,720.66	880,826.69
Tax Title Liens Receivable	A-6	4,563.80	4,556.14
Demolition Liens Receivable	A-7	8,830.90	7,678.00
Revenue Accounts Receivable	A-8	30,514.74	38,589.31
Pilot Receivable	A	105,039.48	
Interfund - Federal and State Grant Fund	A-21	69,717.19	31.65
Interfunds Receivable	A-22	10,799.39	5,173.91
		<u>797,186.16</u>	<u>936,855.70</u>
		9,925,042.28	6,982,716.42
Deferred Charges:			
Special Emergency Authorizations	A-19	232,400.00	384,800.00
		<u>232,400.00</u>	<u>384,800.00</u>
		10,157,442.28	7,367,516.42
Total Current Fund			
Federal and State Grant Fund:			
Cash	A-4	148,029.69	120,110.01
Federal and State Grants Receivable	A-25	66,185.68	93,997.84
		<u>214,215.37</u>	<u>214,107.85</u>
Total Assets		<u>\$ 10,371,657.65</u>	<u>\$ 7,581,624.27</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	A-3	\$ 918,468.27	\$ 919,158.27
Reserve for Encumbrances	A-12	870,896.37	289,066.30
Account Payable	A-20		9,993.79
Due to County for Added Taxes	A-15	19,992.61	37,749.84
Prepaid Taxes	A-14	2,397,889.91	204,332.67
Tax Overpayments	A-13	1,405.89	9,879.38
Local School District School Tax Payable	A-16	2,026,138.17	1,764,701.15
Regional District High School Tax Payable	A-17	429,234.28	407,978.30
Special Emergency Notes Payable	A-24	212,400.00	364,800.00
Due to State of New Jersey - Marriage License Fees	A-10	2,200.00	1,575.00
Due to State of New Jersey - Training Fees	A-10	10,562.00	4,408.00
Interfunds Payable	A-22	3,841.66	
Reserve for Revaluation	A-23	37,412.73	80,560.73
Reserve for Sale of Municipal Assets	A-23	192,587.00	392,587.00
Reserve for Severance Liabilities	A-23	150,150.84	150,150.84
Reserve for Library Expenditures	A-23	148,863.07	192,917.28
Due to Monmouth County Regional Health Commission	A	<u>10,725.00</u>	<u>5,250.00</u>
		7,432,767.80	4,835,108.55
Reserve for Receivables and Other Assets	A	797,186.16	936,855.70
Fund Balance	A-1	<u>1,927,488.32</u>	<u>1,595,552.17</u>
Total Current Fund		<u>10,157,442.28</u>	<u>7,367,516.42</u>
Federal and State Grant Fund:			
Reserve for Encumbrances	A-29	13,972.40	21,749.43
Reserve for Federal and State Grants			
Appropriated	A-26	113,633.16	192,326.77
Unappropriated	A-27	16,892.62	
Due to Current	A-28	<u>69,717.19</u>	<u>31.65</u>
Total Grant Fund		<u>214,215.37</u>	<u>214,107.85</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 10,371,657.65</u>	<u>\$ 7,581,624.27</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 1,450,000.00	\$ 2,035,000.00
Miscellaneous Revenue Anticipated	A-2	7,682,952.06	7,565,796.63
Receipts from Delinquent Taxes	A-2	879,956.94	644,443.51
Receipts from Current Taxes	A-2	44,890,549.86	43,730,097.83
Non-Budget Revenues	A-2	359,536.14	130,549.75
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-11	793,545.21	628,693.89
Interfund Liquidated			51,216.85
Accounts Payable Canceled	A-20	7,795.79	1,718.25
Grant Appropriations Canceled	A-21	126,266.60	
Adjustment to Change Fund			750.00
 Total Income		<hr/> <u>56,190,602.60</u>	<hr/> <u>54,788,266.71</u>
 Expenditures:			
Budget and Emergency Appropriations			
Appropriations Within Caps:			
Operations:			
Salaries and Wages	A-3	8,513,456.17	7,964,737.00
Other Expenses	A-3	6,358,952.40	6,879,137.00
Deferred Charges and Statutory Expenditures	A-3	1,805,158.00	1,654,953.00
Appropriations Excluded from Caps:			
Operations:			
Salaries and Wages	A-3	331,700.00	117,912.00
Other Expenses	A-3	994,052.03	1,340,188.44
Capital Improvements	A-3	225,000.00	100,000.00
Municipal Debt Service	A-3	2,673,259.82	2,785,960.48
Deferred Charges	A-3	152,400.00	489,900.00
Judgements			25,000.00
Prior Year Revenue - Tax Title Lien	A-6	3,225.42	
Prior Year Revenue - Demolition Lien	A-7	1,152.90	
Refund of Prior Year's Tax Revenue	A-13	529,146.96	116,774.50
County Taxes	A-15	5,843,254.56	5,891,034.40
Amount Due County for Added and Omitted Taxes	A-15	19,992.58	

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
 REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Local District School Tax	A-16	17,022,064.00	16,545,017.00
Regional High School Tax	A-17	9,291,581.00	9,249,069.00
Special District Taxes	A-18	512,120.00	512,120.00
Grants Receivable Canceled	A-21	39,832.16	
Interfunds Advanced	A-22	5,657.13	
Interfunds Advanced	A-21	69,717.19	
Refund of Prior Year Revenue	A	<u>16,944.13</u>	
 Total Expenditures		<u>54,408,666.45</u>	<u>53,671,802.82</u>
 Excess/(Deficit) in Revenue		1,781,936.15	1,116,463.89
 Fund Balance January 1	A	<u>1,595,552.17</u>	<u>2,514,088.28</u>
 Decreased by:		3,377,488.32	3,630,552.17
Utilized as Anticipated Revenue	A-1/A-2	<u>1,450,000.00</u>	<u>2,035,000.00</u>
 Fund Balance December 31	A	<u>\$ 1,927,488.32</u>	<u>\$ 1,595,552.17</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Anticipated</u>	Special N.J.S.A. 40A:4-87	<u>Realized</u>	Excess or (Deficit)
	<u>Ref.</u>	<u>Budget</u>	<u>Ref.</u>	<u>Budget</u>
Fund Balance Anticipated	A-1	<u>\$ 1,450,000.00</u>	_____	<u>\$ 1,450,000.00</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-8	88,000.00	92,064.00	4,064.00
Other	A-8	57,500.00	61,045.00	3,545.00
Fees and Permits				
Other	A-8	320,000.00	363,724.14	43,724.14
Fines and Costs:				
Municipal Court	A-8	625,000.00	502,104.68	(122,895.32)
Interest and Costs on Taxes	A-8	185,000.00	189,019.49	4,019.49
Interest on Investments and Deposits	A-8	30,000.00	101,560.94	71,560.94
Utility Operating Surplus of Current Year - Water/Sewer	A-8	481,600.00	481,600.00	
Utility Operating Surplus of Current Year - Parking Utility	A-8	1,135,000.00	1,135,000.00	
Energy Receipts Tax	A-8	2,011,681.00	2,011,681.00	
Uniform Construction Code Fees	A-8	424,000.00	603,269.60	179,269.60
Code Enforcement - Property Maintenance Fees	A-8	60,000.00	68,769.19	8,769.19
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services				
Shared Service Agreements Off-Set with Appropriations				
Township of Shrewsbury - Municipal Court	A-8	9,000.00	9,572.08	572.08
Borough of Little Silver - Fire Services	A-8	11,000.00	14,965.00	3,965.00
Red Bank Board of Education - Snow Plowing	A-8	13,669.00	13,669.00	
Public and Private Revenues Off-Set with Appropriations				
US Older Americans Act - Senior Citizens	A-25	29,312.00	29,312.00	
Recycling Tonnage Grant	A-25	15,373.03	15,373.03	
Distracted Driving Crackdown	A-25	5,500.00	5,500.00	

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Anticipated</u>	Special N.J.S.A.		Excess or (Deficit)
	<u>Ref.</u>	<u>Budget</u>	<u>40A:4-87</u>	<u>Realized</u>
Drunk Driving Enforcement				
Police	A-25	5,595.48	5,595.48	
Court	A-25	3,184.83	3,184.83	
Clean Communities Program	A-25	22,333.07	22,333.07	
COPS in Shops	A-25	1,600.00	1,600.00	
COPS in Shops - College Fall Initiative 2017 - 2018	A-25	3,520.00	3,520.00	
Body Armor Replacement Fund	A-25	3,713.80	3,713.80	
Pedestrian Safety	A-25	16,500.00	16,500.00	
Other Special Items				
Franchise Tax Cable Television	A-8	195,178.71	195,178.71	
Uniform Fire Safety Act	A-8	110,000.00	121,455.32	11,455.32
Landlord Registration Fees	A-8	13,000.00	14,495.00	1,495.00
Utility Operating Surplus of Prior Year - Water/Sewer	A-8	325,000.00	325,000.00	
Utility Operating Surplus of Prior Year - Parking Utility	A-8	75,000.00	75,000.00	
Payment in Lieu of Taxes - Riverview Hospital	A-8	185,000.00	108,658.34	(76,341.66)
RBC Field Rent	A-8	130,000.00	130,000.00	
Payment in Lieu of Taxes - Housing Authority/River Street/Habcore	A-8	160,000.00	159,708.42	(291.58)
Reserve for Sale of Municipal Assets	A-8	200,000.00	200,000.00	
Hotel Occupancy Tax	A-8	170,000.00	183,779.94	13,779.94
Reserve for Payment of Bonds	A-8	<u>415,000.00</u>	<u>415,000.00</u>	<u> </u>
Total Miscellaneous Revenues	A-1	<u>7,464,440.71</u>	<u>71,820.21</u>	<u>7,682,952.06</u>
Receipts from Delinquent Taxes	A-1/A-2	<u>875,000.00</u>	<u> </u>	<u>879,956.94</u>
				<u>4,956.94</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Anticipated</u>	Special N.J.S.A. 40A:4-87	<u>Realized</u>	Excess or (Deficit)
	<u>Ref.</u>	<u>Budget</u>		
Amount to be Raised by Taxation for Support of Municipal Budget				
Local Tax for Municipal Purpose	A-5	11,909,860.72	12,493,090.76	583,230.04
Minimum Library Levy	A-5	<u>708,804.22</u>	<u>708,804.22</u>	-
Total Amount to be Raised by Taxes for Support of Municipal Budget		12,618,664.94	-	13,201,894.98
Budget Totals		22,408,105.65	71,820.21	23,214,803.98
Non-Budget Revenues	A-1/A-2			359,536.14
Total		<u>\$ 22,408,105.65</u>	<u>\$ 71,820.21</u>	<u>\$ 23,574,340.12</u>
	<u>Ref.</u>	A-3	A-3	

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2017

Analysis of Realized Revenues:

Allocation of Current Tax Collections:

Revenue from Collections	A-1/A-5	\$ 44,890,549.86
Allocated to School, County, and Special District Taxes	A-5	<u>32,689,012.14</u>
		12,201,537.72

Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,000,357.26</u>
--	-----	---------------------

Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 13,201,894.98</u>
---	-----	-------------------------

Receipts from Delinquent Taxes:

Delinquent Tax Collections	A-2/A-5	\$ 879,956.94
		<u>\$ 879,956.94</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2017

Fees & Permits - Other:

Clerk	\$ 22,456.14
Vital Statistics	153,328.00
Planning and Zoning	135,022.50
Board of Health	10.00
Police Taxi	1,980.00
Recreation Fees	50,927.50
	<hr/>
	<hr/>
	\$ 363,724.14

Analysis of Non-Budget Revenues:

FEMA - Sandy	\$ 99,898.12
FEMA - Jonas 2016	54,558.08
Copies	335.45
Returned Check Fees	280.00
Interfaith Neighbors	2,520.00
Monmouth Boat Club Donation	5,000.00
Restitution	224.94
Police Records	73,785.16
Auction Proceeds	6,884.82
Senior Citizen and Veteran Administrative Fee	1,075.00
Escrow Interest	23,137.32
Interfunds	8,000.00
Sidewalk Permits	6,220.83
Planning & Zoning Fees	28,586.50
Prior Year Library Insurance Reimbursement	30,265.99
MRNA - Other	<hr/>
	<hr/>
	\$ 18,763.93
	<hr/>
	<hr/>
	\$ 359,536.14

A-2/A-4

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within CAPS					
General Government:					
General Administration					
Salaries and Wages	\$ 125,998.00	\$ 125,998.00	\$ 118,238.04	\$ 7,759.96	
Other Expenses	19,650.00	54,650.00	49,541.05	5,108.95	
Municipal Clerk					
Salaries and Wages	125,900.00	125,900.00	119,070.07	6,829.93	
Other Expenses	32,500.00	65,500.00	60,373.53	5,126.47	
Financial Administration					
Salaries and Wages	149,400.00	149,400.00	148,917.12	482.88	
Other Expenses	60,500.00	60,500.00	48,612.97	11,887.03	
Audit Services					
Other Expenses	30,000.00	30,000.00	17,657.15	12,342.85	
Mayor and Council					
Salaries and Wages	30,321.00	30,321.00	29,200.56	1,120.44	
Tax Assessment Administration					
Salaries and Wages	77,690.00	77,690.00	76,873.18	816.82	
Other Expenses	26,425.00	26,425.00	6,662.12	19,762.88	
Utilization of Banked Sick Time	100,000.00	100,000.00	100,000.00		
Revenue Administration					
Salaries and Wages	86,155.00	86,155.00	81,694.00	4,461.00	
Other Expenses	21,130.00	21,130.00	17,822.73	3,307.27	
Legal Services and Costs					
Other Expenses	175,000.00	175,000.00	104,914.29	20,085.71	\$ 50,000.00

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Canceled</u>
Engineering Services					
Other Expenses	100,000.00	100,000.00	34,829.62	15,170.38	50,000.00
Codification of Ordinances					
Other Expenses	10,000.00	10,000.00	8,311.11	1,688.89	
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	98,975.00	96,475.00	81,139.88	15,335.12	
Other Expenses	54,500.00	41,500.00	26,153.30	15,346.70	
Zoning Board of Adjustment					
Salaries and Wages	98,975.00	98,975.00	81,000.67	17,974.33	
Other Expenses	31,500.00	31,500.00	19,301.10	12,198.90	
INSURANCE					
Liability Insurance	245,000.00	245,000.00	236,774.19	8,225.81	
Workers Compensation Insurance	318,000.00	318,000.00	316,878.52	1,121.48	
Employee Group Insurance	2,800,000.00	2,800,000.00	2,404,502.69	95,497.31	300,000.00
Unemployment Insurance	10,000.00	10,000.00	8,415.35	1,584.65	
Health Insurance Opt Out Payments	77,050.00	77,050.00	63,590.75	13,459.25	
PUBLIC SAFTEY					
Fire Department					
Other Expenses	139,200.00	139,200.00	104,760.43	34,439.57	
Uniform Fire Safety Act (Fire Department)					
Salaries and Wages	147,398.00	153,398.00	152,184.60	1,213.40	
Other Expenses	10,000.00	10,000.00	9,733.02	266.98	

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Police Department					
Salaries and Wages	5,141,600.00	5,141,600.00	5,040,329.17	101,270.83	
Other Expenses	164,000.00	164,000.00	159,080.57	4,919.43	
Volunteer Ambulance Companies					
Other Expenses	47,300.00	47,300.00	42,472.34	4,827.66	
Office of Emergency Management					
Salaries and Wages	5,412.00	5,412.00	5,375.75	36.25	
Other Expenses	5,500.00	5,500.00	5,437.38	62.62	
Rent Leveling					
Salaries and Wages	3,000.00	3,000.00	2,000.00	1,000.00	
Other Expenses	15,750.00	15,750.00	7,840.36	7,909.64	
PUBLIC WORKS FUNCTIONS					
Streets and Road Maintenance					
Salaries and Wages	604,400.00	579,900.00	571,714.15	8,185.85	
Other Expenses	119,250.00	134,250.00	113,873.35	20,376.65	
Sanitation					
Other Expenses	511,000.00	511,000.00	502,000.00	9,000.00	
Public Buildings and Grounds					
Salaries and Wages	575,549.67	560,549.67	532,859.91	27,689.76	
Other Expenses	242,000.00	257,000.00	234,158.30	22,841.70	
LANDFILL/ SOLID WASTE DISPOSAL COSTS					
Landfill					
Other Expenses	435,000.00	435,000.00	430,556.89	4,443.11	

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
CODE ENFORCEMENT					
Salaries and Wages	138,928.50	138,928.50	129,987.19	8,941.31	
Other Expenses	7,750.00	7,750.00	2,605.00	5,145.00	
HEALTH AND WELFARE					
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	180,498.00	180,498.00	180,498.00		
Animal Control Services					
Salaries & Wages	46,800.00	53,300.00	52,773.10	526.90	
Shade Tree					
Other Expenses	5,000.00	5,000.00	4,876.00	124.00	
PARKS AND RECREATION FUNCTIONS:					
Recreation Services and Programs					
Salaries and Wages	211,550.00	214,050.00	213,687.87	362.13	
Other Expenses	92,500.00	92,500.00	91,592.12	907.88	
UTILITY EXPENSES AND BULK PURCHASES					
Street Lighting	260,000.00	225,000.00	221,118.30	3,881.70	
Electricity	113,601.40	113,601.40	74,766.81	13,834.59	25,000.00
Telephone	95,000.00	95,000.00	71,675.62	23,324.38	
Natural Gas	50,000.00	50,000.00	21,225.31	28,774.69	
Gasoline	75,000.00	55,000.00	32,513.70	22,486.30	

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Canceled</u>
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4.17)					
Salaries and Wages	455,349.00	449,349.00	412,065.88	37,283.12	
Other Expenses	39,507.00	39,507.00	29,721.11	9,785.89	
Education and Technology					
Salaries and Wages	90,155.00	90,155.00	75,507.23	14,647.77	
Other Expenses	37,991.00	37,991.00	27,688.32	10,302.68	
Municipal Court					
Salaries and Wages	232,900.00	232,900.00	221,887.75	11,012.25	
Other Expenses	34,495.00	34,495.00	25,343.10	9,151.90	
Municipal Prosecutor					
Other Expenses	25,200.00	25,200.00	25,200.00		
Municipal Public Defender					
Other Expenses	<u>10,000.00</u>	<u>10,000.00</u>	<u>5,410.00</u>	<u>4,590.00</u>	<u> </u>
Total Operations Within CAPS	<u>15,299,408.57</u>	<u>15,296,408.57</u>	<u>14,113,539.94</u>	<u>757,868.63</u>	<u>425,000.00</u>
Contingent	<u>1,000.00</u>	<u>1,000.00</u>		<u>1,000.00</u>	<u> </u>
Total Operations Including Contingent Within CAPS	<u>15,300,408.57</u>	<u>15,297,408.57</u>	<u>14,113,539.94</u>	<u>758,868.63</u>	<u>425,000.00</u>
Detail:					
Salaries and Wages	8,546,456.17	8,513,456.17	8,246,506.12	266,950.05	
Other Expenses	6,753,952.40	6,783,952.40	5,867,033.82	491,918.58	425,000.00

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Canceled</u>
<u>Deferred Charges and Statutory Expenditures Within CAPS</u>					
Statutory Expenditures:					
Public Employees' Retirement System	372,500.00	372,500.00	372,485.15	14.85	
Social Security System (O.A.S.I.)	393,000.00	393,000.00	389,554.92	3,445.08	
Police and Firemen's Retirement System	1,029,658.00	1,029,658.00	1,029,658.00	0.00	
Defined Contribution Retirement Program	10,000.00	10,000.00	7,496.02	2,503.98	
Deferred Charges and Statutory Expenditures					
Within CAPS	<u>1,805,158.00</u>	<u>1,805,158.00</u>	<u>1,799,194.09</u>	<u>5,963.91</u>	
Total Appropriations Within CAPS	<u>17,105,566.57</u>	<u>17,102,566.57</u>	<u>15,912,734.03</u>	<u>764,832.54</u>	<u>425,000.00</u>
<u>Operations Excluded from CAPS</u>					
Maintenance of Free Public Library					
(P.L. 1985, Ch. 82)	708,804.22	708,804.22	593,181.63	115,622.59	
Interlocal Services					
911 Emergency System - Monmouth County	14,310.00	14,310.00	14,309.96	0.04	
Length of Service Awards Program	55,000.00	55,000.00	43,700.00	11,300.00	
Municipal Stormwater Management					
Salaries and Wages	98,500.00	101,500.00	100,836.96	663.04	
Other Expenses	2,500.00	2,500.00	1,704.83	795.17	
Declared State of Emergency Costs for Snow					
Removal N.J.S.A. (40A:4-45.45(b))	21,398.60	21,398.60	21,398.60	0.00	
Recycling Tax PL 2007 c. 311	30,000.00	30,000.00	16,976.99	13,023.01	
Tax Appeal Refunds	50,000.00	50,000.00	50,000.00	0.00	
Interlocal Municipal Service Agreements					
Board of Education - Snow Plowing					
Other Expenses	13,669.00	13,669.00	13,625.01	43.99	

