

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

**REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2019**

**BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

<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	38
E-3	Statement of Revenues - Regulatory Basis	39
E-4	Statement of Expenditures - Regulatory Basis	40

**BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

<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>PART II</u>	
	SUPPLEMENTARY EXHIBITS	
	<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	115
A-28	Federal and State Grant Fund - Schedule of Unappropriated Reserves	116
A-29	Federal and State Grant Fund - Schedule of Due from/(to) Current Fund	117
A-30	Federal and State Grant Fund - Schedule of Reserve for Encumbrances	118

**BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

<u>Exhibit No.</u>		<u>Page No.</u>
	<u>TRUST FUND</u>	
B-1	Schedule of Cash	119
B-2	Schedule of Interfund - Current Fund - Animal Control Trust Fund	120
B-3	Schedule of Reserve for Animal Control Trust Fund Expenditures	121
B-4	Schedule of Due to State of New Jersey - Animal Control Trust Fund	122
B-5	Schedule of Reserve for Encumbrances - Animal Control Trust Fund	123
B-6	Schedule of Various Reserves - Trust Other Fund	124
B-7	Schedule of Interfund with Current Fund	125
B-8	Schedule of Interfund with Payroll Trust Fund	126
B-9	Schedule of Interfund with Parking Utility Operating Fund	127
B-10	Schedule of Funds Held by Trustee - Length of Service Award Program Fund	128
B-11	Schedule of Reserve for Length of Service Award Program - Length of Service Award Program Fund	128
	<u>GENERAL CAPITAL FUND</u>	
C-2	Schedule of Cash	129
C-3	Analysis of General Capital Cash	130
C-4	Schedule of Investments in Notes	131
C-5	Schedule of Grants Receivable	132
C-6	Schedule of Interfund with Current Fund	133
C-7	Schedule of Deferred Charges to Future Taxation - Funded	134
C-8	Schedule of Deferred Charges to Future Taxation - Unfunded	135
C-9	Schedule of Miscellaneous Reserves	136
C-10	Schedule of General Serial Bonds	137
C-11	Schedule of Bond Anticipation Notes	139
C-12	Schedule of Green Trust Loan Payable	140
C-13	Schedule of Improvement Authorizations	141
C-14	Schedule of Reserve for Encumbrances	142
C-15	Schedule of Capital Improvement Fund	143
C-16	Schedule of Bonds and Notes Authorized but Not Issued	144
	<u>WATER/SEWER UTILITY FUND</u>	
D-5	Schedule of Cash and Investments	145
D-6	Analysis of Water/Sewer Utility Capital Cash	146
D-7	Schedule of Consumer Accounts Receivable	147
D-8	Schedule of Liens Receivable	148
D-9	Schedule of Appropriation Reserves	149
D-10	Schedule of Customer Overpayments	150
D-11	Schedule of Accrued Interest on Bonds, Loans and Notes	151

**BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Exhibit No.

Page No.

WATER/SEWER UTILITY FUND (CONTINUED)

D-12	Schedule of Water/Sewer Line Repair Receivable	152
D-13	Schedule of Reserve for Water/Sewer Line Repairs	152
D-14	Schedule of Due from Water/Sewer Capital Fund	153
D-15	Schedule of Reserve for Encumbrances	154
D-16	Schedule of Fixed Capital	155
D-17	Schedule of Fixed Capital Authorized and Uncompleted	156
D-18	Schedule of Water/Sewer Utility Serial Bonds	157
D-19	Schedule of Water/Sewer Utility Bond Anticipation Notes	161
D-20	Schedule of Improvement Authorizations	162
D-21	Schedule of Reserve for Encumbrances	163
D-22	Schedule of Capital Improvement Fund	164
D-23	Schedule of Reserve for Amortization	165
D-24	Schedule of Deferred Reserve for Amortization	166
D-25	Schedule of Reserve for Preliminary Costs - Well	167
D-26	Schedule of Reserve for Payment of Bonds	167
D-27	Schedule of Due from State of New Jersey Environmental Infrastructure Trust Fund	168
D-28	Schedule of State of New Jersey Environmental Infrastructure Short-Term Trust Loan Payable	168
D-29	Schedule of Bonds and Notes Authorized but Not Issued	169

PARKING UTILITY FUND

E-5	Schedule of Cash and Investments	170
E-6	Analysis of Parking Utility Capital Cash	171
E-7	Schedule of Fixed Capital	172
E-8	Schedule of Fixed Capital Authorized and Uncompleted	173
E-9	Schedule of Appropriation Reserves	174
E-10	Schedule of Accrued Interest Payable	175
E-11	Schedule of Parking Utility Operating Reserve for Encumbrances	176
E-12	Schedule of Parking Utility Serial Bonds	177
E-13	Schedule of Parking Utility Bond Anticipation Notes	178
E-14	Schedule of Improvement Authorizations	179
E-15	Schedule of Capital Improvement Fund	180
E-16	Schedule of Reserve for Amortization	181
E-17	Schedule of Deferred Reserve for Amortization	182
E-18	Schedule of Parking Utility Capital Reserve for Encumbrances	183
E-19	Schedule of Interfund with Parking Operating	184
E-20	Schedule of Interfund Receivable/(Payable)	185
E-21	Schedule of Reserve for Parking Fee Variance	186
E-22	Schedule of Reserve for Payment of Bonds	187
E-23	Schedule of Bonds and Notes Authorized but Not Issued	188

**BOROUGH OF RED BANK
MONMOUTH COUNTY, NEW JERSEY
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

<u>Exhibit No.</u>		<u>Page No.</u>
	<u>PAYROLL TRUST FUND</u>	
F-1	Schedule of Cash	189
F-2	Schedule of Payroll Deductions Payable	190
F-3	Schedule of Interfund with Current Fund	191
F-4	Schedule of Interfunds with Unemployment Trust Other Fund	192
	<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>	
G-1	Schedule of Investments in General Fixed Assets	193
	<u>PART II</u>	
	Independent Auditor's Report on Compliance for Each Major State Program and on Internal Control Over Compliance Required by New Jersey OMB Circular 15-08	194
	Schedule of Expenditures of State Financial Assistance	196
	Notes to the Schedule of Expenditures of State Financial Assistance for the Year Ended December 31, 2019	198
	Schedule of Findings and Questioned Costs	199
	Schedule of Prior Year Findings	202
	<u>PART III</u>	
	<u>SCHEDULE OF COMMENTS AND RECOMMENDATIONS</u>	203
	<u>SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS</u>	204
	<u>GENERAL COMMENTS</u>	205
	<u>OFFICIALS IN OFFICE AND SURETY BONDS</u>	207
	<u>APPRECIATION</u>	208

BOROUGH OF RED BANK

COUNTY OF MONMOUTH

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY EXHIBITS

FOR THE YEAR ENDED DECEMBER 31, 2019

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 comparative balance sheets-regulatory basis of the various funds and the statement of general fixed assets of the Borough of Red Bank, New Jersey ("Borough"), County of Monmouth, State of New Jersey, as of December 31, 2019 and 2018, and the related comparative statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis, for the year then ended December 31, 2019, 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"), as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 meet the requirements of the Division.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “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, 2019 and 2018, 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, 2019 and 2018, 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, 2019, 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, schedule of net pension liability, schedule of OPEB contributions and schedule of net OPEB 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 February 16, 2021, 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
February 16, 2021

**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, 2019, and the related notes to the financial statements, which collectively comprise the Borough's financial statements and have issued our report thereon dated February 16, 2021. 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. (2019-001).

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the audit requirements as prescribed by the Division, 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
February 16, 2021

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
ASSETS			
Cash	A-4	\$ 11,323,397.90	\$ 7,511,166.42
Cash - Change Fund		900.00	900.00
		<u>11,324,297.90</u>	<u>7,512,066.42</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	779,060.21	848,973.11
Tax Title Liens Receivable	A-6	39,226.65	27,946.24
Demolition Liens Receivable	A-7	8,830.90	8,830.90
Revenue Accounts Receivable	A-8	36,427.52	37,500.64
PILOT Receivable	A-15	195,543.58	188,614.93
Interfunds Receivable	A-23	12,909.25	87,078.27
		<u>1,071,998.11</u>	<u>1,198,944.09</u>
		<u>12,396,296.01</u>	<u>8,711,010.51</u>
Deferred Charges:			
Special Emergency Authorizations	A-20		80,000.00
		<u>-</u>	<u>80,000.00</u>
Total Current Fund		<u>12,396,296.01</u>	<u>8,791,010.51</u>
Federal and State Grant Fund:			
Cash	A-4	98,548.71	70,022.30
Federal and State Grants Receivable	A-26	72,377.36	73,100.36
Interfund - Current Fund	A-29	69,695.41	6,068.92
Deferred Charge:			
Expenditure without Appropriation	A-4	2,200.00	
Total Grant Fund		<u>242,821.48</u>	<u>149,191.58</u>
Total Assets		<u>\$ 12,639,117.49</u>	<u>\$ 8,940,202.09</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	A-3/A-11	\$ 2,132,951.93	\$ 1,052,832.89
Reserve for Encumbrances	A-12	371,131.30	573,900.25
Due to State of New Jersey, Chap. 20 P.L. 1971	A-9	6,180.14	1,750.00
Due to State of New Jersey - Marriage License Fees	A-10	900.00	1,450.00
Due to State of New Jersey - Training Fees	A-10	7,480.00	7,495.00
Tax Overpayments	A-13	8,242.36	1,405.89
Prepaid Taxes	A-14	373,077.39	473,629.89
Due to County for Added Taxes	A-16	32,900.78	46,203.14
Local School District School Tax Payable	A-17	2,824,037.67	2,355,947.67
Regional District High School Tax Payable	A-18	1,169,961.80	630,419.82
Account Payable	A-21	12,846.28	1,529.50
Interfund - Federal and State Grant Fund	A-22	69,695.41	6,068.92
Interfunds Payable	A-23	370,790.17	2,007.55
Reserve for Revaluation	A-24	19,035.73	19,035.73
Reserve for Sale of Municipal Assets	A-24	92,587.00	92,587.00
Reserve for Severance Liabilities	A-24	150,150.84	150,150.84
Reserve for Library Expenditures	A-24	230,968.91	165,819.93
Special Emergency Notes Payable	A-25		60,000.00
Due to Monmouth County Regional Health Commission	A	12,250.00	11,800.00
		<u>7,885,187.71</u>	<u>5,654,034.02</u>
Reserve for Receivables and Other Assets	A	1,071,998.11	1,198,944.09
Fund Balance	A-1	<u>3,439,110.19</u>	<u>1,938,032.40</u>
 Total Current Fund		 <u>12,396,296.01</u>	 <u>8,791,010.51</u>
 Federal and State Grant Fund:			
Reserve for Encumbrances	A-30	30,691.27	4,086.50
Reserve for Federal and State Grants			
Appropriated	A-27	126,120.18	145,105.08
Unappropriated	A-28	<u>86,010.03</u>	
 Total Grant Fund		 <u>242,821.48</u>	 <u>149,191.58</u>
 Total Liabilities, Reserves and Fund Balance		 <u><u>\$ 12,639,117.49</u></u>	 <u><u>\$ 8,940,202.09</u></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>2019</u>	<u>2018</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 1,482,000.00	\$ 1,617,456.33
Miscellaneous Revenue Anticipated	A-2	7,089,469.14	7,663,455.57
Receipts from Delinquent Taxes	A-2	850,197.36	556,465.14
Receipts from Current Taxes	A-2	49,533,362.17	46,724,109.10
Non-Budget Revenues	A-2	307,641.10	195,311.53
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-11	670,829.14	635,703.99
Due State of N.J. Marriage Licenses Canceled	A-10	725.00	
Accounts Payable Canceled	A-21	614.50	33,225.00
Interfund Returned - Federal and State Grant Fund	A-22		69,717.19
Interfunds Returned	A-23	74,169.02	
Grant Appropriations Canceled	A-22		15,508.52
		<hr/>	<hr/>
Total Income		60,009,007.43	57,510,952.37
Expenditures:			
Budget and Emergency Appropriations			
Appropriations Within Caps:			
Operations:			
Salaries and Wages	A-3	8,886,715.31	8,615,816.00
Other Expenses	A-3	6,906,601.00	6,436,231.00
Deferred Charges and Statutory Expenditures	A-3	2,098,560.27	1,955,564.00
Appropriations Excluded from Caps:			
Operations:			
Salaries and Wages	A-3	265,062.00	347,150.00
Other Expenses	A-3	1,056,227.27	1,082,203.77
Capital Improvements	A-3	150,000.00	125,000.00
Municipal Debt Service	A-3	1,868,175.79	2,977,529.81
Deferred Charges	A-3	80,000.00	152,400.70

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>2019</u>	<u>2018</u>
Prior Year Revenue - Due to State of New Jersey	A-9	\$ 4,500.00	\$ 2,621.05
Refund of Prior Year's Tax Revenue	A-13	15,217.26	124,830.30
County Taxes	A-16	6,185,655.17	6,039,374.21
Amount Due County for Added and Omitted Taxes	A-16	32,900.59	46,202.92
Local District School Tax	A-17	18,161,565.00	17,657,369.00
Regional High School Tax	A-18	10,773,036.00	9,693,952.00
Special District Taxes	A-19	538,120.00	532,120.00
Grants Receivable Canceled	A-22		18,248.32
Interfund - Federal and State Grant Fund Adjustment	A-22	3,593.98	
Interfunds Advanced - Other Funds	A-23		76,278.88
Refund of Prior Year Revenue	A-4		60.00
Total Expenditures		<u>57,025,929.64</u>	<u>55,882,951.96</u>
Excess/(Deficit) in Revenue		2,983,077.79	1,628,000.41
Fund Balance January 1	A	<u>1,938,032.40</u>	<u>1,927,488.32</u>
Decreased by:		4,921,110.19	3,555,488.73
Utilized as Anticipated Revenue	A-1/A-2	<u>1,482,000.00</u>	<u>1,617,456.33</u>
Fund Balance December 31	A	<u><u>\$ 3,439,110.19</u></u>	<u><u>\$ 1,938,032.40</u></u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2019

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	<u>\$ 1,482,000.00</u>	<u>\$ 1,482,000.00</u>	<u>\$ -</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-8	91,000.00	91,314.00	314.00
Other	A-8	54,500.00	60,009.00	5,509.00
Fees and Permits				
Other	A-8	300,500.00	379,041.34	78,541.34
Fines and Costs:				
Municipal Court	A-8	500,000.00	567,965.99	67,965.99
Interest and Costs on Taxes	A-8	145,000.00	186,968.13	41,968.13
Interest on Investments and Deposits	A-8	150,000.00	281,172.46	131,172.46
Anticipated Utility Operating Surplus - Water/Sewer Utility	A-8	500,000.00	500,000.00	
Anticipated Utility Operating Surplus - Parking Utility	A-8	950,000.00	950,000.00	
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	650,000.00	735,908.00	85,908.00
Code Enforcement - Property Maintenance Fees	A-8	60,000.00	72,445.40	12,445.40
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	11,064.54	4,064.54
Borough of Little Silver - Fire Services	A-8	11,000.00	14,385.00	3,385.00
Red Bank Board of Education - Snow Plowing	A-8	14,362.00	14,362.00	

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2019

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Public and Private Revenues Off-Set with Appropriations				
US Older Americans Act - Senior Citizens	A-26	\$ 29,312.00	\$ 29,312.00	
2019 Distracted Driving Grant	A-26	5,500.00	5,500.00	
Other Special Items				
Utility Operating Surplus of Prior Year - Water/Sewer	A-8	200,000.00	200,000.00	
Utility Operating Surplus of Prior Year - Parking Utility	A-8	50,000.00	50,000.00	
Uniform Fire Safety Act	A-8	110,000.00	134,837.93	\$ 24,837.93
Franchise Tax Cable Television	A-8	184,299.59	184,299.59	
Payment in Lieu of Taxes - Housing Authority/River Street/Habcore	A-8	175,000.00	172,768.21	(2,231.79)
Reserve for Payment of Bonds	A-8	175,000.00	175,000.00	
Landlord Registration Fees	A-8	13,000.00	15,940.00	2,940.00
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	195,494.55	25,494.55
Total Miscellaneous Revenues	A-1	<u>6,737,154.59</u>	<u>7,089,469.14</u>	<u>352,314.55</u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANKCURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2019

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Receipts from Delinquent Taxes	A-1/A-2	<u>\$ 560,000.00</u>	<u>\$ 850,197.36</u>	<u>\$ 290,197.36</u>
Amount to be Raised by Taxation for Support of Municipal Budget				
Local Tax for Municipal Purpose	A-5	13,447,807.92	14,050,232.07	602,424.15
Minimum Library Levy	A-5	<u>766,853.34</u>	<u>766,853.34</u>	
Total Amount to be Raised by Taxes for Support of Municipal Budget		<u>14,214,661.26</u>	<u>14,817,085.41</u>	<u>602,424.15</u>
Budget Totals		22,993,815.85	24,238,751.91	1,244,936.06
Non-Budget Revenues	A-1/A-2		<u>307,641.10</u>	<u>307,641.10</u>
Total		<u><u>\$ 22,993,815.85</u></u>	<u><u>\$ 24,546,393.01</u></u>	<u><u>\$ 1,552,577.16</u></u>
	<u>Ref.</u>	A-3		

The accompanying notes are an integral part of this statement.

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2019

Analysis of Realized Revenues:

Allocation of Current Tax Collections:

Revenue from Collections	A-1/A-5	\$ 49,533,362.17
Allocated to School, County, and Special District Taxes	A-5	<u>35,691,276.76</u>
Total Amount to be Raised by Taxes for Support of Municipal Budget		13,842,085.41
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>975,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$ 14,817,085.41</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	A-2/A-5	<u><u>\$ 850,197.36</u></u>
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Fees & Permits - Other:

Clerk	\$ 17,936.38
Vital Statistics	136,577.00
Planning and Zoning	153,404.46
Board of Health	25.00
Police Taxi	1,350.00
Recreation Fees	<u>69,748.50</u>
	<u><u>\$ 379,041.34</u></u>

The accompanying notes are an integral part of this statement.

COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2019

Analysis of Non-Budget Revenues:

FEMA Hurricane Sandy		\$	42,204.27
Copies			20.00
Returned Check Fees			360.00
Interfaith Neighbors			1,260.00
Monmouth Boat Club Donation			5,000.00
Sidewalk Permits			4,690.00
Police Records			18,001.08
Search			20.00
Senior Citizen and Veteran Administrative Fee			850.00
Planning/Zoning Fees			24,499.60
Insurance Dividend			92,270.00
DMV Inspection Fines			16,615.00
Litigation Settlement			5,000.00
Lexis Nexus Coplogic Solutions			2,038.57
Police Vehicle Auction			5,222.91
Riverview Pilot			26,000.00
Homestead Rebate Postage Reimbursement			552.60
Insurance Claims			15,869.65
Prior Year Reimbursements			27,967.96
Grant Reimbursements			1,760.00
State Disability Reimbursement - Prior Year			8,104.85
Payroll Reconciling Items			7,941.64
MRNA - Other			1,392.97
	A-2	\$	<u>307,641.10</u>
Cash Receipts	A-4	\$	299,699.46
Interfund - Payroll Fund	A-23		<u>7,941.64</u>
		\$	<u><u>307,641.10</u></u>

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, 2019

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
Operations Within CAPS					
General Government:					
General Administration					
Salaries and Wages	\$ 199,315.00	\$ 193,212.86	\$ 178,468.87	\$ 14,743.99	
Other Expenses	79,650.00	79,650.00	78,223.13	1,426.87	
Municipal Clerk					
Salaries and Wages	123,726.80	125,729.50	125,703.83	25.67	
Other Expenses	32,500.00	32,500.00	25,216.55	7,283.45	
Financial Administration					
Salaries and Wages	92,462.96	92,462.96	92,414.95	48.01	
Other Expenses	71,200.00	71,200.00	71,007.88	192.12	
Audit Services					
Other Expenses	30,000.00	30,000.00	30,000.00		
Mayor and Council					
Salaries and Wages	20,962.72	21,478.92	21,478.20	0.72	
Tax Assessment Administration					
Salaries and Wages	94,404.00	94,404.00	88,740.87	5,663.13	
Other Expenses	26,425.00	26,425.00	11,850.45	14,574.55	
Utilization of Banked Sick Time	100,000.00	100,000.00	100,000.00		
Revenue Administration					
Salaries and Wages	86,596.10	86,596.10	86,537.56	58.54	
Other Expenses	20,750.00	20,750.00	9,934.67	10,815.33	

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, 2019

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
Legal Services and Costs					
Other Expenses	\$ 260,000.00	\$ 260,000.00	\$ 208,619.83	\$ 51,380.17	
Engineering Services					
Other Expenses	90,000.00	90,000.00	78,416.72	11,583.28	
Codification of Ordinances					
Other Expenses	10,000.00	10,000.00	1,195.00	8,805.00	
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	88,400.00	88,400.00	86,833.37	1,566.63	
Other Expenses	149,500.00	149,500.00	30,109.96	119,390.04	
Zoning Board of Adjustment					
Salaries and Wages	88,400.00	88,400.00	86,333.72	2,066.28	
Other Expenses	26,500.00	26,500.00	12,232.61	14,267.39	
INSURANCE					
Liability Insurance	235,000.00	259,070.00	244,398.77	14,671.23	
Workers Compensation Insurance	325,000.00	325,035.26	325,035.26		
Employee Group Insurance	2,454,000.00	2,399,930.00	1,505,020.49	894,909.51	
Unemployment Insurance	5,000.00	4,964.74	4,964.74		
Health Insurance Opt Out Payments	70,000.00	70,000.00	69,830.49	169.51	

