

**TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY**

**REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2012**

TOWNSHIP OF NEPTUNE

COUNTY OF MONMOUTH

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COUNTY OF MONMOUTH
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COUNTY OF MONMOUTH

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COUNTY OF MONMOUTH

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TOWNSHIP OF NEPTUNE

COUNTY OF MONMOUTH

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

FOR THE YEAR ENDED DECEMBER 31, 2012

FALLON & LARSEN LLP

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Township Committee
Township of Neptune
County of Monmouth
Neptune, New Jersey

We have audited the accompanying balance sheets of the various funds and account groups of the Township of Neptune (the "Township"), as of December 31, 2012 and 2011, and the related statements of operations and changes in fund balance for the years then ended and the related statements of revenues and statements of expenditures for the year ended December 31, 2012 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 2, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 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 in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2012 and 2011, the changes in financial position, or, where applicable, its cash flows for the year ended December 31, 2012.

Opinion on Regulatory Basis of Accounting

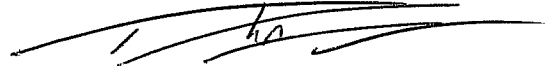
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds and account groups of the Township as of December 31, 2012 and 2011, and the results of its operations and changes in fund balance of the individual funds for the years then ended and the revenues and expenditures for the year ended December 31, 2012, on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 2 to the financial statements.

Other Matters

Our audits were conducted for the purpose of forming opinions on the financial statements of the Township taken as a whole. The accompanying financial information listed as supplementary schedules and comments section in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements. The accompanying financial information listed as supplementary schedule and comments sections in the table of contents and the schedules of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and comments sections and schedule of expenditures of federal awards are fairly

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2013, on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement 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 Township's internal control over financial reporting and compliance.



Thomas P. Fallon
Certified Public Accountant
Registered Municipal Accountant #465



Fallon & Larsen LLP

August 27, 2013

Certified Public Accountants

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**INDEPENDENT AUDITORS' 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***

To the Honorable Mayor and Members
of the Township Committee
Township of Neptune
County of Monmouth
Neptune, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the Township of Neptune, of the State of New Jersey (the "Township"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, and have issued our report thereon dated August 27, 2013. We expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America. As described in Note 2, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

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

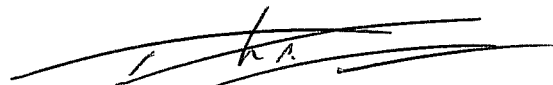
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However providing an opinion on compliance with these 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*.

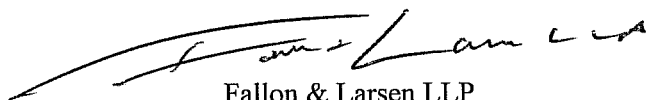
We noted certain matters that we have reported to management of the Township in the Comments and Recommendations section of this report.

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



Thomas P. Fallon
Certified Public Accountant
Registered Municipal Accountant #465



Fallon & Larsen LLP

August 27, 2013

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Cash	A-4	\$ 9,518,080.15	\$ 6,854,218.11
Cash - Change Fund	A	925.00	925.00
		<u>9,519,005.15</u>	<u>6,855,143.11</u>
 Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	1,449,225.41	1,423,363.73
Tax Title Liens Receivable	A-9	49,481.15	30,792.64
Property Acquired for Taxes - Assessed Valuation	A-10	5,246,000.00	5,246,000.00
Revenue Accounts Receivable	A-11	122,798.13	171,434.66
Abating Costs Receivable	A-12	17,052.00	25,012.67
Interfunds Receivable	A-13	68,531.34	218,459.04
Mortgage Receivable	A	400,000.00	
Local School District Tax Advanced	A-21	12,072.50	5,670.00
		<u>7,365,160.53</u>	<u>7,120,732.74</u>
 Deferred Charges:			
Special Emergency Authorization (N.J.S.40A:4-55)	A-28	3,600,000.00	
		<u>20,484,165.68</u>	<u>13,975,875.85</u>
 Federal and State Grant Fund:			
Cash	A-4	347,881.87	209,089.00
Grants Receivable	A-25	903,197.69	1,224,277.44
		<u>1,251,079.56</u>	<u>1,433,366.44</u>
 Total Assets		 <u>\$ 21,735,245.24</u>	 <u>\$ 15,409,242.29</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

LIABILITIES, RESERVES AND FUND BALANCE	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Appropriation Reserves	A-3/A-15	\$ 878,956.85	\$ 446,409.88
Reserve for Encumbrances	A-16	2,421,225.87	1,325,385.52
Interfunds Payable	A-13	7,716.32	96,583.95
Accounts Payable	A-14	55,919.81	84,590.24
Tax Overpayments	A-17	36,801.64	32,517.30
Prepaid Taxes	A-18	473,303.34	446,262.26
County Taxes Payable	A-20	46,035.38	54,400.23
Due to State Agencies	A-22	5,845.00	13,864.00
Due to Neptune Township Public Library	A-7		5,387.47
Due to State - P.L. 1971 C.20	A-6	3,871.91	7,292.46
Various Reserves	A-23	85,078.94	115,730.84
Reserve for FEMA Reimbursement - Hurricane Sandy	A-5	1,800,004.13	
		<u>5,814,759.19</u>	<u>2,628,424.15</u>
Special Emergency Note Payable	A-5	3,600,000.00	
Reserve for Receivables and Other Assets	A	7,365,160.53	7,120,732.74
Fund Balance	A-1	3,704,245.96	4,226,718.96
		<u>14,669,406.49</u>	<u>11,347,451.70</u>
		<u>20,484,165.68</u>	<u>13,975,875.85</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-26	1,047,471.34	989,648.94
Reserve for Encumbrances	A-26	142,142.72	248,534.60
Unappropriated Reserves	A-27	47,025.81	60,523.30
Interfund - Current Fund	A-24	8,429.01	134,659.60
Interfund - Trust Other Fund	A-26	6,010.68	
		<u>1,251,079.56</u>	<u>1,433,366.44</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 21,735,245.24</u>	<u>\$ 15,409,242.29</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 3,516,000.00	\$ 3,350,000.00
Miscellaneous Revenue Anticipated	A-2	9,224,414.70	9,112,874.08
Receipts from Delinquent Taxes	A-2	1,454,719.22	1,327,329.58
Receipts from Current Taxes	A-2	71,663,465.06	71,009,697.89
Non-Budget Revenues	A-2	813,683.78	925,892.13
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-15	601,871.56	933,689.72
Accounts Payable Canceled	A-14	22,379.76	7,328.42
Appropriated Grant Reserves Canceled	A-13	5,781.35	131,861.68
Statutory Animal Control Excess			27,813.38
Tax Overpayments Canceled	A-17	359.77	
Premium on Sale of Special Emergency Notes	A-5	19,297.41	
Void Checks	A-5	187.98	
Local School Tax Advance Returned	A-21	5,670.00	
Adjustment to Amount Due To State - P.L. 1971, C. 20	A-6	12,340.68	
Interfunds Returned	A-13	144,469.64	
Total Revenue		<u>87,484,640.91</u>	<u>86,826,486.88</u>
Expenditures:			
Budget Appropriations Within Caps:			
Operations:			
Salaries and Wages	A-3	14,808,850.00	14,001,490.00
Other Expenses	A-3	15,457,364.00	11,696,828.18
Deferred Charges and Statutory Expenditures	A-3	3,237,757.00	3,686,721.82
Budget Appropriations Excluded from Caps:			
Operations:			
Salaries and Wages	A-3	291,325.00	287,325.00
Other Expenses	A-3	2,616,848.91	2,240,862.56
Capital Improvements	A-3	100,000.00	50,000.00
Municipal Debt Service	A-3	3,103,019.71	2,668,889.07
		<u>39,615,164.62</u>	<u>34,632,116.63</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
County Taxes	A-20	\$ 10,363,750.52	\$ 10,366,009.34
Local District School Tax	A-21	34,536,327.50	34,554,098.00
Fire District Taxes	A-19	3,445,873.00	3,429,966.00
Interfunds Advanced			26,516.97
Local School Tax Advanced	A-21	12,072.50	5,670.00
Prior Year Senior Citizens Disallowed	A-6/A-8	32,178.77	16,840.40
Refund of Prior Year Tax Revenue	A-17	45,291.00	36,926.09
Refund of Prior Year Revenue and Bank Fees	A-13	5,458.06	
Grants Receivable Canceled	A-13	34,997.94	60,049.10
Total Expenditures		<u>88,091,113.91</u>	<u>83,128,192.53</u>
Excess/(Deficit) in Revenue		(606,473.00)	3,698,294.35
Add:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Year:			
Special Emergency Authorization	A-28	<u>3,600,000.00</u>	<u> </u>
Statutory Excess to Fund Balance		2,993,527.00	3,698,294.35
Fund Balance January 1	A	<u>4,226,718.96</u>	<u>3,878,424.61</u>
		7,220,245.96	7,576,718.96
Decreased by:			
Utilized as Anticipated Revenue	A-1/A-2	<u>3,516,000.00</u>	<u>3,350,000.00</u>
Fund Balance December 31	A	<u>\$ 3,704,245.96</u>	<u>\$ 4,226,718.96</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2012

