

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

with

INDEPENDENT AUDITOR'S REPORTS

and

COMMENTS AND RECOMMENDATIONS

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BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

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COUNTY OF MONMOUTH, NEW JERSEY

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Keansburg, County of Monmouth, State of New Jersey as of December 31, 2013 and 2012, and the related comparative statement of operations and changes in fund balance--regulatory basis for the years then ended, the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2013.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Keansburg, County of Monmouth, State of New Jersey, as of December 31, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund ("LOSAP") Trust Fund has not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements as of and for the years ended December 31, 2013 and 2012. The LOSAP Trust Fund financial activities are included in the Borough's Trust Fund, and represent 17.59% and 26.05% of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2013 and 2012.

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, 2013 and 2012, 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, 2013 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2014, 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
July 18, 2014

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Borough of Keansburg (herein referred to as "the Borough"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated July 18, 2014. That report indicated that the Borough of Keansburg's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Freehold, New Jersey
July 18, 2014

BASIC FINANCIAL STATEMENTS

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CURRENT FUND

EXHIBITS

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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

Years ended December 31, 2013 and 2012

<u>Assets</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Cash and Investments - Treasurer Change Fund and Petty Cash Fund	1-A	\$ 4,147,238.36	\$ 6,819,600.51	Appropriation Reserves	A-3,11-A	\$ 996,141.61	\$ 761,452.56
Due From State of New Jersey - Chap. 73, P.L. 1976	2-A	475.00	475.00	Accounts Payable	12-A	6,508.56	6,508.56
	3-A	41,739.60	15,114.60	Encumbrances Payable	13-A	596,148.55	2,579,566.53
				Tax Anticipation Notes	14-A	-	1,500,000.00
				Special Emergency Note Payable	14-A	2,062,000.00	3,106,000.00
		4,189,452.96	6,835,190.11	Prepaid Taxes	15-A	85,501.84	102,523.85
				County Taxes Payable	18-A	2,115.02	-
				Due to Grant Fund	A	4,339.02	-
				Community Disaster Loan - Payable	A	1,745,000.00	-
				Community Disaster Loan - Interest Payable	A	6,775.03	-
				Outside Liens Payable	19-A	3,156.13	10,643.18
				Payroll Deductions Payable	20-A	75,987.02	58,956.39
Receivables and Other Assets With Full Reserves:				Due To State of New Jersey:			
Taxes Receivable	4-A	703,968.58	707,663.61	Marriage License Fees	21-A	375.00	125.00
Tax Title Liens	5-A	150,544.16	90,579.58	Reserve for:			
Property Acquired for Taxes				FEMA	22-A	94,682.68	791,264.45
Assessed Valuation	6-A	186,800.00	186,800.00	Revaluation	22-A	24,614.75	24,614.75
				Insurance Claims	22-A	347,578.00	-
				Tax Appeals	22-A	200,000.00	-
Deferred Charges:							
Community Disaster Loan	A		985,043.19			6,250,923.21	8,941,655.27
Special Emergency Appropriations (5 yr)	10-A	1,751,775.03	3,000,000.00	Reserve for Receivables	A	1,041,312.74	985,043.19
Special Emergency Appropriations (3 yr)	10-A	2,039,201.63	106,000.00	Fund Balance	A-1	1,782,506.41	999,534.84
		53,000.00					
		3,843,976.66	3,106,000.00			9,074,742.36	10,926,233.30
		9,074,742.36	10,926,233.30				
State and Federal Grant Fund:				State and Federal Grant Fund:			
				Encumbrances Payable	24-A	878.35	-
Cash	1-A	233,171.04	39,070.19	Reserve for Grants:			
Due from Current Fund	A	4,339.02	-	Appropriated	8-A	221,926.83	32,371.02
				Unappropriated	9-A	14,704.88	6,699.17
Total Grant Fund		237,510.06	39,070.19	Total Grant Fund		237,510.06	39,070.19
Total Assets		\$ 9,312,252.42	\$ 10,965,303.49	Total Liabilities, Reserves and Fund Balance		\$ 9,312,252.42	\$ 10,965,303.49

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

Years ended December 31, 2013 and 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 200,000.00	\$ 375,000.00
Miscellaneous Revenues Anticipated	A-2	7,102,092.49	3,575,692.37
Receipts From Delinquent Taxes	A-2	713,738.40	573,154.13
Receipts From Current Taxes	A-2,4-A	15,634,582.70	16,238,375.26
Non-Budget Revenue	A-2,1-A	181,475.95	177,030.48
Other Credit To Income:			
Interfunds Returned:			
Unexpended Balance of Appropriation Reserves	11-A	500,440.34	520,441.16
Cancellation of Accounts Payable	A-1	-	4,000.00
Adjustments:			
Miscellaneous Adjustments	A-1	-	1,008.34
Total Revenue		<u>24,332,329.88</u>	<u>21,464,701.74</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	6,065,765.00	5,834,300.00
Other Expenses	A-3	5,335,265.00	5,032,105.00
Deferred Charges and Statutory			
Expenditures	A-3	1,369,393.00	1,411,248.00
Appropriations Excluded From "CAPS":			
Operations:			
Salaries and Wages	A-3	140,132.00	140,132.00
Other Expenses	A-3	2,071,336.06	3,210,216.56
Capital Improvement Fund	A-3	250,000.00	85,000.00
Municipal Debt Service	A-3	1,315,514.77	1,296,559.84
Deferred Charges	A-3	926,958.00	53,000.00
Refund of Prior Year Revenue	A-1	15,399.09	-
Reserve for Tax Appeals	A,1-A	200,000.00	-
Grants Receivable Cancelled	A-1	-	9,720.51
Prior Year Tax Deductions Disallowed	4-A	635.24	1,750.00
Local District School Tax	17-A	4,790,749.00	4,852,383.50
County Taxes Payable	18-A	<u>1,668,211.15</u>	<u>1,845,792.51</u>
Total Expenditures		<u>24,149,358.31</u>	<u>23,772,207.92</u>
Excess/(Deficit) in Revenue		182,971.57	(2,307,506.18)
Adjustment To Income Before Fund Balance:			
Expenditures Above Which Are By Statute			
Deferred Charges To Budget of Succeeding Year	A,10-A	<u>800,000.00</u>	<u>3,000,000.00</u>
Statutory Excess To Fund Balance		982,971.57	692,493.82
Fund Balance, January 1	A	<u>999,534.84</u>	<u>682,041.02</u>
		1,982,506.41	1,374,534.84
Decreased By:			
Utilized as Anticipated Revenue	A-1	<u>200,000.00</u>	<u>375,000.00</u>
Fund Balance, December 31	A	<u>\$ 1,782,506.41</u>	<u>\$ 999,534.84</u>

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

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-2
Page 1 of 2

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2013

	<u>Reference</u>	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	A-1	\$ 200,000.00	\$ -	\$ 200,000.00	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	7-A	15,000.00	-	16,875.00	1,875.00
Other	7-A	24,000.00	-	30,957.00	6,957.00
Fees and Permits	7-A	380,000.00	-	396,016.75	16,016.75
Fines and Costs:					
Municipal Court	7-A	350,000.00	-	275,418.48	(74,581.52)
Interest and Costs on Taxes	7-A	100,000.00	-	142,206.83	42,206.83
Parking Meters	7-A	91,483.00	-	148,593.26	57,110.26
Interest on Investments and Deposits	7-A	7,000.00	-	12,961.72	5,961.72
PILOT:					
Keansburg Housing Authority	7-A	4,000.00	-	-	(4,000.00)
Grandview Apartments	7-A	75,000.00	-	75,000.00	
Rental of Borough Property	7-A	35,000.00	-	53,750.11	18,750.11
Omni Tower Rental	7-A	30,000.00	-	36,764.97	6,764.97
Consolidated Municipal Property Tax Relief Aid	7-A	629,120.00	-	587,856.00	(41,264.00)
Energy Receipts Tax (P.L. 1997, Chaps. 162 & 167)	7-A	1,196,511.00	-	1,237,775.00	41,264.00
Uniform Construction Code Fees	7-A	65,000.00	-	187,280.00	122,280.00
Public and Private Revenues Offset with Appropriations:					
Safe and Secure Communities Program	23-A	60,000.00	-	60,000.00	-
Clean Communities	23-A	17,576.67	-	17,576.67	-
NJDOT - Raritan Avenues	23-A	185,000.00	-	185,000.00	-
Chapter 159 - Body Armor Replacement		-	4,339.02	4,339.02	-
Other Special Items:					
Uniform Fire Safety Act	7-A	5,000.00	-	6,891.40	1,891.40
Cable TV Fees	7-A	80,000.00	-	103,335.65	23,335.65
FEMA Reserve - A/R	7-A	873,958.00	-	873,958.00	-
Chapter 159 - Hurricane Sandy FEMA Reimbursement - 2012	7-A	-	628,606.90	628,606.90	-
Chapter 159 - Hurricane Sandy FEMA Reimbursement - 2013	7-A	-	258,233.47	258,233.47	-
Community Disaster Loan Program	7-A	1,745,000.00	-	1,745,000.00	-
Church Street Coro:					
PILOT McGrath Towers	7-A	5,000.00	-	14,685.95	9,685.95
PILOT Fallon Manor	7-A	5,000.00	-	3,010.31	(1,989.69)
Total Miscellaneous Revenues	A-1	5,978,648.67	891,179.39	7,102,092.49	232,264.43
Receipts From Delinquent Taxes	A-1,A-2	650,000.00	-	713,738.40	63,738.40
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2,4-A	9,967,578.37	-	9,975,622.55	8,044.18
Budget Totals	A-3	16,796,227.04	891,179.39	17,991,453.44	304,047.01
Non-Budget Revenue	A-1,A-2	-	-	181,475.95	181,475.95
		<u>\$ 16,796,227.04</u>	<u>\$ 891,179.39</u>	<u>\$ 18,172,929.39</u>	<u>\$ 485,522.96</u>

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

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

Exhibit A-2
Page 2 of 2

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2013

	<u>Reference</u>	
<u>Analysis of Realized Revenue</u>		
Allocation of Current Tax Collections:		
Revenue From Collections	A-1,4-A	\$ 15,634,582.70
Allocated To School and County Taxes	4-A	<u>6,458,960.15</u>
Balance for Support of Municipal Budget Appropriations		<u>9,175,622.55</u>
Add:		
Reserve for Uncollected Taxes	A-3	<u>1,000,000.00</u>
Less:		
Reserve for Tax Appeals Pending		<u>200,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$ 9,975,622.55</u></u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	4-A	\$ 699,937.28
Tax Title Lien Collections	5-A	<u>13,801.12</u>
	A-2	<u><u>\$ 713,738.40</u></u>
<u>Analysis of Non-Budget Revenue</u>		
Miscellaneous Revenue Not Anticipated:		
BOE Sanitation/Barn Fire Reimbursement		\$ 56,006.44
Insurance Reimbursement		15,265.77
Miscellaneous Construction Fees		14,084.14
Tax Assessor		180.00
Various Vendor Refunds		5,887.37
Cancellations/Closeouts/Refunds		20,389.67
Grant-Payroll Fringe Reimbursement		40,960.00
LOSAP Refunds/Reimbursements		2,881.44
Health Hazard Payments		10,920.00
Senior Citizens & Vets 2% Admin Fee		1,498.16
Various Misc. Refunds/Reimbursements		<u>13,402.96</u>
	A-2,1-A	<u><u>\$ 181,475.95</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

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

Year ended December 31, 2013

	Original Budget	Appropriations		Budget After Modifications	Expended			Cancelled
		Chapter 159			Paid or Charged	Reserved		
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	1,000.00	-		1,000.00	912.50	87.50	-	-
Office of Borough Manager:								
Salaries and Wages	182,000.00	-		182,000.00	174,723.62	7,276.38	-	-
Other Expenses	3,265.00	-		3,265.00	1,559.95	1,705.05	-	-
Office of the Borough Clerk:								
Salaries and Wages	144,100.00	-		144,100.00	144,099.58	0.42	-	-
Other Expenses	23,400.00	-		23,400.00	15,778.05	7,621.95	-	-
Legal Services and Costs:								
Other Expenses	100,000.00	-		100,000.00	100,000.00	-	-	-
Elections:								
Other Expenses	2,200.00	-		2,200.00	2,144.44	55.56	-	-
DEPARTMENT OF FINANCE								
Office of Director of Finance:								
Salaries and Wages	210,400.00	-		210,400.00	201,738.24	8,661.76	-	-
Other Expenses	27,850.00	-		27,850.00	23,836.97	4,013.03	-	-
Annual Audit	46,000.00	-		46,000.00	46,000.00	-	-	-
Division of Tax Collector:								
Salaries and Wages	74,500.00	-		74,500.00	71,630.66	2,869.34	-	-
Other Expenses	11,050.00	-		11,050.00	8,818.93	2,231.07	-	-
Division of Tax Assessor:								
Salaries and Wages	61,500.00	-		66,000.00	63,748.70	2,251.30	-	-
Other Expenses	29,150.00	-		29,150.00	18,370.34	10,779.66	-	-
DEPARTMENT OF PUBLIC SAFETY								
Police:								
Salaries and Wages	3,800,000.00	-		3,800,000.00	3,654,369.78	145,630.22	-	-
Other Expenses	95,000.00	-		95,000.00	92,058.15	2,941.85	-	-
Dispatchers:								
Salaries and Wages	137,685.00	-		137,685.00	123,812.28	13,872.72	-	-
Detective Bureau:								
Other Expenses	5,000.00	-		5,000.00	2,478.81	2,521.19	-	-
Bureau of Street Crossing Guards:								
Salaries and Wages	43,500.00	-		43,500.00	34,914.61	8,585.39	-	-
Other Expenses	200.00	-		200.00	100.00	100.00	-	-
DIVISION OF FIRE								
Fire Department:								
Other Expenses	26,550.00	-		26,550.00	26,490.96	59.04	-	-
Division of Fire:								
Other Expenses	100,000.00	-		100,000.00	99,556.31	443.69	-	-
UNIFORM CONSTRUCTION CODE								
Code Enforcement:								
Salaries and Wages	109,100.00	-		109,100.00	90,305.73	18,794.27	-	-
Other Expenses	4,050.00	-		4,050.00	2,614.94	1,435.06	-	-
Uniform Safety Act:								
Salaries and Wages	36,100.00	-		36,100.00	35,347.70	752.30	-	-
Other Expenses	4,000.00	-		4,000.00	3,589.81	410.19	-	-
PUBLIC WORKS								
Division of Engineering:								

