

*Report of Audit*

*on the*

*Financial Statements*

*of the*

*Borough of Bound Brook*

*in the*

*County of Somerset*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2013*



BOROUGH OF BOUND BROOK

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BOROUGH OF BOUND BROOK

PART I

INDEPENDENT AUDITOR'S REPORT ON  
AUDIT OF FINANCIAL STATEMENTS  
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FINANCIAL STATEMENTS – REGULATORY BASIS – ALL FUNDS

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SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2013 and 2012



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Bound Brook  
230 Hamilton Street  
Bound Brook, New Jersey 08805

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

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Bound Brook, as of December 31, 2013 and 2012, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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



## SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 Borough of Bound Brook's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Bound Brook'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 regulatory financial statements.

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

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

As described in Note 1 of the regulatory financial statements except for the omission of the statement of general fixed assets, the regulatory financial statements are prepared by the Borough of Bound Brook on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough of Bound Brook as of December 31, 2013, or the results of its operations and changes in fund balance for the year then ended or the revenues or expenditures for the year ended December 31, 2013.

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

The amount of general fixed assets to be reported in the statement of general fixed assets is not known as the general fixed assets inventory has not been updated since 2004. Therefore, a statement of general fixed assets has been omitted from the regulatory financial statements as presented.

# SUPLEE, CLOONEY & COMPANY

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

In our opinion, except for the effects of such adjustments, if any, that might have been necessary had the statement of general fixed assets been audited, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2013, the regulatory basis statement of operations and changes in fund balance for the year then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

## ***Other Matters***

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Bound Brook's regulatory financial statements. The supplementary information and data and schedules of federal awards and state financial assistance listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and data listed in the table of contents, schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2014 on our consideration of the Borough of Bound Brook'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 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 Bound Brook's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

July 21, 2014

CURRENT FUND

BOROUGH OF BOUND BROOK

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

|                                      | <u>REF.</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2013</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2012</u> |
|--------------------------------------|-------------|--|--|
| <u>ASSETS</u>                        |             |  |  |
| Cash                                 | A-4         | \$ 1,200,004.87                          | \$ 1,014,276.42                          |
| Cash - Change Funds                  | A-5         | 400.00                                   | 400.00                                   |
| Due From State of New Jersey         |             |  |  |
| Senior Citizens Deductions           | A-9         | 56,355.04                                | 47,450.72                                |
|                                      |             | <u>\$ 1,256,759.91</u>                   | <u>\$ 1,062,127.14</u>                   |
| Delinquent Property Taxes Receivable | A-8         | \$ 508,834.17                            | \$ 467,940.90                            |
| Tax Title Liens                      | A-11        | 8,714.39                                 | 12,612.36                                |
| Refuse Disposal Fees Receivable      | A-10        | 54,474.12                                | 46,355.74                                |
| Sewer Rent Fees Receivable           | A-32        | 162,896.60                               | 162,427.69                               |
| Revenue Accounts Receivable          | A-12        | 23,194.25                                | 27,316.89                                |
| Interfunds Receivable                | A-22        | 24,045.39                                | 68,134.22                                |
|                                      | A           | <u>\$ 782,158.92</u>                     | <u>\$ 784,787.80</u>                     |
| Deferred Charges:                    |             |  |  |
| Emergency Appropriations             | A-33        | \$ _____                                 | \$ 309,681.87                            |
|                                      |             | <u>\$ _____</u>                          | <u>\$ 309,681.87</u>                     |
|                                      |             | <u>\$ 2,038,918.83</u>                   | <u>\$ 2,156,596.81</u>                   |
| Grants:                              |             |  |  |
| Grants Receivable                    | A-7         | \$ 616,855.62                            | \$ 626,152.70                            |
| Due Current Fund                     | A-27        | 304,418.16                               |  |
| Due General Capital Fund             | A-29        |  | 400,000.00                               |
|                                      |             | <u>\$ 921,273.78</u>                     | <u>\$ 1,026,152.70</u>                   |
|                                      |             | <u>\$ 2,960,192.61</u>                   | <u>\$ 3,182,749.51</u>                   |

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

BOROUGH OF BOUND BROOK

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

|   | <u>REF.</u> | <u>BALANCE</u><br><u>DECEMBER</u><br><u>31, 2013</u> | <u>BALANCE</u><br><u>DECEMBER</u><br><u>31, 2012</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> |             |  |  |
| Liabilities:                                  |             |  |  |
| Appropriation Reserves                        | A-3:A-13    | \$ 194,457.80  | \$ 417,296.72  |
| Interfunds                                    | A-22        | 451,572.92   | 11,225.73  |
| Tax Overpayments                              | A-14        | 15,192.18  | 23,072.20  |
| Accounts Payable                              | A-17        | 68,702.83  | 185,225.15   |
| Prepaid Taxes                                 | A-18        | 66,513.92  | 61,149.72  |
| Prepaid Refuse Disposal Fees                  | A-19        | 23,211.02  | 23,977.56  |
| Prepaid Sewer Rent Fees                       | A-30        | 3,432.13   | 3,282.89   |
| Reserve For:                                  |             |  |  |
| Revaluation                                   | A-28        | 33,199.73  | 106,670.77   |
| Refuse Overpayments                           | A-20        |  | 175.62   |
| Sewer Rent Overpayments                       | A-31        |  | 571.86   |
| Tax Map Preparation                           | A-24        | 1,806.00   | 1,806.00   |
| Notes Payable                                 | A-23        |  | 300,000.00   |
|   |             | <u>\$ 858,088.53</u>                                 | <u>\$ 1,134,454.22</u>                               |
| Reserve for Receivables                       | A           | 782,158.92   | 784,787.80   |
| Fund Balance                                  | A-1         | <u>398,671.38</u>                                    | <u>237,354.79</u>                                    |
|   |             | <u>\$ 2,038,918.83</u>                               | <u>\$ 2,156,596.81</u>                               |
| Grant Fund:                                   |             |  |  |
| Reserve for Grants Appropriated               | A-21        | \$ 874,840.66  | \$ 945,844.38  |
| Grants - Unappropriated                       | A-25        | 46,091.22  | 36,525.46  |
| Accounts Payable                              | A-26        | 341.90   | 1,831.50   |
| Due Current Fund                              | A-27        |  | 41,951.36  |
|   |             | <u>\$ 921,273.78</u>                                 | <u>\$ 1,026,152.70</u>                               |
|   |             | <u>\$ 2,960,192.61</u>                               | <u>\$ 3,182,749.51</u>                               |

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

BOROUGH OF BOUND BROOKCURRENT FUNDSTATEMENTS OF OPERATIONS AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS

|  | <u>REF.</u> | <u>YEAR ENDED<br/>DECEMBER<br/>31, 2013</u> | <u>YEAR ENDED<br/>DECEMBER<br/>31, 2012</u> |
|--|-------------|---|---|
| <u>REVENUE AND OTHER INCOME REALIZED</u>             |             |   |   |
| Fund Balance Utilized                                | A-1:A-2     | \$ 225,000.00                               | \$ 47,576.00                                |
| Miscellaneous Revenue Anticipated                    | A-2         | 4,419,163.26                                | 4,541,481.04                                |
| Receipts from Delinquent Taxes                       | A-2         | 472,882.75                                  | 655,216.06                                  |
| Receipts from Current Taxes                          | A-2         | 22,587,664.98                               | 22,147,470.79                               |
| Non-Budget Revenue                                   | A-2         | 232,743.03                                  | 95,779.84                                   |
| Other Credits to Income:                             |             |   |   |
| Unexpended Balance of Appropriation Reserves         | A-13        | 196,453.80                                  | 160,588.37                                  |
| Canceled Reserves                                    |             | 29,170.80                                   | 87,861.02                                   |
| Interfunds Returned                                  |             | 44,088.83                                   | 26,871.17                                   |
| <u>Total Income</u>                                  |             | <u>\$ 28,207,167.45</u>                     | <u>\$ 27,762,844.29</u>                     |
| <u>EXPENDITURES</u>                                  |             |   |   |
| Budget and Emergency Appropriations:                 |             |   |   |
| Within "CAPS":                                       |             |   |   |
| Operations   | A-3         | \$ 7,903,479.00                             | \$ 7,781,470.00                             |
| Deferred Charges and Statutory Expenditures          | A-3         | 1,006,397.87                                | 1,184,456.00                                |
| Excluded from "CAPS":                                |             |   |   |
| Other Operations                                     | A-3         | 1,055,525.46                                | 1,134,478.87                                |
| Capital Improvements                                 | A-3         | 125,000.00                                  | 150,000.00                                  |
| Municipal Debt Service                               | A-3         | 1,360,278.55                                | 1,288,622.80                                |
| Deferred Charges                                     | A-3         | 379,592.00                                  | 380,000.00                                  |
| Transferred to Board of Education for Use of Schools | A-3         | 142,885.00                                  | 141,769.00                                  |
| County Taxes   | A-15        | 3,032,497.16                                | 2,986,071.41                                |
| Local District School Tax                            | A-16        | 12,806,701.00                               | 12,679,309.50                               |
| Refund of Prior Year Revenue                         | A-4         | 3,391.82                                    | 4,817.85                                    |
| Accounts Receivable Canceled                         |             | 5,103.00                                    | 14,076.49                                   |
| <u>Total Expenditures</u>                            |             | <u>\$ 27,820,850.86</u>                     | <u>\$ 27,745,071.92</u>                     |
| Excess in Revenue                                    |             | \$ 386,316.59                               | \$ 17,772.37                                |
| Adjustments to Income Before Fund Balance:           |             |   |   |
| Expenditures Included Above Which are by Statute     |             |   |   |
| Deferred Charges to Budget of Succeeding Year        |             |   | 200,000.00                                  |
| Statutory Excess to Fund Balance                     |             | \$ 386,316.59                               | \$ 217,772.37                               |
| Fund Balance, January 1                              | A           | 237,354.79                                  | 67,158.42                                   |
|  |             | <u>\$ 623,671.38</u>                        | <u>\$ 284,930.79</u>                        |
| Decreased by:  |             |   |   |
| Utilization as Anticipated Revenue                   | A-1:A-2     | 225,000.00                                  | 47,576.00                                   |
| Balance, December 31                                 | A           | <u>\$ 398,671.38</u>                        | <u>\$ 237,354.79</u>                        |

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

BOROUGH OF BOUND BROOK

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2013

|  |             | <u>ANTICIPATED</u> |                  | <u>EXCESS<br/>OR<br/>(DEFICIT)</u> |
|--|-------------|--------------------|------------------|------------------------------------|
|  | <u>REF.</u> | <u>BUDGET</u>      | <u>REALIZED</u>  |                                    |
| Fund Balance Anticipated   | A-1         | \$ 225,000.00      | \$ 225,000.00    |                                    |
| Miscellaneous Revenues:  |             |                    |                  |                                    |
| Licenses:  |             |                    |                  |                                    |
| Alcoholic Beverages  | A-12        | \$ 38,688.00       | \$ 42,938.00     | \$ 4,250.00                        |
| Other  | A-2         | 40,949.00          | 26,540.00        | (14,409.00)                        |
| Fees and Permits:  |             |                    |                  |                                    |
| Other  | A-2         | 36,334.00          | 39,901.96        | 3,567.96                           |
| Fines and Costs:   |             |                    |                  |                                    |
| Municipal Court  | A-12        | 343,000.00         | 343,000.00       |                                    |
| Interest and Cost on Taxes                                       | A-12        | 163,000.00         | 133,836.48       | (29,163.52)                        |
| Parking Meter - Municipal  | A-12        | 43,328.00          | 43,208.99        | (119.01)                           |
| Interest on Investments and Deposits                             | A-12        | 8,000.00           | 7,243.84         | (756.16)                           |
| Parking Lot Fees   | A-2         | 119,949.00         | 121,322.56       | 1,373.56                           |
| Refuse Disposal Fees   | A-2         | 462,408.00         | 439,183.36       | (23,224.64)                        |
| Consolidated Municipal Property Tax Relief Act                   | A-12        | 202,584.00         | 202,584.00       |                                    |
| Energy Receipts Tax  | A-12        | 916,126.00         | 916,125.72       | (0.28)                             |
| Uniform Construction Code Fees                                   | A-12        | 235,000.00         | 231,390.00       | (3,610.00)                         |
| Recycling Tonnage Grant  | A-7         | 5,080.79           | 5,080.79         |                                    |
| Alcohol Education Rehabilitation Fund                            | A-7         | 215.85             | 215.85           |                                    |
| Body Armor Replacement Fund                                      | A-7         | 2,514.01           | 2,514.01         |                                    |
| Drunk Driving Enforcement Fund                                   | A-7         | 5,901.92           | 5,901.92         |                                    |
| Emergency Management   | A-7         | 5,000.00           | 5,000.00         |                                    |
| Click It or Ticket   | A-7         | 8,175.00           | 8,175.00         |                                    |
| Somerset County Youth Athletic & Recreation Program              | A-7         | 9,637.89           | 9,637.89         |                                    |
| Somerset County Youth Services                                   | A-7         | 1,000.00           | 1,000.00         |                                    |
| Sewer Charges  | A-2         | 1,174,000.00       | 1,253,024.80     | 79,024.80                          |
| Cable T.V. Franchise Fee   | A-12        | 101,433.00         | 101,433.12       | 0.12                               |
| Uniform Fire Safety Act - LEA Rebates                            | A-12        | 13,000.00          | 12,924.60        | (75.40)                            |
| Inspection Fees  | A-12        | 67,999.00          | 58,333.00        | (9,666.00)                         |
| Rent from South Bound Brook Court                                | A-12        | 5,500.00           | 5,694.50         | 194.50                             |
| Train Station Rent   | A-12        | 20,800.00          | 22,800.00        | 2,000.00                           |
| Additional - Municipal Court                                     | A-12        | 17,000.00          | 3,118.88         | (13,881.12)                        |
| FEMA Reimbursements  | A-12        | 169,000.00         | 134,622.38       | (34,377.62)                        |
| Administrative Fees - Off Duty Police                            | A-12        | 44,262.00          | 42,411.61        | (1,850.39)                         |
| Sale of Property - Bolmer Property                               | A-12        | 100,000.00         | 100,000.00       |                                    |
| Bolmer - Sewer Charges   | A-12        | 120,000.00         |                  | (120,000.00)                       |
| Carriage Park - Sewer Charges                                    | A-12        | 35,000.00          |                  | (35,000.00)                        |
| Carriage Park Fees   | A-12        | 100,000.00         | 100,000.00       |                                    |
|  | A-1         | \$ 4,614,885.46    | \$ 4,419,163.26  | \$ (195,722.20)                    |
| Receipts from Delinquent Taxes                                   | A-1:A-8     | \$ 465,000.00      | \$ 472,882.75    | \$ 7,882.75                        |
| Amount to be Raised by Taxes for Support<br>of Municipal Budget: |             |                    |                  |                                    |
| Local Tax for Municipal Purposes                                 | A-2:A-8     | \$ 7,346,677.87    | \$ 7,426,660.82  | \$ 79,982.95                       |
| <u>Budget Totals</u>   |             | \$ 12,651,563.33   | \$ 12,543,706.83 | \$ (107,856.50)                    |
| Non-Budget Revenues  | A-2         |                    | 232,743.03       | 232,743.03                         |
|  |             | \$ 12,651,563.33   | \$ 12,776,449.86 | \$ 124,886.53                      |

REF. A-3

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

BOROUGH OF BOUND BROOK

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2013

| <u>ANALYSIS OF REALIZED REVENUES</u>                  | <u>REF.</u> |                        |
|---|-------------|------------------------|
| Allocation of Current Tax Collections:                |             |                        |
| Revenue from Collections                              | A-1:A-8     | \$ 22,587,664.98       |
| Allocated to:   |             |                        |
| School and County                                     |             | <u>15,839,198.16</u>   |
| Support of Municipal Budget Appropriations            |             | \$ 6,748,466.82        |
| Add: Appropriation Reserve for Uncollected Taxes      | A-3         | <u>678,194.00</u>      |
| Amount for Support of Municipal Budget Appropriations | A-2         | <u>\$ 7,426,660.82</u> |
| Other Licenses:                                       |             |                        |
| Clerk   | A-12        | \$ 12,555.00           |
| Registrar   | A-12        | 270.00                 |
| Board of Health                                       | A-12        | <u>13,715.00</u>       |
|   | A-2         | <u>\$ 26,540.00</u>    |
| Fees and Permits - Other:                             |             |                        |
| Clerk   | A-12        | \$ 4,730.00            |
| Police  | A-12        | 424.96                 |
| Building  | A-12        | 19,982.00              |
| Planning/ Other                                       | A-12        | 60.00                  |
| Alarm Registrations                                   | A-12        | 5,975.00               |
| Registrar   | A-12        | <u>8,730.00</u>        |
|   | A-2         | <u>\$ 39,901.96</u>    |
| Refuse Disposal Fees:                                 |             |                        |
| Collections:  |             |                        |
| Refuse Disposal Charges                               | A-12        | \$ 18,476.50           |
| Refuse Disposal Fees                                  | A-10        | <u>420,706.86</u>      |
|   | A-2         | <u>\$ 439,183.36</u>   |
| Sewer Rent Fees:                                      |             |                        |
| Collections:  |             |                        |
| Sewer Charges   | A-12        | \$ 236,928.00          |
| Sewer Rent Fees                                       | A-32        | <u>1,016,096.80</u>    |
|   | A-2         | <u>\$ 1,253,024.80</u> |

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



BOROUGH OF BOUND BROOK

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2013

|                  | <u>REF.</u> |                      |
|------------------|-------------|----------------------|
| Parking Lot Fees | A-12        | \$ 121,697.56        |
| Less: Refund     | A-4         | <u>375.00</u>        |
|                  | A-2         | <u>\$ 121,322.56</u> |

ANALYSIS OF NON-BUDGET REVENUE

|   |         |                      |
|---|---------|----------------------|
| Miscellaneous Revenue Not Anticipated:          |         |                      |
| Senior Citizens and Veterans Administration Fee |         | \$ 1,444.41          |
| Miscellaneous                                   |         | 76,379.53            |
| State DMV Inspections                           |         | 3,325.00             |
| Insurance Refunds and Dividend                  |         | 20,704.39            |
| Reimbursement of Costs                          |         | 83,261.32            |
| Light Iron Recycling                            |         | 1,276.20             |
| PILOT Administration                            |         | 2,500.00             |
| Utilities Authority                             |         | 34,058.29            |
| Clerk   |         | 3,154.14             |
| Taxes   |         | <u>6,715.00</u>      |
|   | A-4     | \$ 232,818.28        |
| Less: Refunds                                   | A-4     | <u>75.25</u>         |
|   | A-1:A-2 | <u>\$ 232,743.03</u> |

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

BOROUGH OF BOUND BROOK

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2013

|                                 | APPROPRIATIONS |                              | EXPENDED           |           | UNEXPENDED<br>BALANCE<br>CANCELED |
|---------------------------------|----------------|------------------------------|--------------------|-----------|-----------------------------------|
|                                 | BUDGET         | BUDGET AFTER<br>MODIFICATION | PAID OR<br>CHARGED | RESERVED  |                                   |
| <u>GENERAL GOVERNMENT</u>       |                |                              |                    |           |                                   |
| Administrative and Executive:   |                |                              |                    |           |                                   |
| Salaries and Wages              | \$ 76,030.00   | \$ 77,867.00                 | \$ 77,866.29       | \$ 0.71   | \$                                |
| Other Expenses                  | 25,340.00      | 27,840.00                    | 27,811.66          | 28.34     |                                   |
| Municipal Clerk:                |                |                              |                    |           |                                   |
| Salaries and Wages              | 109,862.00     | 112,600.00                   | 112,599.93         | 0.07      |                                   |
| Other Expenses                  | 10,800.00      | 10,800.00                    | 9,123.79           | 1,676.21  |                                   |
| Elections:                      |                |                              |                    |           |                                   |
| Salaries and Wages              | 650.00         | 660.00                       | 660.00             |           |                                   |
| Other Expenses                  | 1,900.00       | 1,900.00                     | 1,776.63           | 123.37    |                                   |
| Financial Administration:       |                |                              |                    |           |                                   |
| Salaries and Wages              | 119,215.00     | 110,362.00                   | 110,339.38         | 22.62     |                                   |
| Other Expenses                  | 15,000.00      | 15,000.00                    | 13,204.51          | 1,795.49  |                                   |
| Audit Services:                 |                |                              |                    |           |                                   |
| Other Expenses                  | 25,375.00      | 32,695.00                    | 32,695.00          |           |                                   |
| Assessment of Taxes:            |                |                              |                    |           |                                   |
| Salaries and Wages              | 19,622.00      | 19,623.00                    | 19,622.08          | 0.92      |                                   |
| Other Expenses                  | 2,000.00       | 3,000.00                     | 2,983.19           | 16.81     |                                   |
| Collection of Taxes:            |                |                              |                    |           |                                   |
| Salaries and Wages              | 85,651.00      | 83,741.00                    | 83,691.25          | 49.75     |                                   |
| Other Expenses                  | 15,475.00      | 17,875.00                    | 17,754.91          | 120.09    |                                   |
| Legal Services and Costs:       |                |                              |                    |           |                                   |
| Other Expenses                  | 170,000.00     | 220,000.00                   | 215,010.85         | 4,989.15  |                                   |
| Engineering Services and Costs: |                |                              |                    |           |                                   |
| Other Expenses                  | 70,000.00      | 105,000.00                   | 104,262.09         | 737.91    |                                   |
| Public Buildings and Grounds:   |                |                              |                    |           |                                   |
| Salaries and Wages              | 22,000.00      | 19,980.00                    | 19,760.00          | 220.00    |                                   |
| Other Expenses                  | 47,000.00      | 48,900.00                    | 48,845.78          | 54.22     |                                   |
| Inspection Department:          |                |                              |                    |           |                                   |
| Salaries and Wages              | 65,624.00      | 58,224.00                    | 57,699.26          | 524.74    |                                   |
| Other Expenses                  | 3,000.00       | 3,000.00                     | 2,598.14           | 401.86    |                                   |
| Planning Board:                 |                |                              |                    |           |                                   |
| Salaries and Wages              | 14,142.00      | 15,358.00                    | 15,357.06          | 0.94      |                                   |
| Other Expenses                  | 5,000.00       | 6,520.00                     | 6,519.21           | 0.79      |                                   |
| Shade Tree Commission:          |                |                              |                    |           |                                   |
| Other Expenses                  | 14,400.00      | 14,400.00                    | 14,080.00          | 320.00    |                                   |
| Public Defender:                |                |                              |                    |           |                                   |
| Other Expenses                  | 8,000.00       | 8,000.00                     | 7,650.00           | 350.00    |                                   |
| Economic Development Program:   |                |                              |                    |           |                                   |
| Other Expenses                  | 7,500.00       | 6,100.00                     | 57.00              | 6,043.00  |                                   |
| <u>PUBLIC SAFETY</u>            |                |                              |                    |           |                                   |
| Municipal Court:                |                |                              |                    |           |                                   |
| Salaries and Wages              | 220,804.00     | 218,604.00                   | 218,486.23         | 117.77    |                                   |
| Other Expenses                  | 22,000.00      | 21,000.00                    | 19,022.19          | 1,977.81  |                                   |
| Fire:                           |                |                              |                    |           |                                   |
| Other Expenses                  | 86,000.00      | 86,000.00                    | 83,039.20          | 2,960.80  |                                   |
| Fire Bureau Safety:             |                |                              |                    |           |                                   |
| Salaries and Wages              | 60,000.00      | 57,258.00                    | 57,082.84          | 175.16    |                                   |
| Other Expenses                  | 4,475.00       | 3,475.00                     | 2,890.33           | 584.67    |                                   |
| Police:                         |                |                              |                    |           |                                   |
| Salaries and Wages              | 2,900,000.00   | 2,860,000.00                 | 2,833,307.74       | 26,692.26 |                                   |
| Other Expenses                  | 146,455.00     | 144,955.00                   | 137,249.93         | 7,705.07  |                                   |
| Insurance:                      |                |                              |                    |           |                                   |
| Salaries and Wages              |                |                              |                    |           |                                   |
| Other Insurance                 | 392,800.00     | 392,800.00                   | 392,793.40         | 6.60      |                                   |
| Health Benefits                 | 1,309,440.00   | 1,303,462.00                 | 1,281,558.74       | 21,903.26 |                                   |
| Parking Meter Maintenance:      |                |                              |                    |           |                                   |
| Salaries and Wages              | 22,000.00      | 22,000.00                    | 21,014.36          | 985.64    |                                   |
| Other Expenses                  | 3,500.00       | 3,500.00                     | 2,797.37           | 702.63    |                                   |
| First Aid Organization:         |                |                              |                    |           |                                   |
| Other Expenses                  | 45,000.00      | 45,000.00                    | 45,000.00          |           |                                   |
| Emergency Management Services:  |                |                              |                    |           |                                   |
| Other Expenses                  | 4,000.00       | 2,977.00                     | 1,474.52           | 1,502.48  |                                   |
| <u>STREETS AND ROADS</u>        |                |                              |                    |           |                                   |
| Road Repairs and Maintenance:   |                |                              |                    |           |                                   |
| Salaries and Wages              | 446,324.00     | 411,324.00                   | 400,362.88         | 10,961.12 |                                   |
| Other Expenses                  | 55,000.00      | 53,200.00                    | 40,976.61          | 12,223.39 |                                   |
| Garbage and Trash Removal:      |                |                              |                    |           |                                   |
| Other Expenses                  | 325,524.00     | 329,524.00                   | 329,028.87         | 495.13    |                                   |
| Recycling Contingency Fund      |                |                              |                    |           |                                   |
| Other Expenses                  | 86,308.00      | 86,308.00                    | 71,824.45          | 14,483.55 |                                   |