	Ref.	Budget	Anticipated Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 3,516,000.00		\$ 3,516,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-11	50,000.00		55,440.00	\$ 5,440.00
Other	A-11	190,000.00		234,061.51	44,061.51
Fees and Permits	A-11	320,000.00		329,720.45	9,720.45
Fines and Costs:					
Municipal Court	A-11	575,000.00		731,491.92	156,491.92
Interest and Costs on Taxes	A-11	305,000.00		336,057.49	31,057.49
Interest on Investments and Deposits	A-11	50,000.00		53,517.02	3,517.02
Consolidated Municipal Property Tax					
Relief Aid	A-11	1,061,946.00		882,060.00	(179,886.00)
Energy Receipts Tax	A-11	3,935,508.00		4,115,394.00	179,886.00
Uniform Construction Code Fees	A-11	645,847.02		495,505.00	(150,342.02)
Interlocal Services Agreements:					
Neptune City 911 Services	A-11	20,000.00		20,000.00	
Neptune BOE - GREAT Program	A-11	20,000.00		20,000.00	
Fleet Maintenance - Allenhurst, Neptune					
Fire Dist, OG Fire Dist, Neptune BOE	A-11	150,000.00		119,720.36	(30,279.64)
Liability, Workman's Compensation,					
Pensions and Property Insurance -					
Neptune Fire, OG Fire	A-11	171,400.00		171,400.00	
Monmouth County EMS	A-11	6,000.00		6,000.00	
Community Notification System Agreement	A-11	10,000.00		16,800.00	6,800.00
Public Safety Officer Program	A-11	61,516.00		50,000.00	(11,516.00)
Prisoner Processing / Jail Program	A-11	25,250.00		24,750.00	(500.00)
Drunk Driving Enforcement Fund	A-25	7,654.71		7,654.71	
Clean Communities Program	A-25	52,136.61		52,136.61	
Alcohol Education and Rehabilitation Fund	A-25		\$ 3,021.93	3,021.93	
Municipal Alliance on Alcoholism and Drug					
Abuse - State	A-25	51,074.00		51,074.00	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2012

	Ref.	Budget	Anticipated Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Federal Emergency Management Assistance	A-25	\$ 5,000.00		\$ 5,000.00	
Older Americans Act	A-25	25,000.00		25,000.00	
National Parks and Recreation 2012 ACHIEVE	A-25	50,000.00		50,000.00	
Hazardous Discharge Site Remediation Program- Childnese Property	A-25	60,523.30		60,523.30	
FY 2011 EMPG Exercise Pass Thru Grant	A-25		\$ 14,000.00	14,000.00	
EMPG Open Initiative Subgrant Program	A-25		24,000.00	24,000.00	
Interfaith Neighbors - Senior Meal Program	A-25	24,780.00		24,780.00	
Edward Byrne Memorial Justice Assistance	A-25		64,811.00	64,811.00	
Body Armor Replacement Fund	A-25		6,804.73	6,804.73	
NJSP HMEP Training Grant	A-25	26,000.00		26,000.00	
Federal Bulletproof Vest Partnership Grant	A-25		12,655.50	12,655.50	
FY12 Urban Areas Security Initiative	A-25		105,800.00	105,800.00	
Click It or Ticket	A-25	4,000.00		4,000.00	
NJ Green Communities Grant	A-25	3,000.00		3,000.00	
FY 2010 EMPG Exercise Pass Thru Grant	A-25	15,000.00		15,000.00	
NJSP HMEP Planning Grant	A-25	24,500.00		24,500.00	
NJDEA Hazardous Discharge Site Remediation Fund - Tides Motel	A-25		65,515.00	65,515.00	
Cops in Shops - Summer Shore Initiative	A-25		2,400.00	2,400.00	
Administration Fees - Off Duty					
Employment of Police Officers	A-11	175,000.00		286,504.60	\$ 111,504.60
Reserve for Debt Service - Capital Fund	A-11	17,000.00		17,000.00	
Cable T.V. - Franchise Fee	A-11	369,540.75		369,540.75	
Commercial Garbage Removal Fees	A-11	120,000.00		123,865.67	3,865.67
Interfund - Trust Other	A-11	67,234.03		5,458.06	(61,775.97)
Reserve for Debt Service - Ord. 98-38	A-11	5,629.19		5,629.19	
OCGMA Special Police Contribution	A-11	20,000.00		23,104.00	3,104.00
Cell Tower Lease	A-11	75,000.00		83,717.90	8,717.90
Monmouth County Lease of Facility		150,000.00			(150,000.00)
Total Miscellaneous Revenues	A-1	8,945,539.61	299,008.16	9,224,414.70	(20,133.07)
Receipts from Delinquent Taxes	A-1/A-2	1,389,096.15		1,454,719.22	65,623.07
		13,850,635.76	299,008.16	14,195,133.92	45,490.00
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes		23,509,081.86		24,953,678.41	1,444,596.55
Minimum Library Tax		1,218,713.13		1,218,713.13	
Total Amount to be Raised by Taxes	A-2/A-8	24,727,794.99		26,172,391.54	1,444,596.55
		38,578,430.75	299,008.16	40,367,525.46	1,490,086.55
Non-Budget Revenues	A-1/A-2			813,683.78	813,683.78
Total		\$ 38,578,430.75	\$ 299,008.16	\$ 41,181,209.24	\$ 2,303,770.33
	Ref.	A-3	A-3		

