

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

**REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2018**

**BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Exhibit No.</u>	<u>Page No.</u>
<u>PART I</u>	
Independent Auditor's Report	1-3
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> .	4-5
<u>CURRENT FUND</u>	
A Comparative Balance Sheets - Regulatory Basis	6
A-1 Comparative Statements 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	26
<u>GENERAL CAPITAL FUND</u>	
C Comparative Balance Sheets - Regulatory Basis	27
C-1 Statement of Fund Balance - Regulatory Basis	28
<u>WATER/SEWER UTILITY FUND</u>	
D Comparative Balance Sheets - Regulatory Basis	29
D-1 Comparative Statements of Operations and Change in Fund Balance - Regulatory Basis	31
D-2 Statement of Water Utility Capital Fund Balance - Regulatory Basis	32
D-3 Statement of Revenues - Regulatory Basis	33
D-4 Statement of Expenditures - Regulatory Basis	34
<u>PARKING UTILITY FUND</u>	
E Comparative Balance Sheets - Regulatory Basis	35
E-1 Comparative Statements of Operations and Change in Fund Balance - Regulatory Basis	37
E-2 Statement of Parking Capital Fund Balance - Regulatory Basis	39
E-3 Statement of Revenues - Regulatory Basis	40
E-4 Statement of Expenditures - Regulatory Basis	

BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Exhibit No.</u>		<u>Page No.</u>
<u>PAYROLL FUND</u>		
F	Comparative Balance Sheets - Regulatory Basis	41
<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>		
G	Comparative Statements of General Fixed Assets - Regulatory Basis	42
<u>NOTES TO FINANCIAL STATEMENTS</u> 43		
<u>SUPPLEMENTARY EXHIBITS</u>		
<u>CURRENT FUND</u>		
A-4	Schedule of Cash	90
A-5	Schedule of Taxes Receivable and Analysis of Property Tax Levy	91
A-6	Schedule of Tax Title Liens	92
A-7	Schedule of Demolition Liens	92
A-8	Schedule of Revenue Accounts Receivable	93
A-9	Schedule of Due from/(to) State of New Jersey, P.L. 1971, C. 20	94
A-10	Schedule of Due to State of New Jersey	95
A-11	Schedule of Appropriation Reserves	96
A-12	Schedule of Reserve for Encumbrances	102
A-13	Schedule of Tax Overpayments	102
A-14	Schedule of Prepaid Taxes	103
A-15	Schedule of Payment in Lieu of Taxes Receivable	103
A-16	Schedule of County Taxes Payable	104
A-17	Schedule of Local District School Taxes Payable	105
A-18	Schedule of Regional High School Taxes Payable	106
A-19	Schedule of Special Improvement District Taxes Payable	107
A-20	Schedule of Deferred Charges - Special Emergency (N.J.S. 40A:4-53)	108
A-21	Schedule of Accounts Payable	109
A-22	Schedule of Due from/(to) - Federal and State Grant Fund	110
A-23	Schedule of Interfunds Receivable/(Payable) - Other Funds	111
A-24	Schedule of Various Reserves	112
A-25	Schedule of Special Emergency Notes Payable	113
A-26	Federal and State Grant Fund - Schedule of Grants Receivable	114
A-27	Federal and State Grant Fund - Schedule of Appropriated Reserves	116
A-28	Federal and State Grant Fund - Schedule of Unappropriated Reserves	117
A-29	Federal and State Grant Fund - Schedule of Due from/(to) Current Fund	118
A-30	Federal and State Grant Fund - Schedule of Reserve for Encumbrances	119

BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Exhibit No.</u>		<u>Page No.</u>
<u>TRUST FUND</u>		
B-1	Schedule of Cash	120
B-2	Schedule of Interfund - Current Fund - Animal Control Trust Fund	121
B-3	Schedule of Reserve for Animal Control Trust Fund Expenditures	122
B-4	Schedule of Due to State of New Jersey - Animal Control Trust Fund	123
B-5	Schedule of Reserve for Encumbrances - Animal Control Trust Fund	124
B-6	Schedule of Various Reserves - Trust Other Fund	125
B-7	Schedule of Interfund - Due (to)/from	126
B-8	Schedule of Funds Held by Trustee - Length of Service Award Program Fund	127
B-9	Schedule of Reserve for Length of Service Award Program - Length of Service Award Program Fund	127
<u>GENERAL CAPITAL FUND</u>		
C-2	Schedule of Cash	128
C-3	Analysis of General Capital Cash	129
C-4	Schedule of Investments in Notes	130
C-5	Schedule of Grants Receivable	131
C-6	Schedule of Interfund - Due to Current Fund	132
C-7	Schedule of Deferred Charges to Future Taxation - Funded	133
C-8	Schedule of Deferred Charges to Future Taxation - Unfunded	134
C-9	Schedule of Miscellaneous Reserves	135
C-10	Schedule of General Serial Bonds	136
C-11	Schedule of Bond Anticipation Notes	137
C-12	Schedule of Green Trust Loan Payable	138
C-13	Schedule of Improvement Authorizations	139
C-14	Schedule of Reserve for Encumbrances	140
C-15	Schedule of Capital Improvement Fund	141
C-16	Schedule of Bonds and Notes Authorized but Not Issued	142
<u>WATER/SEWER UTILITY FUND</u>		
D-5	Schedule of Cash and Investments	143
D-6	Analysis of Water/Sewer Utility Capital Cash and Investments	144
D-7	Schedule of Consumer Accounts Receivable	145
D-8	Schedule of Liens Receivable	146
D-9	Schedule of Appropriation Reserves	147
D-10	Schedule of Customer Overpayments	148
D-11	Schedule of Accrued Interest on Bonds, Loans and Notes	149

BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Exhibit No.</u>		<u>Page No.</u>
<u>WATER/SEWER UTILITY FUND (CONTINUED)</u>		
D-12	Schedule of Water/Sewer Line Repair Receivable	150
D-13	Schedule of Reserve for Water/Sewer Line Repairs	150
D-14	Schedule of Due from Water/Sewer Capital Fund	151
D-15	Schedule of Reserve for Encumbrances	152
D-16	Schedule of Fixed Capital	153
D-17	Schedule of Fixed Capital Authorized and Uncompleted	154
D-18	Schedule of Water/Sewer Utility Serial Bonds	155
D-19	Schedule of Water/Sewer Utility Bond Anticipation Notes	157
D-20	Schedule of Improvement Authorizations	158
D-21	Schedule of Reserve for Encumbrances	159
D-22	Schedule of Capital Improvement Fund	160
D-23	Schedule of Reserve for Amortization	161
D-24	Schedule of Deferred Reserve for Amortization	162
D-25	Schedule of Reserve for Preliminary Costs - Well	163
D-26	Schedule of Reserve for Payment of Bonds	163
D-27	Schedule of Due from State of New Jersey Environmental Infrastructure Trust Fund	164
D-28	Schedule of State of New Jersey Environmental Infrastructure Short-Term Trust Loan Payable	164
D-29	Schedule of Bonds and Notes Authorized but Not Issued	165
<u>PARKING UTILITY FUND</u>		
E-5	Schedule of Cash and Investments	166
E-6	Analysis of Parking Utility Capital Cash	167
E-7	Schedule of Fixed Capital	168
E-8	Schedule of Fixed Capital Authorized and Uncompleted	169
E-9	Schedule of Appropriation Reserves	170
E-10	Schedule of Accrued Interest Payable	171
E-11	Schedule of Parking Utility Operating Reserve for Encumbrances	172
E-12	Schedule of Parking Utility Serial Bonds	173
E-13	Schedule of Parking Utility Bond Anticipation Notes	174
E-14	Schedule of Improvement Authorizations	175
E-15	Schedule of Capital Improvement Fund	176
E-16	Schedule of Reserve for Amortization	177
E-17	Schedule of Deferred Reserve for Amortization	178
E-18	Schedule of Parking Utility Capital Reserve for Encumbrances	179
E-19	Schedule of Accounts Payable	180
E-20	Schedule of Interfund - Parking Operating	181
E-21	Schedule of Interfund Receivable/(Payable)	182
E-22	Schedule of Reserve for Parking Fee Variance	183
E-23	Schedule of Bonds and Notes Authorized but Not Issued	184

**BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Exhibit No.</u>		<u>Page No.</u>
<u>PAYROLL TRUST FUND</u>		
F-1	Schedule of Cash	185
F-2	Schedule of Payroll Deductions Payable	186
F-3	Schedule of Interfund - Current Fund	187
F-4	Schedule of Interfunds - Trust Other Fund	188
F-5	Schedule of Due from Internal Revenue Service	189
<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>		
G-1	Schedule of Investments in General Fixed Assets	190
<u>PART II</u>		
<u>SCHEDULE OF FINDINGS AND RESPONSES</u>		191
<u>SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS</u>		195
<u>GENERAL COMMENTS</u>		196
<u>SCHEDULE OF COMMENTS AND RECOMMENDATIONS</u>		198
<u>OFFICIALS IN OFFICE AND SURETY BONDS</u>		200
<u>APPRECIATION</u>		201

**BOROUGH OF RED BANK
COUNTY OF MONMOUTH
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2018**

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, 2018 and 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 December 31, 2018, and the related notes to the financial statements which collectively comprise the Borough's basic 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 ("Division"); 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. 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.

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, 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.

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, 2018 and 2017, or the results of its operations and the changes in fund balance for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds and fixed asset account group of the Borough as of December 31, 2018 and 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 prescribed by the Division as described in Note 1 to the financial statements.

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 and are not a required part of the financial statements.

The accompanying financial information listed as supplementary exhibits 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 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 November 26, 2019, on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 & Company LLP
FALLON & COMPANY LLP

Hazlet, New Jersey
November 26, 2019

**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 (“Division”), 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, 2018, and the related notes to the financial statements, which collectively comprise the Borough’s financial statements and have issued our report thereon dated November 26, 2019. 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, 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 and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses. (2018-001, 2018-002).

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items (2018-002).

Borough of Red Bank's Response to Findings

The Borough of Red Bank's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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, 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 & Company LLP
FALLON & COMPANY LLP

Hazlet, New Jersey
November 26, 2019

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
ASSETS			
Cash	A-4	\$ 7,511,166.42	\$ 9,125,469.31
Cash - Change Fund		900.00	900.00
Due from State of New Jersey, Chap. 20 P.L. 1971	A-9		1,486.81
		<u>7,512,066.42</u>	<u>9,127,856.12</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	848,973.11	567,720.66
Tax Title Liens Receivable	A-6	27,946.24	4,563.80
Demolition Liens Receivable	A-7	8,830.90	8,830.90
Revenue Accounts Receivable	A-8	37,500.64	30,514.74
PILOT Receivable	A-15	188,614.93	105,039.48
Interfund - Federal and State Grant Fund	A-22		69,717.19
Interfunds Receivable	A-23	<u>87,078.27</u>	<u>10,799.39</u>
		<u>1,198,944.09</u>	<u>797,186.16</u>
		<u>8,711,010.51</u>	<u>9,925,042.28</u>
Deferred Charges:			
Special Emergency Authorizations	A-20	80,000.00	232,400.00
		<u>80,000.00</u>	<u>232,400.00</u>
		<u>8,791,010.51</u>	<u>10,157,442.28</u>
Federal and State Grant Fund:			
Cash	A-4	70,022.30	148,029.69
Federal and State Grants Receivable	A-26	73,100.36	66,185.68
Interfund - Current Fund	A-29	<u>6,068.92</u>	
		<u>149,191.58</u>	<u>214,215.37</u>
Total Assets		<u>\$ 8,940,202.09</u>	<u>\$ 10,371,657.65</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,

LIABILITIES, RESERVES AND FUND BALANCE	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Appropriation Reserves	A-3/A11	\$ 1,052,832.89	\$ 918,468.27
Reserve for Encumbrances	A-12	573,900.25	870,896.37
Due to State of New Jersey, Chap. 20 P.L. 1971	A-9	1,750.00	
Due to State of New Jersey - Marriage License Fees	A-10	1,450.00	2,200.00
Due to State of New Jersey - Training Fees	A-10	7,495.00	10,562.00
Tax Overpayments	A-13	1,405.89	1,405.89
Prepaid Taxes	A-14	473,629.89	2,397,889.91
Due to County for Added Taxes	A-16	46,203.14	19,992.61
Local School District School Tax Payable	A-17	2,355,947.67	2,026,138.17
Regional District High School Tax Payable	A-18	630,419.82	429,234.28
Account Payable	A-21	1,529.50	
Interfund - Federal and State Grant Fund	A-22	6,068.92	
Interfunds Payable	A-23	2,007.55	3,841.66
Reserve for Revaluation	A-24	19,035.73	37,412.73
Reserve for Sale of Municipal Assets	A-24	92,587.00	192,587.00
Reserve for Severance Liabilities	A-24	150,150.84	150,150.84
Reserve for Library Expenditures	A-24	165,819.93	148,863.07
Special Emergency Notes Payable	A-25	60,000.00	212,400.00
Due to Monmouth County Regional Health Commission	A	<u>11,800.00</u>	<u>10,725.00</u>
		<u>5,654,034.02</u>	<u>7,432,767.80</u>
Reserve for Receivables and Other Assets	A	1,198,944.09	797,186.16
Fund Balance	A-1	<u>1,938,032.40</u>	<u>1,927,488.32</u>
 Total Current Fund		 <u>8,791,010.51</u>	 <u>10,157,442.28</u>
 Federal and State Grant Fund:			
Reserve for Encumbrances	A-30	4,086.50	13,972.40
Reserve for Federal and State Grants			
Appropriated	A-27	145,105.08	113,633.16
Unappropriated	A-28		16,892.62
Interfund - Current Fund	A-29		<u>69,717.19</u>
 Total Grant Fund		 <u>149,191.58</u>	 <u>214,215.37</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 8,940,202.09</u>	 <u>\$ 10,371,657.65</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

For the Years Ended December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 1,617,456.33	\$ 1,450,000.00
Miscellaneous Revenue Anticipated	A-2	7,663,455.57	7,682,952.06
Receipts from Delinquent Taxes	A-2	556,465.14	879,956.94
Receipts from Current Taxes	A-2	46,724,109.10	44,890,549.86
Non-Budget Revenues	A-2	195,311.53	359,536.14
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-11	635,703.99	793,545.21
Accounts Payable Canceled	A-21	33,225.00	7,795.79
Interfund Returned - Federal and State Grant Fund	A-22	69,717.19	
Grant Appropriations Canceled	A-22	<u>15,508.52</u>	<u>126,266.60</u>
Total Income		<u>57,510,952.37</u>	<u>56,190,602.60</u>
Expenditures:			
Budget and Emergency Appropriations			
Appropriations Within Caps:			
Operations:			
Salaries and Wages	A-3	8,615,816.00	8,513,456.17
Other Expenses	A-3	6,436,231.00	6,358,952.40
Deferred Charges and Statutory Expenditures	A-3	1,955,564.00	1,805,158.00
Appropriations Excluded from Caps:			
Operations:			
Salaries and Wages	A-3	347,150.00	331,700.00
Other Expenses	A-3	1,082,203.77	994,052.03
Capital Improvements	A-3	125,000.00	225,000.00
Municipal Debt Service	A-3	2,977,529.81	2,673,259.82
Deferred Charges	A-3	152,400.70	152,400.00

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

For the Years Ended December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Prior Year Revenue - Tax Title Lien			\$ 3,225.42
Prior Year Revenue - Demolition Lien			1,152.90
Prior Year Revenue - Due to State of New Jersey	A-9	\$ 2,621.05	
Refund of Prior Year's Tax Revenue	A-13	124,830.30	529,146.96
County Taxes	A-16	6,039,374.21	5,843,254.56
Amount Due County for Added and Omitted Taxes	A-16	46,202.92	19,992.58
Local District School Tax	A-17	17,657,369.00	17,022,064.00
Regional High School Tax	A-18	9,693,952.00	9,291,581.00
Special District Taxes	A-19	532,120.00	512,120.00
Grants Receivable Canceled	A-22	18,248.32	39,832.16
Interfunds Advanced - Federal and State Grant Fund			69,717.19
Interfunds Advanced - Other Funds	A-23	76,278.88	5,657.13
Refund of Prior Year Revenue	A-4	<u>60.00</u>	<u>16,944.13</u>
 Total Expenditures		<u>55,882,951.96</u>	<u>54,408,666.45</u>
 Excess/(Deficit) in Revenue		1,628,000.41	1,781,936.15
 Fund Balance January 1	A	<u>1,927,488.32</u>	<u>1,595,552.17</u>
 Decreased by:		3,555,488.73	3,377,488.32
Utilized as Anticipated Revenue	A-1/A-2	<u>1,617,456.33</u>	<u>1,450,000.00</u>
 Fund Balance December 31	A	<u>\$ 1,938,032.40</u>	<u>\$ 1,927,488.32</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, 2018

	<u>Anticipated</u>		<u>Special</u>		<u>Excess or</u>
	<u>Ref.</u>	<u>Budget</u>	<u>N.J.S.A.</u>	<u>40A:4-87</u>	<u>(Deficit)</u>
Fund Balance Anticipated	A-1	\$ 1,617,456.33		\$ 1,617,456.33	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	88,000.00		91,314.00	3,314.00
Other	A-8	57,500.00		64,610.00	7,110.00
Fees and Permits					
Other	A-8	330,000.00		363,871.51	33,871.51
Fines and Costs:					
Municipal Court	A-8	500,000.00		522,254.06	22,254.06
Interest and Costs on Taxes	A-8	185,000.00		150,931.74	(34,068.26)
Interest on Investments and Deposits	A-8	100,000.00		259,023.26	159,023.26
Anticipated Utility Operating Surplus - Water/Sewer Utility	A-8	555,022.37		555,022.37	
Anticipated Utility Operating Surplus - Parking Utility	A-8	1,076,154.16		1,076,154.16	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-8	2,011,681.00		2,011,681.00	
Uniform Construction Code Fees	A-8	500,000.00		747,316.40	247,316.40
Code Enforcement - Property Maintenance Fees	A-8	60,000.00		71,642.00	11,642.00
Special Items of General Revenue Anticipated with Prior Written					
Consent of Director of Local Government Services					
Interlocal Municipal Service Agreements Off-Set with Appropriations					
Township of Shrewsbury - Municipal Court	A-8	7,000.00		4,096.00	(2,904.00)
Borough of Little Silver - Fire Services	A-8	11,000.00		15,485.00	4,485.00
Red Bank Board of Education - Snow Plowing	A-8	14,011.00		14,011.00	
Public and Private Revenues Off-Set with Appropriations					
Recycling Tonnage Grant	A-26	16,892.62		16,892.62	
Sustainable Jersey Grant	A-26	10,000.00		10,000.00	

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2018

	<u>Anticipated</u>				<u>Excess or (Deficit)</u>
	<u>Ref.</u>	<u>Budget</u>	Special N.J.S.A. 40A:4-87	<u>Realized</u>	
US Older Americans Act - Senior Citizens	A-26	\$ 29,312.00		\$ 29,312.00	
NJ COPS in Shops	A-26	3,080.00		3,080.00	
Municipal Alcohol Education/Rehabilitation Program	A-26		\$ 2,013.89	2,013.89	
Drunk Driving Enforcement					
Police	A-26		7,586.11	7,586.11	
Court	A-26				
Clean Communities Program	A-26		21,388.61	21,388.61	
Monmouth County Division on Aging, Disabilities & Veteran Services	A-26		2,923.00	2,923.00	
NJ Forest Service Community Forestry Program	A-26		30,000.00	30,000.00	
Other Special Items					
Utility Operating Surplus of Prior Year - Water/Sewer	A-8	225,200.00		225,200.00	
Utility Operating Surplus of Prior Year - Parking Utility	A-8	85,000.00		85,000.00	
Uniform Fire Safety Act	A-8	110,000.00		132,525.03	\$ 22,525.03
Franchise Tax Cable Television	A-8	197,853.98		197,853.98	
Payment in Lieu of Taxes - Housing Authority/River Street/Habcore	A-8	155,000.00		192,719.18	37,719.18
Reserve for Sale of Municipal Assets	A-8	100,000.00		100,000.00	
Reserve for Payment of Bonds	A-8	269,197.29		269,197.29	
Landlord Registration Fees	A-8	13,000.00		19,050.00	6,050.00
Administrative Fee Off-Duty Police Services	A-8	50,000.00		50,000.00	
RBC Field Rent	A-8	130,000.00		130,000.00	
Hotel Occupancy Tax	A-8	170,000.00		191,301.36	21,301.36
Total Miscellaneous Revenues	A-1	<u>7,059,904.42</u>	<u>63,911.61</u>	<u>7,663,455.57</u>	<u>539,639.54</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, 2018

			<u>Anticipated</u>		
			Special N.J.S.A. 40A:4-87		Excess or (Deficit)
	<u>Ref.</u>	<u>Budget</u>		<u>Realized</u>	
Receipts from Delinquent Taxes	A-1/A-2	\$ 580,000.00		\$ 556,465.14	\$ (23,534.86)
Amount to be Raised by Taxation for Support of Municipal Budget					
Local Tax for Municipal Purpose	A-5	12,579,301.12		12,962,318.98	383,017.86
Minimum Library Levy	A-5	729,860.49		729,860.49	-
Total Amount to be Raised by Taxes for Support of Municipal Budget		13,309,161.61	\$ -	13,692,179.47	383,017.86
Budget Totals		22,566,522.36	63,911.61	23,529,556.51	899,122.54
Non-Budget Revenues	A-1/A-2			195,311.53	195,311.53
Total		\$ 22,566,522.36	\$ 63,911.61	\$ 23,724,868.04	\$ 1,094,434.07

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, 2018

Analysis of Realized Revenues:

Allocation of Current Tax Collections:

Revenue from Collections	A-1/A-5	\$ 46,724,109.10
Allocated to School, County, and Special District Taxes	A-5	<u>33,969,018.13</u>
		<hr/>
Total Amount to be Raised by Taxes for Support of Municipal Budget		12,755,090.97
		<hr/>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>937,088.50</u>
		<hr/>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 13,692,179.47</u>
		<hr/>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	A-2/A-5	\$ 556,465.14
		<hr/>

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, 2018

Fees & Permits - Other:

Clerk	\$ 23,264.79
Vital Statistics	145,780.00
Planning and Zoning	131,087.22
Board of Health	25.00
Police Taxi	1,590.00
Recreation Fees	62,124.50
	<hr/>
	<hr/>
	\$ 363,871.51