BOROUGH OF BOUND BROOK  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2013

|  | <u>APPROPRIATIONS</u>  |                                      | <u>EXPENDED</u>            |                      | <u>UNEXPENDED<br/>BALANCE<br/>CANCELED</u> |
|--|------------------------|--------------------------------------|----------------------------|----------------------|--|
|  | <u>BUDGET</u>          | <u>BUDGET AFTER<br/>MODIFICATION</u> | <u>PAID OR<br/>CHARGED</u> | <u>RESERVED</u>      |  |
| <u>HEALTH AND WELFARE</u>  |                        |                                      |                            |                      |  |
| Board of Health:   |                        |                                      |                            |                      |  |
| Other Expenses   | \$ 85,996.00           | \$ 85,996.00                         | \$ 85,996.00               |                      | \$   |
| Dog Regulation   | 10,000.00              | 10,000.00                            | 10,000.00                  |                      |  |
| Senior Citizens  | 3,000.00               | 3,000.00                             |                            | 3,000.00             |  |
| PEOSHA Act - Board of Health                                     | 500.00                 | 500.00                               |                            | 500.00               |  |
| <u>RECREATION AND EDUCATION</u>                                  |                        |                                      |                            |                      |  |
| Parks and Playgrounds:   |                        |                                      |                            |                      |  |
| Other Expenses   | 16,000.00              | 16,000.00                            | 13,050.72                  | 2,949.28             |  |
| Board of Recreation Commissioners (R.S.40:12-1):                 |                        |                                      |                            |                      |  |
| Salaries and Wages   | 72,609.00              | 75,343.00                            | 73,818.72                  | 1,524.28             |  |
| Other Expenses   | 16,000.00              | 16,000.00                            | 15,556.69                  | 443.31               |  |
| Celebration of Public Event, Anniversary or Holiday (40:58-5.4): |                        |                                      |                            |                      |  |
| Other Expenses   | 5,000.00               | 689.00                               | 662.81                     | 26.19                |  |
| Construction Official:   |                        |                                      |                            |                      |  |
| Salaries and Wages   | 76,639.00              | 70,639.00                            | 70,518.67                  | 120.33               |  |
| Other Expenses   | 5,500.00               | 3,180.00                             | 2,939.50                   | 240.50               |  |
| Unclassified:  |                        |                                      |                            |                      |  |
| Gasoline   | 80,000.00              | 80,000.00                            | 74,076.05                  | 5,923.95             |  |
| Telephone and Telegraph  | 55,000.00              | 55,000.00                            | 49,133.88                  | 5,866.12             |  |
| Street Lighting  | 150,000.00             | 156,900.00                           | 156,882.35                 | 17.65                |  |
| Fire Hydrant Service   | 108,000.00             | 108,000.00                           | 98,738.75                  | 9,261.25             |  |
| Electric Heat  | 130,000.00             | 138,900.00                           | 138,878.70                 | 21.30                |  |
| Water  | 20,000.00              | 22,000.00                            | 21,950.06                  | 49.94                |  |
| <u>TOTAL OPERATIONS</u>  | <u>\$ 7,897,460.00</u> | <u>\$ 7,902,979.00</u>               | <u>\$ 7,752,080.57</u>     | <u>\$ 150,898.43</u> | <u>\$</u>                                  |
| CONTINGENT   | \$ 500.00              | \$ 500.00                            |                            | \$ 500.00            | \$   |
| <u>TOTAL OPERATIONS INCLUDING CONTINGENT</u>                     | <u>\$ 7,897,960.00</u> | <u>\$ 7,903,479.00</u>               | <u>\$ 7,752,080.57</u>     | <u>\$ 151,398.43</u> | <u>\$</u>                                  |
| <u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>               |                        |                                      |                            |                      |  |
| Cash Deficit   | \$ 3,423.87            | \$ 3,423.87                          | \$ 3,423.87                |                      | \$   |
| Deficit- Capital Improvement Fund                                | 5,521.00               | 5,521.00                             | 5,521.00                   |                      |  |
| Contribution To:   |                        |                                      |                            |                      |  |
| Social Security System (O.A.S.I.)                                | 175,000.00             | 163,500.00                           | 163,336.22                 | 163.78               |  |
| Public Employees Retire System                                   | 178,697.00             | 178,697.00                           | 178,697.00                 |                      |  |
| Police and Firemen's Retire System of NJ                         | 619,278.00             | 619,278.00                           | 619,278.00                 |                      |  |
| State Unemployment Insurance                                     | 30,000.00              | 35,978.00                            | 35,977.55                  | 0.45                 |  |
| <u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>         | <u>\$ 1,011,919.87</u> | <u>\$ 1,006,397.87</u>               | <u>\$ 1,006,233.64</u>     | <u>\$ 164.23</u>     | <u>\$</u>                                  |
| <u>TOTAL GENERAL APPROPRIATIONS WITHIN "CAPS"</u>                | <u>\$ 8,909,879.87</u> | <u>\$ 8,909,876.87</u>               | <u>\$ 8,758,314.21</u>     | <u>\$ 151,562.66</u> | <u>\$</u>                                  |
| <u>OPERATIONS EXCLUDED FROM "CAPS"</u>                           |                        |                                      |                            |                      |  |
| Sewerage Authority (40:14A-8):                                   |                        |                                      |                            |                      |  |
| Share of Costs   | \$ 978,000.00          | \$ 978,000.00                        | \$ 975,104.86              | \$ 2,895.14          | \$   |
| Length of Service Award Program - (LOSAP)                        | 40,000.00              | 40,000.00                            |                            | 40,000.00            |  |
| <u>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"</u>             | <u>\$ 1,018,000.00</u> | <u>\$ 1,018,000.00</u>               | <u>\$ 975,104.86</u>       | <u>\$ 42,895.14</u>  | <u>\$</u>                                  |
| <u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>            |                        |                                      |                            |                      |  |
| Emergency Management   | \$ 5,000.00            | \$ 5,000.00                          | \$ 5,000.00                |                      | \$   |
| Somerset County Youth Services                                   | 1,000.00               | 1,000.00                             | 1,000.00                   |                      |  |
| Alcohol Education and Rehabilitation                             | 215.85                 | 215.85                               | 215.85                     |                      |  |
| Body Armor Replacement Fund                                      | 2,514.01               | 2,514.01                             | 2,514.01                   |                      |  |
| Somerset County Youth Athletic and Recreation                    | 9,637.89               | 9,637.89                             | 9,637.89                   |                      |  |
| Recycling Tonnage Grant  | 5,080.79               | 5,080.79                             | 5,080.79                   |                      |  |
| Click It or Ticket   | 8,175.00               | 8,175.00                             | 8,175.00                   |                      |  |
| Drunk Driving Enforcement Fund                                   | 5,901.92               | 5,901.92                             | 5,901.92                   |                      |  |
| <u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>      | <u>\$ 37,525.46</u>    | <u>\$ 37,525.46</u>                  | <u>\$ 37,525.46</u>        | <u>\$</u>            | <u>\$</u>                                  |
| <u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>                   | <u>\$ 1,055,525.46</u> | <u>\$ 1,055,525.46</u>               | <u>\$ 1,012,630.32</u>     | <u>\$ 42,895.14</u>  | <u>\$</u>                                  |

BOROUGH OF BOUND BROOK  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2013

|   | APPROPRIATIONS          |                              | EXPENDED                |                      | UNEXPENDED<br>BALANCE<br>CANCELED |
|---|-------------------------|------------------------------|-------------------------|----------------------|-----------------------------------|
|   | BUDGET                  | BUDGET AFTER<br>MODIFICATION | PAID OR<br>CHARGED      | RESERVED             |                                   |
| <u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>                                |                         |                              |                         |                      |                                   |
| Capital Improvement Fund  | \$ 125,000.00           | \$ 125,000.00                | \$ 125,000.00           | \$                   | \$                                |
| <u>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>                          | <u>\$ 125,000.00</u>    | <u>\$ 125,000.00</u>         | <u>\$ 125,000.00</u>    | <u>\$</u>            | <u>\$</u>                         |
| <u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>                              |                         |                              |                         |                      |                                   |
| Payment of Bond Principal   | \$ 755,000.00           | \$ 755,000.00                | \$ 755,000.00           | \$                   | \$                                |
| Payment of Bond Anticipation Notes and Capital Notes                            | 102,500.00              | 102,500.00                   | 102,500.00              |                      |                                   |
| Interest on Bonds   | 376,302.00              | 376,302.00                   | 376,301.25              |                      | 0.75                              |
| Interest on Notes   | 74,250.00               | 74,250.00                    | 74,043.74               |                      | 206.26                            |
| Somerset County Improvement Authority:<br>Capital Lease Program - After 7/1/07: |                         |                              |                         |                      |                                   |
| Principal   | 38,910.00               | 38,910.00                    | 38,910.00               |                      |                                   |
| Interest  | 2,170.00                | 2,170.00                     | 2,166.42                |                      | 3.58                              |
| Infrastructure Trust:   |                         |                              |                         |                      |                                   |
| Principal   | 10,410.00               | 10,413.00                    | 10,413.00               |                      |                                   |
| Interest  | 945.00                  | 945.00                       | 944.14                  |                      | 0.86                              |
| <u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>                        | <u>\$ 1,360,487.00</u>  | <u>\$ 1,360,490.00</u>       | <u>\$ 1,360,278.55</u>  | <u>\$</u>            | <u>\$ 211.45</u>                  |
| <u>DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM CAPS</u>                            |                         |                              |                         |                      |                                   |
| Emergency Authorizations  | \$ 206,258.00           | \$ 206,258.00                | \$ 206,258.00           | \$                   | \$                                |
| Special Emergency Authorizations-5 years (N.J.S.A. 40A:4-55)                    | 100,000.00              | 100,000.00                   | 100,000.00              |                      |                                   |
| Deferred Unfunded #12-14: Refunding Bonds - Hurricane Irene                     | 73,334.00               | 73,334.00                    | 73,334.00               |                      |                                   |
| <u>TOTAL DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM CAPS</u>                      | <u>\$ 379,592.00</u>    | <u>\$ 379,592.00</u>         | <u>\$ 379,592.00</u>    | <u>\$</u>            | <u>\$</u>                         |
| Transferred to Board of Education for Use of Schools                            | 142,885.00              | 142,885.00                   | 142,885.00              |                      |                                   |
| <u>TOTAL GENERAL APPROPRIATIONS EXCLUDED FROM "CAPS"</u>                        | <u>\$ 3,063,489.46</u>  | <u>\$ 3,063,492.46</u>       | <u>\$ 3,020,385.87</u>  | <u>\$ 42,895.14</u>  | <u>\$ 211.45</u>                  |
| <u>SUB-TOTAL GENERAL APPROPRIATIONS</u>   | <u>\$ 11,973,369.33</u> | <u>\$ 11,973,369.33</u>      | <u>\$ 11,778,700.08</u> | <u>\$ 194,457.80</u> | <u>\$ 211.45</u>                  |
| <u>RESERVE FOR UNCOLLECTED TAXES</u>  | <u>\$ 678,194.00</u>    | <u>\$ 678,194.00</u>         | <u>\$ 678,194.00</u>    | <u>\$</u>            | <u>\$</u>                         |
| <u>TOTAL GENERAL APPROPRIATIONS</u>   | <u>\$ 12,651,563.33</u> | <u>\$ 12,651,563.33</u>      | <u>\$ 12,456,894.08</u> | <u>\$ 194,457.80</u> | <u>\$ 211.45</u>                  |
|   | <u>REF.</u>             | A-2:A-3                      | A-3                     | A-1                  | A:A-1                             |
| Reserve for Uncollected Taxes   | A-2                     |                              |                         | \$ 678,194.00        |                                   |
| Disbursements   | A-4                     |                              |                         | 11,541,366.33        |                                   |
| Accounts Payable  | A-17                    |                              |                         | 66,361.99            |                                   |
| Deferred Charges  | A-33                    |                              |                         | 309,681.87           |                                   |
| Reserve for Grants Appropriated   | A-21                    |                              |                         | 37,525.46            |                                   |
|   |                         |                              |                         | \$ 12,633,129.65     |                                   |
| Less: Refunds   | A-4                     |                              |                         | 176,235.57           |                                   |
|   |                         |                              |                         | \$ 12,456,894.08     |                                   |

TRUST FUND

BOROUGH OF BOUND BROOK

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

|  | <u>REF.</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2013</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2012</u> |
|--|-------------|--|--|
| <u>ASSETS</u>  |             |  |  |
| Assessment Fund:                                       |             |  |  |
| Cash   | B-2:B-14    | \$ 15,786.01                             | \$ 15,785.90                             |
| Assessments Receivable                                 | B-13        | 3,641.64                                 | 3,641.64                                 |
|  |             | <u>\$ 19,427.65</u>                      | <u>\$ 19,427.54</u>                      |
| Animal Control Trust Fund:                             |             |  |  |
| Cash   | B-2         | \$ 2,940.80                              | \$ 25,547.73                             |
| Due State of New Jersey                                | B-8         | 1.00                                     |  |
| Deficit in Reserve for Expenditures                    | B-3         | 22,179.04                                |  |
|  |             | <u>\$ 25,120.84</u>                      | <u>\$ 25,547.73</u>                      |
| Other Funds:   |             |  |  |
| Cash   | B-2         | \$ 1,318,980.90                          | \$ 1,244,944.86                          |
| Due From State of New Jersey - Police Outside Overtime | B-12        | 34,968.65                                | 29,187.14                                |
| Due Current Fund                                       | B-6         | 47,466.77                                | 11,225.64                                |
| Due General Capital Fund                               | B-5         | 400,000.00                               | 400,000.00                               |
|  |             | <u>\$ 1,801,416.32</u>                   | <u>\$ 1,685,357.64</u>                   |
|  |             | <u>\$ 1,845,964.81</u>                   | <u>\$ 1,730,332.91</u>                   |

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

BOROUGH OF BOUND BROOK

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

|   | <u>REF.</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2013</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2012</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> |             |  |  |
| Assessment Fund:                              |             |  |  |
| Due Current Fund                              | B-6         | \$ 174.55                                | \$ 174.44                                |
| Overpayments                                  | B-10        | 2,254.06                                 | 2,254.06                                 |
| Reserve for Assessments                       | B-7         | 445.74                                   | 445.74                                   |
| Fund Balance                                  | B-1         | 16,553.30                                | 16,553.30                                |
|   |             | <u>\$ 19,427.65</u>                      | <u>\$ 19,427.54</u>                      |
| Animal Control Trust Fund:                    |             |  |  |
| Prepaid Animal Licenses                       | B-11        | \$ 1,250.00                              | \$ 294.00                                |
| Due Current Fund                              | B-6         | 23,870.84                                | 23,954.95                                |
| Due State of New Jersey                       | B-8         |  | 12.20                                    |
| Reserve for Expenditures                      | B-3         |  | 1,286.58                                 |
|   |             | <u>\$ 25,120.84</u>                      | <u>\$ 25,547.73</u>                      |
| Other Funds:                                  |             |  |  |
| Reserve for:                                  |             |  |  |
| Miscellaneous Trust                           | B-4         | 1,770,334.36                             | 1,675,679.67                             |
| Accounts Payable                              | B-9         | 31,081.96                                | 9,677.97                                 |
|   |             | <u>\$ 1,801,416.32</u>                   | <u>\$ 1,685,357.64</u>                   |
|   |             | <u>\$ 1,845,964.81</u>                   | <u>\$ 1,730,332.91</u>                   |

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

BOROUGH OF BOUND BROOK

TRUST FUND

STATEMENT OF FUND BALANCE - ASSESSMENT TRUST FUND - REGULATORY BASIS

|   | <u>REF.</u> |                     |
|---|-------------|---------------------|
| Balance, December 31, 2013<br>and December 31, 2012 | B           | \$ <u>16,553.30</u> |

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



GENERAL CAPITAL FUND

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

|  | <u>REF.</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2013</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2012</u> |
|--|-------------|--|--|
| <u>A S S E T S</u>                             |             |  |  |
| Cash   |             | \$ 3,494,895.76                          | \$ 16,804.19                             |
| Investments                                    |             |  | 100,000.00                               |
|  | C-2:C-3     | \$ 3,494,895.76                          | \$ 116,804.19                            |
| Deferred Charges to Future Taxation - Funded   | C-5         | 8,898,384.99                             | 9,663,315.35                             |
| Deferred Charges to Future Taxation - Unfunded | C-12        | 15,510,893.49                            | 13,867,343.51                            |
| Due from State of New Jersey                   | C-9         | 832,657.15                               | 669,240.13                               |
| Due Current Fund                               | C-6         | 99,687.99                                |  |
| Capital Improvement Fund Deficit               | C-7         |  | 5,521.00                                 |
|  |             | <u>\$ 28,836,519.38</u>                  | <u>\$ 24,322,224.18</u>                  |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u>  |             |  |  |
| General Serial Bonds Payable                   | C-11        | \$ 8,785,000.00                          | \$ 9,540,000.00                          |
| Contracts Payable                              | C-4         | 447,314.98                               | 2,899,028.99                             |
| Improvement Authorizations:                    |             |  |  |
| Funded   | C-8         | 1,121,107.24                             | 1,185,569.80                             |
| Unfunded                                       | C-8         | 5,586,868.17                             | 4,822,256.57                             |
| Capital Improvement Fund                       | C-7         | 23,750.00                                |  |
| Due Current Fund                               | C-6         |  | 2,053.47                                 |
| Due Grant Fund                                 | C-13        |  | 400,000.00                               |
| Due Trust Other Fund                           | C-10        | 400,000.00                               | 400,000.00                               |
| Bond Anticipation Notes                        | C-15        | 12,319,500.00                            | 4,950,000.00                             |
| Reserve for Infrastructure Loan Payable        | C-14        | 113,384.99                               | 123,315.35                               |
| Fund Balance                                   | C-1         | 39,594.00                                |  |
|  |             | <u>\$ 28,836,519.38</u>                  | <u>\$ 24,322,224.18</u>                  |

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

BOROUGH OF BOUND BROOK  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE-REGULATORY BASIS

|                            | <u>REF.</u> |                            |
|----------------------------|-------------|----------------------------|
| Increased by:              |             |                            |
| Receipts                   | C-2         | \$ <u>39,594.00</u>        |
| Balance, December 31, 2013 | C           | \$ <u><u>39,594.00</u></u> |

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

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PUBLIC ASSISTANCE TRUST FUND

BOROUGH OF BOUND BROOK  
PUBLIC ASSISTANCE TRUST FUND  
BALANCE SHEETS - REGULATORY BASIS

|                                 | <u>REF.</u> | BALANCE<br>DECEMBER<br><u>31, 2013</u> | BALANCE<br>DECEMBER<br><u>31, 2012</u> |
|---------------------------------|-------------|--|--|
| <u>ASSETS</u>                   |             |  |  |
| Cash:                           |             |  |  |
| Public Assistance Trust Fund I  | E-1:E-2     | \$                                     | \$ 2,654.78                            |
| Due Current Fund                | E-3         | _____                                  | _____ 0.09                             |
|                                 |             | \$ <u>_____</u>                        | \$ <u>2,654.87</u>                     |
| <u>LIABILITIES AND RESERVES</u> |             |  |  |
| Reserve for:                    |             |  |  |
| Public Assistance Trust Fund I  |             | \$ _____                               | \$ _____ 2,654.87                      |
|                                 |             | \$ <u>_____</u>                        | \$ <u>2,654.87</u>                     |

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF BOUND BROOK

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

Except as noted below the financial statements of the Borough of Bound Brook include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Bound Brook as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Bound Brook do not include the operations of the Municipal Library and the Local Board of Education inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Bound Brook conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Bound Brook are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set for self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services the Borough accounts for its financial transactions through the following individual funds and account groups:



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

Public Assistance Trust Fund - receipt and disbursement for funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

General Fixed Asset Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

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

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

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

Interfunds - 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. GAAP does not require the establishment of an offsetting reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C . Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Estimated historical cost for land acquired before 1986 is the assessed value determined at the last revaluation prior to December 31, 1985.

Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital, have not been accounted for separately.

Inventories of 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. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP.

The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Restatement/Reclassifications of Prior Balances

Certain accounts have been restated in the prior year to conform to categories established in the current fiscal year. None of these restated accounts were material to the financial statements taken as a whole.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Under GUDPA, if a public depository fails, the collateral it has pledged plus the collateral of all other public depositories is available to

The Borough of Bound Brook had the following cash and cash equivalents at December 31, 2013:

|                      | <u>Change<br/>Fund</u> | <u>Cash in<br/>Bank</u> | <u>Additions</u>    | <u>Deletions</u>    | <u>Reconciled<br/>Balance</u> |
|----------------------|------------------------|-------------------------|---------------------|---------------------|-------------------------------|
| Current Fund         | \$400.00               | \$1,184,017.60          | \$152,129.63        | \$136,142.36        | \$1,200,004.87                |
| Assessment Fund      |                        | 15,786.01               |                     |                     | 15,786.01                     |
| Animal Control Fund  |                        | 2,945.00                |                     | 4.20                | 2,940.80                      |
| Trust Other Fund     |                        | 1,326,469.45            | 55.60               | 7,544.15            | 1,318,980.90                  |
| General Capital Fund |                        | 3,403,186.60            | 102,500.00          | 10,790.84           | 3,494,895.76                  |
|                      | <u>\$400.00</u>        | <u>\$5,932,404.66</u>   | <u>\$254,685.23</u> | <u>\$154,481.55</u> | <u>\$6,032,608.34</u>         |

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2012, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$5,932,404.66, \$500,000.00 was covered by Federal Depository Insurance and \$5,393,137.19 was covered under the provisions of NJGUDPA. The New Jersey Cash Management Fund is an investment pool and is not covered by either FDIC or GUDPA.

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a 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 obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2013, the Borough has \$39,267.47 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT

|  | <u>YEAR 2013</u>               | <u>YEAR 2012</u>               | <u>YEAR 2011</u>               |
|--|--------------------------------|--------------------------------|--------------------------------|
| Issued:  |                                |                                |                                |
| General:   |                                |                                |                                |
| Bonds, Notes and Loans   | \$ <u>21,217,864.99</u>        | \$ <u>14,613,315.35</u>        | \$ <u>15,353,245.06</u>        |
| Less:  |                                |                                |                                |
| Reserve to Pay Debt Service  | \$ 11,974.02                   | \$ 90,539.13                   | \$ 133,245.06                  |
| Cash on Hand to Pay Notes  | <u>11,974.02</u>               | <u>90,539.13</u>               | <u>133,245.06</u>              |
| Total Deductions   | \$ <u>11,974.02</u>            | \$ <u>90,539.13</u>            | \$ <u>133,245.06</u>           |
| Net Debt Issued  | \$ <u>21,205,890.97</u>        | \$ <u>14,522,776.22</u>        | \$ <u>15,220,000.00</u>        |
| <u>Authorized But Not Issued</u>                                   |                                |                                |                                |
| General:   |                                |                                |                                |
| Bonds and Notes  | \$ <u>3,203,367.51</u>         | \$ <u>9,007,882.64</u>         | \$ <u>7,543,548.00</u>         |
| Total Authorized But Not Issued                                    | \$ <u>3,203,367.51</u>         | \$ <u>9,007,882.64</u>         | \$ <u>7,543,548.00</u>         |
| Net Bonds, Notes and Loans Issued<br>and Authorized But Not Issued | \$ <u><u>24,409,258.48</u></u> | \$ <u><u>23,530,658.86</u></u> | \$ <u><u>22,763,548.00</u></u> |

NOTE 3: LONG-TERM DEBT

SUMMARY OF STATUTORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 3.142%.

|                | <u>GROSS DEBT</u>       | <u>DEDUCTIONS</u>      | <u>NET DEBT</u>         |
|----------------|-------------------------|------------------------|-------------------------|
| School Debt    | \$ 1,640,000.00         | \$ 1,640,000.00        | \$                      |
| General Debt   | <u>24,421,232.50</u>    | <u>11,974.02</u>       | <u>24,409,258.48</u>    |
| Total Net Debt | <u>\$ 26,061,232.50</u> | <u>\$ 1,651,974.02</u> | <u>\$ 24,409,258.48</u> |

NET DEBT \$24,409,258.48 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$776,968,089.33 EQUALS 3.142%.

BORROWING POWER UNDER N.J.S.A.40A:2-6 AS AMENDED

|  |                          |
|--|--------------------------|
| Equalized Valuation Basis* - December 31, 2013 | \$ <u>776,968,089.33</u> |
| 3-1/2 of Equalized Valuation Basis             | \$ 27,193,883.13         |
| Net Debt                                       | <u>24,409,258.48</u>     |
| Remaining Borrowing Power                      | \$ <u>2,784,624.65</u>   |

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



NOTE 3: LONG-TERM DEBT (CONTINUED)

LONG-TERM DEBT

General Serial Bonds:

|   |                        |
|---|------------------------|
| \$9,672,000.00 General Improvement Bonds of 2008 due in annual installments of \$325,000.00 to \$650,000.00 through 2026 at an interest rate of 3.750% to 4.000%  | \$ 7,797,000.00        |
| \$4,513,000.00 General Improvement Bonds of 2001 due in annual installments of \$170,000.00 to \$328,000.00 through 2016 at an interest rate of 4.125% to 4.625%. | <u>988,000.00</u>      |
|   | <u>\$ 8,785,000.00</u> |

Infrastructure Loans:

|   |                      |
|---|----------------------|
| \$110,021.00 Infrastructure Loan Fund of 2010 due in annual installments of \$5000.95 to 7,501.59 through 2024 at no interest.                            | \$ 82,515.79         |
| \$38,140.00 Infrastructure Loan trust of 2010 due in annual installments of \$2,413.57 to \$3,253.51 through 2024 at an interest rate of .610% to 3.720%. | <u>30,849.20</u>     |
|   | <u>\$ 113,364.99</u> |

Improvement Authority Loan:

|   |                     |
|---|---------------------|
| \$116,749.94 Improvement Authority Loan of 2011 due in annual installments of \$37,865.79 to \$39,977.05 through 2014 at an interest rate of 2.75%. | <u>\$ 39,977.05</u> |
|---|---------------------|

Bond Anticipation Notes:

\$4,163,000.00 Bond Anticipation Note in the General Capital Fund, issued 4/23/13 and maturing 4/23/14, at an interest rate of 1.50%.

\$4,756,500.00 Bond Anticipation Note in the General Capital Fund, issued 6/7/13 and maturing 4/23/14, at an interest rate of 1.125%.

\$3,400,000.00 Bond Anticipation Note in the General Capital Fund, issued 12/19/13 and maturing 12/19/14, at an interest rate of 1.250%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND  
INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING  
DECEMBER 31, 2013

| CALENDAR<br>YEAR | GENERAL               |                       | TOTAL                  |
|------------------|-----------------------|-----------------------|------------------------|
|                  | PRINCIPAL             | INTEREST              |                        |
| 2014             | \$780,000.00          | \$355,031.25          | \$1,135,031.25         |
| 2015             | 805,000.00            | 323,306.25            | 1,128,306.25           |
| 2016             | 828,000.00            | 290,050.00            | 1,118,050.00           |
| 2017             | 600,000.00            | 254,880.00            | 854,880.00             |
| 2018             | 625,000.00            | 230,880.00            | 855,880.00             |
| 2019             | 625,000.00            | 205,880.00            | 830,880.00             |
| 2020             | 625,000.00            | 180,880.00            | 805,880.00             |
| 2021             | 650,000.00            | 155,880.00            | 805,880.00             |
| 2022             | 650,000.00            | 129,880.00            | 779,880.00             |
| 2023             | 650,000.00            | 103,880.00            | 753,880.00             |
| 2024             | 650,000.00            | 77,880.00             | 727,880.00             |
| 2025             | 650,000.00            | 51,880.00             | 701,880.00             |
| 2026             | 647,000.00            | 25,880.00             | 672,880.00             |
|                  | <u>\$8,785,000.00</u> | <u>\$2,386,187.50</u> | <u>\$11,171,187.50</u> |

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2013, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014 are as follows:

|              |              |
|--------------|--------------|
| Current Fund | \$325,000.00 |
|--------------|--------------|

NOTE 5: PROPERTY TAXES

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

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

|               | BALANCE<br>DECEMBER<br><u>31, 2013</u> | BALANCE<br>DECEMBER<br><u>31, 2012</u> |
|---------------|--|--|
| Prepaid Taxes | \$ <u>66,513.92</u>                    | \$ <u>61,149.72</u>                    |

NOTE 6: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused vacation and sick pay over the life of their working careers, which may be taken as time off, or paid at a later date, at an agreed upon rate. A reasonable estimate of such unpaid compensation is not readily available from the Borough but is probably material. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2013.

NOTE 7: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2013, the Borough does not believe that any material liabilities will result from such audits.

NOTE 8: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System, the Police and Firemen's Retirement System, and the Defined Contribution Retirement Program (DCRP). The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the cost are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$797,975.00 for 2013, \$740,495.00 for 2012, and \$764,310.00 for 2011.

Certain Borough employees are also covered by Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 9: LITIGATION, CLAIMS AND JUDGMENTS

The Borough Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Borough's insurance carrier or would have a material financial impact on the Borough.

NOTE 10: DEFERRED COMPENSATION PLAN

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Borough employees, permits them to defer a portion of their salaries until future years. The Borough does not make any contribution to the Plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of the Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The Plans are administered by the Equitable Insurance Company and Valic Company.

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities.

NOTE 11: 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. The Borough maintains commercial insurance coverage covering each of those risks of loss through the Middlesex County Municipal Joint Insurance Fund. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough.

NOTE 12: LENGTH OF SERVICE AWARDS PROGRAM

During 2001, the Borough of Bound Brook adopted an ordinance establishing a Length of Service Awards Program for the members of the Bound Brook Fire Department pursuant to N.J.S.A. 40A:14-183 et seq.

Under this program, each volunteer of the Bound Brook Fire Department that performs the minimum amount of service will have an annual amount of \$400.00 deposited into a tax deferred income account that will earn interest for the volunteer. The Borough budgeted \$40,000.00 for the program in 2013.

The accompanying financial statements do not include the Borough's Length of Service Awards Program's activities. The Borough's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations.

NOTE 13: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown:

|   | Balance<br>December<br>31, 2013 | Amount<br>Included in<br>2014 Budget | Amount<br>Deferred To<br>Succeeding<br>Year's Budget |
|---|---------------------------------|--------------------------------------|--|
| Animal Control Fund<br>Deficit in Reserve<br>For Expenditures | <u>\$22,179.04</u>              | <u>\$21,249.04</u>                   | <u>\$930.00</u>                                      |

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2013:

| <u>Fund</u>          | <u>Interfund<br/>Receivables</u> | <u>Interfund<br/>Payables</u> |
|----------------------|----------------------------------|-------------------------------|
| Current Fund         | \$ 24,045.39                     | \$ 451,572.92                 |
| Grant Fund           | 304,418.16                       |                               |
| Assessment Fund      |                                  | 174.55                        |
| Animal Control Fund  |                                  | 23,870.84                     |
| Trust Other Fund     | 447,466.77                       |                               |
| General Capital Fund | <u>99,687.99</u>                 | <u>400,000.00</u>             |
|                      | <u>\$ 875,618.31</u>             | <u>\$ 875,618.31</u>          |

All Interfund balances resulted from the time lag between the dates that payments between funds are made.

NOTE 15: GASB 45 – OTHER POST-RETIREMENT BENEFITS

Plan Description. The Borough contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit postemployment 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. 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, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions>.

Funding Policy. Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Borough's contributions to SHBP for the years ended December 31, 2013, 2012, and 2011 were \$1,305,054.65, \$1,175,894.37, and \$1,033,219.76, respectively, which equaled the required contributions for each year.

BOROUGH OF BOUND BROOK

SUPPLEMENTARY DATA AND SCHEDULES

YEAR ENDED DECEMBER 31, 2013

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

|  | <u>REF.</u> | <u>CURRENT FUND</u>    | <u>GRANT FUND</u> |
|--|-------------|------------------------|-------------------|
| Balance, December 31, 2012                                 | A           | \$ 1,014,276.42        | \$ -0-            |
| Increased by Receipts:                                     |             |                        |                   |
| Miscellaneous Revenue Not Anticipated                      | A-2         | \$ 232,818.28          | \$                |
| Revenue Accounts Receivable                                | A-12        | 2,945,209.14           |                   |
| Property Taxes Receivable                                  | A-8         | 22,903,442.42          |                   |
| Petty Cash   | A-6         | 200.00                 |                   |
| Tax Overpayments   | A-14        | 41,083.41              |                   |
| Due State of New Jersey-Sr. Citizens & Veterans Exemptions | A-9         | 63,720.68              |                   |
| Prepaid Taxes  | A-18        | 66,513.92              |                   |
| Refuse Disposal Fees Receivable                            | A-10        | 396,729.30             |                   |
| Prepaid Refuse Disposal Fees                               | A-19        | 23,211.02              |                   |
| Grants Receivable  | A-7         |                        | 5,194.08          |
| Interfunds   | A-22        | 3,386,033.76           |                   |
| Due Current Fund   | A-27        |                        | 111,229.70        |
| Due General Capital Fund                                   | A-29        |                        | 400,000.00        |
| Refunds of 2013 Appropriations                             | A-3         | 176,235.57             |                   |
| Refunds of 2012 Appropriation Reserves                     | A-13        | 14,895.00              |                   |
| Refunds of Grants Appropriated                             | A-21        |                        | 1,210.92          |
| Grants - Unappropriated                                    | A-25        |                        | 46,091.22         |
| Sewer Rent Fees Receivable                                 | A-32        | 1,012,813.91           |                   |
| Prepaid Sewer Rent Fees                                    | A-30        | 3,432.13               |                   |
| Tax Title Liens  | A-11        | 11,514.43              |                   |
|  |             | <u>31,277,852.97</u>   | <u>563,725.92</u> |
|  |             | \$ 32,292,129.39       | \$ 563,725.92     |
| Decreased by Disbursements:                                |             |                        |                   |
| 2013 Appropriations  | A-3         | \$ 11,541,366.33       | \$                |
| 2012 Appropriation Reserves                                | A-13        | 407,414.31             |                   |
| Tax Overpayments   | A-14        | 37,147.27              |                   |
| County Taxes   | A-15        | 3,032,497.16           |                   |
| Local District School Tax                                  | A-16        | 12,806,701.00          |                   |
| Interfunds   | A-22        | 2,886,700.74           |                   |
| Due Current Fund   | A-27        |                        | 452,496.22        |
| Reserve for Grants Appropriated                            | A-21        |                        | 111,229.70        |
| Refund of Prior Year Revenue                               | A-1         | 3,391.82               |                   |
| Petty Cash   | A-6         | 200.00                 |                   |
| Reserve for Revaluation                                    | A-28        | 74,233.96              |                   |
| Reserve for Tax Map Preparation                            | A-24        | 1,275.00               |                   |
| Reserve for Refuse Overpayments                            | A-20        | 174.82                 |                   |
| Refund of Miscellaneous Revenue Anticipated                | A-2         | 375.00                 |                   |
| Refund of Miscellaneous Revenue Not Anticipated            | A-2         | 75.25                  |                   |
| Refund of Sewer Rent Overpayments                          | A-31        | 571.86                 |                   |
| Reserve for Notes Payable                                  | A-23        | 300,000.00             |                   |
|  |             | <u>31,092,124.52</u>   | <u>563,725.92</u> |
| Balance, December 31, 2013                                 | A           | \$ <u>1,200,004.87</u> | \$ <u>-0-</u>     |



"A-5"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

REF.

Balance, December 31, 2012  
and December 31, 2013

A

\$ 400.00

ANALYSIS OF BALANCE

OFFICE

Collector  
Clerk  
Municipal Court

\$ 150.00  
50.00  
200.00  
\$ 400.00

"A-6"

SCHEDULE OF PETTY CASH

Increased by:  
Disbursements

A-4

\$ 200.00

Decreased by:  
Receipts

A-4

\$ 200.00

BOROUGH OF BOUND BROOK

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

| <u>PURPOSE</u>                                     | <u>BALANCE<br/>DECEMBER<br/>31, 2012</u> | <u>2013<br/>ACCRUED</u> | <u>RECEIPTS</u>    | <u>UNAPPROPRIATED<br/>APPLIED</u> | <u>CANCELED</u>    | <u>BALANCE<br/>DECEMBER<br/>31, 2013</u> |
|--|--|-------------------------|--------------------|-----------------------------------|--------------------|--|
| County of Somerset - Youth Services                | \$                                       | \$ 1,000.00             | \$ 1,000.00        | \$                                | \$                 | \$                                       |
| Business Stimulus Fund                             | 6,489.48                                 |                         |                    |                                   |                    | 6,489.48                                 |
| COPS Technology Grant                              | 4,194.08                                 |                         | 4,194.08           |                                   |                    |  |
| Transportation Enhancement Grant-Main Street       | 27,290.00                                |                         |                    |                                   |                    | 27,290.00                                |
| Transportation Enhancement Grant-West Maple Street | 50,000.00                                |                         |                    |                                   |                    | 50,000.00                                |
| Transportation Enhancement Grant-Train Station     | 250,000.00                               |                         |                    |                                   |                    | 250,000.00                               |
| Transportation Enhancement-Train Station           | 250,000.00                               |                         |                    |                                   |                    | 250,000.00                               |
| DEP - Stormwater Regulation Program                | 5,103.00                                 |                         |                    |                                   | 5,103.00           |  |
| E.D.I.P. West Main Street                          | 4,030.14                                 |                         |                    |                                   |                    | 4,030.14                                 |
| Downtown Improvements - Somerset County EDIP       | 29,046.00                                |                         |                    |                                   |                    | 29,046.00                                |
| Recycling Tonnage Grant                            |  | 5,080.79                |                    | 5,080.79                          |                    |  |
| Alcohol Education and Rehabilitation Fund          |  | 215.85                  |                    | 215.85                            |                    |  |
| County of Somerset - Youth Athletic Grant          |  | 9,637.89                |                    | 9,637.89                          |                    |  |
| Body Armor Replacement Fund                        |  | 2,514.01                |                    | 2,514.01                          |                    |  |
| Drunk Driving Enforcement Fund                     |  | 5,901.92                |                    | 5,901.92                          |                    |  |
| Emergency Management                               |  | 5,000.00                |                    | 5,000.00                          |                    |  |
| Click-It or Ticket                                 |  | 4,000.00                |                    | 4,000.00                          |                    |  |
| Drive Sober or Get Pulled Over                     |  | 4,175.00                |                    | 4,175.00                          |                    |  |
|  | <u>\$ 626,152.70</u>                     | <u>\$ 37,525.46</u>     | <u>\$ 5,194.08</u> | <u>\$ 36,525.46</u>               | <u>\$ 5,103.00</u> | <u>\$ 616,855.62</u>                     |
| <u>REF.</u>  | A  | A-2                     | A-4                | A-25                              | A-1                | A  |

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| YEAR  | BALANCE              | ADDED            | 2013 LEVY               | COLLECTION BY CASH  |                         | CANCELED             | TRANSFER TO        | OVERPAYMENTS        | BALANCE              |
|-------|----------------------|------------------|-------------------------|---------------------|-------------------------|----------------------|--------------------|---------------------|----------------------|
|       | DECEMBER             |                  |                         | TAXES               | 2012                    |                      |                    |                     |                      |
|       | 31, 2012             |                  |                         |                     |                         |                      |                    |                     | 31, 2013             |
| Prior | \$ 467,940.90        | \$ 227.24        | \$                      | \$                  | \$ 461,368.32           | \$ 5,351.58          | \$                 | \$                  | \$ 1,448.24          |
| 2013  |                      |                  | 23,212,717.95           | 61,149.72           | 22,514,699.10           | 112,223.05           | 5,443.99           | 11,816.16           | \$ 507,385.93        |
|       | <u>\$ 467,940.90</u> | <u>\$ 227.24</u> | <u>\$ 23,212,717.95</u> | <u>\$ 61,149.72</u> | <u>\$ 22,976,067.42</u> | <u>\$ 117,574.63</u> | <u>\$ 5,443.99</u> | <u>\$ 11,816.16</u> | <u>\$ 508,834.17</u> |
|       | REF. A               |                  |                         | A-2:A-18            | A-2                     |                      | A-11               | A-2:A-14            | A                    |

REF.

Collector-Treasurer  
Due from State of New Jersey Per Chapter 20 P.L. 1971

|     |                         |
|-----|-------------------------|
| A-4 | \$ 22,903,442.42        |
| A-9 | <u>72,625.00</u>        |
|     | <u>\$ 22,976,067.42</u> |

ANALYSIS OF 2013 PROPERTY TAX LEVY

REF.

