

W W I S S



COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE

BOROUGH OF RED BANK

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

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Presented by

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



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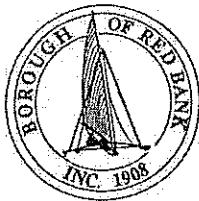
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Borough of Red Bank

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Red Bank, NJ 07701

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June 26, 2015

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

The Comprehensive Annual Financial Report for the Borough of Red Bank, County of Monmouth, State of New Jersey, as of and for the years ended December 31, 2014 and 2013 is submitted herewith and includes financial statements, supplemental schedules and other information. I believe it is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Borough of Red Bank as measured by the financial activity of its various funds and account group; and that all disclosures necessary to enable the reader to gain an understanding of the Borough's financial affairs have been included.

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

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

PRESENT AND FUTURE CHALLENGES

2014 saw an increase in our Current Fund Balance of \$164,483.28. The current tax collection rate was in line with the historical average. The challenges for the future include maintaining our excellent collection percentage, continuing to improve miscellaneous revenues and limiting the growth of expenditures in order to continue to hold the tax rate near steady.

PRESENT AND FUTURE CHALLENGES

This year the Borough was presented with the challenge of an excessive number of tax appeals that resulted in credit/refunds of \$1,257,995 and a decrease in the net assessed value of the Borough. In 2013, the Borough began the approval process for a property tax revaluation and in late 2014 a contract for same was signed. The property tax revaluation is presently ongoing and is expected to be completed at the end of 2015 for the 2016 budget.

In 2014, our Current Fund, which encompasses the general government functions of the Borough, had total revenues and other income of \$52,105,323.87 and total expenditures of \$52,140,640.59. The following schedules summarize municipal revenues and expenses for 2014 and 2013. Below is a comparison of the Current Fund revenues.

	<u>2014</u>	<u>2013</u>	<u>Increase/ (Decrease)</u>	<u>%</u>
Fund Balance	\$ 1,000,000	\$ 500,000	\$ 500,000	100.00
Municipal/Library Purposes Tax	12,007,909	12,405,395	(397,486)	(3.20)
Delinquent Tax Receipts	891,331	861,867	29,464	3.42
Miscellaneous Anticipated Revenues	4,697,613	5,697,166	(999,553)	(17.54)
Intergovernmental Revenue	2,139,619	2,179,045	(39,426)	(1.81)
Other Credits to Income	1,022,544	471,300	551,244	116.96
Non-Budget Revenues	471,359	333,540	137,819	41.32
	<u>\$ 22,230,374</u>	<u>\$ 22,448,313</u>	<u>\$ (217,939)</u>	<u>(0.97)</u>

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

The increase in expenditures in 2014 from 2013 was approximately 2.83% as follows. This was mainly driven by expenditure increases in the areas of insurance and tax appeals offset in part by a decrease in debt service.

	2014	2013	Increase/ (Decrease)	%
General Government	\$ 2,662,953	\$ 2,609,750	\$ 53,203	2.04
Land Use Administration	223,748	195,700	28,048	14.33
Insurance	3,554,000	3,332,244	221,756	6.65
Public Safety	5,323,585	5,340,060	(16,475)	(0.31)
Public Works	1,649,715	1,480,180	169,535	11.45
Landfill/Solid Waste Disposal Costs	380,000	390,000	(10,000)	(2.56)
Health and Welfare	239,882	232,250	7,632	3.29
Parks and Recreation	450,608	454,325	(3,717)	(0.82)
Utility Expenses and Bulk Purchases	574,200	599,000	(24,800)	(4.14)
Uniform Construction Code	380,485	542,104	(161,619)	(29.81)
Contingent	1,000	1,000		
Deferred Charges and Statutory				
Expenditures	1,916,707	1,825,163	91,544	5.02
State and Federal Grants	127,938	158,886	(30,948)	(19.48)
Capital Improvements	79,800	150,000	(70,200)	(46.80)
Municipal Debt Service	2,807,937	3,255,763	(447,826)	(13.75)
Tax Appeals/Judgements	860,000	25,000	835,000	3,340.00
Reserve for Uncollected Taxes	1,002,969	1,031,247	(28,278)	(2.74)
	<u>\$ 22,235,527</u>	<u>\$ 21,622,672</u>	<u>\$ 612,855.00</u>	<u>2.83%</u>

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

The Water-Sewer Utility serves the entire Borough, which encompasses 4,500 accounts and a population of 10,000. Overall fund balance fell by \$220,054 from 2013 levels. Water-Sewer Utility revenues realized were about 2.8% less than the previous year's. Significant improvements to the Borough's water treatment infrastructure occurred during 2014.

The Parking Utility operates metered municipal parking lots and owns a 450 car parking garage, which it leases to Riverview Medical Center. Overall fund balance fell by \$35,656 from 2013 levels.

Both the Parking Utility and Water-Sewer Utility remained self-liquidating for 2014.

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

MAJOR ACTIVITIES AFFECTING BUDGET/FINANCIAL CONDITIONS

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

PROSPECTS FOR THE FUTURE

Increases in mandated expenditures resulted in a moderate tax rate increase for the 2014 budget. Future development should be added to the tax rolls in 2014. These new ratables and ongoing cost containments should help stabilize future municipal tax rates. However, future budgets do continue to present significant challenges.

CASH MANAGEMENT

The Borough invests all surplus funds for appropriate periods of time as determined by the Chief Financial Officer. During 2014 no investments were made.

DEBT ADMINISTRATION

The Borough has managed its debt well. The current outstanding net debt of the Borough is \$13,414,374.28 which represents .667% of its average equalized value. Debt service appropriations for 2014 and 2013 for the Current Fund were 13.29% and 16.13%, respectively, of the total Current Fund budget.

RISK MANAGEMENT

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

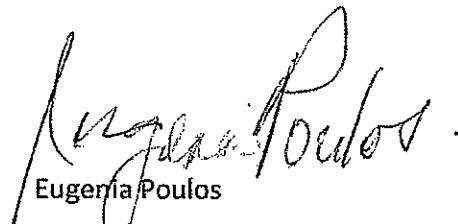
The success of these funds is unprecedented and they have served as a national example of well-run, innovative self-insurance funds.

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

ACKNOWLEDGEMENTS

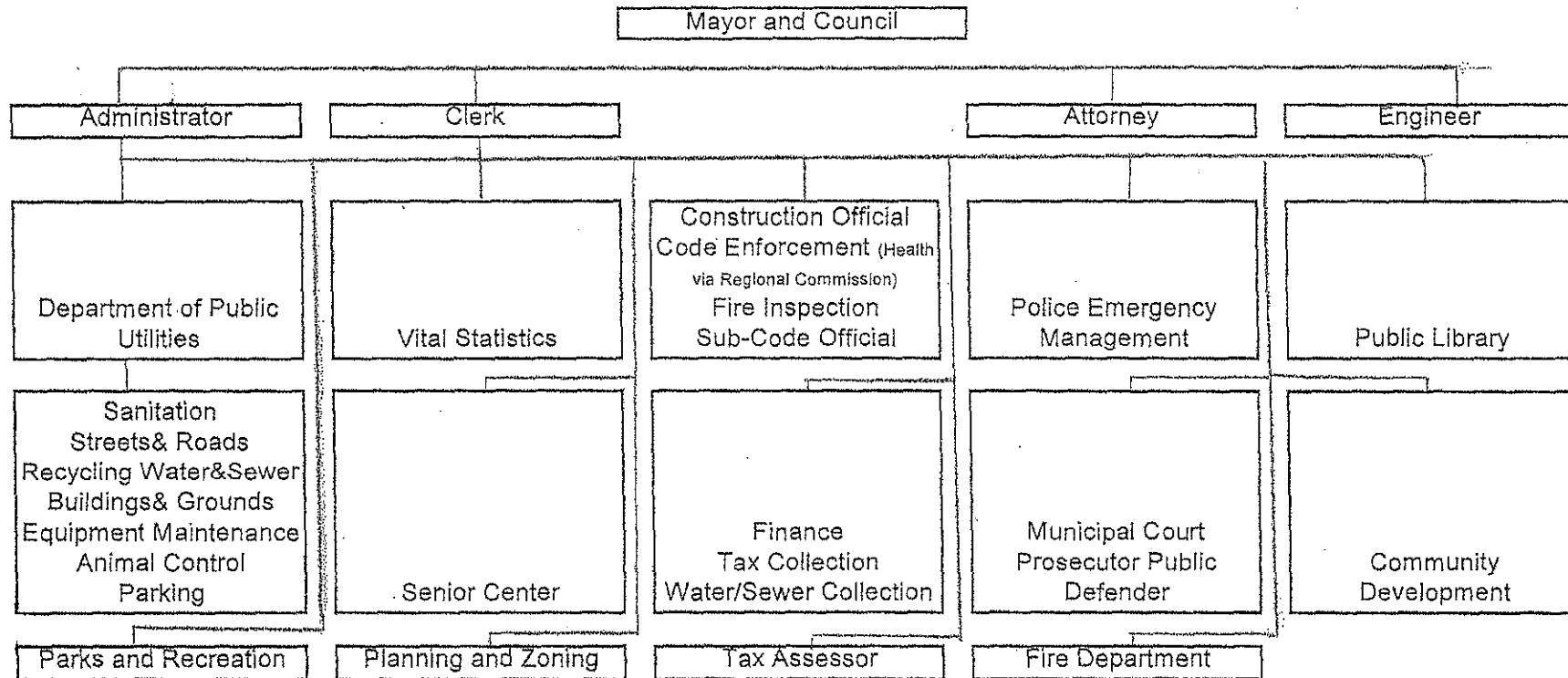
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the Administration Department. I would also like to express my appreciation to Wiss & Company, LLP for their help and assistance in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

Respectfully submitted,



Eugenia Poulos
Chief Financial Officer

BOROUGH OF RED BANK
TABLE OF ORGANIZATION



BOROUGH OF RED BANK
ROSTER OF OFFICIALS
DECEMBER 31, 2014

Governing Body

Pasquale Menna, Mayor
Arthur Murphy III, Council President
Edward Zipprich, Councilman
Cindy Burnham, Councilwoman
Kathleen Horgan, Councilwoman
Michael Dupont, Councilman
Linda Schwabenbauer, Councilwoman

Other Officials

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

BOROUGH OF RED BANK
CONSULTANTS AND ADVISORS
DECEMBER 31, 2014

AUDIT FIRM

Wiss & Company, LLP
485C Route 1 South
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Iselin, New Jersey 08830

ATTORNEY

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BOROUGH OF RED BANK
CONSULTANTS AND ADVISORS (CONTINUED)
DECEMBER 31, 2014

OFFICIAL NAMED DEPOSITORIES

Amboy National Bank

Bank of America

Bank of New York/Mellon

TD Bank, N.A.

PNC Bank

NJ Cash Management Fund

Investors Savings Bank

Sovereign Bank

Two Rivers Community Bank

Valley National Bank

Wachovia Bank

Wells Fargo

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

As described in Note 1, 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 preceding paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2014, or the results of its operations and changes in fund balances for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects the statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Borough as of December 31, 2014, and the results of its operations and changes in fund balances of such funds – regulatory basis for the year then ended, and the revenues - regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2014 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1 to the financial statements.

Prior Period Financial Statements

The regulatory-basis financial statements of the Borough of Red Bank as of December 31, 2013, were audited by other auditors whose report dated May 9, 2014, expressed an unmodified opinion on those regulatory basis financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information, as identified as exhibits B-5 through FWS-6 and the comments and recommendations supplementary information is presented for purposes of additional analysis as required by the Division and is not a required part of the 2014 regulatory - basis financial statements of the Borough. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2015, on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

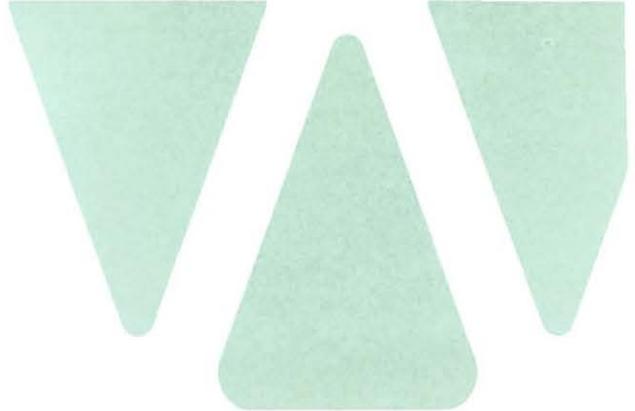


David A. Kaplan
Registered Municipal Accountant
No. 433



WISS & COMPANY, LLP

Iselin, New Jersey
June 26, 2015



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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the regulatory-basis financial statements of the Borough of Red Bank ("Borough"), County of Monmouth, New Jersey as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 26, 2015, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the accounting practices prescribed by the Division.

Internal Control Over Financial Reporting

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

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

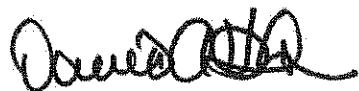
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



David A. Kaplan
Registered Municipal Accountant
No. 433



WISS & COMPANY, LLP

Iselin, New Jersey
June 26, 2015

BASIC FINANCIAL STATEMENTS

BOROUGH OF RED BANK
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)

	Governmental Funds					General Fixed Assets Account Group	Totals		
	Current	General Capital	Trust Funds	Utilities			2014	Memorandum Only	
				Operating	Capital				
ASSETS AND OTHER DEBITS									
Cash and Cash Equivalents	\$ 5,479,380.84	\$ 4,883,620.13	\$ 3,403,278.20	\$ 1,646,259.03	\$ 2,839,266.80		\$ 18,251,805.00	\$ 14,930,699.47	
Intergovernmental Receivables	5,871.05		7,632.18				13,503.23	9,748.41	
Receivables and Other Assets:									
Delinquent Property Taxes	1,035,015.82						1,035,015.82	968,907.91	
Consumer Accounts Receivable				807,863.00			807,863.00	760,090.64	
Inventory				215,980.99			215,980.99	215,980.99	
Liens Receivable	3,748.08			20.00			3,768.08	6,535.32	
Demolition Liens Receivable	8,930.09						8,930.09	8,930.09	
Other Accounts Receivable	37,557.75						37,557.75	149,148.20	
Interfunds Receivable	16,660.21	3,998.00	32,706.40		201.01		53,565.62	110,462.50	
Capital Lease Obligations, Unfunded		1,682,100.00					1,682,100.00	2,830,600.00	
Deferred Charges	1,539,400.00	13,918,287.58					15,457,687.58	13,959,891.06	
Fixed Capital					31,127,881.56		31,127,881.56	28,926,824.45	
Fixed Assets						\$ 30,752,887.00	30,752,887.00	30,970,541.95	
Federal and State Grant Fund:									
Cash and Cash Equivalents	160,091.90						160,091.90	148,872.65	
Federal and State Grants Receivable	117,154.73						117,154.73	78,189.37	
Interfunds Receivable								4,000.00	
Total Assets and Other Debits	\$ 8,403,810.47	\$ 20,488,005.71	\$ 3,443,616.78	\$ 2,670,123.02	\$ 33,967,349.37	\$ 30,752,887.00	\$ 99,725,792.35	\$ 94,079,423.01	

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)

	Governmental Funds				General Fixed Assets Account Group	Totals	
	Current	General Capital	Trust Funds	Utilities Operating		2014	Memorandum Only 2013
LIABILITIES, RESERVES AND FUND BALANCE							
Liabilities and Reserves:							
Appropriation Reserves	\$ 1,014,377.08			\$ 410,643.52		\$ 1,425,020.60	\$ 1,106,957.34
Other Liabilities and Reserves	2,665,236.48	\$ 2,589,639.66	\$ 3,426,956.57	344,172.62	\$ 577,676.22	9,603,681.55	8,010,746.37
Improvement Authorizations		2,413,842.77			2,537,080.39	4,950,923.16	4,178,586.79
Accrued Interest on Bonds and Notes				130,516.12		130,516.12	119,665.90
Reserve for Amortization					18,958,910.32	18,958,910.32	18,124,330.19
Deferred Reserve for Amortization					559,156.18	559,156.18	568,099.07
Interfunds Payable	21,804.06		16,660.21	15,101.35		53,565.62	114,462.50
Bond Anticipation Notes		4,382,955.00			2,913,440.00	7,296,395.00	2,491,845.00
Special Emergency Notes	1,700,288.23					1,700,288.23	1,025,200.00
Serial and Refunding Bonds		8,937,000.00			8,405,702.06	17,342,702.06	19,662,282.19
Loans Payable		462,220.88				462,220.88	585,054.36
Capital Lease Payable - Principal		1,682,100.00				1,682,100.00	2,340,600.00
Reserve for Receivables and Other Assets	1,101,911.95			1,023,863.99		2,125,775.94	2,084,145.46
Federal and State Grant Fund:							
Unappropriated/Appropriated Reserves	277,246.63					277,246.63	231,062.02
Total Liabilities and Reserves	6,780,864.43	20,467,758.31	3,443,616.78	1,924,297.60	33,951,965.17	66,568,502.29	60,641,037.19
Equity and Other Credits:							
Investment in General Fixed Assets							
Fund Balance	1,622,946.04	20,247.40		745,825.42	15,384.20	\$ 30,752,887.00	30,752,887.00
Total Equity and Other Credits	1,622,946.04	20,247.40		745,825.42	15,384.20	30,752,887.00	33,157,290.06
Total Liabilities, Reserves and Fund Balance	\$ 8,403,810.47	\$ 20,488,005.71	\$ 3,443,616.78	\$ 2,670,123.02	\$ 33,967,349.37	\$ 30,752,887.00	\$ 99,725,792.35
							\$ 94,079,423.01

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, PARKING UTILITY AND WATER-SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Current Fund			Utility Operating Funds (1)		
	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable/ (Unfavorable)
Revenues:						
Fund Balance Anticipated	\$ 1,000,000.00	\$ 1,000,000.00		\$ 190,813.00	\$ 190,813.00	
Water-Sewer Rents and Connection Fees				6,600,000.00	6,498,333.22	\$ (101,666.78)
Parking Meter and Lot Fees				1,453,000.00	1,424,439.04	(28,560.96)
Miscellaneous Revenues	4,477,837.00	4,697,612.56	\$ 219,775.56	110,000.00	82,453.99	(27,546.01)
State Aid	2,011,681.00	2,011,681.00				
Federal and State Grants	127,938.44	127,938.44				
	7,617,456.44	7,837,232.00	219,775.56	8,353,813.00	8,196,039.25	(157,773.75)
Receipts from Delinquent Taxes	840,000.00	891,330.69	51,330.69			
Amount to be Raised by Taxes for Support of Municipal Budget:						
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	11,909,483.39	11,339,121.09	(570,362.30)			
Minimum Library Levy	668,788.03	668,788.03				
Budget Totals	21,035,727.86	20,736,471.81	(299,256.05)	8,353,813.00	8,196,039.25	(157,773.75)
Non-budget Revenues		471,358.83	471,358.83		5,575.32	5,575.32
Other Credits to Income		1,022,543.50	1,022,543.50		337,300.73	337,300.73
Taxes Allocated to School, County and Special Districts		29,874,949.73	29,874,949.73			
Total Revenues	\$ 21,035,727.86	\$ 52,105,323.87	\$ 31,069,596.01	\$ 8,353,813.00	\$ 8,538,915.30	\$ 185,102.30