Analysis of Non-Budget Revenues:

FEMA Hurricane Sandy	\$ 27,494.50
JCPL Refund	9,232.30
Copies	20.30
Returned Check Fees	325.00
Interfaith Neighbors	2,310.00
Monmouth Boat Club Donation	5,000.00
Construction Board of Appeal	100.00
Police Records	18,965.27
Search	20.00
Senior Citizen and Veteran Administrative Fee	955.00
Planning/Zoning Fees	18,176.83
Tax Sale Premiums	68,800.00
Police Vehicle Auction	8,790.92
Sidewalk Permits	6,384.76
Insurance	231.84
DMV Inspection Fines	6,025.00
Library Social Security/State Disability Reimbursement - Prior Year	9,811.60
IRS Refund	8,899.09
MRNA - Other	3,769.12
	<hr/>
A-2/A-4	<hr/>
	\$ 195,311.53

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, 2018

	<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>
Operations Within CAPS					
General Government:					
General Administration					
Salaries and Wages	\$ 147,514.00	\$ 147,514.00	\$ 140,079.73	\$ 7,434.27	
Other Expenses	85,148.00	85,148.00	75,964.50	9,183.50	
Municipal Clerk					
Salaries and Wages	119,260.00	119,260.00	118,040.04	1,219.96	
Other Expenses	32,500.00	32,500.00	21,386.12	11,113.88	
Financial Administration					
Salaries and Wages	164,742.00	164,742.00	155,861.83	8,880.17	
Other Expenses	42,292.00	42,292.00	33,059.91	9,232.09	
Audit Services					
Other Expenses	30,000.00	30,000.00	21,246.00	8,754.00	
Mayor and Council					
Salaries and Wages	21,781.00	21,781.00	21,389.46	391.54	
Tax Assessment Administration					
Salaries and Wages	78,899.00	78,899.00	71,529.27	7,369.73	
Other Expenses	26,425.00	16,425.00	7,468.21	8,956.79	
Utilization of Banked Sick Time	100,000.00	100,000.00	100,000.00		
Revenue Administration					
Salaries and Wages	80,300.00	80,300.00	75,945.17	4,354.83	
Other Expenses	20,750.00	20,750.00	16,281.68	4,468.32	

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, 2018

	<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>	
Legal Services and Costs					
Other Expenses	\$ 175,000.00	\$ 255,000.00	\$ 233,716.29	\$ 21,283.71	
Engineering Services					
Other Expenses	135,000.00	70,000.00	57,007.94	12,992.06	
Codification of Ordinances					
Other Expenses	10,000.00	10,000.00	3,224.40	6,775.60	
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	84,050.00	86,550.00	85,580.10	969.90	
Other Expenses	49,500.00	42,000.00	30,729.58	11,270.42	
Zoning Board of Adjustment					
Salaries and Wages	84,050.00	86,550.00	85,580.61	969.39	
Other Expenses	26,500.00	24,000.00	17,144.20	6,855.80	
INSURANCE					
Liability Insurance	235,000.00	235,000.00	226,998.51	8,001.49	
Workers Compensation Insurance	325,000.00	325,000.00	324,097.47	902.53	
Employee Group Insurance	2,344,425.00	2,344,425.00	2,296,519.01	47,905.99	
Unemployment Insurance	5,000.00	5,000.00		5,000.00	
Health Insurance Opt Out Payments	70,000.00	70,000.00	63,080.26	6,919.74	

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, 2018

	<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>
PUBLIC SAFTEY					
Fire Department					
Other Expenses	\$ 139,300.00	\$ 139,300.00	\$ 118,837.14	\$ 20,462.86	
Uniform Fire Safety Act (Fire Department)					
Salaries and Wages	231,025.00	231,025.00	204,930.35	26,094.65	
Other Expenses	10,000.00	10,000.00	8,525.37	1,474.63	
Police Department					
Salaries and Wages	5,221,600.00	5,221,600.00	5,166,301.59	55,298.41	
Other Expenses	158,000.00	158,000.00	149,198.07	8,801.93	
Volunteer Ambulance Companies					
Other Expenses	137,300.00	137,300.00	134,290.93	3,009.07	
Office of Emergency Management					
Salaries and Wages	5,525.00	5,525.00	5,416.30	108.70	
Other Expenses	5,500.00	5,500.00	3,087.62	2,412.38	
Rent Leveling					
Salaries and Wages	3,000.00	3,000.00	1,825.00	1,175.00	
Other Expenses	15,500.00	15,500.00	9,872.05	5,627.95	
PUBLIC WORKS FUNCTIONS					
Streets and Road Maintenance					
Salaries and Wages	638,375.00	638,375.00	618,556.14	19,818.86	
Other Expenses	104,250.00	124,250.00	105,430.11	18,819.89	

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, 2018

	<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>	
Sanitation					
Other Expenses	\$ 515,000.00	\$ 515,000.00	\$ 514,666.34	\$ 333.66	
Public Buildings and Grounds					
Salaries and Wages	561,700.00	556,700.00	546,224.65	10,475.35	
Other Expenses	247,500.00	247,500.00	226,778.90	20,721.10	
LANDFILL/ SOLID WASTE DISPOSAL COSTS					
Landfill					
Other Expenses	445,000.00	445,000.00	403,649.13	41,350.87	
CODE ENFORCEMENT					
Salaries and Wages	92,700.00	92,700.00	87,513.83	5,186.17	
Other Expenses	7,750.00	7,750.00	5,075.00	2,675.00	
HEALTH AND WELFARE					
Visiting Nurse Association	24,730.00	24,730.00	24,729.75	0.25	
Relocation Assistance	1,425.00	1,425.00		1,425.00	
Monmouth County Regional Health Commission	186,000.00	186,000.00	185,852.00	148.00	
Animal Control Services					
Salaries & Wages	55,750.00	55,750.00	51,036.00	4,714.00	
Shade Tree					
Other Expenses	5,000.00	5,000.00	2,500.00	2,500.00	

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Canceled</u>
PARKS AND RECREATION FUNCTIONS:					
Recreation Services and Programs					
Salaries and Wages	\$ 246,588.00	\$ 246,588.00	\$ 224,614.13	\$ 21,973.87	
Other Expenses	86,500.00	86,500.00	76,942.08	9,557.92	
UTILITY EXPENSES AND BULK PURCHASES					
Street Lighting	260,000.00	245,000.00	182,902.70	62,097.30	
Electricity	110,000.00	110,000.00	88,365.08	21,634.92	
Telephone	90,000.00	90,000.00	81,090.99	8,909.01	
Natural Gas	50,000.00	50,000.00	20,361.33	29,638.67	
Gasoline	75,000.00	75,000.00	73,926.42	1,073.58	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4.17)					
Salaries and Wages	359,432.00	359,432.00	307,114.85	52,317.15	
Other Expenses	36,450.00	36,450.00	11,990.63	24,459.37	
Education and Technology					
Salaries and Wages	92,225.00	92,225.00	78,151.00	14,074.00	
Other Expenses	37,991.00	37,991.00	21,431.72	16,559.28	

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, 2018

	<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>
Municipal Court					
Salaries and Wages	\$ 227,300.00	\$ 227,300.00	\$ 221,380.14	\$ 5,919.86	
Other Expenses	34,495.00	34,495.00	25,332.24	9,162.76	
Municipal Prosecutor					
Other Expenses	30,000.00	30,000.00	29,375.00	625.00	
Municipal Public Defender					
Other Expenses	10,000.00	10,000.00	9,960.00	40.00	
Total Operations Within CAPS	<u>15,051,047.00</u>	<u>15,051,047.00</u>	<u>14,309,164.87</u>	<u>741,882.13</u>	
Contingent	1,000.00	1,000.00		1,000.00	
Total Operations Including Contingent Within CAPS	<u>15,052,047.00</u>	<u>15,052,047.00</u>	<u>14,309,164.87</u>	<u>742,882.13</u>	
Detail:					
Salaries and Wages	8,615,816.00	8,615,816.00	8,367,070.19	248,745.81	
Other Expenses	6,436,231.00	6,436,231.00	5,942,094.68	494,136.32	

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, 2018

	<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>
Deferred Charges and Statutory Expenditures Within CAPS					
Statutory Expenditures:					
Public Employees' Retirement System	\$ 404,985.00	\$ 404,985.00	\$ 404,981.51	\$ 3.49	
Social Security System (O.A.S.I.)	410,000.00	410,000.00	409,972.21	27.79	
Police and Firemen's Retirement System	1,130,579.00	1,130,579.00	1,130,579.00		
Defined Contribution Retirement Program	10,000.00	10,000.00	7,838.59	2,161.41	
Deferred Charges and Statutory Expenditures					
Within CAPS	1,955,564.00	1,955,564.00	1,953,371.31	2,192.69	
Total Appropriations Within CAPS	<u>17,007,611.00</u>	<u>17,007,611.00</u>	<u>16,262,536.18</u>	<u>745,074.82</u>	
Operations Excluded from CAPS					
Maintenance of Free Public Library (P.L. 1985, Ch. 82)	729,860.49	729,860.49	571,680.28	158,180.21	
Interlocal Services					
911 Emergency System - Monmouth County	14,310.00	14,310.00	14,309.96	0.04	
Length of Service Awards Program	34,941.00	34,941.00	26,450.00	8,491.00	
Municipal Stormwater Management					
Salaries and Wages	105,000.00	105,000.00	104,194.22	805.78	
Other Expenses	2,500.00	2,500.00	935.52	1,564.48	
Declared State of Emergency Costs for Snow					
Removal N.J.S.A. (40A:4-45.45(b))	58,397.05	58,397.05		58,397.05	
Recycling Tax PL 2007 c. 311	30,000.00	30,000.00	17,633.79	12,366.21	

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, 2018

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Canceled</u>
Tax Appeal Refunds	\$ 80,000.00	\$ 80,000.00	\$ 36,008.58	\$ 43,991.42	
Interlocal Municipal Service Agreements					
Board of Education - Snow Plowing					
Other Expenses	14,011.00	14,011.00			14,011.00
Borough of Little Silver Fire Services					
Salaries and Wages	9,000.00	9,000.00	6,942.50		2,057.50
Other Expenses	2,000.00	2,000.00			2,000.00
Township of Shrewsbury Municipal Court					
Salaries & Wages	5,750.00	5,750.00			5,750.00
Other Expenses	1,250.00	1,250.00	1,106.62		143.38
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	210,088.00	210,088.00			210,088.00
Other Expenses	9,050.00	9,050.00			9,050.00
Recycling Tonnage Grant	16,892.62	16,892.62			16,892.62
NJ Sustainable Jersey Grant	10,000.00	10,000.00			10,000.00
NJ COPS in Shops	3,080.00	3,080.00			3,080.00
Municipal Alcohol Education/Rehabilitation Program		2,013.89			2,013.89
Clean Communities Program		21,388.61			21,388.61

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, 2018

	<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>
Monmouth County Division on Aging, Disabilities & Veteran Services		\$ 2,923.00	\$ 2,923.00		
NJ Forest Service Community Forestry Program		30,000.00	30,000.00		
Drunk Driving Enforcement: Police		7,586.11	7,586.11		
 Total Operations - Excluded from CAPS	<u>\$ 1,365,442.16</u>	<u>1,429,353.77</u>	<u>1,121,595.70</u>	<u>\$ 307,758.07</u>	
Detail:					
Salaries and Wages	347,150.00	347,150.00	338,536.72	8,613.28	
Other Expenses	<u>1,018,292.16</u>	<u>1,082,203.77</u>	<u>783,058.98</u>	<u>299,144.79</u>	
 <u>Capital Improvements Excluded from CAPS</u>					
Capital Improvement Fund	<u>125,000.00</u>	<u>125,000.00</u>	<u>125,000.00</u>		
 Total Capital Improvements Excluded from CAPS	<u>125,000.00</u>	<u>125,000.00</u>	<u>125,000.00</u>		
 <u>Municipal Debt Service Excluded from CAPS</u>					
Payment of Bond Principal	1,693,770.00	1,693,770.00	1,693,764.64		\$ 5.36
Payment of Bond Anticipation Notes and Capital Notes	20,750.00	20,750.00	20,750.00		
Interest on Bonds	404,400.00	404,400.00	404,378.09		21.91
Interest on Notes	37,320.00	37,320.00	37,260.47		59.53
Green Trust Loan Program					
Loan Repayments for Principal and Interest	73,355.00	73,355.00	73,343.80		11.20

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, 2018

	<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>
Capital Lease Obligations					
Principal	\$ 629,075.00	\$ 629,075.00	\$ 629,073.80		\$ 1.20
Interest	<u>120,310.00</u>	<u>120,310.00</u>	<u>118,959.01</u>		<u>1,350.99</u>
Total Municipal Debt Service Excluded from CAPS	<u>2,978,980.00</u>	<u>2,978,980.00</u>	<u>2,977,529.81</u>		<u>1,450.19</u>
Deferred Charges Municipal Excluded from CAPS					
Emergency Authorizations					
Special - 5 Years (N.J.S.A. 40A4-55)	152,400.00	152,400.00	152,400.00		
Deferred Charge - Unfunded - Ordinances	<u>0.70</u>	<u>0.70</u>	<u>0.70</u>		
Total Deferred Charges Municipal Excluded from CAPS	<u>152,400.70</u>	<u>152,400.70</u>	<u>152,400.70</u>		
Total General Appropriations Excluded from CAPS	<u>4,621,822.86</u>	<u>4,685,734.47</u>	<u>4,376,526.21</u>	\$ 307,758.07	<u>1,450.19</u>
Subtotal General Appropriations	21,629,433.86	21,693,345.47	20,639,062.39	1,052,832.89	1,450.19
Reserve for Uncollected Taxes	<u>937,088.50</u>	<u>937,088.50</u>	<u>937,088.50</u>		
Total General Appropriations	<u>\$ 22,566,522.36</u>	<u>\$ 22,630,433.97</u>	<u>\$ 21,576,150.89</u>	<u>\$ 1,052,832.89</u>	<u>\$ 1,450.19</u>

Ref. A-2 A-2/A-3 A-1/A-2/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, 2018

	<u>Ref.</u>	<u>Budget After Modification</u>
Budget	A-2/A-3	\$ 22,566,522.36
Added by N.J.S. 40A:4-87	A-2	<u>63,911.61</u>
	A-3	<u><u>\$ 22,630,433.97</u></u>
		<u>Paid or Charged</u>
Reserve for Uncollected Taxes	A-2	\$ 937,088.50
Disbursements	A-4	19,534,419.33
Reserve for Encumbrances	A-12	573,900.25
Tax Overpayments	A-13	36,008.58
Deferred Charges:		
Special Emergency Authorizations	A-20	152,400.00
Appropriated Reserves for Federal and State Grants	A-22	<u>342,334.23</u>
	A-3	<u><u>\$ 21,576,150.89</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>2018</u>	<u>2017</u>
ASSETS			
Animal Control Trust Fund:			
Cash	B-1	\$ 22,595.22	\$ 20,255.94
		<u>22,595.22</u>	<u>20,255.94</u>
Trust Other Fund:			
Cash	B-1	3,410,191.86	3,351,597.33
Interfund - Parking Operating Fund	B-7	1,487.25	1,231.40
		<u>3,411,679.11</u>	<u>3,352,828.73</u>
Length of Service Awards Program (LOSAP) -			
UNAUDITED:			
Funds Held by Trustee	B-8	<u>790,568.99</u>	<u>843,035.14</u>
Total Assets		<u>\$ 4,224,843.32</u>	<u>\$ 4,216,119.81</u>
LIABILITIES AND RESERVES			
Animal Control Trust Fund:			
Interfund - Current Fund	B-2	\$ 362.12	\$ 4,225.21
Reserve for Animal Control Expenditures	B-3	17,630.43	12,128.08
Due to State of New Jersey	B-4	52.80	56.40
Reserve for Encumbrances	B-5	4,549.87	3,846.25
		<u>22,595.22</u>	<u>20,255.94</u>
Trust Other Fund:			
Various Reserves	B-6	3,346,252.78	3,306,200.56
Reserve for Encumbrances	B-6	62,201.20	34,710.91
Interfund - Current Fund	B-7	3,225.13	2,565.95
Interfund - Payroll Fund	B-7	<u>3,411,679.11</u>	<u>3,352,828.73</u>
Length of Service Awards Program (LOSAP) -			
UNAUDITED:			
Reserve for Length of Service Awards Program	B-9	<u>790,568.99</u>	<u>843,035.14</u>
Total Liabilities and Reserves		<u>\$ 4,224,843.32</u>	<u>\$ 4,216,119.81</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
ASSETS			
Cash	C-2	\$ 3,636,840.28	\$ 4,086,703.72
Investments in Notes	C-4	60,000.00	212,400.00
Grants Receivable	C-5	1,045,321.00	620,321.00
Deferred Charges to Future Taxation:			
Funded	C-7	8,859,667.69	10,621,819.67
Unfunded	C-8	<u>5,108,050.00</u>	<u>2,491,000.70</u>
		<u><u>\$ 18,709,878.97</u></u>	<u><u>\$ 18,032,245.09</u></u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-10	\$ 8,663,000.00	\$ 10,356,769.00
Bond Anticipation Notes Payable	C-11	2,470,250.00	2,491,000.00
Green Trust Loan Payable	C-12	196,667.69	265,050.67
Improvement Authorizations:			
Funded	C-13	2,050,904.40	1,735,266.54
Unfunded	C-13	3,541,756.48	1,873,875.75
Reserve for Encumbrances	C-14	1,035,077.81	374,040.73
Capital Improvement Fund	C-15	175,512.76	182,512.76
Miscellaneous Reserves	C-9	503,313.47	750,276.67
Due Current Fund	C-6	7,529.72	3,452.97
Fund Balance	C-1	<u>65,866.64</u>	<u><u>\$ 18,709,878.97</u></u>
		<u><u>\$ 18,032,245.09</u></u>	

There were bonds and notes authorized but not issued on December 31, 2018 of \$2,637,800.00 (Exhibit C-16)

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

Ref.

Increased by:

Premium on Note Sale	C-2	\$ 22,256.95
Cancel Improvement Authorizations 2004-1	C-13	17,456.33
Cancel Improvement Authorizations 2014-12/2015-13	C-13	<u>26,153.36</u>
Balance, December 31, 2018	C	<u>\$ 65,866.64</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>2018</u>	<u>2017</u>
ASSETS			
<u>Operating Fund</u>			
Cash	D-5	\$ 1,947,112.55	\$ 1,318,333.53
Change Fund	D	225.00	225.00
Due From Water Sewer Capital Fund	D-14	164,053.84	1,315.14
Due From Current Fund	D	3,841.66	
		<u>2,111,391.39</u>	<u>1,323,715.33</u>
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	D-7	797,994.36	578,627.74
Liens Receivable	D-8	513.82	120.44
Water/Sewer Line Repairs Receivable	D-12	27,471.16	27,733.24
		<u>825,979.34</u>	<u>606,481.42</u>
Deferred Charges:			
Overexpenditure of Appropriations	D-4	<u>2,465.62</u>	<u> </u>
Total Operating Fund		<u>2,939,836.35</u>	<u>1,930,196.75</u>
<u>Capital Fund</u>			
Cash	D-5	1,925,598.28	1,521,451.94
Fixed Capital	D-16	18,621,621.10	14,356,458.47
Fixed Capital Authorized and Uncompleted	D-17	15,976,943.00	18,207,111.00
Due from State of New Jersey Environmental Trust	D-27	610,971.00	
Total Capital Fund		<u>36,524,162.38</u>	<u>34,695,992.41</u>
Total Assets		<u>\$ 39,463,998.73</u>	<u>\$ 36,626,189.16</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,

LIABILITIES, RESERVES AND FUND BALANCE	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Operating Fund			
Appropriation Reserves	D-4/D-9	\$ 978,034.43	\$ 296,783.96
Reserve for Encumbrances	D-15	191,996.21	181,293.61
Rent Overpayments	D-10	22,782.39	26,753.08
Accrued Interest on Bonds & Notes	D-11	78,047.38	55,383.01
Reserve for Water/Sewer Line Repairs	D-13	34,225.04	11,202.00
Reserve for Fees for Other Towns	D	43.86	15.00
		<u>1,305,129.31</u>	<u>571,430.66</u>
Reserve for Receivables and Other Assets	D	825,979.34	606,481.42
Fund Balance	D-1	808,727.70	752,284.67
Total Operating Fund		<u>2,939,836.35</u>	<u>1,930,196.75</u>
Capital Fund			
Serial Bonds	D-18	8,252,381.54	9,068,192.67
Bond Anticipation Notes	D-19	3,700,000.00	2,900,000.00
Reserve for Encumbrances	D-21	1,213,571.63	1,354,308.40
Improvement Authorizations:			
Funded	D-20	172,279.98	402,850.43
Unfunded	D-20	1,983,145.14	1,374,812.86
Capital Improvement Fund	D-22	3,074.00	3,074.00
Due to Water Sewer Operating Fund	D-14	164,053.84	1,315.14
Reserve for:			
Amortization	D-23	10,369,239.56	5,288,265.80
Deferred Amortization	D-24	9,001,943.00	13,482,111.00
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	1,366,353.00	610,971.00
Fund Balance	D-2	<u>103,405.80</u>	<u>15,376.22</u>
Total Capital Fund		<u>36,524,162.38</u>	<u>34,695,992.41</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 39,463,998.73</u>	<u>\$ 36,626,189.16</u>

There were Bonds & Notes Authorized but not Issued on December 31, 2018 of \$1,908,647.00. (Exhibit D-29)

The accompanying notes are an integral part of this statement.