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

Year ended December 31, 2013

	Appropriations		Expended		Cancelled
	Original Budget	Chapter 159	Budget After Modifications	Paid or Charged	
General Appropriations Operations - Within "CAPS"					
Other Expenses	140,000.00	-	140,000.00	117,728.50	-
Division of Streets and Roads:					
Salaries and Wages	562,900.00	-	587,900.00	582,115.89	-
Other Expenses	70,000.00	-	70,000.00	68,366.78	-
Division of Snow Removal:					
Salaries and Wages	20,000.00	-	20,000.00	14,800.97	-
Other Expenses	5,000.00	-	5,000.00	4,912.96	-
Division of Parking Meter Maintenance:					
Salaries and Wages	17,000.00	-	17,000.00	13,475.00	-
Other Expenses	10,000.00	-	10,000.00	3,189.95	-
Division of Buildings and Grounds:					
Other Expenses	76,000.00	-	76,000.00	71,241.78	-
Municipal Garage:					
Salaries and Wages	122,180.00	-	122,180.00	121,276.75	-
Other Expenses	68,000.00	-	78,000.00	76,333.62	-
Sanitation:					
Contract	390,000.00	-	390,000.00	348,476.50	-
Landfill Solid Waste Disposal Fees	432,000.00	-	432,000.00	431,953.24	-
DEPARTMENT OF HEALTH AND WELFARE					
Division of Health:					
Salaries and Wages	11,000.00	-	11,000.00	9,688.12	-
Other Expenses	91,600.00	-	91,600.00	74,019.00	-
Dog Regulation	38,000.00	-	38,000.00	37,272.00	-
DEPARTMENT OF RECREATION PARKS AND PLAYGROUNDS					
Recreation, Parks and Playgrounds:					
Other Expenses	15,000.00	-	15,000.00	9,826.92	-
Historical Society:					
Other Expenses	500.00	-	500.00	138.00	-
MUNICIPAL PROSECUTOR					
Municipal Prosecutor:					
Salaries and Wages	29,000.00	-	29,000.00	25,538.53	-
OTHER MUNICIPAL OPERATIONS					
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)					
Planning Board of Adjustment:					
Salaries and Wages	31,850.00	-	31,850.00	30,822.52	-
Other Expenses	20,000.00	-	20,000.00	19,688.49	-
Emergency Management Services:					
Salaries and Wages	15,000.00	-	15,000.00	15,000.00	-
Other Expenses	3,500.00	-	3,500.00	158.00	-
INSURANCES: N.J.S.A. 40A:4-45.3(00)					
Group Insurance Plan for Employees	2,050,000.00	-	1,983,500.00	1,772,065.38	-
Group Salary Insurance	35,000.00	-	35,000.00	33,750.00	-
Workers Compensation	440,000.00	-	440,000.00	403,780.00	-
Other Insurance - Liability Insurance	370,000.00	-	380,000.00	376,487.42	-
Disability Insurance	25,000.00	-	25,000.00	11,097.00	-
SENIOR CITIZENS					
Transportation of Senior Citizens:					
Other Expenses	12,000.00	-	12,000.00	9,890.00	-

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

Year ended December 31, 2013

	Appropriations		Budget After Modifications	Expended		
	Original Budget	Chapter 159		Paid or Charged	Reserved	Cancelled
General Appropriations Operations - Within "CAPS"						
MUNICIPAL COURT						
Municipal Court:						
Salaries and Wages	193,350.00	-	193,350.00	191,053.93	2,296.07	-
Other Expenses	6,450.00	-	6,450.00	5,253.95	1,196.05	-
MUNICIPAL LIBRARY						
Library:						
Salaries and Wages	27,500.00	-	31,500.00	29,778.76	1,721.24	-
Other Expenses	6,000.00	-	6,000.00	5,497.98	502.02	-
PUBLIC EMPLOYEES OCCUPATIONAL SAFETY AND HEALTH ACT						
Board of Health:						
Other Expenses	1,000.00	-	1,000.00	-	1,000.00	-
UNIFORM CONSTRUCTION CODE APPROPRIATIONS						
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
State Uniform Construction Code Officials:						
Salaries and Wages	151,600.00	-	159,600.00	152,436.71	7,163.29	-
Other Expenses	3,500.00	-	3,500.00	3,447.03	52.97	-
UNCLASSIFIED						
Utilities:						
Electricity	85,000.00	-	90,000.00	90,000.00	-	-
Street Lighting	125,000.00	-	120,000.00	109,077.84	10,922.16	-
Telephone	75,000.00	-	75,000.00	75,000.00	-	-
Natural Gas	27,000.00	-	27,000.00	27,000.00	-	-
Telecommunications Costs	155,000.00	-	160,000.00	158,704.25	1,295.75	-
Gasoline and Fuel Oil	7,500.00	-	7,500.00	7,500.00	-	-
Contingent	150,000.00	-	150,000.00	127,000.00	23,000.00	-
Total Operations - Within "CAPS"	11,401,030.00	-	11,401,030.00	10,711,044.83	689,985.17	-
Detail:						
Salaries and Wages	6,024,265.00	-	6,065,765.00	5,821,628.08	244,136.92	-
Other Expenses	5,376,765.00	-	5,335,265.00	4,889,416.75	445,848.25	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
Statutory Expenditures:						
Contribution To:						
Public Employees' Retirement System	233,600.00	-	233,600.00	233,600.00	-	-
Social Security System (O.A.S.I.)	250,000.00	-	250,000.00	217,260.16	32,739.84	-
Police and Firemen's Retirement System of N.J.	885,793.00	-	885,793.00	885,793.00	-	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	1,369,393.00	-	1,369,393.00	1,336,653.16	32,739.84	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	12,770,423.00	-	12,770,423.00	12,047,697.99	722,725.01	-

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

Year ended December 31, 2013

	Original Budget	Appropriations		Budget After Modifications	Expended			Cancelled
		Chapter 159			Paid or Charged	Reserved		
General Appropriations Operations - Excluded From "CAPS"								
General Appropriations for Municipal Purposes - Excluded from "CAPS"								
Length of Service Award Program ("LOSAP")	58,000.00	-		58,000.00	56,150.00	1,850.00		-
Special Emergency - Superstorm Sandy 2013	-	-		800,000.00	528,468.22	271,531.78		-
911 Emergency Dispatch - Police:								
Other Expenses	13,000.00	-		13,000.00	12,965.18	34.82		-
	71,000.00	-		871,000.00	597,583.40	273,416.60		-
Public and Private Programs Offset by Revenues:								
Hurricane Sandy FEMA Reimbursement - 2012	-	628,606.90		628,606.90	628,606.90	-		-
Hurricane Sandy FEMA Reimbursement - 2013	-	258,233.47		258,233.47	258,233.47	-		-
Safe and Secure Communities	60,000.00	-		60,000.00	60,000.00	-		-
Safe and Secure Communities - Match:								
Salaries and Wages	140,132.00	-		140,132.00	140,132.00	-		-
Other Expenses	46,580.00	-		46,580.00	46,580.00	-		-
Body Armor	-	4,339.02		4,339.02	4,339.02	-		-
NJDOT - Raritan Avenue	185,000.00	-		185,000.00	185,000.00	-		-
Clean Communities Grant	17,576.67	-		17,576.67	17,576.67	-		-
Total Public and Private Programs Offset by Revenues	449,288.67	891,179.39		1,340,468.06	1,340,468.06	-		-
Total Operations - Excluded from "CAPS"	520,288.67	891,179.39		2,211,468.06	1,938,051.46	273,416.60		-
Detail:								
Salaries and Wages	140,132.00			140,132.00	140,132.00	-		-
Other Expenses	380,156.67	891,179.39		2,071,336.06	1,797,919.46	273,416.60		-
Capital Improvement Fund:								
Capital Improvement Fund:	250,000.00	-		250,000.00	250,000.00	-		-
Total Capital Improvement Fund	250,000.00	-		250,000.00	250,000.00	-		-
Municipal Debt Service - Excluded From "CAPS"								
Payment of Bond Principal	412,000.00	-		412,000.00	412,000.00	-		-
Payment of Bond Anticipation Notes and Capital Notes	25,183.00	-		25,183.00	25,183.00	-		-
Interest on Bonds	243,160.47	-		243,160.47	243,160.47	-		\$ 3.40
Interest on Notes	42,300.00	-		42,300.00	35,619.98	-		6,680.02
Green Trust Loan Program:								
Loan Repayments for Principal and Interest	63,313.90	-		63,313.90	63,313.89	-		0.01
Special Emergency Note - Interest	1,500.00	-		1,500.00	323.71	-		1,176.29
Special Emergency Note - Sandy	34,500.00	-		34,500.00	34,500.00	-		-
Environmental Infrastructure Trust Loan	212,500.00	-		212,500.00	207,391.11	-		5,108.89
Demolition Bond	5,500.00	-		5,500.00	5,431.92	-		68.08
Capital Lease Program	288,600.00	-		288,600.00	288,594.09	-		5.91
Total Municipal Debt Service - Excluded From "CAPS"	1,328,557.37	-		1,328,557.37	1,315,514.77	-		13,042.60

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

Year ended December 31, 2013

	Original Budget	Appropriations		Budget After Modifications	Expended		
		Chapter 159			Paid or Charged	Reserved	Cancelled
General Appropriations Operations - Excluded From "CAPS"							
Deferred Charges - Municipal - Excluded From "CAPS"							
Deferred Charges:							
Emergency Authorizations	53,000.00	-		53,000.00	53,000.00	-	-
Special Emergency Authorizations - 5 Years	873,958.00	-		873,958.00	873,958.00	-	-
Total Deferred Charges - Municipal - Excluded From "CAPS"	926,958.00	-		926,958.00	926,958.00	-	-
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	3,025,804.04	891,179.39		4,716,983.43	4,430,524.23	273,416.60	13,042.60
Subtotal General Appropriations	15,796,227.04	891,179.39		17,487,406.43	16,478,222.22	996,141.61	13,042.60
Reserve for Uncollected Taxes	1,000,000.00	-		1,000,000.00	1,000,000.00	-	-
Total General Appropriations	\$ 16,796,227.04	\$ 891,179.39		\$ 18,487,406.43	\$ 17,478,222.22	\$ 996,141.61	\$ 13,042.60
Adopted Budget Chapter 159 Special Emergency			\$ 16,796,227.04 891,179.39 800,000.00				
			\$ 18,487,406.43				
Reserve for Uncollected Taxes					\$ 1,000,000.00		
Cash Disbursements					13,614,647.61		
Reserve for Grants-Appropriated					453,627.69		
Deferred Charges					1,813,798.37		
Encumbrances Payable					596,148.55		
					\$ 17,478,222.22		

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

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TRUST FUND

EXHIBIT

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BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

Years ended December 31, 2013 and 2012

<u>Assets</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Animal Control Fund:				Animal Control Trust Fund:			
Cash	1-B	\$ 8,123.09	\$ 5,782.82	Due To:	2-B	\$ 6.60	\$ 41.40
Change Fund	B	50.00	50.00	State of New Jersey	3-B	8,166.49	5,791.42
				Reserve for Animal Control Expenditures			
		8,173.09	5,832.82			8,173.09	5,832.82
Other Trust Funds:				Other Trust Funds:			
Cash	1-B	1,391,277.72	647,234.85	Reserve for Various Trust Activities	4-B	1,391,277.72	647,234.85
Length of Service Award Program				Length of Service Award Program			
Fund ("LOSAP") - Reviewed:				Fund ("LOSAP") - Reviewed:			
Cash and Investments - Trustee	6-B	298,687.10	230,100.13	Reserve for Funds Held by Trustee	5-B	298,687.10	230,100.13
Total Assets		\$ 1,698,137.91	\$ 883,167.80	Total Liabilities and Reserves		\$ 1,698,137.91	\$ 883,167.80

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

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GENERAL CAPITAL FUND

EXHIBITS

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BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

Years ended December 31, 2013 and 2012

<u>Assets</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Cash and Investments				Encumbrances Payable	6-C	\$	\$ 50,182.63
State, Federal, Local Grants Receivable	1-C	\$ 1,206,533.63	\$ 140,067.50	Serial Bonds	7-C	5,340,000.00	5,752,000.00
Deferred Charges To Future Taxation:	5-C	764,708.47	1,518,376.80	Bond Anticipation Notes	8-C	4,295,408.00	1,469,890.00
Funded				Leases Payable	9-C	361,600.00	621,000.00
Funded - Leases	3-C	7,060,276.44	7,699,583.51	Environmental Infrastructure Trust Loan	10-C	1,362,638.18	1,526,838.44
Unfunded	3-C	361,600.00	621,000.00	Green Acres Loan	11-C	357,638.26	412,968.07
Due From:	4-C	4,306,132.07	4,194,177.50	Demolition Loan	12-C	-	7,777.00
Monmouth County Improvement Authority	14-C	-	32,766.91	Improvement Authorizations:			
				Funded	13-C	719,177.67	1,478,397.03
				Unfunded	13-C	789,405.36	2,762,024.10
				Reserve for:			
				Capital Improvement Fund	15-C	265,103.96	10,576.67
				RCA Interest Income	15-C	29,018.16	29,018.16
				Refunding Bonding - Cost of Issuance	15-C	22,598.73	58,636.23
				Fund Balance	C-1	48,494.89	26,663.89
Total Assets		<u>\$ 13,699,250.61</u>	<u>\$ 14,205,972.22</u>	Total Liabilities and Reserves		<u>\$ 13,699,250.61</u>	<u>\$ 14,205,972.22</u>

There were bonds and notes authorized but not issued on December 31, 2013 of \$337,424.70 and on December 31, 2012 was \$2,724,287.50.

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

Year ended December 31, 2013

Balance, December 31, 2012		\$	26,663.89
Increased By:			
Premium on BAN Sale	\$	<u>21,831.00</u>	
			<u>21,831.00</u>
Balance, December 31, 2013		\$	<u><u>48,494.89</u></u>

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

WATER AND SEWER UTILITY FUND

EXHIBITS

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BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
WATER AND SEWER UTILITY FUND

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

Years ended December 31, 2013 and 2012

Assets	Reference	2013	2012	Liabilities, Reserves and Fund Balances	Reference	2013	2012
Operating Fund:				Operating Fund:			
Cash and Investments	1-D	\$ 1,467,354.60	\$ 870,124.15	Appropriation Reserves	D-4,8-D	\$ 450,424.33	\$ 228,794.67
Change Fund	3-D	250.00	250.00	Prepaid Water/Sewer rents	9-D	29,486.77	43,485.24
				Encumbrances Payable	10-D	425,500.30	422,618.44
				Water and Sewer Rent Overpayments	11-D	9,339.45	8,431.97
				Accrued Interest on Bonds, Notes & Loans	14-D	33,043.78	47,819.49
Receivables With Offsetting Reserves:				Community Disaster Loan Payable	D	225,000.00	-
Consumer Accounts Receivable	4-D	200,279.69	417,152.13	Community Disaster Loan - Accrued Interest	D	923.87	-
Municipal Liens	23-D	4,454.30	16,273.71				
Deposit with Bayshore Regional Sewerage Authority	5-D	302,003.52	301,421.21				
				Reserve for Receivables	D	506,737.51	734,847.05
				Fund Balance	D-1	519,809.97	119,224.34
Deferred Charges:							
Community Disaster Loan	D	225,923.87	-	Total Operating Fund		2,200,265.98	1,605,221.20
Total Deferred Charges		225,923.87	-	Capital Fund:			
				Serial Bonds Payable	15-D	5,808,000.00	6,719,000.00
				Bond Anticipation Notes	16-D	914,405.00	921,000.00
Total Operating Fund		2,200,265.98	1,605,221.20	Trust Loans Payable	17-D	1,102,881.41	1,161,186.48
				Accounts Payable	18-D	-	5,000.00
Capital Fund:				Improvement Authorization:			
Cash and Investments	1-D,2-D	274,099.02	59,323.02	Unfunded	19-D	15,134.91	15,134.91
NJET Loan Receivable	13-D	-	64,776.00	Reserve for:			
Fixed Capital	6-D	24,321,950.83	24,321,950.83	Amortization	20-D	20,036,664.42	19,060,764.35
Fixed Capital Authorized and Uncompleted	7-D	3,528,660.00	3,528,660.00	Deferred Reserve for Amortization	21-D	3,660.00	3,660.00
				Capital Improvement Fund	22-D	227,000.00	77,000.00
				Fund Balance	D-2	16,964.11	11,964.11
Total Capital Fund		28,124,709.85	27,974,709.85	Total Capital Fund		28,124,709.85	27,974,709.85
Total Assets		\$ 30,324,975.83	\$ 29,579,931.05	Total Liabilities, Reserves and Fund Balances		\$ 30,324,975.83	\$ 29,579,931.05

