

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY**

**AUDIT REPORT FOR THE YEAR  
ENDED DECEMBER 31, 2014**



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COUNTY OF MONMOUTH, NEW JERSEY  
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FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

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COUNTY OF MONMOUTH, NEW JERSEY  
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**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Keansburg, County of Monmouth, State of New Jersey as of December 31, 2014 and 2013, and the related comparative statement of operations and changes in fund balance--regulatory basis for the years then ended, the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2014.

### **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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

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

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

The effects on the financial statements of the variances between these 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 of Keansburg, County of Monmouth, State of New Jersey, as of December 31, 2014 and 2013, or the results of its operations and changes in fund balance for the years then ended.

### **Basis for Qualified Opinion on Regulatory Basis of Accounting**

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund has not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2014 and 2013. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Fund, and represent 19.78% and 17.59% of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2014 and 2013.

### **Qualified Opinion on Regulatory Basis of Accounting**

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Keansburg, County of Monmouth, State of New Jersey, as of December 31, 2014 and 2013, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, 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.

## **Other Matters**

### **Report on Supplementary Information**

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the above financial statements. 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2015, on our consideration of the Borough of Keansburg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Keansburg's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

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

April 27, 2015  
Freehold, New Jersey

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements- regulatory basis of the Borough of Keansburg as of and for the fiscal year ended December 31, 2014 and the related notes to the financial statements, and have issued our report thereon dated April 27, 2015. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1. Our report on the financial statements-regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund ("LOSAP") Trust Fund. The LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financials statements as of and for the year ended December 31, 2014. With the exception of the LOSAP Trust Fund our opinion on the financial statements-regulatory basis was unmodified.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Purpose of this Report**

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

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

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

April 27, 2015  
Freehold, New Jersey

**BASIC FINANCIAL STATEMENTS**

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**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

Assets	Reference	2014	2013	Liabilities, Reserves and Fund Balance	Reference	2014	2013
Cash and Investments - Treasurer Change Fund and Petty Cash Fund	A-4	\$ 5,241,166.91	\$ 4,147,238.36	Appropriation Reserves	A-3	\$ 1,095,981.75	\$ 996,141.61
Due From State of New Jersey - Chap. 73, P.L. 1976	A-5	475.00	475.00	Accounts Payable	A-15	108.56	6,508.56
	A-6	41,284.60	41,739.60	Encumbrances Payable	A-16	371,055.47	596,148.55
		5,282,926.51	4,189,452.96	Special Emergency Note Payable	A-17	637,724.00	2,062,000.00
				Prepaid Taxes	A-18	81,083.78	85,501.84
				County Taxes Payable	A-21	1,424.73	2,115.02
				Due to Grant Fund	A	-	4,339.02
				Community Disaster Loan - Payable	A	3,729,766.00	1,745,000.00
				Community Disaster Loan - Interest Payable	A	28,199.77	6,775.03
				Outside Liens Payable	A-22	-	3,156.13
				Payroll Deductions Payable	A-23	59,777.53	75,987.02
				Due To State of New Jersey:			
				Marriage License Fees	A-24	285.00	375.00
				Reserve for:			
				FEMA	A-25	912,834.58	94,682.68
				Revaluation	A-25	24,614.75	24,614.75
				Insurance Claims	A-25	-	347,578.00
				Tax Appeals	A-25	200,000.00	200,000.00
						7,142,855.92	6,250,923.21
						1,111,576.78	1,041,312.74
						3,757,965.77	1,751,775.03
						1,279,201.63	2,039,201.63
						-	53,000.00
						5,037,167.40	3,843,976.66
						11,431,670.69	9,074,742.36
Deferred Charges:				Reserve for Receivables	A	1,111,576.78	1,041,312.74
Community Disaster Loan	A	3,757,965.77	1,751,775.03	Fund Balance	A-1	3,177,237.99	1,782,506.41
Special Emergency Appropriations (5 yr)	A-13	1,279,201.63	2,039,201.63			11,431,670.69	9,074,742.36
Special Emergency Appropriations (3 yr)	A-13	-	53,000.00				
						641,800.46	237,510.06
						\$ 12,073,471.15	\$ 9,312,252.42
State and Federal Grant Fund:				State and Federal Grant Fund:			
Cash	A-4	235,605.96	233,171.04	Encumbrances Payable	A-27	8,408.48	878.35
Grants Receivable	A-26	406,194.50	-	Reserve for Grants:			
Due from Current Fund	A	-	4,339.02	Appropriated	A-11	611,283.79	221,926.83
				Unappropriated	A-12	22,108.19	14,704.88
				Total Grant Fund		641,800.46	237,510.06
Total Assets		\$ 12,073,471.15	\$ 9,312,252.42	Total Liabilities, Reserves and Fund Balance		\$ 12,073,471.15	\$ 9,312,252.42

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF KEANSBURG**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 200,000.00	\$ 200,000.00
Miscellaneous Revenues Anticipated	A-2	6,703,956.42	7,102,092.49
Receipts From Delinquent Taxes	A-2	696,243.30	713,738.40
Receipts From Current Taxes	A-2	16,050,724.97	15,634,582.70
Non-Budget Revenue	A-2	212,545.72	181,475.95
Other Credit To Income:			
Interfunds Returned:			
Unexpended Balance of Appropriation Reserves	A-14	792,708.89	500,440.34
Cancellation of Accounts Payable	A-1	<u>7,532.19</u>	<u>-</u>
Total Revenue		<u>24,663,711.49</u>	<u>24,332,329.88</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	6,175,100.00	6,065,765.00
Other Expenses	A-3	5,799,375.00	5,335,265.00
Deferred Charges and Statutory Expenditures	A-3	1,313,690.00	1,369,393.00
Appropriations Excluded From "CAPS":			
Operations:			
Salaries and Wages	A-3	200,132.00	140,132.00
Other Expenses	A-3	635,736.19	2,071,336.06
Capital Improvement Fund	A-3	300,000.00	250,000.00
Municipal Debt Service	A-3	1,205,467.26	1,315,514.77
Deferred Charges	A-3	970,703.70	926,958.00
Refund of Prior Year Revenue	A-1	923.29	15,399.09
Reserve for Tax Appeals	A-1	-	200,000.00
Miscellaneous Adjustments	A-1	13,550.37	-
Prior Year Tax Deductions Disallowed	A-6	500.00	635.24
Local District School Tax	A-20	4,732,327.00	4,790,749.00
County Taxes Payable	A-21	<u>1,721,475.10</u>	<u>1,668,211.15</u>
Total Expenditures		<u>23,068,979.91</u>	<u>24,149,358.31</u>
Excess/(Deficit) in Revenue		1,594,731.58	182,971.57
Adjustment To Income Before Fund Balance:			
Expenditures Above Which Are By Statute			
Deferred Charges To Budget of Succeeding Year		<u>-</u>	<u>800,000.00</u>
Statutory Excess To Fund Balance		1,594,731.58	982,971.57
Fund Balance, January 1	A	<u>1,782,506.41</u>	<u>999,534.84</u>
		3,377,237.99	1,982,506.41
Decreased By:			
Utilized as Anticipated Revenue	A-1	<u>200,000.00</u>	<u>200,000.00</u>
Fund Balance, December 31	A	<u>\$ 3,177,237.99</u>	<u>\$ 1,782,506.41</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	\$ 200,000.00	\$ -	\$ 200,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	15,000.00		17,595.00	2,595.00
Other	24,000.00		29,366.00	5,366.00
Fees and Permits	330,000.00		358,604.75	28,604.75
Fines and Costs:				
Municipal Court	250,000.00		332,663.47	82,663.47
Interest and Costs on Taxes	100,000.00		145,256.30	45,256.30
Parking Meters	100,000.00		189,954.89	89,954.89
Interest on Investments and Deposits	10,000.00		16,530.34	6,530.34
PILOT:				
Grandview Apartments	75,000.00		75,000.00	-
Rental of Borough Property	40,000.00		41,250.00	1,250.00
Omni Tower Rental	30,000.00		34,688.37	4,688.37
Consolidated Municipal Property Tax Relief Aid	577,266.00		577,266.00	-
Energy Receipts Tax (P.L. 1997, Chaps. 162 & 167)	1,248,365.00		1,248,365.00	-
Uniform Construction Code Fees	150,000.00		200,842.00	50,842.00
Interlocal Service Agreement - School Resource Officer	60,000.00		48,000.00	(12,000.00)
Public and Private Revenues Offset with Appropriations:				
Safe and Secure Communities Program	60,000.00		60,000.00	-
Drunk Driving Enforcement	5,932.48		5,932.48	-
Local Law Enforcement	51.79		51.79	-
Body Armor Grant	8,720.61		8,720.61	-
Clean Communities		16,482.63	16,482.63	-
Post Sandy Planning Assistance		295,000.00	295,000.00	-
Zoning Code Enforcement		60,000.00	60,000.00	-
Strategic Recovery Plan		26,900.00	26,900.00	-
Monmouth County Workforce		44,068.68	44,068.68	-
Other Special Items:				
Uniform Fire Safety Act	5,000.00		7,459.25	2,459.25
Cable TV Fees	80,000.00		98,714.44	18,714.44
FEMA Reserve - A/R	760,000.00		760,000.00	-
Community Disaster Loan Program	1,984,766.00		1,984,766.00	-
Church Street Coro:				
PILOT McGrath Towers	10,000.00		14,974.70	4,974.70
PILOT Fallon Manor	3,000.00		5,503.72	2,503.72
			-	-
Total Miscellaneous Revenues	<u>5,927,101.88</u>	<u>442,451.31</u>	<u>6,703,956.42</u>	<u>334,403.23</u>
Receipts From Delinquent Taxes	<u>700,000.00</u>	<u>-</u>	<u>696,243.30</u>	<u>(3,756.70)</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>10,334,461.96</u>	<u>-</u>	<u>10,596,922.87</u>	<u>262,460.91</u>
Budget Totals	17,161,563.84	442,451.31	18,197,122.59	593,107.44
Non-Budget Revenue	<u>-</u>	<u>-</u>	<u>212,545.72</u>	<u>212,545.72</u>
	<u>\$ 17,161,563.84</u>	<u>\$ 442,451.31</u>	<u>\$ 18,409,668.31</u>	<u>\$ 805,653.16</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

<u>Analysis of Realized Revenue</u>	<u>Reference</u>	
Allocation of Current Tax Collections:		
Revenue From Collections	A-1,4-A	\$ 16,050,724.97
Allocated To School and County Taxes	4-A	<u>6,453,802.10</u>
Balance for Support of Municipal Budget Appropriations		
		<u>9,596,922.87</u>
Add:		
Reserve for Uncollected Taxes	A-3	<u>1,000,000.00</u>
Amount for Support of Municipal Budget Appropriations		
	A-2	<u>\$ 10,596,922.87</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	4-A	\$ 692,420.29
Tax Title Lien Collections	5-A	<u>3,823.01</u>
	A-2	<u>\$ 696,243.30</u>
<u>Analysis of Non-Budget Revenue</u>		
Miscellaneous Revenue Not Anticipated:		
BOE Sanitation/Barn Fire Reimbursement		\$ 53,353.65
Insurance Reimbursement		42,811.51
Miscellaneous Construction Fees		20,935.10
Tax Assessor		190.00
Various Vendor Refunds		9,981.79
Division of Motor Vehicles		650.00
Grant-Payroll Fringe Reimbursement		39,076.10
Health Hazard Payments		37,657.00
Various Misc. Refunds/Reimbursements		<u>7,890.57</u>
	A-2,1-A	<u>\$ 212,545.72</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	Appropriations				Paid or Changed	Reserved	Cancelled
	Original Budget	Chapter 152	Budget After Modifications				
General Appropriations Operations - Within "CAFS"							
<b>GENERAL GOVERNMENT</b>							
Borough Council:							
Salaries and Wages	\$ 9,000.00	\$ -	\$ 9,000.00	\$ 7,200.00	\$ 1,800.00	\$ -	
Other Expenses	2,200.00	-	2,200.00	1,371.71	828.29	-	
Office of Borough Manager:							
Salaries and Wages	175,500.00	-	175,500.00	160,251.78	15,248.22	-	
Other Expenses	8,500.00	-	8,500.00	2,602.07	5,897.93	-	
Office of the Borough Clerk:							
Salaries and Wages	150,500.00	-	150,500.00	145,850.02	4,649.98	-	
Other Expenses	22,500.00	-	22,500.00	18,938.94	3,561.06	-	
Legal Services and Costs:							
Other Expenses	115,000.00	-	115,000.00	65,375.57	49,624.43	-	
Elections:							
Other Expenses	15,200.00	-	15,200.00	15,200.00	-	-	
<b>DEPARTMENT OF FINANCE</b>							
Office of Director of Finance:							
Salaries and Wages	220,000.00	-	220,000.00	212,646.99	7,353.01	-	
Other Expenses	25,000.00	-	25,000.00	10,728.14	14,271.86	-	
Annual Audit:							
Other Expenses	47,000.00	-	47,000.00	47,000.00	-	-	
Division of Tax Collector:							
Salaries and Wages	61,500.00	-	61,500.00	45,297.77	16,202.23	-	
Other Expenses	12,500.00	-	12,500.00	3,826.52	8,673.48	-	
Division of Tax Assessor:							
Salaries and Wages	64,500.00	-	64,500.00	64,500.00	-	-	
Other Expenses	19,500.00	-	19,500.00	9,175.91	10,326.09	-	
<b>DEPARTMENT OF PUBLIC SAFETY</b>							
Police:							
Salaries and Wages	3,867,000.00	-	3,867,000.00	3,852,056.70	14,943.30	-	
Other Expenses	195,500.00	-	195,500.00	177,630.00	17,870.00	-	
Dispatchers:							
Salaries and Wages	142,300.00	-	142,300.00	141,826.97	473.03	-	
Other Expenses	700.00	-	700.00	-	700.00	-	
Detective Bureau:							
Other Expenses	3,900.00	-	3,900.00	3,035.15	864.85	-	
Bureau of Street Crossing Guards:							
Salaries and Wages	43,500.00	-	43,500.00	34,718.53	8,781.47	-	
Other Expenses	1,000.00	-	1,000.00	435.00	565.00	-	
<b>DIVISION OF FIRE</b>							
Fire Department:							
Other Expenses	27,000.00	-	27,000.00	26,901.37	98.63	-	
Division of Fire:							
Other Expenses	98,000.00	-	98,000.00	97,976.92	23.08	-	
<b>UNIFORM CONSTRUCTION CODE</b>							
Code Enforcement:							
Salaries and Wages	122,000.00	-	122,000.00	101,238.25	20,761.75	-	
Other Expenses	3,700.00	-	3,700.00	2,225.37	1,474.63	-	
Uniform Safety Act:							
Salaries and Wages	37,000.00	-	37,000.00	36,421.59	578.41	-	
Other Expenses	4,700.00	-	4,700.00	3,054.71	1,645.29	-	

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	Appropriations			Paid or Charged	Reserved	Cancelled
	Original Budget	Chapter 152	Budget After Modifications			
<b>PUBLIC WORKS</b>						
Division of Engineering:						
Other Expenses	261,950.00	-	261,950.00	202,625.70	59,324.30	-
Division of Streets and Roads:						
Salaries and Wages	595,500.00	-	595,500.00	591,578.92	3,921.08	-
Other Expenses	100,000.00	-	100,000.00	77,411.41	22,588.59	-
Division of Snow Removal:						
Salaries and Wages	25,000.00	-	25,000.00	25,000.00	-	-
Other Expenses	23,000.00	-	23,000.00	21,702.20	1,297.80	-
Division of Parking Meter Maintenance:						
Salaries and Wages	18,000.00	-	18,000.00	18,000.00	-	-
Other Expenses	8,500.00	-	8,500.00	6,805.89	1,694.11	-
Division of Buildings and Grounds:						
Other Expenses	104,500.00	-	104,500.00	87,879.08	16,620.92	-
Municipal Garage:						
Salaries and Wages	125,000.00	-	125,000.00	122,093.00	2,907.00	-
Other Expenses	80,000.00	-	80,000.00	79,743.50	256.50	-
Sanitation:						
Contract	371,500.00	-	371,500.00	252,403.20	119,096.80	-
Landfill Solid Waste Disposal Fees	469,500.00	-	469,500.00	415,687.87	53,812.13	-
<b>DEPARTMENT OF HEALTH AND WELFARE</b>						
Division of Health:						
Salaries and Wages	11,000.00	-	11,000.00	10,487.84	512.16	-
Other Expenses	50,500.00	-	50,500.00	519.29	49,980.71	-
Dog Regulation	38,275.00	-	38,275.00	38,081.00	194.00	-
<b>DEPARTMENT OF RECREATION PARKS AND PLAYGROUNDS</b>						
Recreation, Parks and Playgrounds:						
Other Expenses	15,000.00	-	15,000.00	10,741.45	4,258.55	-
Historical Society:						
Other Expenses	500.00	-	500.00	-	500.00	-
<b>MUNICIPAL PROSECUTOR</b>						
Municipal Prosecutor:						
Salaries and Wages	25,000.00	-	25,000.00	21,254.18	3,745.82	-
<b>OTHER MUNICIPAL OPERATIONS</b>						
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)						
Planning Board of Adjustment:						
Salaries and Wages	39,000.00	-	39,000.00	37,566.81	1,633.19	-
Other Expenses	27,650.00	-	27,650.00	9,861.29	17,788.71	-
Emergency Management Services:						
Salaries and Wages	17,000.00	-	17,000.00	16,999.74	0.26	-
Other Expenses	4,000.00	-	4,000.00	-	4,000.00	-
INSURANCES: N.J.S.A. 40A:4-45.3(00)						
Group Insurance Plan for Employees	2,070,000.00	-	2,070,000.00	1,746,804.13	323,195.87	-
Group Salary Insurance	40,000.00	-	40,000.00	20,000.00	20,000.00	-
Workers Compensation	440,000.00	-	440,000.00	436,347.68	3,652.32	-
Other Insurance - Liability Insurance	410,000.00	-	410,000.00	341,231.02	68,768.98	-
Disability Insurance	25,000.00	-	25,000.00	14,412.84	10,587.16	-