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>2018</u>	<u>2017</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-1/D-3	\$ 337,968.58	\$ 239,000.00
Water/Sewer Rents	D-3	6,669,404.05	6,561,152.02
Water/Sewer Connection Fees	D-3	283,300.95	251,572.00
Reserve to Pay Debt	D-3	160,312.79	
Miscellaneous Revenue	D-3	130,989.80	97,072.18
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-9	203,265.44	446,502.07
Overexpenditure of Appropriations	D-4	2,465.62	
Reserve for Water/Sewer Line Repairs Canceled		<u>5,050.00</u>	
 Total Revenue		<u>7,787,707.23</u>	<u>7,600,348.27</u>
 Expenditures:			
Operating	D-4	5,183,079.00	4,955,750.00
Capital Improvements	D-4	50,000.00	50,000.00
Debt Service	D-4	1,181,863.02	1,328,475.00
Statutory Expenditures	D-4	191,470.00	178,300.00
Surplus - General Budget	D-4	555,022.37	481,600.00
Prior Year Surplus - General Budget	D-5	225,200.00	325,000.00
Refund of Prior Year Revenue	D-5	6,661.23	
 Total Expenditures		<u>7,393,295.62</u>	<u>7,319,125.00</u>
 Excess/(Deficit) in Revenue		394,411.61	281,223.27
 Fund Balance January 1	D	<u>752,284.67</u>	<u>710,061.40</u>
 Decreased by:		1,146,696.28	991,284.67
Utilization as Anticipated Revenue	D-1/D-3	<u>337,968.58</u>	<u>239,000.00</u>
 Fund Balance December 31	D	<u>\$ 808,727.70</u>	<u>\$ 752,284.67</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
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 15,376.22
Increased by:		
Premium on Sale of Bond Anticipation Notes	D-5	\$ 33,337.00
Cancel Improvement Authorizations	D-20	<u>54,692.58</u>
		<u>88,029.58</u>
Balance, December 31, 2018	D	<u><u>\$ 103,405.80</u></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 REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2018

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	Excess or (Deficit)
Fund Balance Anticipated	D-1	\$ 337,968.58	\$ 337,968.58	
Water/Sewer Rents	D-1/D-3	6,539,000.00	6,669,404.05	\$ 130,404.05
Water/Sewer Connection Fees	D-1/D-5	66,000.00	283,300.95	217,300.95
Reserve to Pay Debt	D-1	160,312.79	160,312.79	
Miscellaneous Revenue	D-1	<u>99,000.00</u>	<u>130,989.80</u>	<u>31,989.80</u>
		<u><u>\$ 7,202,281.37</u></u>	<u><u>\$7,581,976.17</u></u>	<u><u>\$ 379,694.80</u></u>
	<u>Ref.</u>		D-4	
Water & Sewer Rents:				
Collections	D-7		\$ 6,642,650.97	
Overpayments Applied	D-7/D-10		<u>26,753.08</u>	
	D-3		<u><u>\$ 6,669,404.05</u></u>	
Miscellaneous:				
Miscellaneous Revenue			\$ 77,906.80	
Prior Year Salary & Wages Reimbursement			1,381.68	
Interest on Investments			<u>51,701.32</u>	
	D-1/D-3		<u><u>\$ 130,989.80</u></u>	
Miscellaneous:				
Cash Receipts	D-5		\$ 127,248.75	
Interfund - Water/Sewer Utility Capital Fund	D-14		<u>3,741.05</u>	
	D-1/D-3		<u><u>\$ 130,989.80</u></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, 2018

	Appropriated		Expended			Canceled	Overexpenditure
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>			
Operating:							
Salaries and Wages	\$ 897,947.00	\$ 897,947.00	\$ 868,295.42	\$ 29,651.58			
Other Expenses	1,835,132.00	1,835,132.00	1,563,374.91	271,757.09			
Regional Sewer Authority	1,700,000.00	1,700,000.00	1,215,363.75	484,636.25			
Manasquan River Water Purchase	725,000.00	725,000.00	543,231.82	181,768.18			
Accumulated Absence	25,000.00	25,000.00	25,000.00				
Total Operating	<u>5,183,079.00</u>	<u>5,183,079.00</u>	<u>4,215,265.90</u>	<u>967,813.10</u>			
Capital Improvements:							
Capital Outlay	50,000.00	50,000.00	47,353.40	2,646.60			
Total Capital Improvements	<u>50,000.00</u>	<u>50,000.00</u>	<u>47,353.40</u>	<u>2,646.60</u>			
Debt Service:							
Payment of Bond Principal	815,815.00	815,815.00	815,811.13	\$ 3.87			
Interest on Bonds	352,800.00	352,800.00	309,922.16	42,877.84			
Interest on Notes	45,000.00	45,000.00	47,465.62		\$ 2,465.62		
Capital Lease Payment	9,095.00	9,095.00	8,664.11		430.89		
Total Debt Service	<u>1,222,710.00</u>	<u>1,222,710.00</u>	<u>1,181,863.02</u>		<u>43,312.60</u>		<u>2,465.62</u>
Statutory Expenditures:							
Contribution to:							
Public Employees' Retirement System	129,470.00	129,470.00	129,465.99	4.01			
Social Security System (O.A.S.I.)	60,000.00	60,000.00	52,429.28	7,570.72			
Unemployment Compensation Insurance	2,000.00	2,000.00	2,000.00				
Total Statutory Expenditures	<u>191,470.00</u>	<u>191,470.00</u>	<u>183,895.27</u>	<u>7,574.73</u>			
Surplus (General Budget)	<u>555,022.37</u>	<u>555,022.37</u>	<u>555,022.37</u>				
	<u><u>\$ 7,202,281.37</u></u>	<u><u>\$ 7,202,281.37</u></u>	<u><u>\$ 6,183,399.96</u></u>	<u><u>\$ 978,034.43</u></u>	<u><u>\$ 43,312.60</u></u>	<u><u>\$ 2,465.62</u></u>	

Ref. D-3 D-1/D-3 D D/D-1

Cash Disbursements	D-5	\$ 5,634,015.97
Reserve for Encumbrances	D-15	191,996.21
Accrued Interest	D-11	357,387.78
<u><u>\$ 6,183,399.96</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>2018</u>	<u>2017</u>
<u>Operating Fund</u>			
Cash	E-5	\$ 846,508.38	\$ 986,837.05
Change Fund	E	100.00	100.00
Interfund - Parking Capital	E-21	<u>66.14</u>	<u> </u>
Total Operating Fund		<u>846,674.52</u>	<u>986,937.05</u>
<u>Capital Fund</u>			
Cash	E-5	213,686.13	224,580.49
Fixed Capital	E-7	4,191,488.21	4,191,488.21
Fixed Capital Authorized and Uncompleted	E-8	<u>1,022,000.00</u>	<u>623,070.72</u>
Total Capital Fund		<u>5,427,174.34</u>	<u>5,039,139.42</u>
Total Assets		<u>\$ 6,273,848.86</u>	<u>\$ 6,026,076.47</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,

LIABILITIES, RESERVES AND FUND BALANCE	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Operating Fund</u>			
Appropriation Reserves	E-4/E-9	\$ 189,824.87	\$ 202,088.03
Accrued Interest Payable	E-10	1,310.42	1,145.83
Reserve for Encumbrances	E-11	67,024.39	73,312.72
Accounts Payable	E-19		8,890.45
Interfund - Current	E-21	22,000.00	
Interfund - Trust Other Fund	E-21	1,487.25	1,231.40
Reserve for Parking Fee Variances	E-22	<u>187,725.78</u>	<u>211,936.28</u>
		469,372.71	498,604.71
Fund Balance	E-1	<u>377,301.81</u>	<u>488,332.34</u>
Total Operating Fund		<u>846,674.52</u>	<u>986,937.05</u>
<u>Capital Fund</u>			
Serial Bonds	E-12	250,000.00	260,000.00
Bond Anticipation Notes	E-13	300,000.00	300,000.00
Improvement Authorizations:			
Funded	E-14	50,138.32	56,735.79
Unfunded	E-14	552,521.78	127,288.08
Capital Improvement Fund	E-15	3,400.00	3,400.00
Interfund - Parking Operating	E-20	66.14	
Reserve for Amortization	E-16	4,191,488.21	4,191,488.21
Deferred Reserve for Amortization	E-17	50,000.00	63,070.72
Reserve for Encumbrances	E-18		33,370.45
Reserve for Payment of Bonds	E	3,778.19	3,778.19
Fund Balance	E-2	<u>25,781.70</u>	<u>7.98</u>
Total Capital Fund		<u>5,427,174.34</u>	<u>5,039,139.42</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 6,273,848.86</u>	<u>\$ 6,026,076.47</u>

There were \$422,000 bonds and notes authorized but not issued on December 31, 2018. (Exhibit E-23)

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

For the Years Ended December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	E-3	\$ 299,051.72	\$ 345,201.56
Parking Fees	E-3	1,465,387.30	1,481,878.12
Riverview Hospital Lease Agreement	E-3	320,526.69	349,665.48
Interest on Investments	E-3	3,984.55	5,292.88
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-9	195,956.23	191,999.74
Canceled Accounts Payable	E-19	<u>8,890.45</u>	<u>1,302.00</u>
 Total Revenue		<u>2,293,796.94</u>	<u>2,375,339.78</u>
Expenditures:			
Operating	E-4	854,268.00	846,050.00
Debt Service	E-4	32,453.59	21,916.66
Deferred Charges and Statutory	E-4	57,900.00	50,100.00
Surplus - General Budget	E-4	1,076,154.16	1,135,000.00
Prior Year Surplus - General Budget	E-5	<u>85,000.00</u>	<u>75,000.00</u>
 Total Expenditures		<u>2,105,775.75</u>	<u>2,128,066.66</u>
Excess/(Deficit) in Revenue		188,021.19	247,273.12
 Fund Balance January 1	E	<u>488,332.34</u>	<u>586,260.78</u>
		676,353.53	833,533.90
Decreased by:			
Utilization as Anticipated Revenue	E-1/E-3	<u>299,051.72</u>	<u>345,201.56</u>
 Fund Balance December 31	E	<u>\$ 377,301.81</u>	<u>\$ 488,332.34</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, 2017		E		\$	7.98
Increased by:					
Premium on Bond Anticipation Notes		E-5	\$	2,703.00	
Canceled Improvement Authorization		E-14		<u>23,070.72</u>	
					<u>25,773.72</u>
Balance, December 31, 2018		E		\$	<u>25,781.70</u>

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 REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2018

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	Excess or (Deficit)
Fund Balance Anticipated	E-1	\$ 299,051.72	\$ 299,051.72	
Parking Fees	E-1/E-5	1,375,000.00	1,465,387.30	\$ 90,387.30
Riverview Hospital - Lease Payment	E-1/E-5	349,665.44	320,526.69	(29,138.75)
Interest on Investments	E-1/E-5		3,984.55	3,984.55
		<hr/>	<hr/>	<hr/>
		\$2,023,717.16	\$2,088,950.26	\$ 65,233.10

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, 2018

	Appropriated		Expended		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Canceled</u>
Operating:					
Salaries and Wages	\$ 267,733.00	\$ 267,733.00	\$ 191,192.82	\$ 76,540.18	
Other Expenses	581,535.00	581,535.00	475,896.33	105,638.67	
Accumulated Absence	<u>5,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>		
Total Operating	<u>854,268.00</u>	<u>854,268.00</u>	<u>672,089.15</u>	<u>182,178.85</u>	
Debt Service:					
Payment of Bond Principal	10,000.00	10,000.00	10,000.00		
Interest on Bonds	13,000.00	13,000.00	11,308.34		\$ 1,691.66
Interest on Notes	5,500.00	5,500.00	4,692.49		807.51
Capital Lease	<u>6,895.00</u>	<u>6,895.00</u>	<u>6,452.76</u>		<u>442.24</u>
Total Debt Service	<u>35,395.00</u>	<u>35,395.00</u>	<u>32,453.59</u>		<u>2,941.41</u>
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	37,400.00	37,400.00	37,398.75		1.25
Social Security System (O.A.S.I.)	20,000.00	20,000.00	12,355.23		7,644.77
Unemployment Compensation Insurance	<u>500.00</u>	<u>500.00</u>	<u>500.00</u>		
Total Statutory Expenditures	<u>57,900.00</u>	<u>57,900.00</u>	<u>50,253.98</u>	<u>7,646.02</u>	
Surplus (General Budget)	<u>1,076,154.16</u>	<u>1,076,154.16</u>	<u>1,076,154.16</u>		
	<u>\$ 2,023,717.16</u>	<u>\$ 2,023,717.16</u>	<u>\$ 1,830,950.88</u>	<u>\$ 189,824.87</u>	<u>\$ 2,941.41</u>
	<u>Ref.</u>	<u>E-3</u>	<u>E-3</u>	<u>E</u>	
Cash Disbursements	E-5		\$ 1,747,925.66		
Accrued Interest	E-10		16,000.83		
Reserve for Encumbrances	E-11		<u>67,024.39</u>		
			<u>\$ 1,830,950.88</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>2018</u>	<u>2017</u>
ASSETS			
Cash	F-1	\$ 215,010.20	\$ 91,209.72
Interfund - Trust Other Fund	F-4		9,351.31
Due from IRS	F-5		2,147.36
		<u>\$ 215,010.20</u>	<u>\$ 102,708.39</u>
LIABILITIES			
Payroll Liabilities	F-2	\$ 150,051.60	\$ 88,911.52
Miscellaneous	F-2	13,004.85	13,241.61
Interfund - Current Fund	F-3	<u>51,953.75</u>	<u>555.26</u>
		<u>\$ 215,010.20</u>	<u>\$ 102,708.39</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>2018</u>	<u>2017</u>
General Fixed Assets:			
Land and Buildings	G-1	\$ 9,979,131.00	\$ 12,027,756.00
Furniture, Fixtures and Equipment	G-1	<u>10,828,545.60</u>	<u>13,310,637.15</u>
		<u><u>\$ 20,807,676.60</u></u>	<u><u>\$ 25,338,393.15</u></u>
Investments in General Fixed Assets	G-1	<u><u>\$ 20,807,676.60</u></u>	<u><u>\$ 25,338,393.15</u></u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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, and the Public Library are reported separately based on management’s interpretation of Government Accounting Standard Board (“GASB”) Standard No. 61.

A. Reporting Entity

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

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

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

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.

In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary exhibits. 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:

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

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Accounting: (continued)

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.

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.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 GUDPA.

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.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2018 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.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. General Fixed Assets

Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed asset reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to June 30, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the fiscal year, must be included in the Borough's basic financial statements.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. General Fixed Assets (continued)

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

P. Fixed Assets - Utility

Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

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

In 2018, management adopted GASB 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.

In 2018, management adopted GASB 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]).

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

At December 31, 2018, the Borough's deposits had a carrying amount of \$19,798,731.62.

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 GUDPA, 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, 2018, the Borough's bank balances of \$706,646.13 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 750,000.00
Insured by GUDPA	18,708,463.78
Uninsured and Uncollateralized	<u>706,646.13</u>
Total	\$ <u>20,165,109.91</u>

Investments

The Borough's general capital fund contains an investment in current fund special emergency notes in the amount of \$60,000.00. The Note is an interest free internal note due from the Borough's current fund. The note matures on May 24, 2019 in the amount of \$60,000.00. There is no custodial, interest rate, credit or concentration of credit risk associated with this type of investment.

NOTE 3 PROPERTY TAXES

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

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 3 PROPERTY TAXES (continued)

Comparison Schedule of Tax Rates

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$ 2.187</u>	<u>\$ 2.110</u>	<u>\$ 2.107</u>
Apportionment of Tax Rate:			
Municipal - Local Purpose	0.589	0.561	0.551
Municipal Library	0.034	0.034	0.033
County - General	0.254	0.260	0.267
County - Open Space	0.029	0.015	0.015
Local School	0.827	0.802	0.796
Regional School	0.454	0.438	0.445

Assessed Valuation (Net Valuation Taxable)

Net Valuation Table

2018	\$ 2,136,180,157.00
2017	\$ 2,122,308,781.00
2016	\$ 2,078,099,910.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	Percentage	
			of <u>Collection</u>	of <u>Collection</u>
2018	\$ 47,637,767.52	\$ 46,724,109.10	98.08%	
2017	45,472,480.51	44,890,549.86	98.72%	
2016	44,570,413.65	43,730,097.83	98.11%	

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	Percentage	
				of <u>Tax Levy</u>	of <u>Tax Levy</u>
2018	\$ 27,946.24	\$ 848,973.11	\$ 876,919.35	1.84%	
2017	4,563.80	567,720.66	572,284.46	1.26%	
2016	4,556.14	880,826.69	885,382.83	1.99%	

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 4 PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

NOTE 5 WATER & SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2018	\$ 578,627.74	\$ 6,889,164.05	\$ 7,467,791.79	\$ 6,669,404.05	89.31%
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%

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>			
2018	\$ 1,938,032.40	\$ 1,485,000.00	76.62%
2017	1,927,488.32	1,617,456.63	83.92%
2016	1,595,552.17	1,450,000.00	90.88%
<u>Water/Sewer Utility Operating Fund:</u>			
2018	\$ 808,727.70	\$ 439,809.00	54.38%
2017	752,284.67	337,968.58	44.93%
2016	710,061.40	239,000.00	33.66%
<u>Parking Utility Fund:</u>			
2018	\$ 377,301.81	\$ 283,040.71	75.02%
2017	488,332.34	299,051.72	61.24%
2016	586,260.78	345,201.56	58.88%

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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, 2018:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 87,078.27	\$ 8,076.47
State and Federal Grant Fund	6,068.92	
Animal Control Fund		362.12
Payroll Trust		51,953.75
Trust Other Fund		3,225.13
General Capital Fund		7,529.72
Water/Sewer Operating Fund	164,053.84	
Water/Sewer Capital Fund		164,053.84
Parking Operating Fund	66.14	22,000.00
Parking Capital Fund	<hr/> <hr/>	<hr/> <hr/>
	<hr/> <hr/>	<hr/> <hr/>
	<u>\$ 257,267.17</u>	<u>\$ 257,267.17</u>

The purpose of these interfunds was short-term borrowings. During the year 2019, 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, 2018

NOTE 8 FIXED ASSETS

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

	Balance December 31, <u>2017</u>	Additions	Deletions	Adjustment	Balance December 31, <u>2018</u>
Land and Buildings	\$ 12,027,756.00			\$ 2,048,625.00	\$ 9,979,131.00
Vehicles & Equipment	<u>13,310,637.15</u>	<u>\$ 113,242.90</u>	<u>\$ 22,151.00</u>	<u>2,573,183.45</u>	<u>10,828,545.60</u>
	<u><u>\$ 25,338,393.15</u></u>	<u><u>\$ 113,242.90</u></u>	<u><u>\$ 22,151.00</u></u>	<u><u>\$ 4,621,808.45</u></u>	<u><u>\$ 20,807,676.60</u></u>

NOTE 9 PENSION PLANS

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th 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

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 9 PENSION PLANS (continued)

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

Plan Description (continued)

benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2018, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers were credited with the full payment and any such amounts were not included in their unfunded liability. The actuaries determined the unfunded liability of the retirement system, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is paid by the employer in level annual payments over a period of 15 years, which began with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2018, the Borough's contributions to the PERS were \$563,365.

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

Net Pension Liability - At December 31, 2018, the Borough reported a liability of \$11,857,484 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The Borough's proportion of the net pension liability was based on

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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)

the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Borough's proportion measured as of June 30, 2018, was 0.0602223700% which was a decrease of .0005903604% from its proportion measured as of June 30, 2017.

Pension Expense - At December 31, 2018, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2018 measurement date is \$657,322. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1.

Deferred Outflows and Deferred Inflows of Resources, and Pension Expense - At December 31, 2018 the State reported deferred outflows of resources and deferred inflows from resources attributable to the Borough from the following sources:

Deferred Outflows/Inflows of Resources - At December 31, 2018, the Borough reported deferred outflows of resources and deferred inflows of resources related to the PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 226,124	\$ 61,141
Changes in Assumptions	1,953,917	3,791,393
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments		111,224
Changes in Proportion	<u>1,184,210</u>	<u>772,728</u>
	<u><u>\$ 3,364,251</u></u>	<u><u>\$ 4,736,486</u></u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 9 PENSION PLANS (continued)

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

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

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

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, 5.48 and 5.63 for the years 2014, 2015, 2016, 2017 and 2018, respectively.

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

<u>Year Ending</u> <u>December 31,</u>	<u>PERS</u>
2019	\$ 157,034
2020	(74,802)
2021	(632,368)
2022	(681,709)
2023	<u>(251,403)</u>
	<u><u>\$ (1,483,248)</u></u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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)

Pension Expense and Deferred Outflows/Inflows of Resources (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	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%

Preretirement 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 Conduent modified 2014 projection scale. Postretirement 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. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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)

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

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

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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 (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real 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	8.25%	13.08%

Discount Rate - The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation 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 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 9 PENSION PLANS (continued)

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

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	1% Decrease <u>(4.66%)</u>	Current Discount Rate <u>(5.66%)</u>	1% Increase <u>(6.66%)</u>
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 24,157,886</u>	<u>\$ 19,212,803</u>	<u>\$ 15,064,195</u>

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.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 9 PENSION PLANS (continued)

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

Supplementary Pension Information (continued)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Borough's proportion of the net pension liability	0.0562832775%	0.0534817949%	0.0577696141%	0.0608127304%	0.0602223700%
Borough's proportionate share of the net pension liability	\$ 12,158,476	\$ 12,005,591	\$ 17,109,703	\$ 14,156,232	\$ 11,857,484
Borough's covered-employee payroll	\$ 3,668,311	\$ 3,925,291	\$ 4,187,753	\$ 4,209,473	\$ 4,321,592
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%	274.38%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Contribution	\$ 424,083	\$ 535,353	\$ 459,800	\$ 513,217	\$ 563,365
Contributions in Relation to the contractually Required Contribution	<u>424,083</u>	<u>535,353</u>	<u>459,800</u>	<u>513,217</u>	<u>563,365</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Borough's covered-employee payroll	\$ 3,668,311	\$ 3,925,291	\$ 4,187,753	\$ 4,209,473	\$ 4,321,592
Contribution as a percentage of covered-employee payroll	11.56%	13.64%	10.98%	12.19%	13.04%

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 9 PENSION PLANS (continued)

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

Plan Description - The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey (the State), 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/financial-reports.shtml.

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

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, 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, 2018

NOTE 9 PENSION PLANS (continued)

B. Police and Firemen's Retirement System (PFRS) (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 2018, the State contributed an amount less than the actuarially determined amount.

The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers were credited with the full payment and any such amounts were not included in their unfunded liability. The actuaries determined the unfunded liability of the retirement system, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years, which began with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2018, the Borough's contributions to PFRS was \$1,084,896. 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, 2018, the Borough's proportionate share of the PFRS net pension liability is valued to be \$16,565,834. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Borough's proportion measured as of June 30, 2018, was 0.1224228778%, which was a decrease of .0053234974% from its proportion measured as of June 30, 2017.