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Appropriated</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Unexpended Balance Canceled</u>
	<u>Budget</u>			
Borough of Little Silver Fire Services				
Salaries and Wages	9,000.00	9,000.00		9,000.00
Other Expenses	2,000.00	2,000.00	150.00	1,850.00
Township of Shrewsbury Municipal Court				
Salaries & Wages	6,000.00	6,000.00	6,000.00	
Other Expenses	3,000.00	3,000.00	1,662.11	1,337.89
Public and Private Programs Offset by Revenues:				
U.S. Older American Act Grant				
Senior Citizens Center				
Salaries and Wages	17,312.00	17,312.00	17,312.00	
Other Expenses	12,000.00	12,000.00	12,000.00	
U.S. Older American Act Grant - Local Match				
Salaries and Wages	197,888.00	197,888.00	197,888.00	
Other Expenses	4,050.00	4,050.00	4,050.00	
Distracted Driving Crackdown	5,500.00	5,500.00	5,500.00	
Clean Communities Program		22,333.07	22,333.07	
Drunk Driving Enforcement				
Police		5,595.48	5,595.48	
Court		3,184.83	3,184.83	
COPS in Shops		1,600.00	1,600.00	
COPS in Shops - College Fall Initiative 2017 - 2018		3,520.00	3,520.00	
Pedestrian Safety Grant		16,500.00	16,500.00	
Body Armor Replacement Fund		3,713.80	3,713.80	
Recycling Tonnage Grant		15,373.03	15,373.03	
Total Operations - Excluded from CAPS	<u>1,250,931.82</u>	<u>1,325,752.03</u>	<u>1,172,116.30</u>	<u>153,635.73</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

For the Year Ended December 31, 2017

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance <u>Canceled</u>
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	
Detail:					
Salaries and Wages	328,700.00	331,700.00	322,036.96	9,663.04	
Other Expenses	<u>922,231.82</u>	<u>994,052.03</u>	<u>850,079.34</u>	<u>143,972.69</u>	
<u>Capital Improvements Excluded from CAPS</u>					
Capital Improvement Fund	<u>225,000.00</u>	<u>225,000.00</u>	<u>225,000.00</u>		
Total Capital Improvements Excluded from CAPS	<u>225,000.00</u>	<u>225,000.00</u>	<u>225,000.00</u>		
<u>Municipal Debt Service Excluded from CAPS</u>					
Payment of Bond Principal	1,612,753.00	1,612,753.00	1,612,752.50		0.50
Payment of Bond Anticipation Notes and Capital Notes	77,861.00	77,861.00	77,861.00		
Interest on Bonds	496,936.00	496,936.00	496,933.31		2.69
Interest on Notes	8,921.00	8,921.00	8,920.55		0.45
Green Trust Loan Program					
Loan Repayments for Principal and Interest	73,344.00	73,344.00	73,343.80		0.20
Capital Lease Obligations					
Principal	342,000.00	342,000.00	342,000.00		
Interest	<u>62,035.00</u>	<u>62,035.00</u>	<u>61,448.66</u>		<u>586.34</u>
Total Municipal Debt Service Excluded from CAPS	2,673,850.00	2,673,850.00	2,673,259.82		590.18

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Deferred Charges Municipal Excluded from CAPS				
Emergency Authorizations				
Special - 5 Years (N.J.S.A. 40A4-55)	<u>152,400.00</u>	<u>152,400.00</u>	<u>152,400.00</u>	<u> </u>
Total Deferred Charges Municipal Excluded from CAPS	<u>152,400.00</u>	<u>152,400.00</u>	<u>152,400.00</u>	<u> </u>
Total General Appropriations Excluded from CAPS	<u>4,302,181.82</u>	<u>4,377,002.03</u>	<u>4,222,776.12</u>	<u>153,635.73</u>
Subtotal General Appropriations	21,407,748.39	21,479,568.60	20,135,510.15	918,468.27
Reserve for Uncollected Taxes	<u>1,000,357.26</u>	<u>1,000,357.26</u>	<u>1,000,357.26</u>	<u> </u>
Total General Appropriations	<u><u>\$ 22,408,105.65</u></u>	<u><u>\$ 22,479,925.86</u></u>	<u><u>\$ 21,135,867.41</u></u>	<u><u>\$ 918,468.27</u></u>
	<u><u><u>\$ 425,590.18</u></u></u>			

Ref.

A-2

A-3

A-1/A-3

A

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Ref.</u>	<u>Budget After Modification</u>
Budget	A-3	\$ 22,408,105.65
Added by N.J.S. 40A:4-87	A-2	<u>71,820.21</u>
	A-3	<u><u>\$ 22,479,925.86</u></u>
		<u>Paid or Charged</u>
Disbursements	A-4	\$ 18,803,643.57
Reserve for Encumbrances	A-12	870,896.37
Appropriated Reserves for Federal and State Grants	A-26	308,570.21
Deferred Charges:		
Special Emergency Authorizations	A-19	152,400.00
Reserve for Uncollected Taxes	A-2	<u>1,000,357.26</u>
	A-3	<u><u>\$ 21,135,867.41</u></u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
ASSETS			
Animal Control Trust Fund:			
Cash	B-1	\$ 20,255.94	\$ 22,636.14
Intergovernmental Receivable	B-2	<u>433.30</u>	<u>23,069.44</u>
		<u>20,255.94</u>	<u>23,069.44</u>
Trust Other Fund:			
Cash	B-1	3,351,597.33	3,808,374.18
Interfund - Parking Operating Fund	B-8	<u>1,231.40</u>	<u>2,253.31</u>
		<u>3,352,828.73</u>	<u>3,810,627.49</u>
Length of Service Awards Program (LOSAP) -			
UNAUDITED:			
Funds Held by Trustee	B-9	<u>523,710.01</u>	<u>537,022.00</u>
Total Assets		<u>\$ 3,896,794.68</u>	<u>\$ 4,370,718.93</u>
LIABILITIES AND RESERVES			
Animal Control Trust Fund:			
Interfund - Current Fund	B-3	\$ 4,225.21	\$ 4,500.00
Reserve for Animal Control Expenditures	B-4	12,128.08	18,569.44
Due to State of New Jersey	B-5	56.40	
Reserve for Encumbrances	B-6	3,846.25	
		<u>20,255.94</u>	<u>23,069.44</u>
Trust Other Fund:			
Various Reserves	B-7	3,306,200.56	3,810,011.19
Reserve for Encumbrances	B-7	34,710.91	
Interfund - Current Fund	B-8	2,565.95	616.30
Interfund - Payroll Fund	B-8	9,351.31	
		<u>3,352,828.73</u>	<u>3,810,627.49</u>
Length of Service Awards Program (LOSAP) -			
UNAUDITED:			
Reserve for Length of Service Awards Program	B-10	<u>523,710.01</u>	<u>537,022.00</u>
Total Liabilities and Reserves		<u>\$ 3,896,794.68</u>	<u>\$ 4,370,718.93</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash	C-1	\$ 4,086,703.72	\$ 4,128,462.81
Investment in Notes	C-3	212,400.00	364,800.00
Due From Monmouth County Improvement Authority	C-4		26,576.40
Grants Receivable	C-5	620,321.00	
Deferred Charges to Future Taxation:			
Funded	C-7	10,621,819.67	12,301,607.76
Unfunded	C-8	<u>2,491,000.70</u>	<u>777,861.70</u>
		<u><u>\$18,032,245.09</u></u>	<u><u>\$17,599,308.67</u></u>

LIABILITIES, RESERVES AND FUND BALANCE

General Serial Bonds	C-10	\$ 10,356,769.00	\$ 11,969,521.50
Bond Anticipation Notes Payable	C-11	2,491,000.00	777,861.00
Green Trust Loan Payable	C-12	265,050.67	332,086.26
Improvement Authorizations:			
Funded	C-13	1,735,266.54	1,476,294.20
Unfunded	C-13	1,873,875.75	478,831.09
Reserve for Encumbrances	C-14	374,040.73	1,608,085.19
Capital Improvement Fund	C-15	182,512.76	106,191.76
Miscellaneous Reserves	C-9	750,276.67	850,437.67
Due Current Fund	C-6	<u>3,452.97</u>	<u></u>
		<u><u>\$18,032,245.09</u></u>	<u><u>\$17,599,308.67</u></u>

There were bonds and notes authorized but not issued on December 31, 2017 of \$.70 (Exhibit C-16)

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
ASSETS			
<u>Operating Fund</u>			
Cash	D-5	\$ 1,318,333.53	\$ 1,591,344.42
Change Fund	D	225.00	225.00
Due From Water Sewer Capital Fund	D-14	1,315.14	
Due From Current Fund	D	3,841.66	
		<u>1,323,715.33</u>	<u>1,591,569.42</u>
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	D-7	578,627.74	821,258.27
Liens Receivable	D-8	120.44	3,232.75
Water/Sewer Line Repairs Receivable	D-12	27,733.24	17,060.58
		<u>606,481.42</u>	<u>841,551.60</u>
Total Operating Fund		<u>1,930,196.75</u>	<u>2,433,121.02</u>
<u>Capital Fund</u>			
Cash	D-5	1,521,451.94	2,662,094.99
Fixed Capital	D-16	14,356,458.47	14,319,636.67
Fixed Capital Authorized and Uncompleted	D-17	18,207,111.00	17,243,932.80
Due from State of New Jersey Environmental Trust	D-27	610,971.00	
Total Capital Fund		<u>34,695,992.41</u>	<u>34,225,664.46</u>
Total Assets		<u>\$ 36,626,189.16</u>	<u>\$ 36,658,785.48</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
LIABILITIES, RESERVES AND FUND BALANCE			
<u>Operating Fund</u>			
Appropriation Reserves	D-4/D-9	\$ 296,783.96	\$ 637,399.25
Reserve for Encumbrances	D-15	181,293.61	77,671.62
Rent Overpayments	D-10	26,753.08	21,077.10
Accrued Interest on Bonds & Notes	D-11	55,383.01	95,041.60
Reserve for Water/Sewer Line Repairs	D-13	11,202.00	50,241.21
Reserve for Fees for Other Towns	D	15.00	77.24
		<u>571,430.66</u>	<u>881,508.02</u>
Reserve for Receivables and Other Assets	D	606,481.42	841,551.60
Fund Balance	D-1	<u>752,284.67</u>	<u>710,061.40</u>
Total Operating Fund		<u>1,930,196.75</u>	<u>2,433,121.02</u>
<u>Capital Fund</u>			
Serial Bonds	D-18	9,068,192.67	10,131,020.30
Bond Anticipation Notes	D-19	2,900,000.00	1,900,000.00
Reserve for Encumbrances	D-21	1,354,308.40	1,878,683.38
Improvement Authorizations:			
Funded	D-20	402,850.43	540,454.08
Unfunded	D-20	1,374,812.86	1,854,792.42
Capital Improvement Fund	D-22	3,074.00	3,074.00
Due to Water Sewer Operating Fund	D-14	1,315.14	
Reserve for:			
Amortization	D-23	5,288,265.80	17,498,392.99
Deferred Amortization	D-24	13,482,111.00	209,156.18
Reserve for Preliminary Costs - Well	D-25	1,845.00	1,845.00
Reserve for Payment of Bonds	D-26	192,869.89	192,869.89
State of New Jersey Environmental Infrastructure			
Short-Term Trust Loan Payable	D-28	610,971.00	
Fund Balance	D-2	<u>15,376.22</u>	<u>15,376.22</u>
Total Capital Fund		<u>34,695,992.41</u>	<u>34,225,664.46</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 36,626,189.16</u>	<u>\$ 36,658,785.48</u>

There were Bonds & Notes Authorized but not Issued on December 31, 2017 of \$1,214,029.00.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-1/D-3	\$ 239,000.00	\$ 194,771.00
Water/Sewer Rents	D-3	6,561,152.02	6,953,027.71
Water & Sewer Connection Fees	D-3	251,572.00	59,898.28
Miscellaneous Revenue	D-3	97,072.18	100,025.91
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-9	446,502.07	161,064.17
Accounts Payable Canceled	D		198.00
Reserve for Water/Sewer Line Repairs Canceled	D-13	<u>5,050.00</u>	<u></u>
Total Revenue		<u>7,600,348.27</u>	<u>7,468,985.07</u>
Expenditures:			
Operating	D-4	4,955,750.00	4,421,876.52
Capital Improvements	D-4	50,000.00	50,000.00
Debt Service	D-4	1,328,475.00	1,439,415.61
Statutory Expenditures	D-4	178,300.00	173,000.00
Surplus - General Budget	D-4	481,600.00	827,478.00
Prior Year Surplus - General Budget	D-5	325,000.00	400,000.00
Refund of Prior Year Revenue			<u>17,048.16</u>
Total Expenditures		<u>7,319,125.00</u>	<u>7,328,818.29</u>
Excess/(Deficit) in Revenue		281,223.27	140,166.78
Fund Balance January 1	D	<u>710,061.40</u>	<u>764,665.62</u>
		991,284.67	904,832.40
Decreased by:			
Utilization as Anticipated Revenue	D-1/D-3	<u>239,000.00</u>	<u>194,771.00</u>
Fund Balance December 31	D	<u>\$ 752,284.67</u>	<u>\$ 710,061.40</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE - REGULATORY BASIS

Ref.

Balance, December 31, 2017 and 2016	D	<u>\$ 15,376.22</u>
-------------------------------------	---	---------------------

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, 2017

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	Excess or (Deficit)
Fund Balance Anticipated	D-1	\$ 239,000.00	\$ 239,000.00	
Water/Sewer Rents	D-1/D-5	6,775,000.00	6,561,152.02	\$ (213,847.98)
Water/Sewer Connection Fees	D-1	59,800.00	251,572.00	191,772.00
Miscellaneous Revenue	D-1	90,000.00	97,072.18	7,072.18
		<u>\$7,163,800.00</u>	<u>\$7,148,796.20</u>	<u>\$ (15,003.80)</u>
	<u>Ref.</u>		D-4	
Water & Sewer Rents:				
Collections	D-7		\$6,536,233.26	
Overpayments Applied	D-7/D-10		21,077.10	
Liens Receivable	D-8		<u>3,841.66</u>	
	D-3		<u>\$6,561,152.02</u>	
Miscellaneous:				
Miscellaneous Revenue			\$ 11,300.13	
Interest on Delinquent Water/Sewer Rents			57,126.99	
Vulnerability Fees			11,200.00	
Interest on Investments			<u>17,445.06</u>	
	D-1/D-3		<u>\$ 97,072.18</u>	
Miscellaneous:				
Cash Receipts	D-5		\$ 95,757.04	
Interfund - Water/Sewer Utility Capital Fund	D-14		<u>1,315.14</u>	
	D-1/D-3		<u>\$ 97,072.18</u>	

The accompanying notes are an integral part of this statement.

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, 2017

	Appropriated		Expended		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Canceled</u>
Operating:					
Salaries and Wages	\$ 849,116.67	\$ 849,116.67	\$ 843,938.23	\$ 5,178.44	
Other Expenses	1,881,633.33	1,876,218.33	1,633,969.36	242,248.97	
Regional Sewer Authority	1,600,000.00	1,605,415.00	1,605,415.00		
Manasquan River Water Purchase	700,000.00	700,000.00	580,492.07	19,507.93	\$ 100,000.00
Accumulated Absence	<u>25,000.00</u>	<u>25,000.00</u>	<u>25,000.00</u>		
Total Operating	<u>5,055,750.00</u>	<u>5,055,750.00</u>	<u>4,688,814.66</u>	<u>266,935.34</u>	<u>100,000.00</u>
Capital Improvements:					
Capital Outlay	<u>50,000.00</u>	<u>50,000.00</u>	<u>29,650.00</u>	<u>20,350.00</u>	
Total Capital Improvements	<u>50,000.00</u>	<u>50,000.00</u>	<u>29,650.00</u>	<u>20,350.00</u>	
Debt Service:					
Payment of Bond Principal	1,062,828.00	1,062,828.00	1,054,427.37		8,400.63
Interest on Bonds	276,922.00	276,922.00	251,238.16		25,683.84
Interest on Notes	<u>58,400.00</u>	<u>58,400.00</u>	<u>22,809.47</u>		<u>35,590.53</u>
Total Debt Service	<u>1,398,150.00</u>	<u>1,398,150.00</u>	<u>1,328,475.00</u>		<u>69,675.00</u>
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	115,300.00	115,300.00	115,254.87	45.13	
Social Security System (O.A.S.I.)	60,000.00	60,000.00	50,546.51	9,453.49	
Unemployment Compensation Insurance	<u>3,000.00</u>	<u>3,000.00</u>	<u>3,000.00</u>		
Total Statutory Expenditures	<u>178,300.00</u>	<u>178,300.00</u>	<u>168,801.38</u>	<u>9,498.62</u>	
Surplus (General Budget)	<u>481,600.00</u>	<u>481,600.00</u>	<u>481,600.00</u>		
	<u><u>\$ 7,163,800.00</u></u>	<u><u>\$ 7,163,800.00</u></u>	<u><u>\$ 6,697,341.04</u></u>	<u><u>\$ 296,783.96</u></u>	<u><u>\$ 169,675.00</u></u>
	<u>Ref.</u>	D-3	D-3	D	
Cash Disbursements	D-5		\$ 6,241,999.80		
Reserve for Encumbrances	D-15		181,293.61		
Accrued Interest	D-11		<u>274,047.63</u>		
			<u><u>\$ 6,697,341.04</u></u>		

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Operating Fund</u>			
Cash	E-5	\$ 986,837.05	\$ 1,068,365.27
Change Fund	E	<u>100.00</u>	<u>100.00</u>
Total Operating Fund		<u>986,937.05</u>	<u>1,068,465.27</u>
<u>Capital Fund</u>			
Cash	E-5	224,580.49	80,395.21
Fixed Capital	E-7	4,191,488.21	4,191,488.21
Fixed Capital Authorized and Uncompleted	E-8	<u>623,070.72</u>	<u>323,070.72</u>
Total Capital Fund		<u>5,039,139.42</u>	<u>4,594,954.14</u>
Total Assets		<u><u>\$ 6,026,076.47</u></u>	<u><u>\$ 5,663,419.41</u></u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
--	-------------	-------------	-------------

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund

Appropriation Reserves	E-4/E-9	\$ 202,088.03	\$ 205,999.05
Accrued Interest Payable	E-10	1,145.83	979.17
Reserve for Encumbrances	E-11	73,312.72	46,690.96
Accounts Payable	E-19	8,890.45	1,302.00
Interfund -Trust Other Fund	E-20	1,231.40	2,253.31
Reserve for Parking Fee Variances	E-21	<u>211,936.28</u>	<u>224,980.00</u>
		498,604.71	482,204.49
Fund Balance	E-1	<u>488,332.34</u>	<u>586,260.78</u>
Total Operating Fund		<u>986,937.05</u>	<u>1,068,465.27</u>

Capital Fund

Serial Bonds	E-12	260,000.00	270,000.00
Bond Anticipation Notes	E-13	300,000.00	
Improvement Authorizations:			
Funded	E-14	56,735.79	56,735.79
Unfunded	E-14	127,288.08	
Capital Improvement Fund	E-15	3,400.00	3,400.00
Reserve for Amortization	E-16	4,191,488.21	3,874,558.93
Deferred Reserve for Amortization	E-17	63,070.72	370,000.00
Reserve for Encumbrances	E-18	33,370.45	16,473.25
Reserve for Payment of Bonds	E	3,778.19	3,778.19
Fund Balance	E-2	<u>7.98</u>	<u>7.98</u>
Total Capital Fund		<u>5,039,139.42</u>	<u>4,594,954.14</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 6,026,076.47</u>	<u>\$ 5,663,419.41</u>

There were no bonds and notes authorized but not issued on December 31, 2017. (Exh. E-22)

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	E-3	\$ 345,201.56	\$ 67,934.56
Parking Fees	E-3	1,481,878.12	1,420,140.28
Riverview Hospital Lease Agreement	E-3	349,665.48	349,665.48
Interest on Investments	E-3	5,292.88	12,015.67
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-9	191,999.74	344,572.72
Canceled Accounts Payable	E-19	1,302.00	
Adjustment to Change Fund	E	<u>100.00</u>	
Total Revenue		<u>2,375,339.78</u>	<u>2,194,428.71</u>
Expenditures:			
Operating	E-4	846,050.00	802,075.00
Debt Service	E-4	21,916.66	21,324.77
Deferred Charges and Statutory	E-4	50,100.00	44,000.00
Surplus - General Budget	E-4	1,135,000.00	876,700.00
Prior Year Surplus - General Budget	E-5	<u>75,000.00</u>	<u>75,000.00</u>
Total Expenditures		<u>2,128,066.66</u>	<u>1,819,099.77</u>
Excess/(Deficit) in Revenue		247,273.12	375,328.94
Fund Balance January 1	E	<u>586,260.78</u>	<u>278,866.40</u>
Decreased by:			
Utilization as Anticipated Revenue	E-1/E-3	<u>345,201.56</u>	<u>67,934.56</u>
Fund Balance December 31	E	<u>\$ 488,332.34</u>	<u>\$ 586,260.78</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE - REGULATORY BASIS

Ref.

