

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

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2015**

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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, 2015**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Keansburg
County of Monmouth
Keansburg, New Jersey 07734

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, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

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. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Keansburg, County of Monmouth, State of New Jersey, as of December 31, 2015 and 2014, 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 have 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, 2015 and 2014. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Fund, and represent 16.71% and 19.78% of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2015 and 2014.

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, 2015 and 2014, 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, 2015 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended December 31, 2015 the Borough of Keansburg adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion on regulatory basis of accounting is not modified with respect to this matter.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions 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 schedule of expenditures of federal awards are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are also not required parts 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 June 20, 2016, 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

Freehold, New Jersey
June 20, 2016

**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 07734

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 as 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 (herein referred to as "the Municipality"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements, and have issued our report thereon dated June 20, 2016. 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.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality'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 Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality'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 Municipality'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 Municipality'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* or 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 Municipality'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 Municipality'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

Freehold, New Jersey
June 20, 2016

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, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Cash and Investments - Treasurer	A-4	\$ 6,152,337.42	\$ 5,241,166.91
Change Fund and Petty Cash Fund	A-5	625.00	475.00
Due From State of New Jersey - Chap. 73, P.L. 1976	A-6	<u>37,624.60</u>	<u>41,284.60</u>
		<u>6,190,587.02</u>	<u>5,282,926.51</u>
Receivables and Other Assets With Full Reserves:			
Taxes Receivable	A-7	855,347.28	726,358.40
Tax Title Liens	A-8	222,915.08	192,121.65
Property Acquired for Taxes Assessed Valuation	A-9	186,800.00	186,800.00
Due from Animal Control	B	<u>-</u>	<u>6,296.73</u>
		<u>1,265,062.36</u>	<u>1,111,576.78</u>
Deferred Charges:			
Community Disaster Loan	A	3,784,512.55	3,757,965.77
Special Emergency Appropriations (5 yr)	A-13	<u>260,330.67</u>	<u>1,279,201.63</u>
		<u>4,044,843.22</u>	<u>5,037,167.40</u>
Total Operating Fund		<u>11,500,492.60</u>	<u>11,431,670.69</u>
State and Federal Grant Fund:			
Cash	A-4	27,208.86	235,605.96
Grants Receivable	A-26	408,275.05	406,194.50
Due from Current Fund	A	<u>60,000.00</u>	<u>-</u>
Total Grant Fund		<u>495,483.91</u>	<u>641,800.46</u>
Total Assets		<u>\$ 11,995,976.51</u>	<u>\$ 12,073,471.15</u>

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

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

EXHIBIT A
Page 2 of 2

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Appropriation Reserves	A-3	\$ 858,739.21	\$ 1,095,981.75
Accounts Payable	A-15	151,269.37	108.56
Encumbrances Payable	A-16	799,166.85	371,055.47
Special Emergency Note Payable	A-17	260,330.67	637,724.00
Prepaid Taxes	A-18	142,130.68	81,083.78
County Taxes Payable	A-21	-	1,424.73
Due to Grant Fund	A	60,000.00	-
Community Disaster Loan - Payable	A	3,729,766.00	3,729,766.00
Community Disaster Loan - Interest Payable	A	54,746.55	28,199.77
Payroll Deductions Payable	A-23	129,560.15	59,777.53
Due To State of New Jersey:			
Marriage License Fees	A-24	285.00	285.00
Reserve for:			
FEMA	A-25	45,266.20	912,834.58
Revaluation	A-25	24,614.75	24,614.75
Employee Medical Contributions	A-25	21,915.82	-
Tax Appeals	A-25	200,000.00	200,000.00
		<u>6,477,791.25</u>	<u>7,142,855.92</u>
Reserve for Receivables	A	1,265,062.36	1,111,576.78
Fund Balance	A-1	<u>3,757,638.99</u>	<u>3,177,237.99</u>
 Total Operating Fund		 <u>11,500,492.60</u>	 <u>11,431,670.69</u>
 State and Federal Grant Fund:			
Encumbrances Payable	A-27	7,537.56	8,408.48
Due to General Capital	A	125,902.35	-
Reserve for Grants:			
Appropriated	A-11	353,226.58	611,283.79
Unappropriated	A-12	8,817.42	22,108.19
 Total Grant Fund		 <u>495,483.91</u>	 <u>641,800.46</u>
 Total Liabilities, Reserves and Fund Balance		 <u><u>\$ 11,995,976.51</u></u>	 <u><u>\$ 12,073,471.15</u></u>

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, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 1,162,613.50	\$ 200,000.00
Miscellaneous Revenues Anticipated	5,774,087.88	6,703,956.42
Receipts From Delinquent Taxes	696,248.84	696,243.30
Receipts From Current Taxes	16,042,317.86	16,050,724.97
Non-Budget Revenue	302,600.76	212,545.72
Other Credit To Income:		
Interfunds Returned	6,296.73	-
Adjustment to Change Funds	150.00	-
Unexpended Balance of Appropriation Reserves	804,705.79	792,708.89
Various Reserves Cancelled	27,973.24	-
Cancellation of Accounts Payable	108.56	7,532.19
	<hr/>	<hr/>
Total Revenue	24,817,103.16	24,663,711.49
	<hr/>	<hr/>
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	4,976,199.00	6,175,100.00
Other Expenses	5,558,350.00	5,799,375.00
Deferred Charges and Statutory		
Expenditures	1,382,491.00	1,313,690.00
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	1,436,093.00	200,132.00
Other Expenses	160,724.40	635,736.19
Capital Improvement Fund	825,000.00	300,000.00
Municipal Debt Service	1,185,894.74	1,205,467.26
Deferred Charges	1,018,870.96	970,703.70
Refund of Prior Year Revenue	-	923.29
Interfunds Advances	60,000.00	-
Miscellaneous Adjustments	-	13,550.37
Prior Year Tax Deductions Disallowed	-	500.00
Local District School Tax	4,820,567.00	4,732,327.00
County Taxes Payable	1,649,898.56	1,721,475.10
	<hr/>	<hr/>
Total Expenditures	23,074,088.66	23,068,979.91
	<hr/>	<hr/>
Excess/(Deficit) in Revenue	1,743,014.50	1,594,731.58
Fund Balance, January 1	3,177,237.99	1,782,506.41
	<hr/>	<hr/>
	4,920,252.49	3,377,237.99
Decreased By:		
Utilized as Anticipated Revenue	1,162,613.50	200,000.00
	<hr/>	<hr/>
Fund Balance, December 31	\$ 3,757,638.99	\$ 3,177,237.99
	<hr/>	<hr/>

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 YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	\$ 1,162,613.50	\$ -	\$ 1,162,613.50	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	15,000.00	-	15,830.00	830.00
Other	21,000.00	-	23,777.00	2,777.00
Fees and Permits	350,000.00	-	466,692.78	116,692.78
Fines and Costs:				
Municipal Court	275,000.00	-	322,130.33	47,130.33
Interest and Costs on Taxes	120,000.00	-	137,302.94	17,302.94
Parking Meters	150,000.00	-	232,976.98	82,976.98
Interest on Investments and Deposits	15,000.00	-	19,645.54	4,645.54
PILOT:				
Keansburg Housing Authority	-	-	5,753.00	5,753.00
Grandview Apartments	75,000.00	-	80,000.00	5,000.00
Rental of Borough Property	40,000.00	-	45,000.00	5,000.00
Omni Tower Rental	30,000.00	-	31,333.90	1,333.90
Consolidated Municipal Property Tax Relief Aid	544,360.00	-	544,360.00	-
Energy Receipts Tax (P.L. 1997, Chaps. 162 & 167)	1,281,271.00	-	1,281,271.00	-
Uniform Construction Code Fees	170,000.00	-	238,476.00	68,476.00
Interlocal Service Agreement - School Resource Officer	60,000.00	-	66,000.00	6,000.00
Public and Private Revenues Offset with Appropriations:				
Safe and Secure Communities Program	60,000.00	-	60,000.00	-
Drunk Driving Enforcement	2,485.74	-	2,485.74	-
Local Law Enforcement	0.28	-	0.28	-
Body Armor Grant	3,367.95	-	3,367.95	-
Clean Communities	-	20,036.21	20,036.21	-
Recycling Tonnage Grant	16,254.22	-	16,254.22	-
CDBG Essentials Grants Fund	1,175,961.00	-	1,175,961.00	-
Other Special Items:				
Uniform Fire Safety Act	5,000.00	-	7,371.30	2,371.30
Cable TV Fees	80,000.00	-	109,190.75	29,190.75
FEMA Reserve - A/R	868,870.96	-	868,870.96	-
Church Street Coro:				
PILOT McGrath Towers	10,000.00	-	-	(10,000.00)
PILOT Fallon Manor	3,000.00	-	-	(3,000.00)
				-
Total Miscellaneous Revenues	5,371,571.15	20,036.21	5,774,087.88	382,480.52
Receipts From Delinquent Taxes	738,000.00	-	696,248.84	(41,751.16)
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	10,286,133.38	-	10,571,852.30	285,718.92
Budget Totals	17,558,318.03	20,036.21	18,204,802.52	626,448.28
Non-Budget Revenue	-	-	302,600.76	302,600.76
	<u>\$ 17,558,318.03</u>	<u>\$ 20,036.21</u>	<u>\$ 18,507,403.28</u>	<u>\$ 929,049.04</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue From Collections	\$ 16,042,317.86
Allocated To School and County Taxes	<u>6,470,465.56</u>

Balance for Support of Municipal Budget

Appropriations	<u>9,571,852.30</u>
----------------	---------------------

Add:

Reserve for Uncollected Taxes	<u>1,000,000.00</u>
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Amount for Support of Municipal Budget

Appropriations	<u><u>\$ 10,571,852.30</u></u>
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Receipts From Delinquent Taxes:

Delinquent Tax Collections	\$ 682,528.09
Tax Title Lien Collections	<u>13,720.75</u>

\$ 696,248.84

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Insurance Reimbursement	12,835.43
Miscellaneous Construction Fees	102,060.85
Tax Assessor	170.00
Various Vendor Refunds	4,410.93
Fuel Reimbursements	7,000.00
Sanitation Reimbursements	57,122.31
Grant-Payroll Fringe Reimbursement	47,550.00
Health Hazard Payments	53,490.00
Various Misc. Refunds/Reimbursements	<u>17,961.24</u>

\$ 302,600.76

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 YEAR ENDED DECEMBER 31, 2015**

	Appropriations				Paid or	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159	Budget After Modifications	Charged				
General Appropriations Operations - Within "CAPS"								
GENERAL GOVERNMENT								
Borough Council:								
Salaries and Wages	\$ 9,000.00	-	\$ 9,000.00	\$ 7,200.00	\$ -	\$ 1,800.00	\$ -	
Other Expenses	27,000.00	-	27,000.00	5,774.90	175.00	21,050.10	-	
Office of Borough Manager:								
Salaries and Wages	175,500.00	-	175,500.00	160,637.25	-	14,862.75	-	
Other Expenses	8,500.00	-	8,500.00	1,365.68	1,370.00	5,764.32	-	
Office of the Borough Clerk:								
Salaries and Wages	143,000.00	-	143,000.00	143,000.00	-	-	-	
Other Expenses	22,500.00	-	22,500.00	10,948.18	-	11,551.82	-	
Legal Services and Costs:								
Other Expenses	115,000.00	-	115,000.00	82,137.21	-	32,862.79	-	
Elections:								
Other Expenses	10,000.00	-	10,000.00	923.89	1,200.00	7,876.11	-	
DEPARTMENT OF FINANCE								
Office of Director of Finance:								
Salaries and Wages	191,000.00	-	191,000.00	165,257.01	-	25,742.99	-	
Other Expenses	22,000.00	-	22,000.00	12,513.56	3,361.96	6,124.48	-	
Annual Audit	47,000.00	-	47,000.00	-	47,000.00	-	-	
Division of Tax Collector:								
Salaries and Wages	44,500.00	-	44,500.00	51,500.00	-	-	-	
Other Expenses	8,400.00	-	8,400.00	6,384.96	-	2,015.04	-	
Division of Tax Assessor:								
Salaries and Wages	65,000.00	-	65,000.00	67,000.00	-	-	-	
Other Expenses	14,000.00	-	14,000.00	7,022.94	-	6,977.06	-	
DEPARTMENT OF PUBLIC SAFETY								
Police:								
Salaries and Wages	2,876,039.00	-	2,876,039.00	2,569,574.87	-	86,464.13	-	
Other Expenses	188,200.00	-	188,200.00	162,137.00	2,596.51	23,466.49	-	
Dispatchers:								
Salaries and Wages	154,160.00	-	154,160.00	135,113.58	-	19,046.42	-	
Other Expenses	700.00	-	700.00	-	-	700.00	-	
Detective Bureau:								
Other Expenses	3,900.00	-	3,900.00	2,306.05	-	1,593.95	-	
Bureau of Street Crossing Guards:								
Salaries and Wages	45,000.00	-	45,000.00	36,718.65	-	8,281.35	-	
Other Expenses	1,000.00	-	1,000.00	804.55	-	195.45	-	

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 YEAR ENDED DECEMBER 31, 2015**