Pension Expense - At December 31, 2018, the Borough's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2018 measurement date is \$1,280,959. 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, 2018

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 168,536	\$ 68,553
Changes in Assumptions	1,421,954	4,245,537
Net Difference between Projected and Actual Earnings on Pension Plan Investments		90,630
Changes in Proportion	<u>962,310</u>	<u>1,047,572</u>
	<u><u>\$ 2,552,800</u></u>	<u><u>\$ 5,452,292</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, 5.59 and 5.73 for the years 2014, 2015, 2016, 2017 and 2018, respectively.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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 deferred outflows of resources and deferred inflows of resources related to the PFRS that will be recognized in future periods:

<u>Year Ending</u> <u>December 31,</u>	<u>PFRS</u>
2019	\$ 81,162
2020	(437,442)
2021	(1,309,167)
2022	(1,021,944)
2023	<u>(383,308)</u>
	<u><u>\$ (3,070,699)</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	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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 (continued)

Preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

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

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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 (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real 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	8.25%	13.08%

Discount Rate - The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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 (continued)

that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2062 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 or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation.

The State's proportionate share of the PFRS net pension liability attributable to the Borough is \$2,250,195 as of December 31, 2018. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2018 was 0.1224228778%, which was a decrease of .0053234974% from its proportion measured as of June 30, 2017, which is the same proportion as the Borough's. At December 31, 2018, the Borough's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 16,565,834
State of New Jersey's Proportionate Share of the Net Pension Liability Attributable to the Borough	<u>2,250,195</u>
	<u>\$ 18,816,029</u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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 (5.51%) or 1-percentage-point higher (7.51%) than the current rate:

	1% Decrease <u>(5.51%)</u>	Current Discount Rate <u>(6.51%)</u>	1% Increase <u>(7.51%)</u>
Borough's Proportionate Share of the Net Pension Liability	\$ 22,171,313.08	\$ 16,565,834.00	\$ 11,942,334.80
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>3,011,605.66</u>	<u>2,250,194.17</u>	<u>1,622,168.38</u>
	<u><u>\$ 25,182,918.74</u></u>	<u><u>\$ 18,816,028.17</u></u>	<u><u>\$ 13,564,503.18</u></u>

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

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.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 9 PENSION PLANS (continued)

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

Supplementary Pension Information (continued)

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Borough's proportion of the net pension liability	0.1237943358%	0.1142101293%	0.1262856294%	0.1277463752%	0.1224228778%
Borough's proportionate share of the net pension liability	\$ 15,572,179	\$ 19,023,426	\$ 24,123,786	\$ 19,721,571	\$ 16,565,834
Borough's covered-employee payroll	\$ 3,640,526	\$ 4,001,065	\$ 4,144,728	\$ 4,122,026	\$ 4,196,109
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%	394.79%
Plan fiduciary net position as a percentage of the total pension liability	62.41%	56.31%	52.01%	58.60%	62.48%

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Contribution	\$ 892,521	\$ 950,826	\$ 928,358	\$ 1,029,658	\$ 1,130,579
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>	<u>1,130,579</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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	\$ 4,196,109
Contribution as a percentage of covered-employee payroll	24.52%	23.76%	22.40%	24.98%	24.98%

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 10 POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

General Information about the OPEB Plan

Plan description – the Borough provides post-employment health care benefits (OPEB) for retired employees by administering a single-employer defined benefit plan (“the Plan”) in accordance with New Jersey Statute 40A:10-23. No assets are accumulated in a trust that meets the criteria in paragraph 4 of statement 75. The costs of the plan are funded on a pay-as-you-go basis. The Borough does not issue a separate financial report for the retiree healthcare plan.

Benefits provided – the plan provides medical, prescription drug, dental and vision benefits to eligible retirees. Benefit provisions are established through collective bargaining agreements and other Borough agreements.

Benefits provided – the plan provides medical, hospital, dental, and co-pay prescription insurance coverage. The complete benefit plan is on file in the Borough’s Administrative office.

Eligibility requirements – Borough employees are eligible for all coverage upon retirement from active service after completing 25 years of service in the New Jersey Public Employees Retirement System, fifteen with the Borough. They are eligible for coverage upon disability retirement or death while in active service after completing 10 years of service. They are not eligible for dental and vision benefits. Retiree coverage continues for the life of the retiree. Spouse and surviving spouse coverage continues for the life of the spouse. Dependent child coverage continues until age 26 for full-time students.

Members of the police department are eligible for all coverage upon retirement from active service after completing 25 years of service in the New Jersey Police and Fire Retirement System. They are eligible for all coverages upon disability retirement or death while in active service after completing 10 years of service. Retiree coverage continues for the life of the retiree. Spouse and surviving spouse coverage continues for the life of the spouse. Dependent child coverage continues until age 26 for full-time students.

Eligibility requirements are also subject to the following requirements:

Employees hired after January 1, 2018 shall not be entitled to retiree health benefits

For employees hired prior to January 1, 2018, in accordance with N.J.S.A. 40A:10-23, the Borough will provide paid medical benefits for the retiring employee and spouse for those employees as follows:

- Retire on a disability pension approved by the Public Employees Retirement System;
- Retire with twenty-five (25) years of service credit in the Public Employees Retirement System with the last twenty (20) consecutive year of employment with the Borough at the time of retirement;
- Upon reaching the age of sixty-two (62) years of age or older with the last twenty (20) years of service credit in the Public Employees Retirement System with the last (15) years of service with the Borough at the time of retirement.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 10 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (Continued)

General Information about the OPEB Plan (continued)

- If the retiree is eligible for free insurance through other employment, the Borough will no carry him/her. The retiree would be required to sign an affidavit stating that he/she does not have other coverage. This shall apply to those who retire after January 1, 1982;
- Any other full-time employee may continue on a full contributory basis;
- Part-time employees who have participated in the Borough’s Group Health Plan during employment may continue in the plan on a full contributory basis upon retirement.

Employee contributions for the year ended December 31, 2018 were \$519,684.21.

Employees covered by benefit terms – At December 31, 2018 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently eligible for coverage	122
Active employees currently electing coverage	<u>103</u>
	<u>225</u>

Total OPEB Liability

The Borough’s OPEB liability of \$57,017,555 was measured as of December 31, 2018, and was determined by an actuarial valuation of that date.

Actuarial Assumptions and other inputs - The total OPEB Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary Increases	2.5% average salary increase for Entry Age Normal
Discount Rate	3.8%
Healthcare cost trend rates	5.8% decreasing .01 percent per year to an ultimate rate of 5% for 2026 and later years
Retirees’ share of benefit-related costs	Based on Chapter 78 contribution formulas for PERS

The discount rate was based on the 20-year Bond Buyer index.

Mortality rates are based on the RP 2000 combined healthy male mortality rates set forward three years.

The valuation is based on the Entry Age Normal Funding Method based on a level percentage of salary. In 2018 the covered payroll was \$8,039,000.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 10 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (Continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2017	<u>\$ 55,270,570</u>
Annual Service Cost	\$ 853,527
Interest	2,272,811
Benefit Payments	<u>(1,379,353)</u>
Net Changes	<u>1,746,985</u>
Balance at December 31, 2018	<u><u>\$ 57,017,555</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Borough, as well as what the Borough’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.1%) or 1-percentage-point higher (5.1%) than the current discount rate:

	1% decrease (3.1%)	Discount Rate (4.1%)	1% Increase (5.1%)
Total OPEB Liability	<u>\$ 62,510,662</u>	<u>\$ 57,017,555</u>	<u>\$ 52,436,060</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The following presents the total OPEB liability of the Borough, as well as what the Borough’s total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage-point lower (4.8% decreasing to 4%) or 1-percentage-point higher (6.8% decreasing to 6%) than the current discount rate:

	Healthcare		
	1% decrease (4.8% decreasing to 4%)	Cost Trend Rates (5.8% decreasing to 5%)	1% Increase (6.8% decreasing to 6%)
Total OPEB Liability	<u>\$ 53,158,924</u>	<u>\$ 57,017,555</u>	<u>\$ 61,686,374</u>

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Borough reported OPEB expenditures of \$3,126,338. At December 31, 2018 the Borough reported deferred outflows and deferred inflows of resources related to OPEB of \$0.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 10 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”)
(Continued)

**Schedule of Changes in the Township's
Total OPEB Liability and Related Ratios
Last 10 Fiscal years**

	2018
Total OPEB liability	
Service cost	\$ 853,527
Interest	2,272,811
Benefit payments	<u>(1,379,353)</u>
Net change in total OPEB liability	<u>1,746,985</u>
Total OPEB liability-beginning	<u>55,270,570</u>
Total OPEB liability-ending	<u><u>\$ 57,017,555</u></u>
 Covered-employee payroll	 \$ 8,039,000
 Total OPEB liability as a percentage of covered-employee payroll	 709.26%

Notes to Schedule:

Changes in Benefit terms: None

Changes in Assumptions: None

NOTE 11 BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2018, the Borough had authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 2,637,800.00
Water/Sewer Utility Capital Fund	1,908,647.00
Parking Utility Capital Fund	<u>422,000.00</u>
Total	<u><u>\$ 4,968,447.00</u></u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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.

The Borough's long-term debt consisted of the following at December 31, 2018:

General Serial Bonds

\$540,000 2011 Pension Early Retirement Incentive Refunding Bonds due in annual installments of \$65,000 to \$81,000 through 2021 at interest rates ranging from 5.10% to 5.70%.	\$ 221,000.00
\$5,637,000 2012 bonds due in annual installments of \$405,000 to \$612,000 through October 2025 at an interest rate of 2.00%.	3,587,000.00
\$5,785,000 2015 bonds due in annual installments of \$340,000 to \$555,000 through 2029 at an interest rate of 5.00%.	<u>4,855,000.00</u>
	<u><u>\$ 8,663,000.00</u></u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 12 LONG-TERM DEBT (continued)

Water/Sewer Utility Capital Bonds

\$680,000 2009 Series A NJEIT Trust Loan Bonds due in annual installments ranging from \$35,000 to \$50,000 through August, 2029 at interest rates ranging from 3.50% to 4.00%.	\$ 460,000.00
\$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 0.00%.	380,381.54
\$2,662,000 2012 bonds due in annual installments of \$155,000 to \$252,000 through October, 2027 at interest rates ranging from 2.00% to 2.10%.	1,862,000.00
\$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%	3,385,000.00
\$3,084,478.50 2015 Refunding Bonds due in annual installments of \$525,000 to \$555,000 through 2022 at interest rates ranging from 4.00% to 5.00%.	<u>2,165,000.00</u>
	<u>\$ 8,252,381.54</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>\$ 250,000.00</u>
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BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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
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	970,000.00	203,840.00	1,173,840.00
2024-2028	3,597,000.00	547,980.00	4,144,980.00
2029	<u>555,000.00</u>	<u>27,750.00</u>	<u>582,750.00</u>
Totals	<u>\$ 8,663,000.00</u>	<u>\$ 1,899,605.00</u>	<u>\$ 10,562,605.00</u>

Year	Water/Sewer Utility Capital Fund		
	Principal	Interest	Total
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	454,580.13	154,864.50	609,444.63
2024-2028	2,299,900.65	549,048.00	2,848,948.65
2029-2033	1,264,580.24	222,825.00	1,487,405.24
2034-2035	<u>520,000.00</u>	<u>27,300.00</u>	<u>547,300.00</u>
Total	<u>\$ 8,252,381.54</u>	<u>\$ 1,902,220.50</u>	<u>\$ 10,154,602.04</u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 12 LONG-TERM DEBT (continued)

Year	Parking Utility Capital Fund		
	Principal	Interest	Total
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	10,000.00	8,850.00	18,850.00
2024-2028	75,000.00	34,250.00	109,250.00
2029-2033	85,000.00	16,675.00	101,675.00
2034-2035	<u>40,000.00</u>	<u>2,100.00</u>	<u>42,100.00</u>
	<u>\$250,000.00</u>	<u>\$102,275.00</u>	<u>\$352,275.00</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% \$45,719.95

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% 45,719.95

Green Trust Loan Program for the Waterfront Acquisition. Principal is paid semiannually. Annual debt service requirements for principal range from \$5,525.06 to \$9,101.34 through 2029, interest rate of 2.000% 105,227.79

\$196,667.69

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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
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	9,855.45	1,305.17	11,160.62
2024-2028	52,329.49	3,473.59	55,803.08
2029	5,525.06	55.25	5,580.31
	<u>\$ 196,667.69</u>	<u>\$ 13,793.56</u>	<u>\$ 210,461.25</u>

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
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	150,205.30	19,763.90	169,969.20
2024-2026	304,658.40	31,115.80	335,774.20
Total	<u>\$ 2,127,990.50</u>	<u>\$ 312,812.26</u>	<u>\$ 2,440,802.76</u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 12 LONG-TERM DEBT (continued)

Capital Leases (continued)

<u>Water/Sewer Utility Capital Fund</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	2,174.90	338.78	2,513.68
2024-2027	5,927.20	650.12	6,577.32
Total	\$ 36,686.50	\$ 5,727.32	\$ 42,413.82

<u>Parking Utility Capital Fund</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,619.80	252.32	1,872.12
2024-2027	4,414.40	484.16	4,898.56
Total	\$ 27,323.00	\$ 4,265.52	\$ 31,588.52

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 12 LONG-TERM DEBT (continued)

Changes in Outstanding Long-Term Debt

Transactions for the year ended December 31, 2018 are summarized as follows:

	Balance December 31, 2017	Deductions	Balance December 31, 2018
<u>General Capital Fund</u>			
Serial Bonds	\$ 10,356,769.00	\$ 1,693,769.00	\$ 8,663,000.00
Green Trust Loans	<u>265,050.67</u>	<u>68,383.01</u>	<u>196,667.66</u>
	<u>10,621,819.67</u>	<u>1,762,152.01</u>	<u>8,859,667.66</u>
<u>Water/Sewer Utility Capital Fund</u>			
Serial Bonds	<u>9,068,192.67</u>	<u>815,811.13</u>	<u>8,252,381.54</u>
<u>Parking Utility Capital Fund</u>			
Serial Bonds	<u>260,000.00</u>	<u>10,000.00</u>	<u>250,000.00</u>
	<u><u>\$ 19,950,012.34</u></u>	<u><u>\$ 2,587,963.14</u></u>	<u><u>\$ 17,362,049.20</u></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, 2018 was 0.622%. The Borough's remaining borrowing power is 2.878%. 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, 2018

NOTE 13 SHORT-TERM DEBT (continued)

Bond Anticipation Notes (continued)

On December 31, 2018, 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 Various Capital Equipment and Completion of Various Capital Projects	12/12/18	12/11/19	\$ 679,250.00	3.25%
Improvements to Count Basie/East Side Park	12/12/18	12/11/19	375,500.00	3.25%
Various Roadway Improvements	12/12/18	12/11/19	468,000.00	3.25%
2017 Road Program	12/12/18	12/11/19	<u>947,500.00</u>	3.25%
			<u><u>\$2,470,250.00</u></u>	
<u>Water/Sewer Utility Fund</u>				
Acquisition and Installation of Water Meters	12/12/18	12/11/19	\$1,900,000.00	3.25%
Various Improvements by Water/Sewer Utility	12/12/18	12/11/19	400,000.00	3.25%
Various Water/Sewer Improvements	12/12/18	12/11/19	<u>1,400,000.00</u>	3.25%
			<u><u>\$3,700,000.00</u></u>	
<u>Parking Utility Fund</u>				
Various Parking Utility Improvements	12/12/18	12/11/19	<u>\$ 300,000.00</u>	3.25%

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

NOTE 13 SHORT-TERM DEBT (continued)

Bond Anticipation Notes (continued)

Changes in Bond Anticipation Notes

	Balance Dec. 31, 2017	Additions	Deductions	Balance Dec. 31, 2018
General Capital Fund	\$ 2,491,000.00	\$ 2,470,250.00	\$ 2,491,000.00	\$ 2,470,250.00
Water/Sewer Utility Capital Fund	2,900,000.00	3,700,000.00	2,900,000.00	3,700,000.00
Parking Utility Capital Fund	300,000.00			300,000.00
	\$ 5,691,000.00	\$ 6,170,250.00	\$ 5,391,000.00	\$ 6,470,250.00

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, 2018, 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>
2014 Tax Revaluation	5/25/2017	5/24/2019	\$ 60,000.00	0.00%

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 14 SUMMARY OF MUNICIPAL DEBT

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 11,329,917.69	\$ 13,112,819.67	\$ 13,079,468.76
Water/Sewer Utility:			
Bonds, Notes and Loans	13,318,734.54	12,579,163.67	12,031,020.30
Parking Utility			
Bonds, Notes and Loans	<u>550,000.00</u>	<u>560,000.00</u>	<u>270,000.00</u>
Total Debt Issued	<u>25,198,652.23</u>	<u>26,251,983.34</u>	<u>25,380,489.06</u>
Authorized but Not Issued:			
General:			
Bonds, Notes and Loans	2,637,800.00	0.70	0.70
Water/Sewer Utility:			
Bonds, Notes and Loans	1,908,647.00	1,214,029.00	1,825,000.00
Parking Utility			
Bonds, Notes and Loans	<u>422,000.00</u>	<u> </u>	<u> </u>
Total Authorized but Not Issued	<u>4,968,447.00</u>	<u>1,214,029.70</u>	<u>1,825,000.70</u>
Total Gross Debt	<u>\$ 30,167,099.23</u>	<u>\$ 27,466,013.04</u>	<u>\$ 27,205,489.76</u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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	\$ 1,245,000.00	\$ 1,245,000.00	-
Regional School District	8,508,418.35	8,508,418.35	-
General Debt	13,967,717.69	297,584.43	\$ 13,670,133.26
Water/Sewer Utility Debt	15,227,381.54	15,227,381.54	-
Parking Utility Debt	<u>972,000.00</u>	<u>972,000.00</u>	-
	<u><u>\$ 39,920,517.58</u></u>	<u><u>\$ 26,250,384.32</u></u>	<u><u>\$ 13,670,133.26</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, 2018 was 0.622% as calculated below. The Borough's remaining borrowing power is 2.878%.

Net Debt \$13,670,133.26 divided by the equalized valuation basis per N.J.S.A. 40A:2-2 as amended, \$2,197,656,211.67 equals 0.622%.

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

3-1/2% Equalized Valuation Basis Municipal	\$ 76,917,967.41
Net Debt	<u>13,670,133.26</u>
Remaining Borrowing Power	<u><u>\$ 63,247,834.15</u></u>

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	\$ 7,244,007.59
Deductions:	
Operating and Maintenance Costs	\$ 5,374,549.00
Debt Service	<u>1,181,863.02</u>
Total Deductions	<u><u>6,556,412.02</u></u>
Excess in Revenue	<u><u>\$ 687,595.57</u></u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 14 SUMMARY OF MUNICIPAL DEBT (continued)

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	\$ 1,789,898.54
Deductions:	
Operating and Maintenance Costs	\$ 912,168.00
Debt Service	<u>32,453.59</u>
Total Deductions	<u>944,621.59</u>
Excess in Revenue	<u><u>\$ 845,276.95</u></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.

NOTE 16 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2018, the following deferred charges are shown on the Balance Sheets of the various funds:

	Balance December 31, 2018	2019 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Special Emergency Authorizations (40A:4-55)	<u>\$ 80,000.00</u>	<u>\$ 80,000.00</u>	<u><u>\$ -</u></u>
	<u><u>\$ 80,000.00</u></u>	<u><u>\$ 80,000.00</u></u>	<u><u>\$ -</u></u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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>December 31, 2018</u>	<u>December 31, 2017</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>
Balance of Tax	\$ 8,612,672.17	\$ 8,282,862.67	\$ 4,846,976.18	\$ 4,645,790.64
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>\$ 2,355,947.67</u>	<u>\$ 2,026,138.17</u>	<u>\$ 630,419.82</u>	<u>\$ 429,234.28</u>

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 Protection 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 2018, 2017, and 2016.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

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 \$1,745,260.91 at December 31, 2018. 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, 2018, 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, 2018 was \$45,629.47.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

NOTE 21 SUBSEQUENT EVENTS

On May 22, 2019, the Borough adopted ordinance 2019-21 providing for the 2019 capital improvement program, appropriating \$3,000,000. The ordinance authorizes bond or notes in the amount of \$2,685,000, a NJ Department of Transportation grant in the amount of \$290,000 and from the capital improvement fund \$25,000.

The Borough has evaluated subsequent events occurring after December 31, 2018 through the date of November 26, 2019, which is the date the financial statements were available to be issued.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH
PART II
SUPPLEMENTARY EXHIBITS
FOR THE YEAR ENDED DECEMBER 31, 2018

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

SCHEDULE OF CASH

	Ref.	Current Fund	Grant Fund
Balance, December 31, 2017	A	\$ 9,125,469.31	\$ 148,029.69
Increased by Receipts:			
Non-Budget Revenues	A-2	\$ 195,311.53	
Taxes Receivable	A-5	44,451,519.10	
Revenue Accounts Receivable	A-8	7,210,994.90	
State of New Jersey (Ch. 20, P.L. 1971)	A-9	45,865.76	
Due to State of New Jersey - Marriage License Fees	A-10	3,325.00	
Due to State of New Jersey - Training Fees	A-10	37,335.00	
Tax Overpayments	A-13	376,485.08	
Prepaid Taxes	A-14	362,944.27	
Payment in Lieu of Taxes Receivable	A-15	192,719.18	
Interfund - Federal and State Grant Fund	A-22	73,237.19	
Interfunds	A-23	15,507.10	
Due to State of New Jersey - Burial Permits	A-4	25.00	
Due to Monmouth County Regional Health	A	1,075.00	
		<u>52,966,344.11</u>	<u>296,949.49</u>
		62,091,813.42	444,979.18
Decreased by Disbursements:			
2018 Budget Appropriations	A-3	19,534,419.33	
Due to State of New Jersey - Marriage License Fees	A-10	4,075.00	
Due to State of New Jersey - Training Fees	A-10	40,402.00	
2017 Appropriation Reserves	A-11	1,036,926.56	
Refund of Tax Overpayments	A-13	40,723.11	
County Taxes Payable	A-16	6,059,366.60	
Local School District Tax	A-17	17,327,559.50	
Regional High School Tax Payable	A-18	9,492,766.46	
Special Improvement District Taxes	A-19	532,120.00	
Interfund - Federal and State Grant Fund	A-22	219,328.88	
Interfunds	A-23	57,074.83	
Various Reserves	A-24	83,399.73	
Special Emergency Notes Payable	A-25	152,400.00	
Due to State of New Jersey - Burial Permits	A-4	25.00	
Refund of Prior Year Revenue	A-1	60.00	
		<u>54,580,647.00</u>	<u>374,956.88</u>
Balance, December 31, 2018	A	<u>\$ 7,511,166.42</u>	<u>\$ 70,022.30</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

Year	Balance December 31,		Collections		Transferred to Tax Title Liens	Senior Citizens and Veterans	Tax Overpayments Applied	Canceled, Remitted or Abated	Balance December 31,	
	2017	2018 Levy	2017	2018					2018	2018
2016	\$ 4.54			\$ 0.33					\$ 4.21	
2017	\$ 567,716.12			\$ 556,464.81	\$ 10,080.50			\$ 1,165.49		\$ 5.32
	567,720.66			556,465.14	10,080.50			1,165.49		9.53
2018		\$ 47,637,767.52	\$ 2,397,889.91	\$ 43,895,053.96	10,156.28	\$ 45,250.00	\$ 385,915.23	54,538.56		\$ 848,963.58
		\$ 567,720.66	\$ 47,637,767.52	\$ 2,397,889.91	\$ 44,451,519.10	\$ 20,236.78	\$ 45,250.00	\$ 385,915.23	\$ 55,704.05	\$ 848,973.11

Ref. A A-5 A-2/A-14 A-2/A-4 A-6 A-2/A-9 A-2/A-13 A

Analysis of 2018 Property Tax Levy

Ref.