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, 2019

	<u>Budget</u>	<u>Appropriated</u> Budget After <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Expended</u> <u>Reserved</u>	Unexpended Balance <u>Canceled</u>
PUBLIC SAFTEY					
Fire Department					
Other Expenses	\$ 143,200.00	\$ 143,200.00	\$ 125,987.72	\$ 17,212.28	
Uniform Fire Safety Act (Fire Department)					
Salaries and Wages	180,100.00	205,600.00	204,882.85	717.15	
Other Expenses	13,700.00	13,700.00	9,380.28	4,319.72	
Police Department					
Salaries and Wages	5,404,600.00	5,404,600.00	5,255,078.05	149,521.95	
Other Expenses	161,025.00	161,025.00	158,339.79	2,685.21	
Volunteer Ambulance Companies					
Other Expenses	140,300.00	140,300.00	135,279.29	5,020.71	
Office of Emergency Management					
Salaries and Wages	5,700.00	5,700.00	5,459.77	240.23	
Other Expenses	5,500.00	5,500.00	1,407.80	4,092.20	
Rent Leveling					
Salaries and Wages	3,000.00	3,000.00	1,250.00	1,750.00	
Other Expenses	15,000.00	15,000.00	5,736.55	9,263.45	

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, 2019

	<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 WORKS FUNCTIONS					
Streets and Road Maintenance					
Salaries and Wages	\$ 1,194,936.53	\$ 1,194,936.53	\$ 1,155,275.29	\$ 39,661.24	
Other Expenses	402,517.50	402,517.50	320,105.04	82,412.46	
Sanitation					
Other Expenses	520,000.00	520,000.00	519,999.99	0.01	
Public Buildings and Grounds					
Salaries and Wages	129,826.81	129,826.81	126,646.33	3,180.48	
Other Expenses	43,732.50	43,732.50	43,731.49	1.01	
LANDFILL/ SOLID WASTE DISPOSAL COSTS					
Landfill					
Other Expenses	519,000.00	519,000.00	470,703.22	48,296.78	
CODE ENFORCEMENT					
Salaries and Wages	130,400.00	75,498.27	72,925.12	2,573.15	
Other Expenses	7,750.00	7,750.00		7,750.00	

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, 2019

	<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>
HEALTH AND WELFARE					
Visiting Nurse Association	\$ 15,000.00	\$ 15,000.00		\$ 15,000.00	
Relocation Assistance					
Monmouth County Regional Health Commission	190,371.00	190,371.00	\$ 190,371.00		
Animal Control Services					
Salaries & Wages	61,500.00	61,500.00	60,052.27	1,447.73	
Shade Tree					
Other Expenses	5,000.00	5,000.00		5,000.00	
PARKS AND RECREATION FUNCTIONS:					
Recreation Services and Programs					
Salaries and Wages	247,600.00	247,600.00	239,466.52	8,133.48	
Other Expenses	99,600.00	99,600.00	76,532.22	23,067.78	
UTILITY EXPENSES AND BULK PURCHASES					
Street Lighting	260,000.00	260,000.00	195,302.53	64,697.47	
Electricity	110,000.00	110,000.00	73,594.85	36,405.15	
Telephone	90,000.00	90,000.00	85,919.69	4,080.31	
Natural Gas	50,000.00	50,000.00	23,878.11	26,121.89	
Gasoline	75,000.00	75,000.00	75,000.00		
Redevelopment Agency	20,000.00	3,000.00	2,500.00	500.00	
Salaries and Wages	5,000.00	22,000.00	6,488.10	15,511.90	

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, 2019

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Canceled</u>
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4.17)					
Salaries and Wages	\$ 364,900.00	\$ 364,900.00	\$ 316,151.70	\$ 48,748.30	
Other Expenses	24,450.00	24,450.00	18,828.52	5,621.48	
Education and Technology					
Salaries and Wages	84,488.26	71,969.36	58,377.33	13,592.03	
Other Expenses	49,800.00	49,800.00	14,528.97	35,271.03	
Municipal Court					
Salaries and Wages	230,900.00	230,900.00	229,942.88	957.12	
Other Expenses	34,130.00	34,130.00	30,447.71	3,682.29	
Municipal Prosecutor					
Other Expenses	30,000.00	30,000.00	30,000.00		
Municipal Public Defender					
Other Expenses	20,000.00	20,000.00	18,660.00	1,340.00	
Total Operations Within CAPS	15,867,820.18	15,792,316.31	13,930,798.90	1,861,517.41	
Contingent	1,000.00	1,000.00	218.47	781.53	
Total Operations Including Contingent Within CAPS	15,868,820.18	15,793,316.31	13,931,017.37	1,862,298.94	
Detail:					
Salaries and Wages	8,932,219.18	8,886,715.31	8,592,019.48	294,695.83	
Other Expenses	6,936,601.00	6,906,601.00	5,338,997.89	1,567,603.11	

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2019

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Canceled</u>
<u>Deferred Charges and Statutory Expenditures Within CAPS</u>					
Prior Year's Bills:					
Fire - Other Expenses - First Priority	\$ 4,589.63	\$ 4,589.63	\$ 4,589.63		
Legal - Other Expenses - Indian Harbor Insurance	3,798.50	3,798.50	3,798.50		
Statutory Expenditures:					
Public Employees' Retirement System	427,200.00	427,302.14	427,302.14		
Social Security System (O.A.S.I.)	450,000.00	448,500.00	444,014.46	\$ 4,485.54	
Police and Firemen's Retirement System	1,196,870.00	1,196,870.00	1,196,870.00		
Defined Contribution Retirement Program	10,000.00	17,500.00	17,416.32	83.68	
Deferred Charges and Statutory Expenditures					
Within CAPS	2,092,458.13	2,098,560.27	2,093,991.05	4,569.22	
Total Appropriations Within CAPS	17,961,278.31	17,891,876.58	16,025,008.42	1,866,868.16	
<u>Operations Excluded from CAPS</u>					
Maintenance of Free Public Library					
(P.L. 1985, Ch. 82)	766,853.54	766,853.54	578,972.31	187,881.23	
Interlocal Services					
911 Emergency System - Monmouth County	14,310.00	14,310.00	14,309.96	0.04	
Length of Service Awards Program	30,000.00	30,000.00	24,859.00	5,141.00	
Municipal Stormwater Management					
Salaries and Wages					
Other Expenses					
Recycling Tax PL 2007 c. 311	30,000.00	30,000.00	18,922.07	11,077.93	

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2019

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	Budget After	Paid or	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Canceled</u>
Tax Appeal Refunds	\$ 80,000.00	\$ 149,401.73	\$ 99,009.08	\$ 50,392.65	
Interlocal Municipal Service Agreements					
Board of Education - Snow Plowing					
Other Expenses	14,362.00	14,362.00	14,362.00		
Borough of Little Silver Fires Services					
Salaries and Wages	9,000.00	9,000.00	5,459.77	3,540.23	
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	949.31	300.69	
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	233,000.00	233,000.00	233,000.00		
Other Expenses	30,550.00	30,550.00	30,550.00		
2019 Distracted Driving Grant	5,500.00	5,500.00	5,500.00		
Total Operations - Excluded from CAPS	1,251,887.54	1,321,289.27	1,055,205.50	266,083.77	
Detail:					
Salaries and Wages	265,062.00	265,062.00	255,771.77	9,290.23	
Other Expenses	986,825.54	1,056,227.27	799,433.73	256,793.54	

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, 2019

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<u>Capital Improvements Excluded from CAPS</u>				
Capital Improvement Fund	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	
Total Capital Improvements Excluded from CAPS	<u>150,000.00</u>	<u>150,000.00</u>	<u>150,000.00</u>	
<u>Municipal Debt Service Excluded from CAPS</u>				
Payment of Bond Principal	810,000.00	810,000.00	810,000.00	
Payment of Bond Anticipation Notes and Capital Notes	700,000.00	700,000.00	250.00	\$ 699,750.00
Interest on Bonds	325,000.00	325,000.00	324,799.40	200.60
Interest on Notes	80,250.00	80,250.00	80,060.12	189.88
Green Trust Loan Program				
Loan Repayments for Principal and Interest	73,400.00	73,400.00	73,343.80	56.20
Capital Lease Obligations				
Principal	489,000.00	489,000.00	488,697.70	302.30
Interest	<u>98,000.00</u>	<u>98,000.00</u>	<u>91,024.77</u>	<u>6,975.23</u>
Total Municipal Debt Service Excluded from CAPS	<u>2,575,650.00</u>	<u>2,575,650.00</u>	<u>1,868,175.79</u>	<u>707,474.21</u>

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, 2019

	<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>
<u>Deferred Charges Municipal Excluded from CAPS</u>					
Emergency Authorizations					
Special - 5 Years (N.J.S.A. 40A4-55)	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00		
Total Deferred Charges Municipal Excluded from CAPS	80,000.00	80,000.00	80,000.00		
Total General Appropriations Excluded from CAPS	4,057,537.54	4,126,939.27	3,153,381.29	\$ 266,083.77	\$ 707,474.21
Subtotal General Appropriations	22,018,815.85	22,018,815.85	19,178,389.71	2,132,951.93	707,474.21
Reserve for Uncollected Taxes	975,000.00	975,000.00	975,000.00		
Total General Appropriations	<u>\$ 22,993,815.85</u>	<u>\$ 22,993,815.85</u>	<u>\$ 20,153,389.71</u>	<u>\$ 2,132,951.93</u>	<u>\$ 707,474.21</u>
<u>Ref.</u>	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, 2019

	<u>Ref.</u>	<u>Budget After Modification</u>
Budget	A-2/A-3	<u>\$ 22,993,815.85</u>
		<u>Paid or Charged</u>
Reserve for Uncollected Taxes	A-2	\$ 975,000.00
Disbursements	A-4	18,153,764.57
Reserve for Encumbrances	A-12	371,131.30
Interfund - Water Sewer Operating Utili	A-23	75,000.00
Interfund - General Trust Fund	A-23	95,410.37
Interfund - Payroll Fund	A-23	5,532.39
Interfund - State and Federal Grants	A-22	180.00
Tax Overpayments	A-13	99,009.08
Deferred Charges:		
Special Emergency Authorizations	A-20	80,000.00
Appropriated Reserves for		
Federal and State Grants	A-22	<u>298,362.00</u>
	A-3	<u>\$ 20,153,389.71</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,

ASSETS	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Animal Control Trust Fund:			
Cash	B-1	\$ 28,793.29	\$ 22,595.22
		<u>28,793.29</u>	<u>22,595.22</u>
Trust Other Fund:			
Cash	B-1	3,716,365.12	3,410,191.86
Interfund - Current Fund	B-7	94,817.25	
Interfund - Payroll Trust Other Fund	B-8	14,567.34	
Interfund - Parking Operating Fund	B-9	1,167.25	1,487.25
		<u>3,826,916.96</u>	<u>3,411,679.11</u>
Length of Service Awards Program (LOSAP) - UNAUDITED:			
Funds Held by Trustee	B-10	888,938.60	790,568.99
Total Assets		<u>\$ 4,744,648.85</u>	<u>\$ 4,224,843.32</u>
 LIABILITIES AND RESERVES			
Animal Control Trust Fund:			
Interfund - Current Fund	B-2	\$ 10,500.00	\$ 362.12
Reserve for Animal Control Expenditures	B-3	14,273.69	17,630.43
Due to State of New Jersey	B-4		52.80
Reserve for Encumbrances	B-5	4,019.60	4,549.87
		<u>28,793.29</u>	<u>22,595.22</u>
Trust Other Fund:			
Various Reserves	B-6	3,670,030.83	3,346,252.78
Reserve for Encumbrances	B-6	156,886.13	62,201.20
Interfund - Current Fund	B-7		3,225.13
		<u>3,826,916.96</u>	<u>3,411,679.11</u>
Length of Service Awards Program (LOSAP) - UNAUDITED:			
Reserve for Length of Service Awards Program	B-11	888,938.60	790,568.99
Total Liabilities and Reserves		<u>\$ 4,744,648.85</u>	<u>\$ 4,224,843.32</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,

ASSETS	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Cash	C-2	\$ 3,053,056.71	\$ 3,636,840.28
Investments in Notes	C-4		60,000.00
Grants Receivable	C-5	986,750.00	1,045,321.00
Interfund - Current Fund	C-6	191,250.00	
Due from River Center	C	180,000.00	
Deferred Charges to Future Taxation:			
Funded	C-7	12,859,910.19	8,859,667.69
Unfunded	C-8	<u>2,575,800.00</u>	<u>5,108,050.00</u>
		<u>\$ 19,846,766.90</u>	<u>\$ 18,709,878.97</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-10	\$ 12,733,000.00	\$ 8,663,000.00
Bond Anticipation Notes Payable	C-11		2,470,250.00
Green Trust Loan Payable	C-12	126,910.19	196,667.69
Improvement Authorizations:			
Funded	C-13	3,928,747.66	2,050,904.40
Unfunded	C-13	1,563,166.14	3,541,756.48
Reserve for Encumbrances	C-14	506,513.84	1,035,077.81
Capital Improvement Fund	C-15	300,512.76	175,512.76
Miscellaneous Reserves	C-9	619,721.75	503,313.47
Interfund - Current Fund	C-6		7,529.72
Fund Balance	C-1	<u>68,194.56</u>	<u>65,866.64</u>
		<u>\$ 19,846,766.90</u>	<u>\$ 18,709,878.97</u>

There were Bonds and Notes Authorized but not Issued on December 31, 2019 of \$2,575,800.00 (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

	<u>Ref.</u>	
Balance, December 31, 2018	C	\$ 65,866.64
Increased by:		
Premium on Bond Sales	C-2	<u>2,327.92</u>
Balance, December 31, 2019	C	<u><u>\$ 68,194.56</u></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,

ASSETS	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 1,973,610.85	\$ 1,947,112.55
Change Fund	D	225.00	225.00
Due From Water Sewer Capital Fund	D-14		164,053.84
Due From Vendors	D-5	8,180.00	
Due From Developers	D-5	7,680.00	
Due From Current Fund	D-5	75,000.00	
		<u>2,064,695.85</u>	<u>2,111,391.39</u>
Receivables and Other Assets with Full Reserves:			
Consumer Accounts Receivable	D-7	594,516.77	797,994.36
Liens Receivable	D-8	1,642.00	513.82
Water/Sewer Line Repairs Receivable	D-12	30,565.10	27,471.16
		<u>626,723.87</u>	<u>825,979.34</u>
Deferred Charges:			
Overexpenditure of Appropriations	D/D-4	<u>25,369.08</u>	<u>2,465.62</u>
Total Operating Fund		<u>2,716,788.80</u>	<u>2,939,836.35</u>
<u>Capital Fund</u>			
Cash	D-5	423,499.39	1,925,598.28
Fixed Capital	D-16	18,621,621.10	18,621,621.10
Fixed Capital Authorized and Uncompleted	D-17	15,976,943.00	15,976,943.00
Due from State of New Jersey Environmental Trust	D-27	358,007.00	
Overexpenditure of Ordinance Appropriation	D-20	52,870.72	
Total Capital Fund		<u>35,432,941.21</u>	<u>36,524,162.38</u>
Total Assets		<u>\$ 38,149,730.01</u>	<u>\$ 39,463,998.73</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>2019</u>	<u>2018</u>
LIABILITIES, RESERVES AND FUND BALANCE			
<u>Operating Fund</u>			
Appropriation Reserves	D-4/D-9	\$ 426,040.62	\$ 978,034.43
Reserve for Encumbrances	D-15	285,733.20	191,996.21
Accounts Payable	D-9	5,790.50	
Rent Overpayments	D-10	20,925.13	22,782.39
Accrued Interest on Bonds & Notes	D-11	72,594.13	78,047.38
Reserve for Water/Sewer Line Repairs	D-13	64,506.09	34,225.04
Reserve for Fees for Other Towns	D	117.78	43.86
		<u>875,707.45</u>	<u>1,305,129.31</u>
Reserve for Receivables and Other Assets	D	626,723.87	825,979.34
Fund Balance	D-1	1,214,357.48	808,727.70
Total Operating Fund		<u>2,716,788.80</u>	<u>2,939,836.35</u>
<u>Capital Fund</u>			
Serial Bonds	D-18	12,618,115.26	8,252,381.54
Bond Anticipation Notes	D-19		3,700,000.00
Reserve for Encumbrances	D-21	263,324.22	1,213,571.63
Improvement Authorizations:			
Funded	D-20	434,891.92	172,279.98
Unfunded	D-20	1,485,437.72	1,983,145.14
Capital Improvement Fund	D-22	3,074.00	3,074.00
Due to Water Sewer Operating Fund	D-14		164,053.84
Reserve for:			
Amortization	D-23	11,248,819.69	10,369,239.56
Deferred Amortization	D-24	9,180,989.15	9,001,943.00
Reserve for Preliminary Costs - Well	D-25	1,845.00	1,845.00
Reserve for Payment of Bonds	D-26	92,869.89	192,869.89
State of New Jersey Environmental Infrastructure			
Short-Term Trust Loan Payable	D-28		1,366,353.00
Fund Balance	D-2	<u>103,574.36</u>	<u>103,405.80</u>
Total Capital Fund		<u>35,432,941.21</u>	<u>36,524,162.38</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 38,149,730.01</u>	<u>\$ 39,463,998.73</u>

There were Bonds and Notes Authorized but not Issued on December 31, 2019 of \$1,550,640.00. (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 STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-1/D-3	\$ 439,809.00	\$ 337,968.58
Water/Sewer Rents	D-3	6,558,280.86	6,669,404.05
Water/Sewer Connection Fees	D-3	338,193.49	283,300.95
Reserve to Pay Debt	D-3	100,000.00	160,312.79
Miscellaneous Revenue	D-3	214,936.82	130,989.80
Other Credits to Income:			
Overexpenditure of Appropriations	D-4	22,903.46	2,465.62
Unexpended Balance of Appropriation Reserves	D-9	<u>502,055.56</u>	<u>203,265.44</u>
Total Revenue		<u>8,176,179.19</u>	<u>7,787,707.23</u>
Expenditures:			
Operating	D-4	5,069,231.46	5,183,079.00
Capital Improvements	D-4		50,000.00
Debt Service	D-4	1,351,076.03	1,181,863.02
Statutory Expenditures	D-4	203,350.00	191,470.00
Surplus - General Budget	D-4	500,000.00	555,022.37
Prior Year Surplus - General Budget	D-5	200,000.00	225,200.00
Refund of Prior Year Revenue	D-5		6,661.23
Reserve for Water/Sewer Line Repairs	D-13	<u>7,082.92</u>	
Total Expenditures		<u>7,330,740.41</u>	<u>7,393,295.62</u>
Excess/(Deficit) in Revenue		845,438.78	394,411.61
Fund Balance January 1	D	<u>808,727.70</u>	<u>752,284.67</u>
		1,654,166.48	1,146,696.28
Decreased by:			
Utilization as Anticipated Revenue	D-1/D-3	<u>439,809.00</u>	<u>337,968.58</u>
Fund Balance December 31	D	<u>\$ 1,214,357.48</u>	<u>\$ 808,727.70</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, 2018	D	\$ 103,405.80
Increased by:		
Premium on Sale of Serial Bonds	D-5	<u>168.56</u>
Balance, December 31, 2019	D	<u><u>\$ 103,574.36</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, 2019

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	Excess or (Deficit)
Fund Balance Anticipated	D-1	\$ 439,809.00	\$ 439,809.00	
Water/Sewer Rents	D-1/D-3	6,433,088.46	6,558,280.86	\$ 125,192.40
Water/Sewer Connection Fees	D-1/D-5	100,000.00	338,193.49	238,193.49
Reserve to Pay Debt	D-1/D-5	100,000.00	100,000.00	
Miscellaneous Revenue	D-1	<u>99,000.00</u>	<u>214,936.82</u>	<u>115,936.82</u>
		<u>\$7,171,897.46</u>	<u>\$7,651,220.17</u>	<u>\$ 479,322.71</u>
	<u>Ref.</u>	D-4		
Water & Sewer Rents:				
Collections	D-7		\$6,535,498.47	
Overpayments Applied	D-7/D-10		<u>22,782.39</u>	
	D-3		<u>\$6,558,280.86</u>	
Miscellaneous:				
Miscellaneous Revenue			\$ 82,620.67	
Water Sewer Line Repairs	D-12		61,776.14	
Interest on Investments			<u>70,540.01</u>	
	D-1/D-3		<u>\$ 214,936.82</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, 2019

	Appropriated		Expended			
	Budget	Budget After Modification	Paid or Charged	Reserved	Canceled	Overexpenditure
Operating:						
Salaries and Wages	\$ 912,772.46	\$ 912,772.46	\$ 847,413.90	\$ 65,358.56		
Other Expenses	1,909,750.00	1,889,750.00	1,579,425.65	310,324.35		
Regional Sewer Authority	1,516,709.00	1,516,709.00	1,516,709.00			
Manasquan River Water Purchase	725,000.00	725,000.00	686,536.35	38,463.65		
Accumulated Absence	25,000.00	25,000.00	25,000.00			
Total Operating	5,089,231.46	5,069,231.46	4,655,084.90	414,146.56		
Capital Improvements:						
Capital Outlay	50,000.00					
Total Capital Improvements	50,000.00					
Debt Service:						
Payment of Bond Principal	880,000.00	925,000.00	923,626.23		\$ 1,373.77	
Payment of Bond Anticipation Notes	66,000.00	66,000.00			66,000.00	
Interest on Bonds	283,000.00	308,000.00	304,230.48		3,769.52	
Interest on Notes	91,000.00	91,000.00	113,903.46			\$ 22,903.46
Capital Lease Payment	9,316.00	9,316.00	9,315.86		0.14	
Total Debt Service	1,329,316.00	1,399,316.00	1,351,076.03		71,143.43	22,903.46
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	136,350.00	149,884.32	138,421.82	11,462.50		
Social Security System (O.A.S.I.)	65,000.00	51,465.68	51,034.12	431.56		
Unemployment Compensation Insurance	2,000.00	2,000.00	2,000.00			
Total Statutory Expenditures	203,350.00	203,350.00	191,455.94	11,894.06		
Surplus (General Budget)	500,000.00	500,000.00	500,000.00			
	<u>\$ 7,171,897.46</u>	<u>\$ 7,171,897.46</u>	<u>\$ 6,697,616.87</u>	<u>\$ 426,040.62</u>	<u>\$ 71,143.43</u>	<u>\$ 22,903.46</u>
	Ref.	D-3	D-1/D-3	D-4	D	D/D-1
Cash Disbursements	D-5			\$ 5,993,749.73		
Reserve for Encumbrances	D-15			285,733.20		
Accrued Interest	D-11			418,133.94		
	D-4			<u>\$ 6,697,616.87</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>2019</u>	<u>2018</u>
<u>Operating Fund</u>			
Cash	E-5	\$ 664,810.52	\$ 846,508.38
Change Fund	E	100.00	100.00
Interfunds Receivable	E-20	9,722.92	66.14
Deferred Charges:			
Overexpenditure of Appropriation	E-1	1,469.67	
		.	
Total Operating Fund		<u>676,103.11</u>	<u>846,674.52</u>
<u>Capital Fund</u>			
Cash	E-5	238,037.08	213,686.13
Fixed Capital	E-7	4,791,488.21	4,191,488.21
Fixed Capital Authorized and Uncompleted	E-8	3,643,000.00	1,022,000.00
		<u>8,672,525.29</u>	<u>5,427,174.34</u>
Total Capital Fund		<u>8,672,525.29</u>	<u>5,427,174.34</u>
Total Assets		<u><u>\$ 9,348,628.40</u></u>	<u><u>\$ 6,273,848.86</u></u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
LIABILITIES, RESERVES AND FUND BALANCE			
<u>Operating Fund</u>			
Appropriation Reserves	E-4/E-9	\$ 161,213.22	\$ 189,824.87
Accrued Interest Payable	E-10	2,524.51	1,310.42
Reserve for Encumbrances	E-11	82,790.49	67,024.39
Interfunds Payable	E-20	1,167.25	23,487.25
Reserve for Parking Fee Variances	E-21	183,231.78	187,725.78
		<u>430,927.25</u>	<u>469,372.71</u>
Fund Balance	E-1	245,175.86	377,301.81
Total Operating Fund		<u>676,103.11</u>	<u>846,674.52</u>
<u>Capital Fund</u>			
Serial Bonds	E-12	945,000.00	250,000.00
Bond Anticipation Notes	E-13		300,000.00
Improvement Authorizations:			
Funded	E-14	188,567.72	50,138.32
Unfunded	E-14	3,221,000.00	552,521.78
Capital Improvement Fund	E-15	3,400.00	3,400.00
Reserve for Amortization	E-16	3,846,488.21	4,191,488.21
Deferred Reserve for Amortization	E-17	422,000.00	50,000.00
Reserve for Encumbrances	E-18	6,952.74	
Interfund - Parking Operating	E-19		66.14
Reserve for Payment of Bonds	E-22	3,778.19	3,778.19
Fund Balance	E-2	35,338.43	25,781.70
Total Capital Fund		<u>8,672,525.29</u>	<u>5,427,174.34</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 9,348,628.40</u>	<u>\$ 6,273,848.86</u>