	Appropriations			Paid or	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159	Budget After Modifications	Charged			
DIVISION OF FIRE							
Emergency Medical Services							
Other Expenses	27,000.00	-	27,000.00	25,175.04	1,824.62	0.34	-
Fire Department:							
Other Expenses	98,000.00	-	98,000.00	95,698.01	2,301.61	0.38	-
UNIFORM CONSTRUCTION CODE							
Code Enforcement:							
Salaries and Wages	149,000.00	-	149,000.00	123,405.72	-	25,594.28	-
Other Expenses	4,300.00	-	4,300.00	2,014.17	-	2,285.83	-
Uniform Safety Act							
Salaries and Wages	37,000.00	-	37,000.00	35,792.18	-	1,207.82	-
Other Expenses	5,700.00	-	5,700.00	3,716.58	30.00	1,953.42	-
PUBLIC WORKS							
Division of Engineering:							
Other Expenses	235,000.00	-	235,000.00	214,472.25	5,400.00	15,127.75	-
Division of Streets and Roads:							
Salaries and Wages	590,000.00	-	590,000.00	573,028.84	-	16,971.16	-
Other Expenses	65,650.00	-	65,650.00	58,027.79	6,373.50	1,248.71	-
Division of Snow Removal:							
Salaries and Wages	30,000.00	-	30,000.00	21,831.51	-	8,168.49	-
Other Expenses	26,500.00	-	26,500.00	24,603.00	714.50	1,182.50	-
Division of Parking Meter Maintenance:							
Salaries and Wages	20,000.00	-	20,000.00	20,000.00	-	-	-
Other Expenses	10,000.00	-	10,000.00	5,693.80	-	4,306.20	-
Division of Buildings and Grounds:							
Municipal Garage:							
Salaries and Wages	84,000.00	-	84,000.00	82,050.22	581.18	1,368.60	-
Other Expenses	128,000.00	-	128,000.00	120,099.73	-	7,900.27	-
Salaries and Wages	82,000.00	-	82,000.00	76,907.99	3,904.79	1,187.22	-
Other Expenses							
Sanitation:							
Contract	400,000.00	-	400,000.00	328,118.00	53,598.44	18,283.56	-
Landfill Solid Waste Disposal Fees	360,000.00	-	360,000.00	336,107.79	13,539.50	10,352.71	-
DEPARTMENT OF HEALTH AND WELFARE							
Division of Health:							
Salaries and Wages	11,000.00	-	11,000.00	10,472.82	-	527.18	-
Other Expenses	50,400.00	-	50,400.00	301.44	-	50,098.56	-
Dog Regulation	37,000.00	-	37,000.00	30,560.06	600.00	5,839.94	-

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 YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Paid or Charged	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159 Budget After Modifications				
DEPARTMENT OF RECREATION PARKS AND PLAYGROUNDS						
Recreation, Parks and Playgrounds:						
Other Expenses	9,500.00	-	6,369.35	617.96	2,512.69	-
Historical Society:						
Other Expenses	500.00	-	126.00	-	374.00	-
MUNICIPAL PROSECUTOR						
Municipal Prosecutor:						
Salaries and Wages	27,500.00	-	19,999.98	-	7,500.02	-
OTHER MUNICIPAL OPERATIONS						
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)						
Planning Board of Adjustment:						
Salaries and Wages	39,000.00	-	34,087.99	-	4,912.01	-
Other Expenses	27,650.00	-	15,871.92	1,218.00	10,560.08	-
Emergency Management Services:						
Salaries and Wages	17,000.00	-	19,783.53	-	216.47	-
Other Expenses	5,000.00	-	1,036.04	-	3,963.96	-
INSURANCES: N.J.S.A. 40A:4-45.3(00)						
Group Insurance Plan for Employees	2,080,000.00	-	1,975,119.87	1,114.18	91,765.95	-
Group Salary Insurance	40,000.00	-	12,500.00	-	27,500.00	-
Workers Compensation	460,000.00	-	375,267.02	-	84,732.98	-
Other Insurance - Liability Insurance	430,000.00	-	393,080.45	-	36,919.55	-
Disability Insurance	25,000.00	-	13,754.55	-	11,245.45	-
SENIOR CITIZENS						
Transportation of Senior Citizens:						
Other Expenses	12,000.00	-	9,500.00	-	2,500.00	-
MUNICIPAL COURT						
Municipal Court:						
Salaries and Wages	204,500.00	-	193,854.82	-	10,645.18	-
Other Expenses	6,300.00	-	3,994.00	2,218.10	87.90	-
MUNICIPAL LIBRARY						
Library:						
Salaries and Wages	31,000.00	-	30,445.68	-	554.32	-
Other Expenses	6,000.00	-	5,104.88	-	895.12	-

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 YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Paid or Charged	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159 Budget After Modifications				
PUBLIC EMPLOYEES OCCUPATIONAL SAFETY AND HEALTH ACT						
Board of Health:						
Other Expenses	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	157,000.00	-	153,871.06	-	3,128.94	-
Other Expenses	4,150.00	-	4,105.22	-	44.78	-
UNCLASSIFIED						
Utilities:						
Electricity	90,000.00	-	59,570.63	25,000.00	5,429.37	-
Street Lighting	120,000.00	-	109,388.34	10,000.00	611.66	-
Telephone	-	-	68,692.82	4,000.00	307.18	-
Natural Gas	28,000.00	-	15,981.92	10,000.00	2,018.08	-
Telecommunications Costs	7,500.00	-	5,900.44	1,500.00	99.56	-
Gasoline and Fuel Oil	155,000.00	-	80,923.14	-	74,076.86	-
Celebration of Public Events	1,000.00	-	(691.58)	-	1,691.58	-
Contingent	75,000.00	-	5,123.00	69,877.00	-	-
Total Operations - Within "CAPS"	10,754,549.00	-	9,429,158.29	270,116.85	835,273.86	-
Detail:						
Salaries and Wages	5,184,199.00	-	4,705,175.22	-	271,023.78	-
Other Expenses	5,570,350.00	-	4,723,983.07	270,116.85	564,250.08	-
Statutory Expenditures:						
Contribution To:						
Public Employees' Retirement System	250,252.00	-	250,252.00	-	-	-
Social Security System (O.A.S.I.)	260,000.00	-	237,585.30	-	22,414.70	-
Police and Firemen's Retirement System of N.J.	872,239.00	-	872,239.00	-	-	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	1,382,491.00	-	1,360,076.30	-	22,414.70	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	12,137,040.00	-	10,789,234.59	270,116.85	857,688.56	-

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 YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Paid or Charged	Encumbered	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	-	53,950.00	4,050.00	-	-
911 Emergency Dispatch - Police:						
Other Expenses	14,000.00	-	12,949.35	-	1,050.65	-
	72,000.00	-	66,899.35	4,050.00	1,050.65	-
Public and Private Programs Offset by Revenues:						
Interlocal Service Agreement - School Resource Officer						
Clean Communities	60,000.00	-	60,000.00	-	-	-
Recycling Tonnage Grant	-	20,036.21	20,036.21	-	-	-
CDBG Essentials Grant Funds	16,254.22	-	16,254.22	-	-	-
Police Salaries & Wages	1,175,961.00	-	1,175,961.00	-	-	-
Safe and Secure Communities	60,000.00	-	60,000.00	-	-	-
Safe and Secure Communities - Match:						
Salaries and Wages	140,132.00	-	140,132.00	-	-	-
Other Expenses	46,580.00	-	46,580.00	-	-	-
Body Armor	3,367.95	-	3,367.95	-	-	-
Drunk Driving Enforcement	2,485.74	-	2,485.74	-	-	-
Local Law Enforcement	0.28	-	0.28	-	-	-
	1,504,781.19	20,036.21	1,524,817.40	-	-	-
Total Public and Private Programs Offset by Revenues						
Total Operations - Excluded from "CAPS"	1,576,781.19	20,036.21	1,591,716.75	4,050.00	1,050.65	-

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 YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Paid or Charged	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159 Budget After Modifications				
Detail:						
Salaries and Wages	1,436,093.00	-	1,436,093.00	-	-	-
Other Expenses	140,688.19	20,036.21	155,623.75	4,050.00	1,050.65	-
Capital Improvement Fund:						
Capital Improvement Fund:	300,000.00	-	300,000.00	-	-	-
Infrastructure Facility Improvements	305,000.00	-	-	525,000.00	-	-
Total Capital Improvement Fund	605,000.00	-	300,000.00	525,000.00	-	-
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	452,000.00	-	452,000.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes	63,015.00	-	63,015.00	-	-	-
Interest on Bonds	230,137.00	-	230,137.00	-	-	-
Interest on Notes	43,000.00	-	42,702.24	-	-	297.76
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	63,313.88	-	63,313.88	-	-	-
Special Emergency Note - Sandy	35,000.00	-	5,101.79	-	-	29,898.21
Environmental Infrastructure Trust Loan	218,500.00	-	213,964.83	-	-	4,535.17
Capital Lease Program	115,660.00	-	115,660.00	-	-	-
Total Municipal Debt Service - Excluded From "CAPS"	1,220,625.88	-	1,185,894.74	-	-	34,731.14
Deferred Charges - Municipal - Excluded From "CAPS"						

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 YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Paid or Charged	Encumbered	Reserved	Cancelled
	Original Budget	Chapter 159 Budget After Modifications				
Deferred Charges:						
Emergency Authorizations						
Special Emergency Authorizations - 5 Years	868,870.96	868,870.96	868,870.96	-	-	-
Deferred Charges - Hurricane Sandy 2012 - Additional	150,000.00	150,000.00	150,000.00	-	-	-
Total Deferred Charges - Municipal - Excluded From "CAPS"	1,018,870.96	1,018,870.96	1,018,870.96	-	-	-
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	4,421,278.03	4,441,314.24	4,096,482.45	529,050.00	1,050.65	34,731.14
Subtotal General Appropriations	16,558,318.03	16,578,354.24	14,885,717.04	799,166.85	858,739.21	34,731.14
Reserve for Uncollected Taxes	1,000,000.00	1,000,000.00	1,000,000.00	-	-	-
Total General Appropriations	\$ 17,558,318.03	\$ 17,578,354.24	\$ 15,885,717.04	\$ 799,166.85	\$ 858,739.21	\$ 34,731.14
Adopted Budget Chapter 159	\$ 17,558,318.03					
	20,036.21					
	<u>\$ 17,578,354.24</u>					
Reserve for Uncollected Taxes			\$ 1,000,000.00			
Cash Disbursements			12,588,740.96			
Reserve for Grants-Appropriated			1,278,105.12			
Deferred Charges			1,018,870.96			
			<u>\$ 15,885,717.04</u>			

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

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Animal Control Fund:			
Cash	B-1	\$ 4,339.86	\$ 12,193.73
Change Fund	B	50.00	50.00
		<u>4,389.86</u>	<u>12,243.73</u>
Other Trust Funds:			
Cash	B-1	<u>1,767,493.24</u>	<u>1,415,517.08</u>
Length of Service Award Program Fund ("LOSAP") - Reviewed:			
Cash and Investments - Trustee	B-6	<u>355,392.86</u>	<u>352,102.24</u>
Total Assets		<u>\$ 2,127,275.96</u>	<u>\$ 1,779,863.05</u>

<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Animal Control Trust Fund:			
Due To:			
State of New Jersey	B-2	\$ -	\$ 1.20
Current Fund	A	-	6,296.73
Reserve for Animal Control Expenditures	B-3	<u>4,389.86</u>	<u>5,945.80</u>
		<u>4,389.86</u>	<u>12,243.73</u>
Other Trust Funds:			
Reserve for Various Trust Activities	B-4	<u>1,767,493.24</u>	<u>1,415,517.08</u>
Length of Service Award Program Fund ("LOSAP") - Reviewed:			
Reserve for Funds Held by Trustee	B-5	<u>355,392.86</u>	<u>352,102.24</u>
Total Liabilities and Reserves		<u>\$ 2,127,275.96</u>	<u>\$ 1,779,863.05</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, 2015 AND 2014

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Cash and Investments	C-2	\$ 5,761,384.09	\$ 1,753,433.76
State, Federal, Local Grants Receivable	C-6	921,109.97	382,431.97
Due From Grant Fund	C-16	125,902.35	-
Deferred Charges To Future Taxation:			
Funded	C-4	5,701,418.58	6,393,982.08
Funded - Leases	C-4	118,000.00	223,700.00
Unfunded	C-5	10,651,606.87	9,458,299.87
Total Assets		<u>\$ 23,279,421.86</u>	<u>\$ 18,211,847.68</u>
<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Encumbrances Payable	C-7	\$ 374,993.74	\$ 288,643.05
Serial Bonds	C-8	4,456,000.00	4,908,000.00
Bond Anticipation Notes	C-9	9,745,209.00	4,270,225.00
Leases Payable	C-10	118,000.00	223,700.00
Environmental Infrastructure Trust Loan	C-11	1,001,798.66	1,184,785.75
Green Acres Loan	C-12	243,619.92	301,196.33
Improvement Authorizations:			
Funded	C-13	772,867.40	975,546.46
Unfunded	C-13	5,772,357.40	5,544,326.35
Reserve for:			
Capital Improvement Fund	C-14	578,103.96	303,103.96
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	50,000.00
Payment of Debt Service	C-14	15,381.00	15,381.00
Storm Sewer Project - Boardwalk Donation	C-14	578.00	578.00
Reserve for Raritan Ave Receivable	C	46,250.00	46,250.00
Fund Balance	C-1	52,645.89	48,494.89
Total Liabilities and Reserves		<u>\$ 23,279,421.86</u>	<u>\$ 18,211,847.68</u>