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2012

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	A-1/A-8	\$ 71,663,465.06
Allocated to School ,County, and Fire District Taxes	A-8	<u>48,341,073.52</u>
Balance for Support of Municipal Budget Appropriations		23,322,391.54
Add:		
Reserve for Uncollected Taxes	A-3	<u>2,850,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 26,172,391.54</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-8	\$ 1,446,921.91
Tax Title Lien Collections	A-9	<u>7,797.31</u>
	A-2	<u>\$ 1,454,719.22</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2012

Analysis of Non-Budget Revenues:

Canister Rental		\$	8,600.00
Tires			1,076.00
Recycling			81,925.77
DPW - Freon			1,620.00
Copies - Tax Office			183.18
Copies - Code Enforcement			0.54
Planning Board			5,576.85
Employee Reimbursements - Cell Phones			2,220.00
Sale of Maps			18.00
Workman's Compensation Refunds			60,739.49
Variance - Board of Adjustment			26,616.50
Found Money - Police			9.25
ID Cards - Police			486.00
Return Check Charges			1,180.00
Copies - Clerk's Office			532.87
Other Unanticipated			24,754.83
Federal Disaster Assistance			210,793.16
Insurance Dividends			360.92
State Administration Fee - Senior Citizen and Veterans			5,854.64
Homestead Rebate - Administrative Fee			2,012.40
Sale of Trash Cans			5,385.00
Prescription Rebates			14,190.20
ATM Revenue			607.56
DMV Inspection Fines			6,900.20
Retiree Drug Subsidy			37,620.52
Sale of Bid Documents			300.00
Auction Township Property			2,424.42
Duplicate Bill			1,015.00
HPC Application Fees			3,965.00
Tax Search			150.00
Abating Charges	A-12		34,548.92
Neptune City-Brush Pickup			30,333.25
FBI Reimbursement for Police Salaries and Wages			20,990.57
Premium Forfeited			3,800.00
Payments in Lieu of Taxes on Real Property			216,892.74
			<hr/>
	A-2/A-5	\$	<u>813,683.78</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2012

	<u>Appropriated</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Expended</u>	<u>Unexpended</u>
	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>	<u>Reserved</u>	<u>Balance</u>
					<u>Canceled</u>
Operations Within CAPS					
General Government Functions:					
General Administration					
Salaries and Wages	\$ 405,000.00	\$ 405,000.00	\$ 382,119.23	\$ 22,880.77	
Other Expenses	95,000.00	95,000.00	93,064.25	1,935.75	
Municipal Clerk					
Salaries and Wages	175,500.00	175,500.00	175,005.14	494.86	
Other Expenses	20,000.00	30,000.00	29,539.98	460.02	
Financial Administration					
Salaries and Wages	359,000.00	359,000.00	355,191.35	3,808.65	
Other Expenses	92,000.00	92,000.00	91,431.02	568.98	
Audit Services					
Other Expenses	42,000.00	42,000.00	42,000.00		
Computerized Data Processing					
Salaries and Wages	68,500.00	68,500.00	68,414.60	85.40	
Other Expenses	23,000.00	23,000.00	10,221.89	12,778.11	
Revenue Administration					
Salaries and Wages	330,000.00	330,000.00	327,344.06	2,655.94	
Other Expenses	22,000.00	22,000.00	19,799.13	2,200.87	
Tax Assessment Administration					
Salaries and Wages	173,000.00	173,000.00	169,892.64	3,107.36	
Other Expenses	12,250.00	12,250.00	7,899.44	4,350.56	
Legal Services					
Other Expenses	300,000.00	285,000.00	278,084.33	6,915.67	
Engineering Services					
Salaries and Wages	205,000.00	205,000.00	204,771.54	228.46	
Other Expenses	115,000.00	110,000.00	106,352.73	3,647.27	
Economic Development					
Salaries and Wages	11,600.00	11,600.00	11,194.40	405.60	
Other Expenses	4,000.00	4,000.00	1,947.22	2,052.78	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2012

	Budget	Appropriated Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
Land Use Administration:						
Planning Board						
Salaries and Wages	\$ 31,000.00	\$ 31,000.00	\$ 31,000.00			
Other Expenses	21,250.00	21,250.00	21,156.46	\$ 93.54		
Zoning Board of Adjustment						
Salaries and Wages	31,500.00	34,000.00	33,921.34	78.66		
Other Expenses	14,000.00	9,000.00	6,303.92	2,696.08		
Historic Preservation Committee						
Salaries and Wages	6,300.00	6,300.00	6,300.00			
Other Expenses	17,800.00	22,800.00	20,947.97	1,852.03		
Land Use Administration Office						
Salaries and Wages	64,500.00	64,500.00	64,221.44	278.56		
Other Expenses	2,000.00	2,000.00	1,041.48	958.52		
Community Programs						
Salaries and Wages	15,000.00	15,000.00	15,000.00			
Other Expenses	7,000.00	7,000.00	2,085.13	4,914.87		
Code Enforcement and Administration:						
Code Enforcement						
Salaries and Wages	205,000.00	205,000.00	197,511.73	7,488.27		
Other Expenses	5,000.00	5,000.00	686.76	4,313.24		
Mercantile Licensing						
Salaries and Wages	6,500.00	6,500.00	6,492.24	7.76		
Other Expenses	16,000.00	16,000.00	15,973.23	26.77		
Insurance						
Liability Insurance	401,000.00	401,000.00	394,380.14	6,619.86		
Workers Compensation Insurance	475,000.00	475,000.00	464,503.75	10,496.25		
Employee Group Insurance	5,193,864.00	5,168,864.00	5,145,307.56	23,556.44		
Health Benefit Waivers	12,500.00	12,500.00	12,500.00			
Public Safety Functions:						
Police Department						
Salaries and Wages	8,250,000.00	8,610,000.00	8,571,686.96	38,313.04		
Other Expenses	263,000.00	263,000.00	262,850.83	149.17		
Homeland Security Expenses	5,000.00	5,000.00	4,588.04	411.96		