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, PARKING UTILITY AND WATER-SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures:						
Current:						
General Government	\$ 2,662,953.09	\$ 2,662,953.09				
Land Use Administration	223,748.00	223,748.00				
Insurance	3,554,000.00	3,554,000.00				
Public Safety	5,323,585.00	5,323,585.00				
Public Works	1,649,714.70	1,649,714.70				
Landfill/Solid Waste Disposal Costs	380,000.00	380,000.00				
Health and Welfare	239,882.00	239,882.00				
Parks and Recreation	450,608.00	450,608.00				
Utility Expenses and Bulk Purchases	574,200.00	574,200.00				
Uniform Construction Code	380,485.00	380,485.00				
Contingent	1,000.00	1,000.00				
State and Federal Grants	127,938.44	127,938.44				
Operating - Utility Funds				\$ 5,919,017.00	\$ 5,919,017.00	
Capital Improvements	79,800.00	79,800.00		17,000.00	17,000.00	
Debt Service	2,807,936.94	2,807,936.94		1,106,129.00	1,106,129.00	
Deferred Charges and Statutory Expenditures	1,916,707.30	1,916,707.30		259,000.00	259,000.00	
Tax Appeals/Judgements	860,000.00	860,000.00				
Surplus - General Budget				1,052,667.00	1,052,667.00	
Reserve for Uncollected Taxes	1,002,969.39	1,002,969.39				
Total Budget Expenditures	22,235,527.86	22,235,527.86		8,353,813.00	8,353,813.00	
Other Expenditures		30,163.00	\$ (30,163.00)			
County, School and Special District Taxes		29,874,949.73	(29,874,949.73)			
Total Expenditures	\$ 22,235,527.86	\$ 52,140,640.59	\$ (29,905,112.73)	\$ 8,353,813.00	\$ 8,353,813.00	

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CURRENT, PARKING UTILITY AND WATER-SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
(Deficiency) Excess in Revenues over Expenditures	\$ (1,199,800.00)	\$ (35,316.72)	\$ 1,164,483.28	\$	\$ 185,102.30	\$ 185,102.30
Adjustment to Income Before Fund Balance:						
Expenditures included above which are by statute deferred charges to budgets of succeeding years	<u>1,199,800.00</u>	<u>1,199,800.00</u>				
Statutory Excess to Fund Balance	-	1,164,483.28	1,164,483.28		185,102.30	185,102.30
Fund Balance, January 1		<u>1,458,462.76</u>	<u>1,458,462.76</u>		<u>1,001,536.12</u>	<u>1,001,536.12</u>
Decreased By:						
Utilization as Anticipated Revenue		1,000,000.00	1,000,000.00		190,813.00	190,813.00
Transferred to Current Fund					<u>250,000.00</u>	<u>(250,000.00)</u>
		<u>1,000,000.00</u>	<u>1,000,000.00</u>		<u>440,813.00</u>	<u>(59,187.00)</u>
Fund Balance, December 31	\$ -	<u>\$ 1,622,946.04</u>	<u>\$ 1,622,946.04</u>	\$	<u>\$ 745,825.42</u>	<u>\$ 1,245,825.42</u>

(1) Includes Parking and Water-Sewer Utilities.

See accompanying notes to the basic financial statements.

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

BALANCE, DECEMBER 31, 2013 \$ 7,252.45

INCREASED BY

Funded Improvement Authorizations Cancelled	\$ 5,146.18
Premium on Sale of Bond Anticipation Notes	<u>7,848.77</u>
	<u>12,994.95</u>

BALANCE, DECEMBER 31, 2014 \$ 20,247.40

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

BALANCE, DECEMBER 31, 2013 \$ 7.98

AND

BALANCE, DECEMBER 31, 2014 \$ 7.98

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

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 584.56
<u>INCREASED BY</u>	
Premium on Sale of Bond Anticipation Notes	\$ 7,848.77
Cancellation of Funded Improvement Authorizations	<u>6,942.89</u>
	<u>14,791.66</u>
<u>BALANCE, DECEMBER 31, 2014</u>	<u>\$ 15,376.22</u>

BOROUGH OF RED BANK
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	December 31,	
	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 5,479,380.84	\$ 4,385,280.38
Intergovernmental Receivable:		
Due from State of New Jersey:		
Senior Citizens' and Veterans' Deductions	5,871.05	5,121.08
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes	1,035,015.82	968,907.91
Liens Receivable:		
Tax Title Liens Receivable	3,748.08	2,096.77
Demolition	8,930.09	8,930.09
Other Accounts Receivable:		
Revenue Accounts Receivable	37,557.75	36,648.20
Interfunds Receivable	16,660.21	87,052.31
Deferred Charges:		
Emergency Appropriation N.J.S. 40A:4-46	24,800.00	
Special Emergency Authorizations N.J.S. 40A:4-53	<u>1,514,600.00</u>	<u>1,025,200.00</u>
	<u>8,126,563.84</u>	<u>6,519,236.74</u>
Federal and State Grant Fund:		
Cash and Cash Equivalents	160,091.90	148,872.65
Federal and State Grants Receivable	117,154.73	78,189.37
Interfund Receivable	<u>4,000.00</u>	<u>4,000.00</u>
	<u>277,246.63</u>	<u>231,062.02</u>
Total Assets	<u>\$ 8,403,810.47</u>	<u>\$ 6,750,298.76</u>

BOROUGH OF RED BANK
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	December 31,	
	<u>2014</u>	<u>2013</u>
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,014,377.08	\$ 816,030.70
Prepaid Taxes	132,469.36	489,250.70
Payroll Taxes Payable	130,554.15	29,003.43
Accounts Payable	1,507.09	6,779.95
Due to State of NJ - Marriage License Fees	2,975.00	2,975.00
Due to State of NJ - Training Fees	6,505.00	6,505.00
Tax Overpayments	19,378.47	20,507.32
Local School District Tax Payable	987,983.67	330,600.69
Regional High School District Tax Payable	119,655.44	59,050.84
Due County for Added Taxes	7,244.27	36,079.76
Special Emergency Notes Payable	1,700,288.23	1,025,200.00
Reserve for Encumbrances	620,950.51	689,945.55
Reserve for Sale of Municipal Assets	400,750.00	
Reserve for Revaluation	85,100.73	908.35
Reserve for Severance Liabilities	150,150.84	220,870.30
Reserve for Library Expenditures	11.95	3,395.43
Reserve for FEMA Proceeds		213,744.85
Interfunds Payable	<u>21,804.06</u>	<u>6,290.83</u>
	5,401,705.85	3,957,138.70
Reserve for Receivables and Other Assets	1,101,911.95	1,103,635.28
Fund Balance	<u>1,622,946.04</u>	<u>1,458,462.76</u>
Total Current Fund	<u>8,126,563.84</u>	<u>6,519,236.74</u>
Federal and State Grant Fund:		
Reserve for Federal and State Grants:		
Appropriated	270,846.63	215,616.26
Unappropriated	<u>6,400.00</u>	<u>15,445.76</u>
Total Federal and State Grant Fund	<u>277,246.63</u>	<u>231,062.02</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 8,403,810.47</u>	<u>\$ 6,750,298.76</u>

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 1,000,000.00	\$ 500,000.00
Miscellaneous Revenues Anticipated	4,697,612.56	5,697,166.39
State Aid	2,011,681.00	2,011,681.00
Federal and State Grants	127,938.44	167,363.79
Receipts from Delinquent Taxes	891,330.69	861,867.45
Receipts from Current Taxes	12,007,909.12	12,405,394.67
Taxes Allocated to School, County and Special Districts	29,874,949.73	28,507,941.45
Non-Budget Revenues	471,358.83	333,539.04
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	833,742.11	469,867.86
Current Budget Appropriations Canceled	101,749.08	1,431.65
Interfunds Liquidated	87,052.31	
 Total Revenues and Other Income	 52,105,323.87	 50,956,253.30
 Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	699,523.00	1,467,963.00
Land Use Administration	223,748.00	195,700.00
Public Safety	5,323,585.00	5,340,060.00
Public Works	1,649,714.70	1,480,180.00
Landfill/Solid Waste Disposal Costs	380,000.00	390,000.00
Health and Welfare	239,882.00	232,250.00
Parks and Recreation	450,608.00	454,325.00
Utility Expenses and Bulk Purchases	574,200.00	599,000.00
Uniform Construction Code	380,485.00	347,104.00
Contingent	1,000.00	1,000.00
Insurance	3,554,000.00	3,332,244.00
Deferred Charges and Statutory Expenditures	1,525,604.00	1,584,362.55
Excluded from "CAPS":		
General Government	1,963,430.09	1,205,074.00
Tax Appeals/Judgements	860,000.00	25,000.00
Insurance		131,713.00
State and Federal Grants	127,938.44	167,363.79
Capital Improvements	79,800.00	150,000.00
Municipal Debt Service	2,807,936.94	3,255,763.00
Deferred Charges	391,103.30	240,800.00
Reserve for Uncollected Taxes	1,002,969.39	1,031,247.44
Special Improvement District Tax	512,120.00	512,120.00
County Taxes	5,708,515.20	5,688,975.69

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY MODIFIED ACCRUAL BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Expenditures (Continued):		
Due to County for Added and Omitted Taxes	\$ 7,244.27	\$ 36,079.76
Local District School Taxes	14,974,647.00	13,719,552.00
Regional High School District Tax	8,672,423.26	8,551,214.00
Interfunds Advanced	4,213.31	
Refund of Prior Year Revenue	<u>30,163.00</u>	<u>53,765.36</u>
Total Expenditures	<u>52,140,640.59</u>	<u>50,197,069.90</u>
(Deficiency) Excess in Revenue over Expenditures	(35,316.72)	759,183.40
Adjustment to Income Before Fund Balance:		
Expenditures included above which are by statute deferred charges to budgets of succeeding years	<u>1,199,800.00</u>	<u>362,000.00</u>
Statutory Excess to Fund Balance	1,164,483.28	1,121,183.40
Fund Balance, January 1	<u>1,458,462.76</u>	<u>837,279.36</u>
Decreased by:		
Utilized as Anticipated Revenue	<u>1,000,000.00</u>	<u>500,000.00</u>
Fund Balance, December 31	<u>\$ 1,622,946.04</u>	<u>\$ 1,458,462.76</u>

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2014 REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	Budget	Added by N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 1,000,000.00		\$ 1,000,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	90,000.00		89,814.00	\$ (186.00)
Other	50,000.00		55,343.00	5,343.00
Fees and Permits:				
Other	300,000.00		307,541.88	7,541.88
Uniform Construction Code Official Fees	482,281.00		517,921.50	35,640.50
Fines and Costs:				
Municipal Court	600,000.00		600,909.13	909.13
Interest and Costs on Taxes	230,000.00		239,092.13	9,092.13
Interest on Investments and Deposits	500.00		21,148.10	20,648.10
	1,752,781.00		1,831,769.74	78,988.74
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax	2,011,681.00		2,011,681.00	
	2,011,681.00		2,011,681.00	
Special Items of Revenue Offset with Appropriations:				
U.S. Older Americans Act - Senior Citizens	29,312.00		29,312.00	
Clean Communities Program	2,665.36	\$ 18,939.80	21,605.16	
Drive Sober or Get Pulled Over		12,500.00	12,500.00	
Body Armor Fund	4,952.44	3,874.05	8,826.49	
Click it or Ticket		4,000.00	4,000.00	
CSIP Grant	30,000.00		30,000.00	
	80,623.12	47,315.32	127,938.44	

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2014 REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	Budget	Added by N.J.S.A. <u>40A:4-87</u>	Realized	Excess or (Deficit)
Special Items of Revenue with Prior Consent of the Director:				
Interlocal Service Agreements:				
Borough of Little Silver - Fire Services	\$ 18,000.00	\$ 14,340.00	\$ (3,660.00)	
Township of Shrewsbury - Municipal Court	9,000.00	9,543.00	543.00	
Borough of Little Silver - Construction	195,000.00	298,528.00	103,528.00	
Red Bank Board of Education - Snow Plowing	12,000.00	12,694.00	694.00	
Franchise Tax Cable Television	165,000.00	175,490.45	10,490.45	
Uniform Fire Safety Act	110,000.00	115,524.97	5,524.97	
Landlord Registration Fees	10,000.00	14,380.00	4,380.00	
Utility Operating Surplus of Current Year -Water/Sewer Utility	500,000.00	500,000.00	0.00	
Utility Operating Surplus of Current Year -Parking Utility	552,667.00	552,667.00	0.00	
Utility Operating Surplus of Prior Year -Water/Sewer Utility	175,000.00	175,000.00	0.00	
Utility Operating Surplus of Prior Year -Parking Utility	75,000.00	75,000.00	0.00	
Payment in Lieu of Taxes - Riverview Hospital	172,591.00	206,878.32	34,287.32	
R.B.C. Field Rent	130,000.00	130,000.00	0.00	
Payment in Lieu of Taxes - Housing Authority/River Street/Habcore	145,000.00	126,488.52	(18,511.48)	
Federal Emergency Management Agency - Hurricane Sandy	90,800.00	90,800.00	0.00	
Hotel Occupancy Tax	160,000.00	163,510.56	3,510.56	
Administrative Fees - Off Duty Police Services	55,000.00	55,000.00	0.00	
Reserve for Payment of Bonds	149,998.00	149,998.00	0.00	
	<hr/> 2,725,056.00	<hr/> 2,865,842.82	<hr/> 140,786.82	
Receipts from Delinquent Taxes	<hr/> 840,000.00	<hr/> 891,330.69	<hr/> 51,330.69	
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes	11,909,483.39	11,339,121.09	(570,362.30)	
Minimum Library Levy	668,788.03	668,788.03	0.00	
Total Amount to be Raised by Taxes for Support of Municipal Budget	<hr/> 12,578,271.42	<hr/> 12,007,909.12	<hr/> (570,362.30)	
Budget Totals	20,988,412.54	\$ 47,315.32	20,736,471.81	(299,256.05)
Non-Budget Revenue	<hr/> \$ 20,988,412.54	<hr/> \$ 47,315.32	<hr/> \$ 21,207,830.64	<hr/> \$ 172,102.78

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2014 EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Emergency Appropriations</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
GENERAL GOVERNMENT							
General Administration:							
Salaries and Wages	\$ 93,385.00		\$ 96,385.00	\$ 89,676.79		\$ 6,708.21	
Other Expenses	18,800.00		21,800.00	16,355.44	\$ 2,155.20	3,289.36	
Municipal Clerk:							
Salaries and Wages	83,400.00		76,400.00	74,045.85		2,354.15	
Other Expenses	32,500.00		32,500.00	15,474.22	5,799.35	11,226.43	
Codification of Ordinances							
Financial Administration:							
Salaries and Wages	102,885.00		109,085.00	105,857.40		3,227.60	
Other Expenses	40,800.00		31,330.00	24,823.44	5,890.14	616.42	
Audit Services:							
Other Expenses	30,000.00		30,000.00	28,755.00		1,245.00	
Mayor and Borough Council:							
Salaries and Wages	30,321.00		30,321.00	29,200.56		1,120.44	
Tax Assessment Administration:							
Salaries and Wages	68,277.00		68,277.00	66,159.60		2,117.40	
Other Expenses	34,850.00		34,850.00	18,363.63	12,489.61	3,996.76	
Special Emergency - Revaluation Services		\$ 500,000.00	500,000.00	126,000.00	274,000.00		\$ 100,000.00
Reserve for Accumulated Banked Time	55,000.00		55,000.00	55,000.00			
Revenue Administration:							
Salaries and Wages	38,825.00		42,825.00	37,940.77		4,884.23	
Other Expenses	19,550.00		16,550.00	9,169.59	6,759.68	620.73	
Legal Services and Costs:							
Other Expenses	190,000.00		165,000.00	122,704.95	4,428.40	37,866.65	
Engineering Services:							
Other Expenses	104,000.00		129,000.00	93,875.56	19,223.65	15,900.79	
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	78,414.00		78,414.00	63,772.23		14,641.77	
Other Expenses	20,835.00		20,835.00	11,229.96	238.08	9,366.96	
Zoning Board of Adjustment:							
Other Expenses	30,835.00		30,835.00	26,290.92	2,794.58	1,749.50	
Rent Leveling Board:							
Salaries and Wages	3,000.00		3,000.00	2,750.00		250.00	
Other Expenses	10,750.00		12,250.00	10,295.60		1,954.40	
INSURANCE							
Liability Insurance	270,000.00		270,000.00	269,175.48		824.52	
Worker Compensation Insurance	370,000.00		370,000.00	370,000.00			
Employee Group Insurance	2,659,000.00		2,859,000.00	2,679,729.35	440.70	178,829.95	
Unemployment Insurance	30,000.00		30,000.00	18,606.68		11,393.32	
Employee Opt Out - Group Insurance	15,000.00		25,000.00	17,875.00		7,125.00	

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2014 EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Emergency Appropriations</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
PUBLIC SAFETY							
Fire Department							
Other Expenses	\$ 136,950.00		\$ 136,950.00	\$ 95,725.32	\$ 30,357.94	\$ 10,866.74	
Uniform Fire Safety Act (P.L. 1983, Ch. 363):							
Salaries and Wages	92,795.00		92,795.00	81,619.69		11,175.31	
Other Expenses	10,000.00		10,000.00	9,113.38	650.87	235.75	
Police Department:							
Salaries and Wages	4,657,435.00		4,647,435.00	4,600,680.94		46,754.06	
Other Expenses	164,525.00		164,525.00	97,139.80	44,832.45	22,552.75	
Aid to Volunteer First Aid Companies	48,750.00		48,750.00	40,713.65	8,008.89	27.26	
Office of Emergency Management:							
Salaries and Wages	5,000.00		5,000.00	4,893.13		106.87	
Other Expenses	5,500.00		5,500.00	1,176.18	2,146.45	2,177.37	
Municipal Court:							
Salaries and Wages	178,235.00		178,235.00	172,188.16		6,046.84	
Other Expenses	34,395.00		34,395.00	17,099.26	4,727.35	12,658.39	
PUBLIC WORKS FUNCTIONS							
Streets and Road Maintenance:							
Salaries and Wages	239,630.00		239,630.00	208,020.63		31,609.37	
Other Expenses	40,444.70		45,444.70	34,454.95	5,860.60	5,129.15	
Maintenance of Borough Equipment:							
Salaries and Wages	431,830.00		431,830.00	366,356.83		85,473.17	
Sanitation Dept:							
Salaries and Wages	518,785.00		518,785.00	486,074.40		32,710.60	
Other Expenses	76,100.00		71,100.00	46,787.48	14,625.57	9,686.95	
Code Enforcement:							
Salaries and Wages	94,425.00		94,425.00	91,476.53		2,948.47	
LANDFILL/SOLID WASTE DISPOSAL COSTS							
Landfill:							
Other Expenses	380,000.00		380,000.00	321,069.62	42,262.26	16,668.12	
HEALTH AND WELFARE							
Visiting Nurse Association	25,000.00		25,000.00	18,547.32		6,452.68	
Relocation Assistance	1,425.00		1,425.00			1,425.00	
Monmouth County Regional Health Commission	165,545.00		165,545.00	162,789.00		2,756.00	
Animal Control Services	42,912.00		42,912.00	42,066.96		845.04	
Shade Tree Committee	5,000.00		5,000.00	1,420.00	3,350.00	230.00	
PARKS AND RECREATION FUNCTIONS							
Recreation Services and Programs:							
Salaries and Wages	184,845.00		177,845.00	174,313.77		3,531.23	
Other Expenses	86,500.00		93,500.00	70,897.59	13,192.04	9,410.37	
Senior Citizens Center:							
Salaries and Wages	171,738.00		171,738.00	168,885.60		2,852.40	
Other Expenses	7,525.00		7,525.00	4,560.45	412.90	2,551.65	