TAX YIELD

General Purpose Tax:  
Added Taxes (54:4-63.1 et.seq.)  
General Purpose Tax

|                      |
|----------------------|
| \$ 25,878.09         |
| <u>23,186,839.86</u> |

TOTAL

\$ 23,212,717.95

TAX LEVY

Local District School Tax (Abstract)  
County Taxes:  
County Tax (Abstract)  
County Tax Added  
  
Local Tax for Municipal Purposes (Abstract)  
Add: Additional Tax Levied  
Local Tax for Municipal Purposes Levied

|      |                         |
|------|-------------------------|
| A-16 | \$ 12,806,701.00        |
| A-15 | \$ 3,029,107.09         |
| A-15 | <u>3,390.07</u>         |
|      | 3,032,497.16            |
| A-2  | \$ 7,346,677.87         |
|      | <u>26,841.92</u>        |
|      | <u>7,373,519.79</u>     |
|      | <u>\$ 23,212,717.95</u> |

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY  
PER CHAPTER 20, P.L. 1971 -  
SENIOR CITIZENS AND VETERANS EXEMPTIONS

|   | <u>REF.</u> |    |                         |
|---|-------------|----|-------------------------|
| Balance, December 31, 2012 (Due From)                               | A           | \$ | 47,450.72               |
| Increased by:   |             |    |                         |
| Senior Citizens Deductions Per Tax Billings                         |             | \$ | 22,375.00               |
| Veterans Deductions Per Tax Billings                                |             |    | 58,000.00               |
| Senior Citizens and Veterans Deductions Allowed by<br>Tax Collector |             |    | <u>750.00</u>           |
|   |             |    | 81,125.00               |
|   |             | \$ | <u>128,575.72</u>       |
| Decreased by:   |             |    |                         |
| Received From State of New Jersey                                   | A-4         | \$ | 63,720.68               |
| Disallowed By Tax Collector   |             |    | <u>8,500.00</u>         |
|   |             |    | <u>72,220.68</u>        |
| Balance, December 31, 2013 (Due From)                               | A           | \$ | <u><u>56,355.04</u></u> |

CALCULATION OF STATE'S SHARE OF  
2013 SENIOR CITIZENS AND VETERANS DEDUCTION

|  |     |    |                         |
|--|-----|----|-------------------------|
| Senior Citizens and Veterans Deductions:<br>Per Tax Duplicate                  |     | \$ | 80,375.00               |
| Senior Citizens and Veterans Deductions Allowed by<br>Tax Collector-2013 Taxes |     |    | <u>750.00</u>           |
|  |     | \$ | <u>81,125.00</u>        |
| Less: Senior Citizens Deductions Disallowed By Collector                       |     |    | <u>8,500.00</u>         |
|  | A-8 | \$ | <u><u>72,625.00</u></u> |

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF REFUSE DISPOSAL FEES RECEIVABLE

|   | <u>REF.</u> |                  |                            |
|---|-------------|------------------|----------------------------|
| Balance, December 31, 2012                    | A           |                  | \$ 46,355.74               |
| Increased by:                                 |             |                  |                            |
| 2013 Levy                                     |             |                  | <u>428,825.24</u>          |
|   |             |                  | \$ <u>475,180.98</u>       |
| Decreased by:                                 |             |                  |                            |
| Collected                                     | A-4         | \$ 396,729.30    |                            |
| Transferred From Prepaid Refuse Disposal Fees | A-19        | <u>23,977.56</u> |                            |
|   | A-2         |                  | <u>420,706.86</u>          |
| Balance, December 31, 2013                    | A           |                  | \$ <u><u>54,474.12</u></u> |

SCHEDULE OF TAX TITLE LIENS

|                                |     |                 |                           |
|--------------------------------|-----|-----------------|---------------------------|
| Balance, December 31, 2012     | A   |                 | \$ 12,612.36              |
| Increased by:                  |     |                 |                           |
| Transfer From Taxes Receivable | A-8 | \$ 5,443.99     |                           |
| Interest and Costs             |     | <u>2,172.47</u> |                           |
|                                |     |                 | <u>7,616.46</u>           |
|                                |     |                 | \$ <u>20,228.82</u>       |
| Decreased by:                  |     |                 |                           |
| Receipts                       | A-4 |                 | <u>11,514.43</u>          |
| Balance, December 31, 2013     | A   |                 | \$ <u><u>8,714.39</u></u> |

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

|  | <u>REF.</u> | <u>BALANCE<br/>DECEMBER<br/>31, 2012</u> | <u>ACCRUED<br/>IN<br/>2013</u> | <u>COLLECTED</u>       | <u>BALANCE<br/>DECEMBER<br/>31, 2013</u> |
|--|-------------|--|--------------------------------|------------------------|--|
| Clerk:   |             |  |                                |                        |  |
| Other Licenses                                 | A-2         | \$                                       | \$ 12,555.00                   | \$ 12,555.00           | \$                                       |
| Fees and Permits                               | A-2         |  | 4,730.00                       | 4,730.00               |  |
| Alcoholic Beverage Licenses                    | A-2         |  | 42,938.00                      | 42,938.00              |  |
| Parking Lot Fees                               | A-2         |  | 121,697.56                     | 121,697.56             |  |
| Health Officer:                                |             |  |                                |                        |  |
| Other Licenses                                 | A-2         |  | 13,715.00                      | 13,715.00              |  |
| Registrar:                                     |             |  |                                |                        |  |
| Other Licenses                                 | A-2         |  | 270.00                         | 270.00                 |  |
| Fees and Permits                               | A-2         |  | 8,730.00                       | 8,730.00               |  |
| Building Department:                           |             |  |                                |                        |  |
| Fees and Permits                               | A-2         |  | 19,982.00                      | 19,982.00              |  |
| Fire Alarm Registration Fees                   | A-2         |  | 5,975.00                       | 5,975.00               |  |
| Planning Board/Other - Fees and Permits        | A-2         |  | 60.00                          | 60.00                  |  |
| Construction Code Official:                    |             |  |                                |                        |  |
| Fees and Permits                               | A-2         |  | 231,390.00                     | 231,390.00             |  |
| Parking Meters                                 | A-2         |  | 43,208.99                      | 43,208.99              |  |
| Municipal Court:                               |             |  |                                |                        |  |
| Fines and Costs                                | A-2         | 27,316.89                                | 338,877.36                     | 343,000.00             | 23,194.25                                |
| Police Department:                             |             |  |                                |                        |  |
| Fees and Permits                               | A-2         |  | 424.96                         | 424.96                 |  |
| Interest on Investments and Deposits           | A-2         |  | 7,243.84                       | 7,243.84               |  |
| Consolidated Municipal Property Tax Relief Act | A-2         |  | 202,584.00                     | 202,584.00             |  |
| Energy Receipts Tax                            | A-2         |  | 916,125.72                     | 916,125.72             |  |
| Refuse Disposal Fees                           | A-2         |  | 18,476.50                      | 18,476.50              |  |
| Additional - Municipal Court                   | A-2         |  | 3,118.88                       | 3,118.88               |  |
| Cable TV Franchise Tax                         | A-2         |  | 101,433.12                     | 101,433.12             |  |
| Interest and Costs on Taxes                    | A-2         |  | 133,836.48                     | 133,836.48             |  |
| Sewer Charges                                  | A-2         |  | 236,928.00                     | 236,928.00             |  |
| Rent from South Bound Brook Court              | A-2         |  | 5,694.50                       | 5,694.50               |  |
| Uniform Fire Safety Act LEA Rebates            | A-2         |  | 12,924.60                      | 12,924.60              |  |
| Inspection Fees                                | A-2         |  | 58,333.00                      | 58,333.00              |  |
| Train Station Rent                             | A-2         |  | 22,800.00                      | 22,800.00              |  |
| FEMA Reimbursements                            | A-2         |  | 134,622.38                     | 134,622.38             |  |
| Administrative Fees - Off Duty Police          | A-2         |  | 42,411.61                      | 42,411.61              |  |
| Sale of Property - Bolmer Property             | A-2         |  | 100,000.00                     | 100,000.00             |  |
| Carriage Park Fees                             | A-2         |  | 100,000.00                     | 100,000.00             |  |
|  |             | <u>\$ 27,316.89</u>                      | <u>\$ 2,941,086.50</u>         | <u>\$ 2,945,209.14</u> | <u>\$ 23,194.25</u>                      |
|  | <u>REF.</u> | <u>A</u>                                 |                                | <u>A-4</u>             | <u>A</u>                                 |

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES - 2013

|   | BALANCE<br>DECEMBER<br>31, 2012 | BALANCE<br>AFTER<br>TRANSFERS | PAID<br>OR<br>CHARGED | BALANCE<br>LAPSED |
|---|---------------------------------|-------------------------------|-----------------------|-------------------|
| <u>SALARIES AND WAGES</u>                             |                                 |                               |                       |                   |
| Administrative and Executive                          | \$ 4.44                         | \$ 4.44                       | \$                    | 4.44              |
| Municipal Clerk                                       | 0.94                            | 0.94                          |                       | 0.94              |
| Financial Administration                              | 918.94                          | 0.94                          |                       | 0.94              |
| Assessment of Taxes                                   | 0.86                            | 0.86                          |                       | 0.86              |
| Collection of Taxes                                   | 1,345.73                        | 1,345.73                      |                       | 1,345.73          |
| Public Buildings and Grounds                          | 690.10                          | 690.10                        |                       | 690.10            |
| Inspection Department                                 | 519.73                          | 519.73                        |                       | 519.73            |
| Planning Board  | 538.51                          | 538.51                        |                       | 538.51            |
| Municipal Court                                       | 4,667.33                        | 4,667.33                      |                       | 4,667.33          |
| Fire Bureau Safety                                    | 509.01                          | 509.01                        |                       | 509.01            |
| Police  | 55,429.20                       | 55,429.20                     | 27,528.88             | 27,900.32         |
| Insurance   | 2,000.00                        | 2,000.00                      |                       | 2,000.00          |
| Parking Meter Maintenance                             | 161.88                          | 161.88                        |                       | 161.88            |
| Road Repair and Maintenance                           | 32,369.88                       | 32,369.88                     | 4,890.04              | 27,479.84         |
| Board of Recreation Commissioners                     | 139.48                          | 139.48                        |                       | 139.48            |
| Construction Official                                 | 5.88                            | 5.88                          |                       | 5.88              |
| <u>OTHER EXPENSES</u>                                 |                                 |                               |                       |                   |
| Administrative and Executive                          | 1,572.22                        | 4,247.86                      | 4,247.38              | 0.48              |
| Municipal Clerk                                       | 1,921.38                        | 3,339.85                      | 1,734.19              | 1,605.66          |
| Elections   | 0.30                            | 0.30                          |                       | 0.30              |
| Financial Administration                              | 4,104.17                        | 15,711.73                     | 15,711.56             | 0.17              |
| Audit Services  | 25,375.00                       | 25,375.00                     | 24,000.00             | 1,375.00          |
| Assessment of Taxes                                   | 355.91                          | 859.85                        | 545.57                | 314.28            |
| Collection of Taxes                                   | 0.12                            | 843.07                        | 842.95                | 0.12              |
| Legal Services and Costs                              | 16,229.75                       | 24,525.44                     | 18,745.42             | 5,780.02          |
| Engineering Services and Costs                        | 10,179.69                       | 32,707.35                     | 32,706.85             | 0.50              |
| Public Buildings and Grounds                          | 11,592.11                       | 13,688.39                     | 5,909.00              | 7,779.39          |
| Inspection Department                                 | 122.79                          | 179.71                        | 150.46                | 29.25             |
| Planning Board  | 2,145.76                        | 3,136.14                      | 1,135.12              | 2,001.02          |
| Shade Tree Commission                                 | 1,786.24                        | 8,961.24                      | 7,175.00              | 1,786.24          |
| Flood Relief  | 46,176.29                       | 113,759.99                    | 74,058.60             | 39,701.39         |
| Municipal Court                                       | 3,093.14                        | 6,666.94                      | 3,873.80              | 2,793.14          |
| Economic Development Program                          | 3,845.25                        | 3,845.25                      |                       | 3,845.25          |
| Fire  | 119.57                          | 17,520.28                     | 15,949.64             | 1,570.64          |
| Fire Safety Bureau                                    | 5,309.70                        | 6,618.75                      | 1,362.57              | 5,256.18          |
| Police  | 20,883.62                       | 51,494.01                     | 33,315.95             | 18,178.06         |
| Parking Meter Maintenance                             | 1,491.50                        | 1,491.50                      |                       | 1,491.50          |
| Emergency Management Services                         | 2,746.15                        | 789.15                        | 135.54                | 653.61            |
| Road Repairs and Maintenance                          | 184.87                          | 6,883.34                      | 6,562.40              | 320.94            |
| Garbage and Trash Removal                             | 1,329.35                        | 1,329.35                      | 301.00                | 1,028.35          |
| Recycling Contingency Fund                            | 19,730.10                       | 21,120.10                     | 21,119.30             | 0.80              |
| PEOSHA Act - Board of Health                          | 500.00                          | 500.00                        |                       | 500.00            |
| Parks and Playgrounds                                 | 2.36                            | 1,250.36                      | 74.40                 | 1,175.96          |
| Board of Recreation Commissioners                     | 1,210.28                        | 3,420.89                      | 2,526.61              | 894.28            |
| Celebration of Public Events, Anniversary, or Holiday | 1,177.09                        | 1,582.80                      | 405.71                | 1,177.09          |
| Construction Official                                 | 940.35                          | 1,004.55                      | 93.55                 | 911.00            |
| Gasoline  | 3,314.64                        | 7,687.90                      | 7,687.69              | 0.21              |
| Telephone and Telegraph                               | 12,005.45                       | 12,005.45                     | 1,300.42              | 10,705.03         |
| Street Lighting                                       | 27,954.75                       | 13,548.75                     | 12,218.86             | 1,329.89          |
| Fire Hydrant Services                                 | 9,070.00                        | 9,070.00                      | 8,976.25              | 93.75             |
| Electric Heat   | 22,965.31                       | 12,372.31                     | 11,319.61             | 1,052.70          |
| Water   | 1,202.85                        | 1,263.85                      | 1,263.09              | 0.76              |
| Contingent  | 400.00                          | 400.00                        |                       | 400.00            |
| Social Security System                                | 860.18                          | 860.18                        |                       | 860.18            |
| State Unemployment Insurance                          | 816.88                          | 5,247.88                      | 5,246.89              | 0.99              |
| Sewerage Authority                                    | 14,568.07                       | 14,568.07                     |                       | 14,568.07         |
| Length of Service Award Program (LOSAP)               | 40,000.00                       | 40,000.00                     | 39,200.00             | 800.00            |
| Other Insurance                                       | 0.40                            | 0.40                          |                       | 0.40              |
| Health Benefits                                       | 711.22                          | 711.22                        | 205.01                | 506.21            |
| GRAND TOTAL   | \$ 417,296.72                   | \$ 588,973.11                 | \$ 392,519.31         | \$ 196,453.80     |

REF.

A:A-13

A-1

|                  |        |                      |                      |
|------------------|--------|----------------------|----------------------|
| Balance          | A:A-13 | \$ 417,296.72        |                      |
| Accounts Payable | A-17   | 171,676.39           |                      |
|                  |        | <u>\$ 588,973.11</u> |                      |
| Disbursements    | A-4    |                      | \$ 407,414.31        |
| Refunds          | A-4    |                      | (14,895.00)          |
|                  |        |                      | <u>\$ 392,519.31</u> |

BOROUGH OF BOUND BROOK  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS

|                                     | <u>REF.</u> |    |                         |
|-------------------------------------|-------------|----|-------------------------|
| Balance, December 31, 2012          | A           | \$ | 23,072.20               |
| Increased by:                       |             |    |                         |
| Overpayments in 2013                | A-4         |    | <u>41,083.41</u>        |
|                                     |             | \$ | <u>64,155.61</u>        |
| Decreased by:                       |             |    |                         |
| Refunded                            | A-4         | \$ | 37,147.27               |
| Applied to Current Taxes Receivable | A-8         |    | <u>11,816.16</u>        |
|                                     |             |    | <u>48,963.43</u>        |
| Balance, December 31, 2013          | A           | \$ | <u><u>15,192.18</u></u> |

SCHEDULE OF COUNTY TAXES

|               |         |    |                            |
|---------------|---------|----|----------------------------|
| Increased by: |         |    |                            |
| 2013 Tax Levy | A-1:A-8 | \$ | <u>3,032,497.16</u>        |
| Decreased by: |         |    |                            |
| Disbursements | A-4     | \$ | <u><u>3,032,497.16</u></u> |



"A-16"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

REF.

|               |         |    |                             |
|---------------|---------|----|-----------------------------|
| Increased by: |         |    |                             |
| 2013 Levy     | A-1:A-8 | \$ | <u>12,806,701.00</u>        |
| Decreased by: |         |    |                             |
| Disbursements | A-4     | \$ | <u><u>12,806,701.00</u></u> |

"A-17"

SCHEDULE OF ACCOUNTS PAYABLE

|  |      |    |                         |
|--|------|----|-------------------------|
| Balance, December 31, 2012               | A    | \$ | 185,225.15              |
| Increased by:                            |      |    |                         |
| Transferred from 2013 Appropriations     | A-3  | \$ | 66,361.99               |
| Transferred from Reserve for Revaluation | A-28 |    | <u>2,340.84</u>         |
|  |      |    | <u>68,702.83</u>        |
|  |      | \$ | <u>253,927.98</u>       |
| Decreased by:                            |      |    |                         |
| Transferred to Appropriation Reserves    | A-13 | \$ | 171,676.39              |
| Transferred to Reserve for Revaluation   | A-28 |    | 3,103.76                |
| Transferred to Reserve for Tax Maps      | A-24 |    | 1,275.00                |
| Canceled                                 |      |    | <u>9,170.00</u>         |
|  |      |    | <u>185,225.15</u>       |
| Balance, December 31, 2013               | A    | \$ | <u><u>68,702.83</u></u> |

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF PREPAID TAXES

|                             | <u>REF.</u> |                         |
|-----------------------------|-------------|-------------------------|
| Balance, December 31, 2012  | A           | \$ 61,149.72            |
| Increased by:               |             |                         |
| Collection - 2013 Taxes     | A-4         | <u>66,513.92</u>        |
|                             |             | \$ 127,663.64           |
| Decreased by:               |             |                         |
| Applied to Taxes Receivable | A-8         | <u>61,149.72</u>        |
| Balance, December 31, 2013  | A           | <u><u>66,513.92</u></u> |

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF PREPAID REFUSE DISPOSAL FEES

|                            | <u>REF.</u> |                            |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2012 | A           | \$ 23,977.56               |
| Increased by:              |             |                            |
| Receipts                   | A-4         | <u>23,211.02</u>           |
|                            |             | \$ 47,188.58               |
| Decreased by:              |             |                            |
| Applied to Receivable      | A-10        | <u>23,977.56</u>           |
| Balance, December 31, 2013 | A           | <u><u>\$ 23,211.02</u></u> |

SCHEDULE OF RESERVE FOR REFUSE OVERPAYMENTS

|                            |     |             |                         |
|----------------------------|-----|-------------|-------------------------|
| Balance, December 31, 2012 | A   |             | \$ <u>175.62</u>        |
| Decreased by:              |     |             |                         |
| Disbursements              | A-4 | \$ 174.82   |                         |
| Canceled                   |     | <u>0.80</u> |                         |
|                            |     |             | \$ <u><u>175.62</u></u> |

BOROUGH OF BOUND BROOK

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

|  | BALANCE<br>DECEMBER<br>31, 2012 | TRANSFERRED<br>FROM<br>2013 BUDGET<br>APPROPRIATIONS | <u>DECREASED BY</u>  | ACCOUNTS<br>PAYABLE  | BALANCE<br>DECEMBER<br>31, 2013 |
|--|---------------------------------|--|----------------------|----------------------|---------------------------------|
| Drunk Driving Enforcement Fund                   | \$ 5,584.36                     | \$ 5,901.92  | \$ 8,456.50          | \$ 164.50            | \$ 2,865.28                     |
| Alcohol Education and Rehabilitation             | 7,889.87                        | 215.85   | 6,012.70             | (1,500.00)           | 3,593.02                        |
| U.S. Dept. of Justice - COPS Technology Grant    | 4,244.08                        |  | 4,194.08             |                      | 50.00                           |
| Clean Communities Program                        | 56,426.75                       |  | 26,441.84            | (154.10)             | 30,139.01                       |
| Federal Bulletproof Vest Partnership             | 4,204.50                        |  |                      |                      | 4,204.50                        |
| Body Armor Replacement Fund                      | 5,457.93                        | 2,514.01   | 3,230.25             |                      | 4,741.69                        |
| Recycling Tonnage Grant                          | 25,210.00                       | 5,080.79   | 15,173.41            |                      | 15,117.38                       |
| Somerset County Youth Athletic Grant             | 5,608.01                        | 9,637.89   |                      |                      | 15,245.90                       |
| Emergency Management                             |                                 | 5,000.00   |                      |                      | 5,000.00                        |
| Domestic Abuse Violence                          | 4,422.64                        |  |                      |                      | 4,422.64                        |
| Somerset County Youth Services                   |                                 | 1,000.00   |                      |                      | 1,000.00                        |
| Public Works Grant - Match                       | 401,450.35                      |  | 38,335.00            |                      | 363,115.35                      |
| Business Stimulus Fund Grant - 2010              | 2,023.00                        |  |                      |                      | 2,023.00                        |
| Business Stimulus Fund Grant - 2011              | 4,505.00                        |  |                      |                      | 4,505.00                        |
| E.D.I.P. - West Main Street                      | 13,225.69                       |  |                      |                      | 13,225.69                       |
| Transportation Enhancement - Train Station       | 139,021.35                      |  |                      |                      | 139,021.35                      |
| Transportation Enhancement Grant - Train Station | 204,778.00                      |  |                      |                      | 204,778.00                      |
| Downtown Improvements - Somerset County EDIP     | 61,792.85                       |  |                      |                      | 61,792.85                       |
| Click-It or Ticket                               |                                 | 4,000.00   | 4,000.00             |                      |                                 |
| Drive Sober or Get Pulled Over                   |                                 | 4,175.00   | 4,175.00             |                      |                                 |
|  | <u>\$ 945,844.38</u>            | <u>\$ 37,525.46</u>                                  | <u>\$ 110,018.78</u> | <u>\$ (1,489.60)</u> | <u>\$ 874,840.66</u>            |
|  | <u>REF.</u>                     | <u>A</u>   | <u>A-3</u>           |                      | <u>A</u>                        |
| Disbursements                                    | A-4                             |  | \$ 111,229.70        |                      |                                 |
| Less: Refunds                                    | A-4                             |  | <u>1,210.92</u>      |                      |                                 |
|  |                                 |  | <u>\$ 110,018.78</u> |                      |                                 |
| Accounts Payable                                 | A-26                            |  |                      | \$ 341.90            |                                 |
| Less: Prior Year Accounts Payable                | A-26                            |  |                      | <u>1,831.50</u>      |                                 |
|  |                                 |  |                      | <u>\$ (1,489.60)</u> |                                 |