Balance, December 31, 2016 and 2017	E	\$	<u>7.98</u>
-------------------------------------	---	----	-------------

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

**PARKING UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS**

For the Year Ended December 31, 2017

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	Excess or (Deficit)
Fund Balance Anticipated	E-1	\$ 345,201.56	\$ 345,201.56	
Parking Fees	E-1/E-5	1,372,000.00	1,481,878.12	\$ 109,878.12
Riverview Hospital - Lease Payment	E-1/E-5	349,665.44	349,665.48	0.04
Interest on Investments	E-1/E-5		5,292.88	5,292.88
		<u>\$2,066,867.00</u>	<u>\$2,182,038.04</u>	<u>\$ 115,171.04</u>

Ref. E-4

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Canceled</u>
Operating:					
Salaries and Wages	\$ 263,550.00	\$ 263,550.00	\$ 168,467.42	\$ 95,082.58	
Other Expenses	577,500.00	577,500.00	483,574.26	93,925.74	
Accumulated Absence	<u>5,000.00</u>	<u>5,000.00</u>		<u>5,000.00</u>	
Total Operating	846,050.00	846,050.00	652,041.68	194,008.32	
Debt Service:					
Payment of Bond Principal	10,000.00	10,000.00	10,000.00		
Interest on Bonds	11,717.00	11,717.00	11,716.66		\$ 0.34
Interest on Notes	<u>14,000.00</u>	<u>14,000.00</u>	200.00		<u>13,800.00</u>
Total Debt Service	35,717.00	35,717.00	21,916.66		13,800.34
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	29,100.00	29,100.00	29,097.98	2.02	
Social Security System (O.A.S.I.)	20,000.00	20,000.00	11,922.31	8,077.69	
Unemployment Compensation Insurance	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>		
Total Statutory Expenditures	50,100.00	50,100.00	42,020.29	8,079.71	
Surplus (General Budget)	1,135,000.00	1,135,000.00	1,135,000.00		
	<u>\$ 2,066,867.00</u>	<u>\$ 2,066,867.00</u>	<u>\$ 1,850,978.63</u>	<u>\$ 202,088.03</u>	<u>\$ 13,800.34</u>
Ref.	E-3	E-3			E
Cash Disbursements	E-5		\$ 1,765,749.25		
Accrued Interest	E-10		11,916.66		
Reserve for Encumbrances	E-11		<u>73,312.72</u>		
			<u>\$ 1,850,978.63</u>		

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
 COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL FUND
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
ASSETS			
Cash	F-1	\$ 91,209.72	\$ 95,973.36
Interfund - Trust Other Fund	F-4	9,351.31	
Due from IRS	F-5	<u>2,147.36</u>	<u> </u>
		<u><u>\$ 102,708.39</u></u>	<u><u>\$ 95,973.36</u></u>
LIABILITIES			
Interfund - Current Fund	F-3	\$ 555.26	\$ 25.96
Payroll Liabilities	F-2	88,911.52	95,947.40
Miscellaneous	F-2	<u>13,241.61</u>	<u> </u>
		<u><u>\$ 102,708.39</u></u>	<u><u>\$ 95,973.36</u></u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF OCEAN, NEW JERSEY

GENERAL FIXED ASSET ACCOUNT GROUP
 COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
 REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
General Fixed Assets:			
Land and Buildings	G-1	\$ 12,027,756.00	\$ 16,650,652.00
Furniture, Fixtures and Equipment	G-1	<u>13,310,637.15</u>	<u>15,793,716.39</u>
		<u><u>\$ 25,338,393.15</u></u>	<u><u>\$ 32,444,368.39</u></u>
 Investments in General Fixed Assets	 G-1	 <u><u>\$ 25,338,393.15</u></u>	<u><u>\$ 32,444,368.39</u></u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This report includes the financial statements of the Borough of Red Bank (“Borough”), within the County of Monmouth, in the State of New Jersey, and reflects the activities of the municipality which is under the control of the Mayor and Borough Council. The financial statements of the Board of Education, Housing Authority, Public Library, First Aid Organization and Fire Department are reported separately based on management’s interpretation of Governmental Accounting Standards Board (“GASB”) Standard No. 61.

A. Reporting Entity

In accordance with GASB 61, the Borough’s financial statements include those of the Borough of Red Bank and any component units. Component units are legally separate, tax-exempt organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefit to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Borough) is legally entitled to or can otherwise access the organization’s resources.
2. The primary government is legally obligated or has otherwise assumed the obligations to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based on the application of the above criteria, this report includes all programs and activities operated by the Borough. There were no additional entities required to be included in the reporting entity under these criteria in the current fiscal year. Furthermore, the Borough is not included in any other reporting entity on the basis of such criteria.

B. Basis of Presentation and Basis of Accounting

The financial statements are presented on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation and Basis of Accounting (continued)

In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

The accounting principles and practices prescribed for municipalities by the Division differ in certain aspects from GAAP applicable to local governmental units. The more significant differences are as follows:

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

Fund Accounting – A fund is a self-balancing set of accounts. The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial activities through the following separate funds which differ from the fund structure required by accounting principles generally accepted in the United States of America:

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.

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.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting - The Borough of Red Bank must adopt an annual budget in accordance with N.J.S.A. 40A:4-4 et al. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall 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 circulated 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.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division 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.

C. Cash, Cash Equivalents and Investments

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 the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The Borough of Red Bank is required to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Cash, Cash Equivalents and Investments (continued)

Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of 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 in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

The Borough considers highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

D. Property Taxes and Other Revenues

Property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts. Property taxes are payable quarterly on the first day of February, May, August and November.

E. Grant Revenues and Expenditures

Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they are earned and the expenditures to be recognized when the liability is incurred.

F. Expenditures

Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

G. Encumbrances

Contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Appropriation Reserves

Appropriation Reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

I. Deferred Charges

The regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2017 is set forth in Note 16.

J. Compensated Absences

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

K. Property Acquired for Taxes

Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Interfunds

Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Revenue is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

M. Inventories of Supplies

The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The inventories have offsetting reserve amounts. The Borough currently has no inventory.

N. Reserve for Sale of Municipal Assets

Cash proceeds from the sale of Borough owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds would be reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

O. Capital Leases

Capital Leases are not recorded at the lesser of the fair value of the leased property or the present value of the minimum lease payments. GAAP requires an amount equal to the lesser of the fair value of the leased property or the present value of the minimum lease payments to be recorded in General Fixed Assets Account Group and the long-term obligation be recorded as part of a General Long-Term Debt Account Group.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. General Fixed Assets

Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 2 as issued by the Division of Local Government Services, differs in certain respects from generally accepted accounting principles. The following is a brief description of the provisions of the Directive.

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

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

No depreciation on general fixed assets is recorded in the financial statements.

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

Q. Fixed Assets - Utility

Accounting for utility fund “fixed capital” remains unchanged under the Requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Parking and Water/Sewer Utility Funds are recorded in the capital account at cost and are adjusted for disposition and abandonments. The amount reported for reserve for amortization of fixed capital acquired on the balance sheet of the Parking and Water/Sewer Capital Funds represents the aggregate charges (capital outlay and debt service) to the operating budget for the costs of acquisitions of property and equipment and proceeds from grants-in-aid. The utilities do not record depreciation of property and equipment. GAAP does not require the establishment of a reserve for amortization of fixed capital, whereas it does require the recognition of depreciation of property and equipment by enterprise funds.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Comparative Data

Comparative total data for the various funds for the prior year has been presented in the accompanying Balance Sheets and Statements of Operations and Changes in Fund Balance in order to provide an understanding of changes in the Borough's financial position. However, Comparative Statements of Revenues and Statements of Expenditures have not been presented since this inclusion would make the statements unduly complex and difficult to read.

S. Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

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 Plan*, 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.

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.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

At December 31, 2017, the Borough's deposits had a carrying amount of \$20,875,693.22.

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA should not be relied on to protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds that may pass to the municipality upon the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2017, the Borough's bank balances of \$21,482,860.56 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 750,000.00
Insured by GUDPA	20,168,920.28
Uninsured and Uncollateralized	<u>563,940.28</u>
	<u><u>\$ 21,482,860.56</u></u>

Investments

The Borough's general capital fund contains an investment in current fund special emergency notes in the amount of \$212,400.00. The Note is an interest free internal note due from the Borough's current fund. The notes mature on May 24, 2018 and September 25, 2018 in the amount of \$140,000.00 and \$72,400.00, respectively. There is no custodial, interest rate, credit or concentration of credit risk associated with this type of investment.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

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>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$ 2.110</u>	<u>\$ 2.107</u>	<u>\$ 2.033</u>
Apportionment of Tax Rate:			
Municipal - Local Purpose	0.561	0.551	0.541
Municipal Library	0.034	0.033	0.033
County - General	0.260	0.267	0.253
County - Open Space	0.015	0.015	0.014
Local School	0.802	0.796	0.770
Regional School	0.438	0.445	0.422

Assessed Valuation (Net Valuation Taxable):

<u>Year</u>	<u>Amount</u>
2017	\$ 2,122,308,781.00
2016	\$ 2,078,099,910.00
2015	\$ 2,075,371,065.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2017	\$ 45,472,480.51	\$ 44,890,549.86	98.72%
2016	44,570,413.65	43,730,097.83	98.11%
2015	43,234,075.90	42,259,610.07	97.75%

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>
2017	\$ 4,563.80	\$ 567,720.66	\$ 572,284.46	1.26%
2016	4,556.14	880,826.69	885,382.83	1.99%
2015	-	677,386.08	677,386.08	1.57%

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

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, 2017.

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>	Beginning <u>Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	Percentage of <u>Collection</u>
2017	\$ 821,258.27	\$ 6,315,701.68	\$ 7,136,959.95	\$ 6,557,310.36	91.88%
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	88.84%

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>
<u>Current Fund:</u>			
2017	\$ 1,913,196.61	\$ 1,617,456.63	84.54%
2016	1,595,552.17	1,450,000.00	90.88%
2015	2,514,088.28	2,035,000.00	80.94%
<u>Water/Sewer Utility Operating Fund:</u>			
2017	\$ 752,284.67	\$ 337,968.58	44.93%
2016	710,061.40	239,000.00	33.66%
2015	764,665.62	194,771.00	25.47%
<u>Parking Utility Fund:</u>			
2017	\$ 488,332.34	\$ 299,051.72	61.24%
2016	586,260.78	345,201.56	58.88%
2015	278,866.40	67,934.56	24.36%

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

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, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 80,516.58	\$ 3,841.66
State and Federal Grant Fund		69,717.19
Animal Control Fund		4,225.21
Payroll Trust	9,351.31	555.26
Trust Other Fund	1,231.40	11,917.26
General Capital Fund		3,452.97
Water/Sewer Operating Fund	5,156.80	
Water/Sewer Capital Fund		1,315.14
Parking Operating Fund	<u>1,231.40</u>	
	<u><u>\$ 96,256.09</u></u>	<u><u>\$ 96,256.09</u></u>

The purpose of these interfunds was short-term borrowings. During the year 2018, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 8 FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group for the year 2017:

	Balance December 31, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustment</u>	Balance December 31, <u>2017</u>
Land and Buildings	\$ 16,650,652.00			\$ 4,622,896.00	\$ 12,027,756.00
Vehicles & Equipment	<u>15,793,716.39</u>	<u>\$ 107,565.30</u>	<u>\$ 23,069.00</u>	<u>2,567,575.54</u>	<u>13,310,637.15</u>
	<u><u>\$ 32,444,368.39</u></u>	<u><u>\$ 107,565.30</u></u>	<u><u>\$ 23,069.00</u></u>	<u><u>\$ 7,190,471.54</u></u>	<u><u>\$ 25,338,393.15</u></u>

NOTE 9 PENSION PLANS

A. Public Employees' Retirement System (PERS)

General Information About the Plan

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/annrprts.shtml.

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

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

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

General information about the Plan (continued)

Plan Description (continued)

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

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the 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 the PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the 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

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

Contributions (continued)

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, 2017, the Borough's contributions to the PERS was \$463,554.

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

Net Pension Liability - At December 31, 2017, the Borough reported a liability of \$17,109,703 as the Borough's proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. 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, 2016, which was rolled forward to June 30, 2017. 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, 2017. The Borough's proportion measured as of June 30, 2017, was 0.06081% which was an increase of .00304% from its proportion measured as of June 30, 2016.

Pension Expense - At December 31, 2017, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$2,581,167. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

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

Deferred Outflows and Deferred Inflows of Resources, and Pension Expense – At December 31, 2017 the State reported deferred outflows of resources and deferred inflows from resources attributable to the Borough from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 333,330	
Changes in Assumptions	2,851,993	\$ 2,841,537
Net Difference between Projected and Actual Earnings on Pension Plan Investments	96,394	
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>1,751,002</u>	<u>1,166,210</u>
	<u><u>\$ 5,032,719</u></u>	<u><u>\$ 4,007,747</u></u>

The Borough will amortize the above sources of deferred outflows and inflows related to the PERS over the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan with the exception of net differences between projected and actual earnings on pension plan investments which will be amortized over 5 years. The average of the expected remaining service lives of all employees are 6.44, 5.72, 5.57 and 5.48 for the years 2014, 2015, 2016 and 2017, respectively.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

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

Deferred Outflows and Deferred Inflows of Resources, and Pension Expense (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions that would be recognized in future periods if the Borough was on a GAAP basis of accounting, is as follows.

Year Ending	
<u>Dec. 31,</u>	<u>PERS</u>
2018	\$ 432,077.00
2019	613,220.00
2020	381,384.00
2021	(176,182.00)
2022	<u>(225,527.00)</u>
	<u><u>\$ 1,024,972.00</u></u>

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

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

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

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

Actuarial Assumptions (continued)

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 rates 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, 2016 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.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

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

Long-term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	<u>8.25%</u>	<u>13.08%</u>
		<u>100.00%</u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

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

Discount Rate - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 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 (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	1%	Current	1%
	Decrease	Discount Rate	Increase
	<u>(4.00%)</u>	<u>(5.00%)</u>	<u>(6.00%)</u>
Borough's Proportionate Share of the Net Pension Liability	<u>\$17,561,767</u>	<u>\$14,156,232</u>	<u>\$11,319,000</u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

Required Supplementary Pension Information – In accordance with GASB 68, the following information is also presented for the PERS Pension Plan. These schedules are presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Borough's Proportionate Share of the Net Pension Liability (Last 5 Plan Fiscal Years)

	2014	2015	2016	2017
Borough's proportion of the net pension liability	0.0562832775%	0.0534817949%	0.0577696141%	0.0608127304%
Borough's proportionate share of the net pension liability	\$ 12,158,476	\$ 12,005,591	\$ 17,109,703	\$ 14,156,232
Borough's covered-employee payroll	\$ 3,668,311	\$ 3,925,291	\$ 4,187,753	\$ 4,209,473
Borough's proportionate share of the net pension liability as a percentage of its covered-employee payroll	331.45%	305.85%	408.57%	336.29%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%

Schedule of the Borough's Contributions (Last 5 Plan Fiscal Years)

	2014	2015	2016	2017
Contractually Required Contribution	\$ 424,083	\$ 535,353	\$ 459,800	\$ 513,217
Contributions in Relation to the contractually Required Contribution	424,083	535,353	459,800	513,217
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Borough's covered-employee payroll	\$ 3,668,311	\$ 3,925,291	\$ 4,187,753	\$ 4,209,473
Contribution as a percentage of covered-employee payroll	11.56%	13.64%	10.98%	12.19%

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

General Information About the Plan

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/annrprts.shtml.

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

The following represents the membership tiers for PFRS:

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

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

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.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

General Information About the Plan (continued)

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, 2017, the Borough's contributions to PFRS was \$950,826. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

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

Net Pension Liability - At December 31, 2017, the Borough's proportionate share of the PFRS net pension liability is valued to be \$19,721,571. The net pension liability was measured as of June 30, 2017. 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, 2016, to the measurement date of June 30, 2017. 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, 2017. The Borough's proportion measured as of June 30, 2017, was .12775%, which was an increase of .00146% from its proportion measured as of June 30, 2016.

Pension Expense - At December 31, 2017, the Borough's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$1,788,610. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

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

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2017, the Borough had deferred outflows of resources and deferred inflows of resources related to the PFRS from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences Between Expected and Actual Experience	\$ 12,193	
Changes in Assumptions	2,431,889	\$ 3,229,817
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	376,334	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,347,181</u>	<u>755,511</u>
	<u><u>\$ 4,167,597</u></u>	<u><u>\$ 3,985,328</u></u>

The Borough will amortize the above sources of deferred outflows and inflows related to PFRS over the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan with the exception of net differences between projected and actual earnings on pension plan investments which will be amortized over 5 years. The average of the expected remaining service lives of all employees are 6.17, 5.53, 5.58 and 5.59 for the years 2014, 2015, 2016 and 2017, respectively.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

**Pension Liabilities, Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions (continued)**

Pension Expense and Deferred Outflows/Inflows of Resources

The following is a summary of the pension expense, deferred outflows of resources and deferred inflows of resources related to the PFRS that would be recognized in future periods if the Borough was on GAAP basis of accounting:

<u>Year Ending</u>	<u>Amount</u>
<u>Dec 31,</u>	
2018	\$321,044
2019	718,316
2020	199,713
2021	(672,013)
2022	<u>(384,791)</u>
	 <u>\$182,269</u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

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

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

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

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates 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, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013. 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.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	<u>8.25%</u>	<u>13.08%</u>
	<u>100.00%</u>	

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

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

Discount Rate - The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

Special Funding Situation (continued)

The State's proportionate share of the PFRS net pension liability attributable to the Borough is \$2,208,982 as of December 31, 2017. The net pension liability was measured as of June 30, 2017. 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, 2017. 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, 2017 was .12774%, which was a decrease of .00146% from its proportion measured as of June 30, 2016, which is the same proportion as the Borough's. At December 31, 2017, 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	\$ 19,721,571
State of New Jersey's Proportionate Share of the Net Pension Liability Attributable to the Borough	<u>2,208,982</u>
	<u><u>\$ 21,930,553</u></u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.14%) or 1-percentage-point higher (7.14%) than the current rate:

	1% Decrease <u>(5.14%)</u>	Current Discount Rate <u>(6.14%)</u>	1% Increase <u>(7.14%)</u>
Borough's Proportionate Share of the Net Pension Liability	\$25,984,794	\$19,721,571	\$14,575,621
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>2,910,515</u>	<u>2,208,982</u>	<u>1,632,592</u>
	<u><u>\$28,895,309</u></u>	<u><u>\$21,930,553</u></u>	<u><u>\$16,208,213</u></u>

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

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 9 PENSION PLANS (continued)

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

Required Supplementary Pension Information – In accordance with GASB 68, the following information is also presented for the PFRS Pension Plan. These schedules are presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Borough's Proportionate Share of the Net Pension Liability (Last 5 Plan Fiscal Years)

	2014	2015	2016	2017
Borough's proportion of the net pension liability	0.1237943358%	0.1142101293%	0.1262856294%	0.1277463752%
Borough's proportionate share of the net pension liability	\$ 15,572,179	\$ 19,023,426	\$ 24,123,786	\$ 19,721,571
Borough's covered-employee payroll	\$ 3,640,526	\$ 4,001,065	\$ 4,144,728	\$ 4,122,026
Borough's proportionate share of the net pension liability as a percentage of its covered-employee payroll	427.75%	475.46%	582.04%	478.44%
Plan fiduciary net position as a percentage of the total pension liability	62.41%	56.31%	52.01%	58.60%

Schedule of the Borough's Contributions (Last 5 Plan Fiscal Years)

	2014	2015	2016	2017
Contractually Required Contribution	\$ 892,521	\$ 950,826	\$ 928,358	\$ 1,029,658
Contributions in Relation to the contractually Required Contribution	<u>892,521</u>	<u>950,826</u>	<u>928,358</u>	<u>1,029,658</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's covered-employee payroll	\$ 3,640,526	\$ 4,001,065	\$ 4,144,728	\$ 4,122,026
Contribution as a percentage of covered-employee payroll	24.52%	23.76%	22.40%	24.98%

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 10 POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

In addition to the pension and retirement plans described in Note 9, 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 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 45 the Borough is only required to calculate every three years. The Borough's contributions for postretirement benefits for the years ended December 31, 2017, 2016 and 2015 were \$1,395,704, \$1,376,955 and \$1,408,044, respectively. The last actuarial valuation was completed for the year ending December 31, 2017. The Borough's annual OPEB Cost Summary for year 2016 is as follows:

Annually Required Contributions (ARC)	\$ 4,393,134.00
Interest on the Net OPEB Obligation	-
Adjustment to the ARC	-
Annual OPEB Cost	<u>4,393,134.00</u>
Pay-as-you-go contributions (Existing retirees)	<u>(1,395,704.00)</u>
Increase/(Decrease) in Net OPEB Obligation	2,997,430.00
Net OPEB Obligations, January 1	<u>12,877,182.00</u>
Net OPEB Obligations, December 31st	<u>\$ 15,874,612.00</u>
Percentage of Annual OPEB cost contributed	1137%

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 10 POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (continued)

As of December 31, 2016, the last actuarial valuation date, the actuarial accrued liability for benefits was \$46,072,891 all of which was unfunded.