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2014 EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Emergency Appropriations</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
UTILITY EXPENSES AND BULK PURCHASES							
Street Lighting	\$ 250,000.00		\$ 236,200.00	\$ 203,425.17		\$ 32,774.83	
Electricity	90,000.00		90,000.00	88,179.56		1,820.44	
Telephone	105,000.00		105,000.00	77,352.71		27,647.29	
Natural Gas	43,000.00		43,000.00	38,243.66		4,756.34	
Gasoline	100,000.00		100,000.00	99,051.53	\$ 36.00	912.47	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)							
Salaries and Wages	330,035.00		343,835.00	339,123.42		4,711.58	
Other Expenses	36,650.00		36,650.00	24,412.52	12,235.40	2.08	
Education and Technology:							
Other Expenses	50,000.00		50,000.00	38,410.38	5,966.50	5,603.12	
Municipal Prosecutor:							
Other Expenses	25,200.00		25,200.00	25,200.00			
Municipal Public Defender:							
Other Expenses	10,000.00		10,000.00	10,000.00			
Total Operations within "CAPS"	13,812,515.70	\$ 500,000.00	14,310,745.70	12,872,239.62	573,362.82	765,143.26	\$ 100,000.00
CONTINGENT							
Total Operations Including Contingent - within "CAPS"	13,813,515.70	\$ 500,000.00	14,311,745.70	12,872,239.62	573,362.82	766,143.26	\$ 100,000.00
Detail:							
Salaries and Wages	7,049,844.00		7,052,844.00	6,860,451.34		192,392.66	
Other Expenses (including Contingent)	6,763,671.70	\$ 500,000.00	7,258,901.70	6,011,786.28	573,362.82	573,750.00	\$ 100,000.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"							
Contribution to:							
Public Employees' Retirement System	274,083.00		274,083.00	273,083.00		1,000.00	
Social Security System (O.A.S.I.)	350,000.00		350,000.00	315,794.46		34,205.54	
Police and Firemen's Pension Fund	892,251.00		892,521.00	892,521.00			
Defined Contribution Retirement Program	9,000.00		9,000.00	4,424.55	74.32	4,501.13	
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	1,525,334.00		1,525,604.00	1,485,823.01	74.32	39,708.67	
Total General Appropriations for Municipal Purposes within "CAPS"	\$ 15,338,849.70	\$ 500,000.00	\$ 15,837,349.70	\$ 14,358,062.63	\$ 573,437.14	\$ 805,849.93	\$ 100,000.00

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2014 EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Emergency Appropriations</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
OPERATIONS - EXCLUDED FROM "CAPS"							
Other Operations - Excluded from "CAPS":							
LOSAP	\$ 85,100.00		\$ 59,807.06	\$ 59,800.00		\$ 7.06	
Municipal Stormwater Management:							
Salaries and Wages	94,635.00		94,635.00	93,930.11		704.89	
Other Expenses	10,000.00		10,000.00	(323.52)		10,323.52	
Tax Appeal Refunds:							
Other Expenses	160,000.00	\$ 675,000.00	835,000.00	799,180.30	\$ 2,500.00	33,319.70	
Maintenance of Free Public Library (P.L. 1985, Ch. 82)							
Salaries and Wages	352,899.40		352,899.40	316,366.22		36,533.18	
Other Expenses	315,888.63		315,888.63	227,515.38	13,205.90	75,167.35	
Interlocal Services:							
911 System - County of Monmouth	14,200.00		14,200.00	14,168.28		31.72	
Recycling Tax PL 2007 c. 311	47,000.00		47,000.00	44,140.95	2,466.20	392.85	
Total Other Operations - Excluded from "CAPS"	<u>1,079,723.03</u>	<u>675,000.00</u>	<u>1,729,430.09</u>	<u>1,554,777.72</u>	<u>18,172.10</u>	<u>156,480.27</u>	
Interlocal Municipal Service Agreements:							
Borough of Little Silver:							
Fire Services:							
Salaries and Wages	16,000.00		16,000.00	9,794.63		6,205.37	
Other Expenses	2,000.00		2,000.00		525.00	1,475.00	
Inspection of Building - Uniform Construction Code:							
Salaries and Wages	179,830.00		179,830.00	161,115.52		18,714.48	
Other Expenses	15,170.00		15,170.00		5,621.47	9,548.53	
Red Bank School District:							
Snow Plowing:							
Other Expenses	12,000.00		12,000.00		4,736.50	7,263.50	
Municipal Court:							
Salaries and Wages	9,000.00		9,000.00	160.00		8,840.00	
Total Interlocal Municipal Service Agreements	<u>234,000.00</u>		<u>234,000.00</u>	<u>171,070.15</u>	<u>10,882.97</u>	<u>52,046.88</u>	
OPERATIONS - EXCLUDED FROM "CAPS" (CONTINUED)							
Public and Private Programs Offset by Revenues:							
U.S. Older American Act Grant:							
Senior Citizens Center:							
Salaries and Wages	17,312.00		17,312.00	17,312.00			
Other Expenses	12,000.00		12,000.00	12,000.00			
NJ - Drunk Driving Enforcement Fund - Police	13,393.32		13,393.32	13,393.32			
NJ - Drunk Driving Enforcement Fund - Court							
4,401.47				4,401.47			
NJ - Clean Communities Grant	2,665.36		21,605.16	21,605.16			
NJ - COPS In Shops Grant	300.00		3,900.00	3,900.00			
CSIP Community Stewardship Incentive	30,000.00		30,000.00	30,000.00			
Drive Sober or Get Pulled Over							
12,500.00				12,500.00			
Click it or Ticket							
4,000.00				4,000.00			
State of NJ - Body Armor Grant	4,952.44		8,826.49	8,826.49			
Total Public and Private Programs Offset by Revenues	<u>80,623.12</u>		<u>127,938.44</u>	<u>127,938.44</u>			
Total Operations - Excluded from "CAPS"	<u>1,394,346.15</u>	<u>675,000.00</u>	<u>2,091,368.53</u>	<u>1,853,786.31</u>	<u>29,055.07</u>	<u>208,527.15</u>	
Detail:							
Salaries and Wages	291,777.00		291,777.00	272,357.63		19,419.37	
Other Expenses	1,102,569.15	675,000.00	1,799,591.53	1,581,428.68	29,055.07	189,107.78	

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2014 EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Emergency Appropriations</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>							
Down Payments on Improvements	\$ 24,800.00	\$ 24,800.00	\$ 24,800.00	\$ 24,800.00			
Capital Improvement Fund	\$ 55,000.00		\$ 55,000.00	\$ 55,000.00			
Total Capital Improvements Excluded from "CAPS"	<u>55,000.00</u>	<u>24,800.00</u>	<u>79,800.00</u>	<u>79,800.00</u>			
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>							
Payment of Bond Principal	1,485,000.00		1,485,000.00	1,485,000.00			
Interest on Bonds	299,902.00		299,902.00	299,901.20			\$ 0.80
Note Principal	100,000.00		100,000.00	100,000.00			
Interest on Notes	25,535.00		25,535.00	25,535.00			
Interest on Special Emergency Notes	10,718.00		10,718.00	10,446.11			271.89
Green Trust Loan Program:							
Loan Repayments for Principal and Interest	133,924.00		135,716.94	135,716.94			
Capital Lease Obligations:							
Principal	658,500.00		658,500.00	658,500.00			
Interest	92,565.00		92,565.00	91,086.61			1,476.39
Total Municipal Debt Service - Excluded from "CAPS"	<u>2,806,144.00</u>		<u>2,807,936.94</u>	<u>2,806,187.86</u>			<u>1,749.08</u>
<u>DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</u>							
Deferred Charges:							
Declared State of Emergency							
Snow Removal	73,905.30		73,905.30	60,812.64	\$ 13,092.66		
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	313,200.00		313,200.00	313,200.00			
Unfunded Improvement Authorizations	3,998.00		3,998.00	3,998.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>391,103.30</u>		<u>391,103.30</u>	<u>378,010.64</u>	<u>13,092.66</u>		
<u>JUDGEMENTS</u>							
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>4,646,593.45</u>	<u>699,800.00</u>	<u>5,395,208.77</u>	<u>5,142,784.81</u>	<u>42,147.73</u>	<u>208,527.15</u>	<u>1,749.08</u>
Total General Appropriations - Excluded from "CAPS"	<u>4,646,593.45</u>	<u>699,800.00</u>	<u>5,395,208.77</u>	<u>5,142,784.81</u>	<u>42,147.73</u>	<u>208,527.15</u>	<u>1,749.08</u>
Subtotal General Appropriations	19,985,443.15	1,199,800.00	21,232,558.47	19,500,847.44	615,584.87	1,014,377.08	101,749.08
<u>RESERVE FOR UNCOLLECTED TAXES</u>							
Total General Appropriations	<u>\$ 20,988,412.54</u>	<u>\$ 1,199,800.00</u>	<u>\$ 22,235,527.86</u>	<u>\$ 20,503,816.83</u>	<u>\$ 615,584.87</u>	<u>\$ 1,014,377.08</u>	<u>\$ 101,749.08</u>
Detail:							
Original Budget				\$ 20,988,412.54			
Added by N.J.S.A. 40A:4-53				1,175,000.00			
Added by N.J.S.A. 40A:4-46				24,800.00			
Added by N.J.S.A. 40A:4-87				47,315.32			
					\$ 22,235,527.86		

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
TRUST FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	Animal Control		Other		Totals	
	2014	2013	2014	2013	2014	2013
ASSETS						
Cash and Cash Equivalents	\$ 17,606.48	\$ 26,039.11	\$ 3,385,671.72	\$ 3,659,436.62	\$ 3,403,278.20	\$ 3,685,475.73
Intergovernmental Receivable	7,632.18	4,627.33			7,632.18	4,627.33
Interfunds Receivable			32,706.40		32,706.40	
Total Assets	\$ 25,238.66	\$ 30,666.44	\$ 3,418,378.12	\$ 3,659,436.62	\$ 3,443,616.78	\$ 3,690,103.06
LIABILITIES AND RESERVES						
Accounts Payable - State of NJ	\$ 52.20	\$ 21.00		\$ 9,855.91	\$ 52.20	\$ 9,876.91
Accounts Payable				47,380.63		47,380.63
Various Reserves	8,526.25	8,448.25	\$ 3,418,378.12	3,548,370.58	3,426,904.37	3,556,818.83
Interfunds Payable	16,660.21	22,197.19		53,829.50	16,660.21	76,026.69
Total Liabilities and Reserves	\$ 25,238.66	\$ 30,666.44	\$ 3,418,378.12	\$ 3,659,436.62	\$ 3,443,616.78	\$ 3,690,103.06
Total Liabilities and Reserves	\$ 25,238.66	\$ 30,666.44	\$ 3,418,378.12	\$ 3,659,436.62	\$ 3,443,616.78	\$ 3,690,103.06

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
GENERAL CAPITAL FUND

	December 31,	
	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>4,883,620.13</u>	\$ <u>3,368,064.12</u>
Intergovernmental Receivable: New Jersey Department of Transportation	<u>-</u>	<u>112,500.00</u>
Interfunds Receivable: Due from Current Fund	<u>3,998.00</u>	<u>-</u>
Capital Lease Obligations - Unfunded	1,682,100.00	2,830,600.00
Deferred Charges to Future Taxation: Funded	9,399,220.88	11,007,054.36
Unfunded	<u>4,519,066.70</u>	<u>1,927,636.70</u>
	<u>13,918,287.58</u>	<u>12,934,691.06</u>
Total Assets	<u>\$ 20,488,005.71</u>	<u>\$ 19,245,855.18</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Bond Anticipation Notes	\$ <u>4,382,955.00</u>	\$ <u>1,786,405.00</u>
Serial Bonds	<u>8,418,000.00</u>	<u>9,764,000.00</u>
Refunding Serial Bonds	<u>519,000.00</u>	<u>658,000.00</u>
Green Trust Loan Payable	<u>462,220.88</u>	<u>585,054.36</u>
Capital Lease Obligations Payable - Principal	1,682,100.00	2,340,600.00

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	December 31,	
	2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE (CONTINUED)</u>		
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 49,046.76	\$ 81,696.76
Due to Current Fund	-	5,412.58
Reserve for Encumbrances	1,834,726.28	909,283.57
Reserve for:		
Payment of Bonds	502,137.58	262,453.58
Down Payment on Improvements	2,061.64	2,061.64
Future Boat Ramp Improvements	196,667.40	196,667.40
Marine Park Improvements	5,000.00	5,000.00
	<hr/> <u>2,589,639.66</u>	<hr/> <u>1,462,575.53</u>
Improvement Authorizations:		
Funded	358,685.47	1,479,638.36
Unfunded	<hr/> <u>2,055,157.30</u>	<hr/> <u>1,162,329.48</u>
	<hr/> <u>2,413,842.77</u>	<hr/> <u>2,641,967.84</u>
Fund Balance	<hr/> <u>20,247.40</u>	<hr/> <u>7,252.45</u>
Total Liabilities, Reserves and Fund Balance	<hr/> <u>\$ 20,488,005.71</u>	<hr/> <u>\$ 19,245,855.18</u>

There were Bonds and Notes Authorized But Not Issued of \$136,111.70 at December 31, 2014 and \$137,243.70 at December 31, 2013.

BOROUGH OF RED BANK
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - PARKING AND WATER-SEWER UTILITY OPERATING FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	Parking Utility		Water-Sewer Utility		Totals (Memorandum Only)	
	2014	2013	2014	2013	2014	2013
ASSETS						
Cash and Cash Equivalents	\$ 583,975.82	\$ 556,036.01	\$ 1,062,283.21	\$ 1,314,103.09	\$ 1,646,259.03	\$ 1,870,139.10
Consumer Accounts Receivable			807,863.00	760,090.64	807,863.00	760,090.64
Water-Sewer Utility Liens Receivable			20.00	4,438.55	20.00	4,438.55
Interfunds Receivable		472.23		22,937.96		23,410.19
Inventory	215,980.99	215,980.99			215,980.99	215,980.99
Total Assets	\$ 799,956.81	\$ 772,489.23	\$ 1,870,166.21	\$ 2,101,570.24	\$ 2,670,123.02	\$ 2,874,059.47
LIABILITIES, RESERVES AND FUND BALANCE						
Liabilities:						
Appropriation Reserves	\$ 164,124.49	\$ 88,040.12	\$ 246,519.03	\$ 202,886.52	\$ 410,643.52	\$ 290,926.64
Other Liabilities and Reserves:						
Reserve for Encumbrances	11,123.92	14,986.73	90,358.72	201,058.53	101,482.64	216,045.26
Interfunds Payable	14,902.35	24,000.00	199.00		15,101.35	24,000.00
Reserve for Parking Fee Variance	225,880.00	225,880.00			225,880.00	225,880.00
Reserve for Water-Sewer Line Repairs			6,330.00		6,330.00	
Customer Overpayments			10,479.98	15,495.37	10,479.98	15,495.37
	251,906.27	264,866.73	107,367.70	216,553.90	359,273.97	481,420.63
Accrued Interest on Bonds and Notes			130,516.12	119,665.90	130,516.12	119,665.90
Reserve for Receivables and Inventory	215,980.99	215,980.99	807,883.00	764,529.19	1,023,863.99	980,510.18
Fund Balance	167,945.06	203,601.39	577,880.36	797,934.73	745,825.42	1,001,536.12
Total Liabilities, Reserves and Fund Balance	\$ 799,956.81	\$ 772,489.23	\$ 1,870,166.21	\$ 2,101,570.24	\$ 2,670,123.02	\$ 2,874,059.47

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
PARKING UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	\$ 75,500.00	\$ 58,681.36
Parking Fees	1,074,773.56	1,190,106.90
Riverview Hospital - Lease Agreement	349,665.48	336,216.72
Reserve for Payment of Bonds		19,768.64
Non-Budget Revenue	5,575.32	2,343.01
Other Credits to Income - Unexpended Balance of Appropriation Reserves	87,829.31	42,259.82
Current Year's Budget Appropriations Cancelled	<u>50,000.00</u>	<u>1,009.97</u>
 Total Income	 <u>1,643,343.67</u>	 <u>1,650,386.42</u>
Expenditures:		
Operating	897,833.00	731,200.00
Debt Service		62,250.00
Deferred Charges and Statutory Expenditures	78,000.00	58,000.00
Surplus Transferred to Current Fund	<u>552,667.00</u>	<u>680,000.00</u>
 Total Expenditures	 <u>1,528,500.00</u>	 <u>1,531,450.00</u>
Statutory Excess to Fund Balance	114,843.67	118,936.42
Fund Balance, January 1	<u>203,601.39</u>	<u>218,346.33</u>
 Decreased by:		
Utilized as Anticipated Revenue	75,500.00	58,681.36
Transferred to Current Fund	<u>75,000.00</u>	<u>75,000.00</u>
 Fund Balance, December 31	 <u>\$ 150,500.00</u>	 <u>\$ 133,681.36</u>
	 <u>\$ 167,945.06</u>	 <u>\$ 203,601.39</u>

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
PARKING UTILITY OPERATING FUND
STATEMENT OF 2014 REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Anticipated</u> <u>Budget</u>	<u>Realized</u>	(Deficit) Excess
Operating Fund Balance Anticipated	\$ 75,500.00	\$ 75,500.00	
Parking Fees	1,130,000.00	1,074,773.56	\$ (55,226.44)
Riverview Hospital - Lease Payment	323,000.00	349,665.48	26,665.48
	1,528,500.00	1,499,939.04	(28,560.96)
Non-budgeted revenues		5,575.32	5,575.32
	\$ 1,528,500.00	\$ 1,505,514.36	\$ (22,985.64)

Non-budgeted Revenues:

Miscellaneous:

Interest on Investments:

Operating Fund

Sundry

\$ 3,166.37
2,408.95
\$ 5,575.32

BOROUGH OF RED BANK
PARKING UTILITY OPERATING FUND
STATEMENT OF 2014 EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>OPERATING</u>						
Salaries and Wages	\$ 346,983.00	\$ 346,983.00	\$ 279,698.05		\$ 17,284.95	\$ 50,000.00
Other Expenses	<u>550,850.00</u>	<u>550,850.00</u>	<u>399,656.61</u>	<u>\$ 11,123.92</u>	<u>140,069.47</u>	
Total Operating	<u>897,833.00</u>	<u>897,833.00</u>	<u>679,354.66</u>	<u>11,123.92</u>	<u>157,354.42</u>	<u>50,000.00</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	50,000.00	50,000.00	50,000.00			
Social Security System (O.A.S.I.)	23,000.00	23,000.00	21,229.93		1,770.07	
Unemployment Compensation Insurance	<u>5,000.00</u>	<u>5,000.00</u>			<u>5,000.00</u>	
Total Deferred Charges and Statutory Expenditures	<u>78,000.00</u>	<u>78,000.00</u>	<u>71,229.93</u>		<u>6,770.07</u>	
<u>SURPLUS (GENERAL BUDGET)</u>						
Total Parking Utility Appropriations	<u>\$ 1,528,500.00</u>	<u>\$ 1,528,500.00</u>	<u>\$ 1,303,251.59</u>	<u>\$ 11,123.92</u>	<u>\$ 164,124.49</u>	<u>\$ 50,000.00</u>

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
WATER-SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:		
Operating Fund Balance Appropriated	\$ 115,313.00	\$ 361,656.00
Collection of Water-Sewer Rents	6,495,365.22	6,679,987.83
Water and Sewer Connection Fees	2,968.00	276,909.00
Miscellaneous	82,453.99	139,810.24
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	99,466.55	88,241.09
Current Appropriations Cancelled	<u>100,004.87</u>	<u>25,000.00</u>
 Total Income	 <u>6,895,571.63</u>	 <u>7,571,604.16</u>
Expenditures:		
Operating	5,021,184.00	4,751,656.00
Capital Outlay	17,000.00	
Debt Service	1,106,129.00	1,236,000.00
Deferred Charges and Statutory Expenditures	181,000.00	124,000.00
Surplus - General Budget	<u>500,000.00</u>	<u>950,000.00</u>
 Total Expenditures	 <u>6,825,313.00</u>	 <u>7,061,656.00</u>
Excess in Revenues/		
Statutory Excess to Fund Balance	70,258.63	509,948.16
 Fund Balance, January 1	 <u>797,934.73</u>	 <u>824,642.57</u>
 Decreased by:		
Utilized as Anticipated Revenue	115,313.00	361,656.00
Transferred to Current Fund	<u>175,000.00</u>	<u>175,000.00</u>
 Fund Balance, December 31	 <u>\$ 577,880.36</u>	 <u>\$ 797,934.73</u>

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF 2014 REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Anticipated</u> <u>Budget</u>	<u>Realized</u>	<u>(Deficit)</u>
Operating Fund Balance Anticipated	\$ 115,313.00	\$ 115,313.00	\$
Rents and Other Charges	6,550,000.00	6,495,365.22	(54,634.78)
Water and Sewer Connection Fees	50,000.00	2,968.00	(47,032.00)
Miscellaneous	<u>110,000.00</u>	<u>82,453.99</u>	<u>(27,546.01)</u>
	<u>\$ 6,825,313.00</u>	<u>\$ 6,696,100.21</u>	<u>\$ (129,212.79)</u>

BOROUGH OF RED BANK
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF 2014 EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2014

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
OPERATING						
Salaries and Wages	\$ 707,409.00	\$ 707,409.00	\$ 704,161.76		\$ 3,247.24	
Other Expenses	1,943,751.00	1,943,751.00	1,791,840.50	\$ 90,358.72	61,551.78	
Regional Sewer Authority Charges	1,545,024.00	1,545,024.00	1,545,024.00			
Manasquan River Water Purchases	800,000.00	800,000.00	565,193.13		134,806.87	\$ 100,000.00
Reserve for Accumulated Sick Leave	25,000.00	25,000.00	25,000.00			
Total Operating	<u>5,021,184.00</u>	<u>5,021,184.00</u>	<u>4,631,219.39</u>	<u>90,358.72</u>	<u>199,605.89</u>	<u>100,000.00</u>
CAPITAL IMPROVEMENTS						
Capital Outlay	<u>17,000.00</u>	<u>17,000.00</u>			<u>17,000.00</u>	
Total Capital Improvements	<u>17,000.00</u>	<u>17,000.00</u>			<u>17,000.00</u>	
DEBT SERVICE						
Payment of Bond Principal	809,585.00	809,585.00	809,580.13			4.87
Interest on Bonds	271,804.00	271,804.00	271,804.00			
Interest on Notes	24,740.00	24,740.00	24,740.00			
Total Debt Service	<u>1,106,129.00</u>	<u>1,106,129.00</u>	<u>1,106,124.13</u>			<u>4.87</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	101,000.00	101,000.00	101,000.00			
Social Security System (O.A.S.I.)	55,000.00	55,000.00	50,086.86		4,913.14	
Unemployment Compensation Insurance	25,000.00	25,000.00			25,000.00	
Total Deferred Charges and Statutory Expenditures	<u>181,000.00</u>	<u>181,000.00</u>	<u>151,086.86</u>		<u>29,913.14</u>	
SURPLUS (GENERAL BUDGET)						
Total Water-Sewer Utility Appropriations	\$ <u>6,825,313.00</u>	\$ <u>6,825,313.00</u>	\$ <u>6,388,430.38</u>	\$ <u>90,358.72</u>	\$ <u>246,519.03</u>	\$ <u>100,004.87</u>

See accompanying notes to the basic financial statements.

BOROUGH OF RED BANK
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - PARKING AND WATER-SEWER UTILITY CAPITAL FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2014 AND 2013

	Parking Utility		Water-Sewer Utility		Totals	
	2014	2013	2014	2013	2014	2013
ASSETS						
Cash and Cash Equivalents	\$ 167,688.80	\$ 168,163.04	\$ 2,671,578.00	\$ 1,453,577.10	\$ 2,839,266.80	\$ 1,621,740.14
Fixed Capital	3,864,558.93	3,864,558.93	13,273,489.83	12,134,828.52	17,138,048.76	15,999,387.45
Fixed Capital Authorized and Uncompleted	350,000.00	350,000.00	13,639,832.80	12,577,437.00	13,989,832.80	12,927,437.00
	<u>4,214,558.93</u>	<u>4,214,558.93</u>	<u>26,913,322.63</u>	<u>24,712,265.52</u>	<u>31,127,881.56</u>	<u>28,926,824.45</u>
Interfund Receivable	2.01		199.00		201.01	
Total Assets	\$ 4,382,249.74	\$ 4,382,721.97	\$ 29,585,099.63	\$ 26,165,842.62	\$ 33,967,349.37	\$ 30,548,564.59
LIABILITIES, RESERVES AND FUND BALANCE						
Serial Bonds			\$ 8,405,702.06	\$ 9,240,282.19	\$ 8,405,702.06	\$ 9,240,282.19
Bond Anticipation Notes			2,913,440.00	705,440.00	2,913,440.00	705,440.00
Improvement Authorizations:						
Funded	\$ 164,282.83	\$ 164,282.83	227,086.28	753,460.12	391,369.11	917,742.95
Unfunded			2,145,711.28	618,876.00	2,145,711.28	618,876.00
	<u>164,282.83</u>	<u>164,282.83</u>	<u>2,372,797.56</u>	<u>1,372,336.12</u>	<u>2,537,080.39</u>	<u>1,536,618.95</u>
Capital Improvement Fund	3,400.00	3,400.00	10,574.00	10,574.00	13,974.00	13,974.00
Reserve for Payment of Bonds			111,096.77	99,096.77	111,096.77	99,096.77
Reserve for Encumbrances			452,605.45	259,398.48	452,605.45	259,398.48
Interfunds Payable		472.23		2,260.17		2,732.40
	<u>3,400.00</u>	<u>3,872.23</u>	<u>574,276.22</u>	<u>371,329.42</u>	<u>577,676.22</u>	<u>375,201.65</u>
Reserve for Amortization	3,864,558.93	3,864,558.93	15,094,351.39	14,259,771.26	18,958,910.32	18,124,330.19
Deferred Reserve for Amortization	350,000.00	350,000.00	209,156.18	216,099.07	559,156.18	566,099.07
Fund Balance	7.98	7.98	15,376.22	584.56	15,384.20	592.54
Total Liabilities, Reserves and Fund Balance	\$ 4,382,249.74	\$ 4,382,721.97	\$ 29,585,099.63	\$ 26,165,842.62	\$ 33,967,349.37	\$ 30,548,564.59

There were Bonds and Notes Authorized But Not Issued at December 31, 2014 and 2013 in the Water-Sewer Utility Capital Fund of \$290,673.00.

BOROUGH OF RED BANK
GENERAL FIXED ASSETS

COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2014 AND 2013

	December 31,	
	<u>2014</u>	<u>2013</u>
General Fixed Assets:		
Land and Buildings	\$ 17,828,976.00	\$ 17,919,976.00
Contents	2,551,481.00	3,051,481.00
Vehicles and Equipment	<u>10,372,430.00</u>	<u>9,999,084.95</u>
	<u>\$ 30,752,887.00</u>	<u>\$ 30,970,541.95</u>
Investment in General Fixed Assets	<u>\$ 30,752,887.00</u>	<u>\$ 30,970,541.95</u>

See accompanying notes to the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

1. Summary of Significant Accounting Policies

Reporting Entity

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

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

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

Entity-wide and Fund Financial Statements

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

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

Description of Funds

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

The accounting policies of the Borough conform to the accounting principles applicable to municipalities, which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operations of a specific government activity.

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

Basis of Accounting

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

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

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

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

1. Summary of Significant Accounting Policies (continued)

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

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

Interfunds – the advances from the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

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

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

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

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

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

1. Summary of Significant Accounting Policies (continued)

Regulatory-Basis Financial Statements

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

Comparative Data

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

Subsequent Events

The Borough has reviewed and evaluated all events and transactions from December 31, 2014 through June 26, 2015, the date that the financial statements were available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at December 31, 2014 have been recognized in the accompanying financial statements.

2. Deposits and Investments

Deposits

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

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

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

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

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

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

2. Deposits and Investments (continued)

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

As of December 31, 2014 and 2013, cash and cash equivalents of the Borough consisted of checking and money market accounts and a special emergency self-funded note.

The carrying amounts of the Borough's deposits at December 31, 2014 and 2013 were \$18,411,896.90 and \$15,079,572.12, respectively (excludes petty cash) and the bank balances at December 31, 2014 and 2013 were \$19,989,880.17 and \$15,088,685.91, respectively. Of the 2014 amount, \$750,000.00 was covered by federal depository insurance and the remaining \$19,239,880.17 was covered by a collateral pool maintained by the bank as required by New Jersey Statutes in accordance with the New Jersey Governmental Unit Deposit Protection Act ("GUDPA").

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

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

Investments

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

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

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

2. Deposits and Investments (continued)

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

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

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

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

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

During 2014 and 2013, the Borough had no investments.

3. School Debt

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

4. Long-Term Debt

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

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

4. Long-Term Debt - (continued)

Schedule of Changes in Long-Term Debt:

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

Type	January 1, 2013	Payments	December 31, 2013
General Improvements	\$ 11,720,000.00	\$ 1,956,000.00	\$ 9,764,000.00
Water/Sewer Improvements	10,174,862.32	934,580.13	9,240,282.19
Parking Utility	60,000.00	60,000.00	
Refunding Bonds	<u>791,000.00</u>	<u>133,000.00</u>	<u>658,000.00</u>
	<u>\$ 22,745,862.32</u>	<u>\$ 3,083,580.13</u>	<u>\$ 19,662,282.19</u>

The following represents bonds outstanding:

General Serial Bonds

\$7,391,000 2007 Bonds due in annual installments of \$740,000 to \$941,000 through July 2018 at an interest rate of 4.25%. \$ 3,401,000.00

\$5,637,000 2012 Bonds due in annual installments of \$330,000 to \$612,000 through October 2025 at an interest rate of 2.00%. 5,017,000.00
\$ 8,418,000.00

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

4. Long-Term Debt - (continued)

Refunding Serial Bonds

\$888,000 2006 General Refunding Serial Bonds due a final annual installment of \$87,000 in February, 2015 at interest rate of 5%.	\$ 87,000.00
\$540,000 2011 Pension Early Retirement Incentive Refunding Bonds due in annual installments of \$46,000 to \$81,000 through 2021 at interest rates ranging from 3.38% to 5.70%.	432,000.00
	<u>\$ 519,000.00</u>

Water-Sewer Utility Capital Fund Serial Bonds

\$2,780,000 2004 Bonds due in annual installments ranging from \$250,000 to \$280,000 through February, 2017 at interest rates ranging from 4.00% to 4.25%.	\$ 805,000.00
\$6,385,000 2007 Bonds due in annual installments ranging from \$435,000 to \$580,000 through July, 2022 at an interest rate of 4.25%.	4,090,000.00
\$680,000 2009 Series A NJEIT Trust Loan Bonds due in annual installments ranging from \$30,000 to \$50,000 through August, 2029 at interest rates ranging from 3.5% to 5.00%.	580,000.00
\$2,040,227 2009 NJEIT Series A Fund Loan Bonds due in annual installments of \$34,580.13 through August, 2029 at an interest rate of 0%.	518,702.06
\$2,662,000 2012 Bonds due in annual installments of \$125,000 to \$252,000 through October, 2027 at interest rates ranging from 2.00% to 2.10%.	<u>2,412,000.00</u>
	\$ 8,405,702.06
Grand Total	<u>\$ 17,342,702.06</u>

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

Equalized valuation basis* - December 31, 2014	<u>\$ 2,010,030,116.00</u>
3 1/2% of equalized valuation basis	70,351,054.06
Net debt	13,416,150.00
Remaining borrowing power	<u>\$ 56,934,904.06</u>

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

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

4. Long-Term Debt- (continued)

Summary of Municipal Debt (excluding Type II School Debt)

The Borough's debt is summarized as follows:

	2014	2013
Issued:		
General:		
Bonds and notes	\$ 13,319,955.00	\$ 12,208,405.00
Green trust loans	462,220.88	585,054.38
Water/Sewer Utility:		
Bonds and notes	<u>11,319,142.06</u>	<u>9,945,722.19</u>
Total issued	25,101,317.94	22,739,181.57
Less: Reserves for payment of bonds	<u>(613,234.35)</u>	<u>(262,453.58)</u>
Net debt issued	<u>24,488,083.59</u>	<u>22,476,727.99</u>
Authorized but not issued:		
General:		
Bonds and notes	136,111.70	137,243.70
Water/Sewer Utility:		
Bonds and notes	<u>290,673.00</u>	<u>290,673.00</u>
Total authorized but not issued	<u>426,784.70</u>	<u>427,916.70</u>
Net bonds and notes issued and authorized but not issued	<u>\$ 24,914,868.29</u>	<u>\$ 22,904,644.69</u>

Summary of Statutory Debt Condition (Annual Debt Statement)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.667%.

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 2,825,000.00	\$ 2,825,000.00	\$ None
Regional School District Deb	2,022,826.69	2,022,826.69	None
Water/Sewer Utility Debt	11,609,815.06	11,609,815.06	None
General Debt	<u>13,918,287.58</u>	<u>502,137.58</u>	<u>13,416,150.00</u>
	<u>\$ 27,550,929.33</u>	<u>\$ 14,134,779.33</u>	<u>\$ 13,416,150.00</u>

Net debt \$13,416,150.00 divided by equalized valuation basis per N.J.S. 40A:2-2, as amended, \$2,010,030,116 equals 0.667%.

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

4. Long-Term Debt (continued)

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

Calendar Year	General Capital Fund			Water/Sewer Utility Capital Fund		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 1,203,000.00	\$ 251,430.60	\$ 1,454,430.60	\$ 874,580.13	\$ 265,764.51	\$ 1,140,344.64
2016	1,229,000.00	207,547.95	1,436,547.95	929,580.13	232,055.13	1,161,635.26
2017	1,311,000.00	161,792.60	1,472,792.60	939,580.13	196,895.75	1,136,475.88
2018	1,386,000.00	112,882.25	1,498,882.25	694,580.13	166,777.00	861,357.13
2019	470,000.00	82,064.50	552,064.50	774,580.13	140,389.50	914,969.63
2020-2024	2,726,000.00	231,550.50	2,957,550.50	3,062,900.65	247,216.25	3,310,116.90
2025-2029	612,000.00	12,240.00	624,240.00	1,129,900.76	59,133.50	1,189,034.26
	<u>\$ 8,937,000.00</u>	<u>\$ 1,059,508.40</u>	<u>\$ 7,038,957.90</u>	<u>\$ 8,405,702.06</u>	<u>\$ 1,308,231.64</u>	<u>\$ 9,713,933.70</u>

Green Trust Loan Agreements

Year	Principal	Interest	Total
2015	\$ 64,419.90	\$ 8,923.92	\$ 73,343.82
2016	65,714.72	7,629.08	73,343.80
2017	67,035.59	6,308.21	73,343.80
2018	68,383.01	4,960.79	73,343.80
2019	69,757.50	3,586.30	73,343.80
sub-total	<u>335,310.72</u>	<u>31,408.30</u>	<u>366,719.02</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
sub-total	<u>79,109.18</u>	<u>7,785.50</u>	<u>86,894.68</u>
Thereafter	<u>47,800.98</u>	<u>2,421.76</u>	<u>50,222.74</u>
	<u>\$ 462,220.88</u>	<u>\$ 41,615.56</u>	<u>\$ 503,836.44</u>

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

4. Long-Term Debt (continued)

Bond anticipation notes

<u>Fund</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital	0.45%	5/21/15	\$ 100,000.00
General Capital	0.60%	11/24/15	2,142,605.00
General Capital	0.64%	5/21/15	2,140,350.00
Water/Sewer Utility Capital	0.60%	11/24/15	705,440.00
Water/Sewer Utility Capital	1.00%	5/21/15	<u>2,208,000.00</u>
			\$ <u>7,296,395.00</u>

Special emergency notes

<u>Fund</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Current	0.45%	5/21/15	\$ 650,000.00
Current	0.45%	11/24/15	85,688.23
Current	0.60%	5/21/15	289,600.00
Current	0.50%	11/24/15	<u>675,000.00</u>
			\$ <u>1,700,288.23</u>

5. Fund Balances Appropriated

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

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

The following fund balances at December 31, 2013 were appropriated in the 2014 budget:

Current Fund	\$ 1,000,000.00
Water/Sewer Utility Operating Fund	115,313.00
Parking Utility Operating Fund	75,500.00

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

6. Property Taxes

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

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

	Balance, December 31	
	2014	2013
Prepaid taxes	<u>\$ 132,469.36</u>	<u>\$ 489,250.70</u>

7. Pension Plans

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

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, the PERS and PFRS bill the Borough annually at an actuarially determined rate for its required contribution. The current rate is 6.92% and 10%, respectively, of annual covered payroll. The contribution requirements of plan members and the Borough are established and may be amended by the Board of Trustees of the respective plan. The Borough's contributions to the PERS for the years ended December 31, 2014, 2013 and 2012 were \$424,083.00, \$418,034.00 and \$448,832.00, respectively, equal to the required contributions for each year. The Borough's contributions to the PFRS for the years ended December 31, 2014, 2013 and 2012 were \$892,521.00, \$909,033.00 and \$874,534.00, respectively, equal to the required contributions for each year.