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	Appropriations			Paid or Charged	Reserved	Cancelled
	Original Budget	Chapter 152	Budget After Modifications			
<b>SENIOR CITIZENS</b>						
Transportation of Senior Citizens:						
Other Expenses	12,000.00	-	12,000.00	8,500.00	3,500.00	-
<b>MUNICIPAL COURT</b>						
Municipal Court:						
Salaries and Wages	198,300.00	-	198,300.00	198,300.00	-	-
Other Expenses	6,450.00	-	6,450.00	6,403.71	46.29	-
<b>MUNICIPAL LIBRARY</b>						
Library:						
Salaries and Wages	30,000.00	-	30,000.00	30,000.00	-	-
Other Expenses	6,000.00	-	6,000.00	5,989.14	10.86	-
<b>PUBLIC EMPLOYEES OCCUPATIONAL SAFETY AND HEALTH ACT</b>						
Board of Health:						
Other Expenses	1,000.00	-	1,000.00	-	1,000.00	-
<b>UNIFORM CONSTRUCTION CODE APPROPRIATIONS</b>						
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
State Uniform Construction Code Officials:						
Salaries and Wages	158,500.00	-	158,500.00	158,139.88	360.12	-
Other Expenses	4,650.00	-	4,650.00	2,316.30	2,333.70	-
<b>UNCLASSIFIED</b>						
Utilities:						
Electricity	90,000.00	-	90,000.00	86,450.61	3,549.39	-
Street Lighting	120,000.00	-	120,000.00	104,660.78	15,339.22	-
Telephone	73,000.00	-	73,000.00	72,632.23	367.77	-
Natural Gas	27,000.00	-	27,000.00	26,900.55	99.45	-
Telecommunications Costs	155,000.00	-	155,000.00	140,689.33	14,310.67	-
Gasoline and Fuel Oil	7,500.00	-	7,500.00	5,317.52	2,182.48	-
Contingent	195,000.00	-	195,000.00	177,788.64	17,211.36	-
Total Operations - Within "CAPS"	11,974,475.00	-	11,974,475.00	10,916,610.71	1,057,864.29	-
<b>Detail:</b>						
Salaries and Wages	6,175,100.00	-	6,175,100.00	6,051,228.97	123,871.03	-
Other Expenses	5,799,375.00	-	5,799,375.00	4,865,381.74	933,993.26	-
Statutory Expenditures:						
Contribution To:						
Public Employees' Retirement System	220,129.00	-	220,129.00	220,129.00	-	-
Social Security System (O.A.S.I.)	260,000.00	-	260,000.00	227,061.40	32,938.60	-
Police and Firemen's Retirement System of N.J.	833,561.00	-	833,561.00	833,561.00	-	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	1,313,690.00	-	1,313,690.00	1,280,751.40	32,938.60	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	13,288,165.00	-	13,288,165.00	12,197,362.11	1,090,802.89	-

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	Appropriations			Paid or Charged	Reserved	Cancelled
	Original Budget	Chapter 159	Budget After Modifications			
General Appropriations for Municipal Purposes - Excluded from "CAPS"						
Length of Service Award Program ("LOSAP")	58,000.00	-	58,000.00	54,000.00	4,000.00	-
911 Emergency Dispatch - Police: Other Expenses	14,000.00	-	14,000.00	12,821.14	1,178.86	-
	72,000.00	-	72,000.00	66,821.14	5,178.86	-
Public and Private Programs Offset by Revenues:						
Intercal Service Agreement - School Resource Officer Clean Communities	60,000.00	-	60,000.00	60,000.00	-	-
Post Sandy Planning Assistance	-	16,482.63	16,482.63	16,482.63	-	-
Zoning Code Enforcement	-	295,000.00	295,000.00	295,000.00	-	-
Strategic Recovery Plan	-	60,000.00	60,000.00	60,000.00	-	-
Monmouth County Workforce Development	-	26,900.00	26,900.00	26,900.00	-	-
Safe and Secure Communities	60,000.00	44,068.68	44,068.68	44,068.68	-	-
Safe and Secure Communities - Match:						
Salaries and Wages	140,132.00	-	140,132.00	140,132.00	-	-
Other Expenses	46,580.00	-	46,580.00	46,580.00	-	-
Body Armor	8,720.61	-	8,720.61	8,720.61	-	-
Drunk Driving Enforcement	5,932.48	-	5,932.48	5,932.48	-	-
Local Law Enforcement	51.79	-	51.79	51.79	-	-
Total Public and Private Programs Offset by Revenues	321,416.88	442,451.31	763,868.19	763,868.19	-	-
Total Operations - Excluded from "CAPS"	393,416.88	442,451.31	835,868.19	830,689.33	5,178.86	-
Detail:						
Salaries and Wages	200,132.00	-	200,132.00	200,132.00	-	-
Other Expenses	193,284.88	442,451.31	635,736.19	630,557.33	5,178.86	-
Capital Improvement Fund:						
Capital Improvement Fund:	300,000.00	-	300,000.00	300,000.00	-	-
Total Capital Improvement Fund	300,000.00	-	300,000.00	300,000.00	-	-
Municipal Debt Service - Excluded From "CAPS":						
Payment of Bond Principal	432,000.00	-	432,000.00	432,000.00	-	-
Payment of Bond Anticipation Notes and Capital Notes	25,183.00	-	25,183.00	25,183.00	-	-
Interest on Bonds	220,463.76	-	220,463.76	220,463.76	-	-
Interest on Notes	53,692.60	-	53,692.60	53,511.70	-	180.90
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	63,313.90	-	63,313.90	63,313.90	-	-
Special Emergency Note - Interest	609.50	-	609.50	-	-	609.50
Special Emergency Note - Sandy	41,690.50	-	41,690.50	40,675.10	-	1,015.40
Environmental Infrastructure Trust Loan	218,200.00	-	218,200.00	216,195.16	-	2,004.84
Capital Lease Program	154,125.00	-	154,125.00	154,124.64	-	0.36
Total Municipal Debt Service - Excluded From "CAPS"	1,209,278.26	-	1,209,278.26	1,205,467.26	-	3,811.00



**BOROUGH OF KEANSBURG**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	Appropriations			Paid or Charged	Reserved	Cancelled
	Original Budget	Chapter 159	Budget After Modifications			
Deferred Charges - Municipal - Excluded From "CAPS"						
Deferred Charges:						
Emergency Authorizations	53,000.00	-	53,000.00	53,000.00	-	-
Special Emergency Authorizations - 5 Years	760,000.00	-	760,000.00	760,000.00	-	-
Ord #1320	337.00	-	337.00	337.00	-	-
Ord #1322	1,950.00	-	1,950.00	1,950.00	-	-
Ord #1352	140.00	-	140.00	140.00	-	-
Ord #1346	37,159.25	-	37,159.25	37,159.25	-	-
Ord #1348	53,547.20	-	53,547.20	53,547.20	-	-
Ord #1351	41,828.76	-	41,828.76	41,828.76	-	-
Ord #1372	22,741.49	-	22,741.49	22,741.49	-	-
Total Deferred Charges - Municipal - Excluded From "CAPS"	970,703.70	-	970,703.70	970,703.70	-	-
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	2,873,398.84	442,451.31	3,315,850.15	3,306,860.29	5,178.86	3,811.00
Subtotal General Appropriations	16,161,563.84	442,451.31	16,604,015.15	15,504,222.40	1,095,981.75	3,811.00
Reserve for Uncollected Taxes	1,000,000.00	-	1,000,000.00	1,000,000.00	-	-
Total General Appropriations	\$ 17,161,563.84	\$ 442,451.31	\$ 17,604,015.15	\$ 16,504,222.40	\$ 1,095,981.75	\$ 3,811.00
Adopted Budget Chapter 159		\$ 17,161,563.84				
		442,451.31				
		<u>\$ 17,604,015.15</u>				

Reserve for Uncollected Taxes	\$ 1,000,000.00
Cash Disbursements	13,458,595.04
Reserve for Grants-Appropriated	703,868.19
Deferred Charges	970,703.70
Encumbrances Payable	371,055.47
	<u>\$ 16,504,222.40</u>

BOROUGH OF KEANSBURG  
 COUNTY OF MONMOUTH, NEW JERSEY  
 TRUST FUND  
 COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS  
 DECEMBER 31, 2014 AND 2013

<u>Assets</u>	<u>Reference</u>	<u>2014</u>	<u>2013</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Animal Control Fund:				Animal Control Trust Fund:			
Cash	B-1	\$ 12,193.73	\$ 8,123.09	Due To:	B-2	\$ 1.20	\$ 6.60
Change Fund	B	50.00	50.00	State of New Jersey	A	6,296.73	-
		<u>12,243.73</u>	<u>8,173.09</u>	Current Fund	B-3	5,945.80	8,166.49
				Reserve for Animal Control Expenditures		<u>12,243.73</u>	<u>8,173.09</u>
Other Trust Funds:				Other Trust Funds:			
Cash	B-1	1,415,517.08	1,391,277.72	Reserve for Various Trust Activities	B-4	1,415,517.08	1,391,277.72
Length of Service Award Program				Length of Service Award Program			
Fund ("LOSAP") - Reviewed:				Fund ("LOSAP") - Reviewed:			
Cash and Investments - Trustee	B-6	352,102.24	298,687.10	Reserve for Funds Held by Trustee	B-5	352,102.24	298,687.10
Total Assets		<u>\$ 1,779,863.05</u>	<u>\$ 1,698,137.91</u>	Total Liabilities and Reserves		<u>\$ 1,779,863.05</u>	<u>\$ 1,698,137.91</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

Assets	Reference	2014	2013	Liabilities and Reserves	Reference	2014	2013
Cash and Investments				Encumbrances Payable	C-7	\$ 288,643.05	\$ 108,167.40
State, Federal, Local Grants Receivable	C-2	\$ 1,753,433.76	\$ 1,206,533.63	Serial Bonds	C-8	4,908,000.00	5,340,000.00
Deferred Charges To Future Taxation:	C-6	382,431.97	764,708.47	Bond Anticipation Notes	C-9	4,270,225.00	4,295,408.00
Funded	C-4	6,393,982.08	7,060,276.44	Leases Payable	C-10	223,700.00	361,600.00
Funded - Leases	C-4	223,700.00	361,600.00	Environmental Infrastructure Trust Loan	C-11	1,184,785.75	1,362,638.18
Unfunded	C-5	9,458,299.87	4,306,132.07	Green Acres Loan	C-12	301,196.33	357,638.26
Total Assets		<u>\$ 18,211,847.68</u>	<u>\$ 13,699,250.61</u>	Improvement Authorizations:			
				Funded	C-13	975,546.46	719,177.67
				Unfunded	C-13	5,544,326.35	789,405.36
				Reserve for:			
				Capital Improvement Fund	C-14	303,103.96	265,103.96
				RCA Interest Income	C-14	29,018.16	29,018.16
				Refunding Bonding - Cost of Issuance	C-14	22,598.73	22,598.73
				Sandy Insurance Claims	C-14	50,000.00	-
				Payment of Debt Service	C-14	15,381.00	-
				Storm Sewer Project - Boardwalk Donation	C-14	578.00	-
				Reserve for Raritan Ave Receivable	C	46,250.00	-
				Fund Balance	C-1	48,494.89	48,494.89
Total Liabilities and Reserves		<u>\$ 18,211,847.68</u>	<u>\$ 13,699,250.61</u>				

There were bonds and notes authorized but not issued on December 31, 2014 of \$5,578,971.00 and on December 31, 2013 was \$337,424.70.

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF CAPITAL FUND BALANCE-  
REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

Balance, December 31, 2014 and 2013

\$ 48,494.89

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF KEANSBURG**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**WATER AND SEWER UTILITY FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2014 AND 2013**

Assets	Reference	2014	2013	Liabilities, Reserves and Fund Balances	Reference	2014	2013
Operating Fund:				Operating Fund:			
Cash and Investments	D-5	\$ 1,316,839.35	\$ 1,467,354.60	Appropriation Reserves	D-4	\$ 56,139.50	\$ 450,424.33
Change Fund	D-7	<u>250.00</u>	<u>250.00</u>	Prepaid Water/Sewer rents	D-13	8,420.65	29,486.77
				Encumbrances Payable	D-14	289,118.33	425,500.30
				Water and Sewer Rent Overpayments	D-15	12,054.68	9,339.45
				Accrued Interest on Bonds, Notes & Loans	D-17	29,040.13	33,043.78
Receivables With Offsetting Reserves:				Accounts Payable	D	14,112.21	-
Consumer Accounts Receivable	D-8	183,388.82	200,279.69	Community Disaster Loan Payable	D	225,000.00	225,000.00
Municipal Liens	D-26	4,944.94	4,454.30	Community Disaster Loan - Accrued Interest	D	2,185.80	923.87
Deposit with Bayshore Regional Sewerage Authority	D-9	<u>302,456.87</u>	<u>302,003.52</u>			<u>636,071.30</u>	<u>1,173,718.50</u>
				Reserve for Receivables	D	490,790.63	506,737.51
Deferred Charges:				Fund Balance	D-1	<u>908,203.85</u>	<u>519,809.97</u>
Community Disaster Loan	D	<u>227,185.80</u>	<u>225,923.87</u>	Total Operating Fund		<u>2,035,065.78</u>	<u>2,200,265.98</u>
Total Deferred Charges		<u>227,185.80</u>	<u>225,923.87</u>	Capital Fund:			
Total Operating Fund		<u>2,035,065.78</u>	<u>2,200,265.98</u>	Serial Bonds Payable	D-18	4,875,000.00	5,808,000.00
				Bond Anticipation Notes	D-19	907,810.00	914,405.00
				Trust Loans Payable	D-20	1,044,576.34	1,102,881.41
Capital Fund:				Improvement Authorization:			
Cash and Investments	D-5	274,099.02	274,099.02	Unfunded	D-22	15,134.91	15,134.91
Fixed Capital	D-10	24,321,950.83	24,321,950.83	Reserve for:			
Fixed Capital Authorized and Uncompleted	D-11	<u>3,528,660.00</u>	<u>3,528,660.00</u>	Amortization	D-23	21,034,564.49	20,036,664.42
				Deferred Reserve for Amortization	D-24	3,660.00	3,660.00
Total Capital Fund		<u>28,124,709.85</u>	<u>28,124,709.85</u>	Capital Improvement Fund	D-25	227,000.00	227,000.00
				Fund Balance	D-2	16,964.11	16,964.11
				Total Capital Fund		<u>28,124,709.85</u>	<u>28,124,709.85</u>
				Total Liabilities, Reserves and Fund Balances		<u>\$ 30,159,775.63</u>	<u>\$ 30,324,975.83</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF KEANSBURG**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**WATER AND SEWER UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:			
Fund Balance Anticipated	D-3	\$ 100,000.00	\$ -
Miscellaneous Revenues Anticipated	D-3	4,316,954.57	4,719,698.25
Miscellaneous Revenues Not Anticipated	D-3	759.18	6,603.34
Other Credits To Income:			
Unexpended Balance of Appropriation			
Reserves	D-12	343,094.74	124,929.79
Accrued Interest Cancelled	D-17	4,003.84	14,775.71
		<hr/>	<hr/>
Total Revenue		4,764,812.33	4,866,007.09
Expenditures:			
Operating	D-4	2,825,107.00	3,003,050.00
Capital Improvements	D-4	150,000.00	150,000.00
Debt Service	D-4	1,224,311.45	1,240,371.46
Statutory Expenditures	D-4	77,000.00	72,000.00
		<hr/>	<hr/>
Total Expenditures		4,276,418.45	4,465,421.46
Excess in Revenue		488,393.88	400,585.63
Fund Balance, Beginning	D	519,809.97	119,224.34
		<hr/>	<hr/>
		1,008,203.85	519,809.97
Decreased By:			
Utilized as Anticipated Revenue		100,000.00	-
		<hr/>	<hr/>
Fund Balance, December 31	D	<u>\$ 908,203.85</u>	<u>\$ 519,809.97</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>Reference</u>	
Balance, December 31, 2014 and 2013	D	<u>\$16,964.11</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY OPERATING FUND -  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 100,000.00	\$ 100,000.00	\$ -
Water/Sewer Rents	4,315,000.00	4,242,816.32	(72,183.68)
Miscellaneous Revenue	-	759.18	759.18
Interest on:			-
Delinquent Payments	60,000.00	71,001.12	11,001.12
Investments	<u>1,435.88</u>	<u>3,137.13</u>	<u>1,701.25</u>
	<u>\$ 4,476,435.88</u>	<u>\$ 4,417,713.75</u>	<u>\$ (58,722.13)</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.