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2012

	Appropriated		Budget After	Paid or	Expended	Reserved	Unexpended
	Budget		Modification	Charged			Balance
							Canceled
Police Dispatch/911	\$ 80,000.00	\$	80,000.00	\$ 79,999.89	\$	0.11	
Salaries and Wages	14,000.00		9,000.00	5,680.00		3,320.00	
Other Expenses							
Office of Emergency Management							
Salaries and Wages	22,500.00		22,500.00	21,334.80		1,165.20	
Other Expenses	21,000.00		36,000.00	35,130.96		869.04	
Homeland Security Expenses	5,000.00		5,000.00			5,000.00	
Aid to Volunteer Ambulance Companies							
Other Expenses	39,000.00		39,000.00	31,978.49		7,021.51	
Municipal Prosecutor's Office							
Salaries and Wages	37,500.00		37,500.00	36,400.08		1,099.92	
Public Works Functions:							
Streets and Roads Maintenance							
Salaries and Wages	1,240,000.00		1,170,000.00	1,155,506.19		14,493.81	
Other Expenses	145,000.00		135,000.00	127,271.72		7,728.28	
Administration of Public Works							
Salaries and Wages	212,000.00		212,000.00	204,715.32		7,284.68	
Other Expenses	16,000.00		16,000.00	15,834.90		165.10	
Solid Waste Collection							
Salaries and Wages	1,050,000.00		1,028,000.00	1,020,707.38		7,292.62	
Other Expenses	16,500.00		16,500.00	16,312.23		187.77	
Building and Grounds							
Salaries and Wages	325,000.00		325,000.00	318,319.62		6,680.38	
Other Expenses	111,500.00		111,500.00	107,849.53		3,650.47	
Vehicle Maintenance							
Other Expenses	900,000.00		900,000.00	891,437.79		8,562.21	
Health and Human Services:							
Public Health Services							
Salaries and Wages	111,500.00		111,500.00	106,150.85		5,349.15	
Other Expenses	6,800.00		6,800.00	5,866.53		933.47	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2012

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Environmental and Shade Tree Committee					
Salaries and Wages	\$ 1,850.00	\$ 1,850.00	\$ 1,829.28	\$ 20.72	
Other Expenses	5,500.00	5,500.00	3,534.52	1,965.48	
Animal Control Services					
Other Expenses	75,000.00	75,000.00	53,264.60	21,735.40	
Monmouth County Drug & Alcohol Abuse Program					
Other Expenses	14,000.00	14,000.00	14,000.00		
Park and Recreation Functions:					
Recreation Services and Programs					
Salaries and Wages	160,000.00	160,000.00	159,038.53	961.47	
Other Expenses	40,500.00	35,500.00	33,252.77	2,247.23	
Senior Citizens Programs					
Salaries and Wages	234,000.00	234,000.00	233,999.95	0.05	
Other Expenses	97,300.00	97,300.00	92,262.98	5,037.02	
Maintenance of Parks					
Other Expenses	191,000.00	185,500.00	182,157.82	3,342.18	
Publicity and Tourism					
Salaries and Wages	11,600.00	11,600.00	10,580.67	1,019.33	
Other Expenses	2,800.00	2,800.00	1,320.00	1,480.00	
Celebration of Public Events					
Other Expenses	6,000.00	6,000.00	5,517.69	482.31	
Utility Expenses and Bulk Purchases:					
Electricity					
Other Expenses	370,000.00	330,000.00	329,266.85	733.15	
Street Lighting					
Other Expenses	270,000.00	270,000.00	270,000.00		

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2012

	Budget	Appropriated Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
Telephone	\$ 150,000.00	\$ 145,000.00	\$ 133,338.89	\$ 11,661.11		
Other Expenses						
Water						
Other Expenses	40,000.00	35,000.00	28,107.01	6,892.99		
Gas (Natural)						
Other Expenses	180,000.00	155,000.00	132,444.00	22,556.00		
Telecommunications Costs						
Other Expenses	70,000.00	70,000.00	69,939.43	60.57		
Gasoline						
Other Expenses	490,000.00	490,000.00	490,000.00			
Landfill / Solid Waste Disposal Costs:						
Landfill and Solid Waste Disposal Costs	1,650,000.00	1,500,000.00	1,474,351.19	25,648.81		
Municipal Court						
Salaries and Wages	245,000.00	245,000.00	245,000.00			
Other Expenses	19,100.00	19,100.00	19,077.47	22.53		
Public Defender (P.L. 1997, c.256)						
Salaries and Wages	10,000.00	10,000.00	9,999.92	0.08		
Uniform Construction Code Enforcement Functions						
Salaries and Wages	460,000.00	460,000.00	458,343.86	1,656.14		
Other Expenses	13,200.00	13,200.00	8,887.31	4,312.69		
Hurricane Sandy Special Emergency Expenses			3,181,772.67	418,227.33		
Total Operations Within CAPS	26,656,214.00	30,256,214.00	29,474,515.62	781,698.38		
Contingent	10,000.00	10,000.00		10,000.00		
Total Operations Including Contingent Within CAPS	26,666,214.00	30,266,214.00	29,474,515.62	791,698.38		
Detail:						
Salaries and Wages	14,538,350.00	14,808,850.00	14,681,993.01	126,856.99		
Other Expenses	12,127,864.00	15,457,364.00	14,792,522.61	664,841.39		

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2012

	Appropriated		Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
	Budget	Budget					
Deferred Charges and Statutory Expenditures Within CAPS							
Statutory Expenditures:							
Public Employees' Retirement System	\$ 850,743.00	\$ 850,743.00	\$ 850,743.00	\$ 850,743.00			
Social Security System (O.A.S.I.)	735,000.00	735,000.00	735,000.00	715,580.39	\$ 19,419.61		
Consolidated Police and Firemen's Pension Fund	30.00	30.00	30.00	28.47	1.53		
Police and Firemen's Retirement System	1,609,484.00	1,594,484.00	1,594,484.00	1,583,599.64	10,884.36		
Unemployment Insurance	25,000.00	40,000.00	40,000.00	40,000.00			
Defined Contribution Retirement Program	1,500.00	1,500.00	1,500.00	113.68	1,386.32		
Police Pension Adjustment	16,000.00	16,000.00	16,000.00	15,687.36	312.64		
Deferred Charges and Statutory Expenditures Within CAPS	<u>3,237,757.00</u>	<u>3,237,757.00</u>	<u>3,237,757.00</u>	<u>3,205,752.54</u>	<u>32,004.46</u>		
Total Appropriations Within CAPS	<u>29,903,971.00</u>	<u>33,503,971.00</u>	<u>33,503,971.00</u>	<u>32,680,268.16</u>	<u>823,702.84</u>		
Operations Excluded from CAPS							
Aid to Free Public Library	1,218,713.13	1,218,713.13	1,218,713.13	1,210,457.30	8,255.83		
Recycling Tax	50,000.00	50,000.00	50,000.00	50,000.00			
Employee Group Insurance	7,136.00	7,136.00	7,136.00		7,136.00		
Interlocal Municipal Service Agreements							
Liability, Workers Comp., & Prop. Insu-NFD &OGFD	171,400.00	171,400.00	171,400.00	171,400.00			
Neptune BOE GREAT Program - Police S&W	20,000.00	20,000.00	20,000.00	20,000.00			
Community Notification System	10,000.00	10,000.00	10,000.00	10,000.00			
ANSWER Water Rescue Team	6,000.00	6,000.00	6,000.00	5,720.72	279.28		
Neptune City 9-1-1 Services	20,000.00	20,000.00	20,000.00	13,633.65	6,366.35		
Monmouth County - EMS	6,000.00	6,000.00	6,000.00				
Fleet Maintenance - Allenhurst, NFD,OGFD, Neptune BOE	150,000.00	150,000.00	150,000.00	134,055.57	15,944.43		