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

Years ended December 31, 2013 and 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized:			
Fund Balance Anticipated	D-3	\$ -	\$ 300,000.00
Miscellaneous Revenues Anticipated	D-3	4,719,698.25	4,219,784.29
Miscellaneous Revenues Not Anticipated	D-3,1-D	6,603.34	61,148.92
Other Credits To Income:			
Unexpended Balance of Appropriation			
Reserves	8-D	124,929.79	43,781.13
Bayshore Regional Sewerage			
Authority Deposit Returned	5-D	-	302,064.00
Accrued Interest Cancelled	14-D	14,775.71	4,567.17
Total Revenue		<u>4,866,007.09</u>	<u>4,931,345.51</u>
Expenditures:			
Operating	D-4	3,003,050.00	3,142,700.00
Capital Improvements	D-4	150,000.00	150,000.00
Debt Service	D-4	1,240,371.46	1,340,649.88
Statutory Expenditures	D-4	72,000.00	69,000.00
Surplus (General Budget)	D-4	-	150,000.00
Total Expenditures		<u>4,465,421.46</u>	<u>4,852,349.88</u>
Excess in Revenue		400,585.63	78,995.63
Fund Balance, Beginning	D	<u>119,224.34</u>	<u>340,228.71</u>
		519,809.97	419,224.34
Decreased By:			
Utilized as Anticipated Revenue		<u>-</u>	<u>300,000.00</u>
Fund Balance, December 31	D	<u><u>\$ 519,809.97</u></u>	<u><u>\$ 119,224.34</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 CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS

Years ended December 31, 2013 and 2012

	<u>Reference</u>	
Balance, December 31, 2012	D	\$ 11,964.11
Increased By:		
Accounts Payable Cancelled	18-D	<u>5,000.00</u>
Balance, December 31, 2013	D	<u><u>\$ 16,964.11</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 OPERATING FUND -

STATEMENT OF REVENUES - REGULATORY BASIS

Year ended December 31, 2013

		<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Water/Sewer Rents	D-1,4-D	\$ 4,183,200.00	\$ 4,397,008.93	\$ 213,808.93
Community Disaster Loan Program		225,000.00	225,000.00	-
Miscellaneous Revenue		-	6,603.34	6,603.34
Interest on:				
Delinquent Payments	D-1,1-D	58,000.00	93,989.01	35,989.01
Investments	D-1,1-D	<u>1,000.00</u>	<u>3,700.31</u>	<u>2,700.31</u>
		<u>\$ 4,467,200.00</u>	<u>\$ 4,726,301.59</u>	<u>\$ 259,101.59</u>
<u>Reference</u>		D-4	D-1	D-3

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

Year ended December 31, 2013

	Appropriations		Expended		
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	Cancelled
Operating:					
Salaries and Wages	\$ 541,500.00	\$ 541,500.00	\$ 502,163.16	\$ 39,336.84	\$ -
Other Expenses	2,464,550.00	2,461,550.00	2,052,394.33	409,155.67	-
Total Operating	3,006,050.00	3,003,050.00	2,554,557.49	448,492.51	-
Capital Improvements:					
Capital Improvement Fund	150,000.00	150,000.00	150,000.00	-	-
Total Capital Improvements	150,000.00	150,000.00	150,000.00	-	-
Debt Service:					
Payment of Bond Principal	911,000.00	911,000.00	911,000.00	-	-
Payment of Bond Anticipation Notes and Capital Notes	6,595.00	6,595.00	6,595.00	-	-
Interest on Bonds	217,000.00	217,000.00	216,938.89	-	61.11
Interest on Notes	14,055.00	14,055.00	13,815.00	-	240.00
NJEIT Loan	93,500.00	93,500.00	92,022.57	-	1,477.43
Total Debt Service	1,242,150.00	1,242,150.00	1,240,371.46	-	1,778.54
Statutory Expenditures:					
Contributions To:					
Public Employees' Retirement System	29,000.00	29,000.00	29,000.00	-	-
Social Security System (O.A.S.I.)	40,000.00	43,000.00	41,068.18	1,931.82	-
Total Statutory Expenditures	69,000.00	72,000.00	70,068.18	1,931.82	-
Surplus (General Budget)	-	-	-	-	-
Total Sewer Utility Appropriations	\$ 4,467,200.00	\$ 4,467,200.00	\$ 4,014,997.13	\$ 450,424.33	\$ 1,778.54

Reference

D-3

D-4

Cash Disbursements
Accrued Interest on Bonds, Notes & Loans
Encumbrances Payable

\$ 3,556,453.05
33,043.78
425,500.30

\$ 4,014,997.13

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

EXHIBIT

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BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS

Years ended December 31, 2013 and 2012

<u>Assets</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Land	1-E	\$ 4,996,600.00	\$ 4,996,600.00				
Buildings	1-E	6,174,512.00	6,174,512.00				
Improvements	1-E	6,117,000.00	6,117,000.00				
Machinery and Equipment	1-E	5,584,806.35	4,549,938.35	Investment in Fixed Assets	1-E	\$ 22,872,918.35	\$ 21,838,050.35
Total Assets		\$ 22,872,918.35	\$ 21,838,050.35	Total Liabilities		\$ 22,872,918.35	\$ 21,838,050.35

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

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BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Borough of Keansburg, County of Monmouth, New Jersey ("Borough") is governed by the Borough form of government, with a mayor and a 5-member Borough Council. The financial statements of the Borough include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit and are considered component units under GAAP. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

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, 2013

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, 2013

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, 2013

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, 2012 and decreased by the amount deferred at December 31, 2013.

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, 2013

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, 2013 through the date of July 18, 2014, which is the date the financial statements were available to be issued.

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013 and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	\$ 8,727,797.46
Total Deposits	<u>\$ 8,727,797.46</u>
The Township's Cash and Cash Equivalents are Reported as Follows:	
Current Fund	\$ 4,147,238.36
Grant Fund	233,171.04
Trust Other Fund	1,391,277.72
Animal Control Fund	8,123.09
Capital Fund	1,206,533.63
Water and Sewer Utility Capital Fund	274,099.02
Water and Sewer Utility Operating Fund	<u>1,467,354.60</u>
Total Cash and Cash Equivalents	<u>\$ 8,727,797.46</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, 2013, the Borough's bank balance of \$9,059,573.71 was insured or collateralized as follows:

Insured	\$ 500,000.00
Uninsured and uncollateralized	1,605,594.31
Collateralized in the District's Name Under GUDPA	<u>6,953,979.40</u>
Total	<u>\$ 9,059,573.71</u>

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013, 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, 2013

Note 3. Investments (continued):

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

2012:

Uninsured and Collateralized:			
Collateral held by pledging financial Institution's Trust Department but not in the Borough's name	<u>\$230,100.13</u>	<u>\$230,100.13</u>	<u>\$230,100.13</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

	2013	2012	2011
Total Tax Rate	\$ 3.382	\$ 3.309	\$ 3.242
Apportionment of Tax Rate:			
Municipal	2.052	2.012	1.954
County	0.343	0.357	0.365
Local School	0.987	0.940	0.923

Net Valuation Taxable

2013	<u>\$ 485,659,140</u>	
2012	<u>\$ 516,416,913</u>	
2011		<u>\$ 529,349,978</u>

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2013

Note 4. Property Taxes (continued)

Comparison of Tax Levies and Collection Currently

Year	Tax Levy	Cash Collections	Percentage Of Collection
2013	\$ 16,448,368	\$ 15,559,415	94.59%
2012	17,091,389	16,238,375	95.01%
2011	16,891,464	16,196,744	95.89%

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
2013	\$ 150,544	\$ 703,967	\$ 854,511	5.20%
2012	90,580	707,664	798,244	4.67%
2011	11,181	601,732	612,913	3.63%

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:			
2013	\$ 1,782,506.41	\$ 200,000.00	11.22%
2012	999,534.84	200,000.00	20.01%
2011	682,041.02	375,000.00	54.98%
2010	178,336.20	150,000.00	84.11%
2009	523,111.49	500,000.00	95.58%
WATER-SEWER OPERATING FUND:			
2013	\$ 519,809.97	\$ 100,000.00	19.24%
2012	119,224.34	-	0.00%
2011	340,228.71	300,000.00	88.18%
2010	276,143.37	275,000.00	99.59%
2009	696,774.99	600,000.00	86.11%

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	\$ -	\$ 4,339.02
State & Federal Grant Fund	4,339.02	-
Total	<u>\$ 4,339.02</u>	<u>\$ 4,339.02</u>

The purpose of these interfunds was short-term borrowings.

Note 7. Pension

A. Plan Description

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

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

B. Vesting and Benefit Provisions

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

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2013

Note 7. Pension (continued)

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

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

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

C. Significant Legislation

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

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

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

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

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

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2013

Note 7. Pension (continued):

D. Contribution Requirements

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

Plan members are required to contribute 10%, effective October 1, 2012, of their annual covered salary for P.F.R.S. and Keansburg Borough is required to contribute at an actuarially determined rate. The contribution requirements of plan members and are established and may be amended by the plan's board of trustees. The Borough's contributions to P.E.R.S. for the years ending December 31, 2013, 2012 and 2011 were \$262,600, \$302,627 and \$282,148, respectively, equal to the required contributions for each year, and to P.F.R.S. for the years ending December 31, 2013, 2012 and 2011 were \$885,793, \$887,621 and \$927,109, respectively, equal to the required contributions for each year.

Note 8. Capital Debt

A Summary of Municipal Debt is as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Issued</u>			
General:			
Bonds, Notes, and Loans	\$11,355,684.44	\$ 9,169,473.51	\$ 8,917,552.30
Water and Sewer Utility:			
Bonds and Notes	<u>7,825,286.41</u>	<u>8,801,186.48</u>	<u>9,651,491.55</u>
Net Debt Issued	<u>19,180,970.85</u>	<u>17,970,659.99</u>	<u>18,569,043.85</u>
 Authorized But Not Issued			
General:			
Bonds and Notes	319,280.57	2,724,287.50	987,113.00
Water and Sewer Utility:			
Bonds and Notes	<u>0.00</u>	<u>0.00</u>	<u>400,000.00</u>
Total Authorized			
But Not Issued	<u>319,280.57</u>	<u>2,724,287.50</u>	<u>1,387,113.00</u>
Net Bonds and Notes Issued			
and Authorized But Not			
Issued	<u>\$19,500,251.42</u>	<u>\$ 20,694,947.49</u>	<u>\$ 19,956,156.85</u>

BOROUGH OF KEANSBURG

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013**

Note 8. Capital Debt (continued):

Summary of Statutory Debt Condition – Annual Debt Statement

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.992%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 865,000	\$ 865,000	\$ -
Utility Debt	7,825,286	7,825,286	
General Debt	11,674,965	-	11,674,965
Total	\$ 20,365,251	\$ 8,690,286	\$ 11,674,965

Net Debt, \$11,674,965 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$586,138,847 equals 1.992%.

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 20,514,860
Net Debt	11,674,965
Remaining Borrowing Power	\$ 8,839,895

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

Cash Receipts From Fees, Rents & Other Charges	\$ 4,726,301.59
Deductions:	
Operating & Maintenance Costs	2,624,625.67
Debt Service	1,240,371.46
	3,864,997.13
Excess Revenue - Self Liquidating	\$ 861,304.46

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2013

Note 8. Capital Debt (continued):

The Borough's General Capital long-term debt consisted of the following at December 31, 2013:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2013</u>
<u>General Capital Bonds</u>				
General Obligation	12/04/08	\$ 4,170,000.00	4.000%-5.250%	\$3,665,000.00
Refunding Bonds	11/08/12	1,690,000.00	2.000%-3.500%	<u>1,675,000.00</u>
				<u>\$5,340,000.00</u>
<u>NJEIT Loans</u>				
Drainage Improvements	10/15/01	\$ 2,910,000.00	2.500%-2.625%	\$1,219,760.57
Drainage Improvements	10/15/01	276,422.00	2.500%-2.625%	<u>142,877.61</u>
				<u>\$1,362,638.18</u>
<u>Green Trust Loans</u>				
1999 Loan	03/22/99	\$ 250,000.00	2.000%	\$ 54,612.84
2007 Loan A	07/27/07	415,000.00	2.000%	202,536.72
2007 Loan	07/27/07	30,500.00	2.000%	21,616.53
2009 Loan	11/06/09	98,295.00	2.000%	<u>78,872.17</u>
				<u>\$ 357,638.26</u>
Total General Capital Debt				<u>\$7,060,276.44</u>

The Borough's Utility Capital long-term debt consisted of the following at December 31, 2013:

<u>Water & Sewer Utility Bonds</u>				
General Obligation	12/04/08	\$ 242,000.00	4.000%-5.250%	\$ 178,000.00
Refunding of Pooled Bonds	03/30/11	846,000.00	2.500%-5.000%	465,000.00
Refunding of Refunding Bonds	11/08/12	5,930,000.00	2.000%-3.000%	<u>5,165,000.00</u>
				<u>\$5,808,000.00</u>
<u>NJEIT Water & Sewer Loans</u>				
Trust Loan – Series A	03/10/10	\$ 655,000.00	3.000%-5.000%	\$ 570,000.00
Fund Loan	03/10/10	1,964,000.00	0.000%	<u>532,881.41</u>
				<u>\$1,102,881.42</u>
Total Water and Sewer Utility Debt				<u>\$6,910,881.42</u>

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2013

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>
2014	\$ 432,000.00	\$ 220,463.75	\$ 652,463.75
2015	452,000.00	202,163.75	654,163.75
2016	468,000.00	182,863.75	650,863.75
2017	488,000.00	165,743.75	653,743.75
2018	503,000.00	147,823.75	650,823.75
2019	529,000.00	124,903.75	653,903.75
2020	547,000.00	102,648.75	649,648.75
2021	573,000.00	81,783.75	654,783.75
2022	596,000.00	57,633.75	653,633.75
2023	622,000.00	30,512.50	652,512.50
2024	<u>130,000.00</u>	<u>3,087.50</u>	<u>133,087.50</u>
	<u>\$ 5,340,000.00</u>	<u>\$ 1,319,628.75</u>	<u>\$ 6,659,628.75</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>
2014	\$ 933,000.00	\$ 185,805.00	\$ 1,118,805.00
2015	970,000.00	157,535.00	1,127,535.00
2016	924,000.00	125,435.00	1,049,435.00
2017	958,000.00	97,870.00	1,055,870.00
2018	993,000.00	68,300.00	1,061,300.00
2019	948,000.00	37,417.50	985,417.50
2020	19,000.00	4,057.50	23,057.50
2021	20,000.00	3,202.50	23,202.50
2022	21,000.00	2,202.50	23,202.50
2023	<u>22,000.00</u>	<u>1,100.00</u>	<u>23,100.00</u>
	<u>\$ 5,808,000.00</u>	<u>\$ 682,925.00</u>	<u>\$ 6,490,925.00</u>

BOROUGH OF KEANSBURG

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013**

Note 8. Capital Debt (continued):

Capital Lease Obligations

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

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

	Series <u>2005</u>	Series <u>2009</u>	<u>Total</u>
2014	\$ 82,580.00	\$ 71,545.00	\$ 154,125.00
2015	82,635.00	33,025.00	115,660.00
2016		32,945.00	32,945.00
2017		32,825.00	32,825.00
2018		32,592.50	32,592.50
2019	<u> </u>	<u>32,317.50</u>	<u>32,317.50</u>
Total			
Payment	<u>\$ 165,215.00</u>	<u>\$ 235,250.00</u>	<u>\$ 400,465.00</u>
Interest			
Payment	<u>\$ 11,615.00</u>	<u>\$ 27,250.00</u>	<u>\$ 38,865.00</u>

BOROUGH OF KEANSBURG**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013****Note 8. Capital Debt (continued):**New Jersey Environmental Infrastructure Trust