Actuarial Date	<u>12/31/2016</u>
Actuarial Accrued Liability (AAL)	\$ 46,072,891.00
Actuarial Value of Plan Assets	<u>—</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 46,072,891.00</u></u>

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, 2016 actuarial valuation, the projected unit credit funding method was used. The actuarial assumptions included a 4.50% discount rate and an annual medical cost trend rate of 6.0% in the first year (2016), reducing by 0.1% per annum, leveling at 5% per annum in year 2026. The annual prescription cost trend rate of 11.0% in 2016 reducing by 0.5% per annum to 2021 and 1.0% per annum thereafter, leveling at 5% per annum in 2026. 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, 2016 report. The Borough has a total of 236 plan members of which 128 are active participants with an average age of 47 years and 128 are retired participants with an average age of 70 years.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 11 BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2017, the Borough had authorized but not issued bonds and notes as follows:

General Capital Fund	\$.70
Water/Sewer Utility Capital Fund	<u>1,214,029.00</u>
Total	<u>\$ 1,214,029.70</u>

NOTE 12 LONG-TERM DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The terms of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 12 LONG-TERM DEBT (continued)

The Borough's long-term debt consisted of the following at December 31, 2017:

Purpose

General Capital Bonds

\$540,000 2011 Pension Early Retirement Incentive Refunding Bonds due in annual installments of \$60,000 to \$81,000 through 2021 at interest rates ranging from 4.88% to 5.70%.	\$ 281,000.00
\$5,637,000 2012 bonds due in annual installments of \$385,000 to \$612,000 through October 2025 at an interest rate of 2.00%.	3,972,000.00
\$5,785,000 2015 Bonds due in annual installments of \$325,000 to \$555,000 through 2029 at interest rates of 2.00% to 5.00%.	5,180,000.00
\$1,800,521.50 2015 Refunding Bonds due in an annual installment of \$923,769.00 through 2018 at an interest rate of 4.00%	<u>923,769.00</u>
	<u><u>\$ 10,356,769.00</u></u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 12 LONG-TERM DEBT (continued)

Purpose (continued)

Water/Sewer Utility Capital Bonds

\$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%.	\$ 490,000.00
\$680,076 2009 NJEIT Series A Fund Loan Bonds due in annual installments of \$34,580.13 through August, 2029 at an interest rate of 0%.	414,961.67
\$2,662,000 2012 bonds due in annual installments of \$150,000 to \$252,000 through October, 2027 at interest rates ranging from 2.00% to 2.10%.	2,012,000.00
\$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%.	3,515,000.00
\$3,084,478.50 2015 Refunding Bonds due in annual installments of \$471,231.00 to \$555,000.00 through 2022 at interest rates ranging from 4.00% to 5.00%.	<u>2,636,231.00</u>
	<u><u>\$ 9,068,192.67</u></u>

Parking Utility Capital Bonds

\$280,000 2015 Parking Utility Bonds due in annual installments of \$10,000 to \$20,000 through 2035 at interest rates ranging from 3.50% to 5.00%	<u>\$ 260,000.00</u>
--	----------------------

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 12 LONG-TERM DEBT (continued)

Annual debt service for principal and interest over the next five years and five-year increments thereafter for bonded debt issued and outstanding are as follows:

Year	General Capital Fund		
	Principal	Interest	Total
2018	\$ 1,693,769.00	\$ 404,381.91	\$ 2,098,150.91
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	925,000.00	234,190.00	1,159,190.00
2023-2027	4,037,000.00	697,570.00	4,734,570.00
2028-2029	<u>1,085,000.00</u>	<u>82,000.00</u>	<u>1,167,000.00</u>
Totals	<u>\$ 10,356,769.00</u>	<u>\$ 2,303,986.91</u>	<u>\$ 12,660,755.91</u>

Year	Water/Sewer Utility Capital Fund		
	Principal	Interest	Total
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	979,580.13	181,789.50	1,161,369.63
2023-2027	2,459,900.65	626,612.50	3,086,513.15
2028-2032	1,309,160.37	273,175.00	1,582,335.37
2033-2035	<u>770,000.00</u>	<u>54,250.00</u>	<u>824,250.00</u>
Total	<u>\$ 9,068,192.67</u>	<u>\$ 2,194,239.10</u>	<u>\$ 11,262,431.77</u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 12 LONG-TERM DEBT (continued)

Year	Parking Utility Capital Fund		
	Principal	Interest	Total
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	10,000.00	9,350.00	19,350.00
2023-2027	70,000.00	37,750.00	107,750.00
2028-2032	80,000.00	19,925.00	99,925.00
2033-2037	<u>60,000.00</u>	<u>4,200.00</u>	<u>64,200.00</u>
	<u><u>\$260,000.00</u></u>	<u><u>\$113,625.00</u></u>	<u><u>\$373,625.00</u></u>

Green Trust Loans

The Borough has entered into various Green Trust Loan Agreements as follows:

Green Trust Loan Program for the Riverside Gardens Development 1. Principal is paid semiannually. Annual debt service requirements for principal range from \$15,391.88 to \$30,328.08 through 2020, interest rate of 2.000% \$ 75,450.45

Green Trust Loan Program for the Riverside Gardens Development 2. Principal is paid semiannually. Annual debt service requirements for principal range from \$15,391.88 to \$30,328.08 through 2020, interest rate of 2.000% 75,450.45

Green Trust Loan Program for the Waterfront Acquisition. Principal is paid semiannually. Annual debt service requirements for principal range from \$5,525.06 to \$10,886.54 through 2029, interest rate of 2.000% 114,149.77

\$ 265,050.67

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 12 LONG-TERM DEBT (continued)

Green Trust Loans (continued)

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:

Year	General Capital Fund		
	Principal	Interest	Total
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	9,661.26	1,499.36	11,160.62
2023-2027	51,298.40	4,504.69	55,803.09
2028-2029	16,411.57	329.32	16,740.89
Totals	\$ 265,050.67	\$ 18,754.35	\$ 283,805.02

Capital Leases

Monmouth County Improvement Authority (MCIA) – The Borough entered into various capital equipment lease programs with the 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, though maturity, for the capital lease payable described above for the next five (5) years and five (5) year increments thereafter:

Year	General Capital Fund		
	Principal	Interest	Total
2018	\$ 629,073.80	\$ 120,309.25	\$ 749,383.05
2019	488,697.70	97,893.26	586,590.96
2020	510,113.90	77,145.36	587,259.26
2021	346,907.80	51,969.66	398,877.46
2022	327,407.40	34,924.28	362,331.68
2023-2027	454,863.70	50,879.70	505,743.40
	\$ 2,757,064.30	\$ 433,121.51	\$ 3,190,185.81

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 12 LONG-TERM DEBT (continued)

Capital Leases (continued)

<u>Year</u>	<u>Water/Sewer Utility Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 6,835.40	\$ 1,828.71	\$ 8,664.11
2019	7,624.10	1,691.76	9,315.86
2020	7,958.70	1,386.80	9,345.50
2021	6,357.40	988.86	7,346.26
2022	6,644.20	671.00	7,315.20
2023-2027	<u>8,102.10</u>	<u>988.85</u>	<u>9,090.95</u>
	<u><u>\$ 43,521.90</u></u>	<u><u>\$ 7,555.98</u></u>	<u><u>\$ 51,077.88</u></u>

<u>Year</u>	<u>Parking Utility Capital Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 5,090.80	\$ 1,361.96	\$ 6,452.76
2019	5,678.20	1,259.98	6,938.18
2020	5,927.40	1,032.84	6,960.24
2021	4,734.80	736.48	5,471.28
2022	4,948.40	499.74	5,448.14
2023-2027	<u>6,034.20</u>	<u>736.48</u>	<u>6,770.68</u>
	<u><u>\$ 32,413.80</u></u>	<u><u>\$ 5,627.48</u></u>	<u><u>\$ 38,041.28</u></u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 12 LONG-TERM DEBT (continued)

Changes in Outstanding Long-Term Debt

Transactions for the year ended December 31, 2017 are summarized as follows:

	<u>Balance</u> <u>Dec. 31,</u> <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31,</u> <u>2017</u>
<u>General Capital Fund</u>				
Serial Bonds	\$ 11,969,521.50		\$ 1,612,752.50	\$ 10,356,769.00
Green Trust Loans	<u>332,086.26</u>		<u>67,035.59</u>	<u>265,050.67</u>
	<u>12,301,607.76</u>	<u>-</u>	<u>1,679,788.09</u>	<u>10,621,819.67</u>
<u>Water/Sewer Utility Capital Fund</u>				
Serial Bonds	<u>10,131,020.30</u>	<u>-</u>	<u>1,062,927.63</u>	<u>9,068,092.67</u>
<u>Parking Utility Capital Fund</u>				
Serial Bonds	<u>270,000.00</u>	<u>-</u>	<u>10,000.00</u>	<u>260,000.00</u>
	<u>\$ 22,702,628.06</u>	<u>\$ -</u>	<u>\$ 2,752,715.72</u>	<u>\$ 19,949,912.34</u>

Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.50% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Borough's statutory net debt at December 31, 2017 was 0.593%. The Borough's remaining borrowing power is 2.907%. The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in Note 14.

NOTE 13 SHORT-TERM DEBT

Bond Anticipation Notes

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuing of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 13 SHORT-TERM DEBT (continued)

Bond Anticipation Notes (continued)

On December 31, 2017, the Borough's outstanding bond anticipation notes were as follows:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
<u>General Capital Fund</u>				
Acquisition of a Water Park	12-14-17	12-13-18	\$ 20,750.00	1.50%
Acquisition of Various Capital Equipment and Completion of Various Capital Projects	12-14-17	12-13-18	679,250.00	1.50%
Improvements to Count Basie/East Side Park	12-14-17	12-13-18	375,500.00	1.50%
Various Roadway Improvements	12-14-17	12-13-18	468,000.00	1.50%
2017 Road Program	12-14-17	12-13-18	<u>947,500.00</u>	1.50%
			<u><u>\$ 2,491,000.00</u></u>	
<u>Water/Sewer Utility Fund</u>				
Acquisition and Installation of Water Meters	12-14-17	12-13-18	\$ 1,900,000.00	1.50%
Various Improvements by Water/Sewer Utility	12-14-17	12-13-18	400,000.00	1.50%
Various Water/Sewer Improvements	12-14-17	12-13-18	<u>600,000.00</u>	1.50%
			<u><u>\$ 2,900,000.00</u></u>	
<u>Parking Utility Fund</u>				
Various Parking Utility Improvements	12-14-17	12-13-18	<u>\$ 300,000.00</u>	1.50%

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 13 SHORT-TERM DEBT (continued)

Bond Anticipation Notes (continued)

Changes in Bond Anticipation Notes

	Balance Dec. <u>2016</u>	<u>Additions</u>	<u>Deductions</u>	Balance Dec. <u>2017</u>
General Capital Fund	\$ 777,861.00	\$ 2,491,000.00	\$ 777,861.00	\$ 2,491,000.00
Water/Sewer Utility Capital Fund	1,900,000.00	2,900,000.00	1,900,000.00	2,900,000.00
Parking Utility Capital Fund	_____	<u>300,000.00</u>	_____	<u>300,000.00</u>
	<u>\$2,677,861.00</u>	<u>\$ 5,691,000.00</u>	<u>\$ 2,677,861.00</u>	<u>\$ 5,691,000.00</u>

Special Emergency Notes

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 appropriations. The term of the notes cannot exceed one year. All such notes must be paid within three to five years depending on the type of special emergency.

On December 31, 2017, the Borough's outstanding special emergency notes were as follows:

<u>Special Emergency Authorization</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
2013 Utilization Banked Time	9/26/2017	9/25/2018	\$ 72,400.00	0.00%
2014 Tax Revaluation	5/25/2017	5/24/2018	<u>140,000.00</u>	0.00%
				<u>\$ 212,400.00</u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 13 SHORT-TERM DEBT (continued)

The following schedule represents the Borough's summary of debt for the current and two previous years:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 13,112,819.67	\$ 13,079,468.76	\$ 16,028,927.48
Water/Sewer Utility:			
Bonds, Notes and Loans	12,579,163.67	12,031,020.30	11,896,040.43
Parking Utility			
Bonds, Notes and Loans	<u>560,000.00</u>	<u>270,000.00</u>	<u>280,000.00</u>
Total Debt Issued	<u>26,251,983.34</u>	<u>25,380,489.06</u>	<u>28,204,967.91</u>
Authorized but Not Issued:			
General:			
Bonds, Notes and Loans	0.70	0.70	136,111.70
Water/Sewer Utility:			
Bonds, Notes and Loans	<u>1,214,029.00</u>	<u>1,825,000.00</u>	<u> </u>
Total Authorized but Not Issued	<u>1,214,029.70</u>	<u>1,825,000.70</u>	<u>136,111.70</u>
Total Gross Debt	<u>\$ 27,466,013.04</u>	<u>\$ 27,205,489.76</u>	<u>\$ 28,341,079.61</u>

State of New Jersey Environmental Infrastructure Short-Term Trust Loan Payable

The New Jersey Environmental Infrastructure Program (“NJEIFP”) provides Short-Term Loans for terms up to three full fiscal years to allow for the completion of construction. The Loan acts like a line-of-credit wherein a borrower receives funds for eligible project expenses upon approval of submitted invoices, and as such, only pays interest, if applicable, on funds drawn. Upon completion of construction, short term loans are termed out through a traditional NJEIFP Loan. The initial short-term loan closing amount was \$1,800,000, dated November 13, 2017 and carries an interest rate of 0.00%. At December 31, 2017 the total costs allowable certified by the NJEIFP were \$1,732,480. The remaining available balance at December 31, 2017 was \$1,121,508.33.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 14 SUMMARY OF MUNICIPAL DEBT (continued)

Summary of Statutory Debt Condition – Annual Debt Statements

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	\$ 2,095,000.00	\$ 2,095,000.00	\$ -
Regional School District	1,718,106.54	1,718,106.54	-
General Debt	13,112,819.67	544,547.63	12,568,272.04
Water/Sewer Utility Debt	12,579,163.67	12,579,163.67	-
Parking Utility Debt	<u>560,000.00</u>	<u>560,000.00</u>	-
	<u><u>\$ 30,065,089.88</u></u>	<u><u>\$ 17,496,817.84</u></u>	<u><u>\$ 12,568,272.04</u></u>

New Jersey statutes limit the debt of a municipality to 3.50% of the average of the last three preceding year's equalized valuations of the taxable real estate and improvements. The Borough's statutory net debt at December 31, 2017 was 0.593% as calculated below. The Borough's remaining borrowing power is 2.907%.

Net Debt \$12,568,272.04 divided by the equalized valuation basis per N.J.S.A. 40A:2-2 as amended, \$2,120,613,354.33 equals 0.593%.

Borrowing Power under N.J.S.A. 40A:2-6 as amended

3-1/2% Equalized Valuation Basis Municipal	\$ 74,221,467.40
Net Debt	<u>12,568,272.04</u>
Remaining Borrowing Power	<u><u>\$ 61,653,195.36</u></u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 14 SUMMARY OF MUNICIPAL DEBT (continued)

Calculation of “Self-liquidating purpose” – Water/Sewer Utility per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for the Year	\$ 7,148,796.20
Deductions:	
Operating and Maintenance Costs	\$ 5,234,050.00
Debt Service	<u>1,328,475.00</u>
Total Deductions	<u>6,562,525.00</u>
Excess in Revenue	<u>\$ 586,271.20</u>

Calculation of “Self-liquidating purpose” – Parking Utility per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for the Year	\$ 2,176,745.16
Deductions:	
Operating and Maintenance Costs	\$ 896,150.00
Debt Service	<u>22,140.72</u>
Total Deductions	<u>918,290.72</u>
Excess in Revenue	<u>\$ 1,258,454.44</u>

The annual debt statement as filed by the Chief Financial Officer should be amended.

NOTE 15 DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

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

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 16 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As noted in Note 2, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017, the following deferred charges are shown on the Balance Sheets of the various funds:

	Balance December 31, 2017	2018 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Special Emergency Authorizations (40A:4-55)	\$ 232,400.00	\$ 152,400.00	\$ 80,000.00

NOTE 17 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:

	Local District School Tax		Regional High School Tax	
	<u>Dec 31, 2017</u>	<u>Dec 31, 2016</u>	<u>Dec 31, 2017</u>	<u>Dec 31, 2016</u>
Balance of Tax	\$ 8,282,862.67	\$ 8,021,425.65	\$ 4,645,790.64	\$ 4,624,534.66
Deferred	<u>6,256,724.50</u>	<u>6,256,724.50</u>	<u>4,216,556.36</u>	<u>4,216,556.36</u>
Tax Payable	<u>\$ 2,026,138.17</u>	<u>\$ 1,764,701.15</u>	<u>\$ 429,234.28</u>	<u>\$ 407,978.30</u>

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

NOTE 18 DEFERRED COMPENSATION PLAN

The Borough of Red Bank offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer 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.

NOTE 19 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Borough is a member of the Central Jersey Joint Insurance Fund (JIF). This public entity risk pool is both an insured and self-administered group of public entities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen’s compensation. The JIF will be self-sustaining through member premiums. The JIF participates in the Municipal Excess Liability Insurance program. There were no settlements in excess of insurance coverage in 2017, 2016, and 2015.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 20 CONTINGENCIES

A. Accrued Sick and Vacation Unaudited

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused 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 \$1,746,505.03 at December 31, 2017. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

B. Litigation

The Borough is involved in various other legal and administrative proceedings and claims of various types. While any litigation contains an element of uncertainty, Borough Officials, based upon the opinion of the Borough Counsels, presently believe that the outcome of each such proceedings or claims which are pending or known to be threatened, or all of them combined, will not have a material or adverse effect on the Borough's financial position or adversely affect the Borough's ability to levy, collect, and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

C. Federal and State Grants

The Borough receives financial assistance from the U.S. government and the State of New Jersey in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require payment to the grantor agency. As of December 31, 2017, the Borough estimates that no material liabilities will result from such audits.

D. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Borough has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserve for unemployment compensation insurance at December 31, 2017 was \$35,742.88.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

NOTE 19 SUBSEQUENT EVENTS

On March 28, 2018, the Borough adopted ordinance 2018-09 amending and supplementing bond ordinance 2017-21. The ordinance increases the total appropriation therein from \$600,000.00 to \$825,000.00 to increase the total debt authorization therein from \$600,000.00 to \$825,000.00.

The Borough has evaluated subsequent events occurring after December 31, 2017 through the date of June 29, 2018, which is the date the financial statements were available to be issued.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

SCHEDULE OF CASH

<u>Ref.</u>	<u>Current Fund</u>	<u>Grant Fund</u>
Balance, December 31, 2016	A \$ 6,039,839.67	\$ 120,110.01
Increased by Receipts:		
Non-Budget Revenues	A-2 \$ 359,536.14	
Taxes Receivable	A-5 45,076,938.39	
Tax Title Lien	A-6 5,970.65	
Revenue Accounts Receivable	A-8 7,351,611.05	
State of New Jersey (Ch. 20, P.L. 1971)	A-9 53,750.00	
Due to State of New Jersey - Marriage License Fees	A-10 5,225.00	
Due to State of New Jersey - Training Fees	A-10 32,899.00	
Tax Overpayments	A-13 279,331.27	
Prepaid Taxes	A-14 2,090,617.00	
Interfund - Federal and State Grant Fund	A-21 17,890.43	
Interfunds	A-22 22,893.33	
Due to State of New Jersey - Burial Permits	A 15.00	
Due to Monmouth County Regional Health	A 5,475.00	
Special Emergency Notes Payable	A-24 212,400.00	
Federal and State Grants Receivable	A-25	\$ 94,612.21
Interfund - Current Fund	A-28	<u>203,079.53</u>
	<u>55,514,552.26</u>	<u>297,691.74</u>
	<u>61,554,391.93</u>	<u>417,801.75</u>
Decreased by Disbursements:		
2017 Budget Appropriations	A-3 18,803,643.57	
Due to State of New Jersey - Marriage License Fees	A-10 4,600.00	
Due to State of New Jersey - Training Fees	A-10 26,745.00	
2016 Appropriation Reserves	A-11 389,407.35	
Refund of Tax Overpayments	A-13 97,883.58	
County Taxes Payable	A-15 5,881,004.37	
Local School District Tax	A-16 16,760,626.98	
Regional High School Tax Payable	A-17 9,270,325.02	
Special Improvement District Taxes	A-18 512,120.00	
Accounts Payable	A-20 2,198.00	
Interfund - Federal and State Grant Fund	A-21 203,079.53	
Various Reserves	A-23 112,474.22	
Special Emergency Notes Payable	A-24 364,800.00	
Due to State of New Jersey - Burial Permits	A 15.00	
Appropriated Reserves for Federal and State Grants	A-26	268,774.25
Interfund - Current Fund	A-28	<u>997.81</u>
	<u>52,428,922.62</u>	<u>269,772.06</u>
Balance, December 31, 2017	A <u>\$ 9,125,469.31</u>	<u>\$ 148,029.69</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>Year</u>	Balance		Collections		Transferred to Tax Title Liens	Chapter 20, P.L. 1971 Senior Citizens and Veterans	Tax Overpayments Applied	Canceled, Remitted or Abated	Balance Dec. 31,2017
	<u>Dec. 31, 2016</u>	<u>2017 Levy</u>	<u>2016</u>	<u>2017</u>					
2014	\$ 0.53			\$ 0.53					
2015	11.63			11.63					
2016	<u>880,814.53</u>		<u>879,944.78</u>				<u>\$ 865.21</u>		<u>\$ 4.54</u>
	<u>880,826.69</u>		<u>879,956.94</u>				<u>865.21</u>		<u>4.54</u>
2017	<u>\$ 880,826.69</u>	<u>\$ 45,472,480.51</u>	<u>\$ 232,522.63</u>	<u>44,196,981.45</u>	<u>\$ 2,752.89</u>	<u>\$ 50,115.76</u>	<u>410,930.02</u>	<u>\$ 11,461.64</u>	<u>567,716.12</u>
	<u>\$ 880,826.69</u>	<u>\$ 45,472,480.51</u>	<u>\$ 232,522.63</u>	<u>\$ 45,076,938.39</u>	<u>\$ 2,752.89</u>	<u>\$ 50,115.76</u>	<u>\$ 411,795.23</u>	<u>\$ 11,461.64</u>	<u>\$ 567,720.66</u>
<u>Ref.</u>	A	A-5	A-2/A-14	A-2/A-4	A-6	A-2/A-9	A-2/A-13		A

Analysis of 2017 Property Tax Levy

Ref.