**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY OPERATING FUND -  
STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	Original Budget	Budget After Modifications	Paid or Charged	Reserved	Cancelled
Operating:					
Salaries and Wages	\$ 542,070.00	\$ 542,070.00	\$ 507,191.14	\$ 34,878.86	-
Other Expenses	<u>2,483,037.00</u>	<u>2,483,037.00</u>	<u>2,271,771.44</u>	<u>11,265.56</u>	<u>200,000.00</u>
Total Operating	3,025,107.00	3,025,107.00	2,778,962.58	46,144.42	200,000.00
Capital Improvements:					
Capital Outlay	<u>150,000.00</u>	<u>150,000.00</u>	<u>150,000.00</u>	<u>-</u>	<u>-</u>
Total Capital Improvements	<u>150,000.00</u>	<u>150,000.00</u>	<u>150,000.00</u>	<u>-</u>	<u>-</u>
Debt Service:					
Payment of Bond Principal	933,000.00	933,000.00	933,000.00	-	-
Payment of Bond Anticipation Notes and Capital Notes	6,595.00	6,595.00	6,595.00	-	-
Interest on Bonds	185,805.00	185,805.00	185,805.00	-	-
Interest on Notes	11,430.06	11,430.06	11,430.06	-	-
NJEIT Loan	<u>87,498.82</u>	<u>87,498.82</u>	<u>87,481.39</u>	<u>-</u>	<u>17.43</u>
Total Debt Service	<u>1,224,328.88</u>	<u>1,224,328.88</u>	<u>1,224,311.45</u>	<u>-</u>	<u>17.43</u>
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	29,000.00	29,000.00	29,000.00	-	-
Social Security System (O.A.S.I.)	<u>48,000.00</u>	<u>48,000.00</u>	<u>38,004.92</u>	<u>9,995.08</u>	<u>-</u>
Total Statutory Expenditures	<u>77,000.00</u>	<u>77,000.00</u>	<u>67,004.92</u>	<u>9,995.08</u>	<u>-</u>
Total Sewer Utility Appropriations	<u>\$ 4,476,435.88</u>	<u>\$ 4,476,435.88</u>	<u>\$ 4,220,278.95</u>	<u>\$ 56,139.50</u>	<u>\$ 200,017.43</u>
Cash Disbursements			\$ 3,902,120.49		
Accrued Interest on Bonds, Notes & Loans			29,040.13		
Encumbrances Payable			289,118.33		
			<u>\$ 4,220,278.95</u>		

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

<u>Assets</u>	<u>Reference</u>	<u>2014</u>	<u>2013</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2014</u>	<u>2013</u>
Land	E-1	\$ 4,996,600.00	\$ 4,996,600.00				
Buildings	E-1	6,174,512.00	6,174,512.00				
Improvements	E-1	6,117,000.00	6,117,000.00				
Machinery and Equipment	E-1	<u>5,728,865.35</u>	<u>5,584,806.35</u>	Investment in Fixed Assets	E-1	<u>\$ 23,016,977.35</u>	<u>\$ 22,872,918.35</u>
Total Assets		<u>\$ 23,016,977.35</u>	<u>\$ 22,872,918.35</u>	Total Liabilities		<u>\$ 23,016,977.35</u>	<u>\$ 22,872,918.35</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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## BOROUGH OF KEANSBURG

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

#### Note 1. Summary of Significant Accounting Policies

##### Description of Financial Reporting Entity

The Borough of Keansburg was incorporated under the laws of the State of New Jersey. The financial statements of the reporting entity include those of the Borough of Keansburg only and no other component units.

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

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

**Current Fund** – The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

**Trust Fund** – The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

**General Capital Fund** – the General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

**Water and Sewer Utility Operating and Capital Funds** - are used to account for water and sewer operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the water/sewer utility to the general public be financed through user fees. Operations relating to the acquisition of water and sewer capital facilities are recorded within the Water and Sewer Utility Capital Fund.

**General Fixed Assets Account Group** – used to account for fixed assets used in general government operations.

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 1. Summary of Significant Accounting Policies (continued):**

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

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

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

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

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

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 1. Summary of Significant Accounting Policies (continued):**

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

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

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

**General Fixed Assets** – Property and equipment purchased by the Current and General Capital Fund are recorded as expenditures at the time of purchase and are not capitalized. All interest costs are recorded as expenditures when paid.

Accounting for governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 85-2 as issued by the Division of Local Government Services, differs in certain respects from accounting principles generally accepted in the United States of America. The following is a brief description of the provisions of the Directive:

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land, which is valued at estimated market value. No depreciation has been provided for in the financial statements. Donated general fixed assets are valued at their estimated fair market value on the date received.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital has not been accounted for separately.

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

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 1. Summary of Significant Accounting Policies (continued):**

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

**Fund Balance** – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

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

**Property Tax Revenues** – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Borough’s annual budget, but also the amounts required in support of the budgets of the County of Monmouth, Borough of Keansburg School District and the Rumson-Keansburg Regional School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Keansburg School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2013 and decreased by the amount deferred at December 31, 2014.

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

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



**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Expenditures** – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

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

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

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

**Subsequent Events** - The Borough of Keansburg has evaluated subsequent events occurring after December 31, 2014 through the date of April 27, 2015, which is the date the financial statements were available to be issued.

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 2. Cash and Cash Equivalents**

The Borough is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2014 and reported at fair value are as follows:

<b>Type</b>	<b>Carrying Value</b>
<b>Deposits</b>	
Demand Deposits	<u>\$ 10,248,855.81</u>
Total Deposits	<u><u>\$ 10,248,855.81</u></u>
<b>The Township's Cash and Cash Equivalents are Reported as Follows:</b>	
Current Fund	\$ 5,241,166.91
Grant Fund	235,605.96
Trust Other Fund	1,415,517.08
Animal Control Fund	12,193.73
Capital Fund	1,753,433.76
Water and Sewer Utility Capital Fund	274,099.02
Water and Sewer Utility Operating Fund	<u>1,316,839.35</u>
Total Cash and Cash Equivalents	<u><u>\$ 10,248,855.81</u></u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits may not be returned. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2014, the Borough's bank balance of \$10,652,322.74 was insured or collateralized as follows:

Insured	\$ 500,000.00
Uninsured and uncollateralized	1,563,885.11
Collateralized in the District's Name Under GUDPA	<u>8,588,437.63</u>
Total	<u><u>\$10,652,322.74</u></u>

## **BOROUGH OF KEANSBURG**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2014**

#### **Note 3. Investments**

##### **A. Custodial Credit Risk**

For an investment, custodial credit risk is a risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Borough and are held by either the counterparty or the counterparty's trust department or agent but not in the Borough's name. All of the Borough's investments are held in the name of the Borough and are collateralized by GUDPA.

##### **B. Investment Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Borough has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2014, are provided in the above schedule.

##### **C. Investment Credit Risk**

The Borough has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Borough or bonds or other obligations of the local unit or units within which the Borough is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Borough;
- Local Government investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities.

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 3. Investments (continued):**

	Fair Value (LOSAP)	Book Value	Total Reported Value
2014:			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Borough's name	<u>\$352,102.24</u>	<u>\$352,102.24</u>	<u>\$352,102.24</u>
2013:			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Borough's name	<u>\$298,687.10</u>	<u>\$298,687.10</u>	<u>\$298,687.10</u>

**Note 4. Property Taxes**

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

**Comparison of Tax rate Information**

	2014	2013	2012
Total Tax Rate	\$ 3.403	\$ 3.382	\$ 3.309
Apportionment of Tax Rate:			
Municipal	2.095	2.052	2.012
County	0.349	0.343	0.357
Local School	0.959	0.987	0.940

**Net Valuation Taxable**

2014	<u>\$ 493,320,899</u>
2013	<u>\$ 485,659,140</u>
2012	<u>\$ 516,416,913</u>

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 4. Property Taxes (continued)**

**Comparison of Tax Levies and Collection Currently**

Year	Tax Levy	Cash Collections	Percentage Of Collection
2014	\$ 16,801,604	\$ 16,050,725	95.53%
2013	16,448,368	15,559,415	94.60%
2012	17,091,389	16,238,375	95.01%

**Delinquent Taxes and Tax Title Liens**

Year Ended December 31	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2014	\$ 192,122	\$ 726,358	\$ 918,480	5.46%
2013	150,544	703,967	854,511	5.20%
2012	90,580	707,664	798,244	4.67%

**Note 5. Fund Balances Appropriated**

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

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
<b>CURRENT FUND:</b>			
2014	\$ 3,177,237.99	\$ 850,000.00 *	26.75%
2013	1,782,506.41	200,000.00	11.22%
2012	999,534.84	200,000.00	20.01%
2011	682,041.02	375,000.00	54.98%
2010	178,336.20	150,000.00	84.11%
<b>WATER-SEWER OPERATING FUND:</b>			
2014	\$ 908,203.85	\$ - *	0.00%
2013	519,809.97	100,000.00	19.24%
2012	119,224.34	-	0.00%
2011	340,228.71	300,000.00	88.18%
2010	276,143.37	275,000.00	99.59%

\* Estimated figure - Budget not adopted at time of audit

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 6. Interfund Receivables and Payables**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2014:

<b>Fund</b>	<b>Interfunds Receivable</b>	<b>Interfunds Payable</b>
Current Fund	\$ 6,296.73	\$ -
Animal Control Trust Fund	-	6,296.73
<b>Total</b>	<b>\$ 6,296.73</b>	<b>\$ 6,296.73</b>

The purpose of these interfunds was short-term borrowings.

**Note 7. Pension**

**A. Plan Description**

The Borough of Keansburg contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) and Police and Fireman's Retirement System (P.F.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. The Public Employees' Retirement System (P.E.R.S.) was established in January 1955 under the provisions of N.J.S.A.43:15A and the Public Fireman's Retirement System (P.F.R.S.) was established as of July 1, 1944 under the provisions of N.J.S.A.43:16A. Both plans were set up to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

The State of New Jersey P.F.R.S. program as established as of July 1, 1944. The program was established under the provisions of N.J.S.A.43:16A, which assigns authority to establish and amend, benefit provisions to the plans' board of trustees. P.F.R.S. issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625, or calling (609) 984-1684.

**B. Vesting and Benefit Provisions**

The vesting and benefit provisions of PERS are set by N.J.S.A.43:15A and 43.3B. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary

## **BOROUGH OF KEANSBURG**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2014**

#### **Note 7. Pension (continued)**

for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 78, P.L. 2012 changed this for employees enrolled after June 28, 2012. See Note 7C below.

#### **C. Significant Legislation**

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for PERS were reduced.

New Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the PFRS and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Effective June 28, 2012, Chapter 78, P.L. 2012 reformed various pension and health benefits provisions. Employees hired after June 28, 2012 and enrolled in PERS will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 PERS members will be age 65 and 30 years of service. Tier 3 was added to PFRS for enrollees after June 28, 2012. Tier 3 retirees will have a maximum retirement benefit of 65% of final compensation after 30 years of service.

All cost of living adjustments are frozen until the pension fund reaches a "target funded ratio".

Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 7. Pension (continued):**

**D. Contribution Requirements**

The contribution policy is set by N.J.S.A.43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A.18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 6.5%, effective October 1, 2012, of employees' annual compensation as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in both PFRS and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums.

Plan members are required to contribute 10%, effective October 1, 2012, of their annual covered salary for P.F.R.S. and Keansburg Borough is required to contribute at an actuarially determined rate. The contribution requirements of plan members and are established and may be amended by the plan's board of trustees. The Borough's contributions to P.E.R.S. for the years ending December 31, 2014, 2013 and 2012 were \$249,129, \$262,600 and \$302,627, respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2014, 2013 and 2012 were \$833,561, \$885,793 and \$887,621, respectively, equal to the required contributions for each year.

**Note 8. Capital Debt**

**A Summary of Municipal Debt is as follows:**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Issued</u>			
General:			
Bonds, Notes, and Loans	\$10,664,207.08	\$ 11,355,684.44	\$ 9,169,473.51
Water and Sewer Utility:			
Bonds and Notes	<u>6,827,386.34</u>	<u>7,825,286.41</u>	<u>8,801,186.48</u>
Net Debt Issued	<u>17,491,593.42</u>	<u>19,180,970.85</u>	<u>17,970,659.99</u>

**Authorized But Not Issued**

General:			
Bonds and Notes	5,578,971.00	337,424.70	2,724,287.50
Water and Sewer Utility:			
Bonds and Notes	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Authorized But Not Issued	<u>5,578,971.00</u>	<u>337,424.70</u>	<u>2,724,287.50</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$23,070,564.42</u>	<u>\$ 19,518,395.55</u>	<u>\$ 20,694,947.49</u>



**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 8. Capital Debt (continued):**

**Summary of Statutory Debt Condition – Annual Debt Statement**

**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 2.937%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Utility Debt	\$ 6,827,386	\$ 6,827,386	\$ -
General Debt	16,243,178	-	16,243,178
	<hr/>	<hr/>	<hr/>
Total	\$ 23,070,564	\$ 6,827,386	\$ 16,243,178
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Net Debt, \$16,243,178 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$553,089,936 equals 2.937%.