There were Bonds and Notes Authorized but not Issued on December 31, 2019 of \$3,221,000. (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>2019</u>	<u>2018</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	E-3	\$ 283,040.71	\$ 299,051.72
Parking Fees	E-3	1,342,645.20	1,465,387.30
Riverview Hospital Lease Agreement	E-3	378,804.27	320,526.69
Interest on Investments	E-3	4,913.37	3,984.55
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-9	173,856.77	195,956.23
Canceled Accounts Payable	E-1		8,890.45
Total Revenue		<u>2,183,260.32</u>	<u>2,293,796.94</u>
Expenditures:			
Operating	E-4	936,265.71	854,268.00
Debt Service	E-4	38,724.52	32,453.59
Deferred Charges and Statutory	E-4	58,825.00	57,900.00
Surplus - General Budget	E-4	950,000.00	1,076,154.16
Prior Year Surplus - General Budget	E-5	<u>50,000.00</u>	<u>85,000.00</u>
Total Expenditures		<u>2,033,815.23</u>	<u>2,105,775.75</u>
Excess/(Deficit) in Revenue		149,445.09	188,021.19
Add: Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of succeeding Year:			
Overexpenditure of Appropriation	E	<u>1,469.67</u>	
Statutory Excess to Fund Balance		150,914.76	188,021.19
Fund Balance January 1	E	<u>377,301.81</u>	<u>488,332.34</u>
		528,216.57	676,353.53
Decreased by:			
Utilization as Anticipated Revenue	E-1/E-3	<u>283,040.71</u>	<u>299,051.72</u>
Fund Balance December 31	E	<u>\$ 245,175.86</u>	<u>\$ 377,301.81</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

	<u>Ref.</u>	
Balance, December 31, 2018	E	\$ 25,781.70
Increased by:		
Premium on Serial Bonds	E-5	<u>9,556.73</u>
Balance, December 31, 2019	E	<u><u>\$ 35,338.43</u></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, 2019

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	E-1	\$ 283,040.71	\$ 283,040.71	
Parking Fees	E-1/E-5	1,400,000.00	1,342,645.20	\$ (57,354.80)
Riverview Hospital - Lease Payment	E-1/E-5	300,000.00	378,804.27	78,804.27
Interest on Investments	E-1/E-5		4,913.37	4,913.37
		<u>\$1,983,040.71</u>	<u>\$2,009,403.55</u>	<u>\$ 26,362.84</u>
	<u>Ref.</u>	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, 2019

	Appropriated		Expended		Unexpended	Over-
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Canceled</u>	<u>Expended</u>
Operating:						
Salaries and Wages	\$ 226,996.04	\$ 226,996.04	\$ 207,235.28	\$ 19,760.76		
Other Expenses	704,269.67	704,269.67	577,126.97	127,142.70		
Accumulated Absence	5,000.00	5,000.00		5,000.00		
Total Operating	936,265.71	936,265.71	784,362.25	151,903.46		
Debt Service:						
Payment of Bond Principal	10,000.00	10,000.00	10,000.00			
Interest on Bonds	11,000.00	11,000.00	12,469.67			\$ 1,469.67
Interest on Notes	10,000.00	10,000.00	9,316.67		\$ 683.33	
Capital Lease	6,950.00	6,950.00	6,938.18		11.82	
Total Debt Service	37,950.00	37,950.00	38,724.52		695.15	1,469.67
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	38,325.00	39,403.79	36,110.04	3,293.75		
Social Security System (O.A.S.I.)	20,000.00	18,921.21	13,405.20	5,516.01		
Unemployment Compensation Insurance	500.00	500.00		500.00		
Total Statutory Expenditures	58,825.00	58,825.00	49,515.24	9,309.76		
Surplus (General Budget)	950,000.00	950,000.00	950,000.00			
	<u>\$1,983,040.71</u>	<u>\$1,983,040.71</u>	<u>\$1,822,602.01</u>	<u>\$ 161,213.22</u>	<u>\$ 695.15</u>	<u>\$ 1,469.67</u>
Ref.	E-3	E-3	E-4	E		E/E-1
Cash Disbursements	E-5		\$1,718,025.18			
Accrued Interest	E-10		21,786.34			
Reserve for Encumbrances	E-11		82,790.49			
	E-4		<u>\$1,822,602.01</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>2019</u>	<u>2018</u>
ASSETS			
Cash	F-1	<u>\$ 172,967.01</u>	<u>\$ 215,010.20</u>
		<u><u>\$ 172,967.01</u></u>	<u><u>\$ 215,010.20</u></u>
LIABILITIES			
Payroll Liabilities	F-2	\$ 145,849.42	\$ 150,051.60
Miscellaneous	F-2	10,141.00	13,004.85
Interfund - Current Fund	F-3	2,409.25	51,953.75
Interfund - Unemployment Trust Other Fund	F-4	<u>14,567.34</u>	<u></u>
		<u><u>\$ 172,967.01</u></u>	<u><u>\$ 215,010.20</u></u>

The accompanying notes are an integral part of this statement.

BOROUGH OF RED BANK
COUNTY OF OCEAN, NEW JERSEY

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

As of December 31,

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
General Fixed Assets:			
Land and Buildings	G-1	\$ 9,979,131.00	\$ 9,979,131.00
Furniture, Fixtures and Equipment	G-1	<u>10,944,639.96</u>	<u>10,828,545.60</u>
		<u>\$ 20,923,770.96</u>	<u>\$ 20,807,676.60</u>
Investments in General Fixed Assets	G-1	<u>\$ 20,923,770.96</u>	<u>\$ 20,807,676.60</u>

The accompanying notes are an integral part of this statement.

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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, 2019**

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, 2019**

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, 2019

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, 2019 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, 2019**

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, 2019

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 2019, 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 2019, 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, 2019

NOTE 2 CASH, CASH EQUIVALENTS

Deposits

At December 31, 2019, the Borough's deposits had a carrying amount of \$21,696,320.34.

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, 2019, the Borough's bank balances of \$22,236,043.03 were exposed to custodial credit risk as follows:

Insured by FDIC	\$ 750,000.00
Insured by GUDPA	20,901,086.62
Uninsured and Uncollateralized	<u>584,956.41</u>
 Total	 \$ <u>22,236,043.03</u>

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, 2019

NOTE 3 PROPERTY TAXES (continued)

Comparison Schedule of Tax Rates

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	<u>\$ 2.211</u>	<u>\$ 2.187</u>	<u>\$ 2.110</u>
Apportionment of Tax Rate:			
Municipal - Local Purpose	0.603	0.589	0.561
Municipal Library	0.034	0.034	0.034
County - General	0.248	0.254	0.260
County - Open Space	0.029	0.029	0.015
Local School	0.814	0.827	0.802
Regional School	0.483	0.454	0.438

Assessed Valuation (Net Valuation Taxable)

Net Valuation Table

2019	\$ 2,231,776,788		
2018		\$ 2,136,180,157	
2017			\$ 2,078,099,910

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2019	\$ 50,173,627.25	\$ 49,533,362.17	98.72%
2018	47,637,767.52	46,724,109.10	98.08%
2017	45,472,480.51	44,890,549.86	98.72%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2019	\$39,226.65	\$ 779,060.21	\$ 818,286.86	1.74%
2018	27,946.24	848,973.11	876,919.35	1.84%
2017	4,563.80	567,720.66	572,284.46	1.26%

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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, 2019.

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>
2019	\$ 797,994.36	\$ 6,355,932.84	\$ 7,153,927.20	\$ 6,558,280.86	91.67%
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%

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>			
2019	\$ 3,439,110.19	\$2,434,000.00	70.77%
2018	1,938,032.40	1,482,000.00	76.47%
2017	1,927,488.32	1,617,456.63	83.92%
<u>Water/Sewer Utility Operating Fund:</u>			
2019	\$ 1,214,357.48	\$ 182,904.07	15.06%
2018	808,727.70	439,809.00	54.38%
2017	752,284.67	337,968.58	44.93%
<u>Parking Utility Fund:</u>			
2019	\$ 245,175.86	\$ 166,339.78	67.85%
2018	377,301.81	283,040.71	75.02%
2017	488,332.34	299,051.72	61.24%

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 12,909.25	\$440,485.58
State and Federal Grant Fund	69,695.41	
Animal Control Fund		10,500.00
Payroll Trust		16,976.59
Trust Other Fund	110,551.84	
General Capital Fund	191,250.00	
Water/Sewer Operating Fund	75,000.00	
Parking Operating Fund	<u>9,722.92</u>	<u>1,167.25</u>
	<u><u>\$469,129.42</u></u>	<u><u>\$469,129.42</u></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, 2019

NOTE 8 FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group for the year 2019:

	Balance December 31, <u>2018</u>	<u>Additions</u>	Balance December 31, <u>2019</u>
Land and Buildings	\$ 9,979,131.00		\$ 9,979,131.00
Vehicles & Equipment	<u>10,828,545.60</u>	\$ 116,094.36	<u>10,944,639.96</u>
	<u>\$ 20,807,676.60</u>	<u>\$ 116,094.36</u>	<u>\$ 20,923,770.96</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, 2019**

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 2019, 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, 2019, the Borough's contributions to the PERS were \$599,018.

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

Net Pension Liability - At December 31, 2019, the Borough reported a liability of \$11,248,902 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019. 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, 2018, which was rolled forward to June 30, 2019. The Borough's proportion of the net pension liability was based on

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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, 2019. The Borough's proportion measured as of June 30, 2019, was 0.0624297940% which was an increase of .002207424% from its proportion measured as of June 30, 2018.

Pension Expense - At December 31, 2019, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2019 measurement date is \$521,520.00. 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, 2019 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, 2019, 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	\$ 201,903	\$ 49,693
Changes in Assumptions	1,123,244	3,904,458
Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments		177,568
Changes in Proportion	<u>1,057,383</u>	<u>363,482</u>
	<u><u>\$ 2,382,530</u></u>	<u><u>\$ 4,495,201</u></u>

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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, 5.63 and 5.21 for the years 2014, 2015, 2016, 2017, 2018 and 2019, 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 December 31,</u>	<u>PERS</u>
2020	\$ (176,634)
2021	(736,417)
2022	(795,983)
2023	(374,253)
2024	(29,383)
	<u>\$ (2,112,670)</u>

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00% Based on years of service
Thereafter	3.00% - 7.00% Based on years of service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010 General Below - Median Income Employee mortality table
Period of Actuarial Experience	
Study upon which Actuarial	

Preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7 adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

NOTE 9 PENSION PLANS (continued)

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

NOTE 9 PENSION PLANS (continued)

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

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

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 70% 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, 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28%) or 1-percentage-point higher (7.28%) than the current rate:

	1% Decrease <u>(5.28%)</u>	Current Discount Rate <u>(6.28%)</u>	1% Increase <u>(7.28%)</u>
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 14,209,191</u>	<u>\$ 11,248,902</u>	<u>\$ 8,754,439</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, 2019**

NOTE 9 PENSION PLANS (continued)

A. Public Employees' Retirement System (PERS) (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>	<u>2019</u>
Borough's proportion of the net pension liability	0.0562832775%	0.0534817949%	0.0577696141%	0.0608127304%	0.0602223700%	0.0624297940%
Borough's proportionate share of the net pension liability	\$ 12,158,476	\$ 12,005,591	\$ 17,109,703	\$ 14,156,232	\$ 11,857,484	\$ 11,248,902
Borough's covered-employee payroll	\$ 3,668,311	\$ 3,925,291	\$ 4,187,753	\$ 4,209,473	\$ 4,321,592	\$ 4,296,819
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%	261.80%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

NOTE 9 PENSION PLANS (continued)

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

Supplementary Pension Information (continued)

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>	<u>2019</u>
Contractually Required Contribution	\$ 424,083	\$ 535,353	\$ 459,800	\$ 513,217	\$ 563,365	\$ 599,018
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>	<u>599,018</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's covered-employee payroll	\$ 3,668,311	\$ 3,925,291	\$ 4,187,753	\$ 4,209,473	\$ 4,321,592	\$ 4,296,819
Contribution as a percentage of covered-employee payroll	11.56%	13.64%	10.98%	12.19%	13.04%	13.94%

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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, 2019

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 2019, 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, 2019, 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, 2019, the Borough's proportionate share of the PFRS net pension liability is valued to be \$15,336,827. The net pension liability was measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019. 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, 2019. The Borough's proportion measured as of June 30, 2019, was 0.1253232077%, which was a decrease of .0029003277% from its proportion measured as of June 30, 2018.

Pension Expense - At December 31, 2019, the Borough's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2019 measurement date is \$1,443,844. 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, 2019**

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, 2019, 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	\$ 129,463.00	\$ 97,100.00
Changes in Assumptions	525,523.00	4,956,722.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments		207,809.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>969,297.00</u>	<u>669,092.00</u>
	<u>\$ 1,624,283.00</u>	<u>\$ 5,930,723.00</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, 5.73 and 5.92 for the years 2014, 2015, 2016, 2017 and 2019, respectively.

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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:

Year Ending December 31,	<u>PFRS</u>
2020	\$ (640,148)
2021	(1,518,949)
2022	(1,249,659)
2023	(624,799)
2024	<u>(272,885)</u>
	<u><u>\$ (4,306,440)</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 rate:

Price	2.75%
Wage	3.25%

Salary Increases:

Throughout all future years	3.25% - 15.25% Based on years of service
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Investment Rate of Return

7.00%

Mortality Rate Table

Pub-2010

Period of Actuarial Experience

Study upon which Actuarial

Assumptions were Based

July 1, 2013 - June 30, 2018

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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 Pub-2010 General Below-Median Income Employee mortality table with an 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and a 109.3% adjustment for females, and a future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate - The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. 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 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 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, 2076 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, 2019**

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)

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 \$2,421,714 as of December 31, 2019. The net pension liability was measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019. 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, 2019 was 0.1253232077%, which was a decrease of .0029003299% from its proportion measured as of June 30, 2018, which is the same proportion as the Borough's at December 31, 2019, 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	\$ 15,336,827
State of New Jersey's Proportionate Share of the Net Pension Liability Attributable to the Borough	<u>2,421,714</u>
	<u>\$ 17,758,541</u>

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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 (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

	1% Decrease <u>(5.85%)</u>	Current Discount Rate <u>(6.85%)</u>	1% Increase <u>(7.85%)</u>
Borough's Proportionate Share of the Net Pension Liability	\$ 20,729,801.27	\$ 15,336,827.00	\$ 10,873,363.76
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>3,273,274.84</u>	<u>2,421,714.00</u>	<u>1,716,924.71</u>
	<u><u>\$ 24,003,076.11</u></u>	<u><u>\$ 17,758,541.00</u></u>	<u><u>\$ 12,590,288.47</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, 2019**

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>	<u>2019</u>
Borough's proportion of the net pension liability	0.1237943358%	0.1142101293%	0.1262856294%	0.1277463752%	0.1224228778%	0.1253232077%
Borough's proportionate share of the net pension liability	\$ 15,572,179	\$ 19,023,426	\$ 24,123,786	\$ 19,721,571	\$ 16,565,834	\$ 15,336,827
Borough's covered-employee payroll	\$ 3,640,526	\$ 4,001,065	\$ 4,144,728	\$ 4,122,026	\$ 4,196,109	\$ 4,293,532
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%	357.21%
Plan fiduciary net position as a percentage of the total pension liability	62.41%	56.31%	52.01%	58.60%	62.48%	65.00%

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

NOTE 9 PENSION PLANS (continued)

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

Supplementary Pension Information (continued)

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>	<u>2019</u>
Contractually Required Contribution	\$ 892,521	\$ 950,826	\$ 928,358	\$ 1,029,658	\$ 1,130,579	\$ 1,196,864
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>	<u>1,196,864</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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	\$ 4,293,532
Contribution as a percentage of covered-employee payroll	24.52%	23.76%	22.40%	24.98%	26.94%	27.88%

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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, 2019 shall not be entitled to retiree health benefits

For employees hired prior to January 1, 2019, 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, 2019**

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, 2019 were \$519,684.21.

Employees covered by benefit terms – At December 31, 2019 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 \$67,910,287 was measured as of December 31, 2019, and was determined by an actuarial valuation of that date.

Actuarial Assumptions and other inputs - The total OPEB Liability in the December 31, 2019 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	5.7% 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 2019 the covered payroll was \$8,186,000.

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2017	\$ 57,017,555
Annual Service Cost	\$ 853,527
Interest	2,343,305
Change in Assumptions	9,130,590
Benefit Payments	(1,434,690)
Net Changes	10,892,732
Balance at December 31, 2018	\$ 67,910,287

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 (1.74%) or 1-percentage-point higher (3.74%) than the current discount rate:

	1% decrease (1.74%)	Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB Liability	\$ 62,687,881	\$ 67,910,287	\$ 74,176,336

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 (4.7% decreasing to 4%) or 1-percentage-point higher (6.7% decreasing to 6%) than the current discount rate:

	1% decrease (4.7% decreasing to 4%)	Healthcare Cost Trend Rates (5.7% decreasing to 5%)	1% Increase (6.7% decreasing to 6%)
Total OPEB Liability	\$ 62,687,881	\$ 69,710,287	\$ 74,176,336

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

For the year ended December 31, 2019, the Borough reported OPEB expenditures of \$3,917,478. At December 31, 2019 the Borough reported deferred outflows and deferred inflows of resources related to OPEB of \$720,646.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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

	<u>2018</u>	<u>2019</u>
Total OPEB liability		
Service cost	\$ 853,527	\$ 853,527
Interest	2,272,811	2,343,305
Change in Assumptions		9,130,590
Benefit payments	(1,379,353)	(1,434,690)
Net change in total OPEB liability	1,746,985	10,892,732
Total OPEB liability-beginning	55,270,570	57,017,555
Total OPEB liability-ending	<u>\$ 57,017,555</u>	<u>\$ 67,910,287</u>
 Covered-employee payroll	 \$ 8,039,000	 \$ 8,186,000
 Total OPEB liability as a percentage of covered-employee payroll	 709.26%	 829.59%

Notes to Schedule:

Changes in Benefit terms: None

Changes in Assumptions: None

NOTE 11 BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2019, the Borough had authorized but not issued bonds and notes as follows:

General Capital Fund	\$ 2,575,800.00
Water/Sewer Utility Capital Fund	1,550,640.00
Parking Utility Capital Fund	<u>3,221,000.00</u>
Total	<u>\$ 7,347,440.00</u>

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

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, 2019:

General Serial Bonds

\$540,000 2011 Pension Early Retirement Incentive Refunding Bonds due in annual installments of \$75,000 to \$81,000 through 2021 at interest rates ranging from 5.40% to 5.70%.	\$ 156,000.00
\$5,637,000 2012 bonds due in annual installments of \$435,000 to \$612,000 through October 2025 at an interest rate of 2.00%.	3,182,000.00
\$5,785,000 2015 bonds due in annual installments of \$360,000 to \$555,000 through 2029 at an interest rate of 5.00%.	4,515,000.00
\$2,610,000 Series 2019 bonds due in annual installments of \$100,000 to \$195,000 through 2034 at interest rates ranging from 2.00% to 4.00%.	2,610,000.00
\$2,270,000 Revenue Bonds Series 2019B due in annual installments of \$165,000 to \$260,000 through 2030 at interest rates ranging from 4.00% to 5.00%.	<u>2,270,000.00</u>
	<u>\$ 12,733,000.00</u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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%.	\$ 425,000.00
\$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%.	345,801.41
\$2,662,000 2012 bonds due in annual installments of \$165,000 to \$252,000 through October, 2027 at interest rates ranging from 2.00% to 2.10%.	1,707,000.00
\$3,775,000 2015 Bonds due in annual installments of \$140,000 to \$260,000 through 2035 at interest rates ranging from 3.50% to 5.00%	3,255,000.00
\$3,084,478.50 2015 Refunding Bonds due in annual installments of \$535,000 to \$555,000 through 2022 at interest rates ranging from 4.00% to 5.00%.	1,640,000.00
\$425,000 2018 N.J. Infrastructure Bank Loan Series 2018A-2 due in annual installments of \$15,000 to \$30,000 through 2038 at interest rates ranging from 4.00% to 5.00%.	425,000.00
\$1,299,360 2018 N.J. Infrastructure Fund Loan Series 2018A-2 due in annual installments of \$66,069.15 through 2038 at an interest rate of 0.00%.	1,255,313.85
\$3,565,000 Water/Sewer Bonds 2019 due in annual installments of \$135,000 to \$270,000 through 2034 at interest rates ranging from 2.00% to 4.00%.	<u>3,565,000.00</u>
	<u>\$ 12,618,115.26</u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 12 LONG-TERM DEBT (continued)