8. Compensated Absences

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

8. Compensated Absences – (Continued)

compensation would approximate \$1,970,526.19 and \$3,139,542.11 at December 31, 2014 and December 31, 2013 respectively. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements. As of December 31, 2014 and 2013, \$344,815.94 and \$264,815.94, respectively, was set aside in a trust fund reserve for the payment of compensated absences.

9. Tax Appeals

There are several tax appeals pending before the State Tax Court of New Jersey requesting a reduction of assessments for the year 2013 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from tax revenues, through the establishment of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51. The Borough has \$33,319.70 in 2014 appropriation reserves set aside for these appeals in the event that the tax reductions are granted. Additionally, the Borough's 2015 adopted budget provides \$25,000.00 for this purpose. In accordance with the National Council on Governmental Accounting Statement 4, *Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences*, the Borough charges to current fund operations or a reduction of current tax collections, all state board judgments rendered during the year which will be paid from expendable available resources. The Borough's share of the County taxes paid on any successful tax appeal would result in appropriate reductions applied against the County tax levy of the following year.

10. Commitments and Contingencies

The Borough receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes.

Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2014, the Borough estimates that no material liabilities will result from such audits.

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

11. Risk Management

The Borough participates in a Joint Insurance Fund ("JIF"), which currently serves as administrator of the Borough's insurance program. The joint insurance pool is a public utility risk pool currently operating as a common risk management and insurance program for municipalities in New Jersey. The JIF covers all Borough claims in excess of \$100,000 per occurrence and is funded by Borough budget appropriations to pay for premiums that are assessed annually. The JIF is expected to be self-sustaining through member premiums, of which the Borough portion is reported as expenditure in the Borough's financial statements. In addition, the Borough is not aware of any claims

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

11. Risk Management – (Continued)

pending that have a demand in excess of these coverages. There have been no settlements which exceeded insurance coverage for each of the past three fiscal years.

12. Deferred Compensation

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

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

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

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

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

13. Interfund Receivables and Payables

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 16,660.21	\$ 21,804.06
General Capital	3,998.00	
Animal Control Trust		16,660.21
Water/Sewer Utility Operating		199.00
Water/Sewer Utility Capital	199.00	
Parking Utility Operating		14,902.35
Parking Utility Capital	2.01	
Trust Other	<u>32,706.40</u>	<u> </u>
	<u>\$ 53,565.62</u>	<u>\$ 53,565.62</u>

The interfund between the Current and Animal Control Funds arose from the excess in the Reserve for Animal Control which is due to the Current Fund. The interfund payable in the Parking Utility Fund is due to the Trust Other Fund and arose from parking fees deposited in the parking utility which are dedicated for recreation purposes and due to the Recreation Trust.

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

14. Segment Information for Utility Operating Enterprise Funds

The Borough maintains two enterprise funds that provide water/sewer service and parking operations. Segment information for the year ended December 31, 2014 is as follows:

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

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

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

Segment information for the year ended December 31, 2013 is as follows:

	Parking Utility	Water- Sewer Utility	Total Enterprise Fund
Revenue and Other Income Realized:			
Operating Fund Balance Appropriated	\$ 58,681.36	\$ 361,656.00	\$ 420,337.36
Parking Fees	1,190,106.90		1,190,106.90
Water-Sewer Rents		6,679,987.83	6,679,987.83
Water and Sewer Connection Fees		276,909.00	276,909.00
Riverview Hospital - Lease Agreement	336,216.72		336,216.72
Reserve for Payment of Bonds	19,768.64		19,768.64
Current Budget Appropriations Cancelled	1,009.97	25,000.00	26,009.97
Non-Budget Revenue	2,343.01	139,810.24	142,153.25
Other Credits to Income - Unexpended Balance of Appropriation Reserves	<u>42,259.82</u>	<u>88,241.09</u>	<u>130,500.91</u>
 Total Income	 <u>1,650,386.42</u>	 <u>7,571,604.16</u>	 <u>9,221,990.58</u>
 Expenditures:			
Operating	731,200.00	4,751,656.00	5,482,856.00
Debt Service	62,250.00	1,236,000.00	1,298,250.00
Deferred Charges and Statutory Expenditures	58,000.00	124,000.00	182,000.00
Surplus General Budget	680,000.00	950,000.00	1,630,000.00
Total Expenditures	<u>1,531,450.00</u>	<u>7,061,656.00</u>	<u>8,593,106.00</u>
 Statutory Excess to Fund Balance	 118,936.42	 509,948.16	 628,884.58
 Fund Balance, January 1	 <u>218,346.33</u>	 <u>824,642.57</u>	 <u>1,042,988.90</u>
 Decreased by:	 337,282.75	 1,334,590.73	 1,671,873.48
Utilized as Anticipated Revenue	58,681.36	361,656.00	420,337.36
Transferred to Current Fund	75,000.00	175,000.00	250,000.00
 Fund Balance, December 31	 <u>\$ 203,601.39</u>	 <u>\$ 797,934.73</u>	 <u>\$ 1,001,536.12</u>

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

15. Leases

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

<u>Year Ending Dec. 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 602,100.00	\$ 70,230.00	\$ 672,330.00
2016	481,000.00	44,765.00	525,765.00
2017	169,000.00	26,915.00	195,915.00
2018	176,000.00	18,785.00	194,785.00
2019	63,000.00	10,810.00	73,810.00
Thereafter	191,000.00	17,460.00	208,460.00
	<u>\$ 1,682,100.00</u>	<u>\$ 188,965.00</u>	<u>\$ 1,871,065.00</u>

16. Regional and Local School Taxes

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

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

Regional High School Taxes Balance, December 31			
	2014	2013	Increase
Balance of Tax Deferred Portion	\$ 4,336,211.80 <u>4,216,556.36</u>	\$ 4,275,607.20 <u>4,216,556.36</u>	\$ 60,604.60
Tax Payable	\$ 119,655.44	\$ 59,050.84	\$ 60,604.60

Local District School Taxes Balance, December 31			
	2014	2013	Increase
Balance of Tax Deferred Portion	\$ 7,244,708.17 6,256,724.50	\$ 6,587,325.19 6,256,724.50	\$ 657,382.98
Tax Payable	\$ 987,983.67	\$ 330,600.69	\$ 657,382.98

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

17. GASB to be Implemented in the 2015 Fiscal Year

In June, 2012, GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 ("GASB No. 68"). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. The requirements of this Statement are effective for financial statements for periods ending on or after June 30, 2015. The Borough has not completed the process of evaluating the impact that will result from adopting GASB No. 68.

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

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the Comparative Statement of Assets, Liabilities, Reserves and Fund Balance as follows:

	<u>Balance December 31, 2014</u>	<u>2015 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:			
Emergency Authorization Per N.J.S. 40A: 4-46	\$ 24,800.00	\$ 24,800.00	
Special Emergency Authorizations Per N.J.S. 40A:4-53	<u>1,514,600.00</u>	<u>639,900.00</u>	<u>\$ 874,700.00</u>
Totals	<u>\$ 1,539,400.00</u>	<u>\$ 664,700.00</u>	<u>\$ 874,700.00</u>

19. Post Retirement Health Benefits

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

The Borough followed the accounting provisions of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

Borough of Red Bank

Notes to Basic Financial Statements

Years ended December 31, 2014 and 2013

19. Post Retirement Health Benefits – (Continued)

This statement requires that the Borough disclose its annual OPEB cost for the plan which is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Under GASB Statement 45, the Borough's annual required contribution for 2014 and 2013 is \$4,812,497 and \$4,565,498, respectively. The Borough's contributions for post-retirement benefits for the years ended December 31, 2014, 2013 and 2012 were \$1,367,196, \$1,554,249 and \$1,396,111, respectively. The Borough's net OPEB obligation as of December 31, 2014 and 2013 is \$3,445,301 and \$3,011,249, respectively.

As of December 31, 2014 and 2013, the actuarial accrued liability for benefits was \$48,759,106 and \$44,615,454, respectively, all of which was unfunded.

The actuarial valuation date is December 31, 2014. Actuarial valuations involve estimates of the value reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Borough and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

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

COMBINING AND INDIVIDUAL FUND STATEMENTS –
SUPPLEMENTARY INFORMATION

CURRENT FUND

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

Year	Balance	Tax Levy	Added Taxes	Collections		State Share Senior Citizens' and Veterans Deductions Allowed	Remitted and Canceled	Transferred To Tax Title Liens	Balance
	December 31, 2013			2013	2014				December 31, 2014
2012	\$ 78,903.81				\$ 78,903.81				
2013	<u>890,004.10</u>	<u> </u>	<u> </u>	<u> </u>	<u>812,426.88</u>	<u> </u>	<u>\$ 77,577.22</u>	<u> </u>	<u> </u>
	968,907.91				891,330.69		77,577.22		
2014	<u> </u>	<u>\$ 42,452,796.30</u>	<u>\$ 243,195.65</u>	<u>\$ 489,250.70</u>	<u>\$ 40,423,050.21</u>	<u>\$ 64,750.00</u>	<u>682,273.91</u>	<u>\$ 1,651.31</u>	<u>\$ 1,035,015.82</u>
	<u>\$ 968,907.91</u>	<u>\$ 42,452,796.30</u>	<u>\$ 243,195.65</u>	<u>\$ 489,250.70</u>	<u>\$ 41,314,380.90</u>	<u>\$ 64,750.00</u>	<u>\$ 759,851.13</u>	<u>\$ 1,651.31</u>	<u>\$ 1,035,015.82</u>

ANALYSIS OF 2014 PROPERTY TAX LEVY

Tax Yield:

General Purpose Tax	\$ 41,940,676.30
Special Improvement District Tax	<u>512,120.00</u>
<u>\$ 42,452,796.30</u>	

TAX LEVY

Local District School Tax	\$ 14,974,647.00
Regional High School District Tax	8,672,423.26
Special Improvement District Tax	<u>512,120.00</u>
County Taxes:	
County Tax	5,413,523.89
Open Space Tax	<u>294,991.31</u>
	\$ 29,867,705.46

Local Tax for Municipal Purpose	\$ 12,578,271.42
Add: Additional Tax Levied	<u>6,819.42</u>
<u>\$ 42,452,796.30</u>	

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

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 2,096.77
<u>INCREASED BY</u>	
Transferred from Taxes Receivable	<u>1,651.31</u>
<u>BALANCE, DECEMBER 31, 2014</u>	\$ <u>3,748.08</u>

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance December 31, 2013			Balance		
	Appropriation Reserves	Reserve for Encumbrances	Transfers	After Transfers	Paid or Charged	Balance Lapsed
Operations Within "CAPS":						
General Administration	\$ 10,321.40		\$ (10,000.00)	\$ 321.40		\$ 321.40
Mayor and Council	1,120.44			1,120.44		1,120.44
Municipal Clerk	5,493.18		(3,000.00)	2,493.18		2,493.18
Financial Administration	8,786.50		(5,000.00)	3,786.50		3,786.50
Revenue Administration	3,532.96			3,532.96		3,532.96
Tax Assessment Administration	7,563.12		(7,500.00)	63.12		63.12
Planning Board	2,731.00		(2,100.00)	631.00		631.00
Zoning Board	2,731.16			2,731.16		2,731.16
Police	133,946.12			133,946.12	\$ 133,946.12	
Municipal Court	12,808.63			12,808.63		12,808.63
Streets and Road Maintenance	17,172.42		(16,000.00)	1,172.42		1,172.42
Sanitation Department	12,545.12			12,545.12		12,545.12
Public Buildings and Grounds	26,369.08			26,369.08		26,369.08
Code Enforcement	1,057.05			1,057.05		1,057.05
Recreation Services and Programs	5,303.82			5,303.82		5,303.82
Senior Citizen Center	2,180.89			2,180.89		2,180.89
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Construction Code Department	3,538.65			3,538.65		3,538.65
Township of Shrewsbury - Municipal Court	8,840.00			8,840.00		8,840.00
Municipal Stormwater Management	1,277.64			1,277.64		1,277.64
 Total Salaries and Wages	 267,319.18		 (43,600.00)	 223,719.18	 133,946.12	 89,773.06

Operations Within "CAPS":					
General Administration	11.14	##	6,629.44	6,640.58	6,307.28
Municipal Clerk	7,261.47		8,652.17	15,913.64	7,861.53
Financial Administration	252.46		4,377.56	4,630.02	4,174.40
Revenue Administration	116.91		4,620.36	4,737.27	4,108.50
Tax Assessment Administration	146,067.45		134,672.40	7,600.00	288,339.85
Legal Services	3,598.99		48,061.98	20,000.00	71,660.97
Engineering Services and Costs	26,209.62		13,500.00		39,709.62
Code Enforcement Officer	5.00		9,995.00		16,701.31
Municipal Land Use Law (N.J.S.A. 40:55D-1):				10,000.00	23,008.31
Planning Board	6,525.04		725.88		7,250.92
Zoning Board of Adjustment	5,738.57				5,120.25
Rent Leveling Board	6,699.30		943.09		7,642.39
General Liability	37.62				531.95
Worker Compensation Insurance	1,483.86				37.62
Employee Group Insurance	71,097.73		6,328.40		1,483.86
Employee Opt Out - Group Insurance	2,312.50				77,426.13
Police	18,571.20		42,335.19		629.40
Office of Emergency Management	584.60		3,778.13		76,796.73
Fire	1,331.61		44,267.24		2,312.50
Aid to Volunteer First Aid Companies	105.99		6,581.96		2,446.70
Uniform Fire Safety Act (Ch. 383 P.L. 1983)	1,310.67		2,023.10		6,687.95
Municipal Court	5,943.14		1,913.37		6,080.49
					21,491.83
					2,957.18
					7,191.78
					607.46
					887.07
					5,980.14

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance December 31, 2013			Balance		
	Appropriation Reserves	Reserve for Encumbrances	Transfers	After Transfers	Paid or Charged	Balance Lapsed
	\$	\$	\$	\$	\$	\$
Streets and Road Maintenance	4,302.34	20,360.03		24,662.37	15,072.98	9,589.39
Sanitation	2,854.76	10,816.31		13,671.07	8,638.08	5,032.99
Public Buildings and Grounds	1,030.50	37,794.93		38,825.43	23,145.53	15,679.90
Landfill	8,546.09	82,590.16		91,136.25	55,521.95	35,614.30
Recreation Services and Programs	1,577.53	22,909.71		24,487.24	21,683.54	2,803.70
Senior Citizen Center	2,551.44	848.76		3,400.20	1,821.47	1,578.73
Visiting Nurse Association	270.24	6,182.44		6,452.68	6,182.44	270.24
Relocation Assistance	425.00	1,000.00		1,425.00		1,425.00
Animal Control Services	286.91			286.91		286.91
Shade Tree Committee	2,890.00	2,110.00		5,000.00	2,500.00	2,500.00
Electricity	2,503.14		\$ 5,000.00	7,503.14	6,861.05	642.09
Street Lighting	53,246.14		(5,000.00)	48,246.14	19,480.82	28,765.32
Telephone	14,041.36			14,041.36	8,887.22	5,154.14
Heat - Gas	5,528.47			5,528.47	5,528.47	
Gasoline	16,869.68	16,384.39		33,254.07	10,492.87	22,781.20
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Construction Code Department	829.54	6,813.07		7,642.61	7,082.72	559.89
Education and Technology	3,537.25	3,158.50		6,695.75	4,431.00	2,264.75
Municipal Prosecutor		2,100.00		2,100.00	2,100.00	
Contingent	1,000.00			1,000.00		1,000.00
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":						
Deferred Charges:						
Prior Year Bills	22.05			22.05		22.05
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	976.00		7,000.00	7,976.00	7,441.77	534.23
Social Security System (O.A.S.I.)	24,674.25			24,674.25	(34,830.13)	59,504.38
Police and Firemen's Pension Fund	967.00		9,000.00	9,967.00	8,971.71	995.29
Defined Contribution Retirement Program	19.77	550.00		569.77	534.61	35.16
Operations Excluded from "CAPS":						
Length of Service Awards Program		69,000.00		69,000.00		69,000.00
Municipal Stormwater Management	1,183.34	352.50		1,535.84		1,535.84
Maintenance of Free Public Library	79,237.85			79,237.85	79,237.85	0.00
Interlocal Municipal Service Agreements:						
County of Monmouth - 911 Services (P.S.A.P.)	72.00			72.00		72.00
Recycling Tax PL 2007 c 311		14,085.65		14,085.65	12,649.74	1,435.91
Inspection of Building - Uniform Construction Code	4.00	3,843.20		3,847.20	3,832.79	14.41
Borough of Little Silver - Fire Services	2,000.00			2,000.00		2,000.00
Board of Education	12,000.00			12,000.00		12,000.00
Total Other Expenses	548,711.52	640,304.92	43,600.00	1,232,616.44	488,647.39	743,969.05
Grand Total	\$ 816,030.70	\$ 640,304.92	\$ -	\$ 1,456,335.62	\$ 622,593.51	\$ 833,742.11

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF DEFERRED CHARGES

		Special Emergencies					Emergency 2014 Down Payment on Improvements (40A: 4-46)
		2010 Severance Liability (40A:4-53)	2012 Hurricane Sandy (40A:4-53)	2013 Utilization Banked Time (40A:4-53)	2014 Tax Appeals (40A:4-53)	2014 Revaluation Services (40A:4-53)	
		Total					
<u>BALANCE, DECEMBER 31, 2013</u>	\$ 1,025,200.00	\$ 300,000.00	\$ 363,200.00	\$ 362,000.00			
<u>INCREASED BY</u>							
2014 Emergency Authorization	24,800.00						\$ 24,800.00
2014 Special Emergency Authorizations	<u>1,175,000.00</u>				\$ 675,000.00	\$ 500,000.00	
	2,225,000.00	300,000.00	363,200.00	362,000.00	675,000.00	500,000.00	24,800.00
<u>DECREASED BY</u>							
Cancelled	100,000.00						100,000.00
FEMA Funds Applied	272,400.00		272,400.00				
Raised in 2014 Budget	<u>313,200.00</u>	<u>150,000.00</u>	<u>90,800.00</u>	<u>72,400.00</u>			
<u>BALANCE, DECEMBER 31, 2014</u>	\$ 1,539,400.00	\$ 150,000.00	\$ _____	\$ 289,600.00	\$ 675,000.00	\$ 400,000.00	\$ 24,800.00