**Borrowing Power Under 40A:2-6:**

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 19,358,148
Net Debt	<hr/> 16,243,178
Remaining Borrowing Power	<hr/> <hr/> \$ 3,114,970

**Calculation of Self-Liquidating Purpose - Water Utility per N.J.S.40A:2-45**

Cash Receipts From Fees, Rents & Other Charges	\$ 4,417,713.94
Deductions:	
Operating & Maintenance Costs	2,995,967.50
Debt Service	<hr/> 1,224,311.45
Excess Revenue - Self Liquidating	<hr/> <hr/> \$ 197,434.99

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 8. Capital Debt (continued):**

The Borough's General Capital long-term debt consisted of the following at December 31, 2014:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>
<u>General Capital Bonds</u>				
General Obligation	12/04/08	\$ 4,170,000.00	4.000%-5.250%	\$3,398,000.00
Refunding Bonds	11/08/12	1,690,000.00	2.000%-3.500%	<u>1,510,000.00</u>
				<u>\$4,908,000.00</u>
<u>NJEIT Loans</u>				
Drainage Improvements	10/15/01	\$ 2,910,000.00	2.500%-2.625%	\$1,060,892.93
Drainage Improvements	10/15/01	276,422.00	2.500%-2.625%	<u>123,892.82</u>
				<u>\$1,184,785.75</u>
<u>Green Trust Loans</u>				
1999 Loan	03/22/99	\$ 250,000.00	2.000%	\$ 39,395.37
2007 Loan A	07/27/07	415,000.00	2.000%	167,341.35
2007 Loan	07/27/07	30,500.00	2.000%	20,144.95
2009 Loan	11/06/09	98,295.00	2.000%	<u>74,314.66</u>
				<u>\$ 301,196.33</u>
Total General Capital Debt				<u>\$6,393,982.08</u>

The Borough's Utility Capital long-term debt consisted of the following at December 31, 2014:

<u>Water &amp; Sewer Utility Bonds</u>				
General Obligation	12/04/08	\$ 242,000.00	4.000%-5.250%	\$ 164,000.00
Refunding of Pooled Bonds	03/30/11	846,000.00	2.500%-5.000%	336,000.00
Refunding of Refunding Bonds	11/08/12	5,930,000.00	2.000%-3.000%	<u>4,375,000.00</u>
				<u>\$4,875,000.00</u>
<u>NJEIT Water &amp; Sewer Loans</u>				
Trust Loan – Series A	03/10/10	\$ 655,000.00	3.000%-5.000%	\$ 545,000.00
Fund Loan	03/10/10	1,964,000.00	0.000%	<u>499,576.34</u>
				<u>\$1,044,576.34</u>
Total Water and Sewer Utility Debt				<u>\$5,919,576.34</u>

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 8. Capital Debt (continued):**

Schedule of Annual Debt Service for Bonded Debt Issued and Outstanding

General Debt

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 452,000.00	\$ 202,163.75	\$ 654,163.75
2016	468,000.00	182,863.75	650,863.75
2017	488,000.00	165,743.75	653,743.75
2018	503,000.00	147,823.75	650,823.75
2019	529,000.00	124,903.75	653,903.75
2020	547,000.00	102,648.75	649,648.75
2021	573,000.00	81,783.75	654,783.75
2022	596,000.00	57,633.75	653,633.75
2023	622,000.00	30,512.50	652,512.50
2024	<u>130,000.00</u>	<u>3,087.50</u>	<u>133,087.50</u>
	<u>\$ 4,908,000.00</u>	<u>\$ 1,099,165.00</u>	<u>\$ 6,007,165.00</u>

Schedule of Annual Debt Service for Bonded Debt Issued and Outstanding

Water and Sewer Utility

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 970,000.00	\$ 157,535.00	\$ 1,127,535.00
2016	924,000.00	125,435.00	1,049,435.00
2017	958,000.00	97,870.00	1,055,870.00
2018	993,000.00	68,300.00	1,061,300.00
2019	948,000.00	37,417.50	985,417.50
2020	19,000.00	4,057.50	23,057.50
2021	20,000.00	3,202.50	23,202.50
2022	21,000.00	2,202.50	23,202.50
2023	<u>22,000.00</u>	<u>1,100.00</u>	<u>23,100.00</u>
	<u>\$ 4,875,000.00</u>	<u>\$ 497,120.00</u>	<u>\$ 5,372,120.00</u>

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 8. Capital Debt (continued):**

Capital Lease Obligations

The Borough is obligated to the Monmouth County Improvement Authority (“Authority”) for County-Guaranteed Pooled Lease Revenue Bonds under the 2003, 2005 and 2009 Capital Equipment Improvement Lease Programs.

Debt service requirements for Capital Lease obligations during the next several years are as follows:

	Series <u>2005</u>	Series <u>2009</u>	<u>Total</u>
2015	\$ 82,635.00	\$ 33,025.00	\$ 115,660.00
2016		32,945.00	32,945.00
2017		32,825.00	32,825.00
2018		32,592.50	32,592.50
2019	<u>                    </u>	<u>32,317.50</u>	<u>32,317.50</u>
Total			
Payment	<u>\$ 82,635.00</u>	<u>\$ 160,705.00</u>	<u>\$ 246,340.00</u>
Interest			
Payment	<u>\$ 4,131.75</u>	<u>\$ 18,508.25</u>	<u>\$ 22,640.00</u>

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 8. Capital Debt (continued):**

New Jersey Environmental Infrastructure Trust

The Borough has contracted with the State of New Jersey, Department of Environmental Protection to fund a portion of the costs incurred for Drainage Improvements. Pursuant to the provision of N.J.S.A. 40A:2-1 et seq., the combined outstanding principal of these loans has been included in the calculation of the Borough's statutory debt condition. Information relating to these loans is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 164,324.34	\$ 32,056.26	\$ 196,380.60
2016	169,560.30	27,443.76	197,004.06
2017	174,640.22	22,575.00	197,215.22
2018	179,487.99	17,325.00	196,812.99
2019	184,175.91	11,812.50	195,988.41
2020	<u>188,704.17</u>	<u>6,037.50</u>	<u>194,741.67</u>
	<u>\$ 1,060,892.93</u>	<u>\$ 117,250.02</u>	<u>\$ 1,178,142.95</u>

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 18,662.75	\$ 3,450.00	\$ 22,112.75
2016	18,340.72	2,950.00	21,290.72
2017	18,018.68	2,450.00	20,468.68
2018	17,696.64	1,950.00	19,646.64
2019	17,374.61	1,450.00	18,824.61
2020	17,052.57	950.00	18,002.57
2021	<u>16,746.85</u>	<u>475.00</u>	<u>17,221.85</u>
	<u>\$ 123,892.82</u>	<u>\$ 13,675.00</u>	<u>\$ 137,567.82</u>

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 8. Capital Debt (continued):**

Water and Sewer Utility : N.J.E.I.T. Fund Loan

The Borough has contracted with the State of New Jersey, Department of Environmental Protection, to fund a portion of the costs incurred for the design of a desalination system for the Water Plant. Pursuant to the provision of N.J.S.A. 40A:2-1 et seq., the combined outstanding principal of these loans has been included in the calculation of the Borough's statutory debt condition. Information relating to this loan is as follows:

<u>Year</u>	<u>Principal</u>	<u>Total</u>
2015	\$ 33,305.07	\$ 33,305.07
2016	33,305.07	33,305.07
2017	33,305.07	33,305.07
2018	33,305.07	33,305.07
2019	33,305.07	33,305.07
2020	33,305.07	33,305.07
2021	33,305.07	33,305.07
2022	33,305.07	33,305.07
2023	33,305.07	33,305.07
2024	33,305.07	33,305.07
2025	33,305.07	33,305.07
2026	33,305.07	33,305.07
2027	33,305.07	33,305.07
2028	33,305.07	33,305.07
2029	<u>33,305.36</u>	<u>33,305.36</u>
	<u>\$ 499,576.34</u>	<u>\$ 499,576.34</u>

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 8. Capital Debt (continued):**

Water and Sewer Utility : Trust Loan – Series A

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 25,000.00	\$ 22,750.00	\$ 47,750.00
2016	30,000.00	21,500.00	51,500.00
2017	30,000.00	20,000.00	50,000.00
2018	30,000.00	18,500.00	48,500.00
2019	30,000.00	17,000.00	47,000.00
2020	35,000.00	15,800.00	50,800.00
2021	35,000.00	14,050.00	49,050.00
2022	35,000.00	13,000.00	48,000.00
2023	40,000.00	11,600.00	51,600.00
2024	40,000.00	10,000.00	50,000.00
2025	40,000.00	8,400.00	48,400.00
2026	40,000.00	6,800.00	46,800.00
2027	45,000.00	5,400.00	50,400.00
2028	45,000.00	3,600.00	48,600.00
2029	<u>45,000.00</u>	<u>1,800.00</u>	<u>46,800.00</u>
	<u>\$ 545,000.00</u>	<u>\$ 190,200.00</u>	<u>\$ 735,200.00</u>

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 8. Capital Debt (continued):**

Debt service requirements during the next several years are as follows:

Green Acres Loan Program – 1321-92-039

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 15,523.35	\$ 710.67	\$ 16,234.02
2016	15,835.37	398.66	16,234.03
2017	<u>8,036.65</u>	<u>80.37</u>	<u>8,117.02</u>
	<u>\$ 39,395.37</u>	<u>\$ 1,189.70</u>	<u>\$ 40,585.07</u>

Green Acres Loan Program – 1321-95-049

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,501.15	\$ 395.43	\$ 1,896.58
2016	1,531.33	365.26	1,896.59
2017	1,562.11	334.47	1,896.58
2018	1,593.51	303.08	1,896.59
2019	1,625.53	271.05	1,896.58
2020	1,658.21	238.37	1,896.58
2021	1,691.54	205.05	1,896.59
2022	1,725.54	171.05	1,896.59
2023	1,760.22	136.36	1,896.58
2024	1,795.61	100.98	1,896.59
2025	1,831.69	64.89	1,896.58
2026	<u>1,868.51</u>	<u>28.08</u>	<u>1,896.59</u>
	<u>\$ 20,144.95</u>	<u>\$ 2,614.07</u>	<u>\$ 22,759.02</u>



**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 8. Capital Debt (continued):**

Debt service requirements during the next several years are as follows:

Green Acres Loan Program – 1321-95-049(A)

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 35,902.78	\$ 3,168.20	\$ 39,070.98
2016	36,624.43	2,446.56	39,070.99
2017	37,360.57	1,710.41	39,070.98
2018	38,111.52	959.47	39,070.99
2019	<u>19,342.07</u>	<u>193.42</u>	<u>19,535.49</u>
	<u>\$ 167,341.37</u>	<u>\$ 8,478.06</u>	<u>\$ 175,819.43</u>

Green Acres Loan Program – 1323-03-012

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 4,649.13	\$ 1,463.17	\$ 6,112.30
2016	4,742.58	1,369.72	6,112.30
2017	4,837.91	1,274.39	6,112.30
2018	4,935.15	1,177.15	6,112.30
2019	5,034.35	1,077.95	6,112.30
2020	5,135.53	976.77	6,112.30
2021	5,238.76	873.54	6,112.30
2022	5,344.06	768.24	6,112.30
2023	5,451.48	660.82	6,112.30
2024	5,561.05	551.25	6,112.30
2025	5,672.82	439.47	6,112.29
2026	5,786.85	325.45	6,112.30
2027	5,903.17	209.13	6,112.30
2028	<u>6,021.82</u>	<u>90.48</u>	<u>6,112.30</u>
	<u>\$ 74,314.66</u>	<u>\$ 11,257.53</u>	<u>\$ 85,572.19</u>

**Bond Anticipation Notes**

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding ten years. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that, on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 8. Capital Debt (continued):**

At December 31, 2014, the Borough had the following outstanding bond anticipation notes in the General Capital Fund:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Amount</u>
Acquisition Fire Truck/Energy Efficient Devices	06/25/14	1.00%	\$ 51,417.00
Improvements Main Street Business	06/25/14	1.00%	393,591.00
Improvements to Highland Blvd./Center Ave.	06/25/14	1.00%	67,104.00
Improvements to Parks and Playgrounds	06/25/14	1.00%	102,412.00
Improvements to Main Street	06/25/14	1.00%	250,000.00
Improvements to Various Roads	06/25/14	1.00%	380,000.00
Improvements to Highland Blvd./Center Ave.	06/25/14	1.00%	175,000.00
Terrace Place Vicinity Road Improvements	06/25/14	1.00%	253,290.00
Sinkhole Improvements	06/25/14	1.00%	31,911.00
Improvements to Various Roads	06/25/14	1.00%	1,710,000.00
Park Improvements	06/25/14	1.00%	200,000.00
Bulkhead Creek Rd/Laurel	06/25/14	1.00%	<u>655,500.00</u>
			<u>\$ 4,270,225.00</u>

At December 31, 2014, the Borough had the following outstanding bond anticipation notes in the Water/Sewer Utility Fund:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Amount</u>
Design Desalination System Water Plant	06/25/14	1.00%	\$ 507,810.00
Desalination System Water Plant	06/25/14	1.00%	<u>400,000.00</u>
			<u>\$ 907,810.00</u>

## **BOROUGH OF KEANSBURG**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2014**

#### **Note 9. Risk Management**

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the Borough to purchase commercial insurance for the risks of loss to which it is exposed. Settlements in each of the past three years have not exceeded the insurance coverage.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

#### **Note 10. Post-Employment Retirement Benefits**

The Borough contributes to the State Health Benefits Program (“SHBP”), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. On February 24, 1981, the Borough authorized participation in the SHBP’s post-retirement benefit program through resolution number 78-2-24-81. Eligibility to participate in the SHBP’s post-retirement benefit program begins after 25 years of credited service with the Borough. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly-available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>.

#### Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. Plan members or beneficiaries receiving benefits do not make any contributions.

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 10. Post-Employment Retirement Benefits (continued)**

The Borough's contributions to SHBP for the years ended December 31, 2014 were \$581,252.93, which equaled the required contributions for each year. There were approximately 40 retired participants eligible at December 31, 2014.

**Note 11. Length of Service Award Program ("LOSAP")**

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Keansburg Emergency Medical Services Squads. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

**Annual Contributions** – The annual contribution to be made by the Borough for each active volunteer member shall be \$600.00, \$800.00 or \$1,150.00 per year of active emergency service, commencing with the year 2008.

**Appropriations** – Appropriations for the purpose of funding the Borough's LOSAP shall be included as a separate line item in the Borough's budget, commencing with the year 2008.

**Periodic Increases** – Notwithstanding the provisions above, the annual contribution to be made by the Borough for each active volunteer member shall be subject to periodic increases based upon the "Consumer Price Index Factor" pursuant to subsection f. of section 3 of P.L. 1997, c.388 (*N.J.S.A.40A:14-185*).

**Criteria for Eligibility; Contributions; Points** – Any active volunteer member shall eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active voluntary services in the emergency service organization. Annual contributions shall only be made by the Borough, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

**Determination as to Eligibility** – Each emergency service organization shall provide to the Borough Administrator, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate as of each January 1 thereafter. The Plan Administrator shall forward said certified list to the Borough Council for approval, in accordance with the provisions of N.J.A.C. 5:30-14.10. The decision of the Borough Council as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

**Terms of Participation** – The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

**Vesting** – The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 11. Length of Service Award Program (“LOSAP”) (continued):**

**Termination of Service** – Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

**Reporting Requirements** – *N.J.A.C.5:30-14.49* requires that the Borough perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accounts Statements on Standards for Accounting and Auditing Review Services.

**Note 12. General Fixed Assets**

The following schedule is a summarization of the changes in General Fixed Assets for the fiscal year ended December 31, 2014:

	December 31, 2013	Additions	Deletions	December 31, 2014
Fixed Assets not being depreciated:				
Land	\$ 4,996,600	\$ -	\$ -	\$ 4,996,600
Buildings	6,174,512	-	-	6,174,512
Machinery & Equipment	5,584,806	144,059	-	5,728,865
Improvements	6,117,000	-	-	6,117,000
	<u>\$ 22,872,918</u>	<u>\$ 144,059</u>	<u>\$ -</u>	<u>\$ 23,016,977</u>
Fixed assets not being depreciated	\$ 22,872,918	\$ 144,059	\$ -	\$ 23,016,977

All additions are recorded at cost.

**Note 13. Accrued Sick and Vacation Benefits**

The Borough has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The monetary value of these earned and unused employee benefits has not been accrued by either charges to operations or to budgets of prior years, although in some cases they might be material. At December 31, 2014, the Borough has estimated this liability to be approximately \$906,833. The realization of this liability may be affected by conditions, which could preclude an employee from receiving full payment of the accrual.

## **BOROUGH OF KEANSBURG**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2014**

#### **Note 14. Contingent Liabilities**

##### State and Federal Grants

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 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.

#### **Note 15. Deferred Compensation Program**

The Borough has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and amended pursuant to Section 401 (a)(31)(B) of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Borough has engaged a private contractor to administer the Plan.

#### **Note 16. Community Disaster Loan**

On March 27th, 2013, the Borough submitted a formal request for a FEMA Community Disaster Loan (CDL) in the amount of \$3,954,766 in relation to Hurricane Sandy losses and expenditures. On March 28, 2013, the Borough approved a resolution to amend the 2013 Budget by \$1,970,000, the amount of the CDL that was awarded in 2013. The remaining \$1,984,766 was received in June of 2014.

The interest rate on the loan is the U.S. Treasury rate for 5-year maturities on the date the Promissory Note is executed, in this case June 20, 2013 when the interest rate was 0.75%. The term of the loan is usually 5 years, but may be extended. Interest accrues on the funds as they are disbursed. When applicable, the Assistance Administrator of the Disaster Assistance Directorate may cancel repayment of all or part of the loan if the revenues of the applicant in the three fiscal years following the financial year of the disaster are insufficient to meet the operating budget because of disaster related revenue losses and un-reimbursed disaster related operating expenses. As of December 31, 2014, the Current Fund has recorded a loan payable in the amount of \$3,729,766 with \$28,199.77 of accrued interest and the Utility fund has recorded a loan payable in the amount of \$225,000 with \$2,185.80 of accrued interest.