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 158,867.64	\$ 36,306.26	\$ 195,173.90
2015	164,324.34	32,056.26	196,380.60
2016	169,560.30	27,443.76	197,004.06
2017	174,640.22	22,575.00	197,215.22
2018	179,487.99	17,325.00	196,812.99
2019	184,175.91	11,812.50	195,988.41
2020	<u>188,704.17</u>	<u>6,037.50</u>	<u>194,741.67</u>
	<u>\$ 1,219,760.57</u>	<u>\$ 153,556.28</u>	<u>\$ 1,373,316.85</u>

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 18,984.79	\$ 3,950.00	\$ 22,934.79
2015	18,662.75	3,450.00	22,112.75
2016	18,340.72	2,950.00	21,290.72
2017	18,018.68	2,450.00	20,468.68
2018	17,696.64	1,950.00	19,646.64
2019	17,374.61	1,450.00	18,824.61
2020	17,052.57	950.00	18,002.57
2021	<u>16,746.85</u>	<u>475.00</u>	<u>17,221.85</u>
	<u>\$ 142,877.61</u>	<u>\$ 17,625.00</u>	<u>\$ 160,502.61</u>

BOROUGH OF KEANSBURG

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013**

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>
2014	\$ 33,305.07	\$ 33,305.07
2015	33,305.07	33,305.07
2016	33,305.07	33,305.07
2017	33,305.07	33,305.07
2018	33,305.07	33,305.07
2019	33,305.07	33,305.07
2020	33,305.07	33,305.07
2021	33,305.07	33,305.07
2022	33,305.07	33,305.07
2023	33,305.07	33,305.07
2024	33,305.07	33,305.07
2025	33,305.07	33,305.07
2026	33,305.07	33,305.07
2027	33,305.07	33,305.07
2028	33,305.07	33,305.07
2029	<u>33,305.36</u>	<u>33,305.36</u>
	<u>\$ 532,881.41</u>	<u>\$ 532,881.41</u>

BOROUGH OF KEANSBURG

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013**

Note 8. Capital Debt (continued):

Water and Sewer Utility : Trust Loan – Series A

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 25,000.00	\$ 24,000.00	\$ 49,000.00
2015	25,000.00	22,750.00	47,750.00
2016	30,000.00	21,500.00	51,500.00
2017	30,000.00	20,000.00	50,000.00
2018	30,000.00	18,500.00	48,500.00
2019	30,000.00	17,000.00	47,000.00
2020	35,000.00	15,800.00	50,800.00
2021	35,000.00	14,050.00	49,050.00
2022	35,000.00	13,000.00	48,000.00
2023	40,000.00	11,600.00	51,600.00
2024	40,000.00	10,000.00	50,000.00
2025	40,000.00	8,400.00	48,400.00
2026	40,000.00	6,800.00	46,800.00
2027	45,000.00	5,400.00	50,400.00
2028	45,000.00	3,600.00	48,600.00
2029	<u>45,000.00</u>	<u>1,800.00</u>	<u>46,800.00</u>
	<u>\$ 570,000.00</u>	<u>\$ 214,200.00</u>	<u>\$ 784,230.00</u>

BOROUGH OF KEANSBURG

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013**

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>
2014	\$ 15,217.47	\$ 1,016.55	\$ 16,234.02
2015	15,523.35	710.67	16,234.02
2016	15,835.37	398.66	16,234.03
2017	<u>8,036.65</u>	<u>80.37</u>	<u>8,117.02</u>
	<u>\$ 54,612.84</u>	<u>\$ 2,206.25</u>	<u>\$ 56,819.09</u>

Green Acres Loan Program – 1321-95-049

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,471.58	\$ 425.01	\$ 1,896.59
2015	1,501.15	395.43	1,896.58
2016	1,531.33	365.26	1,896.59
2017	1,562.11	334.47	1,896.58
2018	1,593.51	303.08	1,896.59
2019	1,625.53	271.05	1,896.58
2020	1,658.21	238.37	1,896.58
2021	1,691.54	205.05	1,896.59
2022	1,725.54	171.05	1,896.59
2023	1,760.22	136.36	1,896.58
2024	1,795.61	100.98	1,896.59
2025	1,831.69	64.89	1,896.58
2026	<u>1,868.51</u>	<u>28.08</u>	<u>1,896.59</u>
	<u>\$ 21,616.53</u>	<u>\$ 3,039.08</u>	<u>\$ 24,655.61</u>

BOROUGH OF KEANSBURG**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2013****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>
2014	\$ 35,195.35	\$ 3,875.64	\$ 39,070.99
2015	35,902.78	3,168.20	39,070.98
2016	36,624.43	2,446.56	39,070.99
2017	37,360.57	1,710.41	39,070.98
2018	38,111.52	959.47	39,070.99
2019	<u>19,342.07</u>	<u>193.42</u>	<u>19,535.49</u>
	<u>\$ 202,536.72</u>	<u>\$ 12,353.70</u>	<u>\$ 214,890.42</u>

Green Acres Loan Program – 1323-03-012

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 4,557.53	\$ 1,554.77	\$ 6,112.30
2015	4,649.13	1,463.17	6,112.30
2016	4,742.58	1,369.72	6,112.30
2017	4,837.91	1,274.39	6,112.30
2018	4,935.15	1,177.15	6,112.30
2019	5,034.35	1,077.95	6,112.30
2020	5,135.53	976.77	6,112.30
2021	5,238.76	873.54	6,112.30
2022	5,344.06	768.24	6,112.30
2023	5,451.48	660.82	6,112.30
2024	5,561.05	551.25	6,112.30
2025	5,672.82	439.47	6,112.29
2026	5,786.85	325.45	6,112.30
2027	5,903.17	209.13	6,112.30
2028	<u>6,021.82</u>	<u>90.48</u>	<u>6,112.30</u>
	<u>\$ 78,872.19</u>	<u>\$ 12,812.30</u>	<u>\$ 91,684.49</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, 2013****Note 8. Capital Debt (continued):**

At December 31, 2013, 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	06/26/13	1.25%	\$ 54,280
Improvements Main Street Business	06/26/13	1.25%	408,169
Improvements to Highland Blvd./Center Ave.	06/26/13	1.25%	71,052
Improvements to Parks and Playgrounds	06/26/13	1.25%	106,206
Improvements to Main Street	06/26/13	1.25%	250,000
Improvements to Various Roads	06/26/13	1.25%	380,000
Improvements to Highland Blvd./Center Ave.	06/26/13	1.25%	175,000
Terrace Place Vicinity Road Improvements	06/26/13	1.25%	253,290
Sinkhole Improvements	06/26/13	1.25%	31,911
Improvements to Various Roads	06/26/13	1.25%	1,710,000
Park Improvements	06/26/13	1.25%	200,000
Bulkhead Creek Rd/Laurel	06/26/13	1.25%	<u>655,500</u>
			<u>\$ 4,295,408</u>

At December 31, 2013, 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	06/26/13	1.25%	\$ 514,405
Desalination System Water Plant	06/26/13	1.25%	<u>400,000</u>
			<u>\$ 914,405</u>

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013

Note 10. Post-Employment Retirement Benefits (continued)

The Borough's contributions to SHBP for the years ended December 31, 2013 were \$584,837.35, which equaled the required contributions for each year. There were approximately 40 retired participants eligible at December 31, 2013.

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

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

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

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

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

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

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

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

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

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013:

	December 31, 2012	Additions	Deletions	December 31, 2013
Fixed Assets not being depreciated:				
Land	\$ 4,996,600	\$ -	\$ -	\$ 4,996,600
Buildings	6,174,512	-	-	6,174,512
Machinery & Equipment	4,549,938	1,034,868	-	5,584,806
Improvements	6,117,000	-	-	6,117,000
Fixed assets not being depreciated	\$ 21,838,050	\$ 1,034,868	\$ -	\$ 22,872,918

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, 2013, the Borough has estimated this liability to be approximately \$941,100. 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, 2013

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, 2013, 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 amount of the CDL will be received in 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, 2013, the Current Fund has recorded a loan payable in the amount of \$1,745,000 with \$6,775.03 of accrued interest and the Utility fund has recorded a loan payable in the amount of \$225,000 with \$923.87 of accrued interest.

BOROUGH OF KEANSBURG

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2013

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, 2013 the balance on this special emergency note payable is \$2,009,000 at an interest rate of 2.00%.

On August 14, 2013 the Borough of Keansburg issued a Special Emergency Note in the amount of \$53,000 with an interest rate of 1.15%. The Note is being issued for the purpose of refinancing a note originally issued on August 15, 2012 and maturing August 14, 2013, issued for the payment for a judgment to be paid by the Borough.

SUPPLEMENTARY STATEMENTS

CURRENT FUND
STATEMENTS

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BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF CASH AND INVESTMENTS - TREASURER

Year ended December 31, 2013

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance, December 31, 2012	\$ 6,819,600.51	\$ 39,070.19
Increased By Receipts:		
Non-Budget Revenues	\$ 181,475.95	
Miscellaneous Adjustments	8,557.15	
State of New Jersey - Senior Citizens' and Veterans' Deductions	48,657.76	
Property Taxes Receivable	16,301,504.10	
Tax Title Liens Receivable	13,801.12	
Revenue Accounts Receivable	6,835,176.80	
Due To/From:		
State of N.J.	975.00	
Special Emergency Notes	2,062,000.00	
Prepaid Taxes	67,512.79	
Payroll Deductions Payable	17,030.63	
Outside Liens Payable	483,432.30	
Reserve for FEMA Reimbursements	473,178.15	
Insurance Claims	347,578.00	
Grants Receivable		\$ 262,576.67
Grants:		
Unappropriated		8,005.71
	<u>26,840,879.75</u>	<u>270,582.38</u>
	33,660,480.26	309,652.57
Decreased By Disbursements:		
2013 Budget Appropriations	13,614,647.61	
2012 Appropriation Reserves	2,840,578.75	
Tax Overpayments	13,890.18	
Special Emergency Notes	4,606,000.00	
Local School Taxes	4,790,749.00	
County Taxes	1,666,096.13	
Outside Liens Payable	490,919.35	
Due to State of N.J. Marriage License	725.00	
Reserve for FEMA Reimbursements	1,489,635.88	
Grants - Appropriated		76,481.53
	<u>29,513,241.90</u>	<u>76,481.53</u>
Balance, December 31, 2013	<u>\$ 4,147,238.36</u>	<u>\$ 233,171.04</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF CHANGE FUND AND PETTY CASH FUND

Year ended December 31, 2013

	Balance December 31, <u>2013 and 2012</u>
Tax Collector	\$ 250.00
Municipal Court	150.00
Vital Statistics	25.00
Clerk	25.00
Police Records	<u>25.00</u>
	<u>\$ 475.00</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Year ended December 31, 2013

Balance, December 31, 2012		\$ 15,114.60
Increased By:		
Senior Citizens' Deductions per		
Tax Billings	\$ 24,250.00	
Veterans' Deductions per Tax Billings	53,250.00	
Senior Citizens' and Veterans' Deductions		
Allowed By Tax Collector	<u>3,375.00</u>	
		<u>80,875.00</u>
Decreased By:		95,989.60
Cash Received From State of New Jersey	48,657.76	
Senior Citizens' and Veterans' Deductions		
Disallowed By Tax Collector	4,957.00	
Senior Citizens' Disallowed - 2012	<u>635.24</u>	
		<u>54,250.00</u>
Balance, December 31, 2013		<u><u>\$ 41,739.60</u></u>

Calculation of Amount - Schedule of Taxes Receivable

Senior Citizens' Deductions per		
Tax Billings	\$ 24,250.00	
Veterans' Deductions per Tax Billings	53,250.00	
Senior Citizens' and Veterans' Deductions		
Allowed/(Disallowed) By Tax Collector	<u>(2,217.24)</u>	
Balance Applied To Taxes		<u><u>\$ 75,282.76</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2013

Year	Balance December 31, 2012	2013 Levy	Added	2012 Collections	2013 Collections	Overpayments Created	Overpayments Applied	Due From State of New Jersey	Transfers to Tax Title Lien	Remitted Abated Cancelled	Balance December 31, 2013
2012	\$ 707,663.61	\$ -	\$ -	\$ -	\$ 699,822.52	\$ 18.45	\$ -	\$ 114.76	\$ 1,633.98	\$ -	\$ 6,110.80
2013	-	16,424,992.55	23,375.79	102,523.85	15,499,157.73	42,266.88	-	75,168.00	44,060.86	71,867.00	697,857.78
	<u>\$ 707,663.61</u>	<u>\$ 16,424,992.55</u>	<u>\$ 23,375.79</u>	<u>\$ 102,523.85</u>	<u>\$ 16,198,980.25</u>	<u>\$ 42,285.33</u>	<u>\$ -</u>	<u>\$ 75,282.76</u>	<u>\$ 45,694.84</u>	<u>\$ 71,867.00</u>	<u>\$ 703,968.58</u>

Analysis of Property Tax Levy

Tax Yield

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

\$ 16,424,992.55
23,375.79
\$ 16,448,368.34

Tax Levy

Local District School Tax

County Taxes:

County Tax

County Library Tax

County Open Space Tax

Due County for Added and Omitted Taxes

\$ 4,790,749.00

\$ 1,488,041.24

95,458.82

82,596.07

2,115.02

1,668,211.15

\$ 6,458,960.15

Local Tax for Municipal Purposes

Add: Additional Tax Levied

9,967,578.37

21,829.82

9,989,408.19

\$ 16,448,368.34

Analysis of Current Year Tax Collections

2012 Cash Collections of 2013 Taxes

2013 Cash Collections of 2013 Taxes

Veterans' and Senior Citizens' Deductions

\$ 102,523.85

15,499,157.73

75,168.00

\$ 15,676,849.58

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2013

Balance, December 31, 2012			\$ 90,579.58
Increased By:			
Transfers From Taxes Receivable	\$	45,694.84	
Interest and Costs at Tax Sale		1,975.09	
Adjustments to Prior Liens		<u>26,095.77</u>	
			<u>73,765.70</u>
			164,345.28
Decreased By:			
Cash Receipts			<u>13,801.12</u>
Balance, December 31, 2013			<u><u>\$ 150,544.16</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF PROPERTY ACQUIRED FOR TAXES

Year ended December 31, 2013

Balance, December 31, 2013 and 2012

\$ 186,800.00

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2013

	Balance December 31, <u>2012</u>	Accrued in <u>2013</u>	<u>Collections</u>	Balance December 31, <u>2013</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 16,875.00	\$ 16,875.00	\$ -
Other	-	30,957.00	30,957.00	-
Fees and Permits	-	396,016.75	396,016.75	-
Fines and Costs:				
Municipal Court	-	275,418.48	275,418.48	-
Interest and Costs on Taxes	-	142,206.83	142,206.83	-
Parking Meters	-	148,593.26	148,593.26	-
Interest on Investments and Deposits	-	12,961.72	12,961.72	-
PILOT:				
Keansburg Housing Authority				
Grandview Apartments	-	75,000.00	75,000.00	-
Rental of Borough Property	-	53,750.11	53,750.11	-
Omni Tower Rental	-	36,764.97	36,764.97	-
Consolidated Municipal Property Tax Relief Aid	-	587,856.00	587,856.00	-
Energy Receipts Tax (P.L. 1997, Chaps. 162 & 167)	-	1,237,775.00	1,237,775.00	-
Uniform Construction Code Fees	-	187,280.00	187,280.00	-
Other Special Items:				
Uniform Fire Safety Act	-	6,891.40	6,891.40	-
Cable TV Fees	-	103,335.65	103,335.65	-
FEMA Reserve - A/R	-	873,958.00	873,958.00	-
Chapter 159 - Hurricane Sandy FEMA Reimbursement - 2012	-	628,606.90	628,606.90	-
Chapter 159 - Hurricane Sandy FEMA Reimbursement - 2013	-	258,233.47	258,233.47	-
Community Disaster Loan Program	-	1,745,000.00	1,745,000.00	-
Church Street Coro:				
PILOT McGrath Towers	-	14,685.95	14,685.95	-
PILOT Fallon Manor	-	3,010.31	3,010.31	-
	<u>\$ -</u>	<u>\$ 6,835,176.80</u>	<u>\$ 6,835,176.80</u>	<u>\$ -</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