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF INTERFUNDS

|                             | <u>REF.</u> | <u>TOTAL</u>             | <u>GRANT FUND</u>        | <u>ASSESSMENT TRUST FUND</u> | <u>ANIMAL CONTROL TRUST FUND</u> | <u>TRUST OTHER FUND</u> | <u>GENERAL CAPITAL FUND</u> | <u>PUBLIC ASSISTANCE TRUST FUND</u> |
|-----------------------------|-------------|--------------------------|--------------------------|------------------------------|----------------------------------|-------------------------|-----------------------------|-------------------------------------|
| Balance, December 31, 2012: |             |                          |                          |                              |                                  |                         |                             |                                     |
| Receivable                  | A           | \$ 68,134.22             | \$ 41,951.36             | \$ 174.44                    | \$ 23,954.95                     | \$                      | \$ 2,053.47                 | \$                                  |
| Payable                     | A           | <u>11,225.73</u>         |                          |                              |                                  | <u>11,225.64</u>        |                             | <u>0.09</u>                         |
| Receipts                    | A-4         | 3,386,033.76             | 452,496.22               |                              | 11,184.11                        | 735,337.67              | 2,187,014.61                | 1.15                                |
| Canceled Receivables        | A-27        | 5,103.00                 | 5,103.00                 |                              |                                  |                         |                             |                                     |
| Budget Operations           |             | 20,000.00                |                          |                              |                                  | 20,000.00               |                             |                                     |
| Disbursements               | A-4         | <u>2,886,700.74</u>      | <u>111,229.70</u>        | <u>0.11</u>                  | <u>11,100.00</u>                 | <u>679,096.54</u>       | <u>2,085,273.15</u>         | <u>1.24</u>                         |
| Balance, December 31, 2013: |             |                          |                          |                              |                                  |                         |                             |                                     |
| Receivable                  | A           | \$ 24,045.39             | \$                       | \$ 174.55                    | \$ 23,870.84                     | \$                      | \$                          | \$                                  |
| Payable                     | A           | <u><u>451,572.92</u></u> | <u><u>304,418.16</u></u> | <u><u></u></u>               | <u><u></u></u>                   | <u><u>47,466.77</u></u> | <u><u>99,687.99</u></u>     | <u><u></u></u>                      |

"A-23"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF RESERVE FOR NOTES PAYABLE

|                            | <u>REF.</u> |                             |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2012 | A           | \$ <u>300,000.00</u>        |
| Decreased by:              |             |                             |
| Disbursements              | A-4         | \$ <u><u>300,000.00</u></u> |

"A-24"

SCHEDULE OF RESERVE FOR TAX MAP PREPARATION

|                            |      |                           |
|----------------------------|------|---------------------------|
| Balance, December 31, 2012 | A    | \$ 1,806.00               |
| Increased by:              |      |                           |
| Accounts Payable           | A-17 | <u>1,275.00</u>           |
|                            |      | \$ <u>3,081.00</u>        |
| Decreased by:              |      |                           |
| Disbursements              | A-4  | <u>1,275.00</u>           |
| Balance, December 31, 2013 | A    | \$ <u><u>1,806.00</u></u> |

BOROUGH OF BOUND BROOK

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

|   | BALANCE<br>DECEMBER<br>31, 2012 | RECEIPTS            | APPLIED TO<br>RECEIVABLE | BALANCE<br>DECEMBER<br>31, 2013 |
|---|---------------------------------|---------------------|--------------------------|---------------------------------|
| Recycling Tonnage Program                   | \$ 5,080.79                     | \$ 8,347.17         | \$ 5,080.79              | \$ 8,347.17                     |
| Alcohol Education Rehabilitation            | 215.85                          | 1,688.79            | 215.85                   | 1,688.79                        |
| Body Armor Replacement Fund                 | 2,514.01                        | 3,125.80            | 2,514.01                 | 3,125.80                        |
| Click-It or Ticket                          | 4,000.00                        | 4,000.00            | 4,000.00                 | 4,000.00                        |
| Drive Sober or Get Pulled Over              | 4,175.00                        | 4,100.00            | 4,175.00                 | 4,100.00                        |
| Emergency Management                        | 5,000.00                        |                     | 5,000.00                 |                                 |
| Clean Communities                           |                                 | 15,208.90           |                          | 15,208.90                       |
| Drunk Driving Enforcement Fund              | 5,901.92                        | 9,620.56            | 5,901.92                 | 9,620.56                        |
| Somerset County Youth Athletic & Recreation | 9,637.89                        |                     | 9,637.89                 |                                 |
|   | <u>\$ 36,525.46</u>             | <u>\$ 46,091.22</u> | <u>\$ 36,525.46</u>      | <u>\$ 46,091.22</u>             |
| <u>REF.</u>                                 | A                               | A-4                 | A-7                      | A                               |

"A-26"

BOROUGH OF BOUND BROOK  
GRANT FUND  
SCHEDULE OF ACCOUNTS PAYABLE

|                            | <u>REF.</u> |    |                      |
|----------------------------|-------------|----|----------------------|
| Balance, December 31, 2012 | A           | \$ | 1,831.50             |
| Increased by:              |             |    |                      |
| Grants Appropriated        | A-21        |    | <u>341.90</u>        |
|                            |             | \$ | <u>2,173.40</u>      |
| Decreased by:              |             |    |                      |
| Grants Appropriated        | A-21        |    | <u>1,831.50</u>      |
| Balance, December 31, 2013 | A           | \$ | <u><u>341.90</u></u> |

"A-27"

SCHEDULE OF DUE CURRENT FUND

|                                       |      |    |                          |
|---------------------------------------|------|----|--------------------------|
| Balance, December 31, 2012 (Due To)   | A    | \$ | 41,951.36                |
| Increased by:                         |      |    |                          |
| Receipts                              | A-4  |    | <u>111,229.70</u>        |
|                                       |      | \$ | <u>153,181.06</u>        |
| Decreased by:                         |      |    |                          |
| Disbursements                         | A-4  | \$ | 452,496.22               |
| Canceled Receivables                  | A-22 |    | <u>5,103.00</u>          |
|                                       |      |    | <u>457,599.22</u>        |
| Balance, December 31, 2013 (Due From) | A    | \$ | <u><u>304,418.16</u></u> |



BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF RESERVE FOR REVALUATION

|                            | <u>REF.</u> |                 |                            |
|----------------------------|-------------|-----------------|----------------------------|
| Balance, December 31, 2012 | A           |                 | \$ 106,670.77              |
| Increased by:              |             |                 |                            |
| Accounts Payable Canceled  | A-17        |                 | <u>3,103.76</u>            |
|                            |             |                 | \$ 109,774.53              |
| Decreased by:              |             |                 |                            |
| Disbursements              | A-4         | \$ 74,233.96    |                            |
| Accounts Payable           | A-17        | <u>2,340.84</u> |                            |
|                            |             |                 | <u>76,574.80</u>           |
| Balance, December 31, 2013 | A           |                 | <u><u>\$ 33,199.73</u></u> |

GRANT FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND

|                                       |     |  |                             |
|---------------------------------------|-----|--|-----------------------------|
| Balance, December 31, 2012 (Due From) | A   |  | \$ <u>400,000.00</u>        |
| Decreased by:                         |     |  |                             |
| Receipts                              | A-4 |  | <u><u>\$ 400,000.00</u></u> |

"A-30"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF PREPAID SEWER RENT FEES

|                            | <u>REF.</u> |    |                        |
|----------------------------|-------------|----|------------------------|
| Balance, December 31, 2012 | A           | \$ | 3,282.89               |
| Increased by:              |             |    |                        |
| Receipts                   | A-4         |    | <u>3,432.13</u>        |
|                            |             | \$ | 6,715.02               |
| Decreased by:              |             |    |                        |
| Applied to Receivable      | A-32        |    | <u>3,282.89</u>        |
| Balance, December 31, 2013 | A           | \$ | <u><u>3,432.13</u></u> |

"A-31"

SCHEDULE OF RESERVE FOR SEWER RENT OVERPAYMENTS

|                            |     |    |                      |
|----------------------------|-----|----|----------------------|
| Balance, December 31, 2012 | A   | \$ | <u>571.86</u>        |
| Decreased by:              |     |    |                      |
| Disbursements              | A-4 | \$ | <u><u>571.86</u></u> |

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF SEWER RENT FEES RECEIVABLE

|  | <u>REF.</u> |                 |                             |
|--|-------------|-----------------|-----------------------------|
| Balance, December 31, 2012               | A           |                 | \$ 162,427.69               |
| Increased by:                            |             |                 |                             |
| 2013 Levy                                |             |                 | <u>1,016,565.71</u>         |
|  |             |                 | \$ <u>1,178,993.40</u>      |
| Decreased by:                            |             |                 |                             |
| Collected                                | A-4         | \$ 1,012,813.91 |                             |
| Transferred From Prepaid Sewer Rent Fees | A-30        | <u>3,282.89</u> |                             |
|  | A-2         |                 | <u>1,016,096.80</u>         |
| Balance, December 31, 2013               | A           |                 | \$ <u><u>162,896.60</u></u> |

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

|   | BALANCE<br>DECEMBER<br><u>31, 2012</u> | <u>DECREASED</u>     |
|---|--|----------------------|
| Emergency Appropriation - Preparation of Tax Maps | \$ 6,258.00                            | \$ 6,258.00          |
| Emergency Appropriation - Revaluation             | 100,000.00                             | 100,000.00           |
| Cash Deficit                                      | 3,423.87                               | 3,423.87             |
| Emergency Appropriation - Hurricane Sandy         | <u>200,000.00</u>                      | <u>200,000.00</u>    |
|   | <u>\$ 309,681.87</u>                   | <u>\$ 309,681.87</u> |
| <u>REF.</u>                                       | A                                      | A-3                  |

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF CASH - TREASURER

|  | <u>REF.</u> | <u>ASSESSMENT TRUST FUND</u> | <u>ANIMAL CONTROL TRUST FUND</u> | <u>OTHER TRUST FUND</u> |
|--|-------------|------------------------------|----------------------------------|-------------------------|
| Balance, December 31, 2012               | B           | \$ 15,785.90                 | \$ 25,547.73                     | \$ 1,244,944.86         |
| Increased by Receipts:                   |             |                              |                                  |                         |
| Animal Control Fees                      | B-3         | \$                           | \$ 16,972.20                     | \$                      |
| Prepaid Dog Licenses                     | B-11        |                              | 1,250.00                         |                         |
| Reserve for Miscellaneous Trust Reserves | B-4         |                              |                                  | 6,689,413.26            |
| Police Outside Overtime                  | B-12        |                              |                                  | 29,187.14               |
| Due Current Fund                         | B-6         | 0.11                         | 11,100.00                        | 679,094.54              |
| Due State of New Jersey                  | B-8         |                              | 526.80                           |                         |
|  |             | <u>0.11</u>                  | <u>29,849.00</u>                 | <u>7,397,694.94</u>     |
|  |             | \$ <u>15,786.01</u>          | \$ <u>55,396.73</u>              | \$ <u>8,642,639.80</u>  |
| Decreased by Disbursements:              |             |                              |                                  |                         |
| Expenditures Under R.S. 4:19-15.11       | B-3         | \$                           | \$ 40,731.82                     | \$                      |
| Reserve for Miscellaneous Trust Reserves | B-4         |                              |                                  | 6,588,323.23            |
| Due State of New Jersey                  | B-8         |                              | 540.00                           |                         |
| Due Current Fund                         | B-6         |                              | 11,184.11                        | 735,335.67              |
|  |             |                              | <u>52,455.93</u>                 | <u>7,323,658.90</u>     |
| Balance, December 31, 2013               | B           | \$ <u>15,786.01</u>          | \$ <u>2,940.80</u>               | \$ <u>1,318,980.90</u>  |

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

|                                      | <u>REF.</u> |                  |                              |
|--------------------------------------|-------------|------------------|------------------------------|
| Balance, December 31, 2012           | B           |                  | \$ 1,286.58                  |
| Increased by:                        |             |                  |                              |
| Dog and Cat License Fees Collected   |             | \$ 6,972.20      |                              |
| Current Budget                       |             | <u>10,000.00</u> |                              |
| Prepaid Dog Licenses                 | B-2         | 16,972.20        |                              |
|                                      | B-11        | <u>294.00</u>    |                              |
|                                      |             |                  | <u>17,266.20</u>             |
|                                      |             |                  | \$ 18,552.78                 |
| Decreased by:                        |             |                  |                              |
| Expenditures Under R.S. 4:19-15.11:  |             |                  |                              |
| Cash                                 | B-2         |                  | <u>40,731.82</u>             |
| Balance, December 31, 2013 (Deficit) | B           |                  | \$ <u><u>(22,179.04)</u></u> |

LICENSE FEES COLLECTED

| <u>YEAR</u> |    | <u>AMOUNT</u>           |
|-------------|----|-------------------------|
| 2012        | \$ | 8,027.00                |
| 2011        |    | <u>8,535.00</u>         |
|             | \$ | <u><u>16,562.00</u></u> |

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF MISCELLANEOUS TRUST RESERVES

| <u>ACCOUNT</u>                         | <u>BALANCE<br/>DECEMBER<br/>31, 2012</u> | <u>INCREASES</u>       | <u>DECREASES</u>       | <u>BALANCE<br/>DECEMBER<br/>31, 2013</u> |
|--|--|------------------------|------------------------|--|
| POAA                                   | \$ 9,255.22                              | \$ 752.00              | \$ 159.99              | \$ 9,847.23                              |
| Public Defender                        |  | 5,879.00               | 5,879.00               |  |
| Due State of New Jersey:               |  |                        |                        |  |
| DCA State Training Fees                | 1,149.00                                 | 13,570.00              | 13,045.00              | 1,674.00                                 |
| Marriage Licenses / Civil Unions       | 450.00                                   | 2,250.00               | 2,050.00               | 650.00                                   |
| Fire Department Penalties (Dedicated)  | 2,196.06                                 | 500.00                 |                        | 2,696.06                                 |
| Fire Prevention Bureau Penalties       | 21,099.30                                | 500.00                 | 21,207.04              | 392.26                                   |
| Police Outside Employment              | 14,494.79                                | 160,338.59             | 167,900.25             | 6,933.13                                 |
| Police Outside Employment Escrow       | 10,685.18                                | 5,000.00               | 5,157.48               | 10,527.70                                |
| Police Donations                       | 20,657.67                                | 15,198.11              | 22,531.58              | 13,324.20                                |
| Street Opening Permits                 | 4,151.00                                 | 1,900.00               |                        | 6,051.00                                 |
| Reserve for Escrow Deposits            | 10,030.00                                |                        |                        | 10,030.00                                |
| Reserve for Unemployment               | 134.47                                   |                        |                        | 134.47                                   |
| Shade Tree Commission                  | 3,137.50                                 |                        |                        | 3,137.50                                 |
| RV Sewer Rehab Review                  | 801.45                                   |                        |                        | 801.45                                   |
| Housing/Property Maintenance Penalties | 47,057.41                                | 9,313.75               | 48,708.30              | 7,662.86                                 |
| UCC Inspections                        | 1,356.25                                 |                        |                        | 1,356.25                                 |
| Billian Trust                          | 2,994.38                                 | 626.46                 |                        | 3,620.84                                 |
| OEM Donation                           | 5,794.24                                 |                        |                        | 5,794.24                                 |
| Flood Donation                         | 11,167.72                                |                        |                        | 11,167.72                                |
| Advanced Surety Bond                   | 3,850.00                                 |                        |                        | 3,850.00                                 |
| Pfizer Review                          | 7,794.50                                 |                        |                        | 7,794.50                                 |
| Redevelopment - Meredia Property       |  | 30,000.00              | 27,500.00              | 2,500.00                                 |
| Redevelopment - Meredia Attorney       | 1,941.89                                 | 15,053.15              | 16,995.04              |  |
| Public Assistance                      |  | 2,653.63               |                        | 2,653.63                                 |
| American Legion Trust                  |  | 70.63                  |                        | 70.63                                    |
| Flood Relief                           |  | 5,200.00               |                        | 5,200.00                                 |
| Newsletter                             |  | 627.63                 |                        | 627.63                                   |
| Outside Lien Redemptions               | 14,239.13                                | 744,536.86             | 758,775.99             |  |
| Premiums                               | 422,300.00                               | 464,000.00             | 317,900.00             | 568,400.00                               |
| Police Forfeiture                      | 10,856.55                                | 875.53                 |                        | 11,732.08                                |
| Recreation Commission                  | 77,877.27                                | 109,301.73             | 97,506.62              | 89,672.38                                |
| American Legion Trust                  | 68.63                                    |                        | 68.63                  |  |
| Housing Rehabilitation                 | 633,796.79                               | 62,361.73              | 50,723.40              | 645,435.12                               |
| Developer's Deposits                   | 183,586.49                               | 136,853.28             | 61,283.02              | 259,156.75                               |
| Flood Relief                           | 14,457.76                                |                        | 5,200.00               | 9,257.76                                 |
| Payroll Agency                         | 138,299.02                               | 4,946,697.80           | 5,016,813.85           | 68,182.97                                |
|  | <u>\$ 1,675,679.67</u>                   | <u>\$ 6,734,059.88</u> | <u>\$ 6,639,405.19</u> | <u>\$ 1,770,334.36</u>                   |

REF.

B

B

|                             |      |                        |
|-----------------------------|------|------------------------|
| Receipts                    | B-2  | \$ 6,689,413.26        |
| Accounts Receivable         | B-12 | 34,968.65              |
| Prior Year Accounts Payable | B-9  | 9,677.97               |
|                             |      | <u>\$ 6,734,059.88</u> |

|                  |     |                        |
|------------------|-----|------------------------|
| Disbursements    | B-2 | \$ 6,588,323.23        |
| Canceled         | B-6 | 20,000.00              |
| Accounts Payable | B-9 | 31,081.96              |
|                  |     | <u>\$ 6,639,405.19</u> |

BOROUGH OF BOUND BROOK  
TRUST FUND  
SCHEDULE OF DUE GENERAL CAPITAL FUND

|  | <u>REF.</u> |                      |
|--|-------------|----------------------|
| Balance, December 31, 2012<br>and December 31, 2013 (Due From) | B           | \$ <u>400,000.00</u> |

SCHEDULE OF DUE CURRENT FUND

|                            | <u>REF.</u> | <u>ANIMAL<br/>CONTROL<br/>TRUST</u> | <u>ASSESSMENT<br/>TRUST</u> | <u>TRUST<br/>OTHER</u> |
|----------------------------|-------------|-------------------------------------|-----------------------------|------------------------|
| Balance, December 31, 2012 |             |                                     |                             |                        |
| Due To                     | B           | \$ 23,954.95                        | \$ 174.44                   | \$                     |
| Due From                   | B           | <u>                    </u>         | <u>                    </u> | <u>11,225.64</u>       |
| Receipts                   | B-2         | \$ 11,100.00                        | \$ 0.11                     | \$ 679,094.54          |
| Canceled                   | B-4         |                                     |                             | 20,000.00              |
| Disbursements              | B-2         | <u>11,184.11</u>                    | <u>                    </u> | <u>735,335.67</u>      |
| Balance, December 31, 2013 |             |                                     |                             |                        |
| Due To                     | B           | \$ 23,870.84                        | \$ 174.55                   | \$                     |
| Due From                   | B           | <u>                    </u>         | <u>                    </u> | <u>47,466.77</u>       |



"B-7"

BOROUGH OF BOUND BROOK  
TRUST FUND  
SCHEDULE OF RESERVE FOR ASSESSMENTS

|   | <u>REF.</u> |                  |
|---|-------------|------------------|
| Balance, December 31, 2012<br>and December 31, 2013 | B           | \$ <u>445.74</u> |

"B-8"

SCHEDULE OF DUE STATE OF NEW JERSEY  
ANIMAL CONTROL FEES

|   |     |                  |
|---|-----|------------------|
| Balance, December 31, 2012 (Due To State)   | B   | \$ 12.20         |
| Increased by:<br>Receipts                   | B-2 | 526.80           |
|   |     | \$ <u>539.00</u> |
| Decreased by;<br>Disbursements              | B-2 | <u>540.00</u>    |
| Balance, December 31, 2013 (Due From State) | B   | \$ <u>1.00</u>   |

BOROUGH OF BOUND BROOK  
TRUST FUND  
SCHEDULE OF ACCOUNTS PAYABLE

|                              | <u>REF.</u> |    |                         |
|------------------------------|-------------|----|-------------------------|
| Balance, December 31, 2012   | B           | \$ | 9,677.97                |
| Increased by:                |             |    |                         |
| Miscellaneous Trust Deposits | B-4         |    | 31,081.96               |
|                              |             | \$ | <u>40,759.93</u>        |
| Decreased by:                |             |    |                         |
| Miscellaneous Trust Deposits | B-4         |    | <u>9,677.97</u>         |
| Balance, December 31, 2013   | B           | \$ | <u><u>31,081.96</u></u> |

"B-10"

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF ASSESSMENT RECEIVABLE OVERPAYMENTS

|   | <u>REF.</u> |                    |
|---|-------------|--------------------|
| Balance, December 31, 2012<br>and December 31, 2013 | B           | \$ <u>2,254.06</u> |

"B-11"

SCHEDULE OF PREPAID DOG LICENSES

|                                  |     |                    |
|----------------------------------|-----|--------------------|
| Balance, December 31, 2012       | B   | \$ 294.00          |
| Increased by:<br>Receipts        | B-2 | <u>1,250.00</u>    |
|                                  |     | \$ <u>1,544.00</u> |
| Decreased by;<br>Prepaid Applied | B-3 | <u>294.00</u>      |
| Balance, December 31, 2013       | B   | \$ <u>1,250.00</u> |

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF ACCOUNTS RECEIVABLE - POLICE OUTSIDE OVERTIME

|                              | <u>REF.</u> |    |                         |
|------------------------------|-------------|----|-------------------------|
| Balance, December 31, 2012   | B           | \$ | 29,187.14               |
| Increased by:                |             |    |                         |
| Police Outside Overtime Fees | B-4         |    | <u>34,968.65</u>        |
|                              |             | \$ | <u>64,155.79</u>        |
| Decreased by:                |             |    |                         |
| Receipts                     | B-2         |    | <u>29,187.14</u>        |
| Balance, December 31, 2013   | B           | \$ | <u><u>34,968.65</u></u> |

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

| <u>ORDINANCE<br/>NUMBER</u> | <u>IMPROVEMENT<br/>DESCRIPTION</u>           | <u>DATE OF<br/>CONFIRMATION</u> | <u>INSTALLMENT</u> | <u>DUE DATES</u> | <u>BALANCE<br/>DECEMBER 31,<br/>2012 &amp; 2013</u> | <u>BALANCE PLEDGED TO</u> |                  |
|-----------------------------|--|---------------------------------|--------------------|------------------|---|---------------------------|------------------|
|                             |  |                                 |                    |                  |   | <u>CAPITAL</u>            | <u>RESERVE</u>   |
| 98-21                       | Curbs, Sidewalks and Driveways-Fairview Ave. | 09/12/00                        | 10                 | 11/13/00-09      | \$ 445.74   | \$                        | \$ 445.74        |
| 99-19                       | Reconstruction of Winsor                     | 02/13/01                        | 10                 | 04/13/01-10      | 2,551.02  | 2,551.02                  |                  |
| 01-21                       | Reconstruction of Cherry Street              | 04/08/03                        | 10                 | 06/01/03-12      | 644.88  | 644.88                    |                  |
|                             |  |                                 |                    |                  | <u>\$ 3,641.64</u>                                  | <u>\$ 3,195.90</u>        | <u>\$ 445.74</u> |
|                             |  |                                 |                    | <u>REF.</u>      | B   |                           |                  |

"B-14"

BOROUGH OF BOUND BROOK

TRUST FUND

ANALYSIS OF ASSESSMENT CASH

|                         | <u>BALANCE,<br/>DECEMBER<br/>31, 2013</u> |
|-------------------------|---|
| Assessment Overpayments | \$ 2,254.06                               |
| Trust Surplus           | 16,553.30                                 |
| Cash Deficit            | (3,641.64)                                |
| Due Current Fund        | 174.55                                    |
| Reserve for Assessments | <u>445.74</u>                             |
|                         | <u>\$ 15,786.01</u>                       |

REF.