BOROUGH OF RED BANK
CURRENT FUND
STATEMENT OF SCHOOL TAX PAYABLE

	Regional High School	Local School District
<u>BALANCE, DECEMBER 31, 2013</u>	\$ 4,275,607.20	\$ 6,587,325.19
Detail:		
Deferred	\$ 4,216,556.36	\$ 6,256,724.50
Payable	<u>59,050.84</u>	<u>330,600.69</u>
<u>INCREASED BY</u>		
Levy - School Year 7/1/2014 - 6/30/2015	<u>8,672,423.26</u>	<u>14,974,647.00</u>
	12,948,030.46	21,561,972.19
<u>DECREASED BY</u>		
Cash Disbursed	<u>8,611,818.66</u>	<u>14,317,264.02</u>
<u>BALANCE, DECEMBER 31, 2014</u>	<u>\$ 4,336,211.80</u>	<u>\$ 7,244,708.17</u>
Detail:		
Deferred	\$ 4,216,556.36	\$ 6,256,724.50
Payable	<u>119,655.44</u>	<u>987,983.67</u>
	<u>\$ 4,336,211.80</u>	<u>\$ 7,244,708.17</u>
<u>2014 LIABILITY FOR SCHOOL TAX</u>		
2014 School Taxes Paid	\$ 8,611,818.66	\$ 14,317,264.02
Add: School Taxes Payable		
December 31, 2014	<u>119,655.44</u>	<u>987,983.67</u>
	8,731,474.10	15,305,247.69
Less: School Taxes Payable		
December 31, 2013	<u>59,050.84</u>	<u>330,600.69</u>
Amount Charged to 2014 Operations	<u>\$ 8,672,423.26</u>	<u>\$ 14,974,647.00</u>

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

<u>Grant</u>	<u>Balance December 31, 2013</u>	<u>2014 Budget Revenue Realized</u>	<u>Received</u>	<u>Unappropriated Reserve Applied</u>	<u>Balance December 31, 2014</u>
U.S. Older Americans Act:					
2013	\$ 33,312.00		\$ 31,312.00		\$ 2,000.00
2014		\$ 29,312.00			\$ 29,312.00
State of New Jersey:					
Drunk Driving Enforcement Fund:					
Police		13,393.32		\$ 10,193.32	3,200.00
Municipal Court		4,401.47	4,401.47		
State of New Jersey:					
Clean Communities Program		21,605.16	18,939.80		2,665.36
State of New Jersey:					
Over the Limit Under Arrest - 2010 Holiday	1,400.00				1,400.00
Over the Limit Under Arrest - 2010 Holiday Year End Crackdown	5,000.00				5,000.00
State of New Jersey:					
COPS in SHOPS		3,900.00	3,900.00		
State of New Jersey:					
Body Armor Grant		8,826.49	3,874.05	4,952.44	
State of New Jersey:					
Pedestrian Safety Grant	3,800.00		3,800.00		
State of New Jersey:					
Bullet Proof Vest Partnership Grant	4,602.37				4,602.37
State of New Jersey:					
ECARS Grant - Passenger Rail - 2010	24,500.00				24,500.00
CSIP - Community Stewardship Incentive Program		30,000.00			30,000.00
State of New Jersey					
Click it or Ticket Program		4,000.00	3,950.00		50.00
State of New Jersey					
Drive Sober or Get Pulled Over		12,500.00	3,650.00		8,850.00
Federal - Bulletproof Vest Program	5,575.00				5,575.00
Total Grants	\$ 78,189.37	\$ 127,938.44	\$ 73,827.32	\$ 15,145.76	\$ 117,154.73

BOROUGH OF RED BANK
STATEMENT OF RESERVE FOR FEDERAL AND STATE
GRANTS APPROPRIATED

Grant	Transferred from 2014 Budget Appropriations				Balance December 31, 2014
	Balance December 31, 2013	Budget	Appropriation By 40A:4-87	Expended	
U.S. Older Americans Act:					
2012	\$ 2,189.76			\$ 2,189.76	
2013	33,312.00			26,615.30	\$ 6,696.70
2014		\$ 29,312.00			29,312.00
State of NJ - Clean Communities Program:					
2013	12,141.82			2,938.47	9,203.35
2014		2,665.36	\$ 18,939.80		21,605.16
State of NJ - Recycling Tonnage Grant	111,516.80			2,066.11	109,450.69
Federal - Bullet Proof Vest	2,719.03				2,719.03
State of NJ - COPS in SHOPS	6,600.01	300.00	3,600.00	6,000.00	4,500.01
State of NJ - Drunk Driving Enforcement Fund:					
Police		13,393.32		8,140.00	5,253.32
Municipal Court	23,503.40		4,401.47	1,175.43	26,729.44
Holiday Year-End Crackdown - 2010	2,075.00				2,075.00
State of NJ - Click it or Ticket	5,000.00		4,000.00	3,950.00	5,050.00
State of NJ Drive Sober or Get Pulled Over			12,500.00	5,550.00	6,950.00
State of NJ Pedestrian Safety Grant	4,200.00			4,200.00	
State of NJ Body Armour Grant	7,958.44	4,952.44	3,874.05		16,784.93
CSIP - Community Stewardship Incentive Program		30,000.00		9,883.00	20,117.00
Totals	\$ 215,616.26	\$ 80,623.12	\$ 47,315.32	\$ 72,708.07	\$ 270,846.63

BOROUGH OF RED BANK
STATEMENT OF RESERVE FOR STATE GRANTS- UNAPPROPRIATED
CURRENT FUND

	<u>Balance December 31, 2013</u>	<u>Realized as Revenue Budget</u>	<u>Received</u>	<u>Balance December 31, 2014</u>
State:				
Drunk Driving Enforcement Fund:				
Police	\$ 10,193.32	\$ 10,193.32		
State of NJ - Pedestrian Safety Grant			\$ 4,000.00	\$ 4,000.00
State of NJ - COPS in SHOPS	300.00		2,100.00	2,400.00
State of NJ -Body Armor Grant	<u>4,952.44</u>	<u>4,952.44</u>		
Totals	<u>\$ 15,445.76</u>	<u>\$ 15,145.76</u>	<u>\$ 6,100.00</u>	<u>\$ 6,400.00</u>

TRUST FUNDS

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

BALANCE, DECEMBER 31, 2013 \$ 8,448.25

INCREASED BY

Dog, Cat and Other License Fees Collected	\$ 7,542.80
Animal Control Contracts	<u>21,842.85</u>
	37,833.90

DECREASED BY

Expenditures Under R.S. 4:19-15.11	12,647.44
Excess Due to Current Fund	<u>16,660.21</u>
	29,307.65

BALANCE, DECEMBER 31, 2014 \$ 8,526.25

LICENSES AND PENALTY FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2013	\$ 4,365.60
2012	<u>4,160.65</u>
	\$ <u>8,526.25</u>

AUDITOR'S NOTE

R.S. 4:19-15.11

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

BOROUGH OF RED BANK
TRUST FUND
STATEMENT OF VARIOUS RESERVES
DECEMBER 31, 2014

	Balance December 31, 2013	Receipts	Expenditures	Balance December 31, 2014
Bid Deposits	\$ 59,750.00	\$ 59,350.00	\$ 400.00	
TTL Redemption	14,055.99	732,606.65	734,531.03	12,131.61
Law Enforcement Trust	18,824.98	534.00	1,490.00	17,868.98
Vehicle Impound Costs	72,082.32	16,071.30	13,769.00	74,384.62
Tax Sale Premiums	1,093,100.00	896,100.00	871,900.00	1,117,300.00
Recycling	75,615.11	11,573.90	20,850.17	66,338.84
Recreation Donations	17,703.16	27,512.12	27,577.93	17,637.35
Parking Offenses Adjudication Act	23,062.69	3,090.00	6,097.77	20,054.92
Eisner Foundation:				
Charitable Scientific	310,437.55		4,484.00	305,953.55
Riverside Gardens Maintenance	8,464.62			8,464.62
Police - Forfeited Property	2,443.34	117.23		2,560.57
Police - Extra Duty Pay	128,412.74	295,750.00	324,402.50	99,760.24
Inspection Fees Escrow	163,259.10	199,391.48	144,707.96	217,942.62
Performance and Maintenance Escrow	600,419.11	522,479.21	420,982.89	701,915.43
Review Escrow	151,435.33	310,779.04	345,387.30	116,827.07
Dedicated Fire Penalty	1,587.05	6,860.71	794.27	7,653.49
Unemployment Trust	19,435.39	26,299.73	21,069.27	24,665.85
Police Donations	1,498.18	46,591.52	39,828.82	8,260.88
Manalapan RCA Agreement	278,367.60	56,458.12	14,051.77	320,773.95
Public Defender Fees	11,191.26	5,619.50	6,850.00	9,960.76
Council on Affordable Housing - Dev. Fees	18,580.67	47.14		18,627.81
Wayfinding Signs	4,330.00			4,330.00
Four Connections Fiberoptics	6,691.00			6,691.00
K-Hov Parking Improvements	17,000.00		17,000.00	
Yard Sales	132.74			132.74
Environmental Commission	200.00			200.00
Human Relations	310.00			310.00
Count Basie 365	752.41	2,100.00	1,150.00	1,702.41
Accumulated Absence Liability	50,000.00	344,278.12	279,613.02	114,665.10
Snow Expense	50,000.00	49,555.98	50,243.48	49,312.50
Community Garden	1,057.74	425.00	923.73	559.01
OEM Trust	4,000.00			4,000.00
Online Tax Sale	377,942.76	1,065,172.63	1,442,794.88	320.51
Parks & Recreation Trust -				
Marine Park/Union Street		52,959.39	19,054.14	33,905.25
Shade Tree	750.00			750.00
	<u>\$ 3,548,579.28</u>	<u>\$ 4,744,097.77</u>	<u>\$ 4,874,298.93</u>	<u>\$ 3,418,378.12</u>

GENERAL CAPITAL FUND

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

	Balance December 31, 2013	Receipts		Disbursements		Transfer From	Transfer To	Balance December 31, 2014
		Bond Anticipation Notes	Other	Improvement Authorizations	Other			
Fund Balance	\$ 7,252.45		\$ 7,848.77				\$ 5,146.18	\$ 20,247.40
Capital Improvement Fund	81,696.76		79,800.00				30,000.00	49,046.76
Due (from)/to Current Fund	5,412.58				\$ 5,412.58		3,998.00	(3,998.00)
Due from NJ DOT Ord. 11-05	(112,500.00)		112,500.00					
Reserve for Future Boat Ramp Improvements	196,667.40							196,667.40
Reserve for Encumbrances	909,283.57				856,689.06		184,613.29	1,834,726.28
Reserve for Payment of Bonds	262,453.58		389,682.00		149,998.00			502,137.58
Reserves for Marine Park Improvements	5,000.00							5,000.00
Reserve for Down Payments on Improvements	2,061.64							2,061.64

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>			
02-06	Acquisition of a Pumper Fire Truck	1,889.61		1,889.61
04-01	Renovations and Improvements to the Red Bank Library	79,194.33		14,864.00
05-31	Acquisition of Waterfront Park	10,297.20		
37-05	Purchase of Pumper Fire Truck	199.73		199.73
39-05/ 09-09/10-10	Various Improvements and Renovations to Marine Park	167,115.18		68,318.93
05-49	Various 2005 Road Improvements	21,013.75		21,013.75

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

Ordinance Number	Improvement Authorizations	Balance December 31, 2013	Receipts		Disbursements		Transfer From	Transfer To	Balance December 31, 2014
			Bond Anticipation Notes	Other	Improvement Authorizations	Other			
06-32/ 09-42/10-10	Conversion of Municipal Land to Waterfront Park	\$ 77,667.06			\$ 2,475.00				\$ 75,192.06
07-21	Various 2007 Road Improvements	285,751.53			10,693.50		\$ 275,058.03		
08-17	Phase II Road Improvements to Spring Street	164,182.30			5,000.00		159,182.30		
09-27	Leasing of Certain Capital Equipment	30,000.00					30,000.00		
09-44	Various Improvements to Count Basie Park	38,969.24			19,771.95		1,275.00		17,922.29
10-08	Various 2010 Road Improvements	3,056.84					3,056.84		-
10-17	Tax Appeal Judgements and Settlements	1,942.18	\$ 100,000.00	\$ 100,000.00			\$ 200,000.00		1,942.18
11-03	Refunding of Unfunded Accrued Pension ERI	(3,998.00)						\$ 3,998.00	
11-06	Various 2011 Roadway Improvements	1,601.87			625.00		58,678.13	57,701.26	-
12-03	Acquisition of a Fire Truck	96,096.46			4,107.12			158.00	92,147.34
12-04	Various Improvements to Count Basic Park Phase III	12,603.26			21,182.89			8,579.63	-
13-15	Acquisition of Various Capital Equipment and Completion of Various Capital Projects	1,023,153.60	\$ 1,576,405.00		241,696.62		\$ 1,576,405.00	411,525.00	118,174.40
14-8/14-11	Acquisition of Various Capital Equipment and Completion of Various Capital Projects		\$ 2,140,350.00		389,163.42			923,186.29	112,650.00
14-12	Bulkhead Repair - Library and North Prospect		\$ 566,200.00		74,009.62			\$ 33,643.63	29,800.00
		\$ 3,368,064.12	\$ 4,382,955.00	\$ 689,830.77	\$ 768,725.12	\$ 1,012,099.64	\$ 1,776,405.00	\$ 2,332,952.53	\$ 2,332,952.53
									\$ 4,883,620.13

Bracketed amount denotes deficit.

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

Ordinance <u>Number</u>	Improvement <u>Description</u>	Balance December 31, 2013	2014 Authorizations	Funded by Current Fund Appropriation	Cancelled	Analysis of Balance, December 31, 2014		
						Balance December 31, 2014	Bond Anticipation Notes	Unfunded Improvement Authorization
31-05	Acquisition of Waterfront Park	\$ 98,611.70				\$ 98,611.70		\$ 98,611.70
49-05	Various 2005 Road Improvements	37,500.00				37,500.00		37,500.00
10-08	Various 2010 Road Improvements	700.00			\$ 700.00			
10-17	Tax Appeal Judgements and Settlements	200,000.00		\$ 100,000.00		100,000.00	\$ 100,000.00	
11-03	Refunding of Unfunded Accrued Pension ERI	3,998.00		3,998.00				
11-06	Various 2011 Roadway Improvements	422.00			422.00			
13-15	Acquisition of Various Capital Equipment and Bulkhead Repair - Library and North Prospect	1,586,405.00			10,000.00	1,576,405.00	1,576,405.00	
14-08/14-11	Various Capital Improvements		\$ 2,140,350.00			2,140,350.00	2,140,350.00	
14-12	Bulkhead Repair - Library and North Prospect		566,200.00			566,200.00	566,200.00	
		<u>\$ 1,927,636.70</u>	<u>\$ 2,706,550.00</u>	<u>\$ 103,998.00</u>	<u>\$ 11,122.00</u>	<u>\$ 4,519,066.70</u>	<u>\$ 4,382,955.00</u>	<u>\$ 136,111.70</u>

BOROUGH OF RED BANK
GENERAL CAPITAL FUND

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

Exhibit D-5

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Amount Issued</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2014</u>
10-17	Tax Appeal Refunding Note	\$ 500,000.00	06/02/10	05/23/13 05/14/14	05/24/14 05/21/15	1.60% 0.45%	\$ 200,000.00 \$ 100,000.00	\$ 200,000.00 \$ 100,000.00	\$ 100,000.00	\$ 100,000.00
13-15	Acquisition of Various Capital Equipment and Completion of Various Capital Projects	725,000.00	12/05/13	12/05/13 11/25/14	12/04/14 11/24/15	2.00% 0.60%	725,000.00 715,000.00		725,000.00	715,000.00
13-15	Acquisition of Various Capital Equipment and Completion of Various Capital Projects	861,405.00	11/26/13	11/26/13 11/25/14	11/25/14 11/24/15	1.00% 0.60%	861,405.00 861,405.00		861,405.00	861,405.00
14-8/ 14-11	Acquisition of Various Capital Equipment and Completion of Various Capital Projects	2,140,350.00	05/23/14	05/23/14	05/21/15	0.64%		2,140,350.00		2,140,350.00
14-12	Bulkhead Repair - Library and North Prospect	566,200.00	11/24/14	11/25/14	11/24/15	0.60%		566,200.00		566,200.00
							\$ 1,786,405.00	\$ 4,382,955.00	\$ 1,786,405.00	\$ 4,382,955.00

BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	Maturities of Bonds			<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Decrease</u>	<u>Balance December 31, 2014</u>
			<u>Date</u>	<u>Outstanding December 31, 2014</u>	<u>Amount</u>				
General Improvement	6/15/2004	\$ 2,731,000.00					\$ 331,000.00	\$ 331,000.00	
General Improvement	7/15/2007	7,391,000.00	2015	\$ 740,000.00	4.25%		4,101,000.00	700,000.00	\$ 3,401,000.00
			2016	830,000.00	4.25%				
			2017	890,000.00	4.25%				
			2018	941,000.00	4.25%				
General Improvement	11/1/2012	5,637,000.00	2015	330,000.00	2.00%		5,332,000.00	315,000.00	5,017,000.00
			2016	350,000.00	2.00%				
			2017	365,000.00	2.00%				
			2018	385,000.00	2.00%				
			2019	405,000.00	2.00%				
			2020	435,000.00	2.00%				
			2021	475,000.00	2.00%				
			2022	530,000.00	2.00%				
			2023	555,000.00	2.00%				
			2024	575,000.00	2.00%				
			2025	612,000.00	2.00%				
							\$ 9,764,000.00	\$ 1,346,000.00	\$ 8,418,000.00

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

<u>Purpose</u>	<u>Date of issue</u>	<u>Amount of Original Issue</u>	Maturities of Bonds Outstanding December 31, 2014			<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Decrease</u>	<u>Balance December 31, 2014</u>
			<u>Date</u>	<u>Amount</u>					
MCIA Refunding Bonds	2/1/2006	\$ 888,000.00	2015	\$ 87,000.00		5.00%	\$ 185,000.00	\$ 98,000.00	\$ 87,000.00
Pension ERI Refunding Bonds	4/3/2011	540,000.00	2015	46,000.00		3.38%	473,000.00	41,000.00	432,000.00
			2016	49,000.00		3.95%			
			2017	56,000.00		4.42%			
			2018	60,000.00		4.88%			
			2019	65,000.00		5.10%			
			2020	75,000.00		5.40%			
			2021	81,000.00		5.70%			
							\$ 658,000.00	\$ 139,000.00	\$ 519,000.00

**BOROUGH OF RED BANK
GENERAL CAPITAL FUND
STATEMENT OF INTERGOVERNMENTAL RECEIVABLES**

NJDOT
2011 Road
Improvements
Ord. #11-06

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 112,500.00
<u>DECREASED BY</u>	
Receipts	<u>112,500.00</u>
<u>BALANCE, DECEMBER 31, 2014</u>	\$ <u> - </u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2013</u>	2014 <u>Authorizations</u>	Bond Anticipation Notes <u>Issued</u>	<u>Cancelled</u>	Balance December 31, <u>2014</u>
5-31	Acquisition of Waterfront Park	\$ 98,611.70				\$ 98,611.70
49-5	Various 2005 Road Improvements	37,500.00				37,500.00
10-8	Various 2010 Road Improvements	700.00			\$ 700.00	
11-6	Various 2011 Roadway Improvements	432.00				432.00
14-8/14-11	Acquisition of Various Capital Equipment and Completion of Various Capital Projects		\$ 2,140,350.00	\$ 2,140,350.00		
14-12	Bulkhead Repair - Library and North Prospect		566,200.00	566,200.00		
		\$ <u>137,243.70</u>	\$ <u>2,706,550.00</u>	\$ <u>2,706,550.00</u>	\$ <u>1,132.00</u>	\$ <u>136,111.70</u>