STATEMENT OF RESERVE FOR GRANTS - APPROPRIATED

Year ended December 31, 2013

	Balance December 31, 2012	Transferred from 2013 Budgets	Encumbrances Payable	Expended	Balance December 31, 2013
Federal Grants:					
Local Law Enforcement Block Grant	\$ 287.72	\$ -	\$ -	\$ -	\$ 287.72
State Grants:					
Safe & Secure	-	60,000.00	-	60,000.00	-
Safe & Secure-Match	-	186,712.00	-	186,712.00	-
Alcoholic Education	478.66	-	-	-	478.66
Body Armor	11,168.08	4,339.02	878.35	5,105.10	9,523.65
Clean Communities	11,205.95	17,576.67	-	11,376.43	17,406.19
Drunk Driving Enforcement Fund	2,551.46	-	-	-	2,551.46
Recreational Trails Program	1,709.25	-	-	-	1,709.25
NJDOT - Raritan Avenue	-	185,000.00	-	-	185,000.00
Special Legislative Grant:					
Marina Facility	4,969.90	-	-	-	4,969.90
	<u>\$ 32,371.02</u>	<u>\$ 453,627.69</u>	<u>\$ 878.35</u>	<u>\$ 263,193.53</u>	<u>\$ 221,926.83</u>
2013 Budget Appropriations					
Cash Receipts-Local Match	\$ 266,915.69	Cash Disbursement		\$ 76,481.53	
	<u>186,712.00</u>	Interfund - Current		<u>186,712.00</u>	
	<u>\$ 453,627.69</u>			<u>\$ 263,193.53</u>	

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED

Year ended December 31, 2013

	Balance December 31, <u>2012</u>	Cash <u>Received</u>	Balance December 31, <u>2013</u>
Local Law Enforcement - Interest	\$ 46.85	\$ 4.94	\$ 51.79
DDEF	3,437.78	2,494.70	5,932.48
Body Armor	<u>3,214.54</u>	<u>5,506.07</u>	<u>8,720.61</u>
	<u>\$ 6,699.17</u>	<u>\$ 8,005.71</u>	<u>\$ 14,704.88</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF DEFERRED CHARGES

Year ended December 31, 2013

<u>Description</u>	Balance December 31, <u>2012</u>	Increased <u>By</u>	Decreased <u>By</u>	Balance December 31, <u>2013</u>
Special Emergency Authorization: 06/06/11 Insurance Claims	\$ 106,000.00	\$ -	\$ 53,000.00	\$ 53,000.00
Special Emergency Authorization: 11/10/12 Superstorm Sandy	3,000,000.00	-	1,132,191.47	1,867,808.53
Special Emergency Authorization: 09/09/13 Superstorm Sandy	<u>-</u>	<u>800,000.00</u>	<u>628,606.90</u>	<u>171,393.10</u>
	<u>\$ 3,106,000.00</u>	<u>\$ 800,000.00</u>	<u>\$ 1,813,798.37</u>	<u>\$ 2,092,201.63</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

Statement 11-A
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CURRENT FUND

STATEMENT OF 2012 APPROPRIATION RESERVES

Year ended December 31, 2013

	Balance, December 31, <u>2012</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT				
Borough Council:				
Salaries and Wages	\$ 1,800.00	\$ 1,800.00	\$ -	\$ 1,800.00
Other Expenses	88.44	88.44	-	88.44
Office of the Borough Manager:				
Salaries and Wages	6,067.71	6,067.71	6,067.71	-
Other Expenses	854.63	854.63	639.00	215.63
Office of the Borough Clerk:				
Salaries and Wages	19.38	19.38	-	19.38
Other Expenses	10,535.62	10,535.62	2,913.00	7,622.62
Legal Services and Costs:				
Other Expenses	21,024.38	21,024.38	6,885.00	14,139.38
Elections:				
Other Expenses				
DEPARTMENT OF FINANCE				
Office of Director of Finance:				
Salaries and Wages	3,896.63	3,896.63	3,896.63	-
Other Expenses	18,607.90	18,607.90	17,089.29	1,518.61
Annual Audit	17,100.00	17,100.00	17,100.00	-
Division of Tax Collector:				
Salaries and Wages	28.17	28.17	-	28.17
Other Expenses	2,658.83	2,658.83	2,533.00	125.83
Division of Tax Assessor:				
Salaries and Wages	1,017.42	1,017.42	1,017.42	-
Other Expenses	607.90	607.90	-	607.90
DEPARTMENT OF PUBLIC SAFETY				
Police:				
Salaries and Wages	183,706.59	183,706.59	183,706.59	-
Dispatcher Salaries and Wages	15,564.55	15,564.55	15,564.55	-
Other Expenses	23,004.27	23,004.27	22,686.13	318.14
Detective Bureau:				
Other Expenses	2,504.90	2,504.90	95.50	2,409.40
Bureau of Street Crossing Guards:				
Salaries and Wages	0.25	0.25	-	0.25
Other Expenses	45.10	45.10	45.10	-
DIVISION OF FIRE				
Fire Department:				
Other Expenses	27,923.90	27,923.90	26,382.81	1,541.09
Division of Fire				
Other Expenses	4,085.63	4,085.63	4,081.00	4.63
UNIFORM CONSTRUCTION CODE				
Code Enforcement:				
Salaries and Wages	2,166.08	2,166.08	2,166.08	-
Other Expenses	1,112.58	1,112.58	816.00	296.58
Uniform Safety Act:				
Salaries and Wages	889.14	889.14	-	889.14
Other Expenses	654.11	654.11	636.47	17.64

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

Statement 11-A
Page 2 of 3

CURRENT FUND

STATEMENT OF 2012 APPROPRIATION RESERVES

Year ended December 31, 2013

	Balance, December 31, <u>2012</u>	Balance after <u>Modifications</u>	<u>Paid or Charged</u>	<u>Lapsed</u>
DEPARTMENT OF ENGINEERING AND PUBLIC WORKS				
Division of Engineering:				
Other Expenses	33,431.62	33,431.62	32,393.73	1,037.89
Division of Streets and Roads:				
Salaries and Wages				
Other Expenses	14,575.09	14,575.09	8,464.16	6,110.93
Division of Snow Removal:				
Salaries and Wages				
Other Expenses	11,956.23	11,956.23	11,000.00	956.23
Division of Parking Meter Maintenance:				
Salaries and Wages	1,269.50	1,269.50	-	1,269.50
Division of Buildings and Grounds:				
Other Expenses	8,964.52	8,964.52	6,078.62	2,885.90
Municipal Garage:				
Salaries and Wages				
Other Expenses	23,367.61	23,367.61	21,406.55	1,961.06
Sanitation:				
Contract	71,463.35	71,463.35	69,732.00	1,731.35
Landfill Solid Waste Disposal Fees	122,504.09	122,504.09	73,925.66	48,578.43
DEPARTMENT OF HEALTH AND WELFARE				
Division of Health:				
Salaries and Wages	184.27	184.27	-	184.27
Other Expenses	9,850.99	9,850.99	3,104.75	6,746.24
Dog Regulation	10,996.00	10,996.00	6,392.00	4,604.00
DEPARTMENT OF RECREATION PARKS AND PLAYGROUNDS				
Division of Recreation Parks and Playgrounds:				
Other Expenses	7,880.10	7,880.10	6,954.00	926.10
Celebration of Public Events:				
Other Expenses	185.00	185.00	-	185.00
MUNICIPAL PROSECUTOR				
Salaries and Wages	999.82	999.82	-	999.82
OTHER MUNICIPAL OPERATIONS				
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)				
Planning Board of Adjustment:				
Salaries and Wages	989.48	989.48	-	989.48
Other Expenses	5,420.08	5,420.08	2,554.00	2,866.08
Emergency Management Services:				
Salaries and Wages				
Other Expenses	1,000.00	1,000.00	-	1,000.00
INSURANCES: N.J.S.A. 40A:4-45.3(00)				
Group Insurance Plan for Employees	511,896.53	511,896.53	244,108.46	267,788.07
Group Salary Insurance	2,500.00	2,500.00	2,500.00	-
Workers Compensation	24,413.78	24,413.78	-	24,413.78
Other Insurance - Liability Insurance	15,047.81	15,047.81	4,208.97	10,838.84
Disability Insurance	9,162.38	9,162.38	-	9,162.38

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

Statement 11-A
Page 3 of 3

CURRENT FUND

STATEMENT OF 2012 APPROPRIATION RESERVES

Year ended December 31, 2013

	Balance, December 31, <u>2012</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
SENIOR CITIZENS				
Transportation of Senior Citizens:				
Other Expenses	2,180.00	2,180.00	2,180.00	-
MUNICIPAL COURT				
Salaries and Wages	8,138.77	8,138.77	8,138.77	-
Other Expenses	166.42	166.42	158.02	8.40
MUNICIPAL LIBRARY				
Salaries and Wages	5,373.09	5,373.09	5,373.09	-
Other Expenses	2,639.26	2,639.26	785.32	1,853.94
PUBLIC EMPLOYEES OCCUPATIONAL SAFETY AND HEALTH ACT				
Board of Health:				
Other Expenses	388.00	388.00	118.00	270.00
UNIFORM CONSTRUCTION CODE APPROPRIATIONS				
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)				
State Uniform Construction Code Officials:				
Salaries and Wages	1.73	1.73	-	1.73
Other Expenses	40.99	40.99	10.00	30.99
UNCLASSIFIED				
Utilities:				
Electricity	28,394.21	28,394.21	15,050.06	13,344.15
Street Lighting	25,969.85	25,969.85	4,027.29	21,942.56
Telephone	6,898.97	6,898.97	6,898.93	0.04
Natural Gas	18,865.10	18,865.10	5,384.43	13,480.67
Telecommunications Costs	2,231.23	2,231.23	1,923.57	307.66
Gasoline and Fuel Oil	12,137.47	12,137.47	5,114.46	7,023.01
Statutory Expenditures:				
Contribution To:				
Social Security System (O.A.S.I.)	15,953.99	15,953.99	8,267.40	7,686.59
911 Emergency Dispatch - Police				
Other Expenses	34.82	34.82	-	34.82
Superstorm Sandy	1,969,005.23	1,969,005.23	1,969,005.23	-
Length of Service Award Program ("LOSAP")	<u>8,577.60</u>	<u>8,577.60</u>	<u>1,000.00</u>	<u>7,577.60</u>
Total General Appropriations	<u>\$ 3,341,019.09</u>	<u>\$ 3,341,019.09</u>	<u>\$ 2,840,578.75</u>	<u>\$ 500,440.34</u>
2012 Appropriation Reserves		\$ 761,452.56		
Encumbrances Payable		<u>2,579,566.53</u>		
		<u>\$ 3,341,019.09</u>		

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF ACCOUNTS PAYABLE

Year ended December 31, 2013

Balance, December 31, 2013 and 2012

\$ 6,508.56

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF ENCUMBRANCES PAYABLE

Year ended December 31, 2013

Balance, December 31, 2012	\$ 2,579,566.53
Increased By:	
Transferred From Appropriation	<u>596,148.55</u>
	3,175,715.08
Decreased By:	
Transferred To Appropriation Reserves	<u>2,579,566.53</u>
Balance, December 31, 2013	<u><u>\$ 596,148.55</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF NOTES PAYABLE

Year ended December 31, 2013

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2012</u>	<u>Cash</u>		<u>Balance December 31, 2013</u>
					<u>Receipts</u>	<u>Disbursements</u>	
Special Emergency Note Payable	08/15/12	08/14/13	1.15%	\$ 106,000.00	\$ 53,000.00	\$ 106,000.00	\$ 53,000.00
Special Emergency Note Payable	12/14/12	12/13/13	1.15%	3,000,000.00	2,009,000.00	3,000,000.00	2,009,000.00
Tax Anticipation Note	07/31/12	02/27/13	1.50%	1,500,000.00	-	1,500,000.00	-
				<u>\$ 4,606,000.00</u>	<u>\$ 2,062,000.00</u>	<u>\$ 4,606,000.00</u>	<u>\$ 2,062,000.00</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF PREPAID TAXES

Year ended December 31, 2013

Balance, December 31, 2012	\$ 102,523.85
Increased By:	
Collection of 2014 Taxes	<u>85,501.84</u>
	188,025.69
Decreased By:	
Applied To 2013 Taxes	<u>102,523.85</u>
Balance, December 31, 2013	<u><u>\$ 85,501.84</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF PROPERTY TAX OVERPAYMENTS

Year ended December 31, 2013

Balance, December 31, 2012	\$ -
Increased By:	
2013 Tax Overpayments	<u>31,879.23</u>
	31,879.23
Decreased By:	
Tax Overpayments Refunded	<u>31,879.23</u>
Balance, December 31, 2013	<u><u>\$ -</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF LOCAL SCHOOL DISTRICT TAX PAYABLE

Year ended December 31, 2013

	<u>Reference</u>	
Balance, December 31, 2012	A	\$ -
Increased By:		
Levy Calendar Year 2013	A-1,4-A	<u>4,790,749.00</u>
		4,790,749.00
Decreased By:		
Cash Disbursed	1-A	<u>4,790,749.00</u>
Balance, December 31, 2013	A	<u><u>\$ -</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF COUNTY TAXES PAYABLE

Year ended December 31, 2013

Balance, December 31, 2012		\$ -
Increased By:		
2013 Tax Levy:		
County Tax	\$ 1,488,041.24	
County Library Tax	95,458.82	
County Open Space Fund Tax	82,596.07	
Due County for Added and Omitted Taxes	<u>2,115.02</u>	
		<u>1,668,211.15</u>
		1,668,211.15
Decreased By:		
Cash Disbursements		<u>1,666,096.13</u>
Balance, December 31, 2013		<u><u>\$ 2,115.02</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF OUTSIDE LIENS PAYABLE

Year ended December 31, 2013

Balance, December 31, 2012	\$ 10,643.18
Increased By:	
Cash Receipts	<u>483,432.30</u>
	494,075.48
Decreased By:	
Cash Disbursements	<u>490,919.35</u>
Balance, December 31, 2013	<u><u>\$ 3,156.13</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF PAYROLL DEDUCTIONS PAYABLE

Year ended December 31, 2013

Balance, December 31, 2012	\$ 58,956.39
Increased By:	
Cash Receipts	<u>17,030.63</u>
Balance, December 31, 2013	<u><u>\$ 75,987.02</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF DUE TO STATE

Year ended December 31, 2013

	Balance December 31, <u>2012</u>	Cash <u>Receipts</u>	<u>Decreased</u>	Balance December 31, <u>2013</u>
Marriage Licenses	\$ 125.00	\$ 975.00	\$ 725.00	\$ 375.00
	<u>\$ 125.00</u>	<u>\$ 975.00</u>	<u>\$ 725.00</u>	<u>\$ 375.00</u>
<u>Reference</u>	A	1-A	1-A	A

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF VARIOUS RESERVES

Year ended December 31, 2013

	Balance December 31, <u>2012</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2013</u>
Revaluation	\$ 24,614.75	\$ -	\$ -	\$ 24,614.75
Tax Appeals	-	200,000.00	-	200,000.00
Insurance Claims	-	347,578.00	-	347,578.00
FEMA - Reimbursements	<u>791,264.45</u>	<u>793,054.11</u>	<u>1,489,635.88</u>	<u>94,682.68</u>
	<u>\$ 815,879.20</u>	<u>\$ 1,340,632.11</u>	<u>\$ 1,489,635.88</u>	<u>\$ 666,875.43</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