B

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF CASH-TREASURER

|   | <u>REF.</u> |                     |                         |
|---|-------------|---------------------|-------------------------|
| Balance, December 31, 2012                          | C           |                     | \$ 116,804.19           |
| Increased by Receipts:                              |             |                     |                         |
| Budget Appropriations:                              |             |                     |                         |
| Capital Improvement Fund                            | C-7         | \$ 129,000.00       |                         |
| Deferred Charge in Deficit Capital Improvement Fund |             | 5,521.00            |                         |
| State Aid   | C-9         | 36,582.98           |                         |
| Due Current Fund                                    | C-6         | 2,187,773.15        |                         |
| Bond Anticipation Notes                             | C-15        | 12,319,500.00       |                         |
| Deferred Charges to Future Taxation: Unfunded       | C-12        | 177,700.02          |                         |
| Premium on Note                                     | C-1         | <u>39,594.00</u>    |                         |
|   |             |                     | 14,895,671.15           |
|   |             |                     | <u>\$ 15,012,475.34</u> |
| Decreased by Disbursements:                         |             |                     |                         |
| Due Current Fund                                    | C-6         | \$ 2,289,514.61     |                         |
| Contracts Payable                                   | C-4         | 3,976,564.97        |                         |
| Due Grant Fund                                      | C-13        | 400,000.00          |                         |
| Bond Anticipation Notes                             | C-15        | <u>4,847,500.00</u> |                         |
|   |             |                     | <u>11,513,579.58</u>    |
| Balance, December 31, 2013                          | C           |                     | <u>\$ 3,498,895.76</u>  |

ANALYSIS OF CASH

|   |                        |
|---|------------------------|
| Capital Improvement Fund                              | \$ 23,750.00           |
| Due From State of New Jersey                          | (832,657.15)           |
| Improvement Authorizations:                           |                        |
| Funded Improvements Listed on "C-9"                   | 1,121,107.24           |
| Unfunded Improvements Expended Listed on "C-13"       | (504,715.72)           |
| Unexpended Proceeds of Bond Anticipation Notes "C-13" | 2,888,216.38           |
| Cash on Hand to Pay Notes "C-13"                      | 11,974.02              |
| Due Current Fund                                      | (99,687.99)            |
| Due Trust Other Fund                                  | 400,000.00             |
| Contracts Payable                                     | 447,314.98             |
| Fund Balance  | <u>39,594.00</u>       |
|   | <u>\$ 3,494,895.76</u> |

REF.

C

BOROUGH OF BOUND BROOK  
GENERAL CAPITAL FUND  
SCHEDULE OF CONTRACTS PAYABLE

|   | <u>REF.</u> |    |                          |
|---|-------------|----|--------------------------|
| Balance, December 31, 2012                  | C           | \$ | 2,899,028.99             |
| Increased by:                               |             |    |                          |
| Transferred From Improvement Authorizations | C-8         |    | <u>1,672,183.38</u>      |
|   |             | \$ | <u>4,571,212.37</u>      |
| Decreased by:                               |             |    |                          |
| Disbursements                               | C-2         | \$ | 3,976,564.97             |
| Canceled                                    | C-8         |    | <u>147,332.42</u>        |
|   |             |    | <u>4,123,897.39</u>      |
| Balance, December 31, 2013                  | C           | \$ | <u><u>447,314.98</u></u> |



"C-5"

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO  
FUTURE TAXATION-FUNDED

|  | <u>REF.</u> |                 |                        |
|--|-------------|-----------------|------------------------|
| Balance, December 31, 2012                             | C           |                 | \$ 9,663,315.35        |
| Decreased by:  |             |                 |                        |
| 2013 Budget Appropriations to Pay Bonds                | C-11        | \$ 755,000.00   |                        |
| 2013 Budget Appropriations to Pay Infrastructure Loans | C-14        | <u>9,930.36</u> |                        |
|  |             |                 | <u>764,930.36</u>      |
| Balance, December 31, 2013                             | C           |                 | <u>\$ 8,898,384.99</u> |

"C-6"

SCHEDULE OF DUE CURRENT FUND

|                                       |     |  |                        |
|---------------------------------------|-----|--|------------------------|
| Balance, December 31, 2012 (Due To)   | C   |  | \$ 2,053.47            |
| Increased by:                         |     |  |                        |
| Receipts                              | C-2 |  | <u>2,187,773.15</u>    |
|                                       |     |  | \$ <u>2,189,826.62</u> |
| Decreased by:                         |     |  |                        |
| Disbursements                         | C-2 |  | <u>2,289,514.61</u>    |
| Balance, December 31, 2013 (Due From) | C   |  | <u>\$ 99,687.99</u>    |

BOROUGH OF BOUND BROOK  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

|                                  | <u>REF.</u> |    |                         |
|----------------------------------|-------------|----|-------------------------|
| Balance, December 31, 2012       |             |    |                         |
| Increased by:                    |             |    |                         |
| Budget Appropriation             | C-2         | \$ | 125,000.00              |
| Decreased by:                    |             |    |                         |
| Improvement Authorization Funded | C-8         |    | <u>101,250.00</u>       |
| Balance, December 31, 2013       | C           | \$ | <u><u>23,750.00</u></u> |

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORDINANCE NUMBER                             | IMPROVEMENT DESCRIPTION  | ORDINANCE DATE | ORDINANCE AMOUNT | BALANCE DECEMBER 31, 2012 |                        | 2013 AUTHORIZATIONS    | CONTRACTS PAYABLE      | CONTRACTS PAYABLE CANCELED | BALANCE DECEMBER 31, 2013 |                        |
|--|--|----------------|------------------|---------------------------|------------------------|------------------------|------------------------|----------------------------|---------------------------|------------------------|
|  |  |                |                  | FUNDED                    | UNFUNDED               |                        |                        |                            | FUNDED                    | UNFUNDED               |
| 02-07  | General Improvements:<br>Various Public Improvements             | 07/09/02       | \$ 2,510,000.00  | \$                        | \$                     | \$                     | \$                     | \$ 19,109.74               | \$ 18,609.74              | \$ 500.00              |
| 05-19  | Various Improvements to Public Library                           | 09/13/05       | 1,000,000.00     | 32,805.08                 |                        |                        | 1,991.00               |                            | 30,814.08                 |                        |
| 08-09  | Rehabilitation of Train Station                                  | 06/10/08       | 625,000.00       | 103,299.99                |                        |                        | 12,632.00              |                            | 90,667.99                 |                        |
| 08-18  | Various Public Improvements                                      | 09/23/08       | 1,955,000.00     |                           | 388,270.53             |                        |                        | 6,740.49                   |                           | 395,011.02             |
| 08-19  | General Improvements   | 09/23/08       | 685,000.00       | 21,250.04                 |                        |                        |                        |                            | 21,250.04                 |                        |
| 08-22  | Rehabilitation of Sanitary Sewers                                | 11/18/08       | 513,000.00       | 50,027.65                 |                        |                        | 4,425.00               |                            | 45,602.65                 |                        |
| 09-02  | Various Public Improvements                                      | 02/24/09       | 3,362,875.00     |                           | 884,024.07             |                        | 10,530.41              |                            |                           | 873,493.66             |
| 09-05  | Improvements to Livingston Street                                | 05/26/09       | 324,000.00       |                           | 10,000.00              |                        |                        |                            |                           | 10,000.00              |
| 09-06  | Improvement of Watchung Road/Demolition of Public Works Building | 06/09/09       | 485,000.00       | 351,875.54                |                        |                        | 18,168.30              |                            | 333,707.24                |                        |
| 09-09  | Improvement of Train Station/Replacement of Signs                | 08/11/09       | 100,000.00       | 85,918.38                 |                        |                        | 99.50                  |                            | 85,818.88                 |                        |
| 09-20  | Acquisition of Two Fire Engine Trucks                            | 12/08/09       | 850,000.00       |                           | 6,000.00               |                        | 529.78                 |                            |                           | 5,470.22               |
| 10-12  | Improvements to Church Street                                    | 06/08/10       | 290,000.00       |                           | 10,000.00              |                        | 10,000.00              |                            |                           |                        |
| 10-23  | Rehabilitation of Sanitary Sewers                                | 11/23/10       | 348,200.00       |                           | 44,886.25              |                        | 12,313.41              |                            |                           | 32,572.84              |
| 11-03  | Road Improvements 2010 Program                                   | 02/22/11       | 2,327,000.00     |                           | 438,384.16             |                        | 34,390.24              |                            |                           | 403,993.92             |
| 11-04  | Middlebrook Road Repairs   | 02/22/11       | 104,700.00       | 23,174.21                 |                        |                        |                        |                            | 23,174.21                 |                        |
| 11-06  | I/I Basin 4 Engineering  | 03/08/11       | 119,000.00       | 15,260.57                 |                        |                        | 15,260.57              |                            |                           |                        |
| 11-08  | Purchase of Union Avenue Property                                | 05/10/11       | 450,000.00       |                           | 408,404.43             |                        | 1,927.51               |                            |                           | 406,476.92             |
| 11-15  | Rehabilitation of Sewer Truck                                    | 07/12/11       | 35,000.00        | 2,180.15                  |                        |                        |                        |                            | 2,180.15                  |                        |
| 11-16  | Road Improvements 2011 Program                                   | 09/13/11       | 2,813,700.00     |                           | 1,047,078.17           |                        |                        | 121,482.19                 |                           | 1,168,560.36           |
| 11-19  | Purchase of Street Sweeper                                       | 11/29/11       | 175,000.00       | 167,500.00                |                        |                        |                        |                            | 167,500.00                |                        |
| 12-13  | Various Public Improvements                                      | 07/24/12       | 1,000,000.00     |                           | 150,483.40             |                        | 59,174.04              |                            |                           | 91,309.36              |
| 12-18  | Purchase of Police Vehicles                                      | 11/27/12       | 175,000.00       | 49,416.30                 |                        |                        | 47,886.00              |                            | 1,530.30                  |                        |
| 12-19  | Various Road Improvements  | 11/27/12       | 1,480,425.00     | 282,861.89                | 1,197,404.00           |                        | 1,345,753.59           |                            |                           | 134,512.30             |
| 12-20  | Repair of Church Street Culvert                                  | 12/18/12       | 250,000.00       |                           | 237,321.56             |                        | 96,103.99              |                            |                           | 141,217.57             |
| 13-09  | Repair of Church Street Culvert                                  |                | 225,000.00       |                           |                        | 225,000.00             | 998.04                 |                            | 10,251.96                 | 213,750.00             |
| 13-15  | Various Roads Improvements                                       |                | 2,000,000.00     |                           |                        | 2,000,000.00           |                        |                            | 290,000.00                | 1,710,000.00           |
|  |  |                |                  | <u>\$ 1,185,569.80</u>    | <u>\$ 4,822,256.57</u> | <u>\$ 2,225,000.00</u> | <u>\$ 1,672,183.38</u> | <u>\$ 147,332.42</u>       | <u>\$ 1,121,107.24</u>    | <u>\$ 5,586,868.17</u> |
|  |  |                |                  | REF.                      | C                      | C                      | C-4                    | C-4                        | C:C-3                     | C:C-12                 |
| Deferred Charges to Future Taxation-Unfunded |  |                |                  | C-12                      |                        | \$ 1,923,750.00        |                        |                            |                           |                        |
| Grants Receivable                            |  |                |                  | C-9                       |                        | 200,000.00             |                        |                            |                           |                        |
| Capital Improvement Fund                     |  |                |                  | C-7                       |                        | 101,250.00             |                        |                            |                           |                        |
|  |  |                |                  |                           |                        | <u>\$ 2,225,000.00</u> |                        |                            |                           |                        |

"C-9"

BOROUGH OF BOUND BROOK  
GENERAL CAPITAL FUND  
SCHEDULE OF GRANTS RECEIVABLE

|                                   | <u>REF.</u> |                             |
|-----------------------------------|-------------|-----------------------------|
| Balance, December 31, 2012        | C           | \$ 669,240.13               |
| Increased by:                     |             |                             |
| Improvement Authorizations Funded | C-8         | 200,000.00                  |
|                                   |             | \$ <u>869,240.13</u>        |
| Decreased by:                     |             |                             |
| Receipts                          | C-2         | <u>36,582.98</u>            |
| Balance, December 31, 2013        | C           | \$ <u><u>832,657.15</u></u> |

ANALYSIS OF BALANCE:

|                                      |                             |
|--------------------------------------|-----------------------------|
| East Main Street Streetscape Project | \$ 265,950.00               |
| Improvements to Church Street        | 96,707.15                   |
| Various Public Improvements          | 50,000.00                   |
| Various Road Improvements            | 220,000.00                  |
| Various Public Improvements          | <u>200,000.00</u>           |
|                                      | \$ <u><u>832,657.15</u></u> |

"C-10"

SCHEDULE OF DUE TRUST OTHER FUND

|  |   |                             |
|--|---|-----------------------------|
| Balance, December 31, 2012<br>and December 31, 2013 (Due To) | C | \$ <u><u>400,000.00</u></u> |
|--|---|-----------------------------|

BOROUGH OF BOUND BROOK  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS

| <u>PURPOSE</u>      | <u>DATE OF ISSUE</u> | <u>AMOUNT OF ORIGINAL ISSUE</u> | <u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2013</u> |               | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2012</u> | <u>INCREASED</u>     | <u>DECREASED</u>       | <u>BALANCE DECEMBER 31, 2013</u> |
|---------------------|----------------------|---------------------------------|--|---------------|----------------------|----------------------------------|----------------------|------------------------|----------------------------------|
|                     |                      |                                 | <u>DATE</u>  | <u>AMOUNT</u> |                      |                                  |                      |                        |                                  |
| General Improvement | 07/15/01             | \$ 4,513,000.00                 | 07/15/14-15  | \$ 330,000.00 | 4.500%               | \$ 1,318,000.00                  | \$ 330,000.00        | \$ 988,000.00          |                                  |
|                     |                      |                                 | 07/15/16   | 328,000.00    | 4.625%               |                                  |                      |                        |                                  |
| General Improvement | 2/15/08              | 9,672,000.00                    | 02/15/14   | 450,000.00    | 3.750%               | 8,222,000.00                     | 425,000.00           | 7,797,000.00           |                                  |
|                     |                      |                                 | 02/15/15   | 475,000.00    | 3.750%               |                                  |                      |                        |                                  |
|                     |                      |                                 | 02/15/16   | 500,000.00    | 3.875%               |                                  |                      |                        |                                  |
|                     |                      |                                 | 02/15/17   | 600,000.00    | 4.000%               |                                  |                      |                        |                                  |
|                     |                      |                                 | 02/15/18-20  | 625,000.00    | 4.000%               |                                  |                      |                        |                                  |
|                     |                      |                                 | 02/15/21-25  | 650,000.00    | 4.000%               |                                  |                      |                        |                                  |
|                     |                      |                                 | 02/15/26   | 647,000.00    | 4.000%               |                                  |                      |                        |                                  |
|                     |                      |                                 |  |               |                      | <u>8,222,000.00</u>              | <u>425,000.00</u>    | <u>7,797,000.00</u>    |                                  |
|                     |                      |                                 |  |               |                      | <u>\$ 9,540,000.00</u>           | <u>\$ 755,000.00</u> | <u>\$ 8,785,000.00</u> |                                  |
|                     |                      |                                 |  |               | <u>REF.</u>          | C                                | C-2:C-6:C-14         | C-5                    | C                                |

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION  | BALANCE DECEMBER 31, 2012 | 2013 AUTHORIZATIONS    | RECEIPTS             | BUDGET APPROPRIATIONS | BALANCE DECEMBER 31, 2013 | ANALYSIS OF BALANCE DECEMBER 31, 2013 |                      |                                       |
|------------------|--|---------------------------|------------------------|----------------------|-----------------------|---------------------------|---------------------------------------|----------------------|---------------------------------------|
|                  |  |                           |                        |                      |                       |                           | BOND ANTICIPATION NOTES               | EXPENDITURES         | UNEXPENDED IMPROVEMENT AUTHORIZATIONS |
| 90-8             | Filter for Codrington Park Swimming Pool                       | \$ 34,904.00              | \$                     | \$                   | \$                    | \$ 34,904.00              | \$                                    | \$ 34,904.00         | \$                                    |
| 90-13            | Acquisition of Vehicles and Various Public Improvements        | 37,100.00                 |                        |                      |                       | 37,100.00                 |                                       | 37,100.00            |                                       |
| 91-7             | Reconstruction of Second Avenue                                | 22,731.50                 |                        |                      |                       | 22,731.50                 |                                       | 22,731.50            |                                       |
| 94-15            | Acquisition of Buildings                                       | 5.00                      |                        |                      |                       | 5.00                      |                                       | 5.00                 |                                       |
| 94-16            | Various Acquisitions and Improvements                          | 36.00                     |                        |                      |                       | 36.00                     |                                       | 36.00                |                                       |
| 94-23            | Acquisition of Fire Equipment                                  | 25.28                     |                        |                      |                       | 25.28                     |                                       | 25.28                |                                       |
| 95-3             | Improvements to Sanitary Sewer System                          | 75.00                     |                        |                      |                       | 75.00                     |                                       | 75.00                |                                       |
| 96-5             | Various Public Improvements                                    | 70.00                     |                        |                      |                       | 70.00                     |                                       | 70.00                |                                       |
| 97-7             | Reconstruction of Longwood Avenue                              | 10,222.68                 |                        |                      |                       | 10,222.68                 |                                       | 10,222.68            |                                       |
| 98-8             | Various Public Improvements                                    | 250.00                    |                        |                      |                       | 250.00                    |                                       | 250.00               |                                       |
| 99-3             | Various Public Improvements                                    | 40.00                     |                        |                      |                       | 40.00                     |                                       | 40.00                |                                       |
| 99-19            | Reconstruction of Winsor Street                                | 20.69                     |                        |                      |                       | 20.69                     |                                       | 20.69                |                                       |
| 00-12            | Various Public Improvements                                    | 713.00                    |                        |                      |                       | 713.00                    |                                       | 713.00               |                                       |
| 01-1             | Reconstruction of Chestnut Street                              | 164.84                    |                        |                      |                       | 164.84                    |                                       | 164.84               |                                       |
| 01-11/02-15      | Various Public Improvements                                    | 58.00                     |                        |                      |                       | 58.00                     |                                       | 58.00                |                                       |
| 01-14            | Various Public Improvements                                    | 50.00                     |                        |                      |                       | 50.00                     |                                       | 50.00                |                                       |
| 01-17            | Various Public Improvements                                    | 84.00                     |                        |                      |                       | 84.00                     |                                       | 84.00                |                                       |
| 02-07            | Various Public Improvements                                    | 500.00                    |                        |                      |                       | 500.00                    |                                       | 500.00               |                                       |
| 06-10            | Acquisition of Lighting - Tea Street Ballfield                 | 131,755.00                |                        |                      |                       | 131,755.00                |                                       | 131,755.00           |                                       |
| 06-18            | Various Improvements for Sanitary Sewer-Talmdage and Vosseller | 71.00                     |                        |                      |                       | 71.00                     |                                       | 71.00                |                                       |
| 07-13            | Improvements to Highland Place                                 | 36,576.51                 |                        |                      |                       | 36,576.51                 |                                       | 36,576.51            |                                       |
| 08-18            | Various Public Improvements                                    | 1,477,250.00              |                        |                      |                       | 1,477,250.00              | 1,400,000.00                          |                      | 77,250.00                             |
| 09-02            | Various Public Improvements                                    | 3,144,880.00              |                        | 86,602.00            | 102,500.00            | 2,955,778.00              | 2,697,500.00                          |                      | 258,278.00                            |
| 09-05            | Improvements to Livingston Street                              | 35,941.14                 |                        |                      |                       | 35,941.14                 |                                       | 25,941.14            | 10,000.00                             |
| 09-20            | Acquisition of Two Fire Engine Trucks                          | 659,460.87                |                        |                      |                       | 659,460.87                | 659,000.00                            |                      | 460.87                                |
| 10-12            | Improvements to Church Street                                  | 10,000.00                 |                        |                      |                       | 10,000.00                 |                                       | 10,000.00            |                                       |
| 10-23            | Rehabilitation of Sanitary Sewers                              | 235,790.00                |                        | 17,764.02            |                       | 218,025.98                | 218,025.98                            |                      |                                       |
| 11-02            | Construction of Recreation Facility                            | 332,500.00                |                        |                      |                       | 332,500.00                | 332,500.00                            |                      |                                       |
| 11-03            | Road Improvements 2010 Program                                 | 2,210,650.00              |                        |                      |                       | 2,210,650.00              | 1,760,000.00                          | 46,656.08            | 403,993.92                            |
| 11-08            | Purchase of Union Avenue Property                              | 427,500.00                |                        |                      |                       | 427,500.00                | 427,500.00                            |                      |                                       |
| 11-16            | Road Improvements 2011 Program                                 | 2,483,015.00              |                        |                      |                       | 2,483,015.00              | 2,483,000.00                          |                      | 15.00                                 |
| 12-13            | Various Public Improvements                                    | 920,000.00                |                        |                      |                       | 920,000.00                | 920,000.00                            |                      |                                       |
| 12-14            | Various Improvements - Hurricane Irene                         | 220,000.00                |                        | 73,334.00            |                       | 146,666.00                |                                       | 146,666.00           |                                       |
| 12-19            | Various Road Improvements                                      | 1,197,404.00              |                        |                      |                       | 1,197,404.00              | 1,195,000.00                          |                      | 2,404.00                              |
| 12-20            | Repair of Church Street Culvert                                | 237,500.00                |                        |                      |                       | 237,500.00                | 215,000.00                            |                      | 22,500.00                             |
| 13-09            | Repair of Church Street Culvert                                |                           | 213,750.00             |                      |                       | 213,750.00                |                                       |                      | 213,750.00                            |
| 13-15            | Various Road Improvements                                      |                           | 1,710,000.00           |                      |                       | 1,710,000.00              |                                       |                      | 1,710,000.00                          |
|                  |  | <u>\$ 13,867,343.51</u>   | <u>\$ 1,923,750.00</u> | <u>\$ 177,700.02</u> | <u>\$ 102,500.00</u>  | <u>\$ 15,510,893.49</u>   | <u>\$ 12,307,525.98</u>               | <u>\$ 504,715.72</u> | <u>\$ 2,698,651.79</u>                |
|                  | REF.   | C                         | C-8                    | C-2                  | C-15                  | C                         |                                       | C-3                  |                                       |
|                  | Bond Anticipation Notes  | C-15                      |                        |                      |                       |                           | \$ 12,319,500.00                      |                      |                                       |
|                  | Less: Cash on Hand to Pay Notes                                | C-3                       |                        |                      |                       |                           | <u>11,974.02</u>                      |                      |                                       |
|                  |  |                           |                        |                      |                       |                           | <u>\$ 12,307,525.98</u>               |                      |                                       |
|                  | Improvement Authorizations Unfunded                            | C-8                       |                        |                      |                       |                           |                                       |                      | \$ 5,586,868.17                       |
|                  | Less: Unexpended Proceeds of Bond Anticipation Notes           | C-3                       |                        |                      |                       |                           |                                       |                      | <u>2,888,216.38</u>                   |
|                  |  |                           |                        |                      |                       |                           |                                       |                      | <u>\$ 2,698,651.79</u>                |