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%. \$ 240,000.00

\$705,000 2019 Parking Utility Bonds due in annual installments of \$40,000 to \$50,000 through 2034 at interest rates ranging from 2.00% to 4.00%. 705,000.00

\$ 945,000.00

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
2020	\$ 1,135,000.00	\$ 476,024.22	\$ 1,611,024.22
2021	1,201,000.00	443,148.50	1,644,148.50
2022	1,290,000.00	400,090.00	1,690,090.00
2023	1,345,000.00	353,390.00	1,698,390.00
2024	1,395,000.00	304,690.00	1,699,690.00
2025-2029	5,222,000.00	808,390.00	6,030,390.00
2030-2034	<u>1,145,000.00</u>	<u>71,150.00</u>	<u>1,216,150.00</u>
Totals	<u>\$ 12,733,000.00</u>	<u>\$ 2,856,882.72</u>	<u>\$ 15,589,882.72</u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 12 LONG-TERM DEBT (continued)

Year	Water/Sewer Utility Capital Fund		
	Principal	Interest	Total
2020	\$ 1,125,649.28	\$ 374,204.50	\$ 1,499,853.78
2021	1,160,649.28	334,564.50	1,495,213.78
2022	1,195,649.28	291,289.50	1,486,938.78
2023	805,649.28	258,214.50	1,063,863.78
2024	830,649.28	232,514.50	1,063,163.78
2025-2029	3,910,246.51	771,533.50	4,681,780.01
2030-2034	2,945,345.75	297,187.50	3,242,533.25
2035	644,276.65	21,100.00	665,376.65
Total	<u>\$12,618,115.31</u>	<u>\$ 2,580,608.50</u>	<u>\$ 15,198,723.81</u>

Year	Parking Utility Capital Fund		
	Principal	Interest	Total
2020	\$ 50,000.00	\$ 30,818.91	\$ 80,818.91
2021	55,000.00	29,243.76	84,243.76
2022	55,000.00	26,943.76	81,943.76
2023	55,000.00	24,643.76	79,643.76
2024	60,000.00	22,343.76	82,343.76
2025-2029	320,000.00	74,468.80	394,468.80
2030-2034	330,000.00	30,100.02	360,100.02
2035	20,000.00	700.00	20,700.00
	<u>\$945,000.00</u>	<u>\$239,262.77</u>	<u>\$ 1,184,262.77</u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 12 LONG-TERM DEBT (continued)

Green Trust Loans

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

Green Trust Loans

Green Trust Loan Program for the Riverside Gardens Development 1. Principal is paid semiannually. Annual debt service requirements for principal is \$15,391.88 through February 2020, interest rate of 2.00%. \$ 15,391.87

Green Trust Loan Program for the Riverside Gardens Development 2. Principal is paid semiannually. Annual debt service requirements for principal is \$15,391.88 through February 2020, interest rate of 2.00%. 15,391.87

Green Trust Loan Program for the Waterfront Acquisition. Principal is paid semiannually. Annual debt service requirements for principal ranges from \$5,525.06 to \$10,886.54 through April 2029, interest rate of 2.00%. 96,125.45

\$ 126,909.19

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

<u>Year</u>	<u>General Capital Fund Green Acres Loan</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	10,053.54	1,107.08	11,160.62
2025-2029	<u>47,801.01</u>	<u>2,421.76</u>	<u>50,222.77</u>
	<u><u>\$ 126,910.19</u></u>	<u><u>\$ 10,207.26</u></u>	<u><u>\$ 137,117.45</u></u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 12 LONG-TERM DEBT (continued)

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:

General Capital Fund			
Year	Principal	Interest	Total
2020	\$ 701,113.90	\$ 159,159.81	\$ 860,273.71
2021	564,907.80	131,619.66	696,527.46
2022	556,407.40	103,674.28	660,081.68
2023	390,205.30	77,063.90	467,269.20
2024	373,163.60	60,053.78	433,217.38
2025-2029	837,494.80	116,862.02	954,356.82
Total	<u>\$ 3,423,292.80</u>	<u>\$ 648,433.45</u>	<u>\$ 4,071,726.25</u>
Water/Sewer Utility Capital Fund			
Year	Principal	Interest	Total
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	2,198.80	284.42	2,483.22
2025-2027	3,728.40	365.70	4,094.10
Total	<u>\$ 29,062.40</u>	<u>\$ 4,035.56</u>	<u>\$ 33,097.96</u>

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

NOTE 12 LONG-TERM DEBT (continued)

Capital Leases (continued)

<u>Parking Utility Capital Fund</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,637.60	211.82	1,849.42
2025-2027	2,776.80	272.34	3,049.14
Total	<u>\$ 21,644.80</u>	<u>\$ 3,005.54</u>	<u>\$ 24,650.34</u>

Changes in Outstanding Long-Term Debt

Transactions for the year ended December 31, 2019 are summarized as follows:

	Balance December 31, 2018	Additions	Deductions	Balance December 31, 2019	Amounts Due Within One Year
<u>General Capital Fund</u>					
Serial Bonds	\$ 8,663,000.00	\$ 4,880,000.00	\$ 810,000.00	\$ 12,733,000.00	\$ 1,135,000.00
Green Trust Loans	196,667.66		69,757.50	126,910.16	40,068.03
	<u>8,859,667.66</u>	<u>4,880,000.00</u>	<u>879,757.50</u>	<u>12,859,910.16</u>	<u>1,175,068.03</u>
<u>Water/Sewer Utility Capital Fund</u>					
Serial Bonds	8,252,381.54	5,289,360.00	923,626.23	12,618,115.31	1,125,649.28
	<u>8,252,381.54</u>	<u>5,289,360.00</u>	<u>923,626.23</u>	<u>12,618,115.31</u>	<u>1,125,649.28</u>
<u>Parking Utility Capital Fund</u>					
Serial Bonds	250,000.00	705,000.00	10,000.00	945,000.00	50,000.00
	<u>250,000.00</u>	<u>705,000.00</u>	<u>10,000.00</u>	<u>945,000.00</u>	<u>50,000.00</u>
	<u>\$ 17,362,049.20</u>	<u>\$ 10,874,360.00</u>	<u>\$ 1,813,383.73</u>	<u>\$ 26,423,025.47</u>	<u>\$ 2,350,717.31</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, 2019 was 0.678%. The Borough's remaining borrowing power is 2.822%. The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in Note 14.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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.

On December 31, 2019, there were no outstanding bond anticipation notes.

Changes in Bond Anticipation Notes

	Balance Dec. 31, 2018	Deductions	Balance Dec. 31, 2019
General Capital Fund	\$ 2,470,250.00	\$ 2,470,250.00	\$ -
Water/Sewer Utility Capital Fund	3,700,000.00	3,700,000.00	-
Parking Utility Capital Fund	300,000.00	300,000.00	-
	<u>\$ 6,470,250.00</u>	<u>\$ 6,470,250.00</u>	<u>\$ -</u>

**BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

NOTE 14 SUMMARY OF MUNICIPAL DEBT

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 12,859,910.19	\$ 11,329,917.69	\$ 13,112,819.67
Water/Sewer Utility:			
Bonds, Notes and Loans	12,618,115.26	13,318,734.54	12,579,163.67
Parking Utility			
Bonds, Notes and Loans	<u>945,000.00</u>	<u>550,000.00</u>	<u>560,000.00</u>
Total Debt Issued	<u>26,423,025.45</u>	<u>25,198,652.23</u>	<u>26,251,983.34</u>
Authorized but Not Issued:			
General:			
Bonds, Notes and Loans	2,575,800.00	2,637,800.00	0.70
Water/Sewer Utility:			
Bonds, Notes and Loans	1,550,640.00	1,908,647.00	1,214,029.00
Parking Utility			
Bonds, Notes and Loans	<u>3,221,000.00</u>	<u>422,000.00</u>	<u> </u>
Total Authorized but Not Issued	<u>7,347,440.00</u>	<u>4,968,447.00</u>	<u>1,214,029.70</u>
Total Gross Debt	<u><u>\$ 33,770,465.45</u></u>	<u><u>\$ 30,167,099.23</u></u>	<u><u>\$ 27,466,013.04</u></u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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 District School Debt	\$ 7,580,000.00	\$ 7,580,000.00	\$ -
Regional District School Debt	10,382,432.63	10,382,432.63	-
General Debt	15,435,960.19		15,435,960.19
Water/Sewer Utility Debt	14,168,755.26	14,168,755.26	-
Parking Utility Debt	<u>3,926,000.00</u>	<u>3,926,000.00</u>	<u>-</u>
	<u>\$ 51,493,148.08</u>	<u>\$ 36,057,187.89</u>	<u>\$ 15,435,960.19</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, 2019 was 0.678% as calculated below. The Borough's remaining borrowing power is 2.822%.

Net Debt \$15,435,960.19 divided by the equalized valuation basis per N.J.S.A. 40A:2-2 as amended, \$2,277,250,678.00 equals 0.678%.

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

3-1/2% Equalized Valuation Basis Municipal	\$ 79,703,773.73
Net Debt	<u>15,435,960.19</u>
Remaining Borrowing Power	<u>\$ 64,267,813.54</u>

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

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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		\$ 1,726,362.84
Deductions:		
Operating and Maintenance Costs	\$ 995,090.71	
Debt Service	38,724.52	
Total Deductions		<u>1,033,815.23</u>
Excess in Revenue		<u>\$ 692,547.61</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, 2019, there were no deferred charges.

	Balance December 31, 2019	2020 Budget Appropriation	Balance to Succeeding Budgets
Water/Sewer Operating Fund:			
Overexpenditure of Appropriations	<u>\$ 25,369.08</u>	<u>\$ 25,369.08</u>	<u>\$ -</u>
Water Utility Capital Fund:			
Overexpenditure of Ordinance Appropriation	<u>\$ 52,870.72</u>	<u>\$ 52,870.72</u>	<u>\$ -</u>
Parking Operating Fund:			
Overexpenditure of Appropriation	<u>\$ 1,469.67</u>	<u>\$ 1,469.67</u>	<u>\$ -</u>

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Balance of Tax	\$ 9,080,762.17	\$ 8,612,672.17	\$ 5,386,518.16	\$ 4,846,976.18
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>\$ 2,824,037.67</u>	<u>\$ 2,355,947.67</u>	<u>\$ 1,169,961.80</u>	<u>\$ 630,419.82</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 Compensations 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 2019, 2017, and 2016.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

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 \$1,532,619.53 at December 31, 2019. 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, 2019, 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, 2019 was \$26,186.84.

BOROUGH OF RED BANK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 21 SUBSEQUENT EVENTS

On March 16, 2020 the governor of the state signed Executive Order 104, implementing aggressive social distancing measures to mitigate the spread of COVID-19 in New Jersey. Among the directives, the order indefinitely closed schools, casinos, racetracks, gyms, movie theaters and performing arts centers as well as all non-essential businesses. The financial effect of the COVID-19 pandemic and Executive Order 104 is not measurable as of the issuance of this report.

The Borough has evaluated subsequent events occurring after December 31, 2019 through the date of February 16, 2021, which is the date the financial statements were available to be issued.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH
SUPPLEMENTARY EXHIBITS
YEAR ENDED DECEMBER 31, 2019

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

SCHEDULE OF CASH

	Ref.	Current Fund	Grant Fund
Balance, December 31, 2018	A	\$ 7,511,166.42	\$ 70,022.30
Increased by Receipts:			
Non-Budget Revenues	A-2	\$ 299,699.46	
Taxes Receivable	A-5	49,860,232.98	
Revenue Accounts Receivable	A-8	6,869,078.65	
State of New Jersey (Ch. 20, P.L. 1971)	A-9	42,500.00	
Due to State of New Jersey - Marriage License Fees	A-10	3,050.00	
Due to State of New Jersey - Training Fees	A-10	40,404.00	
Due to State of New Jersey - Burial Fees	A-10	30.00	
Tax Overpayments	A-13	129,976.99	
Prepaid Taxes	A-14	326,258.61	
Payment in Lieu of Taxes Receivable	A-15	172,768.21	
Interfund - Federal and State Grant Fund	A-22	64,514.51	
Interfunds	A-23	287,760.80	
Grant Fund Receivables	A-26		\$ 32,235.00
Unappropriated Grant Reserves	A-28		34,663.60
Interfund -Current Fund	A-29		23,305.32
Appropriated Grant Reserves	A-27		263,550.00
Due to Monmouth County Regional Health	A	6,375.00	
		<u>58,102,649.21</u>	<u>353,753.92</u>
		65,613,815.63	423,776.22
Decreased by Disbursements:			
2019 Budget Appropriations	A-3	18,153,764.57	
Due to Monmouth County Regional Health	A	5,925.00	
Due to State of New Jersey - Marriage License Fees	A-10	2,875.00	
Due to State of New Jersey - Training Fees	A-10	40,419.00	
Due to State of New Jersey - Burial Fees	A-10	30.00	
2018 Appropriation Reserves	A-11	792,926.15	
Refund of Tax Overpayments	A-13	183,421.28	
County Taxes Payable	A-16	6,231,858.12	
Local School District Tax	A-17	17,693,475.00	
Regional High School Tax Payable	A-18	10,233,494.02	
Special Improvement District Taxes	A-19	538,120.00	
Accounts Payable	A-21	915.00	
Interfund - Federal and State Grant Fund	A-22	268,212.00	
Various Reserves	A-24	84,982.59	
Special Emergency Notes Payable	A-25	60,000.00	
Appropriated Grant Reserves	A-27		289,600.13
Interfund - Current Fund	A-29		33,427.38
Grant Fund Expenditure without Appropriation	A		2,200.00
		<u>54,290,417.73</u>	<u>325,227.51</u>
Balance, December 31, 2019	A	<u>\$ 11,323,397.90</u>	<u>\$ 98,548.71</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

Chapter 20, P.L. 1971										
Year	Balance December 31, 2018	2019 Levy	Other	Collections		Transferred to Tax Title Liens	Senior Citizens and Veterans	Tax Overpayments Applied	Canceled, Remitted or Abated	Balance December 31, 2019
				2018	2019					
2016	\$ 4.21					\$ 4.21				
2017	5.32				\$ 1.06	4.22				\$ 0.04
2018	848,963.58		\$ 1,237.11		850,196.30	4.37				0.02
	848,973.11		1,237.11		850,197.36	12.80				0.06
2019		\$ 50,173,627.25	219,665.03	\$ 473,629.89	49,010,035.62	10,464.20	\$ 42,569.86	\$ 7,126.80	\$ 70,405.76	779,060.15
	\$ 848,973.11	\$ 50,173,627.25	220,902.14	\$ 473,629.89	\$ 49,860,232.98	\$ 10,477.00	\$ 42,569.86	\$ 7,126.80	\$ 70,405.76	\$ 779,060.21
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 2019 Property Tax Levy				Ref.						
Tax Yield:										
General Purpose Tax						\$ 49,344,587.06				
Special District Taxes						540,873.87				
Added and Omitted Tax						265,231.57				
6% Penalty						22,934.75				
				A-5			\$ 50,173,627.25			
Tax Levy:										
Regional High School Tax				A-18		\$ 10,773,036.00				
Local District School Tax				A-17		18,161,565.00				
County Taxes:										
County Tax				A-16	\$ 5,544,782.56					
County Open Space Tax				A-16	640,872.61					
Due County for Added and Omitted Taxes				A-16	32,900.59					
Total County Taxes						6,218,555.76				
Special District Taxes				A-19		538,120.00				
Local Tax for Municipal Purposes				A-2	13,447,807.92					
Minimum Library Tax				A-2	766,853.34					
Add: Additional Tax Levied					267,689.23					
						14,482,350.49				
				A-5			\$ 50,173,627.25			

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>		
Balance, December 31, 2018	A		\$ 27,946.24
Increased by:			
Transfer from Taxes Receivable	A-5	\$ 10,477.00	
Interest and Cost of Tax Sale		<u>803.41</u>	
			<u>11,280.41</u>
Balance, December 31, 2019	A		<u><u>\$ 39,226.65</u></u>

SCHEDULE OF DEMOLITION LIENS

	<u>Ref.</u>	
Balance, December 31, 2019 and 2018	A	<u><u>\$ 8,830.90</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	Balance December 31, <u>2018</u>	Accrued in 2019	<u>Collected</u>	Balance December 31, <u>2019</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2		\$ 91,314.00	\$ 91,314.00	
Other	A-2		60,009.00	60,009.00	
Fees & Permits:					
Other	A-2		379,041.34	379,041.34	
Municipal Court:					
Fines and Costs	A-2	\$ 37,500.64	566,892.87	567,965.99	\$ 36,427.52
Other Revenue:					
Interest and Costs on Taxes	A-2		186,968.13	186,968.13	
Interest on Investments and Deposits	A-2		281,172.46	281,172.46	
Utility Operating Surplus of Current Year - Water/Sewer	A-2		500,000.00	500,000.00	
Utility Operating Surplus of Current Year - Parking Utility	A-2		950,000.00	950,000.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-2		2,011,681.00	2,011,681.00	
Uniform Construction Code Fees	A-2		735,908.00	735,908.00	
Code Enforcement - Property Maintenance Fee	A-2		72,445.40	72,445.40	
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		11,064.54	11,064.54	
Borough of Little Silver - Fire Services	A-2		14,385.00	14,385.00	
Red Bank Board of Education - Snow Plowing	A-2		14,362.00	14,362.00	
Other Special Items					
Franchise Tax Cable Television	A-2		184,299.59	184,299.59	
Uniform Fire Safety Act	A-2		134,837.93	134,837.93	
Landlord Registration Fees	A-2		15,940.00	15,940.00	
Utility Operating Surplus of Prior Year - Water/Sewer	A-2		200,000.00	200,000.00	
Utility Operating Surplus of Prior Year - Parking Utility	A-2		50,000.00	50,000.00	
Payment in Lieu of Taxes -					
Housing Authority/River Street/Habcore	A-2		172,768.21	172,768.21	
Hotel Occupancy Tax	A-2		195,494.55	195,494.55	
Administrative Fee Off-Duty Police Services	A-2		50,000.00	50,000.00	
Reserve for Payment of Bonds	A-2		175,000.00	175,000.00	
		<u>\$ 37,500.64</u>	<u>\$ 7,053,584.02</u>	<u>\$ 7,054,657.14</u>	<u>\$ 36,427.52</u>
	<u>Ref.</u>	A		A-8	A
Cash Receipts	A-4			\$ 6,869,078.65	
Payments in Lieu of Taxes Receivable	A-15			172,768.21	
Interfunds	A-23			12,810.28	
	A-8			<u>\$ 7,054,657.14</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

	<u>Ref.</u>		
Balance, December 31, 2018	A		\$ (1,750.00)
Decreased by:			
Senior Citizens		\$ 6,500.00	
Veterans		36,750.00	
Deductions Allowed by Collector		750.00	
		<u>44,000.00</u>	
Add:			
Deductions Disallowed by Collector		<u>1,430.14</u>	
	A-5		<u>42,569.86</u>
			40,819.86
Increased by:			
Prior Year Revenue	A-1	4,500.00	
Received from State of New Jersey	A-4	<u>42,500.00</u>	
			<u>47,000.00</u>
Balance, December 31, 2019	A		<u><u>\$ (6,180.14)</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF DUE TO STATE

	Balance December 31, <u>2018</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	<u>Canceled</u>	Balance December 31, <u>2019</u>
Marriage Licenses	\$ 1,450.00	\$ 3,050.00	\$ 2,875.00	\$ 725.00	\$ 900.00
DCA Training Fees	7,495.00	40,404.00	40,419.00		7,480.00
Burial Fees	<u> </u>	<u>30.00</u>	<u>30.00</u>	<u> </u>	<u> </u>
	<u>\$ 8,945.00</u>	<u>\$ 43,484.00</u>	<u>\$ 43,324.00</u>	<u>\$ 725.00</u>	<u>\$ 8,380.00</u>
	A	A-4	A-4	A-1	A

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, <u>2018</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<u>Operations Within CAPS</u>					
General Government:					
General Administration					
Salaries and Wages	\$ 7,434.27		\$ 7,434.27		\$ 7,434.27
Other Expenses	9,183.50	\$ 10,990.00	20,173.50	\$ 13,378.29	6,795.21
Municipal Clerk					
Salaries and Wages	1,219.96		1,219.96		1,219.96
Other Expenses	11,113.88	6,899.09	18,012.97	8,821.01	9,191.96
Financial Administration					
Salaries and Wages	8,880.17		8,880.17		8,880.17
Other Expenses	9,232.09	7,049.10	11,281.19	8,210.10	3,071.09
Audit Services					
Other Expenses	8,754.00		8,754.00	4,603.30	4,150.70
Mayor and Council					
Salaries and Wages	391.54		391.54		391.54
Tax Assessment Administration					
Salaries and Wages	7,369.73		7,369.73		7,369.73
Other Expenses	8,956.79	2,676.68	11,633.47	2,676.68	8,956.79
Revenue Administration					
Salaries and Wages	4,354.83		4,354.83		4,354.83
Other Expenses	4,468.32	200.00	4,668.32	200.00	4,468.32
Legal Services					
Other Expenses	21,283.71	30,696.87	100,480.58	97,944.70	2,535.88