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2012

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Neptune BOE Newsletter Cooperative	\$ 17,000.00	\$ 17,000.00	\$ 10,396.00	\$ 6,604.00	
Monmouth County Communications - Computer System	34,000.00	34,000.00	30,831.88	3,168.12	
Public Safety Officer Program	61,516.00	61,516.00	61,516.00		
Prisoner Processing / Jail Program	25,250.00	25,250.00	25,250.00		
Monmouth County 9-1-1 Services	150,000.00	150,000.00	150,000.00		
Monmouth County Tax Assessment Program	7,500.00	7,500.00		7,500.00	
Public and Private Programs Offset by Revenues:					
Senior Citizen Program - Title III					
Salaries and Wages	213,000.00	213,000.00	213,000.00		
Drunk Driving Enforcement Fund	7,654.71	7,654.71	7,654.71		
Click It or Ticket	4,000.00	4,000.00	4,000.00		
Clean Communities Program	52,136.61	52,136.61	52,136.61		
Federal Emergency Management Services					
Federal Share	5,000.00	5,000.00	5,000.00		
Municipal Match	5,000.00	5,000.00	5,000.00		
DEDR - Drug and Alcohol Alliance - State Share	51,074.00	51,074.00	51,074.00		
DEDR - Drug and Alcohol Alliance - Municipal Share	12,769.00	12,769.00	12,769.00		
Supplemental Fire Services Grant	41,668.00	41,668.00	41,668.00		
NJSP HMEP Training Grant	26,000.00	26,000.00	26,000.00		
COPS in Shops					
FY 2010 EMPG Exercise Pass Thru Grant	15,000.00	15,000.00	15,000.00		
FY 2010 EMPG Exercise Pass Thru Grant - Local Match	15,000.00	15,000.00	15,000.00		
Interfaith Neighbors - Sr. Ctr Meals Program					
Salaries and Wages	48,325.00	48,325.00	48,325.00		
NJSP HMEP Planning Grant	24,500.00	24,500.00	24,500.00		

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2012

	Budget	Appropriated Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
Hazardous Discharge Site Remediation Fund - Childness Property	\$ 60,523.30	\$ 60,523.30	\$ 60,523.30			
National Parks and Recreation 2012 ACHIEVE	50,000.00	50,000.00	50,000.00			
NJ Green Communities Grant	3,000.00	3,000.00	3,000.00			
Alcohol Education and Rehabilitation Fund		3,021.93	3,021.93			
Federal Bulletproof Vest Partnership Grant		12,655.50	12,655.50			
FY 2011 EMPG Exercise Pass Thru Grant		14,000.00	14,000.00			
EMPG Open Initiative Subgrant		24,000.00	24,000.00			
EMPG Open Initiative Subgrant - Local Match		20,000.00	20,000.00			
Edward Byrne Memorial Justice Assistance Grant - 2012		64,811.00	64,811.00			
Body Armor Replacement Fund		6,804.73	6,804.73			
FY12 Urban Areas Security Initiative		105,800.00	105,800.00			
NJDEA Hazardous Discharge Site Remediation Fund - Tides Motel		65,515.00	65,515.00			
Cops in Shops - Summer Shore Initiative		2,400.00	2,400.00			
Matching Funds for Grants	20,000.00					
Total Operations - Excluded from CAPS	2,609,165.75	2,908,173.91	2,852,919.90	\$ 55,254.01		
Detail:						
Salaries and Wages	291,325.00	291,325.00	291,325.00			
Other Expenses	2,317,840.75	2,616,848.91	2,561,594.90	55,254.01		
<u>Capital Improvements Excluded from CAPS</u>						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00			
Total Capital Improvements Excluded from CAPS	100,000.00	100,000.00	100,000.00			

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2012

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
<u>Municipal Debt Service Excluded from CAPS</u>					
Payment of Bond Principal	\$ 1,495,121.00	\$ 1,500,000.00	\$ 1,500,000.00		
Interest on Bonds	783,460.00	778,581.00	766,326.47		
Interest on Notes	43,000.00	43,000.00	43,000.00		\$ 12,254.53
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	81,500.00	81,500.00	81,480.24		19.76
Capital Lease Obligations:					
Principal	570,213.00	570,213.00	570,213.00		
Interest	142,000.00	142,000.00	142,000.00		
<u>Total Municipal Debt Service Excluded from CAPS</u>	<u>3,115,294.00</u>	<u>3,115,294.00</u>	<u>3,103,019.71</u>		<u>12,274.29</u>
<u>Total General Appropriations Excluded from CAPS</u>	<u>5,824,459.75</u>	<u>6,123,467.91</u>	<u>6,055,939.61</u>	<u>\$ 55,254.01</u>	<u>12,274.29</u>
Subtotal General Appropriations	35,728,430.75	39,627,438.91	38,736,207.77	878,956.85	12,274.29
Reserve for Uncollected Taxes	2,850,000.00	2,850,000.00	2,850,000.00		
<u>Total General Appropriations</u>	<u>\$ 38,578,430.75</u>	<u>\$ 42,477,438.91</u>	<u>\$ 41,586,207.77</u>	<u>\$ 878,956.85</u>	<u>\$ 12,274.29</u>
Ref.		A-3	A-1/A-3	A/A-1	