"C-13"

BOROUGH OF BOUND BROOK  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE GRANT FUND

|                           | <u>REF.</u> |                             |
|---------------------------|-------------|-----------------------------|
| Balance December 31, 2012 | C           | \$ <u>400,000.00</u>        |
| Decreased by:             |             |                             |
| Disbursements             | C-2         | \$ <u><u>400,000.00</u></u> |

"C-14"

SCHEDULE OF RESERVE FOR INFRASTRUCTURE LOAN PAYABLE

|                           |     |                             |
|---------------------------|-----|-----------------------------|
| Balance December 31, 2012 | C   | \$ 123,315.35               |
| Decreased by:             |     |                             |
| Payment on Loan           | C-5 | <u>9,930.36</u>             |
| Balance December 31, 2013 | C   | \$ <u><u>113,384.99</u></u> |

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

| <u>ORDINANCE NUMBER</u> | <u>PURPOSE</u>                      | <u>DATE OF ISSUE</u> | <u>AMOUNT OF ORIGINAL ISSUE</u> | <u>DATE OF MATURITY</u> | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2012</u> | <u>INCREASED</u>        | <u>DECREASED</u>       | <u>BALANCE DECEMBER 31, 2013</u> |
|-------------------------|-------------------------------------|----------------------|---------------------------------|-------------------------|----------------------|----------------------------------|-------------------------|------------------------|----------------------------------|
| 08-18                   | Various Public Improvements         | 06/08/12             | \$ 4,950,000.00                 | 06/07/13                | 1.500%               | \$ 1,400,000.00                  | \$                      | \$ 1,400,000.00        | \$                               |
| 09-02                   | Various Public Improvements         | 06/08/12             | 4,950,000.00                    | 06/07/13                | 1.500%               | 2,800,000.00                     |                         | 2,800,000.00           |                                  |
| 09-20                   | Acquisition of Two Fire Engines     | 06/08/12             | 4,950,000.00                    | 06/07/13                | 1.500%               | 750,000.00                       |                         | 750,000.00             |                                  |
| 11-02                   | Construction of Recreation Facility | 04/23/13             | 4,163,000.00                    | 04/23/14                | 1.500%               |                                  | 332,500.00              |                        | 332,500.00                       |
| 11-08                   | Purchase of Union Avenue Property   | 04/23/13             | 4,163,000.00                    | 04/23/14                | 1.500%               |                                  | 427,500.00              |                        | 427,500.00                       |
| 11-16                   | Road Improvements 2011 Program      | 04/23/13             | 4,163,000.00                    | 04/23/14                | 1.500%               |                                  | 2,483,000.00            |                        | 2,483,000.00                     |
| 12-13                   | Various Public Improvements         | 04/23/13             | 4,163,000.00                    | 04/23/14                | 1.500%               |                                  | 920,000.00              |                        | 920,000.00                       |
| 08-18                   | Various Public Improvements         | 06/07/13             | 4,756,500.00                    | 04/23/14                | 1.125%               |                                  | 1,400,000.00            |                        | 1,400,000.00                     |
| 09-02                   | Various Public Improvements         | 06/07/13             | 4,756,500.00                    | 04/23/14                | 1.125%               |                                  | 2,697,500.00            |                        | 2,697,500.00                     |
| 09-20                   | Acquisition of Two Fire Engines     | 06/07/13             | 4,756,000.00                    | 04/23/14                | 1.125%               |                                  | 659,000.00              |                        | 659,000.00                       |
| 10-23                   | Rehabilitation of Sanitary Sewers   | 12/19/13             | 3,400,000.00                    | 12/19/14                | 1.250%               |                                  | 230,000.00              |                        | 230,000.00                       |
| 11-03                   | Road Improvements 2010 Program      | 12/19/13             | 3,400,000.00                    | 12/19/14                | 1.250%               |                                  | 1,760,000.00            |                        | 1,760,000.00                     |
| 12-19                   | Various Road Improvements           | 12/19/13             | 3,400,000.00                    | 12/19/14                | 1.250%               |                                  | 1,195,000.00            |                        | 1,195,000.00                     |
| 12-20                   | Repair of Church Street Culvert     | 12/19/13             | 3,400,000.00                    | 12/19/14                | 1.250%               |                                  | 215,000.00              |                        | 215,000.00                       |
|                         |                                     |                      |                                 |                         |                      | <u>\$ 4,950,000.00</u>           | <u>\$ 12,319,500.00</u> | <u>\$ 4,950,000.00</u> | <u>\$ 12,319,500.00</u>          |
|                         |                                     |                      |                                 |                         |                      | <u>REF.</u>                      | <u>C</u>                | <u>C-2:C-12</u>        | <u>C</u>                         |
|                         | Disbursements                       |                      |                                 |                         |                      | C-2                              |                         | \$ 4,847,500.00        |                                  |
|                         | Paid by Budget                      |                      |                                 |                         |                      | C-12                             |                         | <u>102,500.00</u>      |                                  |
|                         |                                     |                      |                                 |                         |                      |                                  |                         | <u>\$ 4,950,000.00</u> |                                  |



BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>ORDINANCE<br/>NUMBER</u> | <u>IMPROVEMENT AUTHORIZATION</u>                               | <u>BALANCE<br/>DECEMBER<br/>31, 2013</u> |
|-----------------------------|--|--|
| <u>General Improvements</u> |  |  |
| 90-08                       | Various Public Improvements                                    | \$ 34,904.00                             |
| 90-13                       | Various Public Improvements                                    | 37,100.00                                |
| 91-07                       | Various Public Improvements                                    | 22,731.50                                |
| 94-15                       | Acquisition of Building  | 5.00                                     |
| 94-16                       | Various Acquisitions and Improvements                          | 36.00                                    |
| 94-23                       | Acquisition of Fire Engine                                     | 25.28                                    |
| 95-03                       | Improvements to Sanitary Sewer System                          | 75.00                                    |
| 96-05                       | Various Public Improvements                                    | 70.00                                    |
| 97-07                       | Reconstruction of Longwood Avenue                              | 10,222.68                                |
| 98-08                       | Various Public Improvements                                    | 250.00                                   |
| 99-03                       | Various Public Improvements                                    | 40.00                                    |
| 99-19                       | Various Public Improvements                                    | 20.69                                    |
| 00-12                       | Various Public Improvements                                    | 713.00                                   |
| 01-01                       | Reconstruction of Chestnut Avenue                              | 164.84                                   |
| 01-11/02-15                 | Various Public Improvements                                    | 58.00                                    |
| 01-14                       | Various Public Improvements                                    | 50.00                                    |
| 01-17                       | Various Public Improvements                                    | 84.00                                    |
| 02-07                       | Various Public Improvements                                    | 500.00                                   |
| 06-10                       | Acquisition of Lighting - Tea Street Ballfield                 | 131,755.00                               |
| 06-18                       | Various Improvements for Sanitary Sewer-Talmadge and Vosseller | 71.00                                    |
| 07-13                       | Improvements to Highland Place                                 | 36,576.51                                |
| 08-18                       | Various Public Improvements                                    | 77,250.00                                |
| 09-02                       | Various Public Improvements                                    | 258,278.00                               |
| 09-05                       | Improvements to Livingston Street                              | 35,941.14                                |
| 09-20                       | Acquisition of Two Fire Engines                                | 460.87                                   |
| 10-12                       | Improvements to Church Street                                  | 10,000.00                                |
| 11-03                       | Road Improvements 2010 Program                                 | 450,650.00                               |
| 11-16                       | Road Improvements 2011 Program                                 | 15.00                                    |
| 12-14                       | Various Improvements - Hurricane Irene                         | 146,666.00                               |
| 12-19                       | Various Road Improvements                                      | 2,404.00                                 |
| 12-20                       | Repair of Church Street Culvert                                | 22,500.00                                |
| 13-09                       | Repair of Church Street Culvert                                | 213,750.00                               |
| 13-15                       | Various Road Improvements                                      | 1,710,000.00                             |
|                             |  | <u>\$ 3,203,367.51</u>                   |

BOROUGH OF BOUND BROOK

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER

|                            | <u>REF.</u> | <u>P.A.T.F. I</u> | <u>FUND<br/>TOTAL</u> |
|----------------------------|-------------|-------------------|-----------------------|
| Balance, December 31, 2012 |             | \$ 2,654.78       | \$ 2,654.78           |
| Increased by:              |             |                   |                       |
| Receipts                   | E-3         | <u>1.24</u>       | <u>1.24</u>           |
|                            |             | \$ 2,656.02       | \$ 2,656.02           |
| Decreased by:              |             |                   |                       |
| Disbursements              |             | <u>2,656.02</u>   | <u>2,656.02</u>       |
|                            |             | \$ <u>-0-</u>     | \$ <u>-0-</u>         |

BOROUGH OF BOUND BROOK

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION  
AS OF DECEMBER 31, 2013

|                            | <u>REF.</u> |    |                   |
|----------------------------|-------------|----|-------------------|
| Balance, December 31, 2012 |             | \$ | 2,654.78          |
| Increased by:              |             |    |                   |
| Receipts                   | E-3         | \$ | <u>1.24</u>       |
|                            |             | \$ | 2,656.02          |
| Decreased by:              |             |    |                   |
| Disbursements              |             |    | <u>2,656.02</u>   |
| Balance, December 31, 2013 |             | \$ | <u><u>-0-</u></u> |

| <u>Reconciliation - December 31, 2013</u>   | <u>P.A.T.F. I</u><br><u>ACCOUNT</u> | <u>TOTAL</u>         |
|---|-------------------------------------|----------------------|
| Balance on Deposit Per Statement of:<br>Valley National Bank<br>Account #41060830 | \$ <u>-0-</u>                       | \$ <u>-0-</u>        |
| Balance, December 31, 2013  | \$ <u><u>-0-</u></u>                | \$ <u><u>-0-</u></u> |

BOROUGH OF BOUND BROOK  
PUBLIC ASSISTANCE TRUST FUND  
SCHEDULE OF DUE CURRENT FUND

|                                       | <u>REF.</u> |    |                   |
|---------------------------------------|-------------|----|-------------------|
| Balance, December 31, 2012 (Due From) |             | \$ | 0.09              |
| Increased by:                         |             |    |                   |
| Disbursements                         |             | \$ | <u>1.15</u>       |
|                                       |             |    | 1.24              |
| Decreased by:                         |             |    |                   |
| Receipts                              | E-1:E-2     |    | <u>1.24</u>       |
|                                       |             | \$ | <u><u>-0-</u></u> |

BOROUGH OF BOUND BROOK

PART II

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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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E-mail [info@scnco.com](mailto:info@scnco.com)

**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**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Bound Brook  
230 Hamilton Street  
Bound Brook, New Jersey 08805

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Bound Brook, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated July 21, 2014. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Bound Brook prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles and there was an omission of a statement of general fixed assets.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the regulatory financial statements, we considered the Borough's 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 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 Borough of Bound Brook'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.

## SUPLEE, CLOONEY & COMPANY

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. However, there were other internal control matters which are discussed in Part III, General Comments and Recommendations Section of the audit report.

### ***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*. However, there were immaterial instances of noncompliance which are discussed in Part III, General Comments and Recommendations Section of the audit report.

### ***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 Borough of Bound Brook's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Bound Brook's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 50

July 21, 2014

BOROUGH OF BOUND BROOK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

| FEDERAL<br>C.F.D.A.<br>NUMBER                              | PASS<br>THROUGH<br>GRANTOR'S<br>NUMBER | GRANT PERIOD<br>FROM TO | GRANT<br>AWARD<br>AMOUNT | 2013               |                   | CUMULATIVE<br>EXPENDITURES<br>DECEMBER<br>31, 2013 |
|--|--|-------------------------|--------------------------|--------------------|-------------------|--|
|  |  |                         |                          | FUNDS<br>RECEIVED  | FUNDS<br>EXPENDED |  |
| 14.218   | 11-U0411-04                            | 9/1/11 8/31/12          | \$ 100,000.00            | \$ 36,582.98       | \$                | \$ 100,000.00                                      |
| 16.607   |  | 1/1/11 12/31/11         | 6,349.50                 |                    |                   | 2,145.00   |
| 16.710   | 2009CKWX0405                           | 3/11/09 3/10/12         | 250,000.00               | 4,194.08           | 4,194.08          | 249,950.00   |
|  |  |                         | \$                       | 4,194.08           | 4,194.08          | 252,095.00   |
| <u>U.S. Department of Justice</u>                          |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Bath House Gutters/Park Fence) |  |                         |                          |                    |                   |  |
| 97.036   | PA-02-NJ-4086-PW-02111                 | 10/30/12 4/30/14        | 900.00                   | 900.00             | 900.00            | 900.00   |
| 97.036   | PA-02-NJ-4086-PW-02557                 | 10/30/12 4/30/13        | 52,586.32                | 52,586.32          | 52,586.32         | 52,586.32  |
| 97.036   | PA-02-NJ-4086-PW-02872                 | 10/30/12 4/30/13        | 150,812.10               | 62,838.38          | 85,460.19         | 85,460.19  |
| 97.036   | PA-02-NJ-4086-PW-03658                 | 10/30/12 4/30/13        | 18,297.68                | 18,297.68          | 18,297.68         | 18,297.68  |
| 97.036   | PA-02-NJ-4021-PW-04175                 | 8/31/11 2/28/13         | 1,541.25                 |                    | 1,541.25          | 1,541.25   |
| 97.036   | PA-02-NJ-4021-PW-04182                 | 8/31/11 2/29/12         | 7,270.61                 |                    | 7,270.61          | 7,270.61   |
| 97.036   | PA-02-NJ-4021-PW-04183                 | 8/31/11 2/29/12         | 64,382.42                |                    | 64,382.42         | 64,382.42  |
| 97.036   | PA-02-NJ-4021-PW-04187                 | 8/31/11 2/29/12         | 75,288.17                |                    | 75,288.17         | 75,288.17  |
| 97.036   | PA-02-NJ-4021-PW-04268                 | 8/31/11 2/29/12         | 4,987.50                 |                    | 4,987.50          | 4,987.50   |
| 97.036   | PA-02-NJ-4021-PW-04270                 | 8/31/11 2/29/12         | 10,075.02                |                    | 10,075.02         | 10,075.02  |
| 97.036   | PA-02-NJ-4021-PW-04272                 | 8/31/11 2/28/13         | 762.64                   |                    | 762.64            | 762.64   |
| 97.036   | PA-02-NJ-4021-PW-04293                 | 8/31/11 2/28/13         | 1,342.50                 |                    | 1,342.50          | 1,342.50   |
| 97.036   | PA-02-NJ-4021-PW-04294                 | 8/31/11 2/28/13         | 17,544.99                |                    | 17,544.99         | 17,544.99  |
| 97.036   | PA-02-NJ-4021-PW-04397                 | 8/31/11 2/28/13         | 4,875.00                 |                    | 4,875.00          | 4,875.00   |
| 97.036   | PA-02-NJ-4021-PW-04398                 | 8/31/11 2/29/12         | 3,888.75                 |                    | 3,888.75          | 3,888.75   |
| 97.036   | PA-02-NJ-4021-PW-04400                 | 8/31/11 2/29/12         | 1,848.75                 |                    | 1,848.75          | 1,848.75   |
| 97.036   | PA-02-NJ-4021-PW-04405                 | 8/31/11 2/29/12         | 3,435.18                 |                    | 3,435.18          | 3,435.18   |
| 97.036   | PA-02-NJ-4021-PW-04939                 | 8/31/11 2/29/12         | 26,579.72                |                    | 26,579.72         | 26,579.72  |
| 97.042   | 1200-100-066-1200-264-YEMR-6120        | 10/1/12 9/30/13         | 5,000.00                 |                    |                   |  |
|  |  |                         |                          | \$ 134,622.38      | \$ 157,244.19     | \$ 381,066.69                                      |
| <u>Total U.S. Department of Homeland Security</u>          |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Emergency Protective Measures) |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Debris Removal)                |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Donated Resources)             |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Recreational or Other)         |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Emergency Protective Measures) |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Debris Removal)                |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Public Buildings)              |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Protective Measures)           |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Public Utilities)              |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Recreational or Other)         |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Public Utilities)              |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Recreational or Other)         |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Protective Measures)           |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Protective Measures)           |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Protective Measures)           |  |                         |                          |                    |                   |  |
| FEMA - Disaster Assistance (Donated Resource)              |  |                         |                          |                    |                   |  |
| Emergency Management Assistance                            |  |                         |                          |                    |                   |  |
|  |  |                         |                          | \$ 175,399.44      | \$ 161,438.27     | \$ 733,161.6925                                    |
|  |  |                         |                          | <u>GRAND TOTAL</u> |                   |  |