Tax Yield:

General Purpose Tax		\$ 46,718,261.94
Special District Taxes		534,117.14
Added and Omitted Tax		359,492.37
6% Penalty		25,896.07
	A-5	<u>\$ 47,637,767.52</u>

Tax Levy:

Regional High School Tax	A-18	\$ 9,693,952.00
Local District School Tax	A-17	17,657,369.00

County Taxes:

County Tax	A-16	\$ 5,433,426.88
County Open Space Tax	A-16	605,947.33
Due County for Added and Omitted Taxes	A-16	<u>46,202.92</u>
Total County Taxes		6,085,577.13

Special District Taxes	A-19	532,120.00
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Local Tax for Municipal Purposes	A-2	12,579,301.12
Minimum Library Tax	A-2	729,860.49
Add: Additional Tax Levied		<u>359,587.78</u>
		<u>13,668,749.39</u>

A-5 \$ 47,637,767.52

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 4,563.80
Increased by:		
Transfer from Taxes Receivable	A-5	\$ 20,236.78
Interest and Cost of Tax Sale		<u>3,145.66</u>
		<u>23,382.44</u>
Balance, December 31, 2018	A	<u>\$ 27,946.24</u>

SCHEDULE OF DEMOLITION LIENS

	<u>Ref.</u>	
Balance, December 31, 2017 and 2018	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 December 31, 2017</u>	<u>Accrued in 2018</u>	<u>Collected</u>	<u>Balance December 31, 2018</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2	\$ 91,314.00	\$ 91,314.00	\$ 91,314.00	\$ 91,314.00
Other	A-2	64,610.00	64,610.00	64,610.00	64,610.00
Fees & Permits:					
Other	A-2	363,871.51	363,871.51	363,871.51	363,871.51
Municipal Court:					
Fines and Costs	A-2	\$ 30,514.74	529,239.96	522,254.06	\$ 37,500.64
Other Revenue:					
Interest and Costs on Taxes	A-2	150,931.74	150,931.74	150,931.74	150,931.74
Interest on Investments and Deposits	A-2	259,023.26	259,023.26	259,023.26	259,023.26
Utility Operating Surplus of Current Year - Water/Sewer	A-2	555,022.37	555,022.37	555,022.37	555,022.37
Utility Operating Surplus of Current Year - Parking Utility	A-2	1,076,154.16	1,076,154.16	1,076,154.16	1,076,154.16
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-2	2,011,681.00	2,011,681.00	2,011,681.00	2,011,681.00
Uniform Construction Code Fees	A-2	747,316.40	747,316.40	747,316.40	747,316.40
Code Enforcement - Property Maintenance Fee	A-2	71,642.00	71,642.00	71,642.00	71,642.00
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	4,096.00	4,096.00	4,096.00	4,096.00
Borough of Little Silver - Fire Services	A-2	15,485.00	15,485.00	15,485.00	15,485.00
Red Bank Board of Education - Snow Plowing	A-2	14,011.00	14,011.00	14,011.00	14,011.00
Other Special Items					
Franchise Tax Cable Television	A-2	197,853.98	197,853.98	197,853.98	197,853.98
Uniform Fire Safety Act	A-2	132,525.03	132,525.03	132,525.03	132,525.03
Landlord Registration Fees	A-2	19,050.00	19,050.00	19,050.00	19,050.00
Utility Operating Surplus of Prior Year - Water/Sewer	A-2	225,200.00	225,200.00	225,200.00	225,200.00
Utility Operating Surplus of Prior Year - Parking Utility	A-2	85,000.00	85,000.00	85,000.00	85,000.00
RBC Field Rent	A-2	130,000.00	130,000.00	130,000.00	130,000.00
Payment in Lieu of Taxes - Housing Authority/River Street/Habcore	A-2	192,719.18	192,719.18	192,719.18	192,719.18
Reserve for Sale of Municipal Assets	A-2	100,000.00	100,000.00	100,000.00	100,000.00
Hotel Occupancy Tax	A-2	191,301.36	191,301.36	191,301.36	191,301.36
Administrative Fee Off-Duty Police Services	A-2	50,000.00	50,000.00	50,000.00	50,000.00
Reserve for Payment of Bonds	A-2	269,197.29	269,197.29	269,197.29	269,197.29
		<u>\$ 30,514.74</u>	<u>\$ 7,547,245.24</u>	<u>\$ 7,540,259.34</u>	<u>\$ 37,500.64</u>
	<u>Ref.</u>	<u>A</u>		<u>A-8</u>	<u>A</u>
Cash Receipts	A-4			\$ 7,210,994.90	
Payments in Lieu of Taxes Receivable	A-15			192,719.18	
Interfunds	A-23			36,545.26	
Reserve for Sale of Municipal Assets	A-24			<u>100,000.00</u>	
		A-8		<u>\$ 7,540,259.34</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

Ref.

Balance, December 31, 2017	A	\$ 1,486.81
Increased by:		
Senior Citizens		\$ 8,750.00
Veterans		41,000.00
Deductions Allowed by Collector		<u>750.00</u>
		<u>50,500.00</u>
Less:		
Deductions Disallowed by Collector	A-5	<u>5,250.00</u>
		<u>45,250.00</u>
		<u>46,736.81</u>
Decreased by:		
Prior Year Revenue	A-1	2,621.05
Received from State of New Jersey	A-4	<u>45,865.76</u>
		<u>48,486.81</u>
Balance, December 31, 2018	A	<u>\$ (1,750.00)</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE TO STATE

	<u>Balance</u> December 31, <u>2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> December 31, <u>2018</u>
Marriage Licenses	\$ 2,200.00	\$ 3,325.00	\$ 4,075.00	\$ 1,450.00
DCA Training Fees	<u>10,562.00</u>	<u>37,335.00</u>	<u>40,402.00</u>	<u>7,495.00</u>
	<u><u>\$ 12,762.00</u></u>	<u><u>\$ 40,660.00</u></u>	<u><u>\$ 44,477.00</u></u>	<u><u>\$ 8,945.00</u></u>
	A	A-4	A-4	A

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

<u>Operations Within CAPS</u>	Balance December 31, <u>2017</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
General Government:					
General Administration					
Salaries and Wages	\$ 7,759.96		\$ 7,759.96	\$ 6,812.05	\$ 947.91
Other Expenses	5,108.95	\$ 33,587.77	38,696.72	33,603.74	5,092.98
Municipal Clerk					
Salaries and Wages	6,829.93		6,829.93		6,829.93
Other Expenses	5,126.47	41,620.03	46,746.50	41,903.46	4,843.04
Financial Administration					
Salaries and Wages	482.88		482.88		482.88
Other Expenses	11,887.03	7,859.50	19,746.53	14,879.41	4,867.12
Audit Services					
Other Expenses	12,342.85		12,342.85	4,603.30	7,739.55
Mayor and Council					
Salaries and Wages	1,120.44		1,120.44		1,120.44
Tax Assessment Administration					
Salaries and Wages	816.82		816.82		816.82
Other Expenses	19,762.88		9,762.88		9,762.88
Utilization of Banked Sick Time			100,000.00	100,000.00	
Revenue Administration					
Salaries and Wages	4,461.00		4,461.00		4,461.00
Other Expenses	3,307.27		3,307.27	123.50	3,183.77
Legal Services					
Other Expenses	20,085.71	2,915.46	23,001.17	9,203.79	13,797.38

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, <u>2017</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Engineering Costs					
Other Expenses	\$ 15,170.38	\$ 8,500.00	\$ 23,670.38	\$ 14,466.80	\$ 9,203.58
Codification of Ordinances					
Other Expenses	1,688.89	4,870.00	6,558.89	4,720.65	1,838.24
Land Use Administration					
Planning Board					
Salaries and Wages	15,335.12		15,335.12		15,335.12
Other Expenses	15,346.70	825.00	6,171.70	1,360.00	4,811.70
Zoning Board of Adjustment					
Salaries and Wages	17,974.33		17,974.33		17,974.33
Other Expenses	12,198.90	222.80	12,421.70	3,408.49	9,013.21
Insurance					
Liability Insurance	8,225.81		8,225.81		8,225.81
Worker's Compensation Insurance	1,121.48		1,121.48		1,121.48
Employee Group Insurance	95,497.31	498,168.46	593,665.77	478,832.86	114,832.91
Unemployment Insurances	1,584.65		1,584.65	1,584.65	-
Health Insurance Opt Out Payments	13,459.25		13,459.25		13,459.25
Public Safety:					
Fire Department					
Other Expenses	34,439.57	25,452.99	59,892.56	20,940.31	38,952.25
Uniform Fire Safety Act (Fire Department)					
Salaries and Wages	1,213.40		1,213.40		1,213.40
Other Expenses	266.98	2,334.97	2,601.95	2,193.36	408.59
Police Department					
Salaries and Wages	101,270.83		1,270.83	1,270.83	0.00
Other Expenses	4,919.43	47,558.35	52,477.78	48,068.76	4,409.02

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>December 31,</u> <u>2017</u>	<u>Reserve</u> <u>for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Volunteer Ambulance Companies					
Other Expenses	\$ 4,827.66	\$ 2,837.85	\$ 7,665.51	\$ 5,337.85	\$ 2,327.66
Office of Emergency Management					
Salaries and Wages	36.25		36.25		36.25
Other Expenses	62.62	5,320.68	5,383.30	5,318.75	64.55
Rent Leveling					
Salaries and Wages	1,000.00		1,000.00	250.00	750.00
Other Expenses	7,909.64	2,744.93	10,654.57	839.31	9,815.26
Public Works Functions					
Streets and Road Maintenance					
Salaries and Wages	8,185.85		8,185.85	1,006.83	7,179.02
Other Expenses	20,376.65	21,854.52	57,231.17	32,909.29	24,321.88
Sanitation Department					
Other Expenses	9,000.00	0.04	9,000.04	5,000.00	4,000.04
Public Buildings and Grounds					
Salaries and Wages	27,689.76		12,689.76		12,689.76
Other Expenses	22,841.70	49,879.93	72,721.63	60,709.88	12,011.75
Landfill/Solid Waste Disposal Costs					
Landfill					
Other Expenses	4,443.11	46,557.85	56,000.96	31,055.38	24,945.58
Code Enforcement					
Salaries and Wages	8,941.31		8,941.31		8,941.31
Other Expenses	5,145.00	565.00	5,710.00	1,345.00	4,365.00
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

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, <u>2017</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Animal Control Services	\$ 526.90		\$ 526.90		\$ 526.90
Shade Tree Commission	124.00	\$ 2,520.00	2,644.00	\$ 2,520.00	124.00
Parks and Recreation					
Recreation Services and Programs					
Salaries and Wages	362.13		462.13	443.50	18.63
Other Expenses	907.88	4,531.11	5,338.99	3,849.78	1,489.21
Utility Expenses and Bulk Purchases					
Street Lighting	3,881.70		18,881.70	18,779.41	102.29
Electricity	13,834.59		13,834.59	7,523.22	6,311.37
Telephone	23,324.38	525.00	23,849.38	5,573.55	18,275.83
Natural Gas	28,774.69		28,774.69	4,573.22	24,201.47
Gasoline	22,486.30	7,204.44	29,690.74	9,326.51	20,364.23
Uniform Construction Code Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Salaries and Wages	37,283.12		37,283.12	11,031.04	26,252.08
Other Expenses	9,785.89	17,297.29	27,083.18	17,721.24	9,361.94
Education and Technology					
Salaries and Wages	14,647.77		14,647.77	640.00	14,007.77
Other Expenses	10,302.68	11,388.76	21,691.44	7,021.89	14,669.55
Municipal Court					
Salaries and Wages	11,012.25		11,012.25		11,012.25
Other Expenses	9,151.90	1,841.72	10,993.62	1,647.97	9,345.65
Municipal Public Defender					
Other Expenses	4,590.00	1,440.00	6,030.00	2,160.00	3,870.00
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

	Balance December 31, <u>2017</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Deferred Charges and Statutory Expenditures -					
Municipal Within "CAP"					
Statutory Expenditures					
Contribution to					
Public Employee's Retirement System	\$ 14.85		\$ 14.85		\$ 14.85
Social Security System (O.A.S.I.)	3,445.08		3,445.08		3,445.08
Defined Contribution Retirement Program	2,503.98		2,503.98	\$ 320.37	2,183.61
Total Appropriations (Including Contingent) Within CAPS	<u>764,832.54</u>	<u>\$ 850,424.45</u>	<u>1,615,256.99</u>	<u>1,031,062.39</u>	<u>584,194.60</u>
Appropriations Excluded from CAPS					
Maintenance of Free Public Library (P.L. 1985, Ch. 82)	115,622.59	4,554.30	120,176.89	120,176.89	-
Interlocal Services					
911 System - County of Monmouth	0.04		0.04		0.04
Length of Service Award Program	11,300.00		11,300.00		11,300.00
Municipal Stormwater Management					
Salaries and Wages	663.04		663.04		663.04
Other Expenses	795.17	97.50	892.67	177.50	715.17
Recycling Tax P.L. 2007 c. 311	13,023.01	2,195.11	15,218.12	1,255.86	13,962.26
Interlocal Municipal Service Agreements					
Board of Education - Snow Plowing					
Other Expenses	43.99	13,625.01	13,669.00		13,669.00
Borough of Little Silver Fire Services					
Salaries and Wages	9,000.00		9,000.00		9,000.00
Other Expenses	1,850.00		1,850.00	950.00	900.00
Township of Shrewsbury Municipal Court					
Other Expenses	1,337.89		1,337.89	38.01	1,299.88

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, <u>2017</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Total Appropriations Excluded from CAPS	\$ 153,635.73	\$ 20,471.92	\$ 174,107.65	\$ 122,598.26	\$ 51,509.39
	<u>\$ 918,468.27</u>	<u>\$ 870,896.37</u>	<u>\$ 1,789,364.64</u>	<u>\$ 1,153,660.65</u>	<u>\$ 635,703.99</u>
	<u>Ref.</u>	A	A-12	A-11	A-1
Cash Disbursements	A-4			\$ 1,036,926.56	
Accounts Payable	A-21			34,754.50	
Reserve for Library Expenditures	A-24			<u>81,979.59</u>	
	A-11			<u>\$ 1,153,660.65</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 870,896.37
Increased by:		
Current Appropriations Charged	A-3	<u>573,900.25</u>
		<u>1,444,796.62</u>
Decreased by:		
Transferred to Appropriation Reserves	A-11	<u>870,896.37</u>
Balance, December 31, 2018	A	<u><u>\$ 573,900.25</u></u>

SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 1,405.89
Increased by:		
Cash Receipts	A-4	\$ 376,485.08
Tax Appeal Refunds	A-3	36,008.58
Refund Prior Year Tax Revenue	A-1	<u>124,830.30</u>
		<u>537,323.96</u>
		<u>538,729.85</u>
Decreased by:		
Refunds	A-4	40,723.11
Applied to Taxes	A-5	385,915.23
Applied to Prepaid Taxes	A-14	<u>110,685.62</u>
		<u>537,323.96</u>
Balance, December 31, 2018	A	<u><u>\$ 1,405.89</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 2,397,889.91
Increased by:		
Collections, 2019 Taxes	A-4	\$ 362,944.27
Transferred from Tax Overpayments	A-13	<u>110,685.62</u>
		<u>473,629.89</u>
		<u>2,871,519.80</u>
Decreased by:		
Applied to Taxes Receivable	A-5	<u>2,397,889.91</u>
Balance, December 31, 2018	A	<u>\$ 473,629.89</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF PAYMENT IN LIEU OF TAXES RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 105,039.48
Increased by:		
2018 Billed		\$ 270,319.82
6% Penalty		<u>5,974.81</u>
		<u>276,294.63</u>
		<u>381,334.11</u>
Decreased by:		
Cash Receipts	A-4/A-8	<u>192,719.18</u>
Balance, December 31, 2018	A	<u>\$ 188,614.93</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 19,992.61
Increased by:		
County Tax	A-1/A-5	\$ 5,433,426.88
County Open Space Tax	A-1/A-5	605,947.33
Due County for Added and Omitted Taxes	A-1/A-5	<u>46,202.92</u>
		<u>6,085,577.13</u>
		<u>6,105,569.74</u>
Decreased by:		
Payments	A-4	<u>6,059,366.60</u>
Balance, December 31, 2018	A	<u>\$ 46,203.14</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Ref.

Balance, December 31, 2017:

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

Increased by:

Levy - For School Year July 1, 2018 to June 30, 2019	A-5	<u>17,657,369.00</u>
		25,940,231.67

Decreased by:

Payments	A-4	<u>17,327,559.50</u>
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Balance, December 31, 2018:

School Tax Payable	A	\$ 2,355,947.67
School Tax Deferred		<u>6,256,724.50</u>
		\$ 8,612,672.17

2018 Liability for Local District School Tax

Tax Paid	A-4	\$ 17,327,559.50
School Tax Payable, December 31, 2018	A	<u>2,355,947.67</u>
		19,683,507.17
School Tax Payable, December 31, 2017	A	<u>2,026,138.17</u>
Amount Charged to 2018 Operations	A-1	<u>\$ 17,657,369.00</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE

Ref.

Balance, December 31, 2017:

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

Increased by:

Levy - For School Year July 1, 2018 to June 30, 2019	A-5	<u>9,693,952.00</u>
		14,339,742.64

Decreased by:

Payments	A-4	<u>9,492,766.46</u>
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Balance, December 31, 2018:

School Tax Payable	A	\$ 630,419.82
School Tax Deferred		<u>4,216,556.36</u>
		<u>\$ 4,846,976.18</u>

2018 Liability for Regional High School Tax

Tax Paid	A-4	\$ 9,492,766.46
School Tax Payable, December 31, 2018	A	<u>630,419.82</u>
		10,123,186.28
School Tax Payable, December 31, 2017	A	<u>429,234.28</u>
Amount Charged to 2018 Operations	A-1	<u>\$ 9,693,952.00</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF SPECIAL IMPROVEMENT DISTRICT TAXES PAYABLE

Ref.

Increased by:

Tax Levy	A-5	\$ 532,120.00
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Decreased by:

Payments	A-1/A-4	<u>532,120.00</u>
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Balance, December 31, 2018	\$ <u>-</u>
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BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

	<u>Amount Authorized</u>	<u>Balance December 31, 2017</u>	<u>Decrease by Budget Appropriation</u>	<u>Balance December 31, 2018</u>
2013 Utilization Banked Time	\$ 362,000.00	\$ 72,400.00	\$ 72,400.00	
2014 Tax Revaluation	<u>500,000.00</u>	<u>160,000.00</u>	<u>80,000.00</u>	<u>\$ 80,000.00</u>
	<u>\$ 862,000.00</u>	<u>\$ 232,400.00</u>	<u>\$ 152,400.00</u>	<u>\$ 80,000.00</u>

Ref.

A

A-3

A

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE

Ref.