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, <u>2018</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Engineering Costs					
Other Expenses	\$ 12,992.06	\$ 8,754.00	\$ 21,746.06	\$ 15,740.98	\$ 6,005.08
Codification of Ordinances					
Other Expenses	6,775.60		6,775.60	6,775.60	
Land Use Administration					
Planning Board					
Salaries and Wages	969.90		969.90		969.90
Other Expenses	11,270.42	10,006.50	21,276.92	10,000.00	11,276.92
Zoning Board of Adjustment					
Salaries and Wages	969.39		969.39		969.39
Other Expenses	6,855.80	429.23	7,285.03	876.05	6,408.98
Insurance					
Liability Insurance	8,001.49		8,001.49	2,008.75	5,992.74
Worker's Compensation Insurance	902.53		902.53		902.53
Employee Group Insurance	47,905.99	267,458.26	315,364.25	267,183.96	48,180.29
Unemployment Insurances	5,000.00		5,000.00		5,000.00
Health Insurance Opt Out Payments	6,919.74		6,919.74		6,919.74
Public Safety:					
Fire Department					
Other Expenses	20,462.86	17,040.68	37,503.54	15,565.02	21,938.52
Uniform Fire Safety Act (Fire Department)					
Salaries and Wages	26,094.65		16,094.65		16,094.65
Other Expenses	1,474.63	6,643.28	8,117.91	5,707.17	2,410.74
Police Department					
Salaries and Wages	55,298.41		55,298.41	1,432.50	53,865.91
Other Expenses	8,801.93	57,824.37	66,626.30	57,440.68	9,185.62

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, <u>2018</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Volunteer Ambulance Companies					
Other Expenses	\$ 3,009.07	\$ 12,302.54	\$ 15,311.61	\$ 11,892.34	\$ 3,419.27
Office of Emergency Management					
Salaries and Wages	108.70		108.70		108.70
Other Expenses	2,412.38	3,087.62	5,500.00	1,929.95	3,570.05
Rent Leveling					
Salaries and Wages	1,175.00		1,175.00		1,175.00
Other Expenses	5,627.95	4,819.79	10,447.74	374.97	10,072.77
Public Works Functions					
Streets and Road Maintenance					
Salaries and Wages	19,818.86		19,818.86	387.95	19,430.91
Other Expenses	18,819.89	28,861.89	47,681.78	27,856.46	19,825.32
Sanitation Department					
Other Expenses	333.66	1,000.00	1,333.66	1,000.00	333.66
Public Buildings and Grounds					
Salaries and Wages	10,475.35		10,475.35	(16,461.92)	26,937.27
Other Expenses	20,721.10	44,410.73	65,131.83	36,288.75	28,843.08
Landfill/Solid Waste Disposal Costs					
Landfill					
Other Expenses	41,350.87	11,378.06	63,228.93	63,120.00	108.93
Code Enforcement					
Salaries and Wages	5,186.17		5,186.17	145.21	5,040.96
Other Expenses	2,675.00	5,000.00	7,675.00	5,000.00	2,675.00

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, <u>2018</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Health and Welfare					
Visiting Nurse Association	\$ 0.25	\$ 6,182.43	\$ 6,182.68	\$ 6,182.44	\$ 0.24
Relocation Assistance	1,425.00		1,425.00		1,425.00
Monmouth County Regional Health Commission	148.00		148.00		148.00
Animal Control Services					
Salaries & Wages	4,714.00		4,714.00		4,714.00
Shade Tree Commission	2,500.00	2,500.00	5,000.00	2,500.00	2,500.00
Parks and Recreation					
Recreation Services and Programs					
Salaries and Wages	21,973.87		21,973.87	199.71	21,774.16
Other Expenses	9,557.92	7,518.87	17,076.79	8,618.79	8,458.00
Utility Expenses and Bulk Purchases					
Street Lighting	62,097.30		62,097.30	18,190.27	43,907.03
Electricity	21,634.92		21,634.92	7,003.50	14,631.42
Telephone	8,909.01		8,909.01	2,790.18	6,118.83
Natural Gas	29,638.67		29,638.67	3,701.86	25,936.81
Gasoline	1,073.58	2,631.77	3,705.35	1,497.00	2,208.35
Uniform Construction Code Appropriations Offset by					
Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Salaries and Wages	52,317.15		18,317.15		18,317.15
Other Expenses	24,459.37	3,086.30	27,545.67	3,164.52	24,381.15
Education and Technology					
Salaries and Wages	14,074.00		4,074.00		4,074.00
Other Expenses	16,559.28	2,737.59	19,296.87	1,667.05	17,629.82
Municipal Court					
Salaries and Wages	5,919.86		5,919.86	252.00	5,667.86
Other Expenses	9,162.76	3,231.30	12,394.06	3,235.06	9,159.00

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, <u>2018</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Municipal Prosecutor					
Other Expenses	\$ 625.00		\$ 625.00		\$ 625.00
Municipal Public Defender					
Other Expenses	40.00		40.00		40.00
Contingent	1,000.00		1,000.00		1,000.00
Deferred Charges and Statutory Expenditures - Municipal Within "CAP"					
Statutory Expenditures					
Contribution to					
Public Employee's Retirement System	3.49		3.49		3.49
Social Security System (O.A.S.I.)	27.79		27.79		27.79
Defined Contribution Retirement Program	2,161.41		2,161.41		2,161.41
Total Appropriations (Including Contingent) Within CAPS	<u>745,074.82</u>	<u>\$ 565,416.95</u>	<u>1,310,491.77</u>	<u>\$ 709,100.88</u>	<u>601,390.89</u>
<u>Appropriations Excluded from CAPS</u>					
Maintenance of Free Public Library (P.L. 1985, Ch. 82)	158,180.21	5,087.87	163,268.08	163,268.08	
Interlocal Services					
911 System - County of Monmouth	0.04		0.04		0.04
Length of Service Award Program	8,491.00		8,491.00	8,491.00	
Municipal Stormwater Management					
Salaries and Wages	805.78		805.78		805.78
Other Expenses	1,564.48	318.70	1,883.18	245.39	1,637.79
Declared State of Emergency Costs for Snow					
Removal N.J.S.A. (40A:40-4-45.45(b))	58,397.05		58,397.05	58,397.05	
Recycling Tax P.L. 2007 c. 311	12,366.21	2,830.11	15,196.32	2,143.98	13,052.34
Tax Appeal Refunds	43,991.42		43,991.42		43,991.42

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, <u>2018</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
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	2,057.50		2,057.50		\$ 2,057.50
Other Expenses	2,000.00		2,000.00		2,000.00
Township of Shrewsbury Municipal Court					
Salaries and Wages	5,750.00		5,750.00		5,750.00
Other Expenses	143.38	\$ 246.62	390.00	246.62	143.38
	<u>307,758.07</u>	<u>8,483.30</u>	<u>316,241.37</u>	<u>246,803.12</u>	<u>69,438.25</u>
Total Appropriations Excluded from CAPS	<u>\$ 1,052,832.89</u>	<u>\$ 573,900.25</u>	<u>\$ 1,626,733.14</u>	<u>\$ 955,904.00</u>	<u>\$ 670,829.14</u>
	<u>Ref.</u>				
	A	A-12		A-11	A-1
Cash Disbursements	A-4			\$ 792,926.15	
Accounts Payable	A-21			12,846.28	
Reserve for Library Expenditures	A-24			<u>150,131.57</u>	
	A-11			<u>\$ 955,904.00</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2018	A	\$ 573,900.25
Increased by:		
Current Appropriations Charged	A-3	371,131.30
		<u>945,031.55</u>
Decreased by:		
Transferred to Appropriation Reserves	A-11	573,900.25
		<u>573,900.25</u>
Balance, December 31, 2019	A	<u><u>\$ 371,131.30</u></u>

SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>		
Balance, December 31, 2018	A		\$ 1,405.89
Increased by:			
Cash Receipts	A-4	\$ 129,976.99	
Tax Appeal Refunds	A-3	99,009.08	
Refund Prior Year Tax Revenue	A-1	<u>15,217.26</u>	
			<u>244,203.33</u>
			245,609.22
Decreased by:			
Refunds	A-4	183,421.28	
Applied to Taxes	A-5	7,126.80	
Applied to Prepaid Taxes	A-14	<u>46,818.78</u>	
			<u>237,366.86</u>
Balance, December 31, 2019	A		<u><u>\$ 8,242.36</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>		
Balance, December 31, 2018	A	\$	473,629.89
Increased by:			
Collections, 2019 Taxes	A-4	\$	326,258.61
Transferred from Tax Overpayments	A-13		<u>46,818.78</u>
			<u>373,077.39</u>
			846,707.28
Decreased by:			
Applied to Taxes Receivable	A-5		<u>473,629.89</u>
Balance, December 31, 2019	A	\$	<u><u>373,077.39</u></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, 2018	A	\$	188,614.93
Increased by:			
2019 Billed			<u>179,696.86</u>
			368,311.79
Decreased by:			
Cash Receipts	A-4/A-8		<u>172,768.21</u>
Balance, December 31, 2019	A	\$	<u><u>195,543.58</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2018	A		\$ 46,203.14
Increased by:			
County Tax	A-1/A-5	\$ 5,544,782.56	
County Open Space Tax	A-1/A-5	640,872.61	
Due County for Added and Omitted Taxes	A-1/A-5	<u>32,900.59</u>	
			<u>6,218,555.76</u>
			6,264,758.90
Decreased by:			
Payments	A-4		<u>6,231,858.12</u>
Balance, December 31, 2019	A		<u><u>\$ 32,900.78</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

	<u>Ref.</u>		
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
Increased by:			
Levy - For School Year July 1, 2019 to June 30, 2020	A-5		<u>18,161,565.00</u>
			26,774,237.17
Decreased by:			
Payments	A-4		<u>17,693,475.00</u>
Balance, December 31, 2019:			
School Tax Payable	A	\$ 2,824,037.67	
School Tax Deferred		<u>6,256,724.50</u>	
			<u>\$ 9,080,762.17</u>
<u>2019 Liability for Local District School Tax</u>			
Tax Paid	A-4		\$ 17,693,475.00
School Tax Payable, December 31, 2019	A		<u>2,824,037.67</u>
			20,517,512.67
School Tax Payable, December 31, 2018	A		<u>2,355,947.67</u>
Amount Charged to 2019 Operations	A-1		<u>\$ 18,161,565.00</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2018:			
School Tax Payable	A	\$ 630,419.82	
School Tax Deferred		<u>4,216,556.36</u>	
			\$ 4,846,976.18
Increased by:			
Levy - For School Year July 1, 2019 to June 30, 2020	A-5		<u>10,773,036.00</u>
			15,620,012.18
Decreased by:			
Payments	A-4		<u>10,233,494.02</u>
Balance, December 31, 2019:			
School Tax Payable	A	\$ 1,169,961.80	
School Tax Deferred		<u>4,216,556.36</u>	
			<u>\$ 5,386,518.16</u>
<u>2019 Liability for Regional High School Tax</u>			
Tax Paid	A-4		\$ 10,233,494.02
School Tax Payable, December 31, 2019	A		<u>1,169,961.80</u>
			11,403,455.82
 School Tax Payable, December 31, 2018	A		<u>630,419.82</u>
 Amount Charged to 2019 Operations	A-1		<u>\$ 10,773,036.00</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF SPECIAL IMPROVEMENT DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Increased by:		
Tax Levy	A-5	\$ 538,120.00
Decreased by:		
Payments	A-1/A-4	<u>538,120.00</u>
Balance, December 31, 2019		<u><u>\$ -</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

	<u>Amount Authorized</u>	<u>Balance December 31, 2018</u>	<u>Decrease by Budget Appropriation</u>	<u>Balance December 31, 2019</u>
2014 Tax Revaluation	<u>\$ 500,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ -</u>
	<u><u>\$ 500,000.00</u></u>	<u><u>\$ 80,000.00</u></u>	<u><u>\$ 80,000.00</u></u>	<u><u>\$ -</u></u>
<u>Ref.</u>		A	A-3	A

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2018	A	\$ 1,529.50
Increased by:		
Charges to Appropriation Reserves	A-11	12,846.28
		<u>14,375.78</u>
Decreased by:		
Cash Disbursements	A-4	\$ 915.00
Canceled	A-1	614.50
		<u>1,529.50</u>
Balance, December 31, 2019	A	<u><u>\$ 12,846.28</u></u>

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, 2018	A		\$ (6,068.92)
Decreased by:			
Cash Disbursements	A-4	\$ 4,662.00	
2019 Anticipated Revenue	A-26	34,812.00	
Local Matching Funds	A-4/A-29	<u>263,550.00</u>	
			<u>303,024.00</u>
Increased by:			296,955.08
Other Adjustments	A-1	3,593.98	
2019 Budget Appropriations	A-3	298,362.00	
2019 Budget Appropriations	A-3	180.00	
Deposited in Current Fund:			
Grants Receivable	A-4/A-26	3,300.00	
Unappropriated Grant Fund Reserves	A-4/A-28	51,346.43	
Cash Receipts	A-4	<u>9,868.08</u>	
			<u>366,650.49</u>
Balance, December 31, 2019	A		<u><u>\$ (69,695.41)</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

	<u>Ref.</u>	<u>Total</u> <u>(MEMO ONLY)</u>	<u>Payroll</u> <u>Trust</u> <u>Fund</u>	<u>Recreation</u> <u>Trust</u> <u>Fund</u>	<u>General</u> <u>Capital</u> <u>Fund</u>	<u>Water/Sewer</u> <u>Utility</u> <u>Operating</u> <u>Fund</u>	<u>Trust</u> <u>Other</u> <u>Fund</u>	<u>Animal</u> <u>Control</u> <u>Fund</u>	<u>Parking</u> <u>Utility</u> <u>Fund</u>
Balance, December 31, 2018:									
Interfund Receivable	A	\$ 87,078.27	\$ 51,953.75		\$ 7,529.72		\$ 5,232.68	\$ 362.12	\$ 22,000.00
Interfund Payable	A	(2,007.55)		\$ (2,007.55)		\$ -			
Increased by:									
Non-Budget Revenue	A-2	7,941.64	7,941.64						
Revenue Accounts Receivable	A-8	12,810.28		1,763.71			546.57	10,500.00	
		20,751.92	7,941.64	1,763.71			546.57	10,500.00	
		105,822.64	59,895.39	(243.84)	7,529.72		5,779.25	10,862.12	22,000.00
Decreased by:									
Budget Appropriations	A-3	175,942.76	5,532.39			75,000.00	95,410.37		
Cash Receipts	A-4	287,760.80	51,953.75	492.45	198,779.72		4,449.84	362.12	31,722.92
		463,703.56	57,486.14	492.45	198,779.72	75,000.00	99,860.21	362.12	31,722.92
Balance, December 31, 2019:									
Interfund Receivable	A	12,909.25	\$ 2,409.25					\$ 10,500.00	
Interfund Payable	A	(370,790.17)		\$ (736.29)	\$ (191,250.00)	\$ (75,000.00)	\$ (94,080.96)		\$ (9,722.92)
		\$ (357,880.92)							
<u>Analysis of Net Credit to Operations</u>									
Interfunds Accounts Receivable:									
Balance December 31, 2019	Above	\$ 12,909.25							
Balance December 31, 2018	Above	87,078.27							
Net Credit to Operations	A-1	\$ (74,169.02)							

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF VARIOUS RESERVES

<u>Reserve for:</u>	Balance December 31, <u>2018</u>	<u>Increased by</u>	<u>Decreased by</u>	Balance December 31, <u>2019</u>
Revaluation	\$ 19,035.73			\$ 19,035.73
Sale of Municipal Assets	92,587.00			92,587.00
Severance Liabilities	150,150.84			150,150.84
Library Expenditures	<u>165,819.93</u>	<u>\$ 150,131.57</u>	<u>\$ 84,982.59</u>	<u>230,968.91</u>
	<u>\$ 427,593.50</u>	<u>\$ 150,131.57</u>	<u>\$ 84,982.59</u>	<u>\$ 492,742.48</u>
<u>Ref.</u>	A	A-11	A-4	A

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

		Date of Original <u>Issue</u>	Date of <u>Issue</u>	Date of <u>Maturity</u>	Interest <u>Rate</u>	Balance December 31, <u>2018</u>	<u>Decreased by</u>	Balance December 31, <u>2019</u>
2014	Tax Revaluation	1/22/2014	5/25/2019	5/24/2019		<u>\$ 60,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ -</u>
						<u><u>\$ 60,000.00</u></u>	<u><u>\$ 60,000.00</u></u>	<u><u>\$ -</u></u>
						A	A-4	A

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>2018</u>	2019 Anticipated <u>Revenue</u>	Cash <u>Received</u>	Balance December 31, <u>2019</u>
Federal Grants:				
US Department of Health and Human Services:				
County of Monmouth:				
Senior Citizens - Title III (Older Americans Act)	\$ 32,235.00	\$ 29,312.00	\$ 32,235.00	\$ 29,312.00
US Department of Transportation:				
NJ Department of Law and Public Safety:				
Distracted Driving Program - 2019		5,500.00	3,300.00	2,200.00
State Grants:				
NJ Department of Environmental Protection:				
2015 Recycling Tonnage Grant				
Clean Communities Program	2,665.36			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
Local Grants:				
PSE&G: Sustainable Jersey Grant	5,000.00			5,000.00
	<u>\$ 73,100.36</u>	<u>\$ 34,812.00</u>	<u>\$ 35,535.00</u>	<u>\$ 72,377.36</u>
	<u>Ref.</u>			
	A	A-2/A-22/A-29		A
Cash Receipt	A-4		\$ 32,235.00	
Interfund - Current Fund	A-29		3,300.00	
			<u>\$ 35,535.00</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

<u>Grant</u>	Balance December 31, <u>2018</u>	Transfer from 2019 Budget <u>Appropriation</u>	Transfer from Reserve for <u>Encumbrances</u>	<u>Expended</u>	Reserve for <u>Encumbrances</u>	Balance December 31, <u>2019</u>
Federal Grants:						
US Department of Health and Human Services:						
County of Monmouth:						
Senior Citizens - Title III: U.S. Older American Act						
2018 U.S. Older American Act - Local Match	\$ 8,210.07		\$ 2,338.00	\$ 846.03		\$ 9,702.04
2019 U.S. Older American Act		\$ 29,312.00		29,312.00		
2019 U.S. Older American Act - Local Match		263,550.00		224,886.85	\$ 3,682.60	34,980.55
US Department of Community Affairs:						
US Department of Law and Public Safety:						
Distracted Driving Program - 2019		5,500.00		3,300.00		2,200.00
State Grants:						
NJ Department of Environmental Protection:						
Recycling Tonnage Grant	35,661.52			867.24	24,952.76	9,841.52
Clean Communities Program	21,856.83		1,000.00	20,080.51	1,876.91	899.41
NJ Forest Service Community Forestry Program	30,000.00					30,000.00
NJ Department of Law and Public Safety:						
Drunk Driving Enforcement Fund	11,694.00			7,609.00	179.00	3,906.00
Municipal Court Alcohol Education Rehabilitation and Enforcement Fund	33,942.82			1,950.00		31,992.82
Body Armor Replacement Fund	2,597.84		748.50	748.50		2,597.84
Local Grants:						
PSE&G						
Sustainable Jersey Grant	1,142.00			1,142.00		
	<u>\$ 145,105.08</u>	<u>\$ 298,362.00</u>	<u>\$ 4,086.50</u>	<u>\$ 290,742.13</u>	<u>\$ 30,691.27</u>	<u>\$ 126,120.18</u>
	<u>Ref.</u>	<u>A</u>	<u>A-30</u>		<u>A-30</u>	<u>A</u>
Cash Receipts	A-4/A-29	\$ 263,550.00				
Cash Disbursements	A-4			\$ 289,600.13		
Interfund - Current Fund	A-29	34,812.00		1,142.00		
		<u>\$ 298,362.00</u>		<u>\$ 290,742.13</u>		

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>2018</u>	<u>Award</u>	Balance December 31, <u>2019</u>
2019 Alcohol Education Rehabilitation Fund		\$ 5,425.29	\$ 5,425.29
2016 Recycling Tonnage Grant		16,243.41	16,243.41
2017 Recycling Tonnage Grant		22,095.07	22,095.07
FY 2019 Drunk Driving Enforcement Fund		9,280.24	9,280.24
State Farm - Red Bank Safe Teen Driving Initiative		5,000.00	5,000.00
FY 2019 Clean Communities Grant		23,826.07	23,826.07
2018 Body Armor		4,139.95	4,139.95
	<u>\$ -</u>	<u>\$ 86,010.03</u>	<u>\$ 86,010.03</u>
	<u>Ref</u>		
	A		A
Cash Receipts	A-4	\$ 34,663.60	
Interfund - Current Fund	A-22/A-29	<u>51,346.43</u>	
		<u>\$ 86,010.03</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

	<u>Ref.</u>		
Balance, December 31, 2018	A	\$	6,068.92
Increased by:			
Cash Receipts	A-4	\$	23,305.32
Local Matching Funds	A-27		263,550.00
2019 Anticipated Revenue	A-26		34,812.00
Appropriated Reserves	A-27		<u>1,142.00</u>
			<u>322,809.32</u>
			(316,740.40)
Decreased by:			
Cash Disbursements	A-4		33,427.38
2019 Budget Appropriations:	A-27		298,362.00
Deposited in Current Fund:			
Unappropriated Grant Reserves	A-22/A-28		51,346.43
Grants Receivable	A-26		<u>3,300.00</u>
			<u>386,435.81</u>
Balance, December 31, 2019	A	\$	<u><u>69,695.41</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2018	A	\$ 4,086.50
Increased by:		
Transfer from Appropriated Reserves	A-27	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">30,691.27</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		34,777.77
Decreased by:		
Transfer to Appropriated Reserves	A-27	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">4,086.50</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance, December 31, 2019	A	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 30,691.27</div> <div style="border-top: 3px double black; width: 100px;"></div> </div>