**BOROUGH OF KEANSBURG**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 17. Superstorm Sandy**

On October 29, 2012, Superstorm Sandy (the “Storm”), then a Category 1 post-tropical cyclone according to the National Weather Service, struck the coast of New Jersey. The resulting storm surge and winds caused catastrophic damage to many coastal and riverfront communities, as well as widespread physical damage (including downed trees and branches and loss of electrical power and other utilities) throughout the State. In the days following the Storm, most schools and businesses – and many roads, bridges and public transportation systems – were closed. The full extent of the damage caused by the Storm has yet to be ascertained, but some preliminary estimates forecast total economic cost to the East Coast of between \$30 and \$50 billion.

The Borough of Keansburg (“Borough”) sustained significant wind and flood damage from the Storm. The Borough is working closely with FEMA representatives to submit claims for the expenses related to infrastructure repair and the debris cleanup in the weeks following the Storm.

**Note 18. Special Emergency Notes**

The Borough of Keansburg has joined with fifteen other Monmouth County municipalities to participate in a joint financing through The Monmouth County Improvement Authority (“MCIA”) designed to reduce costs of financing certain Superstorm Sandy recovery expenses and to ensure continued market access, despite the credit implications of lost ratables. As of December 31, 2014 the balance on this special emergency note payable is \$637,724.00 at an interest rate of 0.80%.

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**SUPPLEMENTARY STATEMENTS**

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**CURRENT FUND**

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**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CASH AND INVESTMENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Current Fund	Grant Fund	
Balance, December 31, 2013	\$ 4,147,238.36		\$233,171.04
Increased By Receipts:			
Non-Budget Revenues	\$ 212,545.72		
State of New Jersey - Senior Citizens' and Veterans' Deductions	74,205.00		
Property Taxes Receivable	16,665,032.49		
Tax Title Liens Receivable	3,823.01		
Revenue Accounts Receivable	6,138,800.23		
Due To/From:			
State of N.J.	985.00		
Special Emergency Notes	637,724.00		
Prepaid Taxes	81,083.78		
Outside Liens Payable	451,210.86		
Reserve for FEMA Reimbursements	1,627,870.96		
Grants Receivable		\$ 96,256.81	
Grants:			
Due from Current Fund		4,430.67	
Unappropriated		22,108.19	
	25,893,281.05		122,795.67
	30,040,519.41		355,966.71
Decreased By Disbursements:			
2014 Budget Appropriations	13,458,595.04		
2013 Appropriation Reserves	799,581.27		
Special Emergency Notes	2,062,000.00		
Local School Taxes	4,732,327.00		
County Taxes	1,722,165.39		
Outside Liens Payable	454,726.99		
Payroll Deductions Payable	16,209.49		
Accounts Payable	6,400.00		
Due to State of N.J. Marriage License	1,075.00		
Reserve for FEMA Reimbursements	1,193,918.38		
Reserve for Insurance Claims	347,578.00		
Miscellaneous Adjustment	345.27		
Due to Grant Fund	4,430.67		
Grants - Appropriated		120,360.75	
	24,799,352.50		120,360.75
Balance, December 31, 2014	\$ 5,241,166.91		\$235,605.96

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CHANGE FUND AND PETTY CASH FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2014 and 2013</u>
Tax Collector	\$ 250.00
Municipal Court	150.00
Vital Statistics	25.00
Clerk	25.00
Police Records	<u>25.00</u>
	<u>\$ 475.00</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE FROM STATE OF NEW JERSEY -  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 41,739.60
Increased By:		
Senior Citizens' Deductions per Tax Billings	\$ 20,750.00	
Veterans' Deductions per Tax Billings	52,250.00	
Senior Citizens' and Veterans' Deductions Allowed By Tax Collector	<u>1,750.00</u>	
		<u>74,750.00</u>
Decreased By:		
Cash Received From State of New Jersey Senior Citizens' and Veterans' Deductions Disallowed By Tax Collector	74,205.00	116,489.60
Senior Citizens' Disallowed - 2013	<u>500.00</u>	
		<u>75,205.00</u>
Balance, December 31, 2014		<u><u>\$ 41,284.60</u></u>

Calculation of Amount - Schedule of Taxes Receivable

Senior Citizens' Deductions per Tax Billings	\$ 20,750.00	
Veterans' Deductions per Tax Billings	52,250.00	
Senior Citizens' and Veterans' Deductions Allowed/(Disallowed) By Tax Collector	<u>750.00</u>	
Balance Applied To Taxes		<u><u>\$ 73,750.00</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Year	Balance December 31, 2013	2014 Levy	Added	2013	2014	Overpayments Created	Transfer to Arrears	Due From State of New Jersey	Transfers to Tax Title Lien	Remitted Abated Cancelled	Balance December 31, 2014
2012	\$ 6,110.80	-	-	-	\$ 4,430.53	\$ 4,375.93	\$ 5,319.39	-	-	-	\$ 736.81
2013	697,857.78	-	-	-	687,989.76	6,488.63	3,228.76	(500.00)	2,306.53	567.53	10,753.83
2014	-	16,787,711.47	13,892.17	85,501.84	15,890,973.13	-	-	74,250.00	43,630.04	929.02	706,319.61
Arrears	-	-	-	-	-	-	(8,548.15)	-	-	-	8,548.15
	<u>\$ 703,968.58</u>	<u>\$ 16,787,711.47</u>	<u>\$ 13,892.17</u>	<u>\$ 85,501.84</u>	<u>\$ 16,583,393.42</u>	<u>\$ 10,864.56</u>	<u>\$ -</u>	<u>\$ 73,750.00</u>	<u>\$ 45,936.57</u>	<u>\$ 1,496.55</u>	<u>\$ 726,358.40</u>

Analysis of Property Tax Levy

Tax Yield

General Purpose Tax  
Added/ Omitted Taxes (R.S. 54-4-63, 1 et seq)

#####  
13,892.17  
\$ 16,801,603.64

Tax Levy

Local District School Tax  
County Taxes:

\$ 1,511,412.54  
96,307.25  
82,412.11  
29,918.47  
1,424.73  
1,721,475.10  
6,453,802.10

Local Tax for Municipal Purposes  
Add: Additional Tax Levied

10,334,461.96  
13,339.58  
10,347,801.54  
\$ 16,801,603.64

Analysis of Current Year Tax Collections



**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 150,544.16
Increased By:		
Transfers From Taxes Receivable		<u>45,936.57</u>
		196,480.73
Decreased By:		
Adjustment to Liens	\$ 536.07	
Cash Receipts	<u>3,823.01</u>	<u>4,359.08</u>
Balance, December 31, 2014		<u><u>\$ 192,121.65</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2014 and 2013

\$ 186,800.00

**BOROUGH OF KEANSBURG**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Accrued in <u>2014</u>	<u>Collections</u>	Balance December 31, <u>2014</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 17,595.00	\$ 17,595.00	\$ -
Other	-	29,366.00	29,366.00	-
Fees and Permits	-	358,604.75	358,604.75	-
Fines and Costs:				
Municipal Court	-	332,663.47	332,663.47	-
Interest and Costs on Taxes	-	145,256.30	145,256.30	-
Parking Meters	-	189,954.89	189,954.89	-
Interest on Investments and Deposits	-	16,530.34	16,530.34	-
PILOT:				
Grandview Apartments	-	75,000.00	75,000.00	-
Rental of Borough Property	-	41,250.00	41,250.00	-
Omni Tower Rental	-	34,688.37	34,688.37	-
Consolidated Municipal Property Tax Relief Aid	-	577,266.00	577,266.00	-
Energy Receipts Tax (P.L. 1997, Chaps. 162 & 167)	-	1,248,365.00	1,248,365.00	-
Uniform Construction Code Fees	-	200,842.00	200,842.00	-
Other Special Items:				
Uniform Fire Safety Act	-	7,459.25	7,459.25	-
Cable TV Fees	-	98,714.44	98,714.44	-
FEMA Reserve - A/R	-	760,000.00	760,000.00	-
Community Disaster Loan Program	-	1,984,766.00	1,984,766.00	-
Church Street Coro:				
PILOT McGrath Towers	-	14,974.70	14,974.70	-
PILOT Fallon Manor	-	5,503.72	5,503.72	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>\$ -</u>	<u>\$ 6,138,800.23</u>	<u>\$ 6,138,800.23</u>	<u>\$ -</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, 2013	Transferred from 2014 Budgets	Encumbrances Payable	Expended	Balance December 31, 2014
Federal Grants:					
Local Law Enforcement Block Grant	\$ 287.72	\$ 51.79	-	-	\$ 339.51
Drunk Driving Enforcement Fund	2,551.46	5,932.48	-	3,991.12	4,492.82
Strategic Recovery Plan	-	26,900.00	7,031.57	19,868.43	-
State Grants:					
Safe & Secure	-	60,000.00	-	60,000.00	-
Safe & Secure-Match	-	186,712.00	-	185,742.00	970.00
Monmouth County Workforce	-	44,068.68	-	-	44,068.68
Post Sandy Planning Assistance	-	295,000.00	-	-	295,000.00
Zoning Code Enforcement	-	60,000.00	416.91	24,607.02	34,976.07
Alcoholic Education	478.66	-	-	-	478.66
Body Armor	9,523.65	8,720.61	-	3,567.40	14,676.86
Clean Communities	17,406.19	16,482.63	960.00	8,326.78	24,602.04
Recreational Trails Program	1,709.25	-	-	-	1,709.25
NJDOT - Raritan Avenue	185,000.00	-	-	-	185,000.00
Special Legislative Grant: Marina Facility	4,969.90	-	-	-	4,969.90
	<u>\$ 221,926.83</u>	<u>\$ 703,868.19</u>	<u>\$ 8,408.48</u>	<u>\$ 306,102.75</u>	<u>\$ 611,283.79</u>
2014 Budget Appropriations		\$ 517,156.19			
Cash Receipts-Local Match		186,712.00			
		<u>\$ 703,868.19</u>			
Cash Disbursement				\$ 120,360.75	
Interfund - Current				185,742.00	
				<u>\$ 306,102.75</u>	

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Cash <u>Received</u>	Transferred To Grants <u>Receivable</u>	Balance December 31, <u>2014</u>
Local Law Enforcement - Interest	\$ 51.79	\$ 0.28	\$ 51.79	\$ 0.28
DDEF	5,932.48	2,485.74	5,932.48	2,485.74
Recycling Tonnage Grant	-	16,254.22	-	16,254.22
Body Armor	<u>8,720.61</u>	<u>3,367.95</u>	<u>8,720.61</u>	<u>3,367.95</u>
	<u>\$ 14,704.88</u>	<u>\$ 22,108.19</u>	<u>\$ 14,704.88</u>	<u>\$ 22,108.19</u>

**BOROUGH OF KEANSBURG  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF DEFERRED CHARGES  
 FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Description</u>	Balance December 31, <u>2013</u>	Increased By	Decreased By	Balance December 31, <u>2014</u>
Special Emergency Authorization: 06/06/11 Insurance Claims	\$ 53,000.00	\$ -	\$ 53,000.00	\$ -
Special Emergency Authorization: 11/10/12 Superstorm Sandy	1,867,808.53	-	600,000.00	1,267,808.53
Special Emergency Authorization: 09/09/13 Superstorm Sandy	<u>171,393.10</u>	<u>-</u>	<u>160,000.00</u>	<u>11,393.10</u>
	<u>\$ 2,092,201.63</u>	<u>\$ -</u>	<u>\$813,000.00</u>	<u>\$ 1,279,201.63</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance, December 31, <u>2013</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
<b>GENERAL GOVERNMENT</b>				
Borough Council:				
Salaries and Wages	\$ 1,800.00	\$ 1,800.00	\$ -	\$ 1,800.00
Other Expenses	377.50	377.50	377.50	-
Office of the Borough Manager:				
Salaries and Wages	7,276.38	7,276.38	-	7,276.38
Other Expenses	2,011.92	2,011.92	356.87	1,655.05
Office of the Borough Clerk:				
Salaries and Wages	0.42	0.42	-	0.42
Other Expenses	13,559.95	13,559.95	8,264.48	5,295.47
Legal Services and Costs:				
Other Expenses	6,511.97	6,511.97	6,511.97	-
Elections:				
Other Expenses	55.56	55.56	-	55.56
<b>DEPARTMENT OF FINANCE</b>				
Office of Director of Finance:				
Salaries and Wages	8,661.76	8,661.76	-	8,661.76
Other Expenses	4,731.89	4,731.89	2,815.02	1,916.87
Annual Audit	38,100.00	38,100.00	38,100.00	-
Division of Tax Collector:				
Salaries and Wages	2,869.34	2,869.34	-	2,869.34
Other Expenses	2,231.07	2,231.07	24.00	2,207.07
Division of Tax Assessor:				
Salaries and Wages	2,251.30	2,251.30	-	2,251.30
Other Expenses	10,779.66	10,779.66	6,500.00	4,279.66
<b>DEPARTMENT OF PUBLIC SAFETY</b>				
Police:				
Salaries and Wages	145,630.22	145,630.22	939.49	144,690.73
Dispatcher Salaries and Wages	13,872.72	13,872.72	-	13,872.72
Other Expenses	10,767.40	10,767.40	10,759.57	7.83
Detective Bureau:				
Other Expenses	4,113.88	4,113.88	4,113.44	0.44
Bureau of Street Crossing Guards:				
Salaries and Wages	8,585.39	8,585.39	-	8,585.39
Other Expenses	100.00	100.00	-	100.00
<b>DIVISION OF FIRE</b>				
Fire Department:				
Other Expenses	9,593.53	9,593.53	9,389.53	204.00
Emergency Medical Services				
Other Expenses	4,423.36	4,423.36	4,184.15	239.21
<b>UNIFORM CONSTRUCTION CODE</b>				
Code Enforcement:				
Salaries and Wages	18,794.27	18,794.27	-	18,794.27
Other Expenses	1,849.06	1,849.06	1,612.78	236.28
Uniform Safety Act:				
Salaries and Wages	752.30	752.30	-	752.30
Other Expenses	985.19	985.19	605.00	380.19
<b>DEPARTMENT OF ENGINEERING AND PUBLIC WORKS</b>				
Division of Engineering:				
Other Expenses	22,271.50	22,271.50	22,215.00	56.50
Division of Streets and Roads:				
Salaries and Wages	5,784.11	5,784.11	-	5,784.11
Other Expenses	7,777.17	7,777.17	3,788.92	3,988.25
Division of Snow Removal:				
Salaries and Wages	5,199.03	5,199.03	5,199.00	0.03
Other Expenses	1,987.04	1,987.04	1,900.00	87.04
Division of Parking Meter Maintenance:				
Salaries and Wages	3,525.00	3,525.00	-	3,525.00
Other Expenses	7,210.05	7,210.05	-	7,210.05
Division of Buildings and Grounds:				
Other Expenses	14,472.03	14,472.03	12,247.40	2,224.63
Municipal Garage:				
Salaries and Wages	903.25	903.25	-	903.25
Other Expenses	4,699.63	4,699.63	2,628.29	2,071.34

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance, December 31, <u>2013</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Sanitation:				
Contract	36,235.76	36,235.76	36,189.00	46.76
Landfill Solid Waste Disposal Fees	95,873.50	95,873.50	29,954.05	65,919.45
DEPARTMENT OF HEALTH AND WELFARE				
Division of Health:				
Salaries and Wages	1,311.88	1,311.88	-	1,311.88
Other Expenses	17,581.00	17,581.00	11,975.00	5,606.00
Dog Regulation	6,840.00	6,840.00	6,112.00	728.00
DEPARTMENT OF RECREATION PARKS AND PLAYGROUNDS				
Division of Recreation Parks and Playgrounds:				
Other Expenses	11,795.03	11,795.03	6,360.47	5,434.56
Historical Society:				
Other Expenses	362.00	362.00	-	362.00
MUNICIPAL PROSECUTOR				
Salaries and Wages	3,461.47	3,461.47	-	3,461.47
OTHER MUNICIPAL OPERATIONS				
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)				
Planning Board of Adjustment:				
Salaries and Wages	1,027.48	1,027.48	-	1,027.48
Other Expenses	331.51	331.51	331.51	-
Emergency Management Services:				
Other Expenses	3,342.00	3,342.00	-	3,342.00
INSURANCES: N.J.S.A. 40A:4-45.3(00)				
Group Insurance Plan for Employees	426,676.08	426,676.08	109,346.98	317,329.10
Group Salary Insurance	1,250.00	1,250.00	1,250.00	-
Workers Compensation	36,220.00	36,220.00	-	36,220.00
Other Insurance - Liability Insurance	3,512.58	3,512.58	3,512.58	-
Disability Insurance	13,903.00	13,903.00	1,326.86	12,576.14
SENIOR CITIZENS				
Transportation of Senior Citizens:				
Other Expenses	2,585.00	2,585.00	2,585.00	-
MUNICIPAL COURT				
Salaries and Wages	2,296.07	2,296.07	-	2,296.07
Other Expenses	1,565.01	1,565.01	368.96	1,196.05
MUNICIPAL LIBRARY				
Salaries and Wages	1,721.24	1,721.24	-	1,721.24
Other Expenses	1,330.18	1,330.18	763.14	567.04
PUBLIC EMPLOYEES OCCUPATIONAL SAFETY AND HEALTH ACT				
Board of Health:				
Other Expenses	1,000.00	1,000.00	-	1,000.00
UNIFORM CONSTRUCTION CODE APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)				
State Uniform Construction Code Officials:				
Salaries and Wages	7,163.29	7,163.29	-	7,163.29
Other Expenses	72.95	72.95	19.98	52.97
UNCLASSIFIED				
Utilities:				
Electricity	11,695.63	11,695.63	8,082.82	3,612.81
Street Lighting	28,558.82	28,558.82	19,199.48	9,359.34
Telephone	13,619.74	13,619.74	7,326.67	6,293.07
Natural Gas	5,147.74	5,147.74	4,741.67	406.07
Telecommunications Costs	3,885.62	3,885.62	637.89	3,247.73
Gasoline and Fuel Oil	24,701.67	24,701.67	7,497.75	17,203.92
CONTINGENT	50,000.00	50,000.00	49,882.65	117.35
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	32,739.84	32,739.84	-	32,739.84
911 Emergency Dispatch - Police				
Other Expenses	34.82	34.82	-	34.82
Superstorm Sandy	348,084.40	348,084.40	348,084.40	-
Length of Service Award Program ("LOSAP")	1,850.00	1,850.00	1,500.00	350.00
Total General Appropriations	<u>\$ 1,592,290.16</u>	<u>\$ 1,592,290.16</u>	<u>\$ 799,581.27</u>	<u>\$ 792,708.89</u>