Increased by:

Charges to Appropriation Reserves	A-11	\$ 34,754.50
Decreased by:		
Canceled	A-1	<u>33,225.00</u>
Balance, December 31, 2018	A	\$ 1,529.50

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 69,717.19
Increased by:		
Grants Appropriated Canceled	A-1	\$ 15,508.52
2018 Anticipated Revenue	A-26	123,196.23
Interest Earned	A-4/A-29	190.88
Local Matching Funds	A-4/A-29	<u>219,138.00</u>
		<u>358,033.63</u>
Decreased by:		<u>427,750.82</u>
Grant Receivable Canceled	A-1	18,248.32
2018 Budget Appropriations	A-3	342,334.23
Deposited in Current Fund:		
Grants Receivable	A-4/A-26/A-29	3,520.00
Cash Receipts	A-1/A-4/A-29	<u>69,717.19</u>
		<u>433,819.74</u>
Balance, December 31, 2018	A	<u>\$ (6,068.92)</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

Ref.	Total <u>(MEMO ONLY)</u>	Payroll <u>Trust Fund</u>	Recreation <u>Trust Fund</u>	General <u>Capital Fund</u>	Utility <u>Operating Fund</u>	Water/Sewer <u>Trust Other Fund</u>	Animal Control <u>Fund</u>	Parking Utility <u>Fund</u>
Balance, December 31, 2017:								
Interfund Receivable	A \$ 10,799.39	\$ 555.26	\$ 214.12	\$ 3,452.97		\$ 2,351.83	\$ 4,225.21	
Interfund Payable	A <u>(3,841.66)</u>				\$ <u>(3,841.66)</u>			
Increased by:								
Disbursed by Current Fund	A-4 53,233.17	53,233.17						
Revenue Accounts Receivable	A-8 <u>36,545.26</u>	<u>1,273.29</u>	<u>147.45</u>	<u>7,529.72</u>		<u>5,232.68</u>	<u>362.12</u>	<u>\$ 22,000.00</u>
	<u>89,778.43</u>	<u>54,506.46</u>	<u>147.45</u>	<u>7,529.72</u>		<u>5,232.68</u>	<u>362.12</u>	<u>22,000.00</u>
	<u>96,736.16</u>	<u>55,061.72</u>	<u>361.57</u>	<u>10,982.69</u>	<u>(3,841.66)</u>	<u>7,584.51</u>	<u>4,587.33</u>	<u>22,000.00</u>
Decreased by:								
Disbursed by Current Fund	A-4 <u>(3,841.66)</u>				<u>(3,841.66)</u>			
Cash Receipts	A-4 <u>15,507.10</u>	<u>3,107.97</u>	<u>2,369.12</u>	<u>3,452.97</u>		<u>2,351.83</u>	<u>4,225.21</u>	
	<u>11,665.44</u>	<u>3,107.97</u>	<u>2,369.12</u>	<u>3,452.97</u>	<u>(3,841.66)</u>	<u>2,351.83</u>	<u>4,225.21</u>	
Balance, December 31, 2018:								
Interfund Receivable	A <u>87,078.27</u>	<u>\$ 51,953.75</u>		<u>\$ 7,529.72</u>		<u>\$ 5,232.68</u>	<u>\$ 362.12</u>	<u>\$ 22,000.00</u>
Interfund Payable	A <u>(2,007.55)</u>		<u>\$ (2,007.55)</u>		\$ <u>-</u>			
	<u>\$ 85,070.72</u>							
Analysis of Net Credit to Operations								
Interfunds Accounts Receivable:								
Balance December 31, 2018	Above \$ 87,078.27							
Balance December 31, 2017	Above <u>10,799.39</u>							
Net Credit to Operations	A-1 <u>\$ 76,278.88</u>							

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF VARIOUS RESERVES

<u>Reserve for:</u>	Balance December 31, <u>2017</u>	Increased by	Decreased by	Balance December 31, <u>2018</u>
Revaluation	\$ 37,412.73		\$ 18,377.00	\$ 19,035.73
Sale of Municipal Assets	192,587.00		100,000.00	92,587.00
Severance Liabilities	150,150.84			150,150.84
Library Expenditures	<u>148,863.07</u>	<u>\$ 81,979.59</u>	<u>65,022.73</u>	<u>165,819.93</u>
	<u><u>\$ 529,013.64</u></u>	<u><u>\$ 81,979.59</u></u>	<u><u>\$ 183,399.73</u></u>	<u><u>\$ 427,593.50</u></u>
	<u>Ref.</u>	A	A-11	A-24
Cash Disbursement	A-4		\$ 83,399.73	
Revenue Accounts Receivable	A-8		<u>100,000.00</u>	
	A-24		<u><u>\$ 183,399.73</u></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>	Balance December 31, 2017	<u>Decreased by</u>	Balance December 31, 2018
2013	Utilization Banked Time	8/28/2013			0.00%	\$ 72,400.00	\$ 72,400.00	\$ -
2014	Tax Revaluation	1/22/2014	5/25/2018	5/24/2019	0.00%	<u>140,000.00</u>	<u>80,000.00</u>	<u>60,000.00</u>
						<u>\$212,400.00</u>	<u>\$152,400.00</u>	<u>\$ 60,000.00</u>

A

A-3/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 December 31, 2017</u>	<u>2018 Anticipated Revenue</u>	<u>Cash Received</u>	<u>Canceled</u>	<u>Transfer from Grants</u>	<u>Balance December 31, 2018</u>
Federal Grants:						
US Department of Justice:						
2010 Bulletproof Vest Program	\$ 4,602.37				\$ 4,602.37	
2013 Bulletproof Vest Program	3,185.95				3,185.95	
US Department of Health and Human Services:						
County of Monmouth:						
Senior Citizens - Title III (Older Americans Act)	29,312.00	\$ 32,235.00	\$ 29,312.00			\$ 32,235.00
US Department of Transportation:						
NJ Department of Law and Public Safety:						
Cops in Shops - Summer Shore Initiative 2018		3,080.00			3,080.00	
Cops in Shops - College Fall Initiative 2017 - 2018	3,520.00		3,520.00			
State Grants:						
NJ Department of Environmental Protection:						
2015 Recycling Tonnage Grant		16,892.62			\$ 16,892.62	
Clean Communities Program	2,665.36	21,388.61	21,388.61			2,665.36
NJ Forest Service Community Forestry Program		30,000.00				30,000.00
NJ Department of Law and Public Safety:						
Drunk Driving Enforcement Grant - Prior Years	3,200.00					3,200.00
Drunk Driving Enforcement Grant - 2018		7,586.11	7,586.11			
Municipal Court Alcohol Education Rehabilitation and Enforcement Fund		2,013.89	2,013.89			
NJ Department of Health and Senior Services:						
Highway Safety Pedestrian Safety Grant	19,700.00		12,320.00	7,380.00		

BOROUGH OF RED BANK
 COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	Balance December 31, <u>2017</u>	2018 Anticipated <u>Revenue</u>	Cash Received	Canceled	Transfer from Grants	Balance December 31, <u>2018</u>
Local Grants:						
PSE&G: Sustainable Jersey Grant	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
	<u>\$ 66,185.68</u>	<u>\$ 123,196.23</u>	<u>\$ 81,140.61</u>	<u>\$ 18,248.32</u>	<u>\$ 16,892.62</u>	<u>\$ 73,100.36</u>
	<u>Ref.</u>	A	A-22/A-29	A-26	A-29	A-28
Cash Receipt	A-4		\$ 77,620.61			
Interfund - Current Fund	A-29		<u>3,520.00</u>			
	A-26		<u>\$ 81,140.61</u>			

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

<u>Grant</u>	<u>Balance</u> <u>December 31,</u> <u>2017</u>	<u>Transfer from</u> <u>2018 Budget</u>	<u>Transfer from</u> <u>Reserve for</u> <u>Encumbrances</u>	<u>Expended</u>	<u>Reserve</u> <u>for</u> <u>Encumbrances</u>	<u>Canceled</u>	<u>Balance</u> <u>December 31,</u> <u>2018</u>
Federal Grants:							
US Department of Health and Human Services:							
County of Monmouth:							
Senior Citizens - Title III: U.S. Older American Act							
U.S. Older American Act			\$ 45.00	\$ 45.00			
2017 U.S. Older American Act			464.25	464.25			
2017 U.S. Older American Act - Local Match			3,106.92	2,058.40			\$ 1,048.52
2018 U.S. Older American Act	\$ 32,235.00			32,235.00			
2018 U.S. Older American Act - Local Match	219,138.00			208,589.93	\$ 2,338.00		\$ 8,210.07
US Department of Community Affairs:							
US Department of Law and Public Safety:							
Cops in Shops - Summer Shore Initiative 2018		3,080.00					3,080.00
Cops in Shops - College Fall Initiative 2017 - 2018	\$ 3,520.00				3,520.00		
State Grants:							
NJ Department of Environmental Protection:							
Recycling Tonnage Grant	18,768.90	16,892.62					35,661.52
Clean Communities Program	17,926.40	21,388.61	3,959.03	20,417.21	1,000.00		21,856.83
NJ Forest Service Community Forestry Program		30,000.00					30,000.00
NJ Department of Law and Public Safety:							
Drunk Driving Enforcement Fund	13,525.49	7,586.11		9,417.60			11,694.00
Municipal Court Alcohol Education Rehabilitation and Enforcement Fund	35,278.93	2,013.89		3,350.00			33,942.82
Body Armor Replacement Fund	7,293.44		6,397.20	10,344.30	748.50		2,597.84
NJ Department of Health and Senior Services:							
Highway Safety Pedestrian Safety Grant	17,320.00			5,940.00			11,380.00
Local Grants:							
PSE&G							
Sustainable Jersey Grant		<u>10,000.00</u>		<u>8,858.00</u>			<u>1,142.00</u>
		<u>\$ 113,633.16</u>	<u>\$ 342,334.23</u>	<u>\$ 13,972.40</u>	<u>\$ 305,239.69</u>	<u>\$ 4,086.50</u>	<u>\$ 15,508.52</u>
		<u><u>\$ 145,105.08</u></u>					

Ref. A A-3/A-29 A-30 A-4 A-30 A-29 A

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

<u>Grant</u>	Balance December 31, <u>2017</u>	Realized as <u>Revenue</u>	Balance December 31, <u>2018</u>
2015 Recycling Tonnage Grant	<u>\$ 16,892.62</u>	<u>\$ 16,892.62</u>	<u>\$ -</u>
	<u><u>\$ 16,892.62</u></u>	<u><u>\$ 16,892.62</u></u>	<u><u>\$ -</u></u>

Ref

A

A-26

A

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

Ref.

Balance, December 31, 2017	A	\$ (69,717.19)
Increased by:		
Interest Earned	A-4/A-22	\$ 190.88
Local Matching Funds	A-4/A-22	219,138.00
2018 Anticipated Revenue	A-26	123,196.23
Appropriated Reserves Canceled	A-27	<u>15,508.52</u>
		358,033.63
		<u>(427,750.82)</u>
Decreased by:		
Cash Disbursements	A-4/A-22	69,717.19
Grants Receivable Canceled	A-26	18,248.32
2018 Budget Appropriations:	A-27	342,334.23
Deposited in Current Fund:		
Grants Receivable	A-22/A-26	<u>3,520.00</u>
		433,819.74
Balance, December 31, 2018	A	<u>\$ 6,068.92</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

Ref.

Balance, December 31, 2017	A	\$ 13,972.40
Increased by:		
Transfer from Appropriated Reserves	A-27	4,086.50
		<hr/>
		18,058.90
Decreased by:		
Transfer to Appropriated Reserves	A-27	<u>13,972.40</u>
Balance, December 31, 2018		
	A	<u>\$ 4,086.50</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, 2017	B	\$ 20,255.94	\$ 3,351,597.33
Increased by Receipts:			
Due to State of New Jersey	B-4	\$ 498.60	
Reserve for Animal Control			
Trust Fund Expenditures	B-3	31,035.38	
Interfund - Parking Utility	B-7		\$ 1,231.40
Interfund - Current Fund	B-2/B-7	801.84	73,278.68
Various Reserves	B-6	<hr/>	<hr/>
		32,335.82	2,801,535.72
		<hr/>	<hr/>
		52,591.76	2,876,045.80
			6,227,643.13
Decreased by Disbursements:			
Due to State of New Jersey	B-4	502.20	
Animal Control Trust Fund			
Expenditures (R.S. 4:19-15.11)	B-3	24,829.41	
Interfund - Payroll Fund	B-7		9,351.31
Interfund - Parking Utility	B-7		1,487.25
Interfund - Current Fund	B-2/B-7	4,664.93	72,619.50
Various Reserves	B-6	<hr/>	<hr/>
		29,996.54	2,733,993.21
		<hr/>	<hr/>
		2,817,451.27	
Balance, December 31, 2018	B	<hr/>	<hr/>
		\$ 22,595.22	\$ 3,410,191.86

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND

Ref.

Balance, December 31, 2017 - Due to	B	\$ 4,225.21
Increased by:		
Interest	B-1	801.84
		<hr/> 5,027.05
Decreased by		
Cash Disbursements	B-1	4,664.93
Balance, December 31, 2018 - Due to	B	<hr/> \$ 362.12

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, 2017	B	\$ 12,128.08
Increased by:		
License Fees Collected - 2018		\$ 5,629.60
Interlocal Service Agreements		25,270.78
Late/Duplicate Fees/Misc. Revenue		<u>135.00</u>
	B-1	31,035.38
Encumbrances Liquidated		15,331.61
Encumbrances Canceled		<u>1,676.25</u>
	B-5	<u>17,007.86</u>
		60,171.32
Decreased by:		
Expenditures Under R.S. 4:19-15.11	B-1	24,829.41
Reserve for Encumbrances	B-5	<u>17,711.48</u>
		<u>42,540.89</u>
Balance, December 31, 2018	B	<u>\$ 17,630.43</u>

License and Penalty Fees Collected:

<u>Year</u>	<u>Amount</u>
2016	\$ 22,202.88
2017	<u>20,194.80</u>
	<u>\$ 42,397.68</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, 2017	B	\$ 56.40
Increased by:		
Cash Receipts	B-1	<u>498.60</u>
		<u>555.00</u>
Decreased by:		
Cash Disbursements	B-1	<u>502.20</u>
Balance, December 31, 2018	B	<u><u>\$ 52.80</u></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, 2017	B	\$ 3,846.25
Increased By:		
Charges to Reserve for Animal Control	B-3	<u>17,711.48</u>
		<u>21,557.73</u>
Decreased By:		
Encumbrances Canceled		\$ 1,676.25
Reserve for Animal Control	B-3	<u>15,331.61</u>
		<u>17,007.86</u>
Balance, December 31, 2018	B	<u><u>\$ 4,549.87</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF VARIOUS RESERVES

	Balance			Balance
	<u>December 31, 2017</u>	<u>Increased by</u>	<u>Decreased by</u>	<u>December 31, 2018</u>
Police - Extra Duty Pay	\$ 339,641.49	\$ 526,640.00	\$ 539,995.00	\$ 326,286.49
Accumulated Absence Liability	187,871.46	245,719.99		433,591.45
Snow Expenses	37,834.60	42,248.42	68,948.05	11,134.97
Police Donations	6,457.24	13,927.75	10,036.24	10,348.75
Shade Tree	750.00	4,000.00		4,750.00
OEM Trust	4,000.00			4,000.00
Recycling	47,057.77	11,112.36	29,265.45	28,904.68
Uniform Fire Safety/Acct Penalty Monies	59,818.96	5,850.30	6,260.12	59,409.14
Tax Sale Premium	718,400.00	184,300.00	469,900.00	432,800.00
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	15,052.22	2,726.00		17,778.22
Bid Deposits	2,650.00	1,500.00		4,150.00
Dedicated Fire Penalty	10,612.19	1,000.00		11,612.19
Public Defender Fees	6,394.26	6,782.00	9,240.00	3,936.26
Donations to Public Library	25,000.00		19,753.70	5,246.30
Police - Forfeited Property	3,028.74	2,079.06		5,107.80
Vehicle Impound - Trucks	72,559.22	17,805.00	33,965.00	56,399.22
Wayfinding Signs	4,330.00			4,330.00
Four Connections Fiberoptics	6,691.00			6,691.00
Human Relations	310.00		239.19	70.81
Yard Sales	132.74			132.74
Donations to Fire Department		6,597.00		6,597.00
Environmental Commission	200.00		84.27	115.73
Community Garden	877.66	550.00		1,427.66
Tax Title Lien Redemptions	33,838.09	578,433.71	542,049.51	70,222.29
Manalapan RCA Agreement	350,908.43	16,450.95	104,015.28	263,344.10
Law Enforcement Trust	20,302.45	488.19	1,181.27	19,609.37
Unemployment Trust	35,742.88	19,818.91	9,932.32	45,629.47
Council on Affordable Housing Development	150,557.30	87,842.25	30,000.00	208,399.55
Online Tax Sale - Pass Through	320.51	299,052.74	299,229.39	143.86
Inspection Fees Escrow	127,017.98	105,660.85	74,996.97	157,681.86
Performance & Maintenance Escrow	442,798.65	137,840.35	153,509.91	427,129.09
Review Escrow	94,039.83	234,828.66	212,130.01	116,738.48
Parks & Recreation Trust - Green Acres	147,300.33	149,179.52	67,573.96	228,905.89
Parks & Recreation Trust	42,083.98	135,044.02	115,120.17	62,007.83
	<u>\$ 3,306,200.56</u>	<u>\$ 2,837,478.03</u>	<u>\$ 2,797,425.81</u>	<u>\$ 3,346,252.78</u>

<u>Ref.</u>	<u>B</u>	<u>B</u>
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Cash Receipts/Disbursements	B-1	\$ 2,801,535.72	\$ 2,733,993.21
Interfunds Receivable/Payable	B-1	1,231.40	1,231.40
Reserve for Encumbrances	B	34,710.91	62,201.20
		<u>\$ 2,837,478.03</u>	<u>\$ 2,797,425.81</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

	<u>Ref.</u>	Current Fund	Payroll Trust Fund	Parking Utility Fund
Balance, December 31, 2017	B	\$ (2,565.95)	\$ (9,351.31)	\$ 1,231.40
Increased by:				
Cash Disbursements	B-1			1,487.25
Cash Receipts	B-1	<u>73,278.68</u>	<u>(75,844.63)</u>	<u>2,718.65</u>
Decreased by:				
Cash Receipts	B-6/B-1			1,231.40
Cash Disbursements	B-1	<u>72,619.50</u>	<u>9,351.31</u>	<u>1,231.40</u>
Balance, December 31, 2018	B	<u><u>\$ (3,225.13)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,487.25</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

	<u>Ref.</u>	
Balance, December 31, 2017	B	\$ 843,035.14
Increased by:		
Interest Earned		\$ 8,200.29
Borough Contributions		<u>26,450.00</u>
	B-9	<u>34,650.29</u>
		<u>877,685.43</u>
Decreased by:		
Distributions		54,535.64
Depreciation of Investments		<u>32,580.80</u>
	B-9	<u>87,116.44</u>
Balance, December 31, 2018	B	<u>\$ 790,568.99</u>

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

	<u>Ref.</u>	
Balance, December 31, 2017	B	\$ 843,035.14
Increased by:		
Interest Earned		\$ 8,200.29
Borough Contributions		<u>26,450.00</u>
	B-8	<u>34,650.29</u>
		<u>877,685.43</u>
Decreased by:		
Distributions		54,535.64
Depreciation of Investments		<u>32,580.80</u>
	B-8	<u>87,116.44</u>
Balance, December 31, 2018	B	<u>\$ 790,568.99</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH

<u>Ref.</u>			
Balance, December 31, 2017	C		\$ 4,086,703.72
Increased by Receipts:			
Bond Anticipation Notes	C-11	\$ 2,470,250.00	
Interfund - Current	C-6	7,529.72	
Budget Appropriation:			
Capital Improvement Fund	C-15	125,000.00	
Fund Ordinance 05-31	C-8	0.70	
Miscellaneous Reserves	C-9	3,036.80	
Investments	C-4	152,400.00	
Premium on Note Sale	C-1	22,256.95	
Grant Receipts	C-5	180,000.00	
Improvement Authorizations	C-13	<u>2,037.25</u>	
			<u>2,962,511.42</u>
			<u>7,049,215.14</u>
Decreased by Disbursements:			
Interfund - Current Fund	C-6	3,452.97	
Bond Anticipation Notes	C-11	2,470,250.00	
Miscellaneous Reserves	C-9	269,197.29	
Improvement Authorizations	C-13	<u>669,474.60</u>	
			<u>3,412,374.86</u>
Balance, December 31, 2018	C		<u>\$ 3,636,840.28</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH

	<u>Balance</u>
	<u>December 31, 2018</u>
Capital Improvement Fund	\$ 175,512.76
Reserve for Encumbrances	1,035,077.81
Miscellaneous Reserves	503,313.47
Interfund - Current Fund	7,529.72
Grants Receivable	(1,045,321.00)
Investment in Notes	(60,000.00)
Fund Balance	65,866.64
Ordinance	
Number	<u>Improvement Description</u>
1-04	Renovation to Red Bank Library
05-31	Acquisition of Waterfront Park
6-32/09-42/10-10/15-12	Conversion of Muni Land to Waterfront Park
09-44	Various Improvements to Count Basie Park
14-8/14-11	Acquisition of Various Capital Equipment
14-12/15-13	Bulkhead Repair and/or Replacement
13-15/15-14/16-15	Various Capital Equipment and Capital Improvements
17-09	Improvements Count Basie/East Side Park
15-08/17-15	Various Roadway Improvements
17-22	Various Roadway Improvements
18-33	Park Improvements
18-33	Street Project
18-33	Property Improvements
	<u>\$ 3,636,840.28</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, 2017	C	\$ 212,400.00
Decreased by:		
Cash Receipts	C-2	<u>152,400.00</u>
Balance, December 31, 2018	C	<u><u>\$ 60,000.00</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>	Balance December 31, <u>2017</u>	2018 Grant Awards	Receipts	Balance December 31, <u>2018</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>\$ 605,000.00</u>	<u>\$ 180,000.00</u>	<u>665,000.00</u>
		<u><u>\$ 620,321.00</u></u>	<u><u>\$ 605,000.00</u></u>	<u><u>\$ 180,000.00</u></u>	<u><u>\$ 1,045,321.00</u></u>

C

C-13

C-2

C

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND - DUE TO CURRENT FUND

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 3,452.97
Increased by:		
Cash Receipts	C-2	<u>7,529.72</u>
		<u>10,982.69</u>
Decreased by:		
Cash Disbursements	C-2	<u>3,452.97</u>
Balance, December 31, 2018	C	<u>\$ 7,529.72</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, 2017	C	\$ 10,621,819.67
Decreased by:		
Budget Appropriation to Pay Green Trust Loans	C-12	\$ 68,382.98
Budget Appropriation to Pay Bonds	C-10	<u>1,693,769.00</u>
		<u>1,762,151.98</u>
Balance, December 31, 2018	C	<u>\$ 8,859,667.69</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

Ordinance Number	Improvement Description	Balance December 31, 2017	Increased by:		Decreased by:		Analysis of Balance December 31, 2018	
			2018 Authorizations		Paid by Budget Appropriation		Bond Anticipation Notes	Unexpended Improvement Authorizations
05-31	Acquisition of Waterfront Park	\$ 20,750.70			\$ 20,750.70			
13-15/15-14/16-15	Various Capital Improvements	679,250.00				\$ 679,250.00	\$ 679,250.00	
17-09	Improvements Count Basie/East Side Park	375,500.00				375,500.00		375,500.00
15-08/17-15	Various Roadway Improvements	468,000.00				468,000.00		468,000.00
17-22	Various Roadway Improvements	947,500.00				947,500.00		947,500.00
18-33	Park Improvements		\$ 986,600.00			986,600.00		\$ 986,600.00
18-33	Street Project		1,556,000.00			1,556,000.00		1,556,000.00
18-33	Property Improvements		95,200.00			95,200.00		95,200.00
		\$ 2,491,000.70	\$ 2,637,800.00	\$ 20,750.70	\$ 5,108,050.00	\$ 2,470,250.00	\$ 2,637,800.00	

Improvement Authorizations Unfunded

Less:

Unexpended Proceeds of Bond Anticipation Notes Issues:

Ref

C-1

\$ 3,541,756.48

<u>Ordinance</u>		
13-15/15-14/16-15	C-3	274,783.53
17-09	C-3	52,595.43
15-08/17-15	C-3	468,000.00
17-22	C-3	<u>108,577.52</u>
		<u>903,956.48</u>
	\$	2,637,800.00

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF MISCELLANEOUS RESERVES

<u>Description</u>	Balance		Balance	
	<u>December 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>December 31, 2018</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	544,547.63	\$ 22,234.09	\$ 269,197.29	297,584.43
Reserve for Preliminary Expense - Improvements to DPW Facilities at Chestnut Street	<u>2,000.00</u>	<u>_____</u>	<u>_____</u>	<u>2,000.00</u>
	<u><u>\$ 750,276.67</u></u>	<u><u>\$ 22,234.09</u></u>	<u><u>\$ 269,197.29</u></u>	<u><u>\$ 503,313.47</u></u>
	<u>Ref.</u>	C		C
Cash Receipts	C-2	\$ 3,036.80		
Canceled Improvement Authorizations	C-13	19,197.29		
Anticipated in Current Fund Budget	C-2	<u>_____</u>	<u>\$ 269,197.29</u>	
		<u><u>\$ 22,234.09</u></u>	<u><u>\$ 269,197.29</u></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 December 31, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2018</u>
			<u>Outstanding December 31, 2018</u>						
Taxable Pension ERI Refunding Bonds	04/03/11	\$ 540,000.00	2019	\$ 65,000.00	5.10%				
			2020	75,000.00	5.40%				
			2021	81,000.00	5.70%	\$	281,000.00	\$ 60,000.00	\$ 221,000.00
General Improvement Bonds	11/01/12	5,637,000.00	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%		3,972,000.00	385,000.00	3,587,000.00
Pooled Governmental Loan Refunding Revenue Bonds	06/02/15	1,800,521.50					923,769.00	923,769.00	
Pooled Governmental Loan Revenue Bonds	12/23/15	5,785,000.00	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%		5,180,000.00	325,000.00	4,855,000.00
							\$ 10,356,769.00	\$ 1,693,769.00	\$ 8,663,000.00

Ref.