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2012

	<u>Ref.</u>	<u>Budget After Modification</u>
Budget	A-2	\$ 38,578,430.75
Added by N.J.S. 40A:4-87	A-2	299,008.16
Added by N.J.S. 40A:4-55	A-28	<u>3,600,000.00</u>
	A-3	<u>\$ 42,477,438.91</u>
		<u>Paid or Charged</u>
Disbursements	A-4	\$ 35,402,991.12
Reserve for Encumbrances	A-16	2,421,225.87
Appropriated Reserves for Federal and State Grants	A-13/A-26	911,990.78
Reserve for Uncollected Taxes	A-2	<u>2,850,000.00</u>
	A-3	<u>\$ 41,586,207.77</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Animal Control Trust Fund:			
Cash	B-1	\$ <u>36,740.20</u>	\$ <u>72,395.58</u>
Trust Other Fund:			
Cash	B-1	3,372,134.87	3,262,679.72
Interfund - Grant Fund	B-1	6,010.68	
Interfund - Payroll	B-1		76.00
		<u>3,378,145.55</u>	<u>3,262,755.72</u>
		<u>\$ 3,414,885.75</u>	<u>\$ 3,335,151.30</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Trust Fund:			
Reserve for Animal Control Expenditures	B-2	\$ 36,647.20	\$ 44,528.80
Interfund - Current	B-1		27,813.38
Due to State of New Jersey	B-3	93.00	53.40
		<u>36,740.20</u>	<u>72,395.58</u>
Trust Other Fund:			
Interfund - Current Fund	B-4	50,528.00	55,986.06
Reserve for:			
Escrow Funds	B-5	1,270,766.84	1,665,557.53
Other Funds	B-6	1,752,473.97	1,330,790.39
Encumbrances	B-7	304,376.74	210,421.74
		<u>3,378,145.55</u>	<u>3,262,755.72</u>
		<u>\$ 3,414,885.75</u>	<u>\$ 3,335,151.30</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Cash	C-2	\$ 3,916,169.95	\$ 4,361,962.64
Grants Receivable	C-5	1,897,014.75	2,235,259.23
Interlocal Receivable - Salt Dome	C-16	40,767.71	
Deferred Charges to Future Taxation:			
Funded	C-6	18,971,045.37	20,751,797.07
Unfunded	C-7	5,806,969.50	3,730,969.50
Interfund - Marina Operating Fund	C-2	68,500.00	
Interfund - Marina Capital Fund	C-4	262,607.68	265,000.00
Interfund - Current Fund	C-10	<u>2,355.93</u>	<u>24,985.12</u>
		<u>\$ 30,965,430.89</u>	<u>\$ 31,369,973.56</u>
 LIABILITIES, RESERVES AND FUND BALANCE 			
Reserve for Encumbrances	C-11	\$ 1,683,543.23	\$ 2,716,106.79
General Serial Bonds	C-13	17,851,000.00	19,554,899.14
Green Trust Loans Payable	C-12	1,120,045.37	1,196,897.93
Bond Anticipation Notes	C-14	5,517,000.00	3,442,000.00
Improvement Authorizations:			
Funded	C-8	1,761,700.37	2,946,653.54
Unfunded	C-8	2,460,276.43	974,534.07
Capital Improvement Fund	C-9	194,579.75	204,579.75
Various Reserves	C-15	62,424.75	92,291.53
Interfund - Sewer Capital Fund	C-2	3,800.16	
Reserve for Interlocal Receivable	C-17	40,767.71	
Fund Balance	C-1	<u>270,293.12</u>	<u>242,010.81</u>
		<u>\$ 30,965,430.89</u>	<u>\$ 31,369,973.56</u>

There were bonds and notes authorized but not issued on December 31, 2012 of \$289,969.50
(Exhibit C-18)

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$ 242,010.81
Increased by:		
Premium on Sale of Bond Anticipation Notes	C-2	\$ 18,548.02
Refunding Bonds - Additional Proceeds	C-2	<u>9,734.29</u>
		<u>28,282.31</u>
Balance, December 31, 2012	C	\$ <u>270,293.12</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 1,886,568.33	\$ 611,107.61
Change Fund	D	200.00	200.00
		<u>1,886,768.33</u>	<u>611,307.61</u>
Deferred Charges:			
Special Emergency Authorization	D-7	500,000.00	
Expenditure without Appropriation:			
Loan Principal	D-4		32,758.47
Accrued Interest	D-4		5,583.33
		<u>500,000.00</u>	<u>38,341.80</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-8	388,716.93	479,002.88
Sewer Liens Receivable	D-9	6,136.13	713.97
		<u>394,853.06</u>	<u>479,716.85</u>
Total Operating Fund		<u>2,781,621.39</u>	<u>1,129,366.26</u>
<u>Capital Fund</u>			
Cash	D-5	2,062,629.78	1,280,931.12
Fixed Capital	D-10	16,087,653.88	15,487,586.06
Fixed Capital Authorized and Uncompleted	D-11	6,190,497.11	6,090,564.93
Contribution Receivable - Ocean Grove Sewer			
Authority - Ordinance 08-51/09-21	D	307,000.00	307,000.00
Interfund - General Capital Fund	D-2	3,800.16	
Interfund - Sewer Operating	D-5		7,758.47
Due from State of New Jersey Environmental			
Infrastructure Trust Fund	D-15	39,856.00	1,168,955.00
Total Capital Fund		<u>24,691,436.93</u>	<u>24,342,795.58</u>
Total Assets		<u>\$ 27,473,058.32</u>	<u>\$ 25,472,161.84</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

LIABILITIES, RESERVES AND FUND BALANCE	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Operating Fund</u>			
Appropriation Reserves	D-4/D-12	\$ 659,433.29	\$ 80,928.82
Reserve for Encumbrances	D-13	159,230.74	87,692.16
Customer Overpayments	D-14	20,400.87	15,055.41
Interfund - Sewer Capital	D-5		7,758.47
Interfund - Current Fund	D-5	9,574.33	
Special Emergency Note Payable	D-5	500,000.00	
Accrued Interest on Bonds, Notes and Loans	D-16	24,759.23	26,950.49
		<u>1,373,398.46</u>	<u>218,385.35</u>
Reserve for Receivable	D	394,853.06	479,716.85
Fund Balance	D-1	1,013,369.87	431,264.06
		<u>2,781,621.39</u>	<u>1,129,366.26</u>
<u>Capital Fund</u>			
Serial Bonds	D-17	2,737,000.00	3,155,100.86
Bond Anticipation Notes	D-24	1,131,000.00	466,000.00
Loans Payable	D-23	1,130,341.13	1,189,478.83
Reserve for Encumbrances	D-18	450,991.67	809,597.80
Improvement Authorizations:			
Funded	D-19	765,814.53	1,022,361.17
Unfunded	D-19	770,784.29	492,915.33
Capital Improvement Fund	D-20	114,258.25	139,258.25
Reserve for Amortization	D-21	15,375,179.36	15,079,961.39
Deferred Reserve for Amortization	D-22	1,897,255.50	1,680,234.91
Reserve for Debt Service	D	235.02	235.02
Reserve for Contribution Receivable	D	307,000.00	307,000.00
Reserve for Due From State of New Jersey			
Environmental Infrastructure Trust Fund	D-15	7,125.00	
Fund Balance	D-2	4,452.18	652.02
		<u>24,691,436.93</u>	<u>24,342,795.58</u>
Total Capital Fund		<u>24,691,436.93</u>	<u>24,342,795.58</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 27,473,058.32</u>	<u>\$ 25,472,161.84</u>