2013 Appropriation Reserves  
Encumbrances Payable

\$ 996,141.61  
596,148.55  
\$ 1,592,290.16



**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 6,508.56
Decreased By:	
Cash Disbursements	<u>6,400.00</u>
Balance, December 31, 2014	<u>\$ 108.56</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 596,148.55
Increased By:	
Transferred From Appropriation	<u>371,055.47</u>
	967,204.02
Decreased By:	
Transferred To Appropriation Reserves	<u>596,148.55</u>
Balance, December 31, 2014	<u><u>\$ 371,055.47</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF NOTES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance December 31, 2014</u>
Special Emergency Note Payable	11/5/14	11/4/15	0.80%	\$ 53,000.00	-	\$ 53,000.00	-
Special Emergency Note Payable				<u>2,009,000.00</u>	<u>637,724.00</u>	<u>2,009,000.00</u>	<u>637,724.00</u>
				<u>\$ 2,062,000.00</u>	<u>\$ 637,724.00</u>	<u>\$ 2,062,000.00</u>	<u>\$ 637,724.00</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 85,501.84
Increased By:	
Collection of 2015 Taxes	<u>81,083.78</u>
	166,585.62
Decreased By:	
Applied To 2014 Taxes	<u>85,501.84</u>
Balance, December 31, 2014	<u><u>\$ 81,083.78</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PROPERTY TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased By:	
2014 Tax Overpayments	<u>38,557.56</u>
	38,557.56
Decreased By:	
Tax Overpayments Refunded	<u>38,557.56</u>
Balance, December 31, 2014	<u><u>\$ -</u></u>

**BOROUGH OF KEANSBURG  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$	-
Increased By:		
Levy Calendar Year 2014		4,732,327.00
		4,732,327.00
Decreased By:		
Cash Disbursed		4,732,327.00
 Balance, December 31, 2014	 \$	 - <u><u>                    </u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 2,115.02
Increased By:		
2014 Tax Levy:		
County Tax	\$ 1,511,412.54	
County Library Tax	96,307.25	
County Open Space Fund Tax	82,412.11	
County Health Tax	29,918.47	
Due County for Added and Omitted Taxes	1,424.73	
		1,721,475.10
		1,723,590.12
Decreased By:		
Cash Disbursements		1,722,165.39
Balance, December 31, 2014		\$ 1,424.73

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF OUTSIDE LIENS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 3,516.13
Increased By:	
Cash Receipts	<u>451,210.86</u>
	454,726.99
Decreased By:	
Cash Disbursements	<u>454,726.99</u>
Balance, December 31, 2014	<u><u>\$ -</u></u>



**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 75,987.02
Decreased By:	
Cash Disbursements	<u>16,209.49</u>
Balance, December 31, 2014	<u><u>\$ 59,777.53</u></u>

**BOROUGH OF KEANSBURG  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF DUE TO STATE  
 FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Cash <u>Receipts</u>	<u>Decreased</u>	Balance December 31, <u>2014</u>
Marriage Licenses	<u>\$ 375.00</u>	<u>\$ 985.00</u>	<u>\$ 1,075.00</u>	<u>\$ 285.00</u>
	<u><u>\$ 375.00</u></u>	<u><u>\$ 985.00</u></u>	<u><u>\$ 1,075.00</u></u>	<u><u>\$ 285.00</u></u>

**BOROUGH OF KEANSBURG  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF VARIOUS RESERVES  
 FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2014</u>
Revaluation	\$ 24,614.75	\$ -	\$ -	\$ 24,614.75
Tax Appeals	200,000.00	-	-	200,000.00
Insurance Claims	347,578.00	-	347,578.00	-
Hurricane Sandy - 2013	-	36,621.32	-	36,621.32
Hurricane Sandy - 2012	<u>94,682.68</u>	<u>1,627,870.96</u>	<u>846,340.38</u>	<u>876,213.26</u>
	<u>\$ 666,875.43</u>	<u>\$ 1,664,492.28</u>	<u>\$1,193,918.38</u>	<u>\$ 1,137,449.33</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	Budget Revenue <u>Realized</u>	<u>Received</u>	Balance December 31, <u>2014</u>
State Programs				
Safe and Secure Grant	\$ -	\$ 60,000.00	\$ 60,000.00	\$ -
Drunk Driving Enforcement Fund	-	5,932.48	5,932.48	-
Body Armor Grant	-	8,720.61	8,720.61	-
Clean Communities Grant	-	16,482.63	16,482.63	-
Post Sandy Planning Assistance	-	295,000.00	-	295,000.00
Zoning Code Enforcement	-	60,000.00	-	60,000.00
Monmouth County Workforce	-	44,068.68	-	44,068.68
Federal Programs				
Strategic Recovery Plan	-	26,900.00	19,774.18	7,125.82
Local Law Enforcement	-	51.79	51.79	-
	<u>\$ -</u>	<u>\$ 517,156.19</u>	<u>\$ 110,961.69</u>	<u>\$ 406,194.50</u>
Cash Receipts			\$ 96,256.81	
Transferred from Unappropriated			<u>14,704.88</u>	
			<u>\$ 110,961.69</u>	

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 878.35
Increased By:	
Transferred From Grants Appropriated	<u>8,408.48</u>
	9,286.83
Decreased By:	
Transferred To Grants Appropriated	<u>878.35</u>
Balance, December 31, 2014	<u><u>\$ 8,408.48</u></u>

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**TRUST FUND**

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**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST FUND  
SCHEDULE OF CASH  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Animal Control <u>Fund</u>	Other <u>Trust Funds</u>
Balance, December 31, 2013	\$ 8,123.09	\$ 1,391,277.72
Increased By Receipts:		
Due To State of New Jersey	489.00	-
Dog License Fees	4,669.24	-
Various Reserves	-	713,771.82
	<u>5,158.24</u>	<u>713,771.82</u>
	<u>13,281.33</u>	<u>2,105,049.54</u>
Decreased By Disbursements:		
N.J. State Department of Health	494.40	-
Dog License Expenditures	593.20	-
Various Reserves	-	689,532.46
	<u>1,087.60</u>	<u>689,532.46</u>
Balance, December 31, 2014	<u>\$ 12,193.73</u>	<u>\$ 1,415,517.08</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 6.60
Increased By:	
State Registration Fees	<u>489.00</u>
	495.60
Decreased By:	
Disbursed To State	<u>494.40</u>
Balance, December 31, 2014	<u><u>\$ 1.20</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 8,166.49
Increased By:		
License Fees Collected	\$ 2,244.40	
Transfers In	2,402.75	
Interest	<u>22.09</u>	
		<u>4,669.24</u>
		12,835.73
Decreased By:		
Transfer Excess Reserve to Current Fund	6,296.73	
Expenditures Per R.S. 4:19-15.11	<u>593.20</u>	
		<u>6,889.93</u>
Balance, December 31, 2014		<u><u>\$ 5,945.80</u></u>

License Fees Collected

2013	\$ 2,988.20
2012	<u>2,957.60</u>
	<u><u>\$ 5,945.80</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST - OTHER FUND  
SCHEDULE OF RESERVE FOR VARIOUS TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2014</u>
Tax Sale Premiums	\$ 486,300.00	\$ 259,000.00	\$ 173,552.88	\$ 571,747.12
Omni Lease Deposit	227,965.35	82,031.68	121,628.00	188,369.03
Recycling	15,568.60	20,996.18	20,900.20	15,664.58
Recreation Activities and Programs	12,919.31	22,027.00	22,811.55	12,134.76
Art Program	3,360.43	3,203.50	2,995.08	3,568.85
Library Fees	1,643.23	-	-	1,643.23
Tree Beautification	435.70	-	-	435.70
Public Defender Fees	2,444.75	5,486.00	6,500.04	1,430.71
Accumulated Absences	179,191.38	-	-	179,191.38
Parking Offenses Adjudication Act	29,191.78	19,541.50	7,820.00	40,913.28
Off Duty Police	69,325.83	117,895.61	148,892.35	38,329.09
Forfeiture Funds	3,680.76	-	-	3,680.76
Law Enforcement Trust	43,130.36	24,089.47	6,752.81	60,467.02
Unemployment Compensation				
Insurance	32,891.53	66.11	2,812.61	30,145.03
Escrow Deposits	91,675.56	95,177.00	79,759.39	107,093.17
Performance Bonds/Engineering				
Fees	21,037.21	-	-	21,037.21
Workers Compensation	37,298.04	35,045.81	48,038.48	24,305.37
Reserve for:				
Interest	287.01	30.24	-	317.25
Redevelopment	13,964.75	28.35	-	13,993.10
Storm Recovery	55,230.36	15,073.42	18,026.32	52,277.46
Fire Safety	1,100.00	500.00	-	1,600.00
Hurricane Sandy Relief	62,635.78	13,579.95	29,042.75	47,172.98
	<u>\$ 1,391,277.72</u>	<u>\$ 713,771.82</u>	<u>\$ 689,532.46</u>	<u>\$ 1,415,517.08</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")  
SCHEDULE OF RESERVE FOR FUNDS HELD BY TRUSTEE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 298,687.10
Increased By:		
Borough Contributions	\$ 49,500.00	
Appreciation on Investments	<u>13,665.14</u>	
		<u>63,165.14</u>
		361,852.24
Decreased By:		
Withdrawals	7,900.00	
Loss on Investments	<u>1,850.00</u>	
		<u>9,750.00</u>
Balance, December 31, 2014		<u><u>\$ 352,102.24</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")  
SCHEDULE OF INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 298,687.10
Increased By:		
Borough Contributions	\$ 49,500.00	
Appreciation on Investments	<u>13,665.14</u>	<u>63,165.14</u>
		361,852.24
Decreased By:		
Withdrawals	7,900.00	
Accounting Charges	<u>1,850.00</u>	<u>9,750.00</u>
Balance, December 31, 2014		<u><u>\$ 352,102.24</u></u>

**GENERAL CAPITAL FUND**

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**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH AND INVESTMENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 1,206,533.63
Increased By:		
Premium on BAN Sale	\$ -	
Grants Receivable	567,276.50	
Bond Anticipation Notes	4,270,225.00	
Interfund Receipts	247,082.20	
Miscellaneous Reserves	<u>712,959.00</u>	
		<u>5,797,542.70</u>
		7,004,076.33
Decreased By:		
Bond Anticipation Notes	4,295,408.00	
Improvement Authorizations	<u>955,234.57</u>	
		<u>5,250,642.57</u>
Balance, December 31, 2014		<u><u>\$ 1,753,433.76</u></u>

**BOROUGH OF KEANSBURG**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2014</u>
Capital Improvement Fund	\$ 303,103.96
State, Federal, Local Grants Receivable	(382,431.97)
Excess Financing - Bond Anticipation Note	390,896.13
Reserve for:	
Encumbrances	288,643.05
Interest on RCA Funds	29,018.16
Sewer Project - Boardwalk Restoration	50,000.00
Sandy Insurance Claims	578.00
Refunding Bonds - Cost of Issuance	22,598.73
Reserve for Receivable	46,250.00
Fund Balance	48,494.89

<u>Ordinance Number</u>	<u>Improvement Description</u>	
1062/1253/1371	RCA Holmdel Mt. Laurel Housing	\$ 49,715.08
1145	Removal of Underground Storage Tank	(18,632.33)
1184	Reconstruction of Twilight Avenue	(1,567.44)
1210/1272	Improvements - St. John's Park	(143,961.00)
1320	Improvements to Carr Avenue	45,887.63
1322	Improvements to Center, Raritan and Seabreeze	87,430.71
1324	Demolition of Buildings	16,326.50
1325	Construction of Library and Recreation Fields	48,502.76
1347/1382	Raritan Avenue Reconstruction	0.63
1352/1426	St. John's Park	80,740.60
1394	Improvements to Police Station	854.50
1428	Various Improvements and Equipment - Borough Hall	43.06
1432	Reconstruction and Improvements to Highland Blvd.	33,530.91
1433/1455	Reconstruction and Improvements to Various Roads	89.14
1434	Various Capital Improvements	0.88
1448	Acquisition Fire Truck/Energy Efficient Devices	85,667.41
1467	Improvements to Storm Water System	3,323.51
1477	Improvements Main Street Business	1,108.03
1484	Improvements Highland Blvd./Center Ave.	32,955.80
1494	Improvements to Parks and Playgrounds	5,681.25
1510	Improvements to Main St. Business Area	19,738.85
1522	Terrace Place Vacinity Road Improvements	65,380.13
1523	Sinkhole Improvements	29,893.59
1524	Various Road Improvement	1,594.31
1525	Park Improvements	0.09
1526	Bulkhead Creek Rd/Laurel	5,246.82
1549	Outfall Extension - Beachway	(42,975.75)
1550	Raritan Avenue Drainage	88,682.92
1553	New Police Facility	98,643.22
1547	Acquisition of Property	347,000.00
		\$ 1,738,052.76