C

C-7

C

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2018</u>
31-05	Acquisition of Water Park	12/16/16	12/12/18	12/11/19	3.25%	\$ 20,750.00		\$ 20,750.00	
16-15	Acquisition of Various Capital Equipment and Completion of Various Capital Projects	12/16/16	12/12/18	12/11/19	3.25%	679,250.00	\$ 679,250.00	679,250.00	\$ 679,250.00
17-09	Improvements Count Basie/East Side Park	12/14/17	12/12/18	12/11/19	3.25%	375,500.00	375,500.00	375,500.00	375,500.00
17-15	Various Roadway Improvements	12/14/17	12/12/18	12/11/19	3.25%	468,000.00	468,000.00	468,000.00	468,000.00
17-22	Various Roadway Improvements	12/14/17	12/12/18	12/11/19	3.25%	947,500.00	947,500.00	947,500.00	947,500.00
						\$ 2,491,000.00	\$ 2,470,250.00	\$ 2,491,000.00	\$ 2,470,250.00

Ref.

C

C-2/C-16

C/C-8

Paid by Current Fund Appropriation Rolled	C-8 C-8	\$ 20,750.00 2,470,250.00
		<u>\$ 2,491,000.00</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 265,050.67
Decreased by:		
Paid by Budget Appropriation	C-7	<u>68,382.98</u>
Balance, December 31, 2018	C	<u>\$ 196,667.69</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, 2017		Increased by			Decreased by			Balance Dec. 31, 2018	
				Funded	Unfunded	Reserve for Encumbrances	2018 Authorizations	Cash Receipts	Canceled	Paid	Reserve for Encumbrances	Funded	Unfunded
1-04	Renovation to Red Bank Library	02/10/04	\$1,288,500.00	\$ 17,456.33					\$ 17,456.33				
5-31	Acquisition of Waterfront Park	07/11/05	550,000.00		\$ 20,437.61	\$ 8,281.76				\$ 11,052.42	\$ 29.34	\$ 17,637.61	
5-39/9-09	Improvements and Renovations to Marine Park Supplementing Bond Ordinance #2005-39	10/10/05 03/09/09	2,826,100.00 1,174,550.00			876.42				112.21	764.21		
6-32/09-42/10-10/15-12	Conversion & Development of Municipality Supplementing Bond Ordinance #2006-32 Supplementing Bond Ordinance #2006-32 Supplementing Bond Ordinance #2006-32 Supplementing Bond Ordinance #2006-32 Description Only: Remedial Investigation or Work at Sunset Park, Bellhaven Park, Count Basie Fields and/or any Other Location within the Borough	06/12/06 08/10/09 10/10/10 04/22/15	230,000.00 370,000.00 259,003.00 55,592.01			3,462.30					3,462.30	55,592.01	
9-44	Various Improvements to Count Basie Park	10/09/09	1,125,000.00	19,197.29					19,197.29				
12-4	Count Basie Park Phase III	03/28/12	2,110,500.00			125.72					125.72		
13-15/15-14/16-15	Acquisition of Various Capital Equipment and the Completion of Various Capital Improvements Supplementing Bond Ordinance #2013-15 Amending Bond Ordinance #2013-15	07/10/13 04/22/15 08/10/16	1,669,900.00 800,000.00 715,000.00		295,073.44	70,512.96				62,563.03	28,239.84	\$ 274,783.53	
14-8/14-11/18-21	Acquisition of Various Capital Equipment and Completion of Various Capital Projects	04/09/14 05/14/14	2,253,000.00	511,630.23		42,528.10				42,021.98	89,817.33	422,319.02	
14-12/15-13	Bulkhead Repair and/or Replacement Amending & Supplementing Bond Ord. #2014-12	05/14/14 04/22/15	596,000.00 200,000.00	61,819.12		2,038.14			26,153.36	37,703.90			
17-09	Various Park Improvements Including at Count Basie Park and Eastside Park	03/08/17	630,000.00	253,972.50	375,500.00					77,952.82	498,924.25		52,595.43
15-08/17-15	Various Roadway Improvements Amending & Supplementing Bond Ord. #2015-08	04/22/15 05/10/17	1,610,000.00 650,000.00	815,599.06	468,000.00	60,702.57	\$ 2,037.25			18,520.86	41,462.26	818,355.76	468,000.00
17-22	Various Roadway Improvements	07/26/17	1,250,000.00		714,864.70	167,051.76				419,547.38	353,791.56		108,577.52
18-33	Park Improvements Street Project Property Improvements	11/28/18 11/28/18 11/28/18	1,036,000.00 2,238,800.00 100,000.00			\$ 1,036,000.00 2,238,800.00 100,000.00						49,400.00 682,800.00 4,800.00	986,600.00 1,556,000.00 95,200.00
				\$ 1,735,266.54	\$ 1,873,875.75	\$ 355,579.73	\$ 3,374,800.00	\$ 2,037.25	\$ 62,806.98	\$ 669,474.60	\$ 1,016,616.81	\$ 2,050,904.40	\$ 3,541,756.48
				Ref.	C	C	C-14		C-2	C-9, C-1	C-2	C-14	C
	Grants Receivable			C-5				\$ 605,000.00					
	Capital Improvement Fund			C-15				132,000.00					
	Deferred Charges to Future Taxation - Unfunded			C-8/C-16				2,637,800.00					
								\$ 3,374,800.00					

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 374,040.73
Increased by:		
Charged to Improvement Authorizations	C-13	<u>1,016,616.81</u>
		<u>1,390,657.54</u>
Decreased by:		
Applied to Improvement Authorizations	C-13	<u>355,579.73</u>
Balance, December 31, 2018	C	<u><u>\$ 1,035,077.81</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 182,512.76
Increased by:		
2018 Budget Appropriations	C-2	<u>125,000.00</u>
		<u>307,512.76</u>
Decreased by:		
Appropriation to Finance		
Improvement Authorizations	C-13	<u>132,000.00</u>
Balance, December 31, 2018	C	<u><u>\$ 175,512.76</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

Ordinance Number	<u>Improvement Description</u>	Balance <u>December 31, 2017</u>	2018 <u>Authorizations</u>	Funded by		Balance <u>December 31, 2018</u>
				Current Fund	<u>Appropriation</u>	
31-05	Various Improvements	\$ 0.70		\$ 0.70		
18-33	Park Improvements		\$ 986,600.00			\$ 986,600.00
18-33	Street Project		1,556,000.00			1,556,000.00
18-33	Property Improvements		95,200.00			95,200.00
15-08/17-15	Various Roadway Improvements	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		\$ 0.70	\$ 2,637,800.00	\$ 0.70	\$ 2,637,800.00	
		<hr/>	<hr/>	<hr/>	<hr/>	
		<u>Ref.</u>	C-13	C-8		(Footnote C)

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, 2017	D	\$ 1,318,333.53	\$ 1,521,451.94
Increased by Receipts:			
Consumer Accounts Receivable	D-7	\$ 6,642,650.97	
Water/Sewer Connection Fees	D-3	283,300.95	
Miscellaneous Revenue	D-3	127,248.75	
Reserve for Water Line Repairs	D-13	196,090.40	
Customer Overpayments	D-10	24,434.82	
Due From Current Fund	D	3,841.66	
Fees from Other Towns	D	43.86	
Interfund - Water/Sewer Utility Capital Fund	D-14	1,315.14	\$ 3,741.05
Premium on Sale of Bond Anticipation Notes	D-2		33,337.00
Due From State of New Jersey (NJEITF)	D-27		1,366,353.00
Bond Anticipation Notes	D-19		<u>3,700,000.00</u>
		<hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/>	
		<hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/>	
		<hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/>	
Decreased by Disbursements:			
2017 Budget Appropriations	D-4	5,634,015.97	
2016 Appropriation Reserves	D-9	274,812.13	
Reserve for Water Line Reserve	D-13	173,067.36	
Accrued Interest on Bonds and Notes	D-11	334,723.41	
Transfer to Current Fund - Prior Year Surplus	D-1	225,200.00	
Refund of Prior Year Revenue	D-1	6,661.23	
Reserve for Fees for Other Towns	D	15.00	
Utility Overpayment Refunds	D-10	1,652.43	
Interfund - Water/Sewer Utility Capital Fund	D-14		1,315.14
Improvement Authorizations	D-20		1,797,969.57
Bond Anticipation Notes	D-19		<u>2,900,000.00</u>
		<hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/>	
		<hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/>	
		<hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/>	
Balance, December 31, 2018	D	<hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/>	<hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/>
		<hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/>	<hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> <hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black; margin-bottom: 5px;"/>

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>December 31, 2018</u>
Fund Balance		\$ 103,405.80
Capital Improvement Fund		3,074.00
Encumbrances Payable		1,213,571.63
Due to Water Sewer Operating		164,053.84
Reserve for Preliminary Costs - Well		1,845.00
Reserve for Payment of Bonds		192,869.89
Due from State of New Jersey Environmental Trust		
 Ordinance <u>Number</u>	<u>Improvement Description</u>	
4-35	Reconstruction of Sewer Main along Maple Ave	
11-02	Various 2011 Capital Improvements	
11-07	Various 2011 Drainage Improvements	
13-07	Lake Ace Water Utility Improvements	
13-14/15-11	Various 2013 Capital Improvements	84,699.82
14-03	Various 2014 Water Sewer Utility Improvements	87,580.16
15-10/17-16	Various WS Improvements	102,294.45
16-01	Water Plant Improvement at Chestnut St & Tower Hill	(153,674.65)
16-02	Water and Sewer Utility Meters	108,289.06
17-21	2017 Road Program Water/Sewer Improvements	<u>17,589.28</u>

Ref.

D

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 578,627.74
Increased by:		
Water/Sewer Rents Levied		<u>6,889,164.05</u>
		<u>7,467,791.79</u>
Decreased by:		
Collections	D-3/D-5	\$ 6,642,650.97
Transfer to Lien	D-8	393.38
Overpayments Applied	D-3/D-10	<u>26,753.08</u>
		<u>6,669,797.43</u>
Balance, December 31, 2018	D	<u>\$ 797,994.36</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF LIENS RECEIVABLE

Ref.

Balance, December 31, 2017	D	\$ 120.44
Increased By:		
Transfer from Consumer Accounts Receivable	D-7	<u>393.38</u>
Balance, December 31, 2018	D	<u>\$ 513.82</u>

BOROUGH OF RED BANK
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance December 31, 2017</u>	<u>Reserve for Encumbrance</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$ 5,178.44		\$ 5,178.44	\$ 1,063.69	\$ 4,114.75
Other Expenses	242,248.97	\$ 181,293.61	370,542.58	187,741.23	182,801.35
Manasquan River Water Purchases	<u>19,507.93</u>		<u>72,507.93</u>	<u>72,418.50</u>	<u>89.43</u>
Total Operating	<u>266,935.34</u>	<u>181,293.61</u>	<u>448,228.95</u>	<u>261,223.42</u>	<u>187,005.53</u>
Capital Improvements:					
Capital Outlay	<u>20,350.00</u>		<u>20,350.00</u>	<u>13,588.71</u>	<u>6,761.29</u>
Total Capital Improvements	<u>20,350.00</u>		<u>20,350.00</u>	<u>13,588.71</u>	<u>6,761.29</u>
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	45.13		45.13		45.13
Social Security System (OASI)	<u>9,453.49</u>		<u>9,453.49</u>		<u>9,453.49</u>
Total Statutory Expenditures	<u>9,498.62</u>		<u>9,498.62</u>		<u>9,498.62</u>
	<u>\$ 296,783.96</u>	<u>\$ 181,293.61</u>	<u>\$ 478,077.57</u>	<u>\$ 274,812.13</u>	<u>\$ 203,265.44</u>

Ref.

D

D-15

D-5

D-1

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CUSTOMER OVERPAYMENTS

Ref.

Balance, December 31, 2017	D	\$ 26,753.08
Increased by:		
Cash Receipts	D-5	<u>24,434.82</u>
		<u>51,187.90</u>
Decreased by:		
Applied to Consumer Accounts Receivable	D-3/D-7	\$ 26,753.08
Refunds	D-5	<u>1,652.43</u>
		<u>28,405.51</u>
Balance, December 31, 2018	D	<u><u>\$ 22,782.39</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, 2017	D	\$ 55,383.01
Increased by:		
Budget Appropriations	D-4	<u>357,387.78</u>
		<u>412,770.79</u>
Decreased by:		
Interest Paid	D-5	<u>334,723.41</u>
Balance, December 31, 2018	D	<u><u>\$ 78,047.38</u></u>

Analysis of Accrued Interest December 31, 2018

Principal Outstanding <u>December 31, 2018</u>	Interest <u>Rate</u>	From	To	Period	<u>Amount</u>
Serial Bonds:					
\$ 460,000.00	Various	08-01-18	12-31-18	150 days	\$ 7,536.46
1,862,000.00	Various	10-01-18	12-31-18	90 days	9,431.75
3,385,000.00	Various	12-01-18	12-31-18	30 days	12,254.17
2,165,000.00	Various	08-01-18	12-31-18	150 days	42,812.50
Bond Anticipation Notes:					
\$ 3,700,000.00	3.25%	12-12-18	12-31-18	18 days	<u>6,012.50</u>
Total					
					<u><u>\$ 78,047.38</u></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, 2017	D	\$ 27,733.24
Increased By:		
Billings		<u>48,515.84</u>
		<u>76,249.08</u>
Decreased By:		
Cash Receipts	D-13	<u>48,777.92</u>
Balance, December 31, 2018	D	<u>\$ 27,471.16</u>

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

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 11,202.00
Increased By:		
Water/Sewer Line Repair Receivable	D-12	\$ 48,777.92
Cash Receipts		<u>147,312.48</u>
	D-5	<u>196,090.40</u>
		<u>207,292.40</u>
Decreased By:		
Cash Disbursements	D-5	<u>173,067.36</u>
Balance, December 31, 2018	D	<u>\$ 34,225.04</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 1,315.14
Increased by:		
Cancel Improvement Authorizations	D-20	\$ 160,312.79
Interest earned	D-3/D-5	<u>3,741.05</u>
		<u>164,053.84</u>
		165,368.98
Decreased by:		
Cash Receipts	D-5	<u>1,315.14</u>
Balance, December 31, 2018	D	<u>\$ 164,053.84</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, 2017	D	\$ 181,293.61
Increased by:		
Transferred from Budget Appropriations	D-4	<u>191,996.21</u>
		<u>373,289.82</u>
Decreased by:		
Transferred to Appropriation Reserves	D-9	<u>181,293.61</u>
Balance, December 31, 2018	D	<u><u>\$ 191,996.21</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

Ref.

Balance, December 31, 2017	D	\$ 14,356,458.47
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Increased By:

Transfer from Fixed Capital		
Authorized but Uncompleted	D-17	<u>4,265,162.63</u>

Balance, December 31, 2018	D	<u>\$ 18,621,621.10</u>
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BOROUGH OF RED BANK
 COUNTY OF MONMOUTH, NEW JERSEY
 WATER/SEWER UTILITY CAPITAL FUND
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2017	2018 Authorizations		Transfer to Fixed Capital	Canceled	Balance December 31, 2018
		Date	Amount		Deferred Charges to Future Revenue				
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			\$ 1,895,307.42	\$ 49,692.58	
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
11-02	Various 2011 Capital Improvements	2/28/2011	1,846,000.00	1,846,000.00			1,822,776.85	23,223.15	
11-07	Various 2011 Sewer Drainage Improvements	05/25/2011	189,168.00	189,168.00			178,066.66	11,101.34	
13-07	Lake Avenue Capital Improvements	6/12/2013	500,000.00	500,000.00			369,011.70	130,988.30	
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	1,277,000.00					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
17-21/18-09/18-27	Various Water/Sewer Improvements	7/26/2017 3/28/2018 10/10/2018	600,000.00 225,000.00 575,000.00	600,000.00 \$ 800,000.00					1,400,000.00
18-34	Various Water/Sewer Improvements	11/28/2018	1,450,000.00		1,450,000.00				1,450,000.00
				\$ 18,207,111.00	\$ 2,250,000.00		\$ 4,265,162.63	\$ 215,005.37	\$ 15,976,943.00

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>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Decreased</u>	<u>Balance December 31, 2018</u>
			<u>Outstanding</u>	<u>December 31, 2017</u>				
NJEIT Trust Loan Bonds	11/23/09	\$ 680,000.00	08-01-19	\$ 35,000.00	4.000%			
			08-01-20	35,000.00	4.000%			
			08-01-21	35,000.00	4.000%			
			08-01-22	40,000.00	3.500%			
			08-01-23	40,000.00	4.000%			
			08-01-24	40,000.00	4.000%			
			08-01-25	45,000.00	3.750%			
			08-01-26	45,000.00	4.000%			
			08-01-27	45,000.00	4.000%			
			08-01-28	50,000.00	4.000%			
			08-01-29	50,000.00	4.000%	\$ 490,000.00	\$ 30,000.00	\$ 460,000.00
NJEIT Fund Loan Bonds	11/23/09	2,040,227.00	02-01-19	11,526.71	0.000%			
			08-01-19	23,053.42	0.000%			
			02-01-20	11,526.71	0.000%			
			08-01-20	23,053.42	0.000%			
			02-01-21	11,526.71	0.000%			
			08-01-21	23,053.42	0.000%			
			02-01-22	11,526.71	0.000%			
			08-01-22	23,053.42	0.000%			
			02-01-23	11,526.71	0.000%			
			08-01-23	23,053.42	0.000%			
			02-01-24	11,526.71	0.000%			
			08-01-24	23,053.42	0.000%			
			02-01-25	11,526.71	0.000%			
			08-01-25	23,053.42	0.000%			
			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%	414,961.67	34,580.13	380,381.54

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>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Decreased</u>	<u>Balance December 31, 2018</u>
			<u>Outstanding</u>	<u>December 31, 2017</u>				
Water/Sewer Bonds	11/10/12	\$ 2,662,000.00	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%	\$ 2,012,000.00	\$ 150,000.00	\$ 1,862,000.00
MCIA Water/Sewer Bonds	12/23/15	3,775,000.00	12-01-19	130,000.00	5.000%			
			12-01-20	140,000.00	5.000%			
			12-01-21	145,000.00	5.000%			
			12-01-22	155,000.00	5.000%			
			12-01-23	165,000.00	5.000%			
			12-01-24	170,000.00	5.000%			
			12-01-25	180,000.00	5.000%			
			12-01-26	190,000.00	5.000%			
			12-01-27	200,000.00	5.000%			
			12-01-28	210,000.00	5.000%			
			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%	3,515,000.00	130,000.00	3,385,000.00
MCIA Water/Sewer Refunding Bonds	06/25/15	3,084,478.50	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%	2,636,231.00	471,231.00	2,165,000.00
						\$ 9,068,192.67	\$ 815,811.13	\$ 8,252,381.54

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Issued</u>	<u>Decreased</u>	<u>Balance December 31, 2018</u>
16-02	Acquisition and Installation of Water Meters	12/16/16	12/12/18	12/11/19	3.25%	\$ 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	12/12/18	12/11/19	3.25%	400,000.00	400,000.00	400,000.00	400,000.00
17-21/18-09/18-27	Various Water/Sewer Improvements	12/14/17	12/12/18	12/11/19	3.25%	<u>600,000.00</u>	<u>1,400,000.00</u>	<u>600,000.00</u>	<u>1,400,000.00</u>
						<u>\$ 2,900,000.00</u>	<u>\$ 3,700,000.00</u>	<u>\$ 2,900,000.00</u>	<u>\$ 3,700,000.00</u>

Ref.

D

D-5/D-29

D-5

D

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

Ref.