STATEMENT OF GRANTS RECEIVABLE

Year ended December 31, 2013

	Balance December 31, <u>2012</u>	Budget Revenue <u>Realized</u>	<u>Received</u>	Balance December 31, <u>2013</u>
State Programs				
Safe and Secure Grant	\$ -	\$ 60,000.00	\$ 60,000.00	\$ -
Body Armor Grant	-	4,339.02	4,339.02	-
Clean Communities	-	17,576.67	17,576.67	-
NJDOT - Raritan Avenue	-	185,000.00	185,000.00	-
	<u>\$ -</u>	<u>\$ 266,915.69</u>	<u>\$ 266,915.69</u>	<u>\$ -</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

STATEMENT OF ENCUMBRANCES PAYABLE

Year ended December 31, 2013

Balance, December 31, 2012	\$ -
Increased By:	
Transferred From Grants Appropriated	<u>878.35</u>
Balance, December 31, 2013	<u><u>\$ 878.35</u></u>

TRUST FUND
STATEMENTS

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BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

STATEMENT OF CASH

Year ended December 31, 2013

	Animal Control <u>Fund</u>	Other <u>Trust Funds</u>
Balance, December 31, 2012	\$ 5,782.82	\$ 647,234.85
Increased By Receipts:		
Due To State of New Jersey	630.60	-
Dog License Fees	3,003.27	-
Various Reserves	-	1,644,211.09
	<u>3,633.87</u>	<u>1,644,211.09</u>
	<u>9,416.69</u>	<u>2,291,445.94</u>
Decreased By Disbursements:		
N.J. State Department of Health	665.40	-
Dog License Expenditures	628.20	-
Various Reserves	-	900,168.22
	<u>1,293.60</u>	<u>900,168.22</u>
Balance, December 31, 2013	<u>\$ 8,123.09</u>	<u>\$ 1,391,277.72</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

STATEMENT OF DUE TO STATE OF NEW JERSEY

Year ended December 31, 2013

Balance, December 31, 2012	\$ 41.40
Increased By:	
State Registration Fees	<u>630.60</u>
	672.00
Decreased By:	
Disbursed To State	<u>665.40</u>
Balance, December 31, 2013	<u><u>\$ 6.60</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

STATEMENT OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Year ended December 31, 2013

Balance, December 31, 2012		\$ 5,791.42
Increased By:		
License Fees Collected - 2013	\$ 2,988.20	
Interest	<u>15.07</u>	
		<u>3,003.27</u>
		8,794.69
Decreased By:		
Expenditures Per R.S. 4:19-15.11		<u>628.20</u>
Balance, December 31, 2013		<u><u>\$ 8,166.49</u></u>

License Fees Collected

2012	\$ 2,957.60
2011	<u>4,205.20</u>
	<u><u>\$ 7,162.80</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

STATEMENT OF RESERVE FOR VARIOUS TRUST FUNDS

Year ended December 31, 2013

	Balance December 31, <u>2012</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2013</u>
Tax Sale Premiums	\$ 81,300.00	\$ 431,600.00	\$ 26,600.00	\$ 486,300.00
Omni Lease Deposit	100,530.34	128,734.68	1,299.67	227,965.35
Recycling	46,976.96	15,019.89	46,428.25	15,568.60
Recreation Activities and Programs	7,037.34	16,561.00	10,679.03	12,919.31
Art Program	4,550.23	2,462.00	3,651.80	3,360.43
Library Fees	1,643.23	-	-	1,643.23
Tree Beautification	435.70	-	-	435.70
Public Defender Fees	9,162.79	3,282.00	10,000.04	2,444.75
Accumulated Absences	-	179,191.38	-	179,191.38
Parking Offenses Adjudication Act	18,259.40	13,282.38	2,350.00	29,191.78
Off Duty Police	49,157.95	206,740.38	186,572.50	69,325.83
Forfeiture Funds	3,680.76	-	-	3,680.76
Law Enforcement Trust	16,154.41	35,508.84	8,532.89	43,130.36
Unemployment Compensation				
Insurance	11,091.37	23,299.86	1,499.70	32,891.53
Escrow Deposits	127,024.81	89,795.79	125,145.04	91,675.56
Performance Bonds/Engineering				
Fees	21,037.21	-	-	21,037.21
Workers Compensation	62,816.59	25,070.78	50,589.33	37,298.04
Reserve for:				
Interest	251.13	35.88	-	287.01
Redevelopment	13,936.46	28.29	-	13,964.75
Snow Removal	53,172.76	11,000.00	8,942.40	55,230.36
Fire Safety	1,100.00	-	-	1,100.00
Hurricane Sandy Relief	12,430.84	462,597.94	412,393.00	62,635.78
Escrow Deposits - Safe Keeping	5,484.57	-	5,484.57	-
	<u>\$ 647,234.85</u>	<u>\$ 1,644,211.09</u>	<u>\$ 900,168.22</u>	<u>\$ 1,391,277.72</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

STATEMENT OF RESERVE FOR FUNDS HELD BY TRUSTEE

Year ended December 31, 2013

Balance, December 31, 2012		\$	230,100.13
Increased By:			
Borough Contributions	\$	57,300.00	
Appreciation on Investments		<u>22,056.28</u>	
			<u>79,356.28</u>
			309,456.41
Decreased By:			
Withdrawals		8,742.65	
Loss on Investments		<u>2,026.66</u>	
			<u>10,769.31</u>
Balance, December 31, 2013		\$	<u><u>298,687.10</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

STATEMENT OF INVESTMENTS

Year ended December 31, 2013

Balance, December 31, 2012		\$	230,100.13
Increased By:			
Borough Contributions	\$	57,300.00	
Appreciation on Investments		<u>22,056.28</u>	
			<u>79,356.28</u>
			309,456.41
Decreased By:			
Withdrawals		8,742.65	
Accounting Charges		<u>2,026.66</u>	
			<u>10,769.31</u>
Balance, December 31, 2013		\$	<u><u>298,687.10</u></u>

GENERAL CAPITAL FUND

STATEMENTS

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BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF CASH AND INVESTMENTS - TREASURER

Year ended December 31, 2013

Balance, December 31, 2012		\$ 140,067.50
Increased By:		
Premium on BAN Sale	\$ 21,831.00	
Grants Receivable	330,719.00	
Bond Anticipation Notes	4,295,408.00	
Received from Current Fund	57,940.91	
Miscellaneous Reserves	<u>250,000.00</u>	
		<u>4,955,898.91</u>
		5,095,966.41
Decreased By:		
Bond Anticipation Notes	1,469,890.00	
Improvement Authorizations	2,383,505.28	
Miscellaneous Reserves	<u>36,037.50</u>	
		<u>3,889,432.78</u>
Balance, December 31, 2013		<u><u>\$ 1,206,533.63</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF ANALYSIS OF GENERAL CAPITAL FUND CASH

Year ended December 31, 2013

	Balance December 31, <u>2013</u>
Capital Improvement Fund	\$ 265,103.96
State, Federal, Local Grants Receivable	(764,708.47)
Excess Financing - Bond Anticipation Note	326,700.63
Reserve for:	
Encumbrances	108,167.40
Interest on RCA Funds	29,018.16
Refunding Bonds - Cost of Issuance	22,598.73
Fund Balance	48,494.89

<u>Ordinance Number</u>	<u>Improvement Description</u>	
1062/1253/1371	RCA Holmdel Mt. Laurel Housing	49,715.08
1145	Removal of Underground Storage Tank	(18,632.33)
1184	Reconstruction of Twilight Avenue	(1,567.44)
1210/1272	Improvements - St. John's Park	(143,961.00)
1320	Improvements to Carr Avenue	45,550.63
1322	Improvements to Center, Raritan and Seabreeze	100,413.63
1324	Demolition of Buildings	16,326.50
1325	Construction of Library and Recreation Fields	48,502.76
1346	Waterfront Bicycle and Pedestrian Corridor	(37,159.25)
1347/1382	Raritan Avenue Reconstruction	0.63
1348	Laurel Avenue Reconstruction	(53,547.20)
1351	Acquisition of Waterfront Park	(41,828.76)
1352/1426	St. John's Park	80,600.60
1372	Various Road Improvements	(22,741.49)
1394	Improvements to Police Station	854.50
1428	Various Improvements and Equipment - Borough Hall	43.06
1432	Reconstruction and Improvements to Highland Blvd.	33,530.91
1433/1455	Reconstruction and Improvements to Various Roads	89.14
1434	Various Capital Improvements	0.88
1448	Acquisition Fire Truck/Energy Efficient Devices	85,667.41
1467	Improvements to Storm Water System	30,528.34
1477	Improvements Main Street Business	1,108.03
1484	Improvements Highland Blvd./Center Ave.	32,955.80
1494	Improvements to Parks and Playgrounds	5,681.25
1510	Improvements to Main St. Business Area	19,738.85
1522	Terrace Place Vacinity Road Improvements	67,001.29
1523	Sinkhole Improvements	89,662.67
1524	Various Road Improvement	8,905.41
1525	Park Improvements	166,336.13
1526	Bulkhead Creek Rd/Laurel	607,382.30
		<u>\$ 1,206,533.63</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2013

Balance, December 31, 2012		\$ 8,320,583.51
Decreased By:		
Serial Bonds Paid	\$ 412,000.00	
M.C.I.A. Leases Paid	259,400.00	
N.J.E.I.T. Loan Paid	164,200.26	
Green Trust Loan Paid	55,329.81	
Demolition Loan Paid	<u>7,777.00</u>	
		<u>898,707.07</u>
Balance, December 31, 2013		<u><u>\$ 7,421,876.44</u></u>

Analysis of Balance

Funded	\$ 7,060,276.44
Funded-Leases	<u>361,600.00</u>
	<u><u>\$ 7,421,876.44</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2013

Ordinance Number	Improvement Description	Balance December 31, 2012	Prior Grant Cancellation	Payments of BAN's	Improvement Authorizations Cancelled	Balance December 31, 2013	Analysis of Balance			
							Bond Anticipation Notes	Excess Financing	Expenditures	Unexpended Improvement Authorizations
1145	Removal of Underground Storage Tanks	\$ 25,000.00	\$ -	\$ -	\$ -	\$ 25,000.00	\$ -	\$ -	\$ 18,632.33	\$ 6,367.67
1184	Reconstruction of Twilight Ave.	10,760.00	-	-	-	10,760.00	-	-	1,567.44	9,192.56
1210/1272	Improvements - St. John's Park	143,961.00	-	-	-	143,961.00	-	-	143,961.00	-
1320	Improvements to Carr Ave.	337.00	-	-	-	337.00	-	-	-	337.00
1322	Improvements to Center, Raritan and Seabreeze	1,950.00	-	-	-	1,950.00	-	-	-	1,950.00
1352-1426	St. John's Park	105.00	35.00	-	-	140.00	-	-	35.00	105.00
1346	Waterfront Bicycle and Pedestrian Corridor	-	37,159.25	-	-	37,159.25	-	-	37,159.25	-
1348	Laurel Avenue Reconstruction	-	53,547.20	-	-	53,547.20	-	-	53,547.20	-
1351	Acquisition of Waterfront Park	-	41,828.76	-	-	41,828.76	-	-	41,828.76	-
1372	Various Road Improvement	-	22,741.49	-	-	22,741.49	-	-	22,741.49	-
1448	Acquisition Fire Truck/Energy Efficient Devices	57,143.00	-	2,863.00	-	54,280.00	54,280.00	-	-	2,863.00
1477	Improvements Main Street Business	422,747.00	-	14,578.00	-	408,169.00	408,169.00	-	-	1,108.03
1484	Improvements Highland Blvd./Center Ave.	250,000.00	-	3,948.00	-	246,052.00	246,052.00	-	-	3,948.00
1494	Improvements to Parks and Playgrounds	110,000.00	-	3,794.00	-	106,206.00	106,206.00	-	-	3,794.00
1508	Improvements to Various Roads-Raritan/Oak	380,000.00	-	-	18,174.13	361,825.87	380,000.00	(18,174.13)	(3,794.00)	-
1510	Improvements to Main St. Business Area	250,000.00	-	-	-	250,000.00	250,000.00	-	-	-
1522	Terrace Place Vicinity Road Improvements	253,290.00	-	-	-	253,290.00	253,290.00	-	-	-
1523	Sinkhole Improvements	31,911.00	-	-	-	31,911.00	31,911.00	-	-	-
1524	Various Road Improvement	1,710,000.00	-	-	-	1,710,000.00	1,710,000.00	-	-	-
1525	Park Improvements	120,000.00	-	-	-	120,000.00	200,000.00	(80,000.00)	-	-
1526	Bulkhead Creek Rd/Laurel	426,973.50	-	-	-	426,973.50	655,500.00	(228,526.50)	-	-
		<u>\$ 4,194,177.50</u>	<u>\$ 155,311.70</u>	<u>\$ 25,183.00</u>	<u>\$ 18,174.13</u>	<u>\$ 4,306,132.07</u>	<u>\$ 4,295,408.00</u>	<u>\$ (326,700.63)</u>	<u>\$ 311,707.44</u>	<u>\$ 29,665.26</u>
Improvement Authorizations - Unfunded										
Less: Unexpended Proceeds of Bond Anticipation Notes - Issued:										
	1448									\$ 789,370.36
	1477									54,280.00
	1484									29,007.80
	1494									1,887.25
	1510									19,738.85
	1522									67,001.29
	1523									31,911.00
	1524									8,905.41
	1525									120,000.00
	1526									426,973.50
										<u>\$ 29,665.26</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF STATE, FEDERAL, AND LOCAL GRANTS RECEIVABLE

Year ended December 31, 2013

Balance, December 31, 2012		\$ 1,518,376.80
Decreased By:		
Cancellation of Grants Receivable	\$ 422,949.33	
Cash Receipts	<u>330,719.00</u>	<u>753,668.33</u>
Balance, December 31, 2013		<u><u>\$ 764,708.47</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
Road Improvements	1522	200,000.00
CDBG - Improvement Main St. Businesses	1477	122,822.10
Monmouth County - Park Improvements	1525	80,000.00
FEMA - Bulkhead	1526	<u>228,526.50</u>
		<u><u>\$ 764,708.47</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF ENCUMBERANCES PAYABLE

Year ended December 31, 2013

Balance, December 31, 2012	\$ 50,182.63
Increased By:	
Transferred From Improvement Authorizations	<u>108,167.40</u>
	158,350.03
Decreased By:	
Transferred To Improvement Authorizations	<u>50,182.63</u>
Balance, December 31, 2013	<u><u>\$ 108,167.40</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF SERIAL BONDS PAYABLE

Year ended December 31, 2013

Purpose	Date of Issue	Original Issue	Outstanding December 31, 2013		Interest Rate	Balance December 31, 2012	Decreased	Balance December 31, 2013
			Date	Amount				
General Obligation Bonds	10/15/03	\$ 2,967,000.00				\$ 150,000.00	\$ 150,000.00	\$ -
General Obligation Bonds	12/04/08	4,170,000.00	12/01/14	\$ 267,000.00	5.00%			
			12/01/15	287,000.00	5.00%			
			12/01/16	308,000.00	4.00%			
			12/01/17	328,000.00	4.00%			
			12/01/18	348,000.00	5.25%			
			12/01/19	374,000.00	4.50%			
			12/01/20	397,000.00	4.50%			
			12/01/21	423,000.00	5.00%			
			12/01/22	451,000.00	5.25%			
			12/01/23	482,000.00	5.00%	3,912,000.00	247,000.00	3,665,000.00
Refunding Bonds	11/08/12	1,690,000.00	12/01/14-15	165,000.00	3.000%			
			12/01/16-17	160,000.00	3.000%			
			12/01/18	155,000.00	3.000%			
			12/01/19	155,000.00	3.500%			
			12/01/20-21*	150,000.00	2.000%			
			12/01/22*	145,000.00	2.375%			
			12/01/23*	140,000.00	2.375%			
			12/01/24*	130,000.00	2.375%	1,690,000.00	15,000.00	1,675,000.00
* Term Bonds						\$ 5,752,000.00	\$ 412,000.00	\$ 5,340,000.00