Tax Yield:

General Purpose Tax	\$ 44,780,715.28
Special District Taxes	516,240.48
Added and Omitted Tax	154,655.60
6% Penalty	<u>20,869.15</u>

A-5

\$ 45,472,480.51

Tax Levy:

Regional High School Tax	A-17	9,291,581.00
Local District School Tax	A-16	17,022,064.00

County Taxes:

County Tax	A-15	\$ 5,518,986.36
County Open Space Tax	A-15	324,268.20
Due County for Added and Omitted Taxes	A-15	<u>19,992.58</u>

Total County Taxes

5,863,247.14

Special District Taxes

A-18

512,120.00

Local Tax for Municipal Purposes	A-2	11,909,860.72
Minimum Library Tax	A-2	708,804.22
Add: Additional Tax Levied		<u>164,803.43</u>

12,783,468.37

A-5

\$ 45,472,480.51

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

<u>Ref.</u>		
Balance, December 31, 2016	A	\$ 4,556.14
Increased by:		
Transfer from Taxes Receivable	A-5	\$ 2,752.89
Prior Year Revenue	A-1	<u>3,225.42</u>
		<u>5,978.31</u>
		<u>10,534.45</u>
Decreased by:		
Cash Receipts	A-4	<u>5,970.65</u>
Balance, December 31, 2017	A	<u>\$ 4,563.80</u>

SCHEDULE OF DEMOLITION LIENS

<u>Ref.</u>		
Balance, December 31, 2016	A	\$ 7,678.00
Increased by:		
Prior Year Revenue	A-1	<u>1,152.90</u>
Balance, December 31, 2017	A	<u>\$ 8,830.90</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance Dec. 31, 2016</u>	<u>Accrued in 2017</u>	<u>Collected</u>	<u>Balance Dec. 31, 2017</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2		\$ 92,064.00	\$ 92,064.00	
Other			61,045.00	61,045.00	
Fees & Permits:					
Other	A-2		363,724.14	363,724.14	
Municipal Court:					
Fines and Costs	A-2	\$ 38,589.31	494,030.11	502,104.68	\$ 30,514.74
Other Revenue:					
Interest and Costs on Taxes	A-2		189,019.49	189,019.49	
Interest on Investments and Deposits	A-2		101,560.94	101,560.94	
Utility Operating Surplus of Current Year - Water/Sewer	A-2		481,600.00	481,600.00	
Utility Operating Surplus of Current Year - Parking Utility	A-2		1,135,000.00	1,135,000.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-2		2,011,681.00	2,011,681.00	
Uniform Construction Code Fees	A-2		603,269.60	603,269.60	
Code Enforcement - Property Maintenance Fee	A-2		68,769.19	68,769.19	
Special Items of General Revenue Anticipated with Prior Written					
Consent of Director of Local Government Services					
Shared Service Agreements Off-Set with Appropriations					
Township of Shrewsbury - Municipal Court	A-2		9,572.08	9,572.08	
Borough of Little Silver - Fire Services	A-2		14,965.00	14,965.00	
Red Bank Board of Education - Snow Plowing	A-2		13,669.00	13,669.00	
Other Special Items					
Franchise Tax Cable Television	A-2		195,178.71	195,178.71	
Uniform Fire Safety Act	A-2		121,455.32	121,455.32	
Landlord Registration Fees	A-2		14,495.00	14,495.00	
Utility Operating Surplus of Prior Year - Water/Sewer	A-2		325,000.00	325,000.00	
Utility Operating Surplus of Prior Year - Parking Utility	A-2		75,000.00	75,000.00	
Payment in Lieu of Taxes - Riverview Hospital	A-2		108,658.34	108,658.34	
RBC Field Rent	A-2		130,000.00	130,000.00	
Payment in Lieu of Taxes - Housing Authority/River Street/Habcore	A-2		159,708.42	159,708.42	
Reserve for Sale of Municipal Assets	A-2		200,000.00	200,000.00	
Hotel Occupancy Tax	A-2		183,779.94	183,779.94	
Reserve for Payment of Bonds	A-2		415,000.00	415,000.00	
		<u><u>\$ 38,589.31</u></u>	<u><u>\$ 7,568,245.28</u></u>	<u><u>\$ 7,576,319.85</u></u>	<u><u>\$ 30,514.74</u></u>
	<u>Ref.</u>	<u>A</u>			<u>A</u>
Cash Receipts	A-4			\$ 7,351,611.05	
Interfunds	A-22			24,708.80	
Reserve for Sale of Municipal Assets	A-23			<u>200,000.00</u>	
				<u><u>\$ 7,576,319.85</u></u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE FROM/(TO) STATE - P.L. 1971, C. 20

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 5,121.05
Increased by:		
Senior Citizens		\$ 10,000.00
Veterans		43,000.00
Deductions Allowed by Collector		500.00
		53,500.00
Less:		
Deductions Disallowed by Collector	A-5	3,384.24
		50,115.76
		55,236.81
Decreased by:		
Received from State of New Jersey	A-4	53,750.00
Balance, December 31, 2017	A	\$ 1,486.81

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

**CURRENT FUND
SCHEDULE OF DUE TO STATE**

	<u>Balance Dec. 31,2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance Dec. 31,2017</u>
Marriage Licenses	\$ 1,575.00	\$ 5,225.00	\$ 4,600.00	\$ 2,200.00
DCA Training Fees	<u>4,408.00</u>	<u>32,899.00</u>	<u>26,745.00</u>	<u>10,562.00</u>
	<u><u>\$ 5,983.00</u></u>	<u><u>\$ 38,124.00</u></u>	<u><u>\$ 31,345.00</u></u>	<u><u>\$ 12,762.00</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2016</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>Operations Within CAPS</u>					
General Government:					
General Administration					
Salaries and Wages	\$ 6,850.72		\$ 6,850.72		\$ 6,850.72
Other Expenses	2,420.57	\$ 1,582.86	4,003.43	\$ 2,067.62	1,935.81
Mayor and Council					
Other Expenses	1,120.44		1,120.44		1,120.44
Municipal Clerk					
Salaries and Wages	1,746.03		1,746.03	67.59	1,678.44
Other Expenses	12,876.49	5,193.67	13,070.16	6,522.77	6,547.39
Financial Administration					
Salaries and Wages	724.44		724.44		724.44
Other Expenses	6,637.86	5,839.12	12,476.98	5,429.23	7,047.75
Audit Services					
Other Expenses	320.10		7,320.10	7,239.00	81.10
Tax Assessment Administration					
Salaries and Wages	5,384.33		5,384.33		5,384.33
Other Expenses	12,080.16		7,080.16		7,080.16
Revenue Administration					
Salaries and Wages	4,053.96		4,053.96		4,053.96
Other Expenses	4,987.45	304.00	5,291.45	346.30	4,945.15
Legal Services					
Other Expenses	3,699.68	2,108.35	35,808.03	29,692.32	6,115.71
Engineering Costs					
Other Expenses	15,218.59	21,850.00	32,068.59	25,404.82	6,663.77

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2016</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Codification of Ordinances					
Other Expenses	2,686.61	1,195.00	3,881.61	1,263.00	2,618.61
Land Use Administration					
Planning Board					
Salaries and Wages	11,680.58		11,680.58	34.63	11,645.95
Other Expenses	5,715.14	971.85	6,686.99	1,193.81	5,493.18
Zoning Board of Adjustment					
Salaries and Wages	11,684.64		11,684.64	34.63	11,650.01
Other Expenses	8,920.06		8,920.06	456.00	8,464.06
Insurance					
General Liability	7,649.62		7,649.62		7,649.62
Worker's Compensation	2,754.60		2,754.60		2,754.60
Employee Group Insurance	250,553.95		250,153.95		250,153.95
Unemployment Insurances	1,407.21		1,407.21		1,407.21
Health Insurance Opt Out Payments	503.38		503.38		503.38
Public Safety:					
Fire Department					
Other Expenses	18,150.90	29,276.85	47,427.75	7,634.99	39,792.76
Uniform Fire Safety Act (Fire Department)					
Salaries and Wages	14,218.20		13,218.20	572.76	12,645.44
Other Expenses	137.01	158.00	1,295.01	458.00	837.01
Police Department					
Salaries and Wages	1,170.69		3,170.69	3,067.55	103.14
Other Expenses	6,951.95	32,861.76	37,813.71	33,657.95	4,155.76
Aid to Volunteer Fire Companies					
Other Expenses	4,654.87	876.88	5,531.75	876.88	4,654.87

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2016</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Office of Emergency Management					
Salaries and Wages	8.25		8.25		8.25
Other Expenses	2,021.23	2,250.00	4,271.23	1,845.64	2,425.59
Rent Leveling					
Salaries and Wages	167.86		167.86		167.86
Other Expenses	11,228.10		11,228.10		11,228.10
Public Works Functions					
Streets and Road Maintenance					
Salaries and Wages	25,912.38		18,912.38	553.42	18,358.96
Other Expenses	4,525.81	17,608.49	22,134.30	9,409.51	12,724.79
Sanitation Department					
Other Expenses	3,000.00	12,000.04	15,000.04	12,000.04	3,000.00
Public Buildings and Grounds					
Salaries and Wages	454.16		454.16	36.73	417.43
Other Expenses	7,252.11	60,623.92	67,876.03	18,972.68	48,903.35
Landfill/Solid Waste Disposal Costs					
Landfill					
Other Expenses	6,793.00	22,858.55	36,651.55	36,580.11	71.44
Code Enforcement					
Salaries and Wages	12,498.15		12,498.15	9,876.88	2,621.27
Other Expenses	7,750.00		7,750.00	555.00	7,195.00
Health and Welfare					
Visiting Nurse Association	6,182.68		6,182.68	6,182.44	0.24
Relocation Assistance	1,425.00		1,425.00		1,425.00
Animal Control Services	367.88		367.88		367.88
Shade Tree Commission		4,709.00	4,709.00	3,445.00	1,264.00

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2016</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Parks and Recreation					
Recreation Services and Programs					
Salaries and Wages	18,740.31		18,740.31	12,742.39	5,997.92
Other Expenses	12,745.23	8,617.78	21,363.01	10,679.80	10,683.21
Utility Expenses and Bulk Purchases					
Street Lighting	57,075.34		45,075.34	20,739.79	24,335.55
Electricity	30,142.45		30,142.45	11,297.10	18,845.35
Telephone	17,910.62		17,910.62	3,348.61	14,562.01
Natural Gas	26,090.36		26,090.36	5,338.45	20,751.91
Gasoline	58,320.62		48,320.62		48,320.62
Uniform Construction Code Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Salaries and Wages	7,698.68		7,698.68	231.06	7,467.62
Other Expenses	17,164.80	9,097.85	26,262.65	9,517.85	16,744.80
Education and Technology					
Salaries and Wages	1,533.28		1,533.28		1,533.28
Other Expenses	834.55	3,889.82	4,724.37	299.00	4,425.37
Municipal Court					
Salaries and Wages	152.17		152.17		152.17
Other Expenses	4,813.83	9,856.68	14,670.51	8,254.18	6,416.33
Municipal Prosecutor					
Other Expenses	5,825.00		5,825.00	2,612.50	3,212.50
Municipal Public Defender					
Other Expenses	60.00		60.00	60.00	
Contingent	1,000.00		1,000.00		1,000.00

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2016</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Deferred Charges and Statutory Expenditures -					
Municipal Within "CAP"					
Statutory Expenditures					
Contribution to					
Public Employee's Retirement System	1,100.00		1,100.00		1,100.00
Social Security System (O.A.S.I.)	9,952.85		9,952.85		9,952.85
Police and Firemen's Pension Fund	2.00		2.00		2.00
Defined Contribution Retirement Program	14.09	115.27	529.36	478.35	51.01
Total Appropriations (Including Contingent) Within CAPS	<u>787,723.02</u>	<u>253,845.74</u>	<u>1,041,568.76</u>	<u>311,076.38</u>	<u>730,492.38</u>
<u>Appropriations Excluded from CAPS</u>					
Length of Service Award Program	13,600.00		13,600.00		13,600.00
Municipal Stormwater Management					
Salaries and Wages	6,984.30		6,984.30	565.54	6,418.76
Other Expenses	4,108.94	56.50	4,165.44	125.00	4,040.44
Tax Appeal Refunds					
Other Expenses	3,191.05		3,191.05	3,191.05	
Maintenance of Free Public Library (P.L. 1985, Ch. 82)	66,787.01	15,521.72	82,308.73	82,308.73	
Interlocal Services					
911 System - County of Monmouth	0.04		0.04		0.04
Recycling Tax P.L. 2007 c. 311	28,108.81	2,985.19	31,094.00	1,598.15	29,495.85

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance <u>Dec. 31, 2016</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Interlocal Municipal Service Agreements					
Borough of Little Silver Fire Services					
Other Expenses	7,500.00		7,500.00		7,500.00
Red Bank School District Snow Plowing					
Other Expenses		12,000.00	12,000.00	11,918.50	81.50
Township of Shrewsbury Municipal Court					
Other Expenses	<u>1,155.10</u>	<u>4,657.15</u>	<u>5,812.25</u>	<u>3,896.01</u>	<u>1,916.24</u>
Total Appropriations Excluded from CAPS	<u>131,435.25</u>	<u>35,220.56</u>	<u>166,655.81</u>	<u>103,602.98</u>	<u>63,052.83</u>
	\$ 919,158.27	\$ 289,066.30	\$ 1,208,224.57	\$ 414,679.36	\$ 793,545.21

Ref. A A-12 A-1

Cash Disbursements	A-4	\$ 389,407.35
Reserve for Library Expenditures	A-23	<u>25,272.01</u>
		\$ 414,679.36

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 289,066.30
Increased by:		
Current Appropriations Charged	A-3	<u>870,896.37</u>
		<u>1,159,962.67</u>
Decreased by:		
Transferred to Appropriation Reserves	A-11	<u>289,066.30</u>
Balance, December 31, 2017	A	<u><u>\$ 870,896.37</u></u>

SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 9,879.38
Increased by:		
Cash Receipts	A-4	\$ 279,331.27
Refund Prior Year Tax Revenue	A-1	<u>529,146.96</u>
		<u>808,478.23</u>
		<u>818,357.61</u>
Decreased by:		
Refunds	A-4	97,883.58
Applied to Taxes	A-5	411,795.23
Applied to Prepaid Taxes	A-14	<u>307,272.91</u>
		<u>816,951.72</u>
Balance, December 31, 2017	A	<u><u>\$ 1,405.89</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF PREPAID TAXES

Ref.

Balance, December 31, 2016	A	\$ 204,332.67
Increased by:		
Prior Year Revenue	A-14	\$ 28,189.96
Collections, 2017 Taxes	A-4	2,090,617.00
Transferred from Tax Overpayments	A-13	<u>307,272.91</u>
		<u>2,426,079.87</u>
		2,630,412.54
Decreased by:		
Applied to Taxes Receivable	A-5	<u>232,522.63</u>
Balance, December 31, 2017	A	<u>\$ 2,397,889.91</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 37,749.84
Increased by:		
County Tax	A-5	\$ 5,518,986.36
County Open Space Tax	A-5	324,268.20
Due County for Added and Omitted Taxes	A-5	<u>19,992.58</u>
		<u>5,863,247.14</u>
		<u>5,900,996.98</u>
Decreased by:		
Payments	A-4	<u>5,881,004.37</u>
Balance, December 31, 2017	A	<u>\$ 19,992.61</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Ref.

Balance, December 31, 2016:

School Tax Payable	A	\$ 1,764,701.15
School Tax Deferred		<u>6,256,724.50</u>
		<u>\$ 8,021,425.65</u>

Increased by:

Levy - For School Year July 1, 2017 to June 30, 2018	A-5	<u>17,022,064.00</u>
		<u>25,043,489.65</u>

Decreased by:

Payments	A-4	<u>16,760,626.98</u>
----------	-----	----------------------

Balance, December 31, 2017:

School Tax Payable	A	\$ 2,026,138.17
School Tax Deferred		<u>6,256,724.50</u>
		<u>\$ 8,282,862.67</u>

2017 Liability for Local District School Tax

Tax Paid	A-4	\$ 16,760,626.98
School Tax Payable, December 31, 2017	A	<u>2,026,138.17</u>
		<u>18,786,765.15</u>
School Tax Payable, December 31, 2016	A	<u>1,764,701.15</u>
Amount Charged to 2017 Operations	A-1	<u>\$ 17,022,064.00</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE

Ref.

Balance, December 31, 2016:

School Tax Payable	A	\$ 407,978.30
School Tax Deferred	A	<u>4,216,556.36</u>
		\$ 4,624,534.66

Increased by:

Levy - For School Year July 1, 2017 to June 30, 2018	A-5	<u>9,291,581.00</u>
		13,916,115.66

Decreased by:

Payments	A-4	<u>9,270,325.02</u>
----------	-----	---------------------

Balance, December 31, 2017:

School Tax Payable	A	\$ 429,234.28
School Tax Deferred		<u>4,216,556.36</u>
		<u>\$ 4,645,790.64</u>

2017 Liability for Regional High School Tax

Tax Paid	A-4	\$ 9,270,325.02
School Tax Payable, December 31, 2017	A	<u>429,234.28</u>
		<u>9,699,559.30</u>
School Tax Payable, December 31, 2016	A	<u>407,978.30</u>
Amount Charged to 2017 Operations	A-1	<u>\$ 9,291,581.00</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF SPECIAL IMPROVEMENT DISTRICT TAXES PAYABLE

Ref.

Balance, December 31, 2016	A	\$	-
Increased by:			
Tax Levy	A-5		<u>512,120.00</u>
<u>512,120.00</u>			
Decreased by:			
Payments	A-4		<u>512,120.00</u>
<u>512,120.00</u>			
Balance, December 31, 2017	A	\$	<u><u>-</u></u>

BOROUGH OF RED BANK
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY (N.J.S. 40A:4-53)

			Decrease by	
	Amount <u>Authorized</u>	Balance <u>Dec. 31, 2016</u>	Budget <u>Appropriation</u>	Balance <u>Dec. 31, 2017</u>
2013 Utilization Banked Time	\$ 362,000.00	\$ 144,800.00	\$ 72,400.00	\$ 72,400.00
2014 Tax Revaluation	<u>500,000.00</u>	<u>240,000.00</u>	<u>80,000.00</u>	<u>160,000.00</u>
	<u>\$ 862,000.00</u>	<u>\$ 384,800.00</u>	<u>\$ 152,400.00</u>	<u>\$ 232,400.00</u>

Ref.

A

A-3

A

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE

Ref.

Balance, December 31, 2016	A	\$ 9,993.79
Decreased by:		
Cash Disbursements	A-4	\$ 2,198.00
Canceled	A-1	<u>7,795.79</u>
		<u>9,993.79</u>
Balance, December 31, 2017	A	<u>\$ -</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE FROM/(TO) - FEDERAL AND STATE GRANT FUND

Ref.