PARKING UTILITY OPERATING FUND

BOROUGH OF RED BANK
PARKING UTILITY OPERATING FUND
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
Operating:					
Salaries and Wages	\$ 9,847.45		\$ 9,847.45		\$ 9,847.45
Other Expenses	76,489.32	\$ 14,988.73	91,478.05	\$ 15,199.54	76,278.51
Statutory Expenditures:					
Contribution to Social Security System	<u>1,703.35</u>		<u>1,703.35</u>		<u>1,703.35</u>
	<u>\$ 88,040.12</u>	<u>\$ 14,988.73</u>	<u>\$ 103,028.85</u>	<u>\$ 15,199.54</u>	<u>\$ 87,829.31</u>

WATER-SEWER UTILITY OPERATING FUND

Exhibit EWS-4

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

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 760,090.64
<u>INCREASED BY</u>	
Rents Charged in 2014	<u>6,543,137.58</u>
	7,303,228.22
<u>DECREASED BY</u>	
Collections - Net	<u>6,495,365.22</u>
<u>BALANCE, DECEMBER 31, 2014</u>	\$ <u>807,863.00</u>

Exhibit EWS-5

STATEMENT OF WATER-SEWER UTILITY LIENS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 4,438.55
<u>DECREASED BY</u>	
Adjustment to Actual	<u>4,418.55</u>
<u>BALANCE, DECEMBER 31, 2014</u>	\$ <u>20.00</u>

BOROUGH OF RED BANK
WATER - SEWER UTILITY OPERATING FUND
STATEMENT OF 2013 APPROPRIATION RESERVES

	Balance December 31, 2013			Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Reserve for Encumbrances	Transfers			
Operating:						
Salaries and Wages	\$ 3,079.74			\$ 3,079.74		\$ 3,079.74
Other Expenses	102,967.75	\$ 128,937.24	\$ (39,000.00)	192,904.99	\$ 105,462.14	87,442.85
Regional Sewer Authority Charges	30,881.00		(30,000.00)	881.00		881.00
Manasquan River Water Purchases	58,872.95	72,121.29	69,000.00	199,994.24	199,016.36	977.88
Statutory Expenditures:						
Contribution to Social Security	7,085.08			7,085.08		7,085.08
	<u>\$ 202,886.52</u>	<u>\$ 201,058.53</u>	<u>\$ _____</u>	<u>\$ 403,945.05</u>	<u>\$ 304,478.50</u>	<u>\$ 99,466.55</u>

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

<u>BALANCE, DECEMBER 31, 2013</u>	\$ 119,665.90
<u>INCREASED BY</u>	
2014 Budget Appropriation:	
Interest on Bonds	271,804.00
Interest on Notes	<u>24,740.00</u>
	416,209.90
<u>DECREASED BY</u>	
Cash Disbursed	<u>285,693.78</u>
<u>BALANCE, DECEMBER 31, 2014</u>	<u>\$ 130,516.12</u>

ANALYSIS OF ACCRUAL

	<u>Date of Issue</u>	<u>Accrual Period</u>	<u>Interest Rate</u>	<u>Amount Outstanding December 31, 2014</u>	<u>Accrual</u>
<u>Serial Bonds</u>					
2004 Series	6/15/2004	5 Months	Var.	\$ 805,000.00	\$ 13,955.73
2007 Series	8/1/2007	5 Months	Var.	4,090,000.00	72,427.09
2009 NJEIT Bonds	11/23/2009	5 Months	Var.	1,098,702.06	10,036.46
2012 Series	11/1/2012	3 Months	Var.	<u>2,412,000.00</u>	<u>12,181.75</u>
				<u>\$ 8,405,702.06</u>	<u>108,601.03</u>
<u>Bond Anticipation Notes</u>					
2013-07	11/24/2014	36 days	0.60%	\$ 500,000.00	300.00
2013-14	11/24/2014	36 days	0.60%	205,440.00	123.26
2014-03	5/22/2014	218 days	1.00%	<u>2,208,000.00</u>	<u>13,370.67</u>
				<u>\$ 2,913,440.00</u>	<u>13,793.93</u>
					122,394.96
Add: Excess to be utilized in 2015 Budget					<u>8,121.16</u>
					<u>\$ 130,516.12</u>

PARKING UTILITY CAPITAL FUND

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

	<u>Balance December 31, 2013</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance December 31, 2014</u>
Fund Balance	\$ 7.98	\$	\$	\$ 7.98
Due to (from) Parking Utility Operating Fund	472.23	1,476.31	1,950.55	(2.01)
Capital Improvement Fund	3,400.00			3,400.00

Improvement Authorizations:

<u>Ordinance Number</u>	<u>Description</u>				
12-09	Acquisition and Installation of Parking Pay Stations	164,282.83			164,282.83
		\$ 168,163.04	\$ 1,476.31	\$ 1,950.55	\$ 167,688.80

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

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	Balance December 31, <u>2013</u>	<u>AND</u>	Balance December 31, <u>2014</u>
12-09	Acquisition and Installation Parking Pay Stations	5/23/2012	\$ 350,000.00	\$ <u>350,000.00</u>		\$ <u>350,000.00</u>
				\$ <u>350,000.00</u>		\$ <u>350,000.00</u>

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

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance</u>		<u>Balance December 31, 2013</u>	<u>AND</u>	<u>Balance December 31, 2014</u>	<u>Funded</u>
		<u>Date</u>	<u>Amount</u>				
12-09	Acquisition and Installation Parking Pay Stations	5/23/2012	\$ 350,000.00	\$ <u>164,282.83</u>		\$ <u>164,282.83</u>	
				\$ <u>164,282.83</u>		\$ <u>164,282.83</u>	

WATER-SEWER UTILITY CAPITAL FUND

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

	Balance December 31, 2013	Note Proceeds	Other Receipts	Disbursements			Balance December 31, 2014
				Improvement Authorizations	Other	Transfer To From	
Due to (from) Water-Sewer Utility Operating Fund	\$ 2,260.17				\$ 2,459.17		\$ (199.00)
Capital Improvement Fund	10,574.00						10,574.00
Reserve for Payment of Bonds	99,096.77			\$ 12,000.00			111,096.77
Reserve for Encumbrances	259,398.48						452,605.45
Fund Balance	584.56			7,848.77			15,376.22
Improvement Authorizations:							
Ordinance Number	Description						
35-04/ 23-05	Reconstruction of the Sewer Main Along Maple Ave.	85,232.79					85,232.79
9-06	Repair and Replacement of Sewer Lines and Hydrant Installation	27,638.89		\$ 17,924.97			9,713.92
10-06	Various Facility Improvements	123,223.18		123,223.18			
22-07	Water Mains, Fire Hydrant Valves and Sewer Pump Stations	1,338.69				1,338.69	
23-07	Various 2007 Capital Improvements	49,823.36					49,823.36
08-24/09-04 09-24	Various 2008 Capital Improvements	91,454.85		91,454.85			
10-09	Various 2010 Capital Improvements	21,042.85					21,042.85
10-39	Septic Tank 2010 Improvements	5,604.20				5,604.20	
11-02	Various 2011 Capital Improvements	329,233.75		274,435.73			54,798.02
11-07	Various 2011 Drainage Improvements	18,867.56		12,392.22			6,475.34
13-07	Lake Avenue Water Utility Improvements	123,284.00		10,093.96		11,511.62	124,701.66
13-14	Various 2013 Capital Improvements	204,919.00		5,575.00			199,344.00
14-03	Various 2014 Capital Improvements	\$ 2,208,000.00		419,338.88		257,668.50	1,530,992.62
	\$ 1,453,577.10	\$ 2,208,000.00	\$ 19,848.77	\$ 954,438.79	\$ 55,409.08	\$ 276,123.01	\$ 276,123.01
							\$ 2,671,578.00

Bracketed amount denotes deficit.

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

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance December 31, 2013</u>	<u>2014 Authorization</u>	<u>Transferred to Fixed Capital</u>	<u>Canceled</u>	<u>Balance December 31, 2014</u>
35-04/23-05	Reconstruction of the Sewer Main along Maple Ave.	9/28/2004, 5/23/2005	\$ 1,000,000.00 945,000.00	\$ 1,945,000.00				\$ 1,945,000.00
09-06	Repair and Replacement of Sewer Lines and Hydrant Installation	3/13/2006	250,000.00	250,000.00				250,000.00
10-06	Various Facility Improvements	3/13/2006	2,425,000.00	2,425,000.00				2,425,000.00
22-07	Water Mains, Fire Hydrant Valves and Sewer Pump Stations	5/29/2007	1,140,000.00	1,140,000.00		\$ 1,138,661.31	\$ 1,338.69	
23-07	Various 2007 Capital Improvements	5/29/2007	400,000.00	400,000.00				400,000.00
24-08/04-09 24-09	Various 2008 Capital Improvements	9/22/2008	675,000.00	3,156,503.00				3,156,503.00
10-09	Various 2010 Capital Improvements	2/22/2010	477,900.00	477,900.00				477,900.00
10-39	Septic Tank 2010 Improvements	12/8/2010	42,426.00	42,426.00			\$ 3,604.20	36,821.80
11-02	Various 2011 Capital Improvements	2/28/2011	1,846,000.00	1,846,000.00				1,846,000.00
11-07	Various 2011 Sewer and Drainage Improvements	5/25/2011	189,168.00	189,168.00				189,168.00
13-07	Lake Avenue Capital Improvements	6/12/2013	500,000.00	500,000.00				500,000.00
13-14	Various Water Utility Improvements	7/10/2013	205,440.00	205,440.00				205,440.00
14-03	Various 2014 Capital Improvements	2/12/2014	2,208,000.00	\$ 2,208,000.00				2,208,000.00
			\$ 12,577,437.00	\$ 2,208,000.00	\$ 1,138,661.31	\$ 6,942.89	\$ 13,639,832.80	

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	Maturities of Bonds Outstanding December 31, 2014				<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>De-Obligated</u>	<u>Decreased</u>	<u>Disbursed</u>	<u>Balance December 31, 2014</u>
			<u>Date</u>	<u>Amount</u>								
Water-Sewer Bonds	6/15/2004	\$ 2,780,000.00	2015	\$ 250,000.00	4.100%	\$ 1,050,000.00				\$ 245,000.00		\$ 805,000.00
			2016	275,000.00	4.125%							
			2017	280,000.00	4.250%							
Water-Sewer Bonds	7/15/2007	6,385,000.00	2015	435,000.00	4.250%	4,495,000.00				405,000.00		4,090,000.00
			2016	455,000.00	4.250%							
			2017	455,000.00	4.250%							
			2018	480,000.00	4.250%							
			2019	550,000.00	4.250%							
			2020	560,000.00	4.250%							
			2021	575,000.00	4.250%							
			2022	580,000.00	4.250%							
NJEIT Trust Bonds	11/23/09	680,000.00	2015	30,000.00	5.000%	605,000.00	\$ 25,000.00					580,000.00
			2016	30,000.00	5.000%							
			2017	30,000.00	5.000%							
			2018	30,000.00	5.000%							
			2019	35,000.00	4.000%							
			2020	35,000.00	4.000%							
			2021	35,000.00	4.000%							
			2022	40,000.00	3.500%							
			2023	40,000.00	4.000%							
			2024	40,000.00	4.000%							
			2025	45,000.00	3.750%							
			2026	45,000.00	4.000%							
			2027	45,000.00	4.000%							
			2028	50,000.00	4.000%							
			2029	50,000.00	4.000%							

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014			Interest Rate	Balance December 31, 2013	Decreased	Balance December 31, 2014
			Date	Amount	De-Obligated				
NJEIT Fund Loan	11/23/09	\$ 2,040,227.00	2015	\$ 34,580.13	0.000%	\$ 553,282.19		\$ 34,580.13	\$ 518,702.06
			2016	34,580.13	0.000%				
			2017	34,580.13	0.000%				
			2018	34,580.13	0.000%				
			2019	34,580.13	0.000%				
			2020	34,580.13	0.000%				
			2021	34,580.13	0.000%				
			2022	34,580.13	0.000%				
			2023	34,580.13	0.000%				
			2024	34,580.13	0.000%				
			2025	34,580.13	0.000%				
			2026	34,580.13	0.000%				
			2027	34,580.13	0.000%				
			2028	34,580.13	0.000%				
			2029	34,580.24	0.000%				
Water-Sewer Bonds	11/1/2012	2,662,000.00	2015	125,000.00	2.000%	2,537,000.00		125,000.00	2,412,000.00
			2016	135,000.00	2.000%				
			2017	140,000.00	2.000%				
			2018	150,000.00	2.000%				
			2019	155,000.00	2.000%				
			2020	165,000.00	2.000%				
			2021	180,000.00	2.000%				
			2022	195,000.00	2.000%				
			2023	215,000.00	2.000%				
			2024	230,000.00	2.000%				
			2025	235,000.00	2.000%				
			2026	235,000.00	2.100%				
			2027	252,000.00	2.100%				
						\$ 9,240,282.19	\$ 25,000.00	\$ 809,580.13	\$ 8,405,702.06

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance December 31, 2013	<u>Increased</u>	<u>Decreased</u>	Balance December 31, 2014
13-07	Various Water Utility Improvements	11/26/2013	11/26/2013 11/24/2014	11/25/2014 11/24/2015	1.00% 0.60%	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
13-14	Various Utility Improvements	11/26/2013	11/26/2013 11/24/2014	11/25/2014 11/24/2015	1.00% 0.60%	205,440.00	205,440.00	205,440.00	205,440.00
14-03	Various 2014 Capital Improvements	5/22/2014	5/22/2014	5/21/2015	1.00%	2,208,000.00	\$ 705,440.00	\$ 2,913,440.00	\$ 2,208,000.00
						\$ 705,440.00	\$ 2,913,440.00	\$ 705,440.00	\$ 2,913,440.00
Detail:									
	New Money						\$ 2,208,000.00		
	Roll overs						705,440.00		
							\$ 2,913,440.00		

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

Ordinance Number	Description	Ordinance		Balance December 31, 2013		2014 Authorizations		Balance December 31, 2014			
		Date	Amount	Funded	Unfunded	Deferred Charges to Future Revenue	Improvement Authorization Cancelled	Encumbrance Cancelled	Paid or Charged	Funded	Unfunded
35-04/ 23-05/18-08	Reconstruction of the Sewer Main Along Maple Ave.	9/28/2004, 5/23/2005, 8/11/08	\$ 1,000,000.00 945,000.00	\$ 85,232.79					\$ 85,232.79		
9-06	Repair and Replacement of Sewer Lines and Hydrant Installation	3/13/2006	250,000.00	27,638.89					\$ 17,924.97	9,713.92	
10-06	Various Facility Improvements	3/13/2006	2,425,000.00	123,223.18					123,223.18		
22-07	Water Mains, Fire Hydrant Valves and Sewer Pump Stations	2007	1,140,000.00	1,338.69			\$ 1,338.69				
23-07	Various 2007 Capital Improvements	2007	400,000.00	49,823.36					49,823.36		
24-08/4-09/ 24-09	Various 2008 Capital Improvements	9/22/2008, 2/23/2009	3,291,000.00	91,454.85	\$ 289,773.00				91,454.85		\$ 289,773.00
10-09	Various 2010 Capital Improvements	2010	477,900.00	21,042.85	900.00				21,042.85	900.00	
10-39	Septic Tank 2010 Improvements (Local Improvement)	2010	42,426.00	5,604.20			5,604.20				
11-02	Various 2011 Capital Improvements	2/28/2011	1,846,000.00	329,233.75					274,435.73	54,798.02	
11-07	Various 2011 Drainage Improvements	5/25/2011	189,168.00	18,867.56					12,392.22	6,475.34	
13-07	Lake Avenue Water Utility Improvements	6/12/2013	500,000.00		123,284.00			\$ 11,511.62	10,093.96		124,701.66
13-14	Various 2013 Capital Improvements	7/10/2013	205,440.00		204,919.00				5,575.00		199,344.00
14-03	Various 2014 Capital Improvements	2/12/2014	2,208,000.00			\$ 2,208,000.00			677,007.38		1,530,992.62
				\$ 753,460.12	\$ 618,876.00	\$ 2,208,000.00	\$ 6,942.89	\$ 11,511.62	\$ 1,212,107.29	\$ 227,086.28	\$ 2,145,711.28

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance <u>December 31, 2013</u>	2014 <u>Authorizations</u>	Bond Anticipation <u>Notes Issued</u>	Balance <u>December 31, 2014</u>
08-24/09-04/ 09-24	Various 2008 Water/Sewer Improvements	\$ 289,773.00			\$ 289,773.00
10-09	Various 2010 Capital Improvements	900.00			900.00
14-03	Various 2014 Capital Improvements	_____	\$ 2,208,000.00	\$ 2,208,000.00	_____
		\$ <u>290,673.00</u>	\$ <u>2,208,000.00</u>	\$ <u>2,208,000.00</u>	\$ <u>290,673.00</u>