There were bonds and notes authorized but not issued on December 31, 2012 of \$250.00 (Exh. D-25)

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$ 80,800.80	\$ 31,365.54
Sewer Rents	D-3	5,757,357.56	5,205,484.97
Additional Sewer Rents (Rate Increase)			124,456.00
Interest on Rents	D-3	56,382.40	48,422.79
Interest on Investments	D-3	14,103.49	14,233.38
Contract - Ocean Grove Sewer Authority	D-3	83,042.68	84,029.78
Contract - Borough of Tinton Falls	D-3	881,840.00	870,563.72
Contract - Borough of Neptune City	D-3	20,000.00	20,000.00
Contract - Township of Wall	D-3	50,000.00	50,000.00
Penn Station - OGSA Obligation	D-3	36,234.46	36,234.46
Other Credits to Income:			
Miscellaneous Revenue Not Anticipated	D-3	94,395.20	22,860.00
Unexpended Balance of Appropriation Reserves	D-12	51,224.13	129,221.61
 Total Revenue		 <u>7,125,380.72</u>	 <u>6,636,872.25</u>
Expenditures:			
Operating	D-4	6,187,600.00	5,595,000.00
Capital Improvements	D-4	10,000.00	25,000.00
Debt Service	D-4	672,032.31	629,871.67
Deferred Charges	D-4	38,341.80	
Statutory Expenditures	D-4	54,500.00	62,500.00
 Total Expenditures		 <u>6,962,474.11</u>	 <u>6,312,371.67</u>
 Excess in Revenue		 162,906.61	 324,500.58
Add:			
Expenditures Included Above Which are by Statute Deferred Charges to Budgets of Succeeding Years: Special Emergency Authorization	D/D-4	<u>500,000.00</u>	<u> </u>
 Statutory Excess to Fund Balance		 662,906.61	 324,500.58
 Fund Balance January 1	D	 <u>431,264.06</u>	 <u>138,129.02</u>
		1,094,170.67	462,629.60
Decreased by:			
Utilization as Anticipated Revenue	D-1/D-3	<u>80,800.80</u>	<u>31,365.54</u>
 Fund Balance December 31	D	 <u>\$ 1,013,369.87</u>	 <u>\$ 431,264.06</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 652.02
Increased by:		
Premium on Sale of Notes - Due From General Capital Fund	D	<u>3,800.16</u>
Balance, December 31, 2012	D	<u>\$ 4,452.18</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
 STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2012

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	D-1	\$ 80,800.80	\$ 80,800.80	
Sewer Rent	D-1/D-3	5,308,191.00	5,757,357.56	\$ 449,166.56
Interest on Sewer Rent	D-1/D-5	41,000.00	56,382.40	15,382.40
Interest on Investments	D-1/D-5	10,000.00	14,103.49	4,103.49
Contract - Ocean Grove Sewer Authority	D-1/D-5	82,000.00	83,042.68	1,042.68
Contract - Borough of Tinton Falls	D-1/D-5	840,000.00	881,840.00	41,840.00
Contract - Borough of Neptune City	D-1/D-5	20,000.00	20,000.00	
Contract - Township of Wall	D-1/D-5	50,000.00	50,000.00	
Penn Station - OGSA Obligation	D-1/D-5	36,000.00	36,234.46	234.46
Miscellaneous Revenue Not Anticipated	D-1/D-3		94,395.20	94,395.20
		<u>\$ 6,467,991.80</u>	<u>\$ 7,074,156.59</u>	<u>\$ 606,164.79</u>

Ref. D-4

Analysis of Miscellaneous Revenue Not Anticipated

Sewer Connection Fees		\$ 87,000.00
T.O.S.A. Agreement		3,960.00
Premium on Sale of Emergency Notes		2,680.20
Miscellaneous		<u>755.00</u>
	D-3/D-5	<u>\$ 94,395.20</u>

Analysis of Rents

Sewer Rents Collected	D-8	\$ 5,742,302.15
Overpayments Applied	D-14	<u>15,055.41</u>
	D-3	<u>\$ 5,757,357.56</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

for the Year Ended December 31, 2012

	Budget	Appropriated Budget After Modification	Paid or Charged	Expended Reserved	Unexpended Balance Canceled
Operating:					
Salaries and Wages	\$ 549,000.00	\$ 549,000.00	\$ 523,018.70	\$ 25,981.30	
Other Expenses	570,000.00	570,000.00	480,159.90	89,840.10	
TNSA - Annual Charge	4,425,000.00	4,425,000.00	4,424,999.92	0.08	
OGSD - Capacity Purchase	40,000.00	40,000.00	40,000.00		
Group Insurance for Employees	103,600.00	103,600.00	76,095.43	103,600.00	
Emergency Expenditures - Hurricane Sandy		500,000.00		423,904.57	
Capital Improvements:					
Capital Improvement Fund	10,000.00	10,000.00	10,000.00		
Debt Service:					
Payment of Bond Principal	373,880.00	374,000.00	374,000.00		
Interest on Bonds	139,500.00	139,380.00	137,738.94		\$ 1,641.06
Interest on Notes	9,000.00	9,000.00	7,352.97		1,647.03
Capital Lease Program	82,170.00	82,170.00	81,177.70		992.30
NJEIT - Loan	73,000.00	73,000.00	71,762.70		1,237.30
Deferred Charges					
Expenditure without Appropriation 2010	38,341.80	38,341.80	38,341.80		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	12,000.00	12,000.00		12,000.00	
Social Security System (O.A.S.I.)	42,000.00	42,000.00	37,892.76	4,107.24	
Unemployment Compensation Insurance	500.00	500.00	500.00		
	<u>\$ 6,467,991.80</u>	<u>\$ 6,967,991.80</u>	<u>\$ 6,303,040.82</u>	<u>\$ 659,433.29</u>	<u>\$ 5,517.69</u>
Ref.	D-3		D-1	D/D-1	
Special Emergency Authorizations		\$ 500,000.00			
Budget Appropriations		<u>6,467,991.80</u>			
		<u>\$ 6,967,991.80</u>			
Cash Disbursed			\$ 5,947,751.37		
Reserve for Encumbrances			159,230.74		
Deferred Charges			38,341.80		
Accrued Interest on Bonds and Notes			<u>157,716.91</u>		
			<u>\$ 6,303,040.82</u>		