Balance, December 31, 2017	D	\$ 1,354,308.40
Increased by:		
Transferred from Improvement Authorizations	D-20	<u>1,213,571.63</u>
		<u>2,567,880.03</u>
Decreased by:		
Transferred to Improvement Authorizations	D-20	<u>1,354,308.40</u>
Balance, December 31, 2018	D	<u><u>\$ 1,213,571.63</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, 2018 and 2017	D	\$ <u>3,074.00</u>
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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, 2017	D	\$ 5,288,265.80
Increased by:		
Serial Bonds Paid in the Current Fund	D-18	\$ 815,811.13
Transfer from Deferred Reserve for Amortization	D-24	<u>4,265,162.63</u>
		<u>5,080,973.76</u>
Balance, December 31, 2018	D	<u><u>\$ 10,369,239.56</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, 2017	D	\$ 13,482,111.00
Decreased by:		
Improvement Authorization Canceled	D-20	\$ 215,005.37
Transfer to Reserve for Amortization	D-23	<u>4,265,162.63</u>
		<u>4,480,168.00</u>
Balance, December 31, 2018	D	<u><u>\$ 9,001,943.00</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, 2018 and 2017	D	<u>\$ 1,845.00</u>

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

Balance, December 31, 2018 and 2017	D	<u>\$ 192,869.89</u>
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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

<u>Ref.</u>		
Balance, December 31, 2017	D	\$ 610,971.00
Increased by:		
Payments Requisitioned	D-28	<u>755,382.00</u>
		<u>1,366,353.00</u>
Decreased by:		
Cash Receipts	D-5	<u>1,366,353.00</u>
Balance, December 31, 2018	D	<u><u>\$ -</u></u>

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

<u>Ref.</u>		
Balance, December 31, 2017	D	\$ 610,971.00
Increased by:		
Loan Obligated	D-27	<u>755,382.00</u>
Balance, December 31, 2018	D	<u><u>\$ 1,366,353.00</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance <u>December 31, 2017</u>	Authorizations	Issued	Balance <u>December 31, 2018</u>
16-01	Water Plant Improvements at Chestnut Street and Tower Hill	\$ 1,214,029.00		\$ 755,382.00	\$ 458,647.00
17-21/18-09/18-27	2017 Road Program - Water/Sewer Improvements		\$ 800,000.00	800,000.00	
18-34	Various Water/Sewer Improvements	<u>1,450,000.00</u>		<u>1,450,000.00</u>	<u>1,450,000.00</u>
		<u>\$ 1,214,029.00</u>	<u>\$ 2,250,000.00</u>	<u>\$ 1,555,382.00</u>	<u>\$ 1,908,647.00</u>
		<u>Ref.</u>	D-20		(Footnote E)
	NJ Environmental Infrastructure Trust Loan Bond Anticipation Notes	D-28 D-19		\$ 755,382.00 800,000.00	
				<u>\$ 1,555,382.00</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY FUND
SCHEDULE OF CASH AND INVESTMENTS

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2017	E	\$ 986,837.05	\$ 224,580.49
Increased by Receipts:			
Parking Fees	E-3	\$ 1,465,387.30	
Riverview Hospital Lease Agreement	E-3	320,526.69	
Interest on Investments	E-3/E-20	3,918.41	\$ 66.14
Interfund - Current Fund	E-21	22,000.00	
Interfund - Trust Other Fund	E-21	98,398.09	
Premium on Bond Anticipation Notes	E-2	<hr/>	<hr/>
		1,910,230.49	2,703.00
		2,897,067.54	227,349.63
Decreased by Disbursements:			
2018 Budget Appropriations	E-4	1,747,925.66	
2017 Appropriation Reserves	E-9	79,444.52	
Prior Year Surplus - General Budget	E-1	85,000.00	
Accrued Interest	E-10	15,836.24	
Interfund - Trust Other Fund	E-21	98,142.24	
Reserve for Parking Fee Variance	E-22	24,210.50	
Improvement Authorizations	E-14	<hr/>	<hr/>
		2,050,559.16	13,663.50
		<u>\$ 846,508.38</u>	<u>\$ 213,686.13</u>
Balance, December 31, 2018	E		

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
ANALYSIS OF PARKING UTILITY CAPITAL CASH

	Balance December 31, <u>2018</u>
Capital Improvement Fund	\$ 3,400.00
Interfund - Parking Operating Fund	66.14
Reserve for Payment of Bonds	3,778.19
Fund Balance	<u>25,781.70</u>

<u>Ordinance Number</u>	<u>Improvement Description</u>	
15-09	Water and Sewer Utility Meters	50,138.32
17-23	2017 Road/Parking Improvements	<u>130,521.78</u>
		<u><u>\$ 213,686.13</u></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>	Balance December 31, 2018 & 2017
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

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2017	Deferred Charges to Future Revenue	Cancelled	Balance December 31, 2018
		Date	Amount				
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
18-35	Various Parking Utility Improvements	11-28-18	422,000.00		\$ 422,000.00		422,000.00
				<u>\$ 623,070.72</u>	<u>\$ 422,000.00</u>	<u>\$ 23,070.72</u>	<u>\$ 1,022,000.00</u>

Ref.

E

E-14

E-14

E

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>December 31,</u> <u>2017</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 95,082.58		\$ 95,082.58	\$ 735.44	\$ 94,347.14
Other Expenses	93,925.74	\$ 73,312.72	167,238.46	73,709.08	93,529.38
Accumulated Absence	<u>5,000.00</u>	<u> </u>	<u>5,000.00</u>	<u>5,000.00</u>	<u> </u>
 Total Operating	 <u>194,008.32</u>	 <u>73,312.72</u>	 <u>267,321.04</u>	 <u>79,444.52</u>	 <u>187,876.52</u>
 Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	2.02		2.02		2.02
Social Security System (OASI)	<u>8,077.69</u>	<u> </u>	<u>8,077.69</u>	<u> </u>	<u>8,077.69</u>
 Total Statutory Expenditures	 <u>8,079.71</u>	<u> </u>	<u>8,079.71</u>	<u> </u>	<u>8,079.71</u>
	 <u><u>\$ 202,088.03</u></u>	 <u><u>\$ 73,312.72</u></u>	 <u><u>\$ 275,400.75</u></u>	 <u><u>\$ 79,444.52</u></u>	 <u><u>\$ 195,956.23</u></u>

Ref.

E

E-11

E-5

E-1

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 1,145.83
Increased by:		
Budget Appropriations	E-4	<u>16,000.83</u>
		<u>17,146.66</u>
Decreased by:		
Interest Paid	E-5	<u>15,836.24</u>
Balance, December 31, 2018	E	\$ 1,310.42

Analysis of Accrued Interest December 31, 2018

Principal Outstanding	Interest	From	To	Period	Amount
<u>December 31, 2018</u>	<u>Rate</u>				

Serial Bonds:

\$ 250,000.00 Various 12-01-18 12-31-18 30 days \$ 904.17

Bond Anticipation Notes:

\$ 300,000.00 3.25% 12-12-18 12-31-17 15 days 406.25

Total

Ref. E-10

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 73,312.72
Increased by:		
Transferred from Budget Appropriations	E-4	<u>67,024.39</u>
		<u>140,337.11</u>
Decreased by:		
Transferred to Appropriation Reserves	E-9	<u>73,312.72</u>
Balance, December 31, 2018	E	<u><u>\$ 67,024.39</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>	<u>Maturities of Bonds</u>			<u>Interest Rate</u>	<u>Balance December 31, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2018</u>
			<u>Outstanding December 31, 2018</u>						
MCIA - Parking Utility Bonds	12-23-15	\$ 280,000.00	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%	\$ 260,000.00	\$ 10,000.00	\$ 250,000.00	
						\$ 260,000.00	\$ 10,000.00	\$ 250,000.00	

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

Ref.

E

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u> <u>December 31, 2017</u>		<u>Increased by</u>		<u>Decreased by</u>		<u>Balance</u> <u>December 31, 2018</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>	<u>2018 Authorizations</u>	<u>Prior Year Encumbrances</u>	<u>Canceled Authorizations</u>	<u>Paid or Charged</u>	<u>Funded</u>	<u>Unfunded</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	04-22-15	300,000.00	33,665.07			\$ 16,473.25			\$ 50,138.32	
17-23	Various Parking Utility Improvements	07-26-17	300,000.00		\$ 127,288.08		16,897.20		\$ 13,663.50		\$ 130,521.78
18-35	Various Parking Utility Improvements	11-28-18	422,000.00			\$ 422,000.00					422,000.00
				\$ 56,735.79	\$ 127,288.08	\$ 422,000.00	\$ 33,370.45	\$ 23,070.72	\$ 13,663.50	\$ 50,138.32	\$ 552,521.78
				<u>Ref.</u>	<u>E</u>	<u>E</u>	<u>E-8/E-23</u>	<u>E-18</u>	<u>E-2/E-8/E-17</u>	<u>E-5</u>	<u>E</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Ref.

Balance, December 31, 2018 and 2017	E	\$ <u>3,400.00</u>
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BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

Ref.

Balance, December 31, 2018 and 2017	E	<u>\$ 4,191,488.21</u>
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BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance <u>Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2017</u>	<u>Increased by:</u>		<u>Decreased by:</u>		Balance December 31, <u>2018</u>
			Serial Bonds	<u>Paid</u>	Canceled Improvement <u>Authorization</u>		
12-09	Acquisition and Installation of Parking Pay Stations	\$ 23,070.72				\$ 23,070.72	
15-09	Various Parking Utility Improvements	<u>40,000.00</u>	\$ 10,000.00			<u>\$ 50,000.00</u>	
		<u>\$ 63,070.72</u>	<u>\$ 10,000.00</u>		<u>\$ 23,070.72</u>	<u>\$ 50,000.00</u>	
		E	E-12		E-14		E

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL
SCHEDEULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 33,370.45
Decreased by:		
Applied to Improvement Authorizations	E-14	<u>33,370.45</u>
Balance, December 31, 2018	E	<u>\$ -</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY
SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 8,890.45
Decreased by:		
Canceled	E-1	<u>8,890.45</u>
Balance, December 31, 2018	E	<u>\$ -</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL
SCHEDULE OF INTERFUND PAYABLE - PARKING OPERATING

Ref.

Increased by:

Interest on Investments	E-5	\$ <u>66.14</u>
Balance, December 31, 2018	E	\$ <u>(66.14)</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING
SCHEDULE OF INTERFUND RECEIVABLE/(PAYABLE)

	Ref.	Total <u>MEMO ONLY</u>	Current Fund	Trust Other Fund	Parking Capital Fund
Balance, December 31, 2017:					
Interfund Receivable	E	\$ -			
Interfund Payable	E	<u>(1,231.40)</u>		<u>\$ (1,231.40)</u>	
Increased by:					
Cash Receipts	E-5	(120,398.09)	\$ (22,000.00)	(98,398.09)	
Interest on Investments	E-5	<u>66.14</u>	<u>(22,000.00)</u>	<u>(98,398.09)</u>	<u>\$ 66.14</u>
		<u>(120,331.95)</u>	<u>(22,000.00)</u>	<u>(99,629.49)</u>	<u>66.14</u>
		<u>(121,563.35)</u>	<u>(22,000.00)</u>	<u>(99,629.49)</u>	<u>66.14</u>
Decreased by:					
Cash Disbursements	E-5	<u>(98,142.24)</u>		<u>(98,142.24)</u>	
		<u>(98,142.24)</u>	<u>-</u>	<u>(98,142.24)</u>	<u>-</u>
Balance, December 31, 2018					
Interfund Receivable	E	\$ 66.14			\$ 66.14
Interfund Payable	E	<u>\$ (23,487.25)</u>	<u>\$ (22,000.00)</u>	<u>\$ (1,487.25)</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, 2017	E	\$ 211,936.28
Decreased by:		
Cash Disbursements	E-5	<u>24,210.50</u>
Balance, December 31, 2018	E	<u>\$ 187,725.78</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance <u>Number</u>	<u>Improvement Description</u>	Balance		Balance December 31, <u>2018</u>
		December 31, <u>2017</u>	<u>Authorizations</u>	
18-35	Various Parking Utility Improvements	\$ -	\$ 422,000.00	\$ 422,000.00
		<u>\$ -</u>	<u>\$ 422,000.00</u>	<u>\$ 422,000.00</u>

Ref.

E-14

(Footnote E)

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND
SCHEDULE OF CASH

	<u>Ref.</u>		
Balance, December 31, 2017		F	\$ 91,209.72
Increased by:			
Payroll Deductions Payable	F-2	\$ 13,076,570.27	
Interfund - Current Fund	F-3	54,506.46	
Interfund - Trust Other	F-4	9,351.31	
Due From Internal Revenue Service	F-5	<u>2,147.36</u>	
		<u>13,142,575.40</u>	
		<u>13,233,785.12</u>	
Decreased by:			
Payroll Deductions Payable	F-2	13,015,666.95	
Interfund - Current Fund	F-3	<u>3,107.97</u>	
		<u>13,018,774.92</u>	
Balance, December 31, 2018		F	<u>\$ 215,010.20</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL TRUST FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

Ref.

Balance, December 31, 2017	F	\$ 102,153.13
Increased by:		
Cash Receipts	F-1	13,076,570.27
		<hr/> <u>13,178,723.40</u>
Decreased by:		
Cash Disbursements	F-1	<u>13,015,666.95</u>
Balance, December 31, 2018	F-2	<u>\$ 163,056.45</u>
Payroll Liabilities	F	\$ 150,051.60
Miscellaneous	F	<u>13,004.85</u>
	F-2	<u>\$ 163,056.45</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>		
Balance, December 31, 2017 - Due to	F	\$	555.26
Increased by:			
Cash Receipts	F-1	\$	51,669.97
Interest Earned		<u>2,836.49</u>	
	<u>F-1</u>		<u>54,506.46</u>
			<u>55,061.72</u>
Decreased by			
Cash Disbursements	F-1		<u>3,107.97</u>
Balance, December 31, 2018 - Due to	F	<u>\$</u>	<u>51,953.75</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, 2017	F	\$ 9,351.31
Decreased by		
Cash Receipts	F-1	<u>9,351.31</u>
Balance, December 31, 2018	F	<u>\$ -</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, 2017	F	\$ 2,147.36
Decreased by:		
Cash Receipts	F-1	<u>2,147.36</u>
Balance, December 31, 2018	F	<u>\$ -</u>

BOROUGH OF RED BANK
COUNTY OF OCEAN, NEW JERSEY

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

	<u>Balance</u>			<u>Balance</u>	
	<u>December 31, 2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>Adjustment</u>	<u>December 31, 2018</u>
General Fixed Assets:					
Land and Buildings	\$ 12,027,756.00			\$ 2,048,625.00	\$ 9,979,131.00
Furniture, Fixtures and Equipment	<u>13,310,637.15</u>	<u>\$ 113,242.90</u>	<u>\$ 22,151.00</u>	<u>2,573,183.45</u>	<u>10,828,545.60</u>
	<u><u>\$ 25,338,393.15</u></u>	<u><u>\$ 113,242.90</u></u>	<u><u>\$ 22,151.00</u></u>	<u><u>\$ 4,621,808.45</u></u>	<u><u>\$ 20,807,676.60</u></u>
<u>Ref.</u>	<u>G</u>				<u>G</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH
PART III
SCHEDULE OF FINDINGS AND RESPONSES
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
GENERAL COMMENTS
SCHEDULE OF COMMENTS AND RECOMMENDATIONS
APPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2018

BOROUGH OF RED BANK
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2018

Section I - Summary of Auditor's Results

Financial Statements Section

Type of auditor's report issued on whether the Financial Statements audited were prepared in accordance with GAAP:

Adverse

Type of auditor's report issued on whether the financial Statements audited were prepared in accordance with the regulatory basis of accounting promulgated by the Division of Local Government Service, Department Community Affairs, State of New Jersey:

Unmodified

Internal control over financial reporting:

Material weakness identified?	<u>X</u>	Yes	<u> </u>	No
Significant deficiency(ies) identified?	<u> </u>	Yes	<u>X</u>	None reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u>X</u>	No

BOROUGH OF RED BANK
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2018

Section II – Financial Statement Findings

Material Weaknesses

2018-001

Current Fund, Trust Fund, Payroll Trust Fund, Capital Fund, Water Sewer Operating, General Fixed Asset Account Group

Material Weakness in the Internal Controls over the Preparation and Presentation of Financial Statements that are Fairly Stated and are Free of Material Misstatement.

Criteria:

The Borough is responsible for the design, implementation and monitoring of a system of internal controls that reasonably assures the financial statements are fairly stated and free of material misstatements. Also, fixed asset inventories must be taken in accordance with the New Jersey Administrative Code.

Condition:

The general ledgers of the following funds were incomplete: Current Fund, Trust Fund, Payroll Trust Fund, Capital Fund and Water Sewer Operating Fund and the General Fixed Asset Account Group. There is no evidence of a recent fixed asset inventory.

Cause:

Proper consideration was not given to internal controls over the preparation and presentation of the financial statements that are free of material misstatements.

Effect:

It is possible that information provided from the system may have been materially misstated.

Recommendation:

We recommend the Borough reassess its policies and the design and implementation of its system of internal controls related to the preparation and presentation of financial statements that are fairly stated and free of material misstatement. Improvements should be made to the system based on that reassessment.

Response:

The Borough agrees with this finding. In the period following the year end included in this report, the Borough hired a new Chief Financial Officer. Management will implement effective controls in a timely manner.

BOROUGH OF RED BANK
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2018

2018-002

Other Trust Fund

Outside Employment of Police Trust Account (Special Duty Police Assignments)

Material Weakness in Internal Control over the Preparation and Presentation of Financial Statements that are Free of Material Misstatement.

Material Weakness in Internal Control over Compliance with the Borough Code and the Division of Local Government Services Standards.

Criteria:

A complete set of accounting records includes a general ledger and a complete set of subsidiary ledgers that agree to or reconcile to the general ledger. It is required that the complete set of records be available at the time of audit. Furthermore, compliance with all applicable accounting and administrative standards and codes is critical to the proper administration of the fund.

Condition:

At the time of audit there was no readily available method of reconciling individual contractors accounts to the balance of record in the finance office. There is a large unreconciled balance in the account. Furthermore, based on discussions with management there are special duty assignments that have been undertaken without the required escrow being first deposited as is required by Article III Section 118-17 of the Borough Code, and Local Finance Notice 2000-14. Based on further discussions with management it is likely that the Borough has not realized the full value of administrative fees paid into the system and those fees are likely a partial explanation for the large unreconciled balance in the account.

Cause:

There is a material weakness in the internal controls related to the preparation and presentation of financial statements that are free of material misstatements due to fraud or error. Also, there is a material weakness over compliance related to the administration of the Trust Fund.

Effect:

There is no reconciled complete set of financial statements for the Special Duty Police Trust Fund. Information taken from the system may be incomplete, inaccurate or both. It is likely that some portion of the unreconciled balance in the Trust Fund should be available as surplus in the general fund but since that determination has not been made, it is not available.

Recommendation:

We recommend that the Borough reassess the policies and internal controls related to the Special Duty Police Trust Fund. Based upon that reassessment the Borough should design and implement a set of internal controls that reasonably assure that financial statements are prepared and presented without material misstatement and that the trust fund is administered in accordance with the requirements of the Borough Code and the Division of Local Government Services. Furthermore, an accounting should be made of the unreconciled funds in the account and a determination should be made with respect to the disposition(s) of those funds.

BOROUGH OF RED BANK
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2018

Response: The Borough agrees with this finding. Management will implement the recommendations of the auditor in a timely manner.

BOROUGH OF RED BANK
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

Status of Prior Year Findings:

Finding Reference: 2017-001

This finding was fully corrected.

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:

Improvements to East Bergen Place
Solid Waste and Recycling Collection and Disposal
East Side Park and Mohawk Pond Improvements

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, 2018, 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, 2018, 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 1, 2018.

BOROUGH OF RED BANK
SCHEDULE OF COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

General

Comment 2018-001:

The general ledgers of the following funds were incomplete: Current Fund, Trust Fund, Payroll Trust Fund, Capital Fund and Water Sewer Operating Fund and the General Fixed Asset Account Group. There is no evidence of a recent fixed asset inventory. Interfund balances exist as of December 31, 2018.

Recommendation:

We recommend the Borough reassess its policies and the design and implementation of its system of internal controls related to the preparation and presentation of financial statements that are fairly stated and free of material misstatement. Improvements should be made to the system based on that reassessment.

Trust Other (Special Duty)

Comment 2018-002:

At the time of audit there was no readily available method of reconciling individual contractors accounts to the balance of record in the finance office. There is a large unreconciled balance in the account. Furthermore, based on discussions with management there are special duty assignments that have been undertaken without the required escrow being first deposited as is required by Article III Section 118-17 of the Borough Code, and Local Finance Notice 2000-14. Based on further discussions with management it is likely that the Borough has not realized the full value of administrative fees paid into the system and those fees are likely a partial explanation for the large unreconciled balance in the account.

Recommendation:

We recommend that the Borough reassess the policies and internal controls related to the Special Duty Police Trust Fund. Based upon that reassessment the Borough should design and implement a set of internal controls that reasonably assure that financial statements are prepared and presented without material misstatement and that the trust fund is administered in accordance with the requirements of the Borough Code and the Division of Local Government Services. Furthermore, an accounting should be made of the unreconciled funds in the account and a determination should be made with respect to the disposition(s) of those funds.

BOROUGH OF RED BANK
SCHEDULE OF COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

Payroll Trust Fund

Comment 2018-003:

Fourth Quarter Pension reports were not filed with the state in a timely manner.

Recommendation:

All pension reports should be filed on time as required by the State of New Jersey.

Internal Controls

Comment 2018-004:

Expenditures

Our examination of expenditures revealed deficiencies in the application of the Borough's internal control policies and procedures over expenditures. There was no purchase order date for 14 of 40 items tested. The invoice for 1 of 40 items tested was not attached to the purchase order. The invoice date for 3 of 40 items tested was prior to the purchase order date. Competitive quotes for 1 of 40 items tested was not obtained.

Water/Sewer Utility Billing

Our examination of water/sewer billing registers revealed that the third quarter 2018 billing was not in accordance with the Borough's rate ordinance. Numerous accounts were over-billed. The accounts were not re-billed for this error.

Construction

Our examination of permit fees collected by the construction department revealed that these fees were not in accordance with the Borough's rate ordinance. The Certificate of Occupancy fee for 2 of 10 items tested was not properly charged. The Fire Permit Fee for 1 of 10 items tested was not properly charged.

Recommendation:

Policies and internal controls related to purchasing, utility billing, and the collection of construction fees should be reassessed for the specific deficiencies noted above and improved upon based on the results of that reassessment.

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
Edward Zipprich	Councilman, Council President
Kathleen Horgan	Councilwoman
Mark Taylor	Councilman
Michael Whelan	Councilman
Erik Yngstrom	Councilman
Michael Ballard	Councilman
Ziad Shehady	Borough Administrator
Pamela Borghi	Municipal Clerk
Eugenia Poulos	Director of Finance, Chief Financial Officer
Ashlesha Deshpande	Tax Collector/Water-Sewer Utility Collector
Frank LaRocca	Magistrate
Cathleen Gerber	Court Administrator
Susan Milnes	Deputy Court Clerk
Gregory J. Cannon	Municipal Attorney

* All employees are covered by a dishonesty Public Employees' Blanket Bond in the amount of \$50,000.00, written by Monmouth County Joint Insurance Fund. In addition, there are blanket bonds for secondary coverage with the Municipal Excess Liability Joint Insurance Fund in the amount of \$1,000,000.00 for Public Employees.

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
FALLON & COMPANY LLP