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 7,421,876.44
Decreased By:		
Serial Bonds Paid	\$ 432,000.00	
M.C.I.A. Leases Paid	137,900.00	
N.J.E.I.T. Loan Paid	177,852.43	
Green Trust Loan Paid	<u>56,441.93</u>	
		<u>804,194.36</u>
Balance, December 31, 2014		<u><u>\$ 6,617,682.08</u></u>
		<u>Analysis of Balance</u>
Funded		\$ 6,393,982.08
Funded-Leases		<u>223,700.00</u>
		<u><u>\$ 6,617,682.08</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Ordinance Number	Improvement Description	Balance December 31, 2013	Current Year Authorizations	Payments of BAN's	Grants Received	Funded By Budget Appropriations	Balance December 31, 2014	Bond Anticipation Notes	Excess Financing	Expenditures	Unexpended Improvement Authorizations
1145	Removal of Underground Storage Tanks	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00	\$ -	\$ -	\$ 18,632.33	\$ 6,367.67
1184	Reconstruction of Twilight Ave.	10,760.00	-	-	-	-	10,760.00	-	-	1,567.44	9,192.56
1210/1272	Improvements - St. John's Park	143,961.00	-	-	-	-	143,961.00	-	-	143,961.00	-
1320	Improvements to Carr Ave.	337.00	-	-	-	337.00	-	-	-	-	-
1322	Improvements to Center, Raritan and Seabreeze	1,950.00	-	-	-	1,950.00	-	-	-	-	-
1352-1426	St. John's Park	140.00	-	-	-	140.00	-	-	-	-	-
1346	Waterfront Bicycle and Pedestrian Corridor	37,159.25	-	-	-	37,159.25	-	-	-	-	-
1348	Laurel Avenue Reconstruction	53,547.20	-	-	-	53,547.20	-	-	-	-	-
1351	Acquisition of Waterfront Park	41,828.76	-	-	-	41,828.76	-	-	-	-	-
1372	Various Road Improvement	22,741.49	-	-	-	22,741.49	-	-	-	-	-
1448	Acquisition Fire Truck/Energy Efficient Devices	54,280.00	-	2,863.00	-	-	51,417.00	51,417.00	-	-	-
1477	Improvements Main Street Business	408,169.00	-	14,578.00	-	-	393,591.00	393,591.00	-	-	-
1484	Improvements Highland Blvd./Center Ave.	246,052.00	-	3,948.00	-	-	242,104.00	242,104.00	-	-	-
1494	Improvements to Parks and Playgrounds	106,206.00	-	3,794.00	-	-	102,412.00	102,412.00	-	-	-
1508	Improvements to Various Roads-Raritan,Oak	361,825.87	-	-	-	-	361,825.87	380,000.00	(18,174.13)	-	-
1510	Improvements to Main St. Business Area	250,000.00	-	-	-	-	250,000.00	250,000.00	-	-	-
1522	Terrace Place Vicinity Road Improvements	253,290.00	-	-	-	-	253,290.00	253,290.00	-	-	-
1523	Sinkhole Improvements	31,911.00	-	-	-	-	31,911.00	31,911.00	-	-	-
1524	Various Road Improvement	1,710,000.00	-	-	-	-	1,710,000.00	1,710,000.00	-	-	-
1525	Park Improvements	120,000.00	-	-	-	-	120,000.00	200,000.00	(80,000.00)	-	-
1526	Bulkhead Creek Rd/Laurel	426,973.50	-	-	64,195.50	-	362,778.00	655,500.00	(292,722.00)	-	-
1549	Outfall Extension - Beachway	-	418,000.00	-	-	-	418,000.00	-	-	42,975.75	375,024.25
1550	Raritan Avenue Drainage	-	560,000.00	-	138,750.00	-	421,250.00	-	-	46,250.00	375,000.00
1553	New Police Facility	-	4,560,000.00	-	-	-	4,560,000.00	-	-	-	4,560,000.00
		<u>\$ 4,306,132.07</u>	<u>\$ 5,538,000.00</u>	<u>\$ 25,183.00</u>	<u>\$ 202,945.50</u>	<u>\$ 157,703.70</u>	<u>\$ 9,458,299.87</u>	<u>\$ 4,270,225.00</u>	<u>\$ (390,896.13)</u>	<u>\$ 253,386.52</u>	<u>\$ 5,325,584.48</u>

Improvement Authorizations - Unfunded \$ 5,544,326.35  
Less: Unexpended Proceeds of Bond Anticipation Notes - Issued:  
1448 57,143.00  
1477 1,108.03  
1484 32,955.80  
1494 5,681.25  
1510 19,738.85  
1522 65,380.13  
1523 29,893.59  
1524 1,594.31  
1525 0.09  
1526 5,246.82

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF STATE, FEDERAL, AND LOCAL GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 764,708.47
Increased By:		
Grant Awards		185,000.00
		949,708.47
Decreased By:		
Cash Receipts		567,276.50
Balance, December 31, 2014		\$ 382,431.97

	<u>Ordinance Number</u>	
<u>Analysis of Balance</u>		
D.O.T. Grant:		
Waterfront Bicycle & Pedestrian Corridor	1346	\$ 53,359.87
Improvements to Parks and Playgrounds	1494	80,000.00
Raritan Ave Drainage	1550	46,250.00
CDBG - Improvement Main St. Businesses	1477	122,822.10
Monmouth County - Park Improvements	1525	80,000.00
		\$ 382,431.97

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF ENCUMBERANCES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 108,167.40
Increased By:	
Transferred From Improvement Authorizations	<u>288,643.05</u>
	396,810.45
Decreased By:	
Transferred To Improvement Authorizations	<u>108,167.40</u>
Balance, December 31, 2014	<u><u>\$ 288,643.05</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Purpose	Date of Issue	Original Issue	Outstanding		Interest Rate	Balance December 31, 2013	Decreased	Balance December 31, 2014
			Date	Amount				
General Obligation Bonds	12/04/08	\$ 4,170,000.00	12/01/15	\$ 287,000.00	5.00%	\$ 3,665,000.00	\$ 267,000.00	\$ 3,398,000.00
			12/01/16	308,000.00	4.00%			
			12/01/17	328,000.00	4.00%			
			12/01/18	348,000.00	5.25%			
			12/01/19	374,000.00	4.50%			
			12/01/20	397,000.00	4.50%			
			12/01/21	423,000.00	5.00%			
			12/01/22	451,000.00	5.25%			
			12/01/23	482,000.00	5.00%			
Refunding Bonds	11/08/12	1,690,000.00	12/01/15	165,000.00	3.000%	1,675,000.00	165,000.00	1,510,000.00
			12/01/16-17	160,000.00	3.000%			
			12/01/18	155,000.00	3.000%			
			12/01/19	155,000.00	3.500%			
			12/01/20-21*	150,000.00	2.000%			
			12/01/22*	145,000.00	2.375%			
* Term Bonds			12/01/23*	140,000.00	2.375%			
			12/01/24*	130,000.00	2.375%			
						\$ 5,340,000.00	\$ 432,000.00	\$ 4,908,000.00

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Maturity	Interest Rate	Balance	
					December 31, 2013	December 31, 2014
1448	Acquisition Fire Truck/Energy Efficient Devices	06/30/10	06/24/15	1.00%	\$ 51,417.00	\$ 54,280.00
1477	Improvements Main Street Business	06/30/10	06/24/15	1.00%	393,591.00	408,169.00
1484	Improvements Highland Blvd./Center Ave.	06/30/10	06/24/15	1.00%	67,104.00	71,052.00
1494	Improvements to Parks and Playgrounds	06/30/10	06/24/15	1.00%	102,412.00	106,206.00
1510	Improvements to Main Street	06/27/12	06/24/15	1.00%	250,000.00	250,000.00
1508	Improvements to Various Roads	06/27/12	06/24/15	1.00%	380,000.00	380,000.00
1484	Improvements Highland Blvd./Center Ave.	06/27/12	06/24/15	1.00%	175,000.00	175,000.00
1522	Terrace Place Vacinity Road Improvements	06/26/13	06/24/15	1.00%	253,290.00	253,290.00
1523	Sinkhole Improvements	06/26/13	06/24/15	1.00%	31,911.00	31,911.00
1524	Improvements to Various Roads	06/26/13	06/24/15	1.00%	1,710,000.00	1,710,000.00
1525	Park Improvements	06/26/13	06/24/15	1.00%	200,000.00	200,000.00
1526	Bulkhead Creek Rd/Laurel	06/26/13	06/24/15	1.00%	655,500.00	655,500.00
					\$ 4,270,225.00	\$ 4,295,408.00
					\$ 4,270,225.00	\$ 4,295,408.00



**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF MCIA EQUIPMENT LEASE PURCHASE OBLIGATIONS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Purpose</u>	<u>Original Issue</u>	<u>Outstanding</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Balance</u>
		<u>Date</u>	<u>December 31, 2014</u>			
2005 Series	\$ 828,100.00	09/01/15	\$ 78,700.00	5.00%	\$ 153,600.00	\$ 78,700.00
2009 Series	503,000.00	10/01/15	27,000.00	4.00%	208,000.00	145,000.00
		10/01/16	28,000.00	4.00%		
		10/01/17	29,000.00	4.25%		
		10/01/18	30,000.00	4.25%		
		10/01/19	31,000.00	4.25%		
					<u>\$ 361,600.00</u>	<u>\$ 223,700.00</u>
					<u>\$ 137,900.00</u>	<u>\$ 78,700.00</u>



**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL CAPITAL LOAN PAYABLE - GREEN ACRES LOAN  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 357,638.26
Decreased By:	
Paid By Current Fund	<u>56,441.93</u>
Balance, December 31, 2014	<u>\$ 301,196.33</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Ordinance Number	Improvement Description	Ordinance		Balance		2014				
		Date	Amount	Funded	Unfunded	Authorizations	Expended	Adjustment	Funded	Unfunded
1371	RCA Holmdel Mt. Laurel Housing	03/09/05	\$ 169,788.79	\$ 49,715.08	\$ -	\$ -	\$ -	\$ 49,715.08	\$ -	-
1445	Removal of Underground Storage Tank	08/31/93	75,000.00	-	6,367.67	-	-	-	-	6,367.67
1184	Reconstruction of Twilight Avenue	06/20/95	560,000.00	-	9,192.56	-	-	-	-	9,192.56
1320	Improvements to Carr Avenue	01/22/02	410,000.00	45,550.63	337.00	-	-	45,887.63	-	-
1322	Improvements to Center, Raritan and Seabreeze	02/12/02	750,000.00	100,413.63	1,950.00	-	14,932.92	87,430.71	-	-
1324	Demolition of Buildings	06/06/02	68,250.00	16,326.50	-	-	-	16,326.50	-	-
1325	Construction of Library and Recreation Fields	06/06/02	1,800,000.00	48,502.76	-	-	-	48,502.76	-	-
1382	Raritan Avenue Reconstruction	08/24/05	175,000.00	0.63	-	-	-	0.63	-	-
1352/1426	St. John's Park	11/13/03	201,106.00	80,600.60	140.00	-	-	80,740.60	-	-
1394	Improvements to Police Station	09/28/05	75,000.00	854.50	-	-	-	854.50	-	-
1428	Various Improvements & Equipment - Boro Hall	SFY 2008	22,000.00	43.06	-	-	-	43.06	-	-
1432	Reconstruction & Improvements to Highland Blvd.	SFY 2008	310,000.00	33,530.91	-	-	-	33,530.91	-	-
1433/1455	Reconstruction & Improvements to Various Roads	SFY 2008	600,000.00	89.14	-	-	-	89.14	-	-
1434	Various Capital Improvements	SFY 2008	200,000.00	0.88	-	-	-	0.88	-	-
1448	Acquisition Fire Truck/Energy Efficient Devices	SFY 2008	625,000.00	28,524.41	57,143.00	-	-	28,524.41	-	57,143.00
1467	Improvements to Storm Water System	SFY 2009	585,000.00	30,528.34	-	-	27,204.83	3,323.51	-	-
1477	Improvements Main Street Business	SFY 2009	795,000.00	-	1,108.03	-	-	-	-	1,108.03
1484	Improvements Highland Blvd./Center Ave.	TY 2009	425,000.00	-	32,955.80	-	-	-	-	32,955.80
1494	Improvements to Parks and Playgrounds	03/24/10	190,000.00	-	5,681.25	-	-	-	-	5,681.25
1510	Improvements to Main St. Business Area	08/24/11	410,000.00	-	19,738.85	-	-	-	-	19,738.85
1522	Terrace Place Vacinity Road Improvements	06/13/12	640,000.00	-	67,001.29	-	-	-	-	65,380.13
1523	Sinkhole Improvements	07/25/12	90,000.00	57,751.67	31,911.00	-	-	59,769.08	-	-
1524	Various Road Improvement	07/25/12	1,800,000.00	-	8,905.41	-	-	-	-	1,594.31
1525	Park Improvements	07/25/12	200,000.00	46,336.13	120,000.00	-	-	166,336.04	-	0.09
1526	Bulkhead Creek Rd/Laurel	08/22/12	690,000.00	180,408.80	426,973.50	-	-	-	-	375,024.25
1549	Outfall Extension - Beachway	03/26/14	440,000.00	-	-	-	440,000.00	64,975.75	-	5,246.82
1550	Raritan Avenue Drainage	04/23/14	560,000.00	-	-	-	560,000.00	50,067.08	-	375,000.00
1553	New Police Facility	06/25/14	4,800,000.00	-	-	-	4,800,000.00	141,356.78	-	4,560,000.00
1547	Acquisition of Property	02/26/14	347,000.00	-	-	-	347,000.00	347,000.00	-	-
			\$ 719,177.67	\$ 789,405.36	\$ 6,147,000.00	\$ 1,135,710.22	\$ -	\$ 975,546.46	\$ 5,544,326.35	

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF MISCELLANEOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2014</u>
Reserve for:				
Capital Improvement Fund	\$ 265,103.96	\$ 300,000.00	\$ 262,000.00	\$ 303,103.96
Interest on RCA Funds	29,018.16	-	-	29,018.16
Sewer Project - Boardwalk Restoration	-	50,000.00	-	50,000.00
Sandy Insurance Claims	-	347,578.00	347,000.00	578.00
Payment of Debt Service	-	15,381.00	-	15,381.00
Refunding Bonds - Cost of Issuance	<u>22,598.73</u>	<u>-</u>	<u>-</u>	<u>22,598.73</u>
	<u>\$ 316,720.85</u>	<u>\$ 712,959.00</u>	<u>\$ 609,000.00</u>	<u>\$ 420,679.85</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Ordinance Number	Improvement Description	Balance December 31, 2013	Improvement Authorizations	Raised in Current Fund Budget	Grant Receipts	Balance December 31, 2014
1145	Removal of Underground Storage Tank	\$ 25,000.00	\$ -	\$ -	\$ -	\$ 25,000.00
1184	Reconstruction of Twilight Avenue	10,760.00	-	-	-	10,760.00
1210	Improvements - St. John's Park	143,961.00	-	-	-	143,961.00
1320	Improvements to Carr Avenue	337.00	-	337.00	-	-
1322	Improvements to Center, Raritan and Seabreeze	1,950.00	-	1,950.00	-	-
1352/1426	St. John's Park	140.00	-	140.00	-	-
1346	Waterfront Bicycle and Pedestrian Corridor	37,159.25	-	37,159.25	-	-
1348	Laurel Avenue Reconstruction	53,547.20	-	53,547.20	-	-
1351	Acquisition of Waterfront Park	41,828.76	-	41,828.76	-	-
1372	Various Road Improvement	22,741.49	-	22,741.49	-	-
1549	Outfall Extension - Beachway	-	418,000.00	-	-	418,000.00
1550	Raritan Avenue Drainage	-	560,000.00	-	138,750.00	421,250.00
1553	New Police Facility	-	4,560,000.00	-	-	4,560,000.00
		<u>\$ 337,424.70</u>	<u>\$ 5,538,000.00</u>	<u>\$ 157,703.70</u>	<u>\$ 138,750.00</u>	<u>\$ 5,578,971.00</u>

**WATER AND SEWER UTILITY FUND**

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**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY FUND  
SCHEDULE OF CASH AND INVESTMENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Operating	Capital
Balance, December 31, 2013	\$ 1,467,354.60	\$ 274,099.02
<b>Increased By Receipts:</b>		
Consumer Accounts Receivable	4,212,552.15	
Non-Budget Revenue	74,897.43	
Prepaid Rents	8,420.65	
Rent Overpayments	5,846.84	
Municipal Liens	1,061.65	
Due From:		
Water/Sewer Utility Operating Fund	\$ 6,595.00	6,595.00
	4,309,373.72	6,595.00
	5,776,728.32	280,694.02
<b>Decreased By Disbursements:</b>		
2014 Budget Appropriations	3,902,120.49	
2013 Appropriation Reserves	518,717.68	
Rent Overpayments	3,131.61	
Municipal Liens	557.39	
Due To:		
Water/Sewer Utility Capital Fund	6,595.00	6,595.00
Accrued Interest	28,766.80	6,595.00
	4,459,888.97	6,595.00
Balance, December 31, 2014	\$ 1,316,839.35	\$ 274,099.02

**BOROUGH OF KEANSBURG  
 COUNTY OF MONMOUTH, NEW JERSEY  
 WATER AND SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF ANALYSIS OF WATER AND SEWER UTILITY CAPITAL CASH  
 FOR THE YEAR ENDED DECEMBER 31, 2014**

		Balance December 31, <u>2014</u>
Excess Financing - Bond Anticipation Note	\$	15,000.00
Capital Improvement Fund		227,000.00
Fund Balance		16,964.11
<u>Ordinance</u>	<u>Improvement Authorizations</u>	
<u>Number</u>		
1513	Design Desalination System Water Plant	6,237.91
1441/1466	Design Desalination System Water Plant	<u>8,897.00</u>
		<u>\$ 274,099.02</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF CHANGE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2014 and 2013