Balance, December 31, 2016	A	\$	31.65
Increased by:			
Grants Appropriated Cancelled	A-1	\$	126,266.60
2017 Anticipated Revenue	A-2		106,632.21
Interest Earned	A-4		1,141.53
Local Matching Funds	A-4		<u>201,938.00</u>
			435,978.34
Decreased by:			
Grant Receivable Cancelled	A-1		39,832.16
2017 Budget Appropriations:			
Grants Appropriated	A-3		308,570.21
Deposited in Current Fund:			
Unappropriated Reserves	A-4		16,892.62
Cash Receipts	A-4		<u>997.81</u>
			366,292.80
Balance, December 31, 2017	A	\$	<u>69,717.19</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF INTERFUND RECEIVABLE(PAYABLE) - OTHER FUNDS

		Total <u>Ref.</u> <u>(MEMO ONLY)</u>	Payroll Trust Fund	Recreation Trust Fund	General Capital Fund	Utility Operating Fund	Water/Sewer Fund	Trust Fund	Other Fund	Animal Control Fund
Balance, December 31, 2016:										
Interfund Receivable	A	<u>\$ 5,142.26</u>	<u>\$ 25.96</u>	<u>\$ 569.25</u>				<u>\$ 47.05</u>		<u>\$ 4,500.00</u>
Increased by:										
Revenue Accounts Receivable	A-8	<u>24,708.80</u>	<u>15,000.00</u>	<u>3,748.12</u>	<u>\$ 3,452.97</u>			<u>2,351.83</u>		<u>155.88</u>
		<u>29,851.06</u>	<u>15,025.96</u>	<u>4,317.37</u>	<u>3,452.97</u>			<u>2,398.88</u>		<u>4,655.88</u>
Decreased by:										
Cash Receipts	A-4	<u>22,893.33</u>	<u>14,470.70</u>	<u>4,103.25</u>		<u>\$ 3,841.66</u>		<u>47.05</u>		<u>430.67</u>
Balance, December 31, 2017:										
Interfund Receivable	A	<u><u>\$ 10,799.39</u></u>	<u><u>\$ 555.26</u></u>	<u><u>\$ 214.12</u></u>	<u><u>\$ 3,452.97</u></u>			<u><u>\$ 2,351.83</u></u>		<u><u>\$ 4,225.21</u></u>
Interfund Payable	A	<u><u><u>(\$ 3,841.66)</u></u></u>					<u><u><u>\$ (3,841.66)</u></u></u>			
		<u><u><u>\$ 6,957.73</u></u></u>								
<u>Analysis of Net Credit to Operations</u>										
Interfunds Accounts Receivable:										
Balance December 31, 2017	Above	<u>\$ 10,799.39</u>								
Balance December 31, 2016	Above	<u><u>5,142.26</u></u>								
Net Credit to Operations	A-1	<u><u><u>\$ 5,657.13</u></u></u>								

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF VARIOUS RESERVES

<u>Reserve for:</u>	<u>Balance</u>	<u>Increased by</u>	<u>Decreased by</u>	<u>Balance</u>
	<u>Dec. 31,2016</u>			<u>Dec. 31,2017</u>
Revaluation	\$ 80,560.73		\$ 43,148.00	\$ 37,412.73
Sale of Municipal Assets	392,587.00		200,000.00	192,587.00
Severance Liabilities	150,150.84			150,150.84
Library Expenditures	<u>192,917.28</u>	<u>\$ 25,272.01</u>	<u>69,326.22</u>	<u>148,863.07</u>
	<u>\$ 816,215.85</u>	<u>\$ 25,272.01</u>	<u>\$ 312,474.22</u>	<u>\$ 529,013.64</u>

Ref. A A-11 A

Cash Disbursement	A-4	\$ 112,474.22
Revenue Accounts Receivable	A-8	<u>200,000.00</u>
		<u>\$ 312,474.22</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

		<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31,2016</u>	<u>Increased by</u>	<u>Decreased by</u>	<u>Balance Dec. 31,2017</u>
2013	Utilization Banked Time	8/28/2013	9/26/2017	9/25/2018	0.00%	\$ 144,800.00	\$ 72,400.00	\$ 144,800.00	\$ 72,400.00
2014	Tax Revaluation	1/22/2014	5/25/2017	5/24/2018	0.00%	<u>220,000.00</u>	<u>140,000.00</u>	<u>220,000.00</u>	<u>140,000.00</u>
						<u>\$ 364,800.00</u>	<u>\$ 212,400.00</u>	<u>\$ 364,800.00</u>	<u>\$ 212,400.00</u>
						A	A-4	A-4	A

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>2017</u> <u>Anticipated</u> <u>Revenue</u>	<u>Cash</u> <u>Received</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
State Grants:					
2013 Recycling Tonnage Grant	\$ 9,232.16				\$ 9,232.16
2014 Recycling Tonnage Grant		\$ 15,373.03	\$ 15,373.03		
Drunk Driving Enforcement Grant	3,200.00	5,595.48	5,595.48		\$ 3,200.00
Municipal Alcohol Education/ Rehabilitation Program		3,184.83	3,184.83		
Pedestrian Safety Grant	3,200.00	16,500.00			19,700.00
Clean Communities Program	2,665.36	22,333.07	22,333.07		2,665.36
Community Stewardship Incentive Program (CSIP)	18,000.00		8,000.00	10,000.00	
Body Armor Replacement Fund		3,713.80	3,713.80		
Federal Grants:					
Bulletproof Vest Program	4,602.37				4,602.37
Bulletproof Vest Program	3,185.95				3,185.95
U.S. Older American Act	31,312.00	29,312.00	29,312.00	2,000.00	29,312.00
Cops in Shops	1,200.00				1,200.00
Cops in Shops		1,600.00	1,600.00		
College Fall Initiative 2017 - 2018		3,520.00			3,520.00

BOROUGH OF RED BANK
 COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	Balance <u>Dec. 31, 2016</u>	2017 Anticipated <u>Revenue</u>	Cash <u>Received</u>	<u>Canceled</u>	Balance <u>Dec. 31, 2017</u>
State Grants:					
Click it or Ticket	5,250.00				5,250.00
Over the Limit Under Arrest	6,400.00				6,400.00
Drive Sober or Get Pulled Over	5,750.00				5,750.00
Distracted Driving Crackdown	<u>5,500.00</u>	<u>5,500.00</u>	<u>5,500.00</u>		
	<u><u>\$ 93,997.84</u></u>	<u><u>\$ 106,632.21</u></u>	<u><u>\$ 94,612.21</u></u>	<u><u>\$ 39,832.16</u></u>	<u><u>\$ 66,185.68</u></u>
<u>Ref.</u>	A	A-2/A-22	A-22	A-22	A

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

<u>Grant</u>	Balance <u>Dec. 31, 2016</u>	Transfer from 2017 Budget <u>Appropriation</u>	Transfer from Reserve for <u>Encumbrances</u>	Expended	Reserve for <u>Encumbrances</u>	<u>Canceled</u>	Balance <u>Dec. 31, 2017</u>
State Grants:							
Recycling Tonnage Grant	\$ 10,199.49	\$ 15,373.03		\$ 6,803.62			\$ 18,768.90
Drunk Driving Enforcement Fund	13,687.77	5,595.48		5,757.76			13,525.49
Municipal Alcohol Education/ Rehabilitation Program	32,094.10	3,184.83					35,278.93
Pedestrian Safety Grant	7,200.00	16,500.00		6,380.00			17,320.00
Clean Communities Program	8,236.92	22,333.07	\$ 21,179.41	29,863.97	\$ 3,959.03		17,926.40
Body Armor Replacement Fund	9,976.84	3,713.80			6,397.20		7,293.44
Community Stewardship Incentive Program (CSIP)	10,004.00					\$ 10,004.00	
Federal Grants:							
U.S. Older American Act	70,152.64		570.02	351.46	45.00	70,326.20	
2017 U.S. Older American Act		29,312.00		27,627.27	464.25	1,220.48	
2017 U.S. Older American Act - Local Match		201,938.00		184,890.17	3,106.92	13,940.91	
Cops in Shops	8,100.01					8,100.01	
Cops in Shops		1,600.00		1,600.00			
Cops in Shops - College Fall Initiative 2017 - 2018		3,520.00					3,520.00
Click-it-or-Ticket	10,250.00					10,250.00	
Over the Limit Under Arrest	6,475.00					6,475.00	
Drive Sober or Get Pulled Over	5,950.00					5,950.00	
Distracted Driving Crackdown		5,500.00		5,500.00			
	<u>\$ 192,326.77</u>	<u>\$ 308,570.21</u>	<u>\$ 21,749.43</u>	<u>\$ 268,774.25</u>	<u>\$ 13,972.40</u>	<u>\$ 126,266.60</u>	<u>\$ 113,633.16</u>
<u>Ref.</u>	A	A-3/A-28	A-28	A-4	A-29	A-28	A

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

**FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES**

<u>Grant</u>	<u>Balance Dec. 31, 2016</u>	<u>Cash Received</u>	<u>Balance Dec. 31, 2017</u>
2015 Recycling Tonnage Grant	<u>\$ -</u>	<u>\$ 16,892.62</u>	<u>\$ 16,892.62</u>
	<u><u>\$ -</u></u>	<u><u>\$ 16,892.62</u></u>	<u><u>\$ 16,892.62</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF DUE FROM/(TO) CURRENT FUND

<u>Ref.</u>			
Balance, December 31, 2016	A		\$ (31.65)
Increased by:			
Cash Disbursements	A-4	\$ 997.81	
Grants Receivable Canceled	A-25	39,832.16	
2017 Budget Appropriations:	A-26	308,570.21	
Deposited in Current Fund:			
Unappropriated Reserves	A-27	<u>16,892.62</u>	
		<u>366,292.80</u>	
		<u>366,261.15</u>	
Decreased by:			
Interest Earned	A-4	1,141.53	
Local Matching Funds	A-4	201,938.00	
2017 Anticipated Revenue	A-25	106,632.21	
Appropriated Reserves Canceled	A-26	<u>126,266.60</u>	
		<u>435,978.34</u>	
Balance, December 31, 2017	A		<u><u>\$ (69,717.19)</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

Ref.

Balance, December 31, 2016	A	\$ 21,749.43
Increased by:		
Transfer from Appropriated Reserves	A-26	<u>13,972.40</u>
<u>35,721.83</u>		
Decreased by:		
Transfer to Appropriated Reserves	A-26	<u>21,749.43</u>
Balance, December 31, 2017	A	<u><u>\$ 13,972.40</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND
SCHEDULE OF CASH

<u>Ref.</u>	<u>Animal Control Trust Fund</u>		<u>Trust Other Fund</u>
Balance, December 31, 2016	B	\$ 22,636.14	\$ 3,808,374.18
Increased by Receipts:			
Due to State of New Jersey Reserve for Animal Control	B-5	\$ 534.60	
Trust Fund Expenditures	B-4	20,194.80	
Interfund - Payroll Fund	B-8		\$ 9,351.31
Interfund - Parking Utility	B-8		2,253.31
Interfund - Current Fund	B-3/B-8	155.88	6,099.95
Various Reserves	B-7	<hr/>	<hr/>
		<hr/>	<hr/>
		20,885.28	3,907,240.80
		<hr/>	<hr/>
		43,521.42	3,924,945.37
			<hr/>
			7,733,319.55
Decreased by Disbursements:			
Due to State of New Jersey	B-5	478.20	
Animal Control Trust Fund			
Expenditures (R.S. 4:19-15.11)	B-4	22,356.61	
Interfund - Parking Utility	B-8		1,231.40
Interfund - Current Fund	B-3/B-8	430.67	4,150.30
Various Reserves	B-7	<hr/>	<hr/>
		<hr/>	<hr/>
		23,265.48	4,376,340.52
		<hr/>	<hr/>
			4,381,722.22
Balance, December 31, 2017	B	<u>\$ 20,255.94</u>	<u>\$ 3,351,597.33</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND
SCHEDULE OF INTERGOVERNMENTAL FUNDS RECEIVABLE

Ref.

Balance, December 31, 2016	B	\$	433.30
Decreased by:			
Canceled	B-4		<u>433.30</u>
Balance, December 31, 2017	B	\$	<u><u>-</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND

Ref.

Balance, December 31, 2016 - Due to	B	\$ 4,500.00
Increased by:		
Interest	B-1	155.88
		<hr/>
		4,655.88
Decreased by		
Cash Disbursements		\$ 80.25
Service Charge		350.42
	<hr/>	<hr/>
	B-1	430.67
Balance, December 31, 2017- Due to		
	B	\$ 4,225.21
		<hr/>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Ref.

Balance, December 31, 2016	B	\$ 18,569.44
Increased by:		
License Fees Collected - 2017		\$ 5,580.60
Interlocal Service Agreements		13,858.95
Late/Duplicate Fees/Misc. Revenue		<u>755.25</u>
	B-1	<u>20,194.80</u>
		38,764.24
Decreased by:		
Expenditures Under R.S. 4:19-15.11	B-1	22,356.61
Reserve for Encumbrances	B-6	3,846.25
Intergovernmental Receivable Canceled	B-2	<u>433.30</u>
		<u>26,636.16</u>
Balance, December 31, 2017	B	<u>\$ 12,128.08</u>

License and Penalty Fees Collected:

<u>Year</u>	<u>Amount</u>
2015	\$ 23,017.14
2016	22,202.88
	<u>\$ 45,220.02</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>	
Balance, December 31, 2016	B	\$ -
Increased by:		
Cash Receipts	B-1	<u>534.60</u>
		<u>534.60</u>
Decreased by:		
Cash Disbursements	B-1	<u>478.20</u>
Balance, December 31, 2017	B	<u>\$ 56.40</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>
Balance, December 31, 2016	B \$ -
Increased By:	
Charges to Reserve for Animal Control	B-4 <u>3,846.25</u>
	<u>3,846.25</u>
Balance, December 31, 2017	B \$ <u><u>3,846.25</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF VARIOUS RESERVES

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Increased by:</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Police - Extra Duty Pay	\$ 258,245.24	\$ 552,540.00	\$ 471,143.75	\$ 339,641.49
Accumulated Absence Liability	279,474.80	154,449.70	246,053.04	187,871.46
Snow Expenses	66,969.76	21,398.60	50,533.76	37,834.60
Police Donations	11,429.47	3,180.84	8,153.07	6,457.24
Shade Tree	750.00			750.00
OEM Trust	4,000.00			4,000.00
Recycling	38,704.11	21,040.36	12,686.70	47,057.77
Uniform Fire Safety/Acct Penalty Monies	35,219.26	30,050.00	5,450.30	59,818.96
Tax Sale Premium	1,246,100.00	477,600.00	1,005,300.00	718,400.00
Count Basie 365	1,702.41			1,702.41
Eisner Foundation: Charitable Scientific	301,453.55			301,453.55
Eisner Foundation: Riverside Garden Maintenance	8,464.62			8,464.62
Parking Offenses Adjudication Act	12,284.22	2,768.00		15,052.22
Bid Deposits	2,650.00			2,650.00
Dedicated Fire Penalty	7,672.34	10,050.00	7,110.15	10,612.19
Public Defender Fees	13,220.76	9,183.50	16,010.00	6,394.26
Donations to Public Library		27,500.00	2,500.00	25,000.00
Police - Forfeited Property	2,944.50	85.24	1.00	3,028.74
Vehicle Impound - Trucks	76,407.82	14,706.40	18,555.00	72,559.22
Wayfinding Signs	4,330.00			4,330.00
Four Connections Fiberoptics	6,691.00			6,691.00
Human Relations	310.00			310.00
Yard Sales	132.74			132.74
Environmental Commission	200.00			200.00
Community Garden	759.66	400.00	282.00	877.66
Tax Title Lien Redemptions	63,006.98	978,350.18	1,007,519.07	33,838.09
Manalapan RCA Agreement	337,573.65	27,130.93	13,796.15	350,908.43
Law Enforcement Trust	26,088.96	2,890.80	8,677.31	20,302.45
Unemployment Trust	34,625.26	29,591.72	28,474.10	35,742.88
Council on Affordable Housing Development	28,544.33	127,794.47	5,781.50	150,557.30
Online Tax Sale - Pass Through	320.51	760,263.57	760,263.57	320.51
Inspection Fees Escrow	162,394.98	97,218.96	132,595.96	127,017.98
Performance & Maintenance Escrow	561,417.14	79,339.62	197,958.11	442,798.65
Review Escrow	132,094.82	230,804.06	268,859.05	94,039.83
Redevelopment Escrow	3,444.56	11,150.24	14,594.80	-
Parks & Recreation Trust - Green Acres	48,857.81	138,447.58	40,005.06	147,300.33
Parks & Recreation Trust	31,525.93	99,306.03	88,747.98	42,083.98
	<u><u>\$ 3,810,011.19</u></u>	<u><u>\$ 3,907,240.80</u></u>	<u><u>\$ 4,411,051.43</u></u>	<u><u>\$ 3,306,200.56</u></u>

Ref. B B-1 B-1 B

Cash Disbursements	B-1	\$ 4,376,340.52
Reserve for Encumbrances	B	34,710.91
		<u><u>\$ 4,411,051.43</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER
SCHEDULE OF INTERFUND - DUE (TO)/ FROM

	<u>Ref.</u>	<u>Current</u> <u>Fund</u>	<u>Parking</u> <u>Utility</u> <u>Fund</u>	<u>Payroll</u> <u>Trust</u> <u>Fund</u>
Balance, December 31, 2016	B	\$ (616.30)	\$ 2,253.31	\$ -
Increased by:				
Cash Disbursements	B-1	<u>4,150.30</u>	<u>1,231.40</u>	<u>-</u>
		<u>3,534.00</u>	<u>3,484.71</u>	<u>-</u>
Decreased by				
Cash Receipts	B-1	<u>6,099.95</u>	<u>2,253.31</u>	<u>9,351.31</u>
Balance, December 31, 2017	B	<u><u>\$ (2,565.95)</u></u>	<u><u>\$ 1,231.40</u></u>	<u><u>\$ (9,351.31)</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP")
SCHEDULE OF FUNDS HELD BY TRUSTEE

Ref.

Balance, December 31, 2016	B	\$ 537,022.00
Increased by:		
Borough Contributions	B-10	51,850.00
		<u>588,872.00</u>
Decreased by:		
Withdrawals	B-10	\$ 58,668.82
Accounting Charges/Tax	B-10	2,470.06
Depreciation of Investments	B-10	<u>4,023.11</u>
		<u>65,161.99</u>
Balance, December 31, 2017	B	<u>\$ 523,710.01</u>

LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP")
SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD PROGRAM

Ref.

Balance, December 31, 2016	B	\$ 537,022.00
Increased by:		
Borough Contributions	B-9	51,850.00
		<u>588,872.00</u>
Decreased by:		
Withdrawals	B-9	\$ 58,668.82
Accounting Charges/Tax	B-9	2,470.06
Depreciation of Investments	B-9	<u>4,023.11</u>
		<u>65,161.99</u>
Balance, December 31, 2017	B	<u>\$ 523,710.01</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF CASH

Ref.

Balance, December 31, 2016	C	\$ 4,128,462.81
Increased by Receipts:		
Bond Anticipation Notes	C-11	\$ 2,491,000.00
Interfund - Current	C-6	22,187.65
Budget Appropriation - Capital Improvement Fund	C-15	225,000.00
Miscellaneous Reserves	C-9	312,839.00
Investments	C-3	152,400.00
Due from MCIA	C-4	26,576.40
Improvement Authorizations	C-13	<u>1,885.00</u>
		<u>3,231,888.05</u>
		<u>7,360,350.86</u>
Decreased by Disbursements:		
Interfund - Current Fund	C-6	18,734.68
Bond Anticipation Notes	C-11	700,000.00
Miscellaneous Reserves	C-9	424,539.00
Improvement Authorizations	C-13	<u>2,130,373.46</u>
		<u>3,273,647.14</u>
Balance, December 31, 2017	C	<u><u>\$ 4,086,703.72</u></u>

BOROUGH OF RED BANK
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 ANALYSIS OF GENERAL CAPITAL CASH

	<u>Balance</u>
	<u>Dec. 31, 2017</u>
Capital Improvement Fund	\$ 182,512.76
Reserve for Encumbrances	374,040.73
Miscellaneous Reserves	750,276.67
Interfund - Current Fund	3,452.97
Grants Receivable	(620,321.00)
Investment in Notes	(212,400.00)

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	
1-04	Renovation to Red Bank Library	17,456.33
05-31	Acquisition of Waterfront Park	20,436.91
6-32/09-42/10-10/15-12	Conversion of Muni Land to Waterfront Park	55,592.01
09-44	Various Improvements to Count Basie Park	19,197.29
14-8/14-11	Acquisition of Various Capital Equipment	511,630.23
14-12/15-13	Bulkhead Repair and/or Replacement	61,819.12
13-15/15-14/16-15	Various Capital Equipment and Capital Improvements	295,073.44
17-09	Improvements Count Basie/East Side Park	629,472.50
15-08/17-15	Various Roadway Improvements	1,283,599.06
17-22	Various Roadway Improvements	<u>714,864.70</u>
		<u><u>\$ 4,086,703.72</u></u>

Ref. C

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF INVESTMENT IN NOTES

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$ 364,800.00
Decreased by:		
Cash Receipts	C-1	<u>152,400.00</u>
Balance, December 31, 2017	C	<u><u>\$ 212,400.00</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF INTERGOVERNMENTAL - DUE FROM
MONMOUTH COUNTY IMPROVEMENT AUTHORITY

Ref.

Balance, December 31, 2016	C	\$ 26,576.40
Decreased by:		
Cash Receipts	C-1	<u>26,576.40</u>
Balance, December 31, 2017	C	<u>\$ -</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

<u>Ordinance Number</u>	<u>Grant Description</u>	<u>2017 Grant Awards</u>	<u>Balance December 31, 2017</u>
17-09	Monmouth County Open Space Grant	\$ 223,000.00	\$ 223,000.00
17-15	Community Development Block Grant	157,321.00	157,321.00
17-22	New Jersey Department of Transportation	<u>240,000.00</u>	<u>240,000.00</u>
		<u><u>\$ 620,321.00</u></u>	<u><u>\$ 620,321.00</u></u>

C-13

C

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND - DUE TO CURRENT FUND

Ref.

Balance, December 31, 2016	C	\$	-
Increased by:			
Cash Receipts	C-1		<u>22,187.65</u>
<u>22,187.65</u>			
Decreased by:			
Cash Disbursements	C-1		<u>18,734.68</u>
Balance, December 31, 2017	C	\$	<u><u>3,452.97</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Ref.