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND

STATEMENT OF BOND ANTICIPATION NOTES

Year ended December 31, 2013

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2012	Increase	Decrease	Balance December 31, 2013
1448	Acquisition Fire Truck/Energy Efficient Devices	06/30/10	06/26/13	06/25/14	1.25%	\$ 57,143.00	\$ 54,280.00	\$ 57,143.00	\$ 54,280.00
1477	Improvements Main Street Business	06/30/10	06/26/13	06/25/14	1.25%	422,747.00	408,169.00	422,747.00	408,169.00
1484	Improvements Highland Blvd./Center Ave.	06/30/10	06/26/13	06/25/14	1.25%	75,000.00	71,052.00	75,000.00	71,052.00
1494	Improvements to Parks and Playgrounds	06/30/10	06/26/13	06/25/14	1.25%	110,000.00	106,206.00	110,000.00	106,206.00
1510	Improvements to Main Street	06/27/12	06/26/13	06/25/14	1.25%	250,000.00	250,000.00	250,000.00	250,000.00
1508	Improvements to Various Roads	06/27/12	06/26/13	06/25/14	1.25%	380,000.00	380,000.00	380,000.00	380,000.00
1484	Improvements Highland Blvd./Center Ave.	06/27/12	06/26/13	06/25/14	1.25%	175,000.00	175,000.00	175,000.00	175,000.00
1522	Terrace Place Vacinity Road Improvements	06/26/13	06/26/13	06/25/14	1.25%	-	253,290.00	-	253,290.00
1523	Sinkhole Improvements	06/26/13	06/26/13	06/25/14	1.25%	-	31,911.00	-	31,911.00
1524	Improvements to Various Roads	06/26/13	06/26/13	06/25/14	1.25%	-	1,710,000.00	-	1,710,000.00
1525	Park Improvements	06/26/13	06/26/13	06/25/14	1.25%	-	200,000.00	-	200,000.00
1526	Bulkhead Creek Rd/Laurel	06/26/13	06/26/13	06/25/14	1.25%	-	655,500.00	-	655,500.00
						<u>\$ 1,469,890.00</u>	<u>\$ 4,295,408.00</u>	<u>\$ 1,469,890.00</u>	<u>\$ 4,295,408.00</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF MCIA EQUIPMENT LEASE PURCHASE OBLIGATIONS PAYABLE

Year ended December 31, 2013

<u>Purpose</u>	<u>Original Issue</u>	<u>Outstanding</u> <u>December 31, 2013</u>		<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>December 31,</u> <u>2012</u>	<u>Decreased</u>	<u>Balance</u> <u>December 31,</u> <u>2013</u>
		<u>Date</u>	<u>Amount</u>				
2003 Series	\$ 1,074,600.00				\$ 129,000.00	\$ 129,000.00	\$ -
2005 Series	828,100.00	09/01/14	\$ 74,900.00	5.00%			
		09/01/15	78,700.00	5.00%	225,000.00	71,400.00	153,600.00
2009 Series	503,000.00	10/01/14	63,000.00	4.00%			
		10/01/15	27,000.00	4.00%			
		10/01/16	28,000.00	4.00%			
		10/01/17	29,000.00	4.25%			
		10/01/18	30,000.00	4.25%			
		10/01/19	31,000.00	4.25%	267,000.00	59,000.00	208,000.00
					<u>\$ 621,000.00</u>	<u>\$ 259,400.00</u>	<u>\$ 361,600.00</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF GENERAL CAPITAL LOAN PAYABLE - NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST

Year ended December 31, 2013

<u>Project Description</u>	<u>Drawdown Date</u>	<u>Amount of Loan</u>	<u>Calendar Year</u>	<u>Total</u>		<u>Balance December 31, 2012</u>	<u>Decreased</u>	<u>Balance December 31, 2013</u>
				<u>Principal Amount</u>	<u>Interest Amount</u>			
Drainage Improvements	10/15/01	\$ 2,910,000.00	2014	\$ 158,867.64	\$ 36,306.26			
			2015	164,324.34	32,056.26			
			2016	169,560.30	27,443.76			
			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	\$ 1,373,019.28	\$ 153,258.71	\$ 1,219,760.57
						<u>153,819.16</u>	<u>10,941.55</u>	<u>142,877.61</u>
Drainage Improvements	10/15/01	276,422.00	2014	18,984.79	3,950.00			
			2015	18,662.75	3,450.00			
			2016	18,340.72	2,950.00			
			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>153,819.16</u>	<u>10,941.55</u>	<u>142,877.61</u>
						<u>\$ 1,526,838.44</u>	<u>\$ 164,200.26</u>	<u>\$ 1,362,638.18</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF GENERAL CAPITAL LOAN PAYABLE - GREEN ACRES LOAN

Year ended December 31, 2013

Balance, December 31, 2012	\$ 412,968.07
Decreased By:	
Paid By Current Fund	<u>55,329.81</u>
Balance, December 31, 2013	<u><u>\$ 357,638.26</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF GENERAL CAPITAL LOAN PAYABLE - DEMOLITION LOAN

Year ended December 31, 2013

Balance, December 31, 2012		\$	7,777.00
Decreased By:			
Paid By Current Fund	\$	5,223.00	
Cancelled		<u>2,554.00</u>	<u>7,777.00</u>
Balance, December 31, 2013		\$	<u><u>-</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2013

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2012		2013 Authorizations	Expended	Cancelled	Balance December 31, 2013	
		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	-	7,362.67	-	995.00	-	-	6,367.67
1184	Reconstruction of Twilight Avenue	06/20/95	560,000.00	-	9,192.56	-	-	-	-	9,192.56
1230	Reconstruction of Seeley Avenue	04/14/98	185,000.00	1,014.27	-	-	-	1,014.27	-	-
1320	Improvements to Carr Avenue	01/22/02	410,000.00	45,550.63	337.00	-	-	-	45,550.63	337.00
1322	Improvements to Center, Raritan and Seabreeze	02/12/02	750,000.00	109,191.24	1,950.00	-	8,777.61	3,831.00	100,413.63	1,950.00
1324	Demolition of Buildings	06/06/02	68,250.00	20,252.50	-	-	95.00	-	16,326.50	-
1325	Construction of Library and Recreation Fields	06/06/02	1,800,000.00	53,302.76	-	-	4,800.00	-	48,502.76	-
1346	Waterfront Bicycle and Pedestrian Corridor	10/23/03	520,200.00	25,340.75	-	-	-	25,340.75	-	-
1382	Raritan Avenue Reconstruction	08/24/05	175,000.00	0.63	-	-	-	-	0.63	-
1348	Laurel Avenue Reconstruction	10/23/03	304,278.00	1,593.58	-	-	-	1,593.58	-	-
1351	Acquisition of Waterfront Park	11/13/03	544,000.00	230,171.24	-	-	-	230,171.24	-	-
1352/1426	St. John's Park	11/13/03	201,106.00	80,635.60	105.00	-	-	35.00	80,600.60	140.00
1370	Various Road Improvements	03/09/05	1,000,000.00	2,157.54	-	-	-	2,157.54	-	-
1372	Various Road Improvements	04/05/05	248,000.00	6,710.06	-	-	-	6,710.06	-	-
1394	Improvements to Police Station	09/28/05	75,000.00	854.50	-	-	-	-	854.50	-
1416/	Roadway Reconstruction Hancock/Freeze Ave.		315,000.00	-	-	-	-	-	-	-
1442	Sidewalk Constr. Monmouth Road	06/27/07	75,000.00	1,355.48	-	-	-	1,355.48	-	-
1428	Various Improvements & Equipment - Boro Hall	SFY 2008	22,000.00	43.06	-	-	-	-	43.06	-
1432	Reconstruction & Improvements to Highland Blvd.	SFY 2008	310,000.00	33,530.91	-	-	-	-	33,530.91	-
1433/1455	Reconstruction & Improvements to Various Roads	SFY 2008	600,000.00	89.14	-	-	-	-	89.14	-
1434	Various Capital Improvements	SFY 2008	200,000.00	0.88	-	-	-	-	0.88	-
1448	Acquisition Fire Truck/Energy Efficient Devices	SFY 2008	625,000.00	28,524.41	57,143.00	-	-	-	28,524.41	57,143.00
1467	Improvements to Storm Water System	SFY 2009	585,000.00	30,936.59	-	-	408.25	-	30,528.34	-
1477	Improvements Main Street Business	SFY 2009	795,000.00	-	1,108.03	-	-	-	-	1,108.03
1481	Various Storm Facility Improvements	SFY 2009	390,000.00	1,298.90	-	-	1,298.90	-	-	-
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
1508	Improvements to Various Roads-Raritan, Oak	08/24/11	504,000.00	-	18,174.13	-	-	18,174.13	-	-
1510	Improvements to Main St. Business Area	08/24/11	410,000.00	-	85,840.16	-	-	-	-	19,738.85
1522	Terrace Place Vicinity Road Improvements	06/13/12	640,000.00	285,999.27	253,290.00	-	472,287.98	-	-	67,001.29
1523	Sinkhole Improvements	07/25/12	90,000.00	58,089.00	31,911.00	-	337.33	-	57,751.67	31,911.00
1524	Various Road Improvement	07/25/12	1,800,000.00	90,000.00	1,710,000.00	-	1,791,094.59	-	0.00	8,905.41
1525	Park Improvements	07/25/12	200,000.00	59,012.51	120,000.00	-	12,676.38	-	46,336.13	120,000.00
1526	Bulkhead Creek Rd/Laurel	08/22/12	690,000.00	263,026.50	426,973.50	-	82,617.70	-	180,408.80	426,973.50
				\$ 1,478,397.03	\$ 2,762,024.10	\$ -	\$ 2,441,490.05	\$ 290,383.05	\$ 719,177.67	\$ 789,405.36

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF DUE FROM M.C.I.A.

Year ended December 31, 2013

Balance, December 31, 2012	\$ 32,766.91
Decreased By:	
Cancelled per Resolution	<u>32,766.91</u>
Balance, December 31, 2013	<u><u>\$ -</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF MISCELLANEOUS RESERVES

Year ended December 31, 2013

	Balance December 31, 2012	Increased	Decreased	Balance December 31, 2013
Reserve for:				
Capital Improvement Fund	\$ 10,576.67	\$ 254,527.29	\$ -	\$ 265,103.96
Interest on RCA Funds	29,018.16	-	-	29,018.16
Refunding Bonds - Cost of Issuance	<u>58,636.23</u>	<u>-</u>	<u>36,037.50</u>	<u>22,598.73</u>
	<u>98,231.06</u>	<u>\$ 254,527.29</u>	<u>36,037.50</u>	<u>\$ 316,720.85</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2012</u>	<u>Prior Grant Cancellations</u>	<u>B.A.N. Redeemed</u>	<u>Balance December 31, 2013</u>
1145	Removal of Underground Storage Tank	\$ 25,000.00	\$ -	\$ -	\$ 25,000.00
1184	Reconstruction of Twilight Avenue	10,760.00	-	-	10,760.00
1210	Improvements - St. John's Park	143,961.00	-	-	143,961.00
1320	Improvements to Carr Avenue	337.00	-	-	337.00
1322	Improvements to Center, Raritan and Seabreeze	1,950.00	-	-	1,950.00
1352/1426	St. John's Park	105.00	35.00	-	140.00
1346	Waterfront Bicycle and Pedestrian Corridor	-	37,159.25	-	37,159.25
1348	Laurel Avenue Reconstruction	-	53,547.20	-	53,547.20
1351	Acquisition of Waterfront Park	-	41,828.76	-	41,828.76
1372	Various Road Improvement	-	22,741.49	-	22,741.49
1522	Terrace Place Vacinity Road Improvements	253,290.00	-	253,290.00	-
1523	Sinkhole Improvements	31,911.00	-	31,911.00	-
1524	Various Road Improvement	1,710,000.00	-	1,710,000.00	-
1525	Park Improvements	120,000.00	-	120,000.00	-
1526	Bulkhead Creek Rd/Laurel	426,973.50	-	426,973.50	-
		<u>\$ 2,724,287.50</u>	<u>\$ 155,311.70</u>	<u>\$ 2,542,174.50</u>	<u>\$ 337,424.70</u>

WATER AND SEWER UTILITY FUND
STATEMENTS

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BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY FUND

STATEMENT OF CASH AND INVESTMENTS - TREASURER

Year ended December 31, 2013

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2012	D	\$ 870,124.15	\$ 59,323.02
Increased By Receipts:			
Consumer Accounts Receivable	4-D	\$ 4,340,668.98	
Community Disaster Loan	5-D	225,000.00	
Non-Budget Revenue	D-1,D-3	104,292.66	
Prepaid Rents	9-D	29,486.77	
Rent Overpayments		907.48	
Municipal Lien Redemptions	11-D	12,854.71	
Due From:			
Water/Sewer Utility Operating Fund	12-D		\$ 150,000.00
N.J.E.I.T. Loan Receivable	13-D		64,776.00
		<u>4,713,210.60</u>	<u>214,776.00</u>
		5,583,334.75	274,099.02
Decreased By Disbursements:			
2013 Budget Appropriations	D-4	3,406,453.05	
2012 Appropriation Reserves	8-D	526,483.32	
Due To:			
Water/Sewer Utility Capital Fund	12-D	150,000.00	
Accrued Interest	14-D	33,043.78	
		<u>4,115,980.15</u>	
Balance, December 31, 2013	D	<u>\$ 1,467,354.60</u>	<u>\$ 274,099.02</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

STATEMENT OF ANALYSIS OF WATER AND SEWER UTILITY CAPITAL CASH

Year ended December 31, 2013

		Balance December 31, <u>2013</u>
Excess Financing - Bond Anticipation Note		\$ 15,000.00
Capital Improvement Fund		227,000.00
Fund Balance		16,964.11
<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	
1513	Design Desalination System Water Plant	6,237.91
1441/1466	Design Desalination System Water Plant	<u>8,897.00</u>
		<u>\$ 274,099.02</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

STATEMENT OF CHANGE FUNDS

Year ended December 31, 2013

Balance, December 31, 2013 and 2012

\$ 250.00

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE

Year ended December 31, 2013

Balance, December 31, 2012		\$	417,152.13
Increased By:			
Rents Levied			<u>4,167,573.24</u>
			4,584,725.37
Decreased By:			
Collections	\$	4,340,668.98	
Prepaid Applied		43,485.24	
Transfer to Municipal Liens		<u>291.46</u>	
			<u>4,384,445.68</u>
Balance, December 31, 2013		\$	<u><u>200,279.69</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

STATEMENT OF DEPOSIT WITH BAYSHORE REGIONAL SEWERAGE AUTHORITY

Year ended December 31, 2013

Balance, December 31, 2012	\$ 301,421.21
Increased By:	
Rent Adjustments	<u>582.31</u>
Balance, December 31, 2013	<u><u>\$ 302,003.52</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

STATEMENT OF FIXED CAPITAL

Year ended December 31, 2013

<u>Account</u>	<u>Balance December 31, 2013 and 2012</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

STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2013

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2013 and 2012</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	<u>400,000.00</u>
		<u><u>\$ 3,528,660.00</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