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY FUND
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Operating Fund</u>			
Cash	E-5	\$ 1,142,036.94	\$ 199,760.36
Change Fund	E	50.00	50.00
Grants Receivable	E	93.04	93.04
Interfund - Current Fund	E-5	<u>5,360.39</u>	<u>1,750.00</u>
		<u>1,147,540.37</u>	<u>201,653.40</u>
Deferred Charges:			
Special Emergency Authorization (N.J.S. 40A:4-55)	E-7	<u>1,000,000.00</u>	<u> </u>
		<u>2,147,540.37</u>	<u>201,653.40</u>
<u>Capital Fund</u>			
Cash	E-5	334,156.92	505,579.44
Fixed Capital	E-8	300,000.00	
Fixed Capital Authorized and Uncompleted	E-9	<u>5,655,000.00</u>	<u>5,865,000.00</u>
Total Capital Fund		<u>6,289,156.92</u>	<u>6,370,579.44</u>
Total Assets		<u>\$ 8,436,697.29</u>	<u>\$ 6,572,232.84</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
LIABILITIES, RESERVES AND FUND BALANCE			
<u>Operating Fund</u>			
Appropriation Reserves	E-4/E-10	\$ 864,346.36	\$ 16,188.23
Reserve for Encumbrances	E-11	76,669.94	37,901.88
Accrued Interest on Bonds and Notes	E-12	4,709.30	5,423.40
Interfund - General Capital Fund	E-4	68,500.00	
		<u>1,014,225.60</u>	<u>59,513.51</u>
Special Emergency Note Payable	E-5	1,000,000.00	
Fund Balance	E-1	<u>133,314.77</u>	<u>142,139.89</u>
Total Operating Fund		<u>2,147,540.37</u>	<u>201,653.40</u>
<u>Capital Fund</u>			
Serial Bonds	E-13	663,000.00	717,000.00
Bond Anticipation Notes	E-14	712,000.00	695,000.00
Improvement Authorizations:			
Unfunded	E-15	43,506.94	230,662.81
Reserve for Encumbrances	E-15	5,415.35	182.00
Capital Improvement Fund	E-16	15,500.00	5,000.00
Reserve for Amortization	E-18	15,000.00	
Deferred Reserve for Amortization	E-19	4,565,000.00	4,453,000.00
Interfund - General Capital Fund	E-17	262,607.68	265,000.00
Fund Balance	E-2	<u>7,126.95</u>	<u>4,734.63</u>
Total Capital Fund		<u>6,289,156.92</u>	<u>6,370,579.44</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,436,697.29</u>	<u>\$ 6,572,232.84</u>

There were no bonds and notes authorized but not issued on December 31, 2012. (Exhibit E-20)

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	E-3	\$ 43,391.00	\$ 19,630.00
Marina Fees and Costs	E-3	287,288.32	314,647.38
Marina Lease	E-3	34,381.63	31,226.56
Interest on Investments	E-3	2,988.08	5,546.84
Premium on Special Emergency Note Sale	E-3	5,360.39	
Miscellaneous	E-3	327.92	23.00
Other Credits to Income:			
Encumbrance Payable Canceled	E-11	8,633.02	
Unexpended Balance of Appropriation Reserves	E-10	<u>37,195.51</u>	<u>42,811.80</u>
 Total Revenue		 <u>419,565.87</u>	 <u>413,885.58</u>
 Expenditures:			
Operating	E-4	1,180,000.00	164,000.00
Capital Improvements	E-4	15,000.00	5,000.00
Debt Service	E-4	182,999.99	130,684.66
Statutory Expenditures	E-4	7,000.00	8,500.00
Refund of Prior Year Revenue			500.00
Total Expenditures		<u>1,384,999.99</u>	<u>308,684.66</u>
 Excess/(Deficit) in Revenue		 (965,434.12)	 105,200.92
 Add:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Years:			
Special Emergency Authorization	E-4/E-7	<u>1,000,000.00</u>	<u> </u>
Statutory Excess to Fund Balance		34,565.88	105,200.92
 Fund Balance January 1	E	 <u>142,139.89</u>	 <u>56,568.97</u>
		176,705.77	161,769.89
Decreased by:			
Utilization as Anticipated Revenue	E-1/E-3	<u>43,391.00</u>	<u>19,630.00</u>
 Fund Balance December 31	E	 <u>\$ 133,314.77</u>	 <u>\$ 142,139.89</u>

The accompanying notes are an integral part of these statements.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance, December 31, 2011	E	\$ 4,734.63
Increased by:		
Premium on Sale of Bond Anticipation Notes	E-17	<u>2,392.32</u>
Balance, December 31, 2012	E	<u>\$ 7,126.95</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2012

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 43,391.00	\$ 43,391.00	
Marina Fees and Costs	E-1//E-3/E-5	300,000.00	287,288.32	\$ (12,711.68)
Marina Lease	E-1/E-5	45,000.00	34,381.63	(10,618.37)
Interest on Investments	E-1/E-5		2,988.08	2,988.08
Premium on Special Emergency Note Sale	E-1/E-5		5,360.39	5,360.39
Miscellaneous	E-1/E-5		327.92	327.92
		<u>\$ 388,391.00</u>	<u>\$ 373,737.34</u>	<u>\$ (14,653.66)</u>

<u>Ref.</u>	E-4
-------------	-----

Analysis of Marina Fees and Costs

Summer Dockage	\$ 239,459.71
Winter Storage Fees	19,641.27
Ramp Fees	10,780.00
Summer Land Storage	<u>17,407.34</u>
	<u>\$ 287,288.32</u>

E-3

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY
 MARINA UTILITY OPERATING FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2012

	Budget	Appropriated Budget After Modification	Paid or Charged	Expended	
				Reserved	Canceled
Operating:					
Salaries and Wages	\$ 65,000.00	\$ 65,000.00	\$ 59,071.42	\$ 5,928.58	
Other Expenses	115,000.00	115,000.00	94,308.65	20,691.35	
Special Emergency - Hurricane Sandy Expenses		1,000,000.00	165,445.20	834,554.80	
Capital Improvements:					
Capital Improvement Fund	15,000.00	15,000.00	15,000.00		
Debt Service:					
Payment of Bond Principal	54,000.00	54,000.00	54,000.00		
Payment of Bond Anticipation Notes and Capital Notes	68,500.00	68,500.00	68,500.00		
Interest on Bonds	34,185.00	34,185.00	34,182.43		\$ 2.57
Interest on Notes	11,106.00	11,106.00	8,128.30		2,977.70
Monmouth County Capital Equipment Lease Program -2007	18,600.00	18,600.00	18,189.26		410.74
Deferred Charges and Statutory Expenditures					
Statutory Expenditures:					
Public Employees' Retirement System	2,000.00	2,000.00		2,000.00	
Contribution to Social Security System (O.A.S.I.)	5,000.00	5,000.00	3,828.37	1,171.63	
	<u>\$ 388,391.00</u>	<u>\$ 1,388,391.00</u>	<u>\$ 520,653.63</u>	<u>\$ 864,346.36</u>	<u>\$ 3,391.01</u>
Ref.	E-3		E-1/E-4	E/E-1	E-1
Analysis of Budget After Modification:					
Adopted Budget	E-3	\$ 388,391.00			
Special Emergency Authorization (