Balance, December 31, 2016	C	\$12,301,607.76
Decreased by:		
Budget Appropriation to Pay Green Trust Loans	C-12	\$ 67,035.59
Budget Appropriation to Pay Bonds	C-10	<u>1,612,752.50</u>
		<u>1,679,788.09</u>
Balance, December 31, 2017	C	<u>\$10,621,819.67</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDDED

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF MISCELLANEOUS RESERVES

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Reserve for Future Boat Improvement Ramp	\$ 196,667.40			\$ 196,667.40
Reserve for Marine Park Improvement Donation	5,000.00			5,000.00
Reserve for Down Payment on Improvements	2,061.64			2,061.64
Reserve to Pay Debt Service	646,708.63	\$ 312,839.00	\$ 415,000.00	544,547.63
Reserve for Preliminary Expense - Improvements to DPW Facilities at Chestnut Street	<hr/> _____	<hr/> 30,000.00	<hr/> 28,000.00	<hr/> 2,000.00
	<hr/> <u>\$ 850,437.67</u>	<hr/> <u>\$ 342,839.00</u>	<hr/> <u>\$ 443,000.00</u>	<hr/> <u>\$ 750,276.67</u>
	<u>Ref.</u>	<u>C</u>		<u>C</u>
Cash Receipts	C-1	\$ 312,839.00		
Capital Improvement Fund	C-15	30,000.00		
Cash Disbursements	C-1		\$ 424,539.00	
Encumbrances Payable	C-14		<hr/> 18,461.00	
		<hr/> <u>\$ 342,839.00</u>	<hr/> <u>\$ 443,000.00</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds			<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
			<u>Outstanding December 31, 2017</u>						
Taxable Pension ERI Refunding Bonds	04-03-11	\$ 540,000.00	2018	\$ 60,000.00	4.88%	\$ 337,000.00	\$ 56,000.00	\$ 281,000.00	
			2019	65,000.00	5.10%				
			2020	75,000.00	5.40%				
			2021	81,000.00	5.70%				
General Improvement Bonds	11-01-12	5,637,000.00	2018	385,000.00	2.00%	4,337,000.00	365,000.00	3,972,000.00	
			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%				
Pooled Governmental Loan Refunding Revenue Bonds	06-02-15	1,800,521.50	2018	923,769.00	4.00%	1,800,521.50	876,752.50	923,769.00	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds			<u>Balance Dec. 31, 2016</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
			<u>Outstanding December 31, 2017</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>			
Pooled Governmental Loan								
Revenue Bonds	12-23-15	5,785,000.00	2018	325,000.00	4.00%	5,495,000.00	315,000.00	5,180,000.00
			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%			
						<u>\$ 11,969,521.50</u>	<u>\$ 1,612,752.50</u>	<u>\$ 10,356,769.00</u>
						<u>Ref.</u>	<u>C</u>	<u>C-7</u>
								<u>C</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance <u>Number</u>	<u>Improvement Description</u>	Date of Issue of		Interest <u>Rate</u>	Balance <u>Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2017</u>
		Original <u>Note</u>	Date of <u>Issue</u>					
31-05	Acquisition of Water Park	12-16-16	12-14-17	12-13-18	1.50%	\$ 98,611.00	\$ 20,750.00	\$ 98,611.00
16-15	Acquisition of Various Capital Equipment and Completion of Various Capital Projects	12-16-16	12-14-17	12-13-18	1.50%	679,250.00	679,250.00	679,250.00
17-09	Improvements Count Basie/East Side Park	12-14-17	12-14-17	12-13-18	1.50%		375,500.00	375,500.00
17-15	Various Roadway Improvements	12-14-17	12-14-17	12-13-18	1.50%		468,000.00	468,000.00
17-22	Various Roadway Improvements	12-14-17	12-14-17	12-13-18	1.50%			
						<u>947,500.00</u>		<u>947,500.00</u>
						<u>\$ 777,861.00</u>	<u>\$ 2,491,000.00</u>	<u>\$ 777,861.00</u>
								<u>\$ 2,491,000.00</u>
						<u>Ref.</u>	C	C-1/C-16
								C/C-8
	Paid by Capital Cash				C-1			\$ 700,000.00
	Paid by Budget Appropriation				C-8			<u>77,861.00</u>
								<u>\$ 777,861.00</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE

Ref.

Balance, December 31, 2016	C	\$ 332,086.26
Decreased by:		
Paid by Budget Appropriation	C-7	<u>67,035.59</u>
Balance, December 31, 2017	C	<u>\$ 265,050.67</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2016		Increased by			Decreased by		Balance Dec. 31, 2017	
				Funded	Unfunded	Reserve for Encumbrances	2017 Authorizations	Cash Receipts	Paid	Reserve for Encumbrances	Funded	Unfunded
1-04	Renovation to Red Bank Library	02-10-04	\$ 1,288,500.00	\$ 17,456.33		\$ 16,242.00			\$ 16,242.00		\$ 17,456.33	
5-31	Acquisition of Waterfront Park	07-11-05	550,000.00		\$ 90,816.69	\$ 88.50			62,185.82	\$ 8,281.76		\$ 20,437.61
5-39/	Improvements and Renovations to Marine Park	10-10-05	2,826,100.00									
9-09	Supplementing Bond Ordinance #2005-39	03-09-09	1,174,550.00				59,397.00					
6-32/	Conversion & Development of Municipality	06-12-06	230,000.00									
09-42/	Supplementing Bond Ordinance #2006-32	08-10-09	370,000.00									
10-10/	Supplementing Bond Ordinance #2006-32	10-10-10	259,003.00									
15-12	Supplementing Bond Ordinance #2006-32											
	Description Only:											
	Remedial Investigation or Work at Sunset Park, Bellhaven Park, Count Basic Fields and/or any Other Location within the Borough	04-22-15		40,977.01		16,788.55			\$ 1,885.00	596.25	3,462.30	55,592.01
9-44	Various Improvements to Count Basic Park	10-09-09	1,125,000.00		19,197.29							19,197.29
12-4	Count Basic Park Phase III	03-28-12	2,110,500.00			125.72					125.72	
13-15/	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements	07-10-13	1,669,900.00									
15-14/	Supplementing Bond Ordinance #2013-15	04-22-15	800,000.00									
16-15	Amending Bond Ordinance #2013-15	08-10-16	715,000.00		388,014.40	1,203,643.69				1,226,071.69	70,512.96	295,073.44
14-8/	Acquisition of Various Capital Equipment	04-09-14/	2,253,000.00		552,443.60		274,410.97					
14-11	and Completion of Various Capital Projects	05-14-14								272,696.24	42,528.10	511,630.23
14-12/	Bulkhead Repair and/or Replacement	05-14-14	596,000.00									
15-13	Amending & Supplementing Bond Ord. #2014-12	04-22-15	200,000.00		61,919.12		33,743.41				31,805.27	2,038.14
17-09	Various Park Improvements Including at Count Basic Park and Eastside Park	03-08-17	630,000.00					\$ 630,000.00		527.50		253,972.50
15-08/	Various Roadway Improvements	04-22-15	1,610,000.00									375,500.00
17-15	Amending & Supplementing Bond Ord. #2015-08	05-10-17	650,000.00		784,300.85		3,645.35	650,000.00		93,644.57	60,702.57	815,599.06
17-22	Various Roadway Improvements	07-26-17	1,250,000.00					1,250,000.00		368,083.54	167,051.76	
				\$ 1,476,294.20	\$ 478,831.09	\$ 1,608,085.19	\$ 2,530,000.00	\$ 1,885.00	\$ 2,130,373.46	\$ 355,579.73	\$ 1,735,266.54	\$ 1,873,875.75
	Ref.			C	C	C-14			C-1	C-1	C-14	C
Grants Receivable				C-5				\$ 620,321.00				
Capital Improvement Fund				C-15				118,679.00				
Deferred Charges to Future Taxation - Unfunded				C-8/C-16				1,791,000.00				
								\$ 2,530,000.00				

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$ 1,608,085.19
Increased by:		
Charged to Miscellaneous Reserves	C-9	\$ 18,461.00
Charged to Improvement Authorizations	C-13	<u>355,579.73</u>
		<u>374,040.73</u>
		1,982,125.92
Decreased by:		
Applied to Improvement Authorizations	C-13	<u>1,608,085.19</u>
Balance, December 31, 2017	C	<u>\$ 374,040.73</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Ref.

Balance, December 31, 2016	C	\$ 106,191.76
Increased by:		
2017 Budget Appropriations	C-1	225,000.00
<hr/>		
		331,191.76
Decreased by:		
Appropriation to Finance		
Improvement Authorizations	C-13	\$ 118,679.00
Charges for Preliminary Costs -		
DPW Facilities	C-9	30,000.00
<hr/>		
		148,679.00
Balance, December 31, 2017	C	\$ 182,512.76
<hr/>		

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND
SCHEDULE OF CASH AND INVESTMENTS

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2016	D	\$ 1,591,344.42	\$ 2,662,094.99
Increased by Receipts:			
Consumer Accounts Receivable	D-7	\$ 6,536,233.26	
Water/Sewer Connection Fees	D-3	251,572.00	
Miscellaneous Revenue	D-3	95,757.04	
Water & Sewer Line Receivable	D-12	49,347.61	
Reserve for Water Line Repairs	D-13	151,194.30	
Customer Overpayments	D-10	27,148.02	
Fees from Other Towns	D	15.00	
Interfund - Water/Sewer Utility Capital Fund	D-14		\$ 1,315.14
Bond Anticipation Notes	D-19	<u>7,111,267.23</u>	<u>2,900,000.00</u>
		<u>8,702,611.65</u>	<u>2,901,315.14</u>
			<u>5,563,410.13</u>
Decreased by Disbursements:			
2017 Budget Appropriations	D-4	6,241,999.80	
2016 Appropriation Reserves	D-9	268,568.80	
Water/Sewer Line Receivable	D-12	49,347.61	
Reserve for Water Line Reserve	D-13	185,183.51	
Accrued Interest on Bonds and Notes	D-11	313,706.22	
Transfer to Current Fund - Prior Year Surplus	D-1	325,000.00	
Fees from Other Towns	D	77.24	
Utility Overpayment Refunds	D-10	394.94	
Improvement Authorizations	D-20		2,141,958.19
Bond Anticipation Notes	D-19	<u>7,384,278.12</u>	<u>1,900,000.00</u>
		<u>\$ 1,318,333.53</u>	<u>4,041,958.19</u>
Balance, December 31, 2017	D		<u>\$ 1,521,451.94</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

ANALYSIS OF WATER/SEWER UTILITY CAPITAL CASH AND INVESTMENTS

	Balance <u>Dec. 31, 2017</u>
Fund Balance	\$ 15,376.22
Capital Improvement Fund	3,074.00
Encumbrances Payable	1,354,308.40
Due to Water Sewer Operating	1,315.14
Reserve for Preliminary Costs - Well	1,845.00
Reserve for Payment of Bonds	192,869.89
Due from State of New Jersey Environmental Trust	(610,971.00)

<u>Ordinance Number</u>	<u>Improvement Description</u>	
4-35	Reconstruction of Sewer Main along Maple Ave	49,692.58
11-02	Various 2011 Capital Improvements	23,223.15
11-07	Various 2011 Drainage Improvements	6,101.34
13-07	Lake Ace Water Utility Improvements	130,988.30
13-14/205-11	Various 2013 Capital Improvements	27,137.13
14-03	Various 2014 Water Sewer Utility Improvements	165,707.93
15-10/17-16	Various WS Improvements	245,170.59
16-01	Water Plant Improvement at Chestnut St & Tower Hill	(749,255.85)
16-02	Water and Sewer Utility Meters	138,976.90
17-21	2017 Road Program Water/Sewer Improvements	<u>525,892.22</u>
		\$ 1,521,451.94

Ref.

D

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Ref.

Balance, December 31, 2016	D	\$ 821,258.27
Increased by:		
Water/Sewer Rents Levied		<u>6,315,701.68</u>
		<u>7,136,959.95</u>
Decreased by:		
Collections	D-3/D-5	\$ 6,536,233.26
Transfer to Lien	D-8	309.60
Transfer to Water/Sewer Line Receivable	D-12	712.25
Overpayments Applied	D-3/D-10	<u>21,077.10</u>
		<u>6,558,332.21</u>
Balance, December 31, 2017	D	<u>\$ 578,627.74</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF LIENS RECEIVABLE

Ref.

Balance, December 31, 2016	D	\$ 3,232.75
Increased By:		
Transfer from Consumer Accounts Receivable	D-7	\$ 309.60
Miscellaneous Adjustments		<u>419.75</u>
		<u>729.35</u>
		<u>3,962.10</u>
Decreased By:		
Payments Received in Current Fund	D-3	<u>3,841.66</u>
Balance, December 31, 2017	D	<u>\$ 120.44</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2016</u>	<u>Reserve for Encumbrance</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$ 34,297.95		\$ 34,297.95	\$ 2,336.08	\$ 31,961.87
Other Expenses	232,252.25	\$ 52,671.62	384,923.87	159,800.78	225,123.09
Regional Sewer Authority Charges	56,836.52		56,836.52		56,836.52
Manasquan River Water Purchases	<u>275,238.91</u>	<u> </u>	<u>175,238.91</u>	<u>73,602.36</u>	<u>101,636.55</u>
 Total Operating	 <u>598,625.63</u>	 <u>52,671.62</u>	 <u>651,297.25</u>	 <u>235,739.22</u>	 <u>415,558.03</u>
 Capital Improvements:					
Capital Outlay	<u>25,000.00</u>	<u>25,000.00</u>	<u>50,000.00</u>	<u>32,829.58</u>	<u>17,170.42</u>
 Total Capital Improvements	 <u>25,000.00</u>	 <u>25,000.00</u>	 <u>50,000.00</u>	 <u>32,829.58</u>	 <u>17,170.42</u>
 Statutory Expenditures:					
Contributions To:					
Social Security System (OASI)	<u>13,773.62</u>	<u> </u>	<u>13,773.62</u>	<u> </u>	<u>13,773.62</u>
 Total Statutory Expenditures	 <u>13,773.62</u>	<u> </u>	<u>13,773.62</u>	<u> </u>	<u>13,773.62</u>
	<u><u>\$ 637,399.25</u></u>	<u><u>\$ 77,671.62</u></u>	<u><u>\$ 715,070.87</u></u>	<u><u>\$ 268,568.80</u></u>	<u><u>\$ 446,502.07</u></u>

Ref.DD-15D-5D-1

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CUSTOMER OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 21,077.10
Increased by:		
Cash Receipts	D-5	<u>27,148.02</u>
		<u>48,225.12</u>
Decreased by:		
Applied to Consumer Accounts Receivable	D-3/D-7	\$ 21,077.10
Refunds	D-5	<u>394.94</u>
		<u>21,472.04</u>
Balance, December 31, 2017	D	<u><u>\$ 26,753.08</u></u>

BOROUGH OF RED BANK
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
 SCHEDULE OF ACCRUED INTEREST ON BONDS, LOANS AND NOTES

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 95,041.60
Increased by:		
Budget Appropriations	D-4	<u>274,047.63</u>
		<u>369,089.23</u>
Decreased by:		
Interest Paid	D-5	<u>313,706.22</u>
Balance, December 31, 2017	D	<u>\$ 55,383.01</u>

Analysis of Accrued Interest December 31, 2017

Principal Outstanding <u>Dec. 31, 2017</u>	Interest <u>Rate</u>	From	To	Period	<u>Amount</u>
Serial Bonds:					
\$ 490,000.00	Various	08-01-17	12-31-17	150 days	\$ 8,161.46
2,012,000.00	Various	10-01-17	12-31-17	90 days	10,181.75
3,515,000.00	Various	12-01-17	12-31-17	30 days	12,795.83
2,636,231.00	Various	08-01-17	12-31-17	150 days	22,315.92
Bond Anticipation Notes:					
\$ 2,900,000.00	Various	12-14-17	12/31/17	16 days	<u>1,928.05</u>
Total					<u>\$ 55,383.01</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF WATER/SEWER LINE REPAIR RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 17,060.58
Increased By:		
Transfer from Consumer Accounts Receivable	D-7	\$ 712.25
Cash Disbursements	D-5	49,347.61
Additional Charges Levied		<u>9,960.41</u>
		<u>60,020.27</u>
		<u>77,080.85</u>
Decreased By:		
Cash Receipts	D-5	<u>49,347.61</u>
Balance, December 31, 2017	D	<u>\$ 27,733.24</u>

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR WATER/SEWER LINE REPAIRS

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 50,241.21
Increased By:		
Cash Receipts	D-5	<u>151,194.30</u>
		<u>201,435.51</u>
Decreased By:		
Cash Disbursements	D-5	\$ 185,183.51
Canceled	D-1	<u>5,050.00</u>
		<u>190,233.51</u>
Balance, December 31, 2017	D	<u>\$ 11,202.00</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF DUE FROM WATER/SEWER CAPITAL FUND

Ref.

Balance, December 31, 2016	D	\$	-
Increased by:			
Interest earned	D-3/D-5		<u>1,315.14</u>
Balance, December 31, 2017	D	\$	<u>1,315.14</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 77,671.62
Increased by:		
Transferred from Budget Appropriations	D-4	<u>181,293.61</u>
		<u>258,965.23</u>
Decreased by:		
Transferred to Appropriation Reserves	D-9	<u>77,671.62</u>
Balance, December 31, 2017	D	<u><u>\$ 181,293.61</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

Ref.

Balance, December 31, 2016	D	\$ 14,319,636.67
----------------------------	---	------------------

Increased By:

Transfer from Fixed Capital		
Authorized but Uncompleted	D-17	<u>36,821.80</u>

Balance, December 31, 2017	D	<u>\$ 14,356,458.47</u>
----------------------------	---	-------------------------

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance <u>Number</u>	Improvement Description	Ordinance		Balance <u>Dec. 31, 2016</u>	2017 Authorizations		Transfer to Fixed Capital	Balance <u>Dec. 31, 2017</u>
		<u>Date</u>	<u>Amount</u>		<u>Deferred Charges to Future Revenue</u>			
04-35/13-05	Reconstruction of the Sewer Main Along Maple Avenue	9/28/2004 5/23/2005	\$ 1,000,000.00 945,000.00	\$ 1,945,000.00				\$ 1,945,000.00
06-10	Various Facility Improvements	03/13/2006	2,425,000.00	2,425,000.00				2,425,000.00
08-24/04-09 24-09	Various 2008 Capital Improvements	9/22/2008	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 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 Avenue	7/10/2013 4/22/2015	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
15-10/17-16	Various 2015 Capital Improvements	4/22/2015 5/10/2017	877,000.00 400,000.00	877,000.00	\$ 400,000.00			1,277,000.00
16-01	Water Plant Improvement at Chestnut Street and 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
17-21	Various Water/Sewer Improvements	7/26/2017	600,000.00		600,000.00			600,000.00
				\$ 17,243,932.80	\$ 1,000,000.00	\$ 36,821.80		\$ 18,207,111.00

Ref.

D

D-20

D-16

D

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER/SEWER UTILITY SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>	
			<u>Outstanding</u>	<u>December 31, 2017</u>					
Water/Sewer Bonds	06-15-04	\$ 2,780,000.00				\$ 280,000.00	\$ 280,000.00		
NJEIT Trust Loan Bonds	11-23-09	680,000.00	08-01-18 08-01-19 08-01-20 08-01-21 08-01-22 08-01-23 08-01-24 08-01-25 08-01-26 08-01-27 08-01-28 08-01-29	\$ 30,000.00 35,000.00 35,000.00 35,000.00 40,000.00 40,000.00 40,000.00 45,000.00 45,000.00 45,000.00 50,000.00 50,000.00	5.000% 4.000% 4.000% 4.000% 3.500% 4.000% 4.000% 3.750% 4.000% 4.000% 4.000% 4.000%		520,000.00	30,000.00	\$ 490,000.00
NJEIT Fund Loan Bonds	11-23-09	2,040,227.00	02-01-18 08-01-18 02-01-19 08-01-19 02-01-20 08-01-20 02-01-21 08-01-21 02-01-22 08-01-22 02-01-23 08-01-23 02-01-24 08-01-24 02-01-25 08-01-25	11,526.71 23,053.42 11,526.71 23,053.42 11,526.71 23,053.42 11,526.71 23,053.42 11,526.71 23,053.42 11,526.71 23,053.42 11,526.71 23,053.42 11,526.71 23,053.42	0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000% 0.000%				

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER/SEWER UTILITY SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds			<u>Balance Dec. 31, 2016</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
			Outstanding	December 31, 2017	Interest Rate			
Water/Sewer Bonds	11-10-12	2,662,000.00	02-01-26	11,526.71	0.000%			
			08-01-26	23,053.42	0.000%			
			02-01-27	11,526.71	0.000%			
			08-01-27	23,053.42	0.000%			
			02-01-28	11,526.71	0.000%			
			08-01-28	23,053.42	0.000%			
			02-01-29	11,526.71	0.000%			
			08-01-29	23,053.53	0.000%	449,541.80	34,580.13	414,961.67
MCIA Water/Sewer Bonds	12-23-15	3,775,000.00	10-01-18	150,000.00	2.000%			
			10-01-19	155,000.00	2.000%			
			10-01-20	165,000.00	2.000%			
			10-01-21	180,000.00	2.000%			
			10-01-22	195,000.00	2.000%			
			10-01-23	215,000.00	2.000%			
			10-01-24	230,000.00	2.000%			
			10-01-25	235,000.00	2.000%			
			10-01-26	235,000.00	2.100%			
			10-01-27	252,000.00	2.100%	2,152,000.00	140,000.00	2,012,000.00

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER/SEWER UTILITY SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds			<u>Balance Dec. 31, 2016</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
			<u>Outstanding</u>	<u>December 31, 2017</u>	<u>Interest Rate</u>			
			12-01-29	220,000.00	5.000%			
			12-01-30	230,000.00	3.500%			
			12-01-31	235,000.00	3.500%			
			12-01-32	245,000.00	3.500%			
			12-01-33	250,000.00	3.500%			
			12-01-34	260,000.00	3.500%			
			12-01-35	260,000.00	3.500%	3,645,000.00	130,000.00	3,515,000.00
MCIA Water/Sewer Refunding Bonds	06-25-15	3,084,478.50	02-01-18	471,231.00	4.000%			
			02-01-19	525,000.00	5.000%			
			02-01-20	535,000.00	5.000%			
			02-01-21	550,000.00	4.000%			
			02-01-22	555,000.00	5.000%	3,084,478.50	448,247.50	2,636,231.00
						\$ 10,131,020.30	\$ 1,062,827.63	\$ 9,068,192.67

Ref.