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, 2018	B	\$ 22,595.22	\$ 3,410,191.86
Increased by Receipts:			
Due to State of New Jersey	B-4	\$ 539.40	
Reserve for Animal Control			
Trust Fund Expenditures	B-3	25,345.50	
Interfund - Parking Utility	B-9		\$ 21,000.00
Interfund - Current Fund	B-2/B-7	7,545.59	67,826.31
Various Reserves	B-6		3,010,350.84
		<u>33,430.49</u>	<u>3,099,177.15</u>
		56,025.71	6,509,369.01
Decreased by Disbursements:			
Due to State of New Jersey	B-4	544.80	
Animal Control Trust Fund			
Expenditures (R.S. 4:19-15.11)	B-3	25,779.91	
Interfund - Parking Utility	B-9		22,167.25
Interfund - Current Fund	B-2/B-7	907.71	70,458.32
Various Reserves	B-6		2,700,378.32
		<u>27,232.42</u>	<u>2,793,003.89</u>
Balance, December 31, 2019	B	<u>\$ 28,793.29</u>	<u>\$ 3,716,365.12</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>		
Balance, December 31, 2018 - Due to	B	\$	362.12
Increased by:			
Cash Receipts	B-1	\$	7,000.00
Interest	B-1		545.59
Reserve for Animal Control	B-3		3,500.00
			<u>11,045.59</u>
			11,407.71
Decreased by			
Cash Disbursements	B-1		<u>907.71</u>
Balance, December 31, 2019 - Due to	B	\$	<u><u>10,500.00</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

	<u>Ref.</u>		
Balance, December 31, 2018	B		\$ 17,630.43
Increased by:			
License Fees Collected - 2019	B-1	\$ 5,554.20	
Interlocal Service Agreements	B-1	19,651.30	
Late/Duplicate Fees/Misc. Revenue	B-1	140.00	
Cancelled - Due to State	B-4	47.40	
Reserve for Encumbrances	B-5	4,549.87	
			<u>29,942.77</u>
			47,573.20
Decreased by:			
Expenditures Under R.S. 4:19-15.11	B-1	25,779.91	
Interfund - Current Fund	B-2	3,500.00	
Reserve for Encumbrances	B-5	4,019.60	
			<u>33,299.51</u>
Balance, December 31, 2019	B		<u>\$ 14,273.69</u>

License and Penalty Fees Collected:

<u>Year</u>	<u>Amount</u>
2017	\$ 20,194.80
2018	<u>27,535.38</u>
	<u>\$ 47,730.18</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, 2018	B		\$ 52.80
Increased by:			
Cash Receipts	B-1		539.40
			<u>592.20</u>
Decreased by:			
Cash Disbursements	B-1	\$ 544.80	
Canceled	B-3	<u>47.40</u>	
			<u>592.20</u>
Balance, December 31, 2019	B		<u><u>\$ -</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, 2018	B	\$ 4,549.87
Increased By:		
Charges to Reserve for Animal Control	B-3	4,019.60
		<u>8,569.47</u>
Decreased By:		
Reserve for Animal Control	B-3	4,549.87
		<u>4,549.87</u>
Balance, December 31, 2019	B	<u><u>\$ 4,019.60</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF VARIOUS RESERVES

	Balance December 31, 2018	Increased by	Decreased by	Balance December 31, 2019
Police - Extra Duty Pay	\$ 326,286.49	\$ 641,927.50	\$ 496,195.00	\$ 472,018.99
Accumulated Absence Liability	433,591.45	125,000.00	108,287.29	450,304.16
Snow Expenses	11,134.97	97,321.05	35,776.46	72,679.56
Police Donations	10,348.75	9,578.00	6,884.59	13,042.16
Shade Tree	4,750.00	12,350.00		17,100.00
OEM Trust	4,000.00			4,000.00
Recycling	28,904.68	19,285.81	31,083.86	17,106.63
Uniform Fire Safety/Acct Penalty Monies	59,409.14	1,439.00	14,719.40	46,128.74
Tax Sale Premium	432,800.00	410,200.00	304,800.00	538,200.00
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	17,778.22	3,674.00	3,162.25	18,289.97
Bid Deposits	4,150.00			4,150.00
Dedicated Fire Penalty	11,612.19	1,400.00		13,012.19
Public Defender Fees	3,936.26	7,891.00	7,080.00	4,747.26
Donations to Public Library	5,246.30			5,246.30
Police - Forfeited Property	5,107.80	3,544.65		8,652.45
Vehicle Impound - Trucks	56,399.22	22,460.00	33,880.00	44,979.22
Wayfinding Signs	4,330.00			4,330.00
Four Connections Fiberoptics	6,691.00			6,691.00
Human Relations	70.81	1,836.00		1,906.81
Yard Sales	132.74			132.74
Donations to Fire Department	6,597.00	5,000.00	10,000.00	1,597.00
Environmental Commission	115.73			115.73
Community Garden	1,427.66	400.00	1,219.43	608.23
Tax Title Lien Redemptions	70,222.29	448,572.43	484,626.63	34,168.09
Manalapan RCA Agreement	263,344.10	8,793.19	6,641.62	265,495.67
Law Enforcement Trust	19,609.37	259.09	7,130.29	12,738.17
Unemployment Trust	45,629.47	22,304.30	41,746.93	26,186.84
Council on Affordable Housing Development	208,399.55	126,265.15	20,233.49	314,431.21
Online Tax Sale - Pass Through	143.86	671,206.52	671,206.52	143.86
Inspection Fees Escrow	157,681.86	20,493.63	100,429.56	77,745.93
Performance & Maintenance Escrow	427,129.09	23,844.50	99,935.35	351,038.24
Review Escrow	116,738.48	242,075.13	185,172.35	173,641.26
Redevelopment Escrow		20,000.00	1,612.50	18,387.50
Parks & Recreation Trust - Green Acres	228,905.89	124,282.31	100,162.33	253,025.87
Parks & Recreation Trust	62,007.83	111,126.49	86,765.85	86,368.47
	<u>\$ 3,346,252.78</u>	<u>\$ 3,182,529.75</u>	<u>\$ 2,858,751.70</u>	<u>\$ 3,670,030.83</u>

Ref.

B

B

Cash Receipts	B-1	\$ 3,010,350.84
Interfunds Receivable	B-7/B-8	109,977.71
Reserve for Encumbrances	B	<u>62,201.20</u>
		<u>\$ 3,182,529.75</u>

Cash Disbursements	B-1	\$ 2,700,378.32
Interfund - Parking Utility Operating Fund	B-9	1,487.25
Reserve for Encumbrances	B	<u>156,886.13</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER
SCHEDULE OF INTERFUND WITH CURRENT FUND

	<u>Ref.</u>		
Balance, December 31, 2018 - Due to	B		\$ 3,225.13
Increased by:			
Cash Receipts	B-1		<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">67,826.31</div> <hr style="width: 100px;"/> </div>
			71,051.44
Decreased by:			
Cash Disbursements	B-1	\$ 70,458.32	
Various Reserves	B-6	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">95,410.37</div> <hr style="width: 100px;"/> </div>	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">165,868.69</div> <hr style="width: 100px;"/> </div>
			\$ (94,817.25)
Balance, December 31, 2019 - Due from	B		<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ (94,817.25)</div> <hr style="width: 100px;"/> </div>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER
SCHEDULE OF INTERFUND WITH PAYROLL TRUST FUND

	<u>Ref.</u>	
Balance, December 31, 2018 - Due from	B	\$ -
Increased by:		
Various Reserves	B-6	<u>14,567.34</u>
Balance, December 31, 2019 - Due from	B	<u><u>\$ 14,567.34</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER
SCHEDULE OF INTERFUND WITH PARKING UTILITY OPERATING FUND

	<u>Ref.</u>		
Balance, December 31, 2018 - Due from	B		\$ 1,487.25
Increased by:			
Cash Disbursements	B-1		<div style="text-align: right;">22,167.25</div> <hr style="width: 100%;"/> 23,654.50
Decreased by:			
Cash Receipts	B-1	\$ 21,000.00	
Various Reserves	B-6	<div style="text-align: right;">1,487.25</div> <hr style="width: 100%;"/>	<div style="text-align: right;">22,487.25</div> <hr style="width: 100%;"/>
Balance, December 31, 2019 - Due from	B		<div style="text-align: right;">\$ 1,167.25</div> <hr style="width: 100%;"/> <hr style="width: 100%;"/>

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, 2018	B		\$ 790,568.99
Increased by:			
Net Appreciation in Fair Value of			
Investments		\$ 107,582.53	
Borough Contributions		<u>33,350.00</u>	<u>140,932.53</u>
	B-11		931,501.52
Decreased by:			
Distributions	B-11		<u>42,562.92</u>
Balance, December 31, 2018	B		<u><u>\$ 888,938.60</u></u>

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

	<u>Ref.</u>		
Balance, December 31, 2018	B		\$ 790,568.99
Increased by:			
Net Appreciation in Fair Value of			
Investments		\$ 107,582.53	
Borough Contributions		<u>33,350.00</u>	<u>140,932.53</u>
	B-10		931,501.52
Decreased by:			
Distributions	B-10		<u>42,562.92</u>
Balance, December 31, 2018	B		<u><u>\$ 888,938.60</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>		
Balance, December 31, 2018	C		\$ 3,636,840.28
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-15	\$ 150,000.00	
Miscellaneous Reserves	C-9	111,408.28	
Investments	C-4	60,000.00	
Premium on Note Sale	C-1	2,327.92	
Grant Receipts	C-5	157,321.00	
Serial Bonds	C-10	4,880,000.00	
Deferred Charges to Future Taxation-			
Unfunded	C-8	<u>517,000.00</u>	
			<u>5,878,057.20</u>
			9,514,897.48
Decreased by Disbursements:			
Interfund - Current Fund	C-6	7,529.72	
Bond Anticipation Notes	C-11	2,470,000.00	
Miscellaneous Reserves	C-9	175,000.00	
Improvement Authorizations	C-13	<u>3,809,311.05</u>	
			<u>6,461,840.77</u>
Balance, December 31, 2019	C		<u><u>\$ 3,053,056.71</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH

	Balance December 31, 2019
Capital Improvement Fund	\$ 300,512.76
Reserve for Encumbrances	506,513.84
Miscellaneous Reserves	619,721.75
Due from River Center	(180,000.00)
Interfund - Current Fund	(191,250.00)
Grants Receivable	(986,750.00)
Fund Balance	68,194.56

<u>Ordinance Number</u>	<u>Improvement Description</u>	
05-31	Acquisition of Waterfront Park	13,417.51
6-32/09-42/10-10/15-12	Conversion of Muni Land to Waterfront Park	55,592.01
09-44	Various Improvements to Count Basie Park	
14-8/14-11	Acquisition of Various Capital Equipment	157,598.34
14-12/15-13	Bulkhead Repair and/or Replacement	
13-15/15-14/16-15	Various Capital Equipment and Capital Improvements	256,610.42
17-09	Improvements Count Basie/East Side Park	31,476.96
15-08/17-15	Various Roadway Improvements	306,551.67
17-22	Various Roadway Improvements	107,500.75
18-33	2018 Capital Improvement Program	(832,633.86)
19-21	2019 Capital Improvement Program	3,000,000.00
19-72	Streetscape & Drainage Improvements Pursuant	(180,000.00)
		<u>\$ 3,053,056.71</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, 2018	C	\$ 60,000.00
Decreased by:		
Cash Receipts	C-2	<u>60,000.00</u>
Balance, December 31, 2019	C	<u>\$ -</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

<u>Ordinance Number</u>	<u>Grant Description</u>	Balance December 31, <u>2018</u>	2019 Grant <u>Awards</u>	<u>Receipts</u>	Balance December 31, <u>2019</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	-
18-33	New Jersey Department of Transportation	665,000.00		191,250.00	473,750.00
19-21	New Jersey Department of Transportation		\$ 290,000.00		290,000.00
		<u>\$ 1,045,321.00</u>	<u>\$ 290,000.00</u>	<u>\$ 348,571.00</u>	<u>\$ 986,750.00</u>
		<u>Ref.</u>			
		C	C-13		C
	Cash Receipts	C-2		\$ 157,321.00	
	Interfund - Current Fund	C-6		<u>191,250.00</u>	
				<u>\$ 348,571.00</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND WITH CURRENT FUND

	<u>Ref.</u>	
Balance, December 31, 2018 - Due to	C	\$ (7,529.72)
Decreased by:		
Cash Disbursements	C-2	<u>7,529.72</u>
		-
Increased by:		
Grant Receipts	C-5	<u>191,250.00</u>
Balance, December 31, 2019 - Due from	C	<u><u>\$ 191,250.00</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

	<u>Ref.</u>		
Balance, December 31, 2018	C		\$ 8,859,667.69
Increased by:			
Serial Bonds Issued	C-10		<div style="text-align: right;">4,880,000.00</div> <hr/> 13,739,667.69
Decreased by:			
Budget Appropriation to Pay Green Trust Loans	C-12	\$ 69,757.50	
Budget Appropriation to Pay Bonds	C-10	<div style="text-align: right;">810,000.00</div> <hr/>	
			<hr/> 879,757.50
Balance, December 31, 2019	C		<div style="text-align: right;">\$12,859,910.19</div> <hr/> <hr/>

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, 2018	Increased by: 2019 Authorizations	Decreased by:		Balance December 31, 2019	Analysis of Balance December 31, 2019	
				Paid by Budget Appropriation	Serial Bonds Issued		Expenditures	Unexpended Improvement Authorizations
13-15/15-14/16-15	Various Capital Improvements	\$ 679,250.00		\$ 250.00	\$ 679,000.00			
17-09	Improvements Count Basie/East Side Park	375,500.00			375,500.00			
15-08/17-15	Various Roadway Improvements	468,000.00			468,000.00			
17-22	Various Roadway Improvements	947,500.00			947,500.00			
18-33	2018 Capital Improvement Program	2,637,800.00			242,000.00	\$ 2,395,800.00	\$ 832,633.86	\$ 1,563,166.14
19-21	2019 Capital Improvement Program		\$ 2,685,000.00		2,685,000.00			
19-72	Streetscape & Drainage Improvements Pursuant to a Shared Service Agreement with a Special Improvement District		180,000.00			180,000.00	180,000.00	
		<u>\$ 5,108,050.00</u>	<u>\$ 2,865,000.00</u>	<u>\$ 250.00</u>	<u>\$ 5,397,000.00</u>	<u>\$ 2,575,800.00</u>	<u>\$ 1,012,633.86</u>	<u>\$ 1,563,166.14</u>
		Ref. C	C-13	C-11		C	C-3	C-13
	Serial Bonds Issued			Ref. C-10	\$ 4,880,000.00			
	Premium on Bonds Issued			C-2	<u>517,000.00</u>			
					<u>\$ 5,397,000.00</u>			

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF MISCELLANEOUS RESERVES

<u>Description</u>	Balance December 31, <u>2018</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2019</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	297,584.43		\$ 175,000.00	122,584.43
Reserve for Preliminary Expense - Improvements to DPW Facilities at Chestnut Street	2,000.00			2,000.00
Reserve for Insurance Claims		\$ 91,408.28		91,408.28
Reserve to Pay Costs of Bond Issuance		20,000.00		20,000.00
Reserve for Due from River Center	<u> </u>	<u>180,000.00</u>	<u> </u>	<u>180,000.00</u>
	<u>\$ 503,313.47</u>	<u>\$ 291,408.28</u>	<u>\$ 175,000.00</u>	<u>\$ 619,721.75</u>
	<u>Ref.</u>			
	C		C-2	C
Cash Receipts	C-2	\$ 111,408.28		
Due from RiverBank Center	C	<u>180,000.00</u>		
		<u>\$ 291,408.28</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>	<u>Maturities of Bonds Outstanding December 31, 2019</u>		<u>Interest Rate</u>	<u>Balance December 31, 2018</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2019</u>
Taxable Pension ERI Refunding Bonds	04/03/11	\$ 540,000.00	2020	\$ 75,000.00	5.400%				
			2021	81,000.00	5.700%	\$ 221,000.00		\$ 65,000.00	\$ 156,000.00
General Improvement Bonds	11/01/12	5,637,000.00	2020	435,000.00	2.000%				
			2021	475,000.00	2.000%				
			2022	530,000.00	2.000%				
			2023	555,000.00	2.000%				
			2024	575,000.00	2.000%				
			2025	612,000.00	2.000%	3,587,000.00		405,000.00	3,182,000.00
Pooled Governmental Loan Revenue Bonds	12/23/15	5,785,000.00	2020	360,000.00	5.000%				
			2021	380,000.00	5.000%				
			2022	395,000.00	5.000%				
			2023	415,000.00	5.000%				
			2024	435,000.00	5.000%				
			2025	460,000.00	5.000%				
			2026	480,000.00	5.000%				
			2027	505,000.00	5.000%				
			2028	530,000.00	5.000%				
			2029	555,000.00	5.000%	4,855,000.00		340,000.00	4,515,000.00
General Improvement Bonds Series 2019	11/26/19	2,610,000.00	2020 - 2021	\$ 100,000.00	4.000%				
			2022 - 2026	190,000.00	4.000%				
			2027 - 2028	190,000.00	2.000%				
			2029 - 2030	195,000.00	2.000%				
			2031	190,000.00	2.125%				
			2032 - 2033	165,000.00	2.250%				
			2034	170,000.00	2.375%		\$ 2,610,000.00		2,610,000.00

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2019</u>		<u>Interest Rate</u>	<u>Balance December 31, 2018</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2019</u>
Pooled Governmental Loan Revenue Bonds Series 2019B	12/23/19	\$2,270,000.00	2020	\$ 165,000.00	4.000%				
			2021	165,000.00	5.000%				
			2022	175,000.00	5.000%				
			2023	185,000.00	5.000%				
			2024	195,000.00	5.000%				
			2025	205,000.00	5.000%				
			2026	215,000.00	5.000%				
			2027	225,000.00	5.000%				
			2028	235,000.00	5.000%				
			2029	245,000.00	5.000%				
			2030	260,000.00	5.000%		\$ 2,270,000.00		\$ 2,270,000.00
						<u>\$ 8,663,000.00</u>	<u>\$ 4,880,000.00</u>	<u>\$ 810,000.00</u>	<u>\$ 12,733,000.00</u>
					<u>Ref.</u>	C	C-2/C-7/C-8	C-7	C

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2018	Decreased	Balance December 31, 2019
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	\$ -
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	-
17-15	Various Roadway Improvements	12/14/17	12/12/18	12/11/19	3.25%	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	-
						<u>\$ 2,470,250.00</u>	<u>\$ 2,470,250.00</u>	<u>\$ -</u>
					<u>Ref.</u>	C		C
					Paid by Current Fund Appropriation	C-8	\$ 250.00	
					Cash Disbursement	C-2	<u>2,470,000.00</u>	
							<u>\$ 2,470,250.00</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, 2018	C	\$ 196,667.69
Decreased by:		
Paid by Budget Appropriation	C-7	<u>69,757.50</u>
Balance, December 31, 2019	C	<u><u>\$ 126,910.19</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Amount	Balance December 31, 2018		Increased by		Decreased by		Balance December 31, 2019	
				Funded	Unfunded	Reserve for Encumbrances	2019 Authorizations	Paid	Reserve for Encumbrances	Funded	Unfunded
5-31	Acquisition of Waterfront Park	07/11/05	\$ 550,000.00	\$ 17,637.61		\$ 29.34		\$ 4,220.10	\$ 29.34	\$ 13,417.51	
5-39/9-09	Improvements and Renovations to Marine Park	10/10/05	2,826,100.00								
	Supplementing Bond Ordinance #2005-39	03/09/09	1,174,550.00			764.21			764.21		
6-32/09-42/ 10-10/15-12	Conversion & Development of Municipally	06/12/06	230,000.00								
	Supplementing Bond Ordinance #2006-32	08/10/09	370,000.00								
	Supplementing Bond Ordinance #2006-32	10/10/10	259,003.00								
	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	04/22/15		55,592.01		3,462.30			3,462.30	55,592.01	
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	07/10/13	1,669,900.00								
	Supplementing Bond Ordinance #2013-15	04/22/15	800,000.00								
	Amending Bond Ordinance #2013-15	08/10/16	715,000.00		\$ 274,783.53	28,239.84		20,296.69	26,116.26	256,610.42	
14-8/14-11/18-21	Acquisition of Various Capital Equipment	04/09/14	2,253,000.00								
	and Completion of Various Capital Projects	05/14/14		422,319.02		89,817.33		87,217.13	267,320.88	157,598.34	
17-09	Various Park Improvements Including at Count										
	Basie Park and Eastside Park	03/08/17	630,000.00		52,595.43	498,924.25		417,749.35	102,293.37	31,476.96	
15-08/17-15	Various Roadway Improvements	04/22/15	1,610,000.00								
	Amending & Supplementing Bond Ord. #2015-08	05/10/17	650,000.00	818,355.76	468,000.00	41,462.26		979,835.13	41,431.22	306,551.67	
17-22	Various Roadway Improvements	07/26/17	1,250,000.00		108,577.52	353,791.56		312,554.56	42,313.77	107,500.75	
18-33	2018 Capital Improvement Fund	11/28/18	3,374,800.00	737,000.00	2,637,800.00			1,807,438.09	4,195.77		\$ 1,563,166.14
19-21	2019 Capital Improvement Program	05/22/19	3,000,000.00				\$ 3,000,000.00			3,000,000.00	
19-72	Streetscape & Drainage Improvements Pursuant										
	to a Shared Service Agreement with a Special										
	Improvement District	12/11/19	180,000.00				180,000.00	180,000.00			
				<u>\$ 2,050,904.40</u>	<u>\$ 3,541,756.48</u>	<u>\$ 1,016,616.81</u>	<u>\$ 3,180,000.00</u>	<u>\$ 3,809,311.05</u>	<u>\$ 488,052.84</u>	<u>\$ 3,928,747.66</u>	<u>\$ 1,563,166.14</u>
				Ref.	C	C	C-14	C-2	C-14	C	C
	Grants Receivable			C-5			\$ 290,000.00				
	Capital Improvement Fund			C-15			25,000.00				
	Deferred Charges to Future Taxation - Unfunded			C-8/C-16			2,865,000.00				
							<u>\$ 3,180,000.00</u>				