There were bonds and notes authorized but not issued on December 31, 2015 of \$1,436,044.00 and on December 31, 2014 was \$5,578,971.00

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 YEAR ENDED DECEMBER 31, 2015

Balance, December 31, 2014	\$ 48,494.89
Increased By:	
Premium on BAN Sale	<u>4,151.00</u>
Balance, December 31, 2015	<u><u>\$ 52,645.89</u></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 FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Cash and Investments	D-5	\$ 1,270,804.16	\$ 1,316,839.35
Change Fund	D-7	<u>250.00</u>	<u>250.00</u>
		<u>1,271,054.16</u>	<u>1,317,089.35</u>
Receivables With Offsetting			
Reserves:			
Consumer Accounts Receivable	D-8	201,348.82	183,388.82
Municipal Liens	D-26	4,933.85	4,944.94
Deposit with Bayshore Regional Sewerage Authority	D-9	<u>302,834.97</u>	<u>302,456.87</u>
		<u>509,117.64</u>	<u>490,790.63</u>
Deferred Charges:			
Community Disaster Loan	D	<u>230,279.55</u>	<u>227,185.80</u>
Total Deferred Charges		<u>230,279.55</u>	<u>227,185.80</u>
Total Operating Fund		<u>2,010,451.35</u>	<u>2,035,065.78</u>
Capital Fund:			
Cash and Investments	D-5	199,974.44	274,099.02
Fixed Capital	D-10	24,321,950.83	24,321,950.83
Fixed Capital Authorized and Uncompleted	D-11	<u>4,728,660.00</u>	<u>3,528,660.00</u>
Total Capital Fund		<u>29,250,585.27</u>	<u>28,124,709.85</u>
Total Assets		<u>\$ 31,261,036.62</u>	<u>\$ 30,159,775.63</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 FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Appropriation Reserves	D-4	\$ 118,172.67	\$ 56,139.50
Prepaid Water/Sewer rents	D-13	12,609.38	8,420.65
Encumbrances Payable	D-14	93,262.02	289,118.33
Water and Sewer Rent Overpayments	D-15	6,738.87	12,054.68
Accrued Interest on Bonds, Notes & Loans	D-17	25,784.39	29,040.13
Accounts Payable	D-21	7,374.25	14,112.21
Community Disaster Loan - Payable	D	225,000.00	225,000.00
Community Disaster Loan - Accrued Interest	D	5,279.55	2,185.80
		<u>494,221.13</u>	<u>636,071.30</u>
Reserve for Receivables	D	509,117.64	490,790.63
Fund Balance	D-1	<u>1,007,112.58</u>	<u>908,203.85</u>
Total Operating Fund		<u>2,010,451.35</u>	<u>2,035,065.78</u>
Capital Fund:			
Serial Bonds Payable	D-18	3,905,000.00	4,875,000.00
Bond Anticipation Notes	D-19	896,151.00	907,810.00
Trust Loans Payable	D-20	986,271.27	1,044,576.34
Encumbrances Payable	D	86,141.64	-
Improvement Authorization:			
Unfunded	D-22	1,054,868.69	15,134.91
Reserve for:			
Amortization	D-23	22,134,528.56	21,034,564.49
Deferred Reserve for Amortization	D-24	3,660.00	3,660.00
Capital Improvement Fund	D-25	167,000.00	227,000.00
Fund Balance	D-2	<u>16,964.11</u>	<u>16,964.11</u>
Total Capital Fund		<u>29,250,585.27</u>	<u>28,124,709.85</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 31,261,036.62</u>	<u>\$ 30,159,775.63</u>

There were bonds and notes authorized but not issued on December 31, 2015 of \$1,140,000 and on December 31, 2014 was \$0

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, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:		
Fund Balance Anticipated	\$ -	\$ 100,000.00
Miscellaneous Revenues Anticipated	4,330,985.53	4,316,954.57
Miscellaneous Revenues Not Anticipated	5,651.71	759.18
Other Credits To Income:		
Unexpended Balance of Appropriation		
Reserves	59,987.85	343,094.74
Accrued Interest Cancelled	7,142.64	4,003.84
	<hr/>	<hr/>
Total Revenue	4,403,767.73	4,764,812.33
	<hr/>	<hr/>
Expenditures:		
Operating	2,993,700.00	2,825,107.00
Capital Improvements	-	150,000.00
Debt Service	1,234,159.00	1,224,311.45
Statutory Expenditures	77,000.00	77,000.00
	<hr/>	<hr/>
Total Expenditures	4,304,859.00	4,276,418.45
	<hr/>	<hr/>
Excess in Revenue	98,908.73	488,393.88
Fund Balance, Beginning	908,203.85	519,809.97
	<hr/>	<hr/>
	1,007,112.58	1,008,203.85
Decreased By:		
Utilized as Anticipated Revenue	-	100,000.00
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 1,007,112.58</u>	<u>\$ 908,203.85</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, 2015 AND 2014**

Balance, December 31, 2015 & 2014

\$ 16,964.11

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 YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Water/Sewer Rents	\$ 4,240,000.00	\$ 4,252,521.51	\$ 12,521.51
Miscellaneous Revenue	-	5,651.71	5,651.71
Interest on:			
Delinquent Payments	63,000.00	74,558.87	11,558.87
Investments	<u>1,859.00</u>	<u>3,905.15</u>	<u>2,046.15</u>
	<u>\$ 4,304,859.00</u>	<u>\$ 4,336,637.24</u>	<u>\$ 31,778.24</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 YEAR ENDED DECEMBER 31, 2015**

	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
Operating:					
Salaries and Wages	\$ 543,500.00	\$ 543,500.00	\$ 543,500.00	\$ -	\$ -
Other Expenses	2,450,200.00	2,450,200.00	2,243,002.60	93,262.02	113,935.38
Total Operating	<u>2,993,700.00</u>	<u>2,993,700.00</u>	<u>2,786,502.60</u>	<u>93,262.02</u>	<u>113,935.38</u>
Debt Service:					
Payment of Bond Principal	970,000.00	970,000.00	970,000.00	-	-
Payment of Bond Anticipation Notes and Capital Notes	11,659.00	11,659.00	11,659.00	-	-
Interest on Bonds	159,000.00	159,000.00	159,000.00	-	-
Interest on Notes	11,500.00	11,500.00	11,500.00	-	-
NJEIT Loan	82,000.00	82,000.00	82,000.00	-	-
Total Debt Service	<u>1,234,159.00</u>	<u>1,234,159.00</u>	<u>1,234,159.00</u>	<u>-</u>	<u>-</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.)	48,000.00	48,000.00	43,762.71	-	4,237.29
Total Statutory Expenditures	<u>77,000.00</u>	<u>77,000.00</u>	<u>72,762.71</u>	<u>-</u>	<u>4,237.29</u>
Total Sewer Utility Appropriations	<u>\$ 4,304,859.00</u>	<u>\$ 4,304,859.00</u>	<u>\$ 4,093,424.31</u>	<u>\$ 93,262.02</u>	<u>\$ 118,172.67</u>
Cash Disbursements			\$ 4,067,639.92		
Accrued Interest on Bonds, Notes & Loans			<u>25,784.39</u>		
			<u>\$ 4,093,424.31</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, 2015 AND 2014**

<u>Assets</u>	<u>Reference</u>	<u>2015</u>	<u>2014</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>5,777,193.35</u>	<u>5,728,865.35</u>
Total Assets		<u>\$ 23,065,305.35</u>	<u>\$ 23,016,977.35</u>
<u>Liabilities</u>	<u>Reference</u>	<u>2015</u>	<u>2014</u>
Investment in Fixed Assets	E-1	<u>\$ 23,065,305.35</u>	<u>\$ 23,016,977.35</u>
Total Liabilities		<u>\$ 23,065,305.35</u>	<u>\$ 23,016,977.35</u>

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

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

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 as defined by Governmental Standards Board Statement No. 14, as amended by GASB 39 and 61.

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, 2015

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 10th 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, 2015

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, 2015

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, 2014 and decreased by the amount deferred at December 31, 2015.

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 10th 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 10th of the current year and due to be paid to the County by February 15th 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, 2015

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, 2015 through the date of June 20, 2016, which is the date the financial statements were available to be issued.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended December 31, 2015, the Borough implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27). The implementation of the Statements requires the Borough to disclose its portion of the collective net pension’s asset and liability of the New Jersey Public Employees’ Retirement System (PERS) and the New Jersey Police and Firemen’s Retirement System (PFRS).

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2015 and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	\$ 14,923,211.40
Total Deposits	<u>\$ 14,923,211.40</u>
The Borough's Cash and Cash Equivalents are Reported as Follows:	
Current Fund	\$ 6,152,337.42
Grant Fund	27,208.86
Trust Other Fund	1,767,493.24
Animal Control Fund	4,339.86
Capital Fund	5,501,053.42
Water and Sewer Utility Capital Fund	199,974.44
Water and Sewer Utility Operating Fund	<u>1,270,804.16</u>
Total Cash and Cash Equivalents	<u>\$ 14,923,211.40</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, 2015, the Borough's bank balance of \$15,421,388.88 was insured or collateralized as follows:

Insured	\$ 500,000.00
Uninsured & Uncollateralized	13,717,832.00
Collateralized in the Borough's Name Under GUDPA	<u>1,203,556.88</u>
Total	<u>\$ 15,421,388.88</u>

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2015, 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, 2015****Note 3. Investments (continued):**

	Fair Value (LOSAP)	Book Value	Total Reported Value
2015:			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Borough's name	<u>\$355,392.77</u>	<u>\$355,392.77</u>	<u>\$355,392.77</u>
2014:			
Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Borough's name	<u>\$352,102.15</u>	<u>\$352,102.15</u>	<u>\$352,102.15</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

	2015	2014	2013
Total Tax Rate	\$ 3.503	\$ 3.403	\$ 3.382
Apportionment of Tax Rate:			
Municipal	2.152	2.095	2.052
County	0.343	0.349	0.343
Local School	1.008	0.959	0.987

Net Valuation Taxable

2015	<u>\$ 478,094,196.00</u>	
2014	<u>\$ 493,320,899.00</u>	
2013		<u>\$ 485,659,140.00</u>

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 4. Property Taxes (continued)

Comparison of Tax Levies and Collection Currently

Year	Tax Levy	Cash Collections	Percentage Of Collection
2015	\$ 16,911,472.33	\$ 16,042,317.86	94.86%
2014	16,801,604.00	16,050,725.00	95.53%
2013	16,448,368.00	15,559,415.00	94.60%

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
2015	\$ 222,915.08	\$ 855,347.28	\$ 1,078,262.36	6.39%
2014	192,122.00	726,358.00	918,480.00	5.46%
2013	150,544.00	703,967.00	854,511.00	5.20%

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
CURRENT FUND:			
2015	\$ 3,757,638.99	\$ 3,000,000.00 *	79.84%
2014	3,177,237.99	1,162,613.50	36.59%
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%
WATER-SEWER OPERATING FUND:			
2015	\$ 1,007,112.58	\$ 775,000.00 *	76.95%
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%

* Estimated figure - Budget not adopted at time of audit

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2015:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	\$ -	\$ 60,000.00
State & Federal Grant Fund	60,000.00	125,902.35
General Capital Fund	125,902.35	-
Total	<u>\$ 185,902.35</u>	<u>\$ 185,902.35</u>

The purpose of these interfunds was short-term borrowings.

Note 7. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/5 5th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 7. Pension Obligations (continued):

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

member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Borough contributions to PERS amounted to \$276,183.00 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Net Pension Liability and Pension Expense - At December 31, 2015, the Borough's proportionate share of the PERS net pension liability is valued to be \$7,211,266.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Borough's proportion measured as of June 30, 2015, was .03212%, which was an increase of .00073% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 & December 31, 2014		
	12/31/2015	12/31/2014
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	7,211,266.00	5,876,144.00
Borough's Portion of the Plan's Total		
Net Pension Liability	0.03212%	0.03139%

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 7. Pension Obligations (continued):

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

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$501,889.00.

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40%
Inflation rate	Based on Age 3.04%

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 7. Pension Obligations (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
Borough's proportionate share of the net pension liability	\$ 8,962,721.30	\$ 7,211,266.00	\$ 5,742,858.53

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 7. Pension Obligations (continued):

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

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

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

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

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

The following represents the membership tiers for PFRS:

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

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 7. Pension Obligations (continued):

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

of return on the actuarial value of assets. Borough contributions to PFRS amounted to \$975,426.00 for 2015.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Net Pension Liability and Pension Expense - At December 31, 2015, the Borough's proportionate share of the PFRS net pension liability is valued to be \$1,917,387.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Borough's proportion measured as of June 30, 2015, was .12000%, which was an increase of .01203% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 & December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	19,987,919.00	13,581,425.00
Borough's Portion of the Plan's Total		
Net Pension Liability	0.12000%	0.10797%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$2,005,077.00.

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$1,752,873.00 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State's proportion of the net pension liability associated with

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 7. Pension Obligations (continued):

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

the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2015 was .12000%, which was an increase of .01203% from its proportion measured as of June 30, 2014, which is the same proportion as the Borough's.

Borough's Proportionate Share of the Net Pension Liability	\$ 19,987,919.00
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>1,752,873.00</u>
Total Net Pension Liability	<u><u>\$ 21,740,792.00</u></u>

For the year ended December 31, 2015, the Borough's total allocated pension expense was \$2,223,723.00.