Total U.S. Department of Homeland Security



BOROUGH OF BOUND BROOK

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2013

| STATE GRANTOR/PASS THROUGH<br>GRANTOR/PROGRAM TITLE    | STATE<br>ACCOUNT<br>NUMBER      | GRANT PERIOD |          | GRANT<br>AWARD<br>AMOUNT | 2013              |                   | CUMULATIVE<br>EXPENDITURES<br>DECEMBER<br>31, 2013 |
|--|---------------------------------|--------------|----------|--------------------------|-------------------|-------------------|--|
|  |                                 | FROM         | TO       |                          | FUNDS<br>RECEIVED | FUNDS<br>EXPENDED |  |
| <u>Department of Environmental Protection</u>          |                                 |              |          |                          |                   |                   |  |
| Clean Communities Program                              | 4900-765-042-4900-004VCMC-6020  | 1/1/08       | 12/31/08 | \$ 10,476.99             | \$                | \$ 2,628.01       | \$ 10,476.99                                       |
| Clean Communities Program                              | 4900-765-042-4900-004VCMC-6020  | 1/1/09       | 12/31/09 | 13,407.41                |                   | 13,407.41         | 13,407.41  |
| Clean Communities Program                              | 4900-765-042-4900-004VCMC-6020  | 1/1/10       | 12/31/10 | 14,019.20                |                   | 10,252.32         | 10,252.32  |
| Clean Communities Program                              | 4900-765-042-4900-004VCMC-6020  | 1/1/11       | 12/31/11 | 13,418.25                |                   |                   |  |
| Clean Communities Program                              | 4900-765-042-4900-004VCMC-6020  | 1/1/12       | 12/31/12 | 12,953.88                |                   |                   |  |
| Clean Communities Program - Unappropriated             | 4900-765-042-4900-004VCMC-6020  | 1/1/13       | 12/31/13 | 15,208.90                |                   | 15,208.90         |  |
|  |                                 |              |          | \$                       | \$                | \$ 26,287.74      | \$ 34,136.72                                       |
| <u>Business Stimulus Fund Grant</u>                    |                                 |              |          |                          |                   |                   |  |
|  |                                 | various      |          | 6,528.00                 | \$                | \$                |  |
| <u>Recycling Tonnage Grant</u>                         |                                 |              |          |                          |                   |                   |  |
| Recycling Tonnage Grant                                | 4900-752-042-4900-001-VREV-6020 | 1/1/06       | 12/31/06 | 2,709.84                 | \$                | 2,709.84          | 2,709.84   |
| Recycling Tonnage Grant                                | 4900-752-042-4900-001-VREV-6020 | 1/1/07       | 12/31/07 | 2,134.17                 |                   | 2,134.17          | 2,134.17   |
| Recycling Tonnage Grant                                | 4900-752-042-4900-001-VREV-6020 | 1/1/09       | 12/31/09 | 12,426.71                |                   | 10,329.40         | 10,329.40  |
| Recycling Tonnage Grant                                | 4900-752-042-4900-001-VREV-6020 | 1/1/11       | 12/31/11 | 7,939.28                 |                   |                   |  |
| Recycling Tonnage Grant                                | 4900-752-042-4900-001-VREV-6020 | 1/1/12       | 12/31/12 | 5,080.79                 |                   |                   |  |
| Recycling Tonnage Grant - Unappropriated               | 4900-752-042-4900-001-VREV-6020 | 1/1/13       | 12/31/13 | 8,347.17                 |                   | 8,347.17          |  |
|  |                                 |              |          | \$                       | \$                | \$ 15,173.41      | \$ 15,173.41                                       |
| <u>Total Department of Environmental Protection</u>    |                                 |              |          |                          |                   |                   |  |
|  |                                 |              |          | \$ 23,556.07             | \$                | \$ 41,461.15      | \$ 49,310.13                                       |
| <u>Department of Law and Public Safety</u>             |                                 |              |          |                          |                   |                   |  |
| Drunk Driving Enforcement Fund                         | 1110-101-030000-129040          | Continuous   |          | 5,995.82                 | \$                | 5,584.36          | 5,995.82   |
| Drunk Driving Enforcement Fund                         | 1110-101-030000-129040          | Continuous   |          | 5,901.92                 |                   | 3,036.64          | 3,036.64   |
| Drunk Driving Enforcement Fund - Unappropriated        | 1110-101-030000-129040          | Continuous   |          | 9,620.56                 |                   | 9,620.56          |  |
|  |                                 |              |          | \$                       | \$                | \$ 8,621.00       | \$ 9,032.46  |
| <u>Drive Sober or Get Pulled Over</u>                  |                                 |              |          |                          |                   |                   |  |
| Drive Sober or Get Pulled Over - Unappropriated        | 1020-718-066-1020-001-6120      | Continuous   |          | 4,175.00                 | \$                | 4,175.00          | 4,175.00   |
|  |                                 |              |          | \$                       | \$                | \$ 4,175.00       | \$ 4,175.00  |
| <u>Alcohol Education Rehabilitation Fund</u>           |                                 |              |          |                          |                   |                   |  |
| Alcohol Education Rehabilitation Fund                  | 9735-760-Y900-001-6020          | Continuous   |          | 2,649.88                 | \$                | 382.77            | 2,649.88   |
| Alcohol Education Rehabilitation Fund                  | 9735-760-Y900-001-6020          | Continuous   |          | 2,952.25                 |                   | 2,952.25          | 2,952.25   |
| Alcohol Education Rehabilitation Fund                  | 9735-760-Y900-001-6020          | Continuous   |          | 3,368.29                 |                   | 1,177.68          | 1,177.68   |
| Alcohol Education Rehabilitation Fund                  | 9735-760-Y900-001-6020          | Continuous   |          | 1,186.56                 |                   |                   |  |
| Alcohol Education Rehabilitation Fund                  | 9735-760-Y900-001-6020          | Continuous   |          | 215.85                   |                   |                   |  |
| Alcohol Education Rehabilitation Fund - Unappropriated | 9735-760-Y900-001-6020          | Continuous   |          | 1,688.79                 |                   | 1,688.79          |  |
|  |                                 |              |          | \$                       | \$                | \$ 4,512.70       | \$ 6,779.81  |
| <u>Body Armor Replacement Fund</u>                     |                                 |              |          |                          |                   |                   |  |
| Body Armor Replacement Fund                            | 1020-718-066-1020-001-6120      | Continuous   |          | 3,168.57                 | \$                | 3,168.57          | 3,168.57   |
| Body Armor Replacement Fund                            | 1020-718-066-1020-001-6120      | Continuous   |          | 2,289.36                 |                   | 61.68             | 61.68  |
| Body Armor Replacement Fund                            | 1020-718-066-1020-001-6120      | Continuous   |          | 2,514.01                 |                   |                   |  |
| Body Armor Replacement Fund - Unappropriated           | 1020-718-066-1020-001-6120      | Continuous   |          | 3,125.80                 |                   | 3,125.80          |  |
|  |                                 |              |          | \$                       | \$                | \$ 3,230.25       | \$ 3,230.25  |

BOROUGH OF BOUND BROOK

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2013

| STATE GRANTOR/PASS THROUGH<br>GRANTOR/PROGRAM TITLE    | STATE<br>ACCOUNT<br>NUMBER | GRANT PERIOD |          | GRANT<br>AWARD<br>AMOUNT | 2013              |                   | CUMULATIVE<br>EXPENDITURES<br>DECEMBER<br>31, 2013 |
|--|----------------------------|--------------|----------|--------------------------|-------------------|-------------------|--|
|  |                            | FROM         | TO       |                          | FUNDS<br>RECEIVED | FUNDS<br>EXPENDED |  |
| <u>Department of Law and Public Safety (continued)</u> |                            |              |          |                          |                   |                   |  |
| Click It Or Ticket                                     |                            | 1/1/12       | 12/31/12 | \$ 4,000.00              | \$                | \$ 4,000.00       | \$ 4,000.00  |
| Click It Or Ticket - Unappropriated                    |                            | 1/1/13       | 12/31/13 | 4,000.00                 | \$                | 4,000.00          | 4,000.00   |
|  |                            |              |          | \$ 4,000.00              | \$                | 4,000.00          | 4,000.00   |
| <u>Total Department of Law and Public Safety</u>       |                            |              |          | \$ 22,535.15             | \$                | 24,538.95         | 27,217.52  |
| <u>Department of Community Affairs</u>                 |                            |              |          |                          |                   |                   |  |
| Domestic Abuse Violence                                |                            | Continuous   |          | 5,252.16                 | \$                | \$                | 829.52   |
| <u>Department of Transportation</u>                    |                            |              |          |                          |                   |                   |  |
| State Aid Highway Projects - Various Roads             | 08-480-078-6320-AJ3-6010   | Continuous   |          | 200,000.00               | \$                | \$                | 150,000.00   |
| State Aid Highway Projects - Various Roads             |                            | Continuous   |          | 220,000.00               |                   |                   |  |
| State Aid Highway Projects - Church Street             | 10-480-078-6320-AKN-6010   | Continuous   |          | 200,000.00               |                   |                   | 103,292.85   |
| State Aid Highway Projects - Various Roads             |                            | Continuous   |          | 200,000.00               |                   |                   |  |
| Transportation Enhancement Program:                    |                            |              |          |                          |                   |                   |  |
| West Maple Street                                      |                            | Continuous   |          | 200,000.00               |                   |                   | 200,000.00   |
| Main Street  |                            | Continuous   |          | 166,000.00               |                   |                   | 166,000.00   |
| Train Station  |                            | Continuous   |          | 250,000.00               |                   |                   | 110,978.65   |
| Train Station  |                            | Continuous   |          | 250,000.00               |                   |                   | 45,222.00  |
| East Main Street Streetscape Project                   |                            | Continuous   |          | 265,950.00               |                   |                   |  |
| <u>Total Department of Transportation</u>              |                            |              |          | \$                       | \$                | \$                | 775,493.50   |
| <u>GRAND TOTAL</u>                                     |                            |              |          | \$ 46,091.22             | \$                | 66,000.10         | 852,850.67   |

BOROUGH OF BOUND BROOK

NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2013

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all federal and state financial assistance programs of the Borough of Bound Brook, County of Somerset, New Jersey. All federal and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other government agencies is included on the Schedule of Expenditures of Federal and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's regulatory basis financial statements. These amounts are reported in either the Current Fund, Grant Fund, or General Capital Fund.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS (CONTINUED)

Receipts:

|                      | <u>Federal</u>       | <u>State</u>        | <u>Other</u>       | <u>Total</u>         |
|----------------------|----------------------|---------------------|--------------------|----------------------|
| Current Fund         | \$ 134,622.38        | \$                  | \$                 | \$ 134,622.38        |
| Grant Fund           | 4,194.08             | 46,091.22           | 1,000.00           | 51,285.30            |
| General Capital Fund | <u>36,582.98</u>     | <u></u>             | <u></u>            | <u>36,582.98</u>     |
|                      | <u>\$ 175,399.44</u> | <u>\$ 46,091.22</u> | <u>\$ 1,000.00</u> | <u>\$ 222,490.66</u> |

Expenditures:

|              | <u>Federal</u>       | <u>State</u>        | <u>Other</u>        | <u>Total</u>         |
|--------------|----------------------|---------------------|---------------------|----------------------|
| Current Fund | \$ 157,244.19        | \$                  | \$                  | \$ 157,244.19        |
| Grant Fund   | <u>4,194.08</u>      | <u>66,000.10</u>    | <u>38,335.00</u>    | <u>108,529.18</u>    |
|              | <u>\$ 161,438.27</u> | <u>\$ 66,000.10</u> | <u>\$ 38,335.00</u> | <u>\$ 265,773.37</u> |

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedule.

PART III

BOROUGH OF BOUND BROOK

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

COMPARATIVE STATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - CURRENT FUND

|  | YEAR 2013               |                | YEAR 2012               |                |
|--|-------------------------|----------------|-------------------------|----------------|
|  | <u>AMOUNT</u>           | <u>%</u>       | <u>AMOUNT</u>           | <u>%</u>       |
| <u>REVENUE AND OTHER INCOME REALIZED</u>         |                         |                |                         |                |
| Fund Balance Utilized                            | \$ 225,000.00           | 0.80%          | \$ 47,576.00            | 0.17%          |
| Miscellaneous - From Other Than Local Property   |                         |                |                         |                |
| Tax Levies                                       | 4,921,619.72            | 17.45%         | 4,912,581.44            | 17.69%         |
| Collection of Delinquent Taxes and Tax           |                         |                |                         |                |
| Title Liens                                      | 472,882.75              | 1.68%          | 655,216.06              | 2.36%          |
| Collection of Current Tax Levy                   | <u>22,587,664.98</u>    | <u>80.07%</u>  | <u>22,147,470.79</u>    | <u>79.78%</u>  |
| <u>TOTAL INCOME</u>                              | <u>\$ 28,207,167.45</u> | <u>100.00%</u> | <u>\$ 27,762,844.29</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u>                              |                         |                |                         |                |
| Budget Expenditures:                             |                         |                |                         |                |
| Municipal Purposes                               | \$ 11,973,157.88        | 43.04%         | \$ 12,060,796.67        | 43.47%         |
| County Taxes                                     | 3,032,497.16            | 10.90%         | 2,986,071.41            | 10.76%         |
| Local School Taxes                               | 12,806,701.00           | 46.03%         | 12,679,309.50           | 45.70%         |
| Other Expenditures                               | <u>8,494.82</u>         | <u>0.03%</u>   | <u>18,894.34</u>        | <u>0.07%</u>   |
| <u>TOTAL EXPENDITURES</u>                        | <u>\$ 27,820,850.86</u> | <u>100.00%</u> | <u>\$ 27,745,071.92</u> | <u>100.00%</u> |
| Excess in Revenue                                | \$ 386,316.59           |                | \$ 17,772.37            |                |
| Adjustments to Income Before Fund Balance:       |                         |                |                         |                |
| Expenditures Included Above Which are by Statute |                         |                |                         |                |
| Deferred Charges to Budget of Succeeding Year    |                         |                | <u>200,000.00</u>       |                |
| Statutory Excess to Fund Balance                 | \$ 386,316.59           |                | \$ 217,772.37           |                |
| Fund Balance, January 1                          | <u>237,354.79</u>       |                | <u>67,158.42</u>        |                |
|  | \$ 623,671.38           |                | \$ 284,930.79           |                |
| Less: Utilization as Anticipated Revenue         | <u>225,000.00</u>       |                | <u>47,576.00</u>        |                |
| Fund Balance, December 31                        | <u>\$ 398,671.38</u>    |                | <u>\$ 237,354.79</u>    |                |

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

|                            | <u>2013</u>     | <u>2012</u>     | <u>2011</u>     |
|----------------------------|-----------------|-----------------|-----------------|
| Tax Rate                   | \$ <u>2.779</u> | \$ <u>2.712</u> | \$ <u>2.653</u> |
| Apportionment of Tax Rate: |                 |                 |                 |
| Municipal                  | \$ 0.880        | \$ 0.845        | \$ 0.819        |
| County                     | 0.364           | 0.357           | 0.368           |
| Local School               | <u>1.535</u>    | <u>1.510</u>    | <u>1.466</u>    |

Assessed Valuations:

|      |                          |                          |                          |
|------|--------------------------|--------------------------|--------------------------|
| 2013 | \$ <u>834,359,117.00</u> |                          |                          |
| 2012 |                          | \$ <u>839,197,277.00</u> |                          |
| 2011 |                          |                          | \$ <u>847,164,402.00</u> |

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of the tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

| <u>YEAR</u> | <u>TAX LEVY</u> | <u>CURRENTLY</u>                  |   |
|-------------|-----------------|-----------------------------------|---|
|             |                 | <u>CASH</u><br><u>COLLECTIONS</u> | <u>PERCENTAGE</u><br><u>OF</u><br><u>COLLECTION</u> |
| 2013        | \$23,212,717.95 | \$22,587,664.98                   | 97.30%  |
| 2012        | 22,775,728.16   | 22,147,470.79                     | 97.24%  |
| 2011        | 22,499,650.93   | 21,722,196.00                     | 96.54%  |

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years:

| <u>DEC.<br/>31ST<br/>YEAR</u> | <u>AMOUNT OF<br/>TAX TITLE<br/>LIENS</u> | <u>AMOUNT OF<br/>DELINQUENT<br/>TAXES</u> | <u>TOTAL<br/>DELINQUENT</u> | <u>PERCENTAGE<br/>OF TAX<br/>LEVY</u> |
|-------------------------------|--|---|-----------------------------|---------------------------------------|
| 2013                          | \$8,714.39                               | \$508,834.17                              | \$517,548.56                | 2.22%                                 |
| 2012                          | 12,612.36                                | 467,940.90                                | 480,553.26                  | 2.10%                                 |
| 2011                          | 19,720.83                                | 628,219.70                                | 647,940.53                  | 2.87%                                 |

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2013 by foreclosure or deed, as a result of liquidation of tax title liens.

COMPARISON OF SEWER BILLINGS AND COLLECTIONS (COMPONENT OF CURRENT FUND)

| <u>YEAR</u> | <u>BILLINGS</u> | <u>COLLECTIONS</u> |
|-------------|-----------------|--------------------|
| 2013        | \$1,016,565.71  | \$856,752.82       |
| 2012        | 1,032,193.01    | 870,131.00         |
| 2011        | 1,185,438.99    | 986,382.71         |



COMPARISON OF REFUSE BILLINGS AND COLLECTIONS (COMPONENT OF CURRENT FUND)

| <u>YEAR</u> | <u>BILLINGS</u> | <u>COLLECTIONS</u> |
|-------------|-----------------|--------------------|
| 2013        | \$428,825.24    | \$374,357.23       |
| 2012        | 427,725.00      | 381,467.97         |
| 2011        | 476,600.00      | 415,763.97         |

EQUALIZED VALUATIONS - REAL PROPERTY

| <u>YEAR</u> | <u>AMOUNT</u>    |
|-------------|------------------|
| 2013        | \$776,968,089.00 |
| 2012        | 796,674,780.00   |
| 2011        | 812,466,557.00   |

COMPARATIVE SCHEDULE OF FUND BALANCES

| <u>DECEMBER 31</u><br><u>YEAR</u> | <u>CURRENT</u><br><u>FUND</u> | <u>UTILIZED IN</u><br><u>BUDGET OF</u><br><u>SUCCEEDING YEAR</u> |
|-----------------------------------|-------------------------------|--|
| 2013                              | \$398,671.38                  | \$325,000.00   |
| 2012                              | 237,354.79                    | 225,000.00   |
| 2011                              | 67,018.27                     | 47,576.00  |
| 2010                              | 317,018.27                    | 250,000.00   |
| 2009                              | 359,658.52                    | 325,000.00   |

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

|                      |  |   |
|----------------------|--|---|
| Carey Pilato         | Mayor  | * |
| Mark Hastings        | Council President  | * |
| Lisa Bogart          | Council Person   | * |
| John Miller Jr       | Council Person to November 30, 2013  | * |
| John Paul Levin      | Council Person   | * |
| Anthony Pranzatelli  | Council Person   | * |
| Vinnie Petti         | Council Person   | * |
| Daniel Wright        | Council Person from December 17, 2013  | * |
| Randy Bahr           | Administrator, CMFO, Tax Collector<br>Supervisor of Public Works             | * |
| Donna Marie Godleski | Borough Clerk  | * |
| James O'Donahue      | Borough Attorney   | * |
| Michael Imbriaco     | Tax Assessor   | * |
| Michael Wright       | Construction Code Official,<br>Fire and Electrical Official to July 24, 2013 | * |
| James Ayotte         | Construction Code Official from October 30, 2013                             | * |
| Angelo Rossi         | Plumbing Subcode Official  | * |
| William Boyle        | Fire Official from July 30, 2013   | * |
| John Elichko         | Electrical Official from August 1, 2013                                      | * |
| Katherine Howes      | Municipal Court Judge  | * |
| Loretta Durado       | Court Administrator to April 30, 2013  | * |
| Valarie Vazques      | Court Administrator from May 1, 2013   | * |
| T&M Associates       | Engineer   | * |
| Michael Jannone      | Chief of Police  | * |
| Doreen Todaro        | Recreation Director  | * |

\*Blanket Bond \$1,000,000.00 Middlesex County Municipal Joint Insurance Fund

COMMENTS AND RECOMMENDATIONS

## GENERAL COMMENTS

### CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A.40A:11-4)

"Every contract or agreement, for the performance of any work or the 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 after public advertising for bids and bidding therefore, except as is provide 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 the amount set forth in, or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971, c. 198 (c.40:11-3), except by contract or agreement."

Effective January 1, 2011, the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$36,000.00 for Municipalities that have a qualified purchasing agent.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Attorney's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising for the following items:

- Reassessment Services
- Road Construction Project
- Church Street Culvert Upstream Extension Replacement
- Collection and Disposal of Solid Waste
- Roadway Repairs on East Maple Avenue
- Portable Light Towers

The minutes indicate that resolutions were adopted and advertized authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 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 be reasonably ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A: 44-6.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 1, 2013 adopted a resolution pursuant to the provisions of R.S.54:4-67, fixing the rate of delinquent taxes at 8% per annum on the first \$1,500.00.

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

TAX TITLE LIENS

The last tax sale was held on October 23, 2013 and was complete. The following is a comparison of the number of tax title liens receivable on December 31 of the last three years:

| <u>YEAR</u> | <u>NUMBER OF LIENS</u> |
|-------------|------------------------|
| 2013        | 2                      |
| 2012        | 4                      |
| 2011        | 4                      |

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services consisting of verification notices as follows:

|  |    |
|--|----|
| Information Tax Positive Confirmations | 50 |
| Delinquent Tax Positive Confirmations  | 25 |

OTHER COMMENTS

Interfund Balances

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus, creating interfund balances. Reference to the various balance sheets show the interfund balances remaining at year end. As a general rule, all interfund balances should be closed out at year end. It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

## OTHER COMMENTS (CONTINUED)

### Purchasing

We noted that a Certification of Availability of Funds was not obtained from the Chief Financial Officer prior to the awarding of some professional service contracts.

We noted that not all contracts over the bid threshold were awarded in the minutes and not all professional contracts were awarded with a not to exceed amount by resolution of the governing body. However the professional service contracts did have a definite amount or a not to exceed amount in the contract.

### Departments

The audit of the condition of records maintained by the various departments of the borough were designed to determine that minimum levels of internal control and accountability were maintained, that cash receipts were deposited or turned over to the Treasurer within 48 hours per N.J.S.A. 40A:5-15 and that the amounts collected were in accordance with various ordinances, statutes, contracts or agreements. Our audit revealed the following exceptions:

#### Police Department

While a formal receipts ledger was maintained the receipts were sometimes posted when a deposit was made and not when the actual receipt was taken in.

#### Recreation Department

There was no formal receipts ledger maintained. A book containing turnover sheets was the only record maintained. Funds received were not always deposited within 48 hours of receipt.

#### Housing/Fire/Zoning Department

While a formal receipts ledger was maintained it was discovered that this ledger was incomplete. Not all receipts collected were recorded or remitted to the treasurer within 48 hours of receipt. It was determined that the funds not remitted to the treasurer were misappropriated by an individual in the office. The individual was dismissed from employment of the Borough upon discovery of the misappropriated funds.

### Fixed Assets

The Borough's fixed asset ledger has not been updated since 2004.

### Finance

Bank reconciliations for some accounts were not completed on a timely basis therefore the cash balances per the general ledgers could not be verified to the reconciled bank balances.

### General Ledger

A Current Fund General Ledger was not completely maintained with all journal entries in accordance with the Division of Local Government Services Technical Accounting Directive No. 85-3.

## RECOMMENDATIONS

\*That all professional service contracts over the bid threshold be awarded with a not to exceed amount by resolution of the governing body.

That all contract purchases over the bid threshold be awarded by resolution of the governing body.

\*That the Borough's fixed asset ledger be maintained on a current basis

\*That a certification of funds be prepared for all contracts awarded over the bid threshold.

\*That the Police Department record receipts by date of receipt and not the date the funds are turned over to the treasurer.

\*That the Recreation Department maintain a receipts ledger and that all receipts be remitted to the treasurer within 48 hours of receipt.

That the Housing/Fire/Zoning Department record all receipts collected and that all monies be remitted to the treasurer within 48 hours of receipt.

\*That all bank reconciliations be completed in a timely manner and agreed to the cash balances in the general ledgers.

That a Current Fund General Ledger be completely maintained in accordance with Technical Accounting Directive No. 85-3.

\*Prior Year Recommendations