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2018	C	\$ 1,035,077.81
Increased by:		
Charged to Improvement Authorizations	C-13	488,052.84
		<u>1,523,130.65</u>
Decreased by:		
Applied to Improvement Authorizations	C-13	1,016,616.81
		<u>1,016,616.81</u>
Balance, December 31, 2019	C	<u><u>\$ 506,513.84</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, 2018	C	\$ 175,512.76
Increased by:		
2019 Budget Appropriations	C-2	150,000.00
		<u>325,512.76</u>
Decreased by:		
Appropriation to Finance		
Improvement Authorizations	C-13	25,000.00
		<u>25,000.00</u>
Balance, December 31, 2019	C	<u><u>\$ 300,512.76</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2018</u>	<u>2019 Authorizations</u>	<u>Funded by Serial Bonds Issued</u>	<u>Balance December 31, 2019</u>
18-33	2018 Capital Improvement Program	\$ 2,637,800.00		\$ 242,000.00	\$ 2,395,800.00
2019-21	2019 Capital Improvement Program		\$ 2,685,000.00	2,685,000.00	
2019-72	Streetscape & Drainage Improvements Pursuant Pursuant to a Shared Service Agreement with a Special Improvement District		180,000.00		180,000.00
		<u>\$ 2,637,800.00</u>	<u>\$ 2,865,000.00</u>	<u>\$ 2,927,000.00</u>	<u>\$ 2,575,800.00</u>
	<u>Ref.</u>		C-13		(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, 2018	D	\$ 1,947,112.55	\$ 1,925,598.28
Increased by Receipts:			
Consumer Accounts Receivable	D-7	\$ 6,535,498.47	
Water/Sewer Connection Fees	D-3	338,193.49	
Reserve to Pay Debt	D-3	100,000.00	
Miscellaneous Revenue	D-3	214,936.82	
Reserve for Water Line Repairs	D-13	156,049.39	
Customer Overpayments	D-10	21,024.04	
Fees from Other Towns	D	102.78	
Interfund - Water/Sewer Utility Capital Fund	D-14	164,053.84	
Serial Bonds Issued	D-18		\$ 3,565,000.00
Premium on Sale of Serial Bonds	D-2		168.56
Premium on Sale of Serial Bonds	D-24		135,000.00
		<u>7,529,858.83</u>	<u>3,700,168.56</u>
		9,476,971.38	5,625,766.84
Decreased by Disbursements:			
2019 Budget Appropriations	D-4	5,993,749.73	
2018 Appropriation Reserves	D-9	662,184.58	
Transfer to Current Fund - Prior Year Surplus	D-1	200,000.00	
Utility Overpayment Refunds	D-10	98.91	
Accrued Interest on Bonds and Notes	D-11	423,587.19	
Reserve for Water Line Reserve	D-13	132,851.26	
Reserve for Fees for Other Towns	D	28.86	
Due from Developer	D	7,680.00	
Due from Vendor	D	8,180.00	
Interfund Current	D	75,000.00	
Interfund - Water/Sewer Utility Capital Fund	D-14		164,053.84
Bond Anticipation Notes	D-19		3,700,000.00
Improvement Authorizations	D-20		1,238,213.61
Reserve for the Payment of Bonds	D-26		100,000.00
		<u>7,503,360.53</u>	<u>5,202,267.45</u>
Balance, December 31, 2019	D	<u>\$ 1,973,610.85</u>	<u>\$ 423,499.39</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
ANALYSIS OF WATER/SEWER UTILITY CAPITAL CASH

		Balance <u>December 31, 2019</u>
Fund Balance		\$ 103,574.36
Capital Improvement Fund		3,074.00
Encumbrances Payable		263,324.22
Reserve for Preliminary Costs - Well		1,845.00
Reserve for Payment of Bonds		92,869.89
Due from State of New Jersey Environmental Trust		(358,007.00)
Overexpenditure of Ordinance Appropriation		(52,870.72)
Ordinance		
<u>Number</u>	<u>Improvement Description</u>	
13-14/15-11	Various 2013 Capital Improvements	84,699.82
14-03	Various 2014 Water Sewer Utility Improvements	49,580.16
15-10/17-16	Various WS Improvements	82,718.95
16-01	Water Plant Improvement at Chestnut St & Tower Hill	204,332.35
16-02	Water and Sewer Utility Meters	13,560.64
18-34	Various Water/Sewer Improvements	(65,202.28)
		<u>\$ 423,499.39</u>
		<u>Ref. D</u>

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, 2018	D		\$ 797,994.36
Increased by:			
Water/Sewer Rents Levied			6,355,932.84
			<u>7,153,927.20</u>
Decreased by:			
Collections	D-3/D-5	\$ 6,535,498.47	
Transfer to Lien	D-8	1,128.18	
Canceled		1.39	
Overpayments Applied	D-3/D-10	<u>22,782.39</u>	
			<u>6,559,410.43</u>
Balance, December 31, 2019	D		<u><u>\$ 594,516.77</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF LIENS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2018	D	\$ 513.82
Increased By:		
Transfer from Consumer Accounts Receivable	D-7	<u>1,128.18</u>
Balance, December 31, 2019	D	<u><u>\$ 1,642.00</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance December 31, 2018</u>	<u>Reserve for Encumbrance</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$ 29,651.58		\$ 29,651.58		\$ 29,651.58
Other Expenses	271,757.09	\$ 144,642.81	416,399.90	\$ 150,702.50	265,697.40
Regional Sewer Authority Charges	484,636.25		484,636.25	405,121.25	79,515.00
Manasquan River Water Purchases	181,768.18		181,768.18	67,934.43	113,833.75
Total Operating	<u>967,813.10</u>	<u>144,642.81</u>	<u>1,112,455.91</u>	<u>623,758.18</u>	<u>488,697.73</u>
Capital Improvements:					
Capital Outlay	<u>2,646.60</u>	<u>47,353.40</u>	<u>50,000.00</u>	<u>44,216.90</u>	<u>5,783.10</u>
Total Capital Improvements	<u>2,646.60</u>	<u>47,353.40</u>	<u>50,000.00</u>	<u>44,216.90</u>	<u>5,783.10</u>
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	4.01		4.01		4.01
Social Security System (OASI)	<u>7,570.72</u>		<u>7,570.72</u>		<u>7,570.72</u>
Total Statutory Expenditures	<u>7,574.73</u>		<u>7,574.73</u>		<u>7,574.73</u>
	<u>\$ 978,034.43</u>	<u>\$ 191,996.21</u>	<u>\$ 1,170,030.64</u>	<u>\$ 667,975.08</u>	<u>\$ 502,055.56</u>
<u>Ref.</u>	D	D-15			D-1
Cash Disbursements	D-5			\$ 662,184.58	
Accounts Payable	D			<u>5,790.50</u>	
				<u>\$ 667,975.08</u>	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CUSTOMER OVERPAYMENTS

	<u>Ref.</u>		
Balance, December 31, 2018	D		\$ 22,782.39
Increased by:			
Cash Receipts	D-5		21,024.04
			<u>43,806.43</u>
Decreased by:			
Applied to Consumer Accounts Receivable	D-3/D-7	\$ 22,782.39	
Refunds	D-5	<u>98.91</u>	
			<u>22,881.30</u>
Balance, December 31, 2019	D		<u><u>\$ 20,925.13</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, 2018	D	\$ 78,047.38
Increased by:		
Budget Appropriations	D-4	418,133.94
		<u>496,181.32</u>
Decreased by:		
Interest Paid	D-5	423,587.19
		<u>423,587.19</u>
Balance, December 31, 2019	D	<u><u>\$ 72,594.13</u></u>

Analysis of Accrued Interest December 31, 2019

Principal Outstanding <u>December 31, 2019</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ 425,000.00	Various	08-01-19	12-31-19	150 days	\$ 6,953.13
1,707,000.00	Various	10-01-19	12-31-19	90 days	8,656.75
3,255,000.00	Various	12-01-19	12-31-19	30 days	11,712.50
1,640,000.00	Various	08-01-19	12-31-19	150 days	31,875.00
3,565,000.00	Various	12-10-19	12-31-19	21 Days	5,730.08
NJ Infrastructure Bank Loan					
\$ 425,000.00	Various	08-01-19	12-31-19	150 days	<u>7,666.67</u>
Total					<u><u>\$ 72,594.13</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, 2018	D	\$ 27,471.16
Increased By:		
Billings		64,870.08
		<u>92,341.24</u>
Decreased By:		
Cash Receipts	D-3	61,776.14
		<u>61,776.14</u>
Balance, December 31, 2019	D	<u><u>\$ 30,565.10</u></u>

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

	<u>Ref.</u>		
Balance, December 31, 2018	D		\$ 34,225.04
Increased By:			
Cash Receipts	D-5	\$ 156,049.39	
Prior Year Balance Adjustment	D-1	<u>7,082.92</u>	
			163,132.31
			<u>197,357.35</u>
Decreased By:			
Cash Disbursements	D-5		132,851.26
			<u>132,851.26</u>
Balance, December 31, 2019	D		<u><u>\$ 64,506.09</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF INTERFUND WITH WATER/SEWER CAPITAL FUND

	<u>Ref.</u>	
Balance, December 31, 2018 - Due From	D	\$ 164,053.84
Decreased by:		
Cash Receipts	D-5	<u>164,053.84</u>
Balance, December 31, 2019	D	<u><u>\$ -</u></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, 2018	D	\$ 191,996.21
Increased by:		
Transferred from Budget Appropriations	D-4	285,733.20
		<u>477,729.41</u>
Decreased by:		
Transferred to Appropriation Reserves	D-9	191,996.21
		<u>191,996.21</u>
Balance, December 31, 2019	D	<u><u>\$ 285,733.20</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

Ref.

Balance, December 31, 2019 and 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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2019 and 2018</u>
		<u>Date</u>	<u>Amount</u>	
06-10	Various Facility Improvements	03/13/2006	\$ 2,425,000.00	\$ 2,425,000.00
08-24/04-09/24-09	Various 2008 Capital Improvements	09/22/2008	675,000.00	3,156,503.00
13-14/15-11	Various Water Utility Improvements Along Maple Avenue	07/10/2013	205,440.00	335,440.00
		04/22/2015	130,000.00	
14-03	Various 2014 Capital Improvements	02/12/2014	2,208,000.00	2,208,000.00
15-10/17-16	Various 2015 Capital Improvements	04/22/2015	877,000.00	1,277,000.00
		05/10/2017	400,000.00	
16-01	Water Plant Improvement at Chestnut Street and Tower Hill	01/27/2016	1,825,000.00	1,825,000.00
16-02	Water and Sewer Utility Meters	01/27/2016	1,900,000.00	1,900,000.00
17-21/18-09/18-27	Various Water/Sewer Improvements	07/26/2017	600,000.00	1,400,000.00
		03/28/2018	225,000.00	
		10/10/2018	575,000.00	
18-34	Various Water/Sewer Improvements	11/28/2018	1,450,000.00	<u>1,450,000.00</u>
				<u>\$ 15,976,943.00</u>
			<u>Ref.</u>	D

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance December 31, 2018	Increased	Decreased	Balance December 31, 2019
			Outstanding December 31, 2019						
NJEIT Trust Loan Bonds	11/23/09	\$ 680,000.00	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%	\$ 460,000.00		\$ 35,000.00	\$ 425,000.00
NJEIT Fund Loan Bonds	11/23/09	2,040,227.00	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%	380,381.54		34,580.13	345,801.41
Water/Sewer Bonds	11/10/12	2,662,000.00	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%	1,862,000.00		155,000.00	1,707,000.00

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance December 31, 2018	Increased	Decreased	Balance December 31, 2019
			Outstanding December 31, 2019						
MCIA Water/Sewer Bonds	12/23/15	\$ 3,775,000.00	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%	\$ 3,385,000.00		\$ 130,000.00	\$ 3,255,000.00
MCIA Water/Sewer Refunding Bonds	06/25/15	3,084,478.50	02-01-20	535,000.00	5.000%				
			02-01-21	550,000.00	4.000%				
			02-01-22	555,000.00	5.000%	2,165,000.00		525,000.00	1,640,000.00
N.J. Infrastructure Bank Loan Series Series 2018A-2	11/29/18	425,000.00	08-01-20	15,000.00	5.000%				
			08-01-21	15,000.00	5.000%				
			08-01-22	15,000.00	5.000%				
			08-01-23	15,000.00	5.000%				
			08-01-24	20,000.00	5.000%				
			08-01-25	20,000.00	5.000%				
			08-01-26	20,000.00	5.000%				
			08-01-27	20,000.00	5.000%				
			08-01-28	20,000.00	4.000%				
			08-01-29	20,000.00	4.000%				
			08-01-30	25,000.00	4.000%				
			08-01-31	25,000.00	4.000%				
			08-01-32	25,000.00	4.000%				
			08-01-33	25,000.00	4.000%				
			08-01-34	25,000.00	4.000%				
			08-01-35	30,000.00	4.000%				
			08-01-36	30,000.00	4.000%				
			08-01-37	30,000.00	4.000%				
			08-01-38	30,000.00	4.000%		\$ 425,000.00		425,000.00

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance December 31, 2018	Increased	Decreased	Balance December 31, 2019
			Outstanding December 31, 2019						
N.J. Infrastructure Bank Fund Loan Series 2018A-2	11/29/18	\$ 1,299,360.00	02-01-20	\$ 22,023.05	0.0000%				
			08-01-20	44,046.10	0.0000%				
			02-01-21	22,023.05	0.0000%				
			08-01-21	44,046.10	0.0000%				
			02-01-22	22,023.05	0.0000%				
			08-01-22	44,046.10	0.0000%				
			02-01-23	22,023.05	0.0000%				
			08-01-23	44,046.10	0.0000%				
			02-01-24	22,023.05	0.0000%				
			08-01-24	44,046.10	0.0000%				
			02-01-25	22,023.05	0.0000%				
			08-01-25	44,046.10	0.0000%				
			02-01-26	22,023.05	0.0000%				
			08-01-26	44,046.10	0.0000%				
			02-01-27	22,023.05	0.0000%				
			08-01-27	44,046.10	0.0000%				
			02-01-28	22,023.05	0.0000%				
			08-01-28	44,046.10	0.0000%				
			02-01-29	22,023.05	0.0000%				
			08-01-29	44,046.10	0.0000%				
			02-01-30	22,023.05	0.0000%				
			08-01-30	44,046.10	0.0000%				
			02-01-31	22,023.05	0.0000%				
			08-01-31	44,046.10	0.0000%				
			02-01-32	22,023.05	0.0000%				
			08-01-32	44,046.10	0.0000%				
			02-01-33	22,023.05	0.0000%				
			08-01-33	44,046.10	0.0000%				
			02-01-34	22,023.05	0.0000%				
			08-01-34	44,046.10	0.0000%				
			02-01-35	22,023.05	0.0000%				
			08-01-35	44,046.10	0.0000%				
			02-01-36	22,023.05	0.0000%				
			08-01-36	44,046.10	0.0000%				
			02-01-37	22,023.05	0.0000%				
			08-01-37	44,046.10	0.0000%				
			02-01-38	22,023.05	0.0000%				
			08-01-38	44,046.10	0.0000%				
						\$ 1,299,360.00	\$ 44,046.15	\$ 1,255,313.85	

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance	Increased	Decreased	Balance		
			Outstanding December 31, 2019			December 31, 2018			December 31, 2019		
Water/Sewer Bonds Series 2019	12/10/19	\$ 3,565,000.00	12-01-20	\$ 135,000.00	4.000%						
			12-01-21	135,000.00	4.000%						
			12-01-22	135,000.00	4.000%						
			12-01-23	270,000.00	4.000%						
			12-01-24	270,000.00	4.000%						
			12-01-25	270,000.00	4.000%						
			12-01-26	270,000.00	4.000%						
			12-01-27	270,000.00	2.000%						
			12-01-28	270,000.00	2.000%						
			12-01-29	270,000.00	2.000%						
			12-01-30	270,000.00	2.000%						
			12-01-31	270,000.00	2.125%						
			12-01-32	270,000.00	2.250%						
			12-01-33	270,000.00	2.250%						
			12-01-34	190,000.00	2.375%						
									\$ 3,565,000.00		\$ 3,565,000.00
									\$ 8,252,381.54	\$ 5,289,360.00	\$ 923,626.28
					Ref.	D	D-18	D-18	D		
		Cash Receipts			D-5		\$ 3,565,000.00				
		N.J.E.I.T. Short Term Loan Payable			D-27/D-28		1,366,353.00				
		Bonds and Notes Authorized but not Issued			D-27/D-29		358,007.00				
		Reserve for Amortization			D-23			\$ 879,580.13			
		Deferred Reserve for Amortization			D-24			44,046.15			
					D-18		\$ 5,289,360.00	\$ 923,626.28			

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>Balance December 31, 2018</u>	<u>Decreased</u>	<u>Balance December 31, 2019</u>
16-02	Acquisition and Installation of Water Meters	12/16/16	\$ 1,900,000.00	\$ 1,900,000.00	\$ -
17-16/15-10	Various Improvements by Water/Sewer Utility	12/14/17	400,000.00	400,000.00	-
17-21/18-09/18-27	Various Water/Sewer Improvements	12/14/17	<u>1,400,000.00</u>	<u>1,400,000.00</u>	<u>-</u>
			<u>\$ 3,700,000.00</u>	<u>\$ 3,700,000.00</u>	<u>\$ -</u>
			D	D-5	D

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Number	Improvement Description	Ordinance		Balance December 31, 2018		Increased by	Decreased by		Balance December 31, 2019		Overexpended
		Date	Amount	Funded	Unfunded	Reserve for Encumbrances	Paid	Reserve for Encumbrances	Funded	Unfunded	
6-10	Various Facilities Improvements	03/13/2006	\$ 2,425,000.00			\$ 14,508.13		\$ 14,508.13			
8-24	Various 2008 Capital Improvements	09/22/2008	3,291,000.00			66,217.00	\$ 51,467.00	14,750.00			
13-14/15-11	Various 2013 Capital Improvements	07/10/2013	205,440.00	\$ 84,699.82		411.31		411.31	\$ 84,699.82		
14-03	Various 2014 Water Sewer Utility Improvements	02/26/2014	2,208,000.00	87,580.16		22,607.39	17,087.36	43,520.03	49,580.16		
15-10/17-16	Various 2015 Capital Improvements	04/22/2015	877,000.00		\$ 102,294.45	97,300.00	105,599.71	11,275.79	82,718.95		
16-01	Water Plant Improvement at Chestnut Street and Tower Hill	01/27/2016	1,825,000.00		304,972.35	130,628.56	43,840.30	86,788.26	204,332.35	\$ 100,640.00	
16-02	Water and Sewer Utility Meters	01/27/2016	1,900,000.00		108,289.06	74,117.89	114,727.23	54,119.08	13,560.64		
17-21/18-09/18-27	Various Water/Sewer Improvements	07/26/2017	600,000.00								
		03/28/2018	225,000.00								
		10/10/2018	575,000.00		17,589.28	807,781.35	840,936.73	37,304.62			\$ 52,870.72
18-34	Various Water/Sewer Improvements	11/28/2018	1,450,000.00		1,450,000.00		64,555.28	647.00		1,384,797.72	
				<u>\$ 172,279.98</u>	<u>\$ 1,983,145.14</u>	<u>\$ 1,213,571.63</u>	<u>\$ 1,238,213.61</u>	<u>\$ 263,324.22</u>	<u>\$ 434,891.92</u>	<u>\$ 1,485,437.72</u>	<u>\$ 52,870.72</u>
				Ref.	D	D	D-21	D-5	D-21	D	D

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2018	D	\$ 1,213,571.63
Increased by:		
Transferred from Improvement Authorizations	D-20	<div style="text-align: right;">263,324.22</div> <hr/> 1,476,895.85
Decreased by:		
Transferred to Improvement Authorizations	D-20	<div style="text-align: right;">1,213,571.63</div> <hr/>
Balance, December 31, 2019	D	<div style="text-align: right;">\$ 263,324.22</div> <hr/> <hr/>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Ref.