STATEMENT OF 2012 APPROPRIATION RESERVES

Year ended December 31, 2013

	Balance December 31, 2012	Balance After Modifications	Paid or Charged	Lapsed
Operating:				
Salaries and Wages	\$ 121,592.15	\$ 121,592.15	\$ 2,697.39	\$ 118,894.76
Other Expenses	491,194.77	491,194.77	485,159.74	6,035.03
Total Operating	612,786.92	612,786.92	487,857.13	124,929.79
Capital Improvements:				
Capital Outlay	30,000.00	30,000.00	30,000.00	-
Total Capital Improvements	30,000.00	30,000.00	30,000.00	-
Statutory Expenditures:				
Social Security System (O.A.S.I.)	8,626.19	8,626.19	8,626.19	-
Total Sewer Utility Fund Appropriations	\$ 651,413.11	\$ 651,413.11	\$ 526,483.32	\$ 124,929.79
	Reference	D	1-D	D-1
Appropriation Reserves	D	\$ 228,794.67		
Encumbrances Payable	10-D	422,618.44		
		\$ 651,413.11		

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

STATEMENT OF PREPAID RENTS

Year ended December 31, 2013

Balance, December 31, 2012	\$ 43,485.24
Increased By:	
Cash Receipts	<u>29,486.77</u>
	72,972.01
Decreased By:	
Applied to Current Year Rents	<u>43,485.24</u>
Balance, December 31, 2013	<u><u>\$ 29,486.77</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

STATEMENT OF ENCUMBRANCES PAYABLE

Year ended December 31, 2013

Balance, December 31, 2012	\$ 422,618.44
Increased By:	
Appropriations	<u>425,500.30</u>
	848,118.74
Decreased By:	
Transferred to Appropriation Reserves	<u>422,618.44</u>
Balance, December 31, 2013	<u><u>\$ 425,500.30</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

STATEMENT OF WATER AND SEWER RENTS OVERPAYMENTS

Year ended December 31, 2013

Balance, December 31, 2012	\$ 8,431.97
Increased By:	
Cash Receipts	<u>907.48</u>
Balance, December 31, 2013	<u><u>\$ 9,339.45</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

STATEMENT OF DUE FROM WATER AND SEWER UTILITY CAPITAL FUND

Year ended December 31, 2013

Balance, December 31, 2012	\$ -
Increased By:	
Cash Receipts	<u>150,000.00</u>
	150,000.00
Decreased By:	
Transfer to Capital Improvement Fund	<u>150,000.00</u>
Balance, December 31, 2013	<u><u>\$ -</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

STATEMENT OF NJEIT LOANS RECEIVABLE

Year ended December 31, 2013

Balance, December 31, 2012	\$ 64,776.00
Decreased By:	
Cash Receipts	<u>64,776.00</u>
Balance, December 31, 2013	<u><u>\$ -</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

STATEMENT OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

Year ended December 31, 2013

Balance, December 31, 2012			\$	47,819.49
Increased By:				
Budget Appropriations				<u>33,043.78</u>
				80,863.27
Decreased By:				
Cash Disbursed		\$	33,043.78	
Cancelled			<u>14,775.71</u>	
				<u>47,819.49</u>
Balance, December 31, 2013			\$	<u><u>33,043.78</u></u>

Analysis of Balance - December 31, 2012

	Outstanding December 31, 2013	Interest Rate	From	To	Period	Amount
<u>Note:</u>						
\$	914,405.00	1.25%	06/26/13	12/31/13	185 days	<u>\$ 5,873.78</u>
<u>N.J.E.I.T. Loan:</u>						
\$	570,000.00	5.00%	08/01/13	12/31/13	5 months	<u>\$ 11,875.00</u>
<u>Serial Bonds:</u>						
2011 Refunding Pooled Loan Bonds						
\$	465,000.00	5.00%	12/01/13	12/31/13	30 days	1,937.50
Various Improvements - Bonds of 2008:						
\$	178,000.00	3.00%	12/01/13	12/31/13	30 days	445.00
2012 Refunding						
\$	5,165,000.00	3.00%	12/01/13	12/31/13	30 days	<u>12,912.50</u>
						<u>15,295.00</u>
						<u><u>\$ 33,043.78</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2013

Purpose	Date of Issue	Original Issue	Outstanding December 31, 2012		Interest Rate	Balance December 31, 2012	Decreased	Balance December 31, 2013
			Date	Amount				
General Obligation Bonds Series 2008	12/04/08	\$ 242,000.00	12/01/14	\$ 14,000.00	5.00%			
			12/01/15	15,000.00	5.00%			
			12/01/16-17	16,000.00	4.00%			
			12/01/18	17,000.00	5.25%			
			12/01/19	18,000.00	4.50%			
			12/01/20	19,000.00	4.50%			
			12/01/21	20,000.00	5.00%			
			12/01/22	21,000.00	5.25%			
			12/01/23	22,000.00	5.00%	\$ 192,000.00	\$ 14,000.00	\$ 178,000.00
2011 Refunding of Pooled Loan Program Bonds	03/30/11	846,000.00	12/01/14	129,000.00	3.00%			
			12/01/15	135,000.00	5.00%			
			12/01/16	63,000.00	2.50%			
			12/01/17	67,000.00	4.00%			
			12/01/18	71,000.00	4.00%	597,000.00	132,000.00	465,000.00
2012 Refunding of General Obligation Refunding Bonds Series 2002	11/08/12	5,930,000.00	12/01/14	790,000.00	3.00%			
			12/01/15	820,000.00	3.00%			
			12/01/16	845,000.00	3.00%			
			12/01/17	875,000.00	3.00%			
			12/01/18	905,000.00	3.00%			
			12/01/19	930,000.00	3.50%	5,930,000.00	765,000.00	5,165,000.00
						\$ 6,719,000.00	\$ 911,000.00	\$ 5,808,000.00

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

STATEMENT OF SERIAL BONDS

Year ended December 31, 2013

Purpose	Date of Issue	Original Issue	Outstanding December 31, 2012		Interest Rate	Balance December 31, 2012	Decreased	Balance December 31, 2013
			Date	Amount				
General Obligation Bonds Series 2008	12/04/08	\$ 242,000.00	12/01/14	\$ 14,000.00	5.00%			
			12/01/15	15,000.00	5.00%			
			12/01/16-17	16,000.00	4.00%			
			12/01/18	17,000.00	5.25%			
			12/01/19	18,000.00	4.50%			
			12/01/20	19,000.00	4.50%			
			12/01/21	20,000.00	5.00%			
			12/01/22	21,000.00	5.25%			
			12/01/23	22,000.00	5.00%	\$ 192,000.00	\$ 14,000.00	\$ 178,000.00
2011 Refunding of Pooled Loan Program Bonds	03/30/11	846,000.00	12/01/14	129,000.00	3.00%			
			12/01/15	135,000.00	5.00%			
			12/01/16	63,000.00	2.50%			
			12/01/17	67,000.00	4.00%			
			12/01/18	71,000.00	4.00%	597,000.00	132,000.00	465,000.00
2012 Refunding of General Obligation Refunding Bonds Series 2002	11/08/12	5,930,000.00	12/01/14	790,000.00	3.00%			
			12/01/15	820,000.00	3.00%			
			12/01/16	845,000.00	3.00%			
			12/01/17	875,000.00	3.00%			
			12/01/18	905,000.00	3.00%			
			12/01/19	930,000.00	3.50%	5,930,000.00	765,000.00	5,165,000.00
						\$ 6,719,000.00	\$ 911,000.00	\$ 5,808,000.00

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

Year ended December 31, 2013

<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, 2012</u>	<u>Decreased</u>	<u>Balance December 31, 2013</u>
Trust Loan - Series A (DW-ARRA)	\$ 655,000.00	03/10/10	08/01/13-15	\$ 25,000.00	5.00%			
			08/01/16-18	30,000.00	5.00%			
			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%	\$ 595,000.00	\$ 25,000.00	\$ 570,000.00
Fund Loan - Winter 2010	1,964,000.00	03/10/10	02/01/14	11,101.69	0.00%			
			08/01/14	22,203.38	0.00%			
			02/01/15	11,101.69	0.00%			
			08/01/15	22,203.38	0.00%			
			02/01/16	11,101.69	0.00%			
			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%						

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

Year ended December 31, 2013

<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, 2012</u>	<u>Decreased</u>	<u>Balance December 31, 2013</u>
Fund Loan - Winter 2010 (continued)								
			02/01/22	11,101.69	0.00%			
			08/01/22	22,203.38	0.00%			
			02/01/23	11,101.69	0.00%			
			08/01/23	22,203.38	0.00%			
			02/01/24	11,101.69	0.00%			
			08/01/24	22,203.38	0.00%			
			02/01/25	11,101.69	0.00%			
			08/01/25	22,203.38	0.00%			
			02/01/26	11,101.69	0.00%			
			08/01/26	22,203.38	0.00%			
			02/01/27	11,101.69	0.00%			
			08/01/27	22,203.38	0.00%			
			02/01/28	11,101.69	0.00%			
			08/01/28	22,203.38	0.00%			
			02/01/29	11,101.69	0.00%			
			08/01/29	22,203.67	0.00%			
						566,186.48	33,305.07	532,881.41
						<u>\$ 1,161,186.48</u>	<u>\$ 58,305.07</u>	<u>\$ 1,102,881.41</u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

STATEMENT OF ACCOUNTS PAYABLE

Year ended December 31, 2013

Balance, December 31, 2012	\$ 5,000.00
Decreased By:	
Cancelled	<u>5,000.00</u>
Balance, December 31, 2013	<u><u>\$ -</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2013

Ordinance Number	Improvement Description	Ordinance Amount	Balance December 31, 2012		Transferred from Encumbrances Payable	Expended	Balance December 31, 2013	
			Funded	Unfunded			Funded	Unfunded
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
			\$ -	\$ 15,134.91	\$ -	-	\$ -	\$ 15,134.91

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

STATEMENT OF RESERVE FOR AMORTIZATION

Year ended December 31, 2013

Balance, December 31, 2012		\$	19,060,764.35
Increased By:			
Bonds Paid By Operating Budget	\$	911,000.00	
Notes Paid By Operating Budget		6,595.00	
Loans Paid By Operating Budget		<u>58,305.07</u>	
			<u>975,900.07</u>
Balance, December 31, 2013		\$	<u><u>20,036,664.42</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION

Year ended December 31, 2013

Balance, December 31, 2013 and 2012	<u>\$ 3,660.00</u>
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BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY CAPITAL FUND

STATEMENT OF RESERVE FOR CAPITAL IMPROVEMENT FUND

Year ended December 31, 2013

Balance, December 31, 2012	\$ 77,000.00
Increased By:	
Transfer from Sewer Utility Operating Budget	<u>150,000.00</u>
Balance, December 31, 2013	<u><u>\$ 227,000.00</u></u>

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

WATER AND SEWER UTILITY OPERATING FUND

STATEMENT OF MUNICIPAL LIENS

Year ended December 31, 2013

Balance, December 31, 2012		\$	16,273.71
Increased By:			
Transfers from Water/Sewer Rents	\$	291.46	
Other		525.00	
Penalites and Costs		<u>218.84</u>	
			<u>1,035.30</u>
			17,309.01
Decreased By:			
Cash Received			<u>12,854.71</u>
Balance, December 31, 2013		\$	<u><u>4,454.30</u></u>

GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT

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BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF GENERAL FIXED ASSETS

Year ended December 31, 2013

	Balance December 31, <u>2012</u>	<u>Additions</u>	Balance December 31, <u>2013</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>4,549,938.35</u>	<u>\$ 1,034,868.00</u>	<u>5,584,806.35</u>
	<u>\$ 21,838,050.35</u>	<u>\$ 1,034,868.00</u>	<u>\$ 22,872,918.35</u>
<u>Reference</u>	E	1-E	E

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ADDITONAL INFORMATION
RELATING TO
FEDERAL FINANCIAL AWARDS AND STATE FINANCIAL ASSISTANCE

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

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

Report on Compliance for Each Major Federal Program

We have audited the Borough of Keansburg's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Borough of Keansburg's major federal programs for the year ended December 31, 2013. The Borough of Keansburg's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Borough of Keansburg complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Other Matters

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

Report on Internal Control Over Compliance

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

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

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

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

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

We have audited the financial statements of the Borough of Keansburg as of and for the year ended December 31, 2013, and have issued our report thereon dated July 18, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Freehold, New Jersey
July 18, 2014

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BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

SCHEDULE OF FEDERAL FINANCIAL AWARDS

Year Ended December 31, 2013

<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 Transportation</u>						
Highway Planning & Construction: Improvements to Parks & Playgrounds	20.205	078-6320-480	2012	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
Total Department of Transportation				200,000.00	200,000.00	200,000.00
<u>Department of Housing & Urban Development</u>						
Pass Through County of Monmouth CDBG-Roadway Improvements	14.218	W1321001-001	2012	186,710.00	86,000.00	186,710.00
Total Department of Housing & Urban Development				186,710.00	86,000.00	186,710.00
<u>Department of Homeland Security (DHS)</u>						
Federal Emergency Management Agency (FEMA) Department of Homeland Security (DHS) Public Assistance Grants Superstorm Sandy	97.036	Not Available	OPEN	\$ 3,000,000.00	\$ 2,675,483.00	\$ 3,448,409.62
Community Disaster Loans	97.030	Not Available	OPEN	3,954,766.00	1,970,000.00	1,970,000.00
Total Department of Homeland Security (DHS)				6,954,766.00	4,645,483.00	5,418,409.62
Total Federal Financial Awards				\$ 7,341,476.00	\$ 4,931,483.00	\$ 5,805,119.62

The accompanying Note to Schedule of Federal Financial Awards is an integral part of this schedule

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BOROUGH OF KEANSBURG
NOTES TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

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	\$4,420,483
General Capital Fund	286,000
Utility Operating Fund	<u>225,000</u>
Total	<u>\$4,931,483</u>

Note 4. Relationship to Federal Financial Report

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

Note 5. Major Programs

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

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SCHEDULE OF FINDINGS QUESTIONED COSTS

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BOROUGH OF KEANSBURG
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2013

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?	No
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133	No

Federal CFDA Number

Name of Federal Program

97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)
97.030	Community Disaster Loans

BOROUGH OF KEANSBURG
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended December 31, 2013

Section II – Financial Statement Findings

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

No Current Year Findings

Section III – Federal Financial Assistance Finding & Questioned Costs

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

No Current Year Findings

STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS

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**BOROUGH OF KEANSBURG
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended December 31, 2013**

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

Finding 2012-01:

Condition:

- 12 of 13 interest calculations for Sewer Collector were charged incorrectly.
- There is no resolution in place for the collection of Sewer interest.
- No Fee ordinance established for fees collected in the Recreation Department.

Current Status:

This condition has been corrected.

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COMMENTS AND RECOMMENDATIONS

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

We have audited the financial statements of the Borough of Keansburg in the County of Monmouth on for the year ended December 31, 2013, in accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

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

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

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

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

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

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes

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

The governing body on January 9, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2013, included 2013 and 2012 real estate taxes only.

The last tax sale was held on December 3, 2013 and was complete.

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
2013	37
2012	N/A
2011	N/A

Examination of Bills

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

Municipal Court

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

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

Payroll Fund

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

Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. Corrective action was taken on all prior year findings.

BOROUGH OF KEANSBURG
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2013

Officials in Office and Surety Bonds

<u>Name of Official</u>	<u>Title</u>
George F. Hoff	Mayor
James Cocuzza, Sr.	Deputy Mayor
Arthur Boden	Councilperson
Anthony DePompa	Councilperson
Thomas Foley	Councilperson
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 Muniiciplal Excess Liability Joint Insurance Fund in the amount of \$1,000,000 for Public Employees.

Acknowledgment

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

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

Freehold, New Jersey
July 18, 2014