\$ 250.00

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 200,279.69
Increased By:		
Rents Levied		<u>4,225,536.75</u>
		4,425,816.44
Decreased By:		
Collections	\$ 4,212,552.15	
Prepaid Applied	29,486.77	
Transfer to Municipal Liens	<u>388.70</u>	
		<u>4,242,427.62</u>
Balance, December 31, 2014		<u><u>\$ 183,388.82</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF DEPOSIT WITH BAYSHORE REGIONAL SEWERAGE AUTHORITY  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 302,003.52
Increased By:	
Rent Adjustments	<u>453.35</u>
Balance, December 31, 2014	<u><u>\$ 302,456.87</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Account</u>	<u>Balance December 31, 2014 and 2013</u>
Acquired from KMUA:	
Phase I Construction	\$ 5,443,148.00
Phase II Construction	404,547.00
Phase III Construction	9,801,025.00
Phase IV Construction	6,653,481.00
Additional Construction	106,787.00
Office Renovations	28,369.00
Equipment	102,237.00
Engineering and Inspection	145,020.83
Vehicles	67,190.00
Office Annex	211,219.00
Pump	13,590.00
95 Construction	1,097,337.00
Improvements to Well #3	148,000.00
Improvements to Well #5	100,000.00
	<u>\$ 24,321,950.83</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2014 and 2013</u>
N/A	Acquired from KMUA Improvements	\$ 3,660.00
1441/1466/ 1493	Design Desalination System Water Plant	3,125,000.00
1513	Desalinization System Water Plant	<u>400,000.00</u>
		<u><u>\$ 3,528,660.00</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, 2013	Balance After Modifications	Paid or Charged	Lapsed
Operating:				
Salaries and Wages	\$ 39,336.84	\$ 39,336.84	\$ -	\$ 39,336.84
Other Expenses	<u>834,655.97</u>	<u>834,655.97</u>	<u>532,829.89</u>	<u>301,826.08</u>
Total Operating	<u>873,992.81</u>	<u>873,992.81</u>	<u>532,829.89</u>	<u>341,162.92</u>
Statutory Expenditures:				
Social Security System (O.A.S.I.)	<u>1,931.82</u>	<u>1,931.82</u>	<u>-</u>	<u>1,931.82</u>
Total Sewer Utility Fund Appropriations	<u>\$ 875,924.63</u>	<u>\$ 875,924.63</u>	<u>\$ 532,829.89</u>	<u>\$ 343,094.74</u>
Appropriation Reserves	\$ 450,424.33			
Encumbrances Payable	<u>425,500.30</u>	<u>\$ 875,924.63</u>		
Cash			\$ 518,717.68	
Accounts Payable			<u>14,112.21</u>	
			<u>\$ 532,829.89</u>	



**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF PREPAID RENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 29,486.77
Increased By:	
Cash Receipts	<u>8,420.65</u>
	37,907.42
Decreased By:	
Applied to Current Year Rents	<u>29,486.77</u>
Balance, December 31, 2014	<u><u>\$ 8,420.65</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF ENCUMBRANCES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 425,500.30
Increased By:	
Appropriations	<u>289,118.33</u>
	714,618.63
Decreased By:	
Transferred to Appropriation Reserves	<u>425,500.30</u>
Balance, December 31, 2014	<u><u>\$ 289,118.33</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF WATER AND SEWER RENTS OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 9,339.45
Increased By:	
Cash Receipts	<u>5,846.84</u>
	15,186.29
Decreased By:	
Cash Disbursements	<u>3,131.61</u>
Balance, December 31, 2014	<u><u>\$ 12,054.68</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF DUE FROM WATER AND SEWER UTILITY CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased By:	
Cash Receipts	<u>6,595.00</u>
	6,595.00
Decreased By:	
Transfer to Capital Improvement Fund	<u>6,595.00</u>
Balance, December 31, 2014	<u><u>\$ -</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 33,043.78
Increased By:		
Budget Appropriations		<u>28,766.99</u>
		61,810.77
Decreased By:		
Cash Disbursed	\$28,766.80	
Cancelled	<u>4,003.84</u>	
		<u>32,770.64</u>
Balance, December 31, 2014		<u><u>\$ 29,040.13</u></u>

Analysis of Balance - December 31, 2014

	Outstanding December 31, 2014	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>Note:</u>	\$ 907,810.00	1.00%	06/25/14	12/31/14	185 days	<u>\$ 4,665.13</u>
<u>N.J.E.I.T. Loan:</u>	\$ 545,000.00	5.00%	08/01/14	12/31/14	5 months	<u>11,354.17</u>
<u>Serial Bonds:</u>						
2011 Refunding Pooled Loan Bonds	\$ 336,000.00	5.00%	12/01/14	12/31/14	30 days	1,400.00
Various Improvements - Bonds of 2008:	\$ 164,000.00	5.00%	12/01/14	12/31/14	30 days	683.33
2012 Refunding	\$ 4,375,000.00	3.00%	12/01/14	12/31/14	30 days	<u>10,937.50</u>
						<u>13,020.83</u>
						<u><u>\$ 29,040.13</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding</u>		<u>Interest Rate</u>	<u>Balance</u> December 31, 2013	<u>Decreased</u>	<u>Balance</u> December 31, 2014
			<u>Date</u>	<u>Amount</u>				
General Obligation Bonds Series 2008	12/04/08	\$ 242,000.00	12/01/15	\$ 15,000.00	5.00%	\$ 178,000.00	\$ 14,000.00	\$ 164,000.00
			12/01/16-17	16,000.00	4.00%			
			12/01/18	17,000.00	5.25%			
			12/01/19	18,000.00	4.50%			
			12/01/20	19,000.00	4.50%			
			12/01/21	20,000.00	5.00%			
		12/01/22	21,000.00	5.25%				
		12/01/23	22,000.00	5.00%				
2011 Refunding of Pooled Loan Program Bonds	03/30/11	846,000.00	12/01/15	135,000.00	5.00%	465,000.00	129,000.00	336,000.00
			12/01/16	63,000.00	2.50%			
			12/01/17	67,000.00	4.00%			
			12/01/18	71,000.00	4.00%			
2012 Refunding of General Obligation Refunding Bonds Series 2002	11/08/12	5,930,000.00	12/01/15	820,000.00	3.00%	5,165,000.00	790,000.00	4,375,000.00
			12/01/16	845,000.00	3.00%			
			12/01/17	875,000.00	3.00%			
			12/01/18	905,000.00	3.00%			
			12/01/19	930,000.00	3.50%			
						<u>\$ 5,808,000.00</u>	<u>\$ 933,000.00</u>	<u>\$ 4,875,000.00</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 2014</u>
1466	Design Desalination System Water Plant	06/30/10	06/25/14	06/24/15	1.00%	\$ 514,405.00	\$ 507,810.00	\$ 514,405.00	\$ 507,810.00
1513	Desalination System Water Plant	06/27/12	06/25/14	06/24/15	1.00%	400,000.00	400,000.00	400,000.00	400,000.00
						<u>\$ 914,405.00</u>	<u>\$ 907,810.00</u>	<u>\$ 914,405.00</u>	<u>\$ 907,810.00</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Decreased</u>	<u>Balance December 31, 2014</u>
Trust Loan - Series A (DW-ARRA)	\$ 655,000.00	03/10/10	08/01/13-15 08/01/16-18 08/01/19 08/01/20 08/01/21 08/01/22 08/01/23-25 08/01/26 08/01/27-29	\$25,000.00 30,000.00 30,000.00 35,000.00 35,000.00 35,000.00 40,000.00 40,000.00 45,000.00	5.00% 5.00% 4.00% 5.00% 3.00% 4.00% 4.00% 3.50% 4.00%			
Fund Loan - Winter 2010	1,964,000.00	03/10/10	02/01/15 08/01/15 02/01/16 08/01/16 02/01/17 08/01/17 02/01/18 08/01/18 02/01/19 08/01/19 02/01/20 08/01/20 02/01/21 08/01/21	11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38 11,101.69 22,203.38	0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%			\$ 570,000.00
						\$ 25,000.00		\$ 545,000.00



**BOROUGH OF KEANSBURG  
 COUNTY OF MONMOUTH, NEW JERSEY  
 WATER AND SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS  
 FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>	<u>Decreased</u>	<u>Balance December 31, 2014</u>
Fund Loan - Winter 2010 (continued)			02/01/22	11,101.69	0.00%			
			08/01/22	22,203.38	0.00%			
			02/01/23	11,101.69	0.00%			
			08/01/23	22,203.38	0.00%			
			02/01/24	11,101.69	0.00%			
			08/01/24	22,203.38	0.00%			
			02/01/25	11,101.69	0.00%			
			08/01/25	22,203.38	0.00%			
			02/01/26	11,101.69	0.00%			
			08/01/26	22,203.38	0.00%			
			02/01/27	11,101.69	0.00%			
			08/01/27	22,203.38	0.00%			
			02/01/28	11,101.69	0.00%			
			08/01/28	22,203.38	0.00%			
			02/01/29	11,101.69	0.00%			
			08/01/29	22,203.67	0.00%			
						532,881.41	33,305.07	499,576.34
						<u>\$ 1,102,881.41</u>	<u>\$58,305.07</u>	<u>\$ 1,044,576.34</u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased By:	
Unexpended Prior Year Encumbrances	<u>14,112.21</u>
Balance, December 31, 2014	<u><u>\$14,112.21</u></u>

**BOROUGH OF KEANSBURG  
 COUNTY OF MONMOUTH, NEW JERSEY  
 WATER AND SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2014**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Amount</u>	<u>Ordinance</u>		<u>Transferred from Encumbrances Payable</u>	<u>Expended</u>	<u>Funded</u>	
			<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
1441/1466/ 1493	Design Desalination System Water Plant	\$ 3,125,000.00	\$ -	\$ 8,897.00	\$ -	\$ -	\$ 8,897.00	\$ 8,897.00
1513	Desalination System Water Plant	400,000.00	-	6,237.91	-	-	6,237.91	6,237.91
			\$ -	\$ 15,134.91	\$ -	\$ -	\$ 15,134.91	\$ 15,134.91

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 20,036,664.42
Increased By:		
Bonds Paid By Operating Budget	\$ 933,000.00	
Notes Paid By Operating Budget	6,595.00	
Loans Paid By Operating Budget	<u>58,305.07</u>	
		<u>997,900.07</u>
Balance, December 31, 2014		<u><u>\$ 21,034,564.49</u></u>

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2014 and 2013

\$ 3,660.00

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2014 and 2013

\$ 227,000.00

**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
WATER AND SEWER UTILITY OPERATING FUND  
SCHEDULE OF MUNICIPAL LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 4,454.30
Increased By:		
Transfers from Water/Sewer Rents	\$ 388.70	
Added Taxes	994.90	
Penalites and Costs	<u>168.69</u>	
		<u>1,552.29</u>
		6,006.59
Decreased By:		
Cancellations		<u>1,061.65</u>
Balance, December 31, 2014		<u><u>\$ 4,944.94</u></u>

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**GENERAL FIXED ASSETS ACCOUNT GROUP**

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**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
SCHEDULE OF GENERAL FIXED ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance December 31, <u>2013</u>	<u>Additions</u>	Balance December 31, <u>2014</u>
Land	\$ 4,996,600.00	\$ -	\$ 4,996,600.00
Buildings	6,174,512.00	-	6,174,512.00
Improvements	6,117,000.00	-	6,117,000.00
Machinery and Equipment	<u>5,584,806.35</u>	<u>144,059.00</u>	<u>5,728,865.35</u>
	<u>\$ 22,872,918.35</u>	<u>\$ 144,059.00</u>	<u>\$ 23,016,977.35</u>

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**SINGLE AUDIT SECTION**

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**INDEPENDENT AUDITORS’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
OMB CIRCULAR A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited the Borough of Keansburg’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Borough of Keansburg’s major federal programs for the year ended December 31, 2014. The Borough of Keansburg’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the Borough of Keansburg’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough of Keansburg’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Borough of Keansburg’s compliance with those requirements.

### ***Opinion on Each Major Federal Program***

In our opinion, the Borough of Keansburg complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

### ***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

### **Report on Internal Control Over Compliance**

Management of the Borough of Keansburg is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Keansburg's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Keansburg's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



## **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the Borough of Keansburg as of and for the year ended December 31, 2014, and have issued our report thereon dated April 27, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

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

April 27, 2015  
Freehold, New Jersey

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**BOROUGH OF KEANSBURG  
COUNTY OF MONMOUTH, NEW JERSEY  
SCHEDULE OF FEDERAL FINANCIAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Contract Number	Grant Period	Grant Award	Expenditures	Cumulative Expenditures
Department of Homeland Security (DHS)						
Federal Emergency Management Agency (FEMA)						
Department of Homeland Security (DHS)	97.036	066-1200-100-A92	OPEN	\$ 3,000,000.00	\$ 1,627,871.00	\$ 5,076,280.62
Public Assistance Grants Superstorm Sandy						
Community Disaster Loans	97.030	Not Available	OPEN	3,954,766.00	1,984,766.00	3,954,766.00
Total Department of Homeland Security (DHS)				<u>6,954,766.00</u>	<u>3,612,637.00</u>	<u>9,031,046.62</u>
U.S. Department of Housing and Urban Development						
Hurricane Sandy Community Development Block Grant	14.269	022-8022-100-001	OPEN	26,900.00	19,868.43	19,868.43
Total U.S. Department of Housing and Urban Development				<u>26,900.00</u>	<u>19,868.43</u>	<u>19,868.43</u>
Department of Transportation Direct Programs						
National Priority Safety Programs	20.616	066-1160-100-157	OPEN	3,991.12	3,991.12	3,991.12
Total Department of Transportation Direct Programs				<u>3,991.12</u>	<u>3,991.12</u>	<u>3,991.12</u>
Total Federal Financial Awards				<u>\$ 6,985,657.12</u>	<u>\$ 3,636,496.55</u>	<u>\$ 9,054,906.17</u>

**BOROUGH OF KEANSBURG**  
**NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 1. General**

The accompanying schedule of expenditures of federal financial assistance presents the activity of federal financial assistance of the Borough of Keansburg, County of Monmouth, State of New Jersey. The Borough is defined in Note 1 to the Borough's financial statements.

**Note 2. Basis of Accounting**

The accompanying schedule of expenditures of federal financial assistance are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

**Note 3. Relationship to Financial Statements – Statutory Basis**

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's general-purpose financial statements. Expenditures from awards are reported in the Borough's financial statement as follows:

	<b>Federal</b>
Current Fund – 2013	\$ 781,531
Current Fund – 2014	2,831,106
Grant Fund – 2014	<u>3,991</u>
Total	<u>\$3,616,628</u>

**Note 4. Relationship to Federal Financial Report**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial report.

**Note 5. Major Programs**

The two major programs are identified in the Schedule of Findings and Questioned Costs section.

**BOROUGH OF KEANSBURG**  
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**  
**For the Fiscal Year Ended December 31, 2014**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued:	<u>Qualified – Regulatory Basis</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to basic financial Statements noted?	No

**Federal Awards**

Dollar threshold used to distinguish between type A programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133	No

**Federal CFDA Number**

97.030

**Name of Federal Program**

Community Disaster Loans

**BOROUGH OF KEANSBURG**  
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**  
**For the Fiscal Year Ended December 31, 2014**

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 through 5.20 of *Government Auditing Standards*.

No Current Year Findings

**Section III – Federal Financial Assistance Finding & Questioned Costs**

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

No Current Year Findings

**BOROUGH OF KEANSBURG**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**  
**For the Fiscal Year Ended December 31, 2014**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

No Prior Year Findings

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**COMMENTS**

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

We have audited the financial statements of the Borough of Keansburg in the County of Monmouth on for the year ended December 31, 2014, in accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

**GENERAL COMMENTS**

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

*N.J.S.A.40A:11-4* - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 except by contract or agreement.

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

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

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.

**Contracts and Agreements Requiring Solicitation of Quotations**

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 thereafter "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.A.40A:11-6.1*).

### **Collection of Interest on Delinquent Taxes**

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

The governing body on January 8, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“**BE IT RESOLVED** by the Borough Committee of the Borough of Keansburg, County of Monmouth, State of New Jersey, the rate of interest charged on delinquent taxes or assessments on any installment made ten (10) days after the date upon which the same became payable, shall not exceed eight (8) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00).

**BE IT FURTHER RESOLVED**, that where interest on delinquent tax payments is one dollar (\$1.00) or less, payment and collection of said interest is hereby waived.”

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

### **Delinquent Taxes and Tax Title Liens**

The delinquent taxes at December 31, 2014, included 2014 and 2013 real estate taxes only.

The last tax sale was held on December 3, 2014 and was complete.

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

<b>YEAR</b>	<b>NUMBER OF LIENS</b>
2014	39
2013	37
2012	N/A

### **Examination of Bills**

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

### **Municipal Court**

A separate report of the Municipal Court transactions for the Borough of Keansburg was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the Municipal Court records, no attempt was made to differentiate between fines due the Borough, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

### **Payroll Fund**

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Borough employees; also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

### **Prior Year Findings**

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. There were no prior year findings.

## **Acknowledgment**

We received the complete cooperation of all the Borough Officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

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

April 27, 2015  
Freehold, New Jersey