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PFRS</u>
Measurement date	June 30, 2015
Acturial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.60-9.48% Based on Age Thereafter - 3.60-10.48% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Health Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 7. Pension Obligations (continued):

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

the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 7. Pension Obligations (continued):

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

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

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Borough's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Borough	\$ 28,661,266.01	\$ 21,740,792.00	\$ 16,097,763.77

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by *N.J.S.A.43:15C-1* et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

As of December 31, 2015, the Borough had five employees participating in the Defined Contribution Retirement Program.

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

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. Capital Debt

A Summary of Municipal Debt is as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Issued</u>			
General:			
Bonds, Notes, & Loans	\$ 15,446,627.58	\$ 10,664,207.08	\$ 11,355,684.44
Water Sewer Utility:			
Bonds & Notes	<u>5,787,422.27</u>	<u>6,827,386.34</u>	<u>7,825,286.41</u>
Net Debt Issued	<u>21,234,049.85</u>	<u>17,491,593.42</u>	<u>19,180,970.85</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds & Notes	1,436,044.00	5,578,971.00	337,424.70
Water & Sewer Utility:			
Bonds & Notes	<u>1,140,000.00</u>	<u>-</u>	<u>-</u>
Total Authorized But Not Issued	<u>2,576,044.00</u>	<u>5,578,971.00</u>	<u>337,424.70</u>
Net Bonds & Notes Issued & Authorized But Not Issued	<u><u>\$ 23,810,093.85</u></u>	<u><u>\$ 23,070,564.42</u></u>	<u><u>\$ 19,518,395.55</u></u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 3.152%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Utility Debt	\$ 6,927,422.27	\$ 6,927,422.27	\$ -
General Debt	<u>16,882,671.58</u>	<u>15,381.00</u>	<u>16,867,290.58</u>
Total	<u><u>\$ 23,810,093.85</u></u>	<u><u>\$ 6,942,803.27</u></u>	<u><u>\$ 16,867,290.58</u></u>

Net Debt, \$16,867,290.58 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$535,087,561.33 equals 3.152%.

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 18,728,064.65
Net Debt	<u>16,867,290.58</u>
Remaining Borrowing Power	<u><u>\$ 1,860,774.07</u></u>

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8. Capital Debt (continued):

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

Cash Receipts From Fees, Rents & Other Charges	\$ 4,330,985.53
Deductions:	
Operating & Maintenance Costs	\$ 2,952,527.33
Debt Service	1,234,159.00
	<u>4,186,686.33</u>
Excess Revenue - Self Liquidating	<u><u>\$ 144,299.20</u></u>

During the fiscal year ended December 31, 2015 the following changes occurred in debt:

	December 31, 2014	Accrued/ Increases	Retired/ Decreases	December 31, 2015	Due Within One Year
Current Fund:					
Special Emergency Note Payable	\$ 637,724.00	\$ -	\$ (377,393.33)	\$ 260,330.67	\$ 260,330.67
CDL - Note Payable	3,729,766.00	-	-	3,729,766.00	-
CDL - Interest Payable	28,199.77	26,546.78	-	54,746.55	-
Total Current Fund	<u>\$ 4,395,689.77</u>	<u>\$ 26,546.78</u>	<u>\$ (377,393.33)</u>	<u>\$ 4,044,843.22</u>	<u>\$ 260,330.67</u>
General Capital Fund:					
General Serial Bonds Payable	\$ 4,908,000.00	\$ -	\$ (452,000.00)	\$ 4,456,000.00	\$ 468,000.00
Leases Payable	223,700.00	-	(105,700.00)	118,000.00	28,000.00
NJEIT Loans Payable	1,184,785.75	-	(182,987.09)	1,001,798.66	187,901.02
Green Trust Loans Payable	301,196.33	-	(57,576.41)	243,619.92	58,733.71
Bond Anticipation Notes	4,270,225.00	9,745,209.00	(4,270,225.00)	9,745,209.00	9,745,209.00
Authorized but Not Issued	5,578,971.00	1,256,322.00	(5,399,249.00)	1,436,044.00	-
Total General Capital Fund	<u>\$ 16,466,878.08</u>	<u>\$ 11,001,531.00</u>	<u>\$ (10,467,737.50)</u>	<u>\$ 17,000,671.58</u>	<u>\$ 10,487,843.73</u>
Water & Sewer Utility Fund:					
General Serial Bonds Payable	\$ 4,875,000.00	\$ -	\$ (970,000.00)	\$ 3,905,000.00	\$ 924,000.00
Trust Loans Payable	1,044,576.34	-	(58,305.07)	986,271.27	63,305.07
Bond Anticipation Notes	907,810.00	896,151.00	(907,810.00)	896,151.00	896,151.00
Authorized but Not Issued	-	1,140,000.00	-	1,140,000.00	-
Total Water & Sewer Fund	<u>\$ 6,827,386.34</u>	<u>\$ 2,036,151.00</u>	<u>\$ (1,936,115.07)</u>	<u>\$ 6,927,422.27</u>	<u>\$ 1,883,456.07</u>

BOROUGH OF KEANSBURG

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015**

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>
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 - 2024	<u>1,921,000.00</u>	<u>173,017.50</u>	<u>2,094,017.50</u>
	<u>\$ 4,456,000.00</u>	<u>\$ 897,001.25</u>	<u>\$ 5,353,001.25</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>
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 - 2023	<u>63,000.00</u>	<u>6,505.00</u>	<u>69,505.00</u>
	<u>\$ 3,905,000.00</u>	<u>\$ 339,585.00</u>	<u>\$ 4,244,585.00</u>

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

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 2009 Capital Equipment Improvement Lease Programs.

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

	<u>Series</u> <u>2009</u>	<u>Total</u>
2016	\$ 32,945.00	\$ 32,945.00
2017	32,825.00	32,825.00
2018	32,592.50	32,592.50
2019	<u>32,317.50</u>	<u>32,317.50</u>
Total		
Payment	<u>\$ 130,680.00</u>	<u>\$ 130,680.00</u>
Interest		
Payment	<u>\$ 12,680.00</u>	<u>\$ 12,680.00</u>

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>
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>\$ 896,568.59</u>	<u>\$ 85,193.76</u>	<u>\$ 981,762.35</u>
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 105,230.07</u>	<u>\$ 10,225.00</u>	<u>\$ 115,455.07</u>

BOROUGH OF KEANSBURG**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015****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>
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 - 2025	166,525.35	166,525.35
2026 - 2029	<u>133,220.57</u>	<u>133,220.57</u>
	<u>\$ 466,271.27</u>	<u>\$ 466,271.27</u>

Water and Sewer Utility : Trust Loan – Series A

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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 - 2025	190,000.00	57,050.00	247,050.00
2026 - 2029	<u>175,000.00</u>	<u>17,600.00</u>	<u>192,600.00</u>
	<u>\$ 520,000.00</u>	<u>\$ 167,450.00</u>	<u>\$ 687,450.00</u>

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED DECEMBER 31, 2015**

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>
2016	\$ 15,835.37	\$ 398.66	\$ 16,234.03
2017	<u>8,036.63</u>	<u>80.37</u>	<u>8,117.02</u>
	<u>\$ 23,872.00</u>	<u>\$ 479.03</u>	<u>\$ 24,351.03</u>

Green Acres Loan Program – 1321-95-049

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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 - 2025	8,804.60	678.33	9,482.93
2026	<u>1,868.51</u>	<u>28.08</u>	<u>1,896.59</u>
	<u>\$ 18,643.80</u>	<u>\$ 2,218.64</u>	<u>\$ 20,862.44</u>

BOROUGH OF KEANSBURG**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015****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>
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>\$ 131,438.59</u>	<u>\$ 5,309.86</u>	<u>\$ 136,748.45</u>

Green Acres Loan Program – 1323-03-012

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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 - 2025	27,268.17	3,293.32	30,561.49
2026 - 2028	<u>17,711.84</u>	<u>625.06</u>	<u>18,336.90</u>
	<u>\$ 69,665.53</u>	<u>\$ 9,794.36</u>	<u>\$ 79,459.89</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, 2015****Note 8. Capital Debt (continued):**

At December 31, 2015, 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	06/25/15	1.00%	\$ 48,554.00
Improvements Main Street Business	06/25/15	1.00%	379,013.00
Improvements to Highland Blvd./Center Ave.	06/25/15	1.00%	63,156.00
Improvements to Parks and Playgrounds	06/25/15	1.00%	98,618.00
Improvements to Main Street	06/25/15	1.00%	241,379.00
Improvements to Various Roads	06/25/15	1.00%	360,000.00
Improvements to Highland Blvd./Center Ave.	06/25/15	1.00%	165,789.00
Terrace Place Vicinity Road Improvements	06/25/15	1.00%	253,290.00
Sinkhole Improvements	06/25/15	1.00%	31,911.00
Improvements to Various Roads	06/25/15	1.00%	1,710,000.00
Park Improvements	06/25/15	1.00%	200,000.00
Bulkhead Creek Rd/Laurel	06/25/15	1.00%	655,500.00
Drainage Outfall Pipes	06/25/15	1.00%	418,000.00
Raritan Avenue Drainage – Phase II	06/25/15	1.00%	560,000.00
Construction of New Police Facility	06/25/15	1.00%	<u>4,559,999.00</u>
			<u>\$ 9,745,209.00</u>

At December 31, 2015, 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%	\$ 501,215.00
Desalination System Water Plant	06/25/14	1.00%	<u>394,936.00</u>
			<u>\$ 896,151.00</u>

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2015

Note 10. Post-Employment Retirement Benefits (continued)

The Borough's contributions to SHBP for the years ended December 31, 2015 were \$581,252.93, which equaled the required contributions for each year. There were approximately 42 retired participants eligible at December 31, 2015.

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 be 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, 2015

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, 2015:

	December 31, 2014	Additions	Deletions	December 31, 2015
Fixed Assets not being depreciated:				
Land	\$ 4,996,600.00	\$ -	\$ -	\$ 4,996,600.00
Buildings	6,174,512.00	-	-	6,174,512.00
Machinery & Equipment	5,728,865.35	72,328.00	24,000.00	5,777,193.35
Improvements	6,117,000.00	-	-	6,117,000.00
Fixed assets not being depreciated	\$ 23,016,977.35	\$ 72,328.00	\$ 24,000.00	\$ 23,065,305.35

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, 2015, the Borough has estimated this liability to be approximately \$992,990.60. 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, 2015

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, 2015, 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, 2015, the Current Fund has recorded a loan payable in the amount of \$3,729,766.00 with \$54,746.55 of accrued interest and the Utility fund has recorded a loan payable in the amount of \$225,000.00 with \$5,279.55 of accrued interest.

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

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, 2015 the balance on this special emergency note payable is \$260,330.67 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, 2015**

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance, December 31, 2014	\$ 5,241,166.91	\$ 235,605.96
Increased By Receipts:		
Non-Budget Revenues	\$ 302,600.76	\$ -
State of New Jersey - Senior Citizens' and Veterans' Deductions	71,910.00	-
Property Taxes Receivable	16,614,077.15	-
Tax Title Liens Receivable	13,720.75	-
Revenue Accounts Receivable	3,627,111.52	-
Due To/From:		
State of N.J.	925.00	-
Prepaid Taxes	142,130.68	-
Payroll Deductions Payable	69,782.62	-
Outside Liens Payable	529,478.00	-
Reserve for FEMA Reimbursements	265,875.94	-
Interfunds Returned	86,763.75	-
Due from General Capital Fund	125,902.35	-
Due from Water Operating Fund	20,879.58	-
Grants Receivable	-	80,036.21
Grants:		
Unappropriated	-	8,817.23
	<u>21,871,158.10</u>	<u>88,853.44</u>
	27,112,325.01	324,459.40
Decreased By Disbursements:		
2015 Budget Appropriations	12,588,740.96	-
2014 Appropriation Reserves	511,062.06	-
Special Emergency Notes	637,724.00	-
Local School Taxes	4,820,567.00	-
County Taxes	1,651,323.29	-
Outside Liens Payable	529,478.00	-
Property Tax Overpayments	42,730.26	-
Due to State of N.J. Marriage License	925.00	-
Reserve for FEMA Reimbursements	28,071.33	-
Due to General Capital Fund	149,365.69	-
Grants - Appropriated	-	297,250.54
	<u>20,959,987.59</u>	<u>297,250.54</u>
Balance, December 31, 2015	<u><u>\$ 6,152,337.42</u></u>	<u><u>\$ 27,208.86</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CHANGE FUND AND PETTY CASH FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2015</u>
Tax Collector	\$ 250.00
Municipal Court	150.00
Clerk & Vital Statistics	75.00
Construction Office	100.00
Code Enforcement Office	<u>50.00</u>
	<u><u>\$ 625.00</u></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, 2015**

Balance, December 31, 2014		\$ 41,284.60
Increased By:		
Senior Citizens' Deductions per		
Tax Billings	\$ 19,250.00	
Veterans' Deductions per Tax Billings	<u>50,000.00</u>	
		<u>69,250.00</u>
Decreased By:		110,534.60
Cash Received From State of New Jersey	71,910.00	
Senior Citizens' and Veterans' Deductions		
Disallowed By Tax Collector	<u>1,000.00</u>	
		<u>72,910.00</u>
Balance, December 31, 2015		<u><u>\$ 37,624.60</u></u>