Balance, December 31, 2019 and 2018

D

\$ 3,074.00

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, 2018	D	\$ 10,369,239.56
Increased by:		
Serial Bonds Paid in the Current Fund	D-18	<u>879,580.13</u>
Balance, December 31, 2019	D	<u><u>\$ 11,248,819.69</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, 2018	D		\$ 9,001,943.00
Increased by:			
Serial Bonds Paid in the Current Fund	D-18	\$ 44,046.15	
Premium on Sale of Serial Bonds	D-5	<u>135,000.00</u>	
			<u>179,046.15</u>
Balance, December 31, 2019	D		<u><u>\$ 9,180,989.15</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, 2019 and 2018	D	<u>\$ 1,845.00</u>

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

Balance, December 31, 2018	D	\$ 192,869.89
Decreased By:		
Anticipated as Revenue in Water Sewer Utility Operating Budget	D-5	<u>100,000.00</u>
Balance, December 31, 2019	D	<u>\$ 92,869.89</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

	<u>Ref.</u>		
Balance, December 31, 2018	D	\$	-
Increased by:			
Bonds Issued	D-18	\$ 1,366,353.00	
Bonds Issued	D-18	<u>358,007.00</u>	
			<u>1,724,360.00</u>
			1,724,360.00
Decreased by:			
N.J. Environmental Insurance Trust			
Short - Term Loans Retired	D-28		<u>1,366,353.00</u>
Balance, December 31, 2019	D	<u>\$ 358,007.00</u>	

Exhibit D-28

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

	<u>Ref.</u>		
Balance, December 31, 2018	D	\$ 1,366,353.00	
Decreased by:			
N.J. Environmental Insurance Trust			
Short - Term Loans Retired	D-18/D-27		<u>1,366,353.00</u>
Balance, December 31, 2019	D	<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>	<u>Balance December 31, 2018</u>	<u>Issued</u>	<u>Balance December 31, 2019</u>
16-01	Water Plant Improvements at Chestnut Street and Tower Hill	\$ 458,647.00	\$ 358,007.00	\$ 100,640.00
18-34	Various Water/Sewer Improvements	<u>1,450,000.00</u>	<u> </u>	<u>1,450,000.00</u>
		<u>\$ 1,908,647.00</u>	<u>\$ 358,007.00</u>	<u>\$ 1,550,640.00</u>
	<u>Ref.</u>		D-18	(Footnote D)

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, 2018	E	\$ 846,508.38	\$ 213,686.13
Increased by Receipts:			
Parking Fees	E-3	\$1,342,645.20	
Riverview Hospital Lease Agreement	E-3	378,804.27	
Interest on Investments	E-3	4,913.37	
Interfunds	E-20	1,233.39	
Premium on Serial Bonds	E-2		\$ 9,556.73
Serial Bonds Issued	E-12		705,000.00
Premium on Serial Bonds	E-17		17,000.00
		<u>1,727,596.23</u>	<u>731,556.73</u>
		2,574,104.61	945,242.86
Decreased by Disbursements:			
2019 Budget Appropriations	E-4	1,718,025.18	
2018 Appropriation Reserves	E-9	82,992.49	
Prior Year Surplus - General Budget	E-1	50,000.00	
Accrued Interest	E-10	20,572.25	
Interfunds	E-20	33,210.17	
Reserve for Parking Fee Variance	E-21	4,494.00	
Bond Anticipation Notes	E-13		300,000.00
Improvement Authorizations	E-14		407,139.64
Interfund - Parking Utility Operating	E-19		66.14
		<u>1,909,294.09</u>	<u>707,205.78</u>
Balance, December 31, 2019	E	<u>\$ 664,810.52</u>	<u>\$ 238,037.08</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
ANALYSIS OF PARKING UTILITY CAPITAL CASH

		Balance December 31, <u>2019</u>
Capital Improvement Fund		\$ 3,400.00
Encumbrances Payable		6,952.74
Reserve for Payment of Bonds		3,778.19
Fund Balance		35,338.43
<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	
18-35	Various Parking Utility Improvements	<u>188,567.72</u>
		<u><u>\$ 238,037.08</u></u>
		<u>Ref</u> E

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance, December 31, 2018	E	\$ 4,191,488.21
Increased by:		
Transfer from Fixed Capital Authorized and Uncomplete	E-8	<u>600,000.00</u>
Balance, December 31, 2019	E	<u><u>\$ 4,791,488.21</u></u>

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, 2018	Deferred Charges to Future Revenue	Transfer to Fixed Capital	Balance December 31, 2019
		Date	Amount				
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
19-73	Various Parking Utility Improvements	12/11/19	3,221,000.00		\$ 3,221,000.00		3,221,000.00
				<u>\$ 1,022,000.00</u>	<u>\$ 3,221,000.00</u>	<u>\$ 600,000.00</u>	<u>\$3,643,000.00</u>
			<u>Ref.</u>	E	E-14	E-7	E

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance December 31, <u>2018</u>	Reserve for <u>Encumbrances</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 76,540.18		\$ 76,540.18	\$ 644.00	\$ 75,896.18
Other Expenses	<u>105,638.67</u>	<u>\$ 67,024.39</u>	<u>172,663.06</u>	<u>82,348.49</u>	<u>90,314.57</u>
Total Operating	<u>182,178.85</u>	<u>67,024.39</u>	<u>249,203.24</u>	<u>82,992.49</u>	<u>166,210.75</u>
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	1.25		1.25		1.25
Social Security System (OASI)	<u>7,644.77</u>		<u>7,644.77</u>		<u>7,644.77</u>
Total Statutory Expenditures	<u>7,646.02</u>		<u>7,646.02</u>		<u>7,646.02</u>
	<u><u>\$ 189,824.87</u></u>	<u><u>\$ 67,024.39</u></u>	<u><u>\$ 256,849.26</u></u>	<u><u>\$ 82,992.49</u></u>	<u><u>\$ 173,856.77</u></u>
<u>Ref.</u>	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, 2018	E	\$ 1,310.42
Increased by:		
Budget Appropriations	E-4	21,786.34
		<u>23,096.76</u>
Decreased by:		
Interest Paid	E-5	20,572.25
		<u>20,572.25</u>
Balance, December 31, 2019	E	<u><u>\$ 2,524.51</u></u>

Analysis of Accrued Interest December 31, 2019

	Principal Outstanding <u>December 31, 2019</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:						
	\$ 250,000.00	Various	12/01/19	12/31/19	30 days	\$ 862.50
	705,000.00	Various	12/01/19	12/31/19	30 days	<u>1,662.01</u>
Total						<u><u>\$ 2,524.51</u></u>
					<u>Ref.</u>	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, 2018	E	\$ 67,024.39
Increased by:		
Transferred from Budget Appropriations	E-4	82,790.49
		<u>149,814.88</u>
Decreased by:		
Transferred to Appropriation Reserves	E-9	67,024.39
		<u>67,024.39</u>
Balance, December 31, 2019	E	<u><u>\$ 82,790.49</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF PARKING UTILITY SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Balance December 31, 2018	Serial Bonds Issued	Paid by Budget Appropriation	Balance December 31, 2019		
			Outstanding December 31, 2019		Interest Rate						
MCIA - Parking Utility Bonds	12/23/15	\$ 280,000.00	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%	\$ 250,000.00		\$ 10,000.00	\$ 240,000.00		
Parking Improvements	12/10/19	705,000.00	2020	40,000.00	4.000%						
			2021	45,000.00	4.000%						
			2022	45,000.00	4.000%						
			2023	45,000.00	4.000%						
			2024	45,000.00	4.000%						
			2025	50,000.00	4.000%						
			2026	50,000.00	4.000%						
			2027	50,000.00	2.000%						
			2028	50,000.00	2.000%						
			2029	45,000.00	2.000%						
			2030	45,000.00	2.000%						
			2031	45,000.00	2.125%						
			2032	50,000.00	2.250%						
			2033	50,000.00	2.250%						
			2034	50,000.00	2.375%						
								\$705,000.00		705,000.00	
								\$ 250,000.00	\$705,000.00	\$ 10,000.00	\$ 945,000.00

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF PARKING UTILITY BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2018</u>	<u>Decreased</u>	Balance December 31, <u>2019</u>
17-23	Various Parking Utility Improvements	<u>\$ 300,000.00</u>	<u>\$ 300,000.00</u>	<u>\$ -</u>
		<u><u>\$ 300,000.00</u></u>	<u><u>\$ 300,000.00</u></u>	<u><u>\$ -</u></u>
		<u>Ref.</u>		
		E	E-5/E-23	E

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Number	Improvement Description	Ordinance		Balance		Increased by	Decreased by		Balance	
		Date	Amount	December 31, 2018		2019	Paid or	Reserve for	December 31, 2019	
				Funded	Unfunded	Authorizations	Charged	Encumbrances	Funded	Unfunded
15-09	Various Parking Utility Improvements	04/22/15	\$ 300,000.00	\$ 50,138.32			\$ 50,138.32			
17-23	Various Parking Utility Improvements	07/26/17	300,000.00		\$ 130,521.78		130,521.78			
18-35	Various Parking Utility Improvements	11/28/18	422,000.00		422,000.00		226,479.54	\$ 6,952.74	\$ 188,567.72	
19-73	Various Parking Utility Improvements	12/11/19	3,221,000.00			\$3,221,000.00				\$3,221,000.00
				\$ 50,138.32	\$ 552,521.78	\$3,221,000.00	\$ 407,139.64	\$ 6,952.74	\$ 188,567.72	\$3,221,000.00
		Ref.		E	E	E-8/E-23	E-5	E-18	E	E

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2019 and 2018	E	<u>\$ 3,400.00</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance, December 31, 2018	E	\$4,191,488.21
Increased by:		
Transfer from Deferred Reserve for Amortization	E-17	<div style="text-align: right;">77,000.00</div> <hr/> 4,268,488.21
Decreased by:		
Reclassify to Deferred Reserve for Amortization	E-17	<div style="text-align: right;">422,000.00</div> <hr/>
Balance, December 31, 2019	E	<div style="text-align: right;">\$3,846,488.21</div> <hr/> <hr/>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Improvement Description	Balance December 31, 2018	Increased by:			Decreased by:	Balance December 31, 2019
			Serial Bonds Paid	Reclassify from Reserve for Amortization	Premium on Bonds	Transfer to Reserve for Amortization	
18-35	Various Parking Utility Improvements			\$ 422,000.00			\$ 422,000.00
15-09	Various Parking Utility Improvements	<u>\$ 50,000.00</u>	<u>\$ 10,000.00</u>		<u>\$ 17,000.00</u>	<u>\$ 77,000.00</u>	<u>-</u>
		<u>\$ 50,000.00</u>	<u>\$ 10,000.00</u>	<u>\$ 422,000.00</u>	<u>\$ 17,000.00</u>	<u>\$ 77,000.00</u>	<u>\$ 422,000.00</u>
		E	E-12	E-16	E-5/E-23	E-16	E

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2018	E	\$ -
Increased by:		
Charged to Improvement Authorizations	E-14	<u>6,952.74</u>
Balance, December 31, 2019	E	<u><u>\$ 6,952.74</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY CAPITAL
SCHEDULE OF INTERFUND PAYABLE - PARKING OPERATING

	<u>Ref.</u>	
Balance, December 31, 2018	E	\$ (66.14)
Decreased by:		
Cash Disbursements	E-5	<div style="border-top: 1px solid black;">66.14</div>
Balance, December 31, 2019	E	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ -</div>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY OPERATING
SCHEDULE OF INTERFUND RECEIVABLE/(PAYABLE)

	<u>Ref.</u>	<u>Total MEMO ONLY</u>	<u>Current Fund</u>	<u>Trust Other Fund</u>	<u>Parking Capital Fund</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>	
Increased by:					
Cash Receipts	E-5	<u>(1,167.25)</u>		<u>(1,167.25)</u>	
		(24,588.36)	(22,000.00)	(2,654.50)	66.14
Decreased by:					
Cash Receipts	E-5	(66.14)			(66.14)
Cash Disbursements	E-5	<u>33,210.17</u>	<u>31,722.92</u>	<u>1,487.25</u>	
		33,144.03	31,722.92	1,487.25	(66.14)
Balance, December 31, 2019					
Interfund Receivable	E	<u>\$ 9,722.92</u>	<u>\$ 9,722.92</u>		<u>\$ -</u>
Interfund Payable	E	<u><u>\$ (1,167.25)</u></u>		<u><u>\$ (1,167.25)</u></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, 2018	E	\$ 187,725.78
Decreased by:		
Cash Disbursements	E-5	<u>4,494.00</u>
Balance, December 31, 2019	E	<u><u>\$ 183,231.78</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PARKING UTILITY
SCHEDULE OF RESERVE FOR PAYMENT OF BONDS

	<u>Ref.</u>	
Balance, December 31, 2019 and 2018	E	<u>\$ 3,778.19</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

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

Ordinance Number	Improvement Description	Balance December 31, 2018	Increased By		Decreased By		Balance December 31, 2019
			2019 Authorizations	Notes Paid From Permanent Financing	Premium to Fund Ordinance	Serial Bonds Issued	
18-35	Various Parking Utility Improvements	\$ 422,000.00			\$ 9,936.00	\$ 412,064.00	
17-23	Various Parking Utility Improvements			\$ 300,000.00	7,064.00	292,936.00	
19-73	Various Parking Utility Improvements		\$ 3,221,000.00				\$ 3,221,000.00
		<u>\$ 422,000.00</u>	<u>\$ 3,221,000.00</u>	<u>\$ 300,000.00</u>	<u>\$ 17,000.00</u>	<u>\$ 705,000.00</u>	<u>\$ 3,221,000.00</u>
	<u>Ref.</u>		E-14	E-13	E-17	E-12	(Footnote E)

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL FUND
SCHEDULE OF CASH

	<u>Ref.</u>		
Balance, December 31, 2018	F		\$ 215,010.20
Increased by:			
Payroll Deductions Payable	F-2	\$ 10,598,940.96	
Interfund - Current Fund	F-3	6,885.63	
Interfund - Trust Other	F-4	14,567.34	
		<hr/>	<hr/>
			10,620,393.93
			10,835,404.13
Decreased by:			
Payroll Deductions Payable	F-2	10,606,006.99	
Interfund - Current Fund	F-3	56,430.13	
		<hr/>	<hr/>
			10,662,437.12
Balance, December 31, 2019	F		<u><u>\$ 172,967.01</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL TRUST FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2018	F	\$ 163,056.45
Increased by:		
Cash Receipts	F-1	10,598,940.96
		<u>10,761,997.41</u>
Decreased by:		
Cash Disbursements	F-1	10,606,006.99
		<u>10,606,006.99</u>
Balance, December 31, 2019	F-2	<u>\$ 155,990.42</u>
Payroll Liabilities	F	\$ 145,849.42
Miscellaneous	F	<u>10,141.00</u>
	F-2	<u>\$ 155,990.42</u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL TRUST FUND
SCHEDULE OF INTERFUND WITH CURRENT FUND

	<u>Ref.</u>		
Balance, December 31, 2018 - Due to	F	\$	51,953.75
Increased by:			
Cash Receipts		\$	2,409.25
Interest Earned			<u>4,476.38</u>
	F-1		<u>6,885.63</u>
			58,839.38
Decreased by			
Cash Disbursements	F-1		<u>56,430.13</u>
Balance, December 31, 2019 - Due to	F	\$	<u><u>2,409.25</u></u>

BOROUGH OF RED BANK
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL TRUST FUND
SCHEDULE OF INTERFUNDS - UNEMPLOYMENT TRUST OTHER FUND

	<u>Ref.</u>	
Balance, December 31, 2018	F	\$ -
Decreased by		
Cash Receipts	F-1	<u>14,567.34</u>
Balance, December 31, 2019	F	<u><u>\$ 14,567.34</u></u>

BOROUGH OF RED BANK
COUNTY OF OCEAN, NEW JERSEY

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

	Balance <u>December 31, 2018</u>	<u>Additions</u>	Balance <u>December 31, 2019</u>
General Fixed Assets:			
Land and Buildings	\$ 9,979,131.00		\$ 9,979,131.00
Furniture, Fixtures and Equipment	<u>10,828,545.60</u>	<u>\$ 116,094.36</u>	<u>10,944,639.96</u>
	<u><u>\$ 20,807,676.60</u></u>	<u><u>\$ 116,094.36</u></u>	<u><u>\$ 20,923,770.96</u></u>
<u>Ref.</u>	G		G

BOROUGH OF RED BANK
COUNTY OF MONMOUTH
PART II
SINGLE AUDIT SECTION
FOR THE YEAR ENDED DECEMBER 31, 2019

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW
JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major State Program

We have audited the Borough of Red Bank's (Borough) compliance with the types of compliance requirements described by reference in New Jersey OMB Circular 15-08 that could have a direct and material effect on each of the Borough's major state programs for the year ended December 31, 2019. The Borough's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) as referenced by New Jersey OMB's Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and the New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Borough's compliance.

Opinion on Each Major State Program

In our opinion, the Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report 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

February 16, 2021

BOROUGH OF RED BANK
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the Year Ended December 31, 2019

By Fund:	State Grantor / Pass - Through Grantor / Program	State Account Number or Other Identifying Number	Grant Period	Grant/Loan Award	Program Expenditures	Cumulative Expenditures
Grants Fund:						
	<u>N.J. Department of Law and Public Safety:</u>					
	Drunk Driving Enforcement Fund -Prior to 2019	66-6400-100-078	Open	\$ 11,694.00	\$ 7,609.00	\$ 7,609.00
	Municipal Court Alcohol Education Rehabilitation and Enforcement Fund - Prior to 2019	98-9735-760-001		33,942.82	1,950.00	1,950.00
	Body Armor Replacement Grant - Prior to 2019	66-1020-718-001	Open	3,346.34	748.50	748.50
	Total N.J. Department of Law and Public Safety			<u>48,983.16</u>	<u>10,307.50</u>	<u>10,307.50</u>
	<u>N.J. Department of Environmental Protection:</u>					
	Clean Communities Program - Prior to 2019	042-4900-765-004	Open	22,856.83	20,080.51	20,080.51
	Recycling Tonnage Grant - Prior to 2019	042-4910-100-224	Open	35,661.52	867.24	867.24
	Total N.J. Department of Environmental Protection			<u>58,518.35</u>	<u>20,947.75</u>	<u>20,947.75</u>
	Total Grant Fund			<u>107,501.51</u>	<u>31,255.25</u>	<u>31,255.25</u>
General Capital Fund						
	<u>NJ Department of Environmental Protection:</u>					
	Green Acres Loan Program					
	Riverside Gardens Dev 1	<u>042-4800-533-002</u>		500,000.00	45,719.96	484,608.13
	Riverside Gardens Dev 2	<u>042-4800-533-002</u>		500,000.00	45,719.96	484,608.13
	Waterfront Acquisition	<u>042-4800-533-002</u>		175,694.15	105,227.77	79,567.70
	Total N.J. Department of Environmental Protection			<u>1,175,694.15</u>	<u>196,667.69</u>	<u>1,048,783.96</u>
	<u>NJ Department of Transportation</u>					
	Muni Aid 2018-33 Various Roadway Improvements	<u>16-480-078-6320</u>		605,000.00	605,000.00	605,000.00
	Muni Aid 2019-21 Various Roadway Improvements	<u>17-480-078-6320-AMQ</u>		290,000.00		
	Total N.J. Department of Transportation			<u>895,000.00</u>	<u>605,000.00</u>	<u>605,000.00</u>
	Total General Capital Fund			<u>2,070,694.15</u>	<u>801,667.69</u>	<u>1,653,783.96</u>

See accompanying notes to the schedule of expenditures of state financial assistance.

BOROUGH OF RED BANK
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the Year Ended December 31, 2019

By Fund:	State Grantor / Pass - Through Grantor / Program	State Account Number or Other Identifying Number	Grant Period	Grant/Loan Award	Program Expenditures	Cumulative Expenditures
Water/Sewer Fund						
	<u>New Jersey Water Bank Program</u>					
	New Jersey Infrastructure Bank Loan	1340001-002	2019-2038	\$ 425,000.00	\$ 425,000.00	\$ 425,000.00
	New Jersey Department of Environmental Protection: 2018A-2 Fund Loan	1340001-002	2019-2038	<u>1,299,360.00</u>	<u>1,299,360.00</u>	<u>1,299,360.00</u>
	Total N.J. Water Bank Program			<u>1,724,360.00</u>	<u>1,724,360.00</u>	<u>1,724,360.00</u>
	Total Water/Sewer Fund			<u>1,724,360.00</u>	<u>1,724,360.00</u>	<u>1,724,360.00</u>
	Total all Funds			<u>\$3,902,555.66</u>	<u>\$ 2,557,282.94</u>	<u>\$3,409,399.21</u>
By Department:						
	Total N.J Infrastructure Bank			\$ 425,000.00	\$ 425,000.00	\$ 425,000.00
	Total N.J. Department of Law and Public Safety			48,983.16	10,307.50	10,307.50
	Total N.J. Department of Transportation			895,000.00	605,000.00	605,000.00
	Total N.J. Department of Environmental Protection			<u>2,533,572.50</u>	<u>1,516,975.44</u>	<u>2,369,091.71</u>
	Total all Departments			<u>\$3,902,555.66</u>	<u>\$ 2,557,282.94</u>	<u>\$3,409,399.21</u>

See accompanying notes to the schedule of expenditures of state financial assistance.

BOROUGH OF RED BANK
NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the "Schedule") includes the state award activity of the Borough of Red Bank under programs of the State of New Jersey for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of New Jersey OMB Circular 15-08. Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not represent the fund balance, changes in fund balance, or cash flows of the Township.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such expenditures are recognized following the cost principles contained in the New Jersey OMB Circular 15-08, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 LOANS

There were no loans outstanding at December 31, 2019.

NOTE 4 RELATIONSHIP TO THE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's financial statements. Expenditures from awards are reported in the Borough's financial statements as follows:

<u>Fund</u>	<u>Amount</u>
Grant Fund	\$ 31,255.25
General Capital Fund	801,667.69
Water/Sewer Capital Fund	<u>1,724,360.00</u>
Total State Awards	\$ <u>2,557,282.94</u>

**BOROUGH OF RED BANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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

Regulatory Basis (described in Note 1)

Adverse

Unmodified

Internal control over financial reporting:

Material weakness identified?

 X Yes No

Significant deficiency(ies) identified?

 Yes X None reported

Noncompliance material to financial statements noted?

 Yes X No

a) State Awards

Internal Control over major programs:

Material weakness(es) identified?

 Yes X No

Significant deficiency(ies) identified?

 Yes X None reported

Type of auditor's report issued on compliance
for major state programs:

Unmodified

Any audit findings disclosed that are required to be
reported in accordance with N.J. OMB Circular 15-08?

 Yes X No

Identification of major state programs:

Name of State Program or Cluster

New Jersey Environmental Infrastructure Bank Loan

New Jersey Department of Environmental Protection 2018A-2 Fund Loan

Dollar threshold used to distinguish between Type A
and Type B programs:

\$750,000.00

Auditee qualified as low risk auditee?

 Yes X No

**BOROUGH OF RED BANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Section II – Financial Statement Findings

Material Weaknesses

2019-001

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 contractor 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

**BOROUGH OF RED BANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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.

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

**BOROUGH OF RED BANK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Section III – Summary Schedule of Prior Year Findings

Finding Reference: 2018-001

This finding is finding 2019-001 in the current report.

Finding Reference: 2018-002

This finding has been fully corrected.

BOROUGH OF RED BANK

COUNTY OF MONMOUTH

PART III

FOR THE YEAR ENDED DECEMBER 31, 2019

**BOROUGH OF RED BANK
SCHEDULE OF COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Other Trust Fund

Comment 2019-001:

At the time of audit there was no readily available method of reconciling individual contractor 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. Also, the Borough does not have a proper detail related to the Tax Sale Premium account, there is a large unreconciled difference between the detail available and the Edmunds system control total. There are also two reserves for which there was no dedication.

Recommendation:

We recommend that the Borough reassess the policies and internal controls related to the 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.

Water Sewer Operating Fund

Comment 2019-002:

There was an overexpenditure of funds related to the interest on notes line item.

Recommendation:

We recommend that the Borough's budget line items be monitored continuously. Also, the CMFO should review budget line items prior to year end, in order to determine if transfers are required.

**BOROUGH OF RED BANK
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Status of Prior Year Findings:

Finding Reference: 2018-001

This finding was fully corrected.

Finding Reference: 2018-002

This finding has not been corrected and is finding 2019-001 in Section II.

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:

Red Bank Primary School Emergency Access Driveway
White St/English Plaza Streetscape Improvement Project
Grant Writing Services
2019 Road Program
Pearl Street Improvements
Bellhaven Nature Area Park Improvements
Eastside Par, and Mohawk Pond

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, 2019, 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, 2019, 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 28, 2019.

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	
Erik Yngstrom	Councilman, Council President	
Kathleen Horgan	Councilwoman	
Edward Zipprich	Councilman	
Michael Ballard	Councilman	
Kate Triggiano	Councilwoman	
Hazim Yassin	Councilman	
Ziad Shehady	Borough Administrator	
Pamela Borghi	Municipal Clerk	
Peter O'Reilly	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