OTHER INFORMATION (UNAUDITED)
STATISTICAL SECTION

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

Function	Fiscal Year										
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	
General Government	\$ 2,662,953.09	\$ 2,804,750.00	\$ 2,328,283.48	\$ 2,161,681.00	\$ 2,123,121.12	\$ 2,180,278.07	\$ 2,262,928.67	\$ 2,457,480.41	\$ 2,432,221.89	\$ 2,361,841.25	
Land Use Administration	223,748.00	195,700.00	189,950.00	202,780.00	174,715.71	184,325.66	181,800.00	198,000.00	179,700.00	148,000.00	
Insurance	3,554,000.00	3,332,244.00	3,204,450.00	2,847,507.00	2,694,906.31	2,428,157.75	2,480,500.00	2,340,000.00	2,179,000.00	1,785,000.00	
Public Safety	5,323,585.00	5,340,060.00	5,229,944.00	5,025,595.00	5,087,993.00	5,038,821.00	4,841,439.18	4,737,600.00	4,248,400.00	4,084,100.00	
Public Works	1,649,714.70	1,480,180.00	1,977,600.00	1,514,180.00	1,315,445.00	1,304,440.00	1,406,526.00	1,381,380.00	1,251,000.00	1,183,677.10	
Landfill/Solid Waste Disposal Costs	380,000.00	390,000.00	359,200.00	329,200.00	359,200.00	455,000.00	525,000.00	580,000.00	580,000.00	528,000.00	
Health and Welfare	239,862.00	232,250.00	218,175.00	212,240.00	192,325.00	238,641.00	217,886.01	198,065.99	134,500.00	118,450.00	
Parks and Recreation	450,608.00	454,325.00	465,225.00	435,215.00	441,105.00	469,293.75	454,007.00	445,734.00	399,500.00	375,100.00	
Utility Expenses and Bulk Purchases	574,200.00	599,000.00	625,000.00	629,700.00	630,000.00	675,000.00	657,773.82	587,000.00	545,000.00	520,900.00	
Uniform Construction Code	380,485.00	347,104.00	286,170.00	317,340.00	280,610.00	335,375.00	295,210.00	283,100.00	345,150.00	330,650.00	
Contingent and Celebration	1,000.00	1,000.00	1,000.00	500.00	500.00	1,425.00	1,500.00	2,200.00	2,200.00	1,500.00	
Deferred Charges and Statutory Expenditures	1,916,707.30	1,825,162.55	1,786,264.92	2,025,688.00	1,627,095.41	1,584,141.19	1,241,060.73	723,089.96	843,456.08	823,499.41	
State and Federal Grants	127,938.44	167,363.79	198,239.69	255,784.84	157,183.89	222,406.13	190,977.13	2,568,346.04	106,464.97	216,317.59	
Tax Appeals/Judgements	860,000.00	25,000.00	25,000.00				66,603.84				
Capital Improvements	79,800.00	150,000.00	100,000.00	50,000.00	50,000.00	80,000.00	30,000.00	60,000.00	140,000.00	171,250.00	
Debt Service	2,807,936.94	3,255,763.00	3,185,524.00	3,139,173.50	3,215,777.69	3,289,398.51	3,484,439.00	2,787,078.37	2,771,891.56	2,454,331.87	
Reserve for Sick/Severance Pay				15,000.00	823,383.04	80,059.00	35,956.88	50,000.00	100,000.00	130,000.00	
Reserve for Uncollected Taxes	1,002,969.39	1,031,247.44	997,003.70	980,170.85	948,926.66	1,004,998.61	870,673.81	861,775.24	50,000.00	696,669.92	
	<u>\$ 22,235,527.86</u>	<u>\$ 21,631,149.78</u>	<u>\$ 21,177,029.79</u>	<u>\$ 20,141,755.19</u>	<u>\$ 20,122,287.83</u>	<u>\$ 19,571,760.67</u>	<u>\$ 19,244,282.07</u>	<u>\$ 20,260,850.01</u>	<u>\$ 16,308,484.50</u>	<u>\$ 15,929,287.14</u>	

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

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

Exhibit H-2

Function	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Operating	\$ 897,833.00	\$ 731,200.00	\$ 662,500.00	\$ 487,700.00	\$ 635,012.00	\$ 729,100.00	\$ 792,234.00	\$ 791,480.00	\$ 723,500.00	\$ 638,300.00
Debt Service		62,250.00	107,500.00	114,200.00	187,578.00	189,700.00	245,766.00	247,118.75	243,459.18	236,272.12
Deferred Charges and Statutory										
Expenditures	78,000.00	58,000.00	55,000.00	56,000.00	56,000.00	62,000.00	47,000.00	47,000.00	29,586.25	28,727.84
Surplus (General Budget)	<u>552,667.00</u>	<u>680,000.00</u>	<u>655,000.00</u>	<u>655,000.00</u>	<u>656,410.00</u>	<u>135,000.00</u>	<u>100,000.00</u>			
	<u>\$ 1,528,500.00</u>	<u>\$ 1,531,450.00</u>	<u>\$ 1,480,000.00</u>	<u>\$ 1,312,900.00</u>	<u>\$ 1,535,000.00</u>	<u>\$ 1,115,800.00</u>	<u>\$ 1,185,000.00</u>	<u>\$ 1,085,598.75</u>	<u>\$ 996,545.43</u>	<u>\$ 903,299.96</u>

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

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Operating	\$ 5,021,184.00	\$ 4,751,656.00	\$ 4,816,919.87	\$ 4,171,600.78	\$ 4,193,201.00	\$ 4,608,176.00	\$ 4,906,532.05	\$ 5,082,104.62	\$ 4,523,807.89	\$ 4,051,882.00
Capital Improvements	17,000.00			10,000.00	17,500.00	155,000.00				55,000.00
Debt Service	1,106,129.00	1,236,000.00	1,079,080.13	1,051,122.64	1,000,827.42	929,000.00	1,193,645.00	898,554.38	726,064.25	593,368.61
Deferred Charges and Statutory Expenditures	181,000.00	124,000.00	123,500.00	115,000.00	125,000.00	128,024.00	279,259.40	122,307.04	145,984.36	546,840.01
Surplus (General Budget)	500,000.00	950,000.00	990,000.00	990,000.00	993,720.00	355,000.00	200,000.00	286,000.00		
	<u>\$ 6,825,313.00</u>	<u>\$ 7,061,656.00</u>	<u>\$ 7,009,500.00</u>	<u>\$ 6,337,723.42</u>	<u>\$ 6,330,248.42</u>	<u>\$ 6,175,200.00</u>	<u>\$ 6,579,436.45</u>	<u>\$ 6,388,966.04</u>	<u>\$ 5,395,856.50</u>	<u>\$ 5,247,090.62</u>

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

Exhibit H-4

Source	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Fund Balance Anticipated	\$ 1,000,000.00	\$ 500,000.00	\$ 500,000.00	\$ 250,000.00	\$ 350,000.00	\$ 1,255,000.00	\$ 1,300,000.00	\$ 1,300,000.00	\$ 1,185,769.05	\$ 1,237,887.89
Taxes (1)	12,007,909.12	12,405,394.67	11,361,405.10	11,450,687.64	10,525,142.55	10,736,805.17	10,344,639.22	8,663,680.47	7,760,128.96	7,900,988.20
Delinquent Taxes	891,330.69	861,867.45	1,024,210.42	1,133,337.42	849,803.52	965,911.37	962,570.81	728,820.90	678,059.56	604,858.25
Miscellaneous Revenues	4,697,612.56	5,697,166.39	5,290,724.41	5,202,032.25	5,089,249.34	3,808,198.06	3,794,444.35	4,227,425.27	4,148,567.70	3,380,932.84
State Aid	2,011,681.00	2,011,681.00	2,011,681.00	2,011,681.00	2,011,681.00	2,528,825.00	2,943,666.00	2,770,744.00	2,843,480.00	2,818,510.00
Federal and State Grants/Interlocal	127,938.44	167,363.79	198,239.69	255,784.84	157,183.89	222,406.13	190,977.13	2,568,346.04	106,464.97	216,317.59
Non-budget Revenues and Other Items	471,358.83	333,539.04	900,538.90	668,458.19	432,182.79	401,065.00	692,422.65	667,064.74	464,533.37	315,547.12
	<u>\$ 21,207,830.64</u>	<u>\$ 21,977,012.34</u>	<u>\$ 21,286,799.52</u>	<u>\$ 20,971,981.34</u>	<u>\$ 19,415,243.09</u>	<u>\$ 19,918,210.73</u>	<u>\$ 20,228,720.16</u>	<u>\$ 20,926,081.42</u>	<u>\$ 17,187,003.61</u>	<u>\$ 16,475,041.89</u>

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

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

<u>Year</u>	<u>Borough</u>	<u>County</u>	<u>County Open Space Fund</u>	<u>District School</u>	<u>Regional High School</u>	<u>Total</u>	<u>Collection Rates Current</u>	<u>Delinquent Taxes as Percent of Levy</u>
2014	\$ 0.574	\$ 0.247	\$ 0.013	\$ 0.683	\$ 0.396	\$ 1.913	97.53%	2.47%
2013	0.555	0.242	0.013	0.616	0.384	1.810	97.82%	2.38%
2012	0.523	0.247	0.014	0.588	0.385	1.757	97.98%	2.57%
2011	0.509	0.242	0.015	0.569	0.377	1.712	97.29%	2.79%
2010	0.484	0.249	0.016	0.556	0.374	1.679	97.05%	3.11%
2009	0.462	0.238	0.016	0.530	0.367	1.613	98.16%	2.44%
2008	0.445	0.231	0.015	0.538	0.365	1.594	97.38%	2.73%
2007 *	0.384	0.237	0.015	0.534	0.371	1.541	97.09%	3.02%
2006	0.836	0.528	0.030	1.200	0.834	3.428	97.99%	2.12%
2005	0.792	0.492	0.029	1.165	0.745	3.223	97.89%	2.21%

Source: Tax Collector.

* Revaluation

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

<u>Year Ended December 31,</u>	<u>Net Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percentage of Collections</u>
2014	\$ 42,013,718.04	\$ 40,977,050.91	97.53%
2013	40,772,587.02	39,882,088.68	97.82%
2012	39,463,704.02	38,668,937.34	97.98%
2011	39,231,035.19	38,168,792.40	97.29%
2010	38,537,727.81	37,404,390.39	97.05%
2009	37,413,630.34	36,726,439.35	98.16%
2008	37,210,091.47	36,238,095.23	97.38%
2007	35,414,391.89	34,387,238.22	97.09%
2006	34,148,086.45	33,462,074.21	97.99%
2005	31,879,009.84	31,206,487.37	97.89%

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

<u>Year Ended December 31.</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2014	\$ 3,748.08	\$ 1,035,015.82	\$ 1,038,763.90	2.47%
2013	2,096.77	968,907.91	971,004.68	2.38%
2012	73,982.43	940,771.26	1,014,753.69	2.57%
2011	34,978.22	1,041,029.66	1,076,007.88	2.79%
2010	66,040.00	1,133,421.82	1,199,461.82	3.11%
2009	53,963.78	859,076.05	913,039.83	2.44%
2008	53,514.75	964,090.82	1,017,605.57	2.73%
2007	45,541.00	1,022,711.47	1,068,252.47	3.02%
2006	41,077.99	681,742.14	722,820.13	2.12%
2005	33,514.28	672,522.47	706,036.75	2.21%

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

<u>Year Ended December 31.</u>	<u>Aggregate Assessed Valuations of Real Property</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2014	\$ 2,185,727,921	\$ 2,029,271,118	107.71%
2013	2,219,797,941	1,999,817,965	111.10%
2012	2,236,728,471	2,002,801,281	111.68%
2011	2,248,335,831	2,124,880,286	105.81%
2010	2,259,382,600	2,213,778,758	102.06%
2009	2,278,411,100	2,349,056,818	96.99%
2008	2,271,728,671	2,361,292,466	96.49%
2007	* 2,238,531,929	2,274,699,653	98.41%
2006	968,840,300	2,141,083,536	45.25%
2005	959,795,000	1,902,844,964	50.44%

* Revaluation

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

BOROUGH OF RED BANK
SCHEDULE OF TEN LARGEST TAXPAYERS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014
UNAUDITED

<u>Taxpayer</u>	<u>Assessed Value - 2014</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
#1	\$ 37,545,000	1.72%
#2	23,994,100	1.10%
#3	20,840,900	0.95%
#4	20,438,900	0.94%
#5	18,113,500	0.83%
#6	12,500,000	0.57%
#7	10,508,700	0.48%
#8	9,074,300	0.42%
#9	9,000,000	0.41%
#10	<u>8,348,145</u>	<u>0.38%</u>
	<u>\$ 170,363,545</u>	<u>7.79%</u>

Source: Red Bank Tax Assessor

BOROUGH OF RED BANK
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014
UNAUDITED

Average Equalized Valuation	\$ <u>2,010,030,116.00</u>
Borrowing Margin - 3½% of Average Equalized Valuation	\$ 70,351,054.06
Net Debt	<u>13,416,150.00</u>
Remaining Borrowing Power	\$ <u>56,934,904.06</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt - Borough of Red Bank	\$ <u>25,528,102.64</u>	\$ <u>12,111,952.64</u>	\$ 13,416,150.00
Overlapping Net Debt Apportioned to the Municipality:	<u>Red Bank Allocation</u>		
County of Monmouth (1)	2.1380%	<u>9,166,877.89</u>	
		\$ <u>22,583,027.89</u>	

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

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

<u>Year Ended December 31,</u>	<u>Borough Population (1)</u>	<u>Equalized Valuation (2)</u>	<u>Net Debt (3)</u>	<u>Ratio of Net Debt to Equalized Valuation</u>	<u>Net Debt Per Capita</u>
2014	12,206	\$ 1,990,213,711.00	\$ 13,416,150.00	0.67%	\$ 1,099.14
2013	12,206	1,999,817,964.86	12,035,249.50	0.60%	986.01
2012	12,206	2,002,801,281.34	13,424,562.71	0.67%	1,099.83
2011	12,206	2,124,880,286.00	12,089,612.19	0.57%	990.46
2010	12,206	2,213,778,758.00	13,347,506.59	0.60%	1,093.52
2009	11,844	2,339,711,542.00	14,015,208.71	0.60%	1,183.32
2008	11,844	2,345,040,730.00	15,250,681.84	0.65%	1,287.63
2007	11,844	2,264,471,395.00	17,214,453.79	0.76%	1,453.43
2006	11,844	2,141,083,536.00	17,281,292.46	0.81%	1,459.08
2005	11,844	1,588,693,102.00	18,392,921.21	1.16%	1,552.93

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

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

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

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

Year Ended December 31	Bond and Note <u>Principal</u>	Interest on Bonds and Notes	Green Trust <u>Loans</u>	Capital Equipment <u>Leases</u>	Total Municipal Debt <u>Service</u>	Total Current Fund Governmental Fund Expenditures	Ratio of Debt Service to Current Fund Expenditures
2014	\$ 1,585,000.00	\$ 335,882.31	\$ 135,716.94	\$ 749,588.61	\$ 2,806,187.86	\$ 21,119,401.70	13.29%
2013	2,189,000.00	379,215.31	133,923.44	552,192.60	3,254,331.35	20,173,382.51	16.13%
2012	1,742,000.00	374,339.53	133,923.47	934,065.10	3,184,328.10	20,279,322.55	15.70%
2011	1,938,000.00	439,504.73	133,923.46	594,010.84	3,105,439.03	19,508,469.28	15.92%
2010	1,947,000.00	481,076.79	148,040.27	486,475.58	3,062,592.64	19,130,821.58	16.01%
2009	1,988,000.00	541,789.66	144,939.87	606,077.40	3,280,806.93	18,931,384.56	17.33%
2008	1,919,000.00	632,492.86	144,939.88	638,812.12	3,335,244.86	18,556,622.68	17.97%
2007	1,444,000.00	638,584.23	162,623.98	376,420.95	2,621,629.16	19,282,838.23	13.60%
2006	1,400,000.00	477,521.60	163,594.83	717,603.70	2,758,720.13	15,536,461.33	17.76%
2005	1,365,000.00	495,958.31	163,595.04	569,205.02	2,593,758.37	15,599,551.55	16.63%

(1) Actual Paid or Charged Amounts.

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

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

Cash Receipts from Parking Fees or Other Charges	\$ 1,593,343.67
 Deductions:	
Operating and Maintenance Cost	\$ <u>925,833.00</u>
Total Deductions	<u>925,833.00</u>
Excess in Revenue	\$ <u>667,510.67</u>

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

Cash Receipts from Fees, Rents or Other Charges	\$ 6,796,105.08
Deductions:	
Operating and Maintenance Cost	\$ 5,102,184.00
Debt Service	<u>1,106,124.13</u>
Total Deductions	<u>6,208,308.13</u>
Excess in Revenue	\$ <u>587,796.95</u>

Source: Annual Debt Statement

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>
2014	4.6%
2013	5.8%
2012	7.0%
2011	10.3%
2010	10.6%
2009	10.6%
2008	6.5%
2007	3.7%
2006	4.1%
2005	4.0%

Source : NJ Department of Labor and Workforce Development Website.

BOROUGH OF RED BANK
MISCELLANEOUS STATISTICS
DECEMBER 31, 2014
UNAUDITED

Date of Incorporation	March 10, 1908
Form of Government	Borough
Area	1.8 square miles
Total Number of Employees (includes part-time)	213

Source: Borough Records.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2014

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

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

If the purchasing agent is a qualified purchasing agent, the governing body of the contracting unit may establish that the bid threshold may be up to \$36,000.00. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contract pursuant to this section. Under N.J.S.A 40A:11-9(b) the Borough appointed their Administrator as their Qualified Purchasing Agent. Accordingly, the 2014 bid threshold was \$36,000.00.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 within the calendar year. When a question arises, the Borough Counsel's opinion should be sought before a commitment is made.

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

Our examination of expenditures on a test basis did not reveal any individual payments, contracts or agreements in excess of \$36,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

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

Collection of Interest on Delinquent Taxes and Utility Charges

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes and assessments on or before the date when they would become delinquent. The Governing Body, in January 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

RESOLVED, that in accordance with N.J.S. 54:4-67, as amended, the Tax Collector is hereby authorized and directed to charge eight percent (8%) per annum on the first \$1,500.00 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500.00 becoming delinquent after the due date, and if a delinquency is in

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

excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten-day grace period of quarterly tax payments made by cash, check or money order.

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

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

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

The detail of all unpaid taxes for 2014 and prior years and tax title liens is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2014 covering all unpaid charges on that date was verified with the accounting control figures shown in this report.

The 2014 tax sale was complete. Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

Except as noted below, the detail of all unpaid Water-Sewer rents for 2014 and prior years is being properly carried in the Water-Sewer Collector's records. An abstract taken from these records as at December 31, 2014, covering all unpaid charges on that date was verified with the accounting control figures shown in this report.

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

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

Cash Balances

The cash balances in all funds were verified by independent certifications obtained from the depositories as at December 31, 2014. Supplemental bank reconciliations were reviewed as of January 31, 2015.

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

The change funds and petty cash funds were counted.

Revenues

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

Expenditures

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

Payroll

An examination was made of the employees' compensation records for the year 2014 on a test basis to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance. Vouchers for overtime and part-time wages were checked. No exceptions were noted for those items tested.

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

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

Recreation Department

Finding: During our audit of the Borough's financial records, we noted that the Borough is not currently performing break even analysis on a programmatic level.

Recommendation: We recommend that the Borough institute a stronger accounting process for the Recreation Department programs to enable programmatic break-even analysis.

Municipal Court

Finding: During our audit of the Municipal Court, we noted that the receipts for October and November 2014 were not disbursed until December 15, 2014.

Recommendation: We recommend that Municipal Court institute stronger controls over the process for disbursing funds within timeframes required by the Administrative Office of the Courts.

Follow-up on Prior Year's Recommendations

In accordance with Government Auditing Standards, our procedures included a review of all prior year's recommendations including findings. A corrective action plan was adopted for 2013 audit recommendations. The corrective actions were effective and there are no repeated audit recommendations.

Appreciation

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

RECOMMENDATIONS

It is recommended:

- 2014-1 The Borough institute a stronger review process over the water-sewer billing process to ensure that the correct fees are being charged to each customer.
- 2014-2 The Borough institute a stronger accounting process for the Recreation Department programs to enable programmatic break-even analysis.
- 2014-3 The Municipal Court institute stronger controls over the process for disbursing funds within timeframes required by the Administrative Office of the Courts.

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