Calculation of Amount - Schedule of Taxes Receivable

Senior Citizens' Deductions per		
Tax Billings	\$ 19,250.00	
Veterans' Deductions per Tax Billings	50,000.00	
Senior Citizens' and Veterans' Deductions		
Allowed/(Disallowed) By Tax Collector	<u>(1,000.00)</u>	
Balance Applied To Taxes		<u><u>\$ 68,250.00</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, 2015**

Year	Balance December 31, 2014	2015 Levy	Added	2014	2015	Overpayments Created	Due From State of New Jersey	Transfers to Tax Title Lien	Remitted Abated Cancelled	Balance December 31, 2015
2012	\$ 736.81	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 736.81
2013	10,753.83	-	-	-	-	-	-	-	-	10,753.83
2014	706,319.61	-	-	-	682,528.09	4,165.28	-	1,155.25	8,330.56	18,470.99
2015	-	16,744,165.55	167,306.78	81,083.78	15,931,549.06	38,564.98	68,250.00	43,262.24	9,054.73	816,837.50
Arrears	8,548.15	-	-	-	-	-	-	-	-	8,548.15
	<u>\$ 726,358.40</u>	<u>\$ 16,744,165.55</u>	<u>\$ 167,306.78</u>	<u>\$ 81,083.78</u>	<u>\$ 16,614,077.15</u>	<u>\$ 42,730.26</u>	<u>\$ 68,250.00</u>	<u>\$ 44,417.49</u>	<u>\$ 17,385.29</u>	<u>\$ 855,347.28</u>

Analysis of Property Tax Levy

Tax Yield

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

\$16,744,165.55
167,306.78
\$ 16,911,472.33

Tax Levy

Local District School Tax

County Taxes:

General Tax

Library Tax

Open Space Fund Tax

Health Tax

Added & Omitted Tax

\$ 1,435,339.23
94,591.06
79,115.55
28,419.33
12,433.39

\$ 4,820,567.00

1,649,898.56

6,470,465.56

Local Tax for Municipal Purposes

Add: Additional Tax Levied

10,286,133.38
154,873.39

10,441,006.77

Analysis of Current Year Tax Collections

\$ 16,911,472.33

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 192,121.65
Increased By:		
Interest and Costs at Tax Sale	\$ 96.69	
Transfers From Taxes Receivable	<u>44,417.49</u>	
		<u>44,514.18</u>
		236,635.83
Decreased By:		
Cash Receipts		<u>13,720.75</u>
Balance, December 31, 2015		<u><u>\$ 222,915.08</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 186,800.00

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Accrued in <u>2015</u>	<u>Collections</u>	Balance December 31, <u>2015</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 15,830.00	\$ 15,830.00	\$ -
Other	-	23,777.00	23,777.00	-
Fees and Permits	-	466,692.78	466,692.78	-
Fines and Costs:				
Municipal Court	-	322,130.33	322,130.33	-
Interest and Costs on Taxes	-	137,302.94	137,302.94	-
Parking Meters	-	232,976.98	232,976.98	-
Interest on Investments and Deposits	-	19,645.54	19,645.54	-
PILOT:				
Keansburg Housing Authority	-	5,753.00	5,753.00	-
Grandview Apartments	-	80,000.00	80,000.00	-
Rental of Borough Property	-	45,000.00	45,000.00	-
Omni Tower Rental	-	31,333.90	31,333.90	-
Consolidated Municipal Property Tax Relief Aid	-	544,360.00	544,360.00	-
Energy Receipts Tax (P.L. 1997, Chaps. 162 & 167)	-	1,281,271.00	1,281,271.00	-
Uniform Construction Code Fees	-	238,476.00	238,476.00	-
Interlocal Service Agreement - School Resource Officer	-	66,000.00	66,000.00	-
Other Special Items:				
Uniform Fire Safety Act	-	7,371.30	7,371.30	-
Cable TV Fees	-	109,190.75	109,190.75	-
	<u>\$ -</u>	<u>\$ 3,627,111.52</u>	<u>\$ 3,627,111.52</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, 2015**

	Balance December 31, 2014	Transferred from 2015 <u>Budgets</u>	Encumbrances Payable	<u>Expended</u>	Balance December 31, 2015
Federal Grants:					
Local Law Enforcement Block Grant	\$ 339.51	\$ 0.28	\$ -	\$ -	\$ 339.79
Drunk Driving Enforcement Fund	4,492.82	2,485.74	-	3,594.16	3,384.40
State Grants:					
Safe & Secure	-	60,000.00	-	60,000.00	-
Safe & Secure - Match	970.00	186,712.00	-	187,682.00	-
Monmouth County Workforce	44,068.68	-	-	-	44,068.68
Post Sandy Planning Assistance	295,000.00	-	-	249,442.88	45,557.12
Zoning Code Enforcement	34,976.07	-	7,031.57	6,879.42	21,065.08
Alcoholic Education	478.66	-	-	-	478.66
Body Armor	14,676.86	3,367.95	-	3,618.60	14,426.21
Clean Communities	24,602.04	20,036.21	505.99	28,158.99	15,973.27
CDBG Essential Services Grant	-	1,175,961.00	-	1,175,961.00	-
Recreational Trails Program	1,709.25	-	-	-	1,709.25
NJDOT - Raritan Avenue	185,000.00	-	-	-	185,000.00
Recycling Tonnage Grant	-	16,254.22	-	-	16,254.22
Special Legislative Grant:					
Marina Facility	4,969.90	-	-	-	4,969.90
	<u>\$ 611,283.79</u>	<u>\$ 1,464,817.40</u>	<u>\$ 7,537.56</u>	<u>\$ 1,715,337.05</u>	<u>\$ 353,226.58</u>
2015 Budget Appropriations		\$ 1,278,105.12			
Cash Receipts - Local Match		186,712.28			
		<u>\$ 1,464,817.40</u>			
Cash Disbursement				\$ 297,250.54	
Interfunds				1,418,086.51	
				<u>\$ 1,715,337.05</u>	

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Cash <u>Received</u>	Transferred To Grants <u>Receivable</u>	Balance December 31, <u>2015</u>
Local Law Enforcement - Interest	\$ 0.28	\$ 0.19	\$ 0.28	\$ 0.19
Drunk Driving Enforcement Fund	2,485.74	2,300.79	2,485.74	2,300.79
Recycling Tonnage Grant	16,254.22	-	16,254.22	-
Body Armor	<u>3,367.95</u>	<u>6,516.44</u>	<u>3,367.95</u>	<u>6,516.44</u>
	<u>\$ 22,108.19</u>	<u>\$ 8,817.42</u>	<u>\$ 22,108.19</u>	<u>\$ 8,817.42</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Description</u>	Balance December 31, <u>2014</u>	Decreased <u>By</u>	Balance December 31, <u>2015</u>
Special Emergency Authorization: 11/10/12 Superstorm Sandy	\$ 1,267,808.53	\$ 1,007,477.86	\$ 260,330.67
Special Emergency Authorization: 09/09/13 Superstorm Sandy	<u>11,393.10</u>	<u>11,393.10</u>	<u>-</u>
	<u>\$ 1,279,201.63</u>	<u>\$ 1,018,870.96</u>	<u>\$ 260,330.67</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance, December 31, <u>2014</u>	Balance after <u>Modifications</u>	<u>Paid or Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT				
Borough Council:				
Salaries and Wages	\$ 1,800.00	\$ 1,800.00	\$ -	\$ 1,800.00
Other Expenses	828.29	828.29	-	828.29
Office of the Borough Manager:				
Salaries and Wages	15,248.22	15,248.22	6,199.20	9,049.02
Other Expenses	5,897.93	5,897.93	-	5,897.93
Office of the Borough Clerk:				
Salaries and Wages	4,649.98	4,649.98	-	4,649.98
Other Expenses	5,561.06	5,561.06	4,681.95	879.11
Legal Services and Costs:				
Other Expenses	49,624.43	49,624.43	16,793.00	32,831.43
Elections:				
Other Expenses	225.00	225.00	-	225.00
DEPARTMENT OF FINANCE				
Office of Director of Finance:				
Salaries and Wages	7,353.01	7,353.01	-	7,353.01
Other Expenses	16,188.21	16,188.21	3,582.53	12,605.68
Annual Audit	47,000.00	47,000.00	47,000.00	-
Division of Tax Collector:				
Salaries and Wages	16,202.23	16,202.23	-	16,202.23
Other Expenses	8,772.48	8,772.48	123.00	8,649.48
Division of Tax Assessor:				
Other Expenses	10,326.09	10,326.09	-	10,326.09
DEPARTMENT OF PUBLIC SAFETY				
Police:				
Salaries and Wages	14,943.30	14,943.30	5,534.70	9,408.60
Other Expenses	51,565.93	51,565.93	44,845.49	6,720.44
Dispatchers				
Salaries and Wages	473.03	473.03	-	473.03
Other Expenses	700.00	700.00	-	700.00
Detective Bureau:				
Other Expenses	2,940.01	2,940.01	2,075.16	864.85
Bureau of Street Crossing Guards:				
Salaries and Wages	8,781.47	8,781.47	-	8,781.47
Other Expenses	565.00	565.00	-	565.00
DIVISION OF FIRE				
Fire Department:				
Other Expenses	13,262.11	13,262.11	12,972.30	289.81
Emergency Medical Services				
Other Expenses	23.08	23.08	(1,826.90)	1,849.98
UNIFORM CONSTRUCTION CODE				
Code Enforcement:				
Salaries and Wages	20,761.75	20,761.75	606.25	20,155.50
Other Expenses	2,254.63	2,254.63	932.00	1,322.63
Uniform Safety Act:				
Salaries and Wages	578.41	578.41	-	578.41
Other Expenses	2,024.09	2,024.09	378.80	1,645.29
DEPARTMENT OF ENGINEERING AND PUBLIC WORKS				
Division of Engineering:				
Other Expenses	59,324.30	59,324.30	43,569.44	15,754.86
Division of Streets and Roads:				
Salaries and Wages	3,921.08	3,921.08	2,408.71	1,512.37
Other Expenses	63,891.83	63,891.83	46,112.31	17,779.52

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance, December 31, <u>2014</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Division of Snow Removal:				
Other Expenses	5,547.80	5,547.80	5,525.00	22.80
Division of Parking Meter Maintenance:				
Other Expenses	1,694.11	1,694.11	-	1,694.11
Division of Buildings and Grounds:				
Other Expenses	21,336.20	21,336.20	6,221.38	15,114.82
Municipal Garage:				
Salaries and Wages	2,907.00	2,907.00	-	2,907.00
Other Expenses	6,718.49	6,718.49	3,674.89	3,043.60
Sanitation:				
Contract	124,346.80	124,346.80	28,547.23	95,799.57
Landfill Solid Waste Disposal Fees	53,812.13	53,812.13	52,145.10	1,667.03
DEPARTMENT OF HEALTH AND WELFARE				
Division of Health:				
Salaries and Wages	512.16	512.16	-	512.16
Other Expenses	49,980.71	49,980.71	-	49,980.71
Dog Regulation	3,450.00	3,450.00	3,256.00	194.00
DEPARTMENT OF RECREATION PARKS AND PLAYGROUNDS				
Division of Recreation Parks and Playgrounds:				
Other Expenses	7,742.45	7,742.45	3,327.90	4,414.55
Historical Society:				
Other Expenses	500.00	500.00	-	500.00
MUNICIPAL PROSECUTOR				
Salaries and Wages	3,745.82	3,745.82	-	3,745.82
OTHER MUNICIPAL OPERATIONS				
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)				
Planning Board of Adjustment:				
Salaries and Wages	1,633.19	1,633.19	-	1,633.19
Other Expenses	17,906.17	17,906.17	853.79	17,052.38
Emergency Management Services:				
Salaries and Wages	0.26	0.26	-	0.26
Other Expenses	7,823.26	7,823.26	3,823.26	4,000.00
INSURANCES: N.J.S.A. 40A:4-45.3(00)				
Group Insurance Plan for Employees	323,294.87	323,294.87	122,337.18	200,957.69
Group Salary Insurance	20,000.00	20,000.00	-	20,000.00
Workers Compensation	3,652.32	3,652.32	-	3,652.32
Other Insurance - Liability Insurance	68,768.98	68,768.98	1,277.57	67,491.41
Disability Insurance	10,587.16	10,587.16	-	10,587.16
SENIOR CITIZENS				
Transportation of Senior Citizens:				
Other Expenses	3,500.00	3,500.00	1,700.00	1,800.00
MUNICIPAL COURT				
Other Expenses	1,044.75	1,044.75	1,043.46	1.29
MUNICIPAL LIBRARY				
Other Expenses	10.86	10.86	-	10.86
PUBLIC EMPLOYEES OCCUPATIONAL SAFETY AND HEALTH ACT				
Board of Health:				
Other Expenses	1,000.00	1,000.00	-	1,000.00