D

D-23

D

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER/SEWER UTILITY BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Issue of Original Note				Interest Rate	Balance Dec. 31, 2016	Issued	Decreased	Balance Dec. 31, 2017
		Date of Issue	Date of Maturity	Ref.	D					
16-02	Acquisition and Installation of Water Meters	12-16-16	12-14-17	12-13-18	1.50%	\$ 1,900,000.00	\$ 1,900,000.00		\$ 1,900,000.00	\$ 1,900,000.00
17-16/15-10	Various Improvements by Water/Sewer Utility	12-14-17	12-14-17	12-13-18	1.50%		400,000.00			400,000.00
17-21	Various Water/Sewer Improvements	12-14-17	12-14-17	12-13-18	1.50%		600,000.00			600,000.00
						<u>\$ 1,900,000.00</u>	<u>\$ 2,900,000.00</u>	<u>\$ 1,900,000.00</u>	<u>\$ 2,900,000.00</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Number	Improvement Description	Ordinance		Balance Dec. 31, 2016		Increased by		Decreased by		Balance Dec. 31, 2017	
		Date	Amount	Funded	Unfunded	Reserve for Encumbrances	2017 Authorizations	Paid	Reserve for Encumbrances	Funded	Unfunded
4-35/13-05	Reconstruction of Sewer Main Along Maple Avenue	09/28/2004	\$ 1,000,000.00	\$ 84,832.79				\$ 35,140.21		\$ 49,692.58	
6-10	Various Facilities Improvements	03/13/2006	2,425,000.00			\$ 14,508.13			\$ 14,508.13		
8-24	Various 2008 Capital Improvements	09/22/2008	3,291,000.00			66,217.00			66,217.00		
11-02	Various 2011 Capital Improvements	02/28/2011	1,846,000.00	23,223.15		11.73		11.73		23,223.15	
11-07	Various 2011 Drainage Improvements	05/25/2011	189,168.00	6,101.34		5,000.00			5,000.00	6,101.34	
13-07	Lake Avenue Water Utility Improvements	06/12/2013	500,000.00	130,988.30						130,988.30	
13-14/15-11	Various 2013 Capital Improvements	07/10/2013	205,440.00	27,137.13		280,740.16		123,803.66	156,936.50	27,137.13	
14-03	Various 2014 Water Sewer Utility Improvements	02/26/2014	2,208,000.00	264,260.85		669,913.97		748,525.54	19,941.35	165,707.93	
15-10/17-16	Various 2015 Capital Improvements	04/22/2015	877,000.00	3,910.52		8,867.25	\$ 400,000.00	115,167.93	52,439.25		\$ 245,170.59
16-01	Water Plant Improvement at Chestnut Street and Tower Hill	01/27/2016	1,825,000.00		\$ 1,698,975.00	125,375.00		540,502.64	819,074.21		464,773.15
16-02	Water and Sewer Utility Meters	01/27/2016	1,900,000.00		155,817.42	708,050.14		553,091.58	171,799.08		138,976.90
17-21	Various Water/Sewer Improvements	07/26/2017	600,000.00								
				<u>\$540,454.08</u>	<u>\$1,854,792.42</u>	<u>\$1,878,683.38</u>	<u>\$1,000,000.00</u>	<u>\$2,141,958.19</u>	<u>\$1,354,308.40</u>	<u>\$402,850.43</u>	<u>\$1,374,812.86</u>
Detail:				<u>Ref.</u>	D	D	D-21		D-5	D-21	D
Deferred Charges to Future Revenue				D-17/D-29				<u>\$1,000,000.00</u>			
								<u>\$1,000,000.00</u>			

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 1,878,683.38
Increased by:		
Transferred from Improvement Authorizations	D-20	<u>1,354,308.40</u>
		<u>3,232,991.78</u>
Decreased by:		
Transferred to Improvement Authorizations	D-20	<u>1,878,683.38</u>
Balance, December 31, 2017	D	<u><u>\$ 1,354,308.40</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Ref.

Balance, December 31, 2017 and 2016	D	<u>\$ 3,074.00</u>
-------------------------------------	---	--------------------

BOROUGH OF RED BANK
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
 SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 17,498,392.99
Increased by:		
Serial Bonds Paid in the Current Fund	D-18	<u>1,062,827.63</u>
		<u>18,561,220.62</u>
Decreased by:		
Transfer to Deferred Reserve for Amortization	D-24	<u>13,272,954.82</u>
Balance, December 31, 2017	D	<u><u>\$ 5,288,265.80</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 209,156.18
Increased by:		
Transfer from Reserve for Amortization	D-23	<u>13,272,954.82</u>
Balance, December 31, 2017	D	<u><u>\$ 13,482,111.00</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR PRELIMINARY COSTS - WELL

	<u>Ref.</u>	
Balance, December 31, 2017 and 2016	D	<u>\$ 1,845.00</u>

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF BONDS

Balance, December 31, 2017 and 2016	D	<u>\$ 192,869.89</u>
-------------------------------------	---	----------------------

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER CAPITAL FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY ENVIRONMENTAL
INFRASTRUCTURE TRUST FUND

Ref.

Balance, December 31, 2016	D	\$	-
Increased by:			
Payments Requisitioned	D-28		<u>610,971.00</u>
Balance, December 31, 2017	D	<u>\$ 610,971.00</u>	

WATER/SEWER CAPITAL FUND
SCHEDULE OF STATE OF NEW JERSEY ENVIRONMENTAL
INFRASTRUCTURE SHORT-TERM TRUST LOAN PAYABLE

Ref.

Balance, December 31, 2016	D	\$	-
Increased by:			
Loan Obligated	D-27		<u>610,971.00</u>
Balance, December 31, 2017	D	<u>\$ 610,971.00</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance <u>Dec. 31, 2016</u>	<u>Authorizations</u>	<u>Issued</u>	Balance <u>Dec. 31, 2017</u>
16-01	Water Plant Improvements at Chestnut Street and Tower Hill	\$ 1,825,000.00		\$ 610,971.00	\$ 1,214,029.00
17-16/15-10	Various Improvements by Water/Sewer Utility		\$ 400,000.00	400,000.00	-
17-21	2017 Road Program - Water/Sewer Improvements		<u>600,000.00</u>	<u>600,000.00</u>	<u>-</u>
		<u>\$ 1,825,000.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ 1,610,971.00</u>	<u>\$ 1,214,029.00</u>
		<u>Ref.</u>	D-20	D-19	(Footnote E)
	NJ Environmental Infrastructure Trust Loan Bond Anticipation Notes	D-28 D-19		\$ 610,971.00 1,000,000.00	
				<u>\$ 1,610,971.00</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY FUND
SCHEDULE OF CASH AND INVESTMENTS

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND

ANALYSIS OF PARKING UTILITY CAPITAL CASH

	Balance <u>Dec. 31, 2017</u>
Encumbrances Payable	\$ 33,370.45
Capital Improvement Fund	3,400.00
Reserve for Payment of Bonds	3,778.19
Fund Balance	7.98

<u>Ordinance 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
17-23	2017 Road/Parking Improvements	<u>127,288.08</u>
		<u>\$ 224,580.49</u>

Ref.

E

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING FUND
SCHEDULE OF FIXED CAPITAL

<u>Description</u>	<u>Ref.</u>	<u>Balance</u> <u>December 31,</u> <u>2017 & 2016</u>
Various Parking Improvements	E	\$ 4,191,488.21

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	Balance December 31, <u>2016</u>	Deferred Charges to Future <u>Revenue</u>	Balance December 31, <u>2017</u>
12-09	Acquisition and Installation of Parking Pay Stations	05-23-12	\$ 350,000.00	\$ 23,070.72		\$ 23,070.72
15-09	Various Parking Utility Improvements	04-08-15	300,000.00	300,000.00		300,000.00
17-23	2017 Road/Parking Improvements	07-26-17	300,000.00		\$ 300,000.00	300,000.00
				\$ 323,070.72	\$ 300,000.00	<u>\$ 623,070.72</u>

Ref.

E

E-14

E

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2016	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages	\$ 80,972.22		\$ 80,972.22	\$ 18,760.55	\$ 62,211.67
Other Expenses	115,694.66	\$ 46,690.96	162,385.62	41,929.72	120,455.90
Total Operating	196,666.88	46,690.96	243,357.84	60,690.27	182,667.57
Statutory Expenditures:					
Contributions To:					
Social Security System (OASI)	9,332.17		9,332.17		9,332.17
Total Statutory Expenditures	9,332.17		9,332.17		9,332.17
	\$ 205,999.05	\$ 46,690.96	\$ 252,690.01	\$ 60,690.27	\$ 191,999.74
<u>Ref.</u>	E	E-11			E-1
Cash Disbursements	E-5			\$ 51,799.82	
Accounts Payable	E-19			8,890.45	
				<u>\$ 60,690.27</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 979.17
Increased by:		
Budget Appropriations	E-4	<u>11,916.66</u>
		<u>12,895.83</u>
Decreased by:		
Interest Paid	E-5	<u>11,750.00</u>
Balance, December 31, 2017	E	<u>\$ 1,145.83</u>

Analysis of Accrued Interest December 31, 2017

<u>Principal Outstanding Dec. 31, 2017</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ 260,000.00	Various	12-01-17	12-31-17	30 days	\$ 945.83
Bond Anticipation Notes:					
\$ 300,000.00	1.50%	12-01-17	12-31-17	16 days	<u>200.00</u>
Total					\$ 1,145.83

Ref.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 46,690.96
Increased by:		
Transferred from Budget Appropriations	E-4	<u>73,312.72</u>
		<u>120,003.68</u>
Decreased by:		
Transferred to Appropriation Reserves	E-9	<u>46,690.96</u>
Balance, December 31, 2017	E	<u><u>\$ 73,312.72</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF PARKING UTILITY SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds			<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
			<u>Outstanding</u>	<u>December 31, 2017</u>	<u>Interest Rate</u>				
MCIA - Parking Utility Bonds	12-23-15	\$ 280,000.00	2018	\$ 10,000.00	5.000%		\$ 270,000.00	\$ 10,000.00	\$ 260,000.00
			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%				
							<u>\$ 270,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 260,000.00</u>

Ref.

E

E-17

E

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF PARKING UTILITY BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	Issue of Original <u>Note</u>	Date of <u>Issue</u>	Date of <u>Maturity</u>	Interest <u>Rate</u>	<u>Issued</u>	Balance <u>Dec. 31, 2017</u>
17-23	Various Parking Utility Improvements	12-14-17	12-14-17	12-13-18	1.50%	\$ 300,000.00	#REF!
						\$ 300,000.00	#REF!

Ref. E-5/E-22

E

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Ref.

Balance, December 31, 2017 and 2016	E	\$ <u>3,400.00</u>
-------------------------------------	---	--------------------

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

Ref.

Balance, December 31, 2016	E	\$ 3,874,558.93
Increased by:		
Adjustments from Deferred Reserve for Amortization	E-17	<u>326,929.28</u>
		<u>4,201,488.21</u>
Decreased by:		
Adjustments from Deferred Reserve for Amortization	E-17	<u>10,000.00</u>
Balance, December 31, 2017	E	<u><u>\$ 4,191,488.21</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	<u>Improvement Description</u>	Balance <u>Dec. 31, 2016</u>	Increased by:			Decreased by: Adjustments to Reserve for <u>Amortization</u>	Balance <u>Dec. 31, 2017</u>
			Serial Bonds <u>Paid</u>	<u>Adjustments</u>			
12-09	Acquisition and Installation of Parking Pay Stations	\$ 350,000.00				\$ 326,929.28	\$ 23,070.72
15-09	Various Parking Utility Improvements	<u>20,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 10,000.00</u>			<u>40,000.00</u>
		<u><u>\$ 370,000.00</u></u>	<u><u>\$ 10,000.00</u></u>	<u><u>\$ 10,000.00</u></u>		<u><u>\$ 326,929.28</u></u>	<u><u>\$ 63,070.72</u></u>
		E	E-12	E-16	E-16	E	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 16,473.25
Increased by:		
Charged to Improvement Authorizations	E-14	<u>33,370.45</u>
		<u>49,843.70</u>
Decreased by:		
Applied to Improvement Authorizations	E-14	<u>16,473.25</u>
Balance, December 31, 2017	E	<u>\$ 33,370.45</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY
SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 1,302.00
Increased by:		
Charges to Appropriation Reserves	E-9	8,890.45
		<hr/> 10,192.45
Decreased by:		
Canceled	E-1	<hr/> 1,302.00
Balance, December 31, 2017	E	<hr/> \$ 8,890.45

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING
SCHEDELOF INTERFUND - TRUST OTHER

	<u>Ref.</u>		
Balance, December 31, 2016	E	\$	2,253.31
Increased by:			
Cash Receipts	E-5	<u>1,231.40</u>	
		<u>3,484.71</u>	
Decreased by:			
Cash Disbursements	E-5	<u>2,253.31</u>	
Balance, December 31, 2017	E	<u>\$ 1,231.40</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY
SCHEDULE OF RESERVE FOR PARKING FEE VARIANCE

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 224,980.00
Decreased by:		
Cash Disbursements	E-5	<u>13,043.72</u>
Balance, December 31, 2017	E	<u><u>\$ 211,936.28</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND
SCHEDULE OF CASH

Ref.

Balance, December 31, 2016	F	\$	95,973.36
Increased by:			
Payroll Deductions Payable	F-2	\$	13,229,230.49
Interfund - Current Fund	F-3		<u>16,011.77</u>
			<u>13,245,242.26</u>
			<u>13,341,215.62</u>
Decreased by:			
Payroll Deductions Payable	F-2		13,232,376.07
Due From Internal Revenue Service	F-5		2,147.36
Interfund - Current Fund	F-3		<u>15,482.47</u>
			<u>13,250,005.90</u>
Balance, December 31, 2017	F	\$	<u>91,209.72</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL TRUST FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

Ref.

Balance, December 31, 2016		F	\$ 95,947.40
Increased by:			
Interfund - Trust Other Fund	F-4	\$ 9,351.31	
Cash Receipts	F-1	<u>13,229,230.49</u>	
		<u>13,238,581.80</u>	<u>13,334,529.20</u>
Decreased by:			
Cash Disbursements	F-1	<u>13,232,376.07</u>	
Balance, December 31, 2017	F-2	<u>\$ 102,153.13</u>	
Pension Payable	F	\$ 88,911.52	
Miscellaneous	F	<u>13,241.61</u>	
	<u>F-2</u>	<u>\$ 102,153.13</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>		
Balance, December 31, 2016 - Due to	F	\$	25.96
Increased by:			
Cash Receipts	F-1		<u>16,011.77</u>
			<u>16,037.73</u>
Decreased by			
Cash Disbursements	F-1		<u>15,482.47</u>
Balance, December 31, 2017 - Due to	F	<u>\$</u>	<u>555.26</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL TRUST FUND
SCHEDULE OF INTERFUND - TRUST OTHER FUND

	<u>Ref.</u>	
Balance, December 31, 2016	F	\$ -
Increased by:		
Payroll Deductions Payable	F-2	<u>9,351.31</u>
Balance, December 31, 2017	F	<u>\$ 9,351.31</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL TRUST FUND
SCHEDULE OF DUE FROM INTERNAL REVENUE SERVICE

	<u>Ref.</u>		
Balance, December 31, 2016	F	\$	-
Increased by:			
Cash Disbursements	F-1		<u>2,147.36</u>
Balance, December 31, 2017	F	<u>\$</u>	<u>2,147.36</u>

BOROUGH OF RED BANK
COUNTY OF OCEAN, NEW JERSEY

GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS

	Balance				
	<u>Dec. 31, 2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>Adjustment</u>	<u>Dec. 31, 2017</u>
General Fixed Assets:					
Land and Buildings	\$ 16,650,652.00			\$ 4,622,896.00	\$ 12,027,756.00
Furniture, Fixtures and Equipment	<u>15,793,716.39</u>	<u>\$ 107,565.30</u>	<u>\$ 23,069.00</u>	<u>2,567,575.54</u>	<u>13,310,637.15</u>
	<u><u>\$ 32,444,368.39</u></u>	<u><u>\$ 107,565.30</u></u>	<u><u>\$ 23,069.00</u></u>	<u><u>\$ 7,190,471.54</u></u>	<u><u>\$ 25,338,393.15</u></u>

Ref

G

G

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH
PART II
SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2017**

**BOROUGH OF RED BANK
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal and State Grant Fund

Significant Deficiency in Internal Controls over the Preparation of Financial Statements

2017-001

Criteria:

The Uniform Guidance, NJ OMB Circular 15-08, Grant Agreements or Contracts:

The Borough is required to perform calculations before year end to determine whether or not either a state or federal single audit is required. In order to perform those calculations and make determinations on what grant programs are required to be audited in accordance with The Uniform Guidance or NJ OMB Circular 15-08, it is imperative that all the grants are properly identified as to their funding source. Furthermore, all accounts should be reviewed in a timely manner and when appropriate, balances should be canceled.

Condition:

There were a number of grants that were not correctly identified as either state, federal, or other. Furthermore, there were a number of grants appropriated with balances that should have been canceled either because the grant period had run out or because the grant was not going to be fully utilized.

Cause:

Management did not properly consider internal controls over the preparation of financial statements.

Effect:

There is the potential that either a state or federal single audit or both may be required and the calculations required to determine that would not bare that information because the data is incorrect (state and federal grants are not correctly identified as such).

Response of responsible officials:

We agree with the audit comment. Policies and procedures will be adopted to ensure that grants and their funding sources are identified in accordance with the applicable federal and state single audit guidelines.

Status of Prior Year Findings:

No prior year findings

GENERAL COMMENTS

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

N.J.S. 40-A:11-4 states, “Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law”.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Borough Counsel’s opinion should be sought before a commitment is made.

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

- Construction of Back Up Well 8 and SCADA Improvements
- 2017 Park Maintenance Contract
- Installation and Repair of Water and Sewer Mains
- Installation and Repair of Water and Sewer Services
- 2017 Road Program
- River Street Retaining Wall Project

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.

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

Our examination of expenditures did not reveal individual payments in excess of the bid threshold “for the provision or performance of any goods or services” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, “For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered”.

GENERAL COMMENTS (continued)

Collection of Interest on Delinquent Taxes, Water Utility Rents, Sewer Utility Rents and Assessments

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

The Governing Body, on January 1, 2017, adopted the following resolution authorizing interest to be charged on delinquent taxes, assessments, municipal charges or water and sewer rents:

WHEREAS, N.J.S.A. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for nonpayment of taxes, utility and other municipal assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% to be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year;

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 the due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after the due date, and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 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.

Tax Sale

The last tax sale was held on October 9, 2017.

OTHER COMMENTS

Comments:

2017-001

There were a number of grants that were not correctly identified as either state, federal, or other. Furthermore, there were a number of grants appropriated with balances that should have been canceled either because the grant period had run out or because the grant was not going to be fully utilized.

2017-002

Interfund balances exist as of December 31, 2017.

Recommendations:

2017-001

Written policies and procedures should be drafted related to the completion of a year-end review of all the Borough's grants, for their appropriate identification as to the source of funds and that all the activity within the accounts are complete and accurate, the policy should be adopted by the governing body. Management should design, implement, and monitor a system of internal controls to ensure the policies and procedures are being carried out as the governing body intended.

2017-002

All accounts should be reviewed at year end to assure that no interfund balances exist, and if adjustments need to be made that may create interfund balances, those adjustments should be made prior to year end.

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH**

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>
Pasquale Menna	Mayor
Kathleen Horgan	Councilwoman
Edward Zipprich	Councilman
Mark Taylor	Councilman
Michael Whelan	Councilman
Erik Yngstrom	Councilman
Michael Ballard	Councilman
Eugenia Poulos	Chief Financial Officer
Ashlesha Deshpande	Tax Collector
Mitchell Elias	Tax Assessor
Ziad Andrew Shehady	Borough Administrator
Pamela Borghi	Borough Clerk
Frank La Rocca	Judge
Gregory Cannon	Attorney
Cathleen Gerber	Municipal Court Administrator
Gregory R. Valesi	Engineer
Jacqueline Reynolds	Senior Center Director
Glenn Carter	Director of Planning and Zoning

All employees are covered by a Faithful Performance Blanket Position Bond in the amount of \$950,000.00 with the Ocean County Municipal Joint Insurance Fund.

There are blanket bonds for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$50,000.00 for Public Employees. These bonds are subject to deductibles based upon other required coverages.

Appreciation

We express our appreciation for the cooperation received from the Borough Officials and Employees and the courtesies extended during the course of the audit.

Very truly yours,

Charles J. Fallon CPA RMA

Charles J. Fallon
Certified Public Accountant
Registered Municipal Accountant # 506

For the Firm
FALON & LARSEN LLP