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance, December 31, <u>2014</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
UNIFORM CONSTRUCTION CODE APPROPRIATIONS				
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)				
State Uniform Construction Code Officials:				
Salaries and Wages	360.12	360.12	-	360.12
Other Expenses	2,333.70	2,333.70	-	2,333.70
UNCLASSIFIED				
Utilities:				
Electricity	13,549.39	13,549.39	7,295.88	6,253.51
Street Lighting	40,339.22	40,339.22	9,535.56	30,803.66
Telephone	6,367.77	6,367.77	5,864.78	502.99
Natural Gas	5,182.61	5,182.61	5,147.15	35.46
Gasoline and Fuel Oil	21,310.67	21,310.67	7,166.01	14,144.66
Telecommunications Costs	2,182.48	2,182.48	701.29	1,481.19
CONTINGENT	155,091.36	155,091.36	154,900.06	191.30
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	32,938.60	32,938.60	-	32,938.60
911 Emergency Dispatch - Police				
Other Expenses	1,178.86	1,178.86	-	1,178.86
Superstorm Sandy				
Length of Service Award Program ("LOSAP")	<u>9,000.00</u>	<u>9,000.00</u>	<u>2,000.00</u>	<u>7,000.00</u>
Total General Appropriations	<u>\$ 1,467,037.22</u>	<u>\$ 1,467,037.22</u>	<u>\$ 662,331.43</u>	<u>\$ 804,705.79</u>
2014 Appropriation Reserves		\$ 1,095,981.75		
Encumbrances Payable		<u>371,055.47</u>		
		<u>\$ 1,467,037.22</u>		
Cash Disbursements			511,062.06	
Transferred to Accounts Payable			<u>151,269.37</u>	
			<u>662,331.43</u>	

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 108.56
Increased By:	
Transferred From Appropriation Reserves	<u>151,269.37</u>
	151,377.93
Decreased By:	
Cancelled	<u>108.56</u>
Balance, December 31, 2015	<u><u>\$ 151,269.37</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 371,055.47
Increased By:	
Transferred From Appropriation	<u>799,166.85</u>
	1,170,222.32
Decreased By:	
Transferred To Appropriation Reserves	<u>371,055.47</u>
Balance, December 31, 2015	<u><u>\$ 799,166.85</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 2015</u>
Special Emergency Note Payable	11/5/15	11/4/16	0.80%	\$ 637,724.00	\$ 260,330.67	\$ 637,724.00	\$ 260,330.67
				\$ 637,724.00	\$ 260,330.67	\$ 637,724.00	\$ 260,330.67

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 81,083.78
Increased By:	
Collection of 2016 Taxes	<u>142,130.68</u>
	223,214.46
Decreased By:	
Applied To 2015 Taxes	<u>81,083.78</u>
Balance, December 31, 2015	<u><u>\$ 142,130.68</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PROPERTY TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ -
Increased By:	
2015 Tax Overpayments	<u>42,730.26</u>
	42,730.26
Decreased By:	
Tax Overpayments Refunded	<u>42,730.26</u>
Balance, December 31, 2015	<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, 2015**

Balance, December 31, 2014	\$ -
Increased By:	
Levy Calendar Year 2015	<u>4,820,567.00</u>
	4,820,567.00
Decreased By:	
Cash Disbursed	<u>4,820,567.00</u>
Balance, December 31, 2015	<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, 2015**

Balance, December 31, 2014		\$	1,424.73
Increased By:			
2015 Tax Levy:			
County Tax	\$	1,435,339.23	
County Library Tax		94,591.06	
County Open Space Fund Tax		79,115.55	
County Health Tax		28,419.33	
Due County for Added and Omitted Taxes		<u>12,433.39</u>	
			<u>1,649,898.56</u>
			1,651,323.29
Decreased By:			
Cash Disbursements			<u>1,651,323.29</u>
Balance, December 31, 2015		\$	<u><u>-</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF OUTSIDE LIENS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ -
Increased By:	
Cash Disbursements	<u>529,478.00</u>
	529,478.00
Decreased By:	
Cash Receipts	<u>529,478.00</u>
Balance, December 31, 2015	<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, 2015**

Balance, December 31, 2014	\$ 59,777.53
Increased By:	
Cash Receipts	<u>69,782.62</u>
Balance, December 31, 2015	<u><u>\$ 129,560.15</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE
FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance December 31, <u>2014</u>	Cash <u>Receipts</u>	<u>Decreased</u>	Balance December 31, <u>2015</u>
Marriage Licenses	\$ 285.00	\$ 925.00	\$ 925.00	\$ 285.00
	<u>\$ 285.00</u>	<u>\$ 925.00</u>	<u>\$ 925.00</u>	<u>\$ 285.00</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2015</u>
Revaluation	\$ 24,614.75	\$ -	\$ -	\$ 24,614.75
Tax Appeals	200,000.00	-	-	200,000.00
Hurricane Sandy - 2013	36,621.32	-	-	36,621.32
Hurricane Sandy - 2012	876,213.26	28,373.91	895,942.29	8,644.88
Employee Medical Contributions	<u>-</u>	<u>274,123.35</u>	<u>252,207.53</u>	<u>21,915.82</u>
	<u>\$ 1,137,449.33</u>	<u>\$ 302,497.26</u>	<u>\$1,148,149.82</u>	<u>\$ 291,796.77</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Budget Revenue <u>Realized</u>	<u>Received</u>	Balance December 31, <u>2015</u>
Safe and Secure Grant	\$ -	\$ 60,000.00	\$ 60,000.00	\$ -
Drunk Driving Enforcement Fund	-	2,485.74	2,485.74	-
Body Armor Grant	-	3,367.95	3,367.95	-
Clean Communities Grant	-	20,036.21	20,036.21	-
Post Sandy Planning Assistance	295,000.00	-	143,244.30	151,755.70
Zoning Code Enforcement	60,000.00	-	60,000.00	-
Monmouth County Workforce	44,068.68	-	9,387.27	34,681.41
Recycling Tonnage Grant	-	16,254.22	16,254.22	-
CDBG Essential Services Grant	-	1,175,961.00	961,248.88	214,712.12
Strategic Recovery Plan	<u>7,125.82</u>	<u>-</u>	<u>-</u>	<u>7,125.82</u>
	<u>\$406,194.50</u>	<u>\$ 1,278,105.12</u>	<u>\$ 1,276,024.57</u>	<u>\$ 408,275.05</u>
Cash Receipts			\$ 80,036.21	
Interfunds			1,173,880.17	
Transferred from Unappropriated			<u>22,108.19</u>	
			<u>\$ 1,276,024.57</u>	

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 8,408.48
Increased By:	
Transferred From Grants Appropriated	<u>7,537.56</u>
	15,946.04
Decreased By:	
Transferred To Grants Appropriated	<u>8,408.48</u>
Balance, December 31, 2015	<u><u>\$ 7,537.56</u></u>

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, 2015**

	Animal Control <u>Fund</u>	Other <u>Trust Funds</u>
Balance, December 31, 2014	<u>\$ 12,193.73</u>	<u>\$ 1,415,517.08</u>
Increased By Receipts:		
Due To State of New Jersey	434.40	-
Dog License Fees	1,808.06	-
Various Reserves	<u>-</u>	<u>1,335,092.16</u>
	<u>2,242.46</u>	<u>1,335,092.16</u>
	<u>14,436.19</u>	<u>2,750,609.24</u>
Decreased By Disbursements:		
N.J. State Department of Health	435.60	-
Dog License Expenditures	3,364.00	-
Due to Current Fund	6,296.73	
Various Reserves	<u>-</u>	<u>983,116.00</u>
	<u>10,096.33</u>	<u>983,116.00</u>
Balance, December 31, 2015	<u><u>\$ 4,339.86</u></u>	<u><u>\$ 1,767,493.24</u></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, 2015**

Balance, December 31, 2014	\$ 1.20
Increased By:	
State Registration Fees	<u>434.40</u>
	435.60
Decreased By:	
Disbursed To State	<u>435.60</u>
Balance, December 31, 2015	<u><u>\$ -</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, 2015**

Balance, December 31, 2014		\$ 5,945.80
Increased By:		
License Fees Collected	\$ 1,504.20	
Transfers In	281.20	
Interest	<u>22.66</u>	
		<u>1,808.06</u>
		7,753.86
Decreased By:		
Expenditures Per R.S. 4:19-15.11		<u>3,364.00</u>
Balance, December 31, 2015		<u><u>\$ 4,389.86</u></u>

License Fees Collected

2014	\$ 2,244.40
2013	<u>2,988.20</u>
	<u><u>\$ 5,232.60</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, 2015**

	Balance December 31, <u>2014</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2015</u>
Tax Sale Premiums	\$ 571,747.12	\$ 538,700.00	\$ 201,689.77	\$ 908,757.35
Omni Lease Deposit	188,369.03	82,694.99	95,394.84	175,669.18
Recycling	15,664.58	10,089.43	12,321.15	13,432.86
Recreation Activities and Programs	12,134.76	28,677.84	14,839.00	25,973.60
Library & Art Camp Fees	5,212.08	7,698.22	7,694.31	5,215.99
Tree Beautification	435.70	-	-	435.70
Public Defender Fees	1,430.71	4,804.00	5,958.37	276.34
Accumulated Absences	179,191.38	-	49,875.60	129,315.78
Parking Offenses Adjudication Act	40,913.28	16,200.97	22,186.35	34,927.90
Off Duty Police	38,329.09	303,693.88	332,288.08	9,734.89
Forfeiture Funds	3,680.76	354.50	-	4,035.26
Law Enforcement Trust	60,467.02	24,156.20	33,809.00	50,814.22
Unemployment Compensation				
Insurance	30,145.03	61.00	969.12	29,236.91
Escrow Deposits	107,093.17	135,576.86	118,861.75	123,808.28
Performance Bonds/Engineering				
Fees	21,037.21	-	-	21,037.21
Workers Compensation	24,305.37	25,033.33	26,832.00	22,506.70
Reserve for:				
Interest	317.25	28.27	-	345.52
Redevelopment	13,993.10	28.40	-	14,021.50
Storm Recovery	52,277.46	134,335.69	60,396.66	126,216.49
Fire Safety	1,600.00	8,042.00	-	9,642.00
Hurricane Sandy Relief	47,172.98	14,916.58	-	62,089.56
	<u>\$ 1,415,517.08</u>	<u>\$1,335,092.16</u>	<u>\$ 983,116.00</u>	<u>\$ 1,767,493.24</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, 2015**

Balance, December 31, 2014		\$ 352,102.24
Increased By:		
Borough Contributions	\$ 53,950.00	
Appreciation on Investments	<u>224.36</u>	<u>54,174.36</u>
		406,276.60
Decreased By:		
Withdrawals	48,307.76	
Loss on Investments	<u>2,575.98</u>	<u>50,883.74</u>
Balance, December 31, 2015		<u><u>\$ 355,392.86</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, 2015**

Balance, December 31, 2014			\$ 352,102.24
Increased By:			
Borough Contributions	\$	53,950.00	
Appreciation on Investments		<u>224.36</u>	
			<u>54,174.36</u>
			406,276.60
Decreased By:			
Withdrawals		48,307.76	
Accounting Charges		<u>2,575.98</u>	
			<u>50,883.74</u>
Balance, December 31, 2015			<u><u>\$ 355,392.86</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, 2015**

Balance, December 31, 2014		\$ 1,753,433.76
Increased By:		
Premium on BAN Sale	\$ 4,151.00	
Bond Anticipation Notes	9,745,209.00	
Miscellaneous Reserves	300,000.00	
Interfund Returned	149,365.69	
		<u>10,198,725.69</u>
		11,952,159.45
Decreased By:		
Bond Anticipation Notes	4,270,225.00	
Due to Grant Fund	125,902.35	
Improvement Authorizations	1,794,648.01	
		<u>6,190,775.36</u>
Balance, December 31, 2015		<u><u>\$ 5,761,384.09</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, 2015**

	Balance December 31, <u>2015</u>
Capital Improvement Fund	\$ 578,103.96
State, Federal, Local Grants Receivable	(921,109.97)
Due from Grant Fund	(125,902.35)
Excess Financing - Bond Anticipation Note	529,646.13
Reserve for:	
Encumbrances	374,993.74
Interest on RCA Funds	29,018.16
Sewer Project - Boardwalk Restoration	50,000.00
Sandy Insurance Claims	578.00
Payment of Debt Service	15,381.00
Refunding Bonds - Cost of Issuance	22,598.73
Reserve for Receivable	46,250.00
Fund Balance	52,645.89

<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
1352/1426	St. John's Park	80,740.60
1394	Improvements to Police Station	854.50
1432	Reconstruction and Improvements to Highland Blvd.	33,530.91
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	738.85
1522	Terrace Place Vacinity Road Improvements	68,528.19
1523	Sinkhole Improvements	29,911.32
1524	Various Road Improvement	9,594.31
1525	Park Improvements	0.09
1526	Bulkhead Creek Rd/Laurel	3,309.32
1549	Outfall Extension - Beachway	51,271.86
1550	Raritan Avenue Drainage	29,932.92
1553/1574	New Police Facility	4,218,888.23
1547	Acquisition of Property	40,763.00
1566	Shore/Woodland Ave Road Improvements	309,678.79
		<hr/>
		\$ 5,761,384.09

**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, 2015**

Balance, December 31, 2014		\$	6,617,682.08
Decreased By:			
Serial Bonds Paid	\$	452,000.00	
M.C.I.A. Leases Paid		105,700.00	
N.J.E.I.T. Loan Paid		182,987.09	
Green Trust Loan Paid		57,576.41	
			<u>798,263.50</u>
Balance, December 31, 2015		\$	<u><u>5,819,418.58</u></u>
			<u>Analysis of Balance</u>
Funded		\$	5,701,418.58
Funded - Leases			<u>118,000.00</u>
		\$	<u><u>5,819,418.58</u></u>

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**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, 2015**

Balance, December 31, 2014	\$ 382,431.97
Increased By:	
Grant Awards	<u>538,678.00</u>
Balance, December 31, 2015	<u><u>\$ 921,109.97</u></u>

<u>Analysis of Balance</u>	<u>Ordinance Number</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
Road Improvements	1566	220,000.00
CDBG - Improvement Main St. Businesses	1477	122,822.10
FEMA - Road Improvements	1566	143,428.00
Monmouth County:		
Park Improvements	1525	80,000.00
Road Improvements	1566	156,250.00
Property Acquisition	1568	<u>19,000.00</u>
		<u><u>\$ 921,109.97</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ENCUMBERANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 288,643.05
Increased By:	
Transferred From Improvement Authorizations	<u>374,993.74</u>
	663,636.79
Decreased By:	
Transferred To Improvement Authorizations	<u>288,643.05</u>
Balance, December 31, 2015	<u><u>\$ 374,993.74</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding</u>		<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Decreased</u>	<u>Balance December 31, 2015</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bonds	12/04/08	\$ 4,170,000.00	12/01/16	\$ 308,000.00	4.00%	\$ 3,398,000.00	\$ 287,000.00	\$ 3,111,000.00
			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	12/01/16-17	160,000.00	3.000%	1,510,000.00	165,000.00	1,345,000.00
			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%			
			12/01/23*	140,000.00	2.375%			
* Term Bonds			12/01/24*	130,000.00	2.375%			
						\$ 4,908,000.00	\$ 452,000.00	\$ 4,456,000.00

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Maturity	Interest Rate	Balance December 31, 2014	Increase	Decrease	Balance December 31, 2015
1448	Acquisition Fire Truck/Energy Efficient Devices	6/30/2010	6/23/2016	1.00%	\$ 51,417.00	\$ 48,554.00	\$ 51,417.00	\$ 48,554.00
1477	Improvements Main Street Business	6/30/2010	6/23/2016	1.00%	393,591.00	379,013.00	393,591.00	379,013.00
1484	Improvements Highland Blvd./Center Ave.	6/30/2010	6/23/2016	1.00%	67,104.00	63,156.00	67,104.00	63,156.00
1494	Improvements to Parks and Playgrounds	6/30/2010	6/23/2016	1.00%	102,412.00	98,618.00	102,412.00	98,618.00
1510	Improvements to Main Street	6/27/2012	6/23/2016	1.00%	250,000.00	241,379.00	250,000.00	241,379.00
1508	Improvements to Various Roads	6/27/2012	6/23/2016	1.00%	380,000.00	360,000.00	380,000.00	360,000.00
1484	Improvements Highland Blvd./Center Ave.	6/27/2012	6/23/2016	1.00%	175,000.00	165,789.00	175,000.00	165,789.00
1522	Terrace Place Vacinity Road Improvements	6/26/2013	6/23/2016	1.00%	253,290.00	253,290.00	253,290.00	253,290.00
1523	Sinkhole Improvements	6/26/2013	6/23/2016	1.00%	31,911.00	31,911.00	31,911.00	31,911.00
1524	Improvements to Various Roads	6/26/2013	6/23/2016	1.00%	1,710,000.00	1,710,000.00	1,710,000.00	1,710,000.00
1525	Park Improvements	6/26/2013	6/23/2016	1.00%	200,000.00	200,000.00	200,000.00	200,000.00
1526	Bulkhead Creek Rd/Laurel	6/26/2013	6/23/2016	1.00%	655,500.00	655,500.00	655,500.00	655,500.00
1549	Drainage Outfall Pipes	6/24/2015	6/23/2016	1.00%	-	418,000.00	-	418,000.00
1550	Rarian Ave Drainage	6/24/2015	6/23/2016	1.00%	-	560,000.00	-	560,000.00
1553/1574	New Police Facility	6/24/2015	6/23/2016	1.00%	-	4,559,999.00	-	4,559,999.00
					<u>\$ 4,270,225.00</u>	<u>\$ 9,745,209.00</u>	<u>\$ 4,270,225.00</u>	<u>\$ 9,745,209.00</u>

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, 2015

<u>Purpose</u>	<u>Original Issue</u>	<u>Outstanding</u> December 31, 2015		<u>Interest</u> <u>Rate</u>	<u>Balance</u> December 31, 2014	<u>Decreased</u>	<u>Balance</u> December 31, 2015
		<u>Date</u>	<u>Amount</u>				
2005 Series	\$ 828,100.00				\$ 78,700.00	\$ 78,700.00	\$ -
2009 Series	503,000.00	10/01/16	\$ 28,000.00	4.00%	145,000.00	27,000.00	118,000.00
		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>\$ 223,700.00</u>	<u>\$ 105,700.00</u>	<u>\$ 118,000.00</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL LOAN PAYABLE - NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Project Description</u>	<u>Drawdown Date</u>	<u>Amount of Loan</u>	<u>Calendar Year</u>	<u>Principal</u>		<u>Interest Amount</u>	<u>Balance</u>		<u>Balance December 31, 2015</u>
				<u>Amount</u>	<u>Amount</u>		<u>December 31, 2014</u>	<u>Decreased</u>	
Drainage Improvements	10/15/01	\$ 2,910,000.00	2016	\$ 169,560.30		\$ 27,443.76	\$ 1,060,892.93	\$ 164,324.34	\$ 896,568.59
			2017	174,640.22		22,575.00			
			2018	179,487.99		17,325.00			
			2019	184,175.91		11,812.50			
			2020	188,704.17		6,037.50			
Drainage Improvements	10/15/01	276,422.00	2016	18,340.72		2,950.00	123,892.82	18,662.75	105,230.07
			2017	18,018.68		2,450.00			
			2018	17,696.64		1,950.00			
			2019	17,374.61		1,450.00			
			2020	17,052.57		950.00			
			2021	16,746.85		475.00			
							<u>\$ 1,184,785.75</u>	<u>\$182,987.09</u>	<u>\$ 1,001,798.66</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, 2015**

Balance, December 31, 2014	\$ 301,196.33
Decreased By:	
Paid By Current Fund	<u>57,576.41</u>
Balance, December 31, 2015	<u><u>\$ 243,619.92</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2014		2015 Authorizations	Expended	Balance December 31, 2015	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
1371	RCA Holmdel Mt. Laurel Housing	03/09/05	\$ 169,788.79	\$ 49,715.08	\$ -	\$ -	\$ -	\$ 49,715.08	\$ -
1145	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	45,887.63	-	-	-	45,887.63	-
1322	Improvements to Center, Raritan and Seabreeze	02/12/02	750,000.00	87,430.71	-	-	-	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	80,740.60	-	-	-	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	-	-	37,113.41	48,554.00
1467	Improvements to Storm Water System	SFY 2009	585,000.00	3,323.51	-	-	-	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	-	19,000.00	-	738.85
1522	Terrace Place Vacinity Road Improvements	06/13/12	640,000.00	-	65,380.13	-	(3,148.06)	-	68,528.19
1523	Sinkhole Improvements	07/25/12	90,000.00	-	29,893.59	-	(17.73)	-	29,911.32
1524	Various Road Improvement	07/25/12	1,800,000.00	-	1,594.31	-	(8,000.00)	-	9,594.31
1525	Park Improvements	07/25/12	200,000.00	-	0.09	-	-	-	0.09
1526	Bulkhead Creek Rd/Laurel	08/22/12	690,000.00	-	5,246.82	-	1,937.50	-	3,309.32
1549	Outfall Extension - Beachway	03/26/14	440,000.00	-	375,024.25	-	323,752.39	-	51,271.86
1550	Raritan Avenue Drainage	04/23/14	560,000.00	134,932.92	375,000.00	-	480,000.00	-	29,932.92
1553/1574	New Police Facility	06/25/14	4,800,000.00	98,643.22	4,560,000.00	500,000.00	464,753.99	-	4,693,889.23
1547	Acquisition of Property	02/26/14	347,000.00	347,000.00	-	-	306,237.00	40,763.00	-
1566	Shore/Woodland Ave Road Improvements	06/24/15	1,250,000.00	-	-	1,250,000.00	209,999.21	309,678.79	730,322.00
1568	Acquisition of Property	09/23/15	70,000.00	-	-	70,000.00	-	19,000.00	51,000.00
				\$ 975,546.46	\$ 5,544,326.35	\$ 1,820,000.00	\$ 1,794,648.01	\$ 772,867.40	\$ 5,772,357.40

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, 2014	Increased	Decreased	Balance December 31, 2015
Reserve for:				
Capital Improvement Fund	\$ 303,103.96	\$ 300,000.00	\$ 25,000.00	\$ 578,103.96
Interest on RCA Funds	29,018.16	-	-	29,018.16
Sewer Project - Boardwalk Restoration	50,000.00	-	-	50,000.00
Sandy Insurance Claims	578.00	-	-	578.00
Payment of Debt Service	15,381.00	-	-	15,381.00
Refunding Bonds - Cost of Issuance	22,598.73	-	-	22,598.73
	<u>\$ 420,679.85</u>	<u>\$ 300,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 695,679.85</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, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, 2014	Improvement Authorizations	BAN's Issued	Balance December 31, 2015
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
1549	Outfall Extension - Beachway	418,000.00	-	418,000.00	-
1550	Raritan Avenue Drainage	421,250.00	-	421,250.00	-
1553/1574	New Police Facility	4,560,000.00	475,000.00	4,559,999.00	475,001.00
1566	Shore/Woodland Ave Road Improvements	-	730,322.00	-	730,322.00
1568	Acquisition of Property	-	51,000.00	-	51,000.00
		<u>\$ 5,578,971.00</u>	<u>\$ 1,256,322.00</u>	<u>\$ 5,399,249.00</u>	<u>\$ 1,436,044.00</u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
DUE FROM GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ -
Increased By:	
Cash Disbursements	<u>125,902.35</u>
Balance, December 31, 2015	<u><u>\$ 125,902.35</u></u>

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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, 2015**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2014	\$ 1,316,839.35	\$ 274,099.02
Increased By Receipts:		
Consumer Accounts Receivable	\$ 4,238,785.05	-
Non-Budget Revenue	84,115.73	-
Prepaid Rents	12,609.38	-
Municipal Liens	11.09	-
Interfunds Returned	-	86,141.64
	<u>4,335,521.25</u>	<u>86,141.64</u>
	5,652,360.60	360,240.66
Decreased By Disbursements:		
2015 Budget Appropriations	4,067,639.92	-
2014 Appropriation Reserves	285,269.98	-
Improvement Authorizations	-	160,266.22
Accounts Payable	7,766.96	-
Interfunds Advanced	<u>20,879.58</u>	<u>-</u>
	<u>4,381,556.44</u>	<u>160,266.22</u>
Balance, December 31, 2015	<u>\$ 1,270,804.16</u>	<u>\$ 199,974.44</u>

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, 2015

		Balance December 31, <u>2015</u>
Excess Financing - Bond Anticipation Note		\$ 15,000.00
Capital Improvement Fund		167,000.00
Encumbrances Payable		86,141.64
Fund Balance		16,964.11
Ordinance		
<u>Number</u>	<u>Improvement Authorizations</u>	
1441/1466	Design Desalination System Water Plant	8,897.00
1513	Design Desalination System Water Plant	6,237.91
1565	Various Water/Sewer Improvements	<u>(100,266.22)</u>
		<u><u>\$ 199,974.44</u></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, 2015**

Balance, December 31, 2015 & 2014

\$ 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, 2015**

Balance, December 31, 2014			\$ 183,388.82
Increased By:			
Rents Levied			<u>4,270,481.51</u>
			4,453,870.33
Decreased By:			
Collections	\$ 4,238,785.05		
Prepaid Applied	8,420.65		
Overpayments/Prepayments Applied	<u>5,315.81</u>		
			<u>4,252,521.51</u>
Balance, December 31, 2015			<u><u>\$ 201,348.82</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, 2015**

Balance, December 31, 2014	\$ 302,456.87
Increased By:	
Rent Adjustments	<u>378.10</u>
Balance, December 31, 2015	<u><u>\$ 302,834.97</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, 2015**

<u>Account</u>	<u>Balance December 31, 2015 & 2014</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, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2015</u>
N/A	Acquired from KMUA Improvements	\$ 3,660.00
1441/1466/	Design Desalination System	
1493	Water Plant	3,125,000.00
1513	Desalinization System Water Plant	400,000.00
1565	Various Water/Sewer Improvements	<u>1,200,000.00</u>
		<u><u>\$ 4,728,660.00</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, 2014	Encumbrances	Balance After Modifications	Paid or Charged	Lapsed
Operating:					
Salaries and Wages	\$ 34,878.86	\$ -	\$ 34,878.86	\$ 7,446.06	\$ 27,432.80
Other Expenses	11,265.56	139,118.33	150,383.89	127,823.92	22,559.97
Total Operating	46,144.42	139,118.33	185,262.75	135,269.98	49,992.77
Capital Improvements:					
Capital Outlay	-	150,000.00	150,000.00	150,000.00	-
Total Capital Improvements	-	150,000.00	150,000.00	150,000.00	-
Statutory Expenditures:					
Social Security System (O.A.S.I.)	9,995.08	-	9,995.08	-	9,995.08
Total Sewer Utility Fund Appropriations	\$ 56,139.50	\$ 289,118.33	\$ 345,257.83	\$ 285,269.98	\$ 59,987.85

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF PREPAID RENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 8,420.65
Increased By:	
Cash Receipts	<u>12,609.38</u>
	21,030.03
Decreased By:	
Applied to Current Year Rents	<u>8,420.65</u>
Balance, December 31, 2015	<u><u>\$ 12,609.38</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, 2015**

Balance, December 31, 2014	\$ 289,118.33
Increased By:	
Appropriations	<u>93,262.02</u>
	382,380.35
Decreased By:	
Transferred to Appropriation Reserves	<u>289,118.33</u>
Balance, December 31, 2015	<u><u>\$ 93,262.02</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, 2015**

Balance, December 31, 2014	\$ 12,054.68
Decreased By:	
Overpayments Applied	<u>5,315.81</u>
Balance, December 31, 2015	<u><u>\$ 6,738.87</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, 2015**

Balance, December 31, 2014	\$ -
Increased By:	
Cash Receipts	<u>11,659.00</u>
	11,659.00
Decreased By:	
Due to Water/Sewer Operating Fund	<u>11,659.00</u>
Balance, December 31, 2015	<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, 2015**

Balance, December 31, 2014	\$ 29,040.13
Increased By:	
Budget Appropriations	<u>3,886.90</u>
	32,927.03
Decreased By:	
Cancelled	<u>7,142.64</u>
Balance, December 31, 2015	<u><u>\$ 25,784.39</u></u>

Analysis of Balance - December 31, 2015

	Outstanding December 31, <u>2015</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>Note:</u>						
	\$ 896,151.00	1.00%	06/25/15	12/31/15	185 days	<u>\$ 4,605.22</u>
<u>N.J.E.I.T. Loan:</u>						
	\$ 520,000.00	5.00%	08/01/15	12/31/15	5 months	<u>10,833.33</u>
<u>Serial Bonds:</u>						
2011 Refunding Pooled Loan Bonds						
	\$ 201,000.00	5.00%	12/01/15	12/31/15	30 days	837.50
Various Improvements - Bonds of 2008:						
	\$ 149,000.00	5.00%	12/01/15	12/31/15	30 days	620.83
2012 Refunding						
	\$ 3,555,000.00	3.00%	12/01/15	12/31/15	30 days	<u>8,887.50</u>
						<u>10,345.83</u>
						<u><u>\$ 25,784.39</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, 2015**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>December 31, 2014</u>	<u>December 31, 2015</u>
General Obligation Bonds Series 2008	12/04/08	\$ 242,000.00	12/01/16-17	\$ 16,000.00	4.00%	\$ 164,000.00	\$ 149,000.00
			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	12/01/16	63,000.00	2.50%	336,000.00	201,000.00
			12/01/17	67,000.00	4.00%		
			12/01/18	71,000.00	4.00%	135,000.00	
2012 Refunding of General Obligation Refunding Bonds Series 2002	11/08/12	5,930,000.00	12/01/16	845,000.00	3.00%	4,375,000.00	3,555,000.00
			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>\$ 4,875,000.00</u>	<u>\$ 3,905,000.00</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, 2015**

<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, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 2015</u>
1466	Design Desalination System Water Plant	06/30/10	06/25/14	06/24/15	1.00%	\$ 507,810.00	\$ 501,215.00	\$ 507,810.00	\$ 501,215.00
1513	Desalination System Water Plant	06/27/12	06/25/14	06/24/15	1.00%	400,000.00	394,936.00	400,000.00	394,936.00
						<u>\$ 907,810.00</u>	<u>\$ 896,151.00</u>	<u>\$ 907,810.00</u>	<u>\$ 896,151.00</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, 2015**

<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, 2014</u>	<u>Decreased</u>	<u>Balance December 31, 2015</u>
Trust Loan - Series A (DW-ARRA)	\$ 655,000.00	03/10/10	08/01/16-18	\$30,000.00	5.00%	\$ 545,000.00	\$ 25,000.00	\$ 520,000.00
			08/01/19	30,000.00	4.00%			
			08/01/20	35,000.00	5.00%			
			08/01/21	35,000.00	3.00%			
			08/01/22	35,000.00	4.00%			
			08/01/23-25	40,000.00	4.00%			
			08/01/26	40,000.00	3.50%			
			08/01/27-29	45,000.00	4.00%			
Fund Loan - Winter 2010	1,964,000.00	03/10/10	02/01/16	11,101.69	0.00%	499,576.34	33,305.07	466,271.27
			08/01/16	22,203.38	0.00%			
			02/01/17	11,101.69	0.00%			
			08/01/17	22,203.38	0.00%			
			02/01/18	11,101.69	0.00%			
			08/01/18	22,203.38	0.00%			
			02/01/19	11,101.69	0.00%			
			08/01/19	22,203.38	0.00%			
			02/01/20	11,101.69	0.00%			
			08/01/20	22,203.38	0.00%			
			02/01/21	11,101.69	0.00%			
			08/01/21	22,203.38	0.00%			
			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%			
Fund Loan - Winter 2010 (continued)								
						\$ 1,044,576.34	\$58,305.07	\$ 986,271.27

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 14,112.21
Increased By:	
Unexpended Prior Year Encumbrances	<u>1,029.00</u>
	15,141.21
Decreased By:	
Cash Disbursements	<u>7,766.96</u>
Balance, December 31, 2015	<u><u>\$ 7,374.25</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, 2015**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Amount</u>	<u>Balance, December 31, 2014</u>		<u>2015 Authorizations</u>	<u>Expended</u>	<u>Balance, December 31, 2015</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
1513	Desalinization System Water Plant	400,000.00	-	6,237.91	-	-	-	6,237.91
1565	Various Water/Sewer Improvements	1,200,000.00	-	-	1,200,000.00	160,266.22	-	1,039,733.78
			<u>\$ -</u>	<u>\$ 15,134.91</u>	<u>\$ 1,200,000.00</u>	<u>\$ 160,266.22</u>	<u>\$ -</u>	<u>\$ 1,054,868.69</u>

**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, 2015**

Balance, December 31, 2014			\$ 21,034,564.49
Increased By:			
Capital Improvement Fund	\$	60,000.00	
Bonds Paid By Operating Budget		970,000.00	
Notes Paid By Operating Budget		11,659.00	
Loans Paid By Operating Budget		<u>58,305.07</u>	
			<u>1,099,964.07</u>
Balance, December 31, 2015			<u><u>\$ 22,134,528.56</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, 2015**

Balance, December 31, 2015 & 2014

\$ 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, 2015**

Balance, December 31, 2014	\$ 227,000.00
Decreased By:	
Improvement Authorization	<u>60,000.00</u>
Balance, December 31, 2015	<u><u>\$ 167,000.00</u></u>

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY OPERATING FUND
SCHEDULE OF MUNICIPAL LIENS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 4,944.94
Decreased By:	
Cancellations	<u>11.09</u>
Balance, December 31, 2015	<u><u>\$ 4,933.85</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2014</u>	<u>Improvement Authorizations</u>	<u>Raised in Current Fund Budget</u>	<u>Balance December 31, 2015</u>
1565	Various Water/Sewer Improvements	\$ -	\$ 1,140,000.00	\$ -	\$ 1,140,000.00
		\$ -	\$ 1,140,000.00	\$ -	\$ 1,140,000.00

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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, 2015**

	Balance December 31, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2015</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>5,728,865.35</u>	<u>72,328.00</u>	<u>24,000.00</u>	<u>5,777,193.35</u>
	<u>\$ 23,016,977.35</u>	<u>\$ 72,328.00</u>	<u>\$ 24,000.00</u>	<u>\$ 23,065,305.35</u>

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SINGLE AUDIT SECTION

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND NJ OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major Federal Program

We have audited Borough of Keansburg's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey Grants 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, 2015. 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 the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major 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, 2015.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance or New Jersey OMB Circular 15-08.

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 the Uniform Guidance or New Jersey OMB's Circular 15-08, 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 the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and New Jersey OMB Circular 15-08

We have audited the financial statements of the Borough of Keansburg as of and for the year ended December 31, 2015, and have issued our report thereon dated June 20, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions 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 the Uniform Guidance and New Jersey OMB Circular 15-08 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

Freehold, New Jersey
June 20, 2016

**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
SCHEDULE OF FEDERAL FINANCIAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Contract Number</u>	<u>Grant Period</u>	<u>Grant Award</u>	<u>Expenditures</u>	<u>Cumulative Expenditures</u>
<u>Department of Homeland Security (DHS)</u>						
Federal Emergency Management Agency(FEMA)						
Department of Homeland Security (DHS)						
Public Assistance Grants						
Superstorm Sandy	97.036	066-1200-100-A92	OPEN	\$ 3,000,000.00	\$ 28,373.91	\$ 5,076,280.62
Total Department of Homeland Security (DHS)				3,000,000.00	28,373.91	5,076,280.62
<u>U.S. Department of Housing and Urban Development</u>						
Hurricane Sandy Community Development Block Grant	14.269	022-8022-100-001	OPEN	26,900.00	-	19,868.43
Essential Services Grant	14.269	022-8022-100-003	01/01/15 - 12/31/15	1,175,961.00	1,175,961.00	1,175,961.00
Total U.S. Department of Housing and Urban Development				1,202,861.00	1,175,961.00	1,195,829.43
<u>Department of Transportation Direct Programs</u>						
National Priority Safety Programs	20.616	066-1160-100-157	OPEN	3,594.16	3,594.16	3,594.16
Total Department of Transportation Direct Programs				3,594.16	3,594.16	3,594.16
Total Federal Financial Awards				\$ 4,206,455.16	\$ 1,207,929.07	\$ 6,275,704.21

BOROUGH OF KEANSBURG
NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015

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:

	Federal
Current Fund	\$ 28,373.91
Grant Fund	<u>1,179,555.16</u>
Total	<u><u>\$ 1,207,929.07</u></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 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, 2015

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 .510(a) of e-CFR 200 (Uniform Guidance) and NJ-OMB Circular 15-08.	No

Federal CFDA Number

14.269

Name of Federal Program

CDBG Essential Services Grant

BOROUGH OF KEANSBURG
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2015

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 e-CFR 200 (Uniform Guidance) and NJ-OMB Circular 15-08.

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, 2015**

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. e-CFR 200 (Uniform Guidance) and NJ-OMB Circular 15-08.

No Prior Year Findings

COMMENTS

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The Honorable Mayor and Members of the
Borough Council
Borough of Keansburg
Keansburg, New Jersey 07734

We have audited the financial statements – statutory basis of the Borough of Keansburg in the County of Monmouth for the year ended December 31, 2015.

Scope of Audit

The audit covered the financial transactions of the Treasurer and Tax Collector, the activities of the Mayor and Council and the records of the various outside departments.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Borough Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Borough records.

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 \$36,000 for the period of January 1, 2015 to June 30, 2015 and \$40,000 for the period of July 1, 2015 to December 31, 2015, 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.

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

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*.

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Borough Council.

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

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 for the period of January 1, 2015 to June 30, 2015 and in excess of \$6,000 for the period of July 1, 2015 to December 31, 2015, 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 and Assessments

N.J.S.54:4-67, as amended, provides the method for authorizing interest and the maximum rates 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 17, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as 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

Collection of Interest on Delinquent Taxes and Assessments (continued):

Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable.”

The Borough also charges an additional 6% penalty on delinquencies in excess of \$10,000 at the end of the calendar year.

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

Tax Collector's Annual Report

N.J.S.54:4-91 requires that on or before May 1st of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2015 with the governing body.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2015 included real estate taxes for 2015.

The last tax sale was held on December 4, 2015 and was complete.

Inspection of 2015 tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

YEAR	NUMBER OF LIENS
2015	28
2014	39
2013	37

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get properties back on a taxpaying basis.

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

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.

Deposit of Funds Paid to Local Unit

N.J.S.40A:5-15 States:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall within 48 hours after the receipt thereof, either;

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or;
- b. be deposited to the credit of the local unit in its designated legal depository.”

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.

Municipal Court

A separate report for the Municipal Court transactions 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.

A test sample was selected of twenty (25) traffic and criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper procedures were in effect for defendants paying on a the partial payment system. This test disclosed no discrepancies regarding fines being properly levied, entering of dispositions and closure procedures.

The computer software does not allow for a posting distribution in the cash receipts journal when a transaction involves both a check and cash payment being made by the defendant. The computer system requires this particular type of transaction be posted as either entirely cash or check. As a result of this limitation no test can be conducted to determine if the receipt detail batch totals from the journal agree with the detail of cash and checks deposited for that particular day.

A review of the partial payment system indicated that collection procedures are being enforced to collect delinquent balances.

Follow-up on Prior Year Findings

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

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison
Registered Municipal Accountant
No. CR483

Freehold, New Jersey
June 20, 2016

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**BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
COMMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Officials in Office and Surety Bonds

<u>Name of Official</u>	<u>Title</u>
Thomas Foley	Mayor
George F. Hoff	Deputy Mayor
James Cocuzza, Sr.	Councilperson
Arthur Boden	Councilperson
Anthony DePompa	Councilperson
Raymond O'Hare	Borough Manager
Patrick DeBlasio	Chief Financial Officer
Thomas Cusick	Borough Clerk/Tax Collector
John O. Bennett, III, Esq.	Borough Attorney
Sharon Devaney	Court Administrator
Dennis O'Keefe	Deperatment of Public Works Supervisor
Steve Ussman	Water and Sewer Depratment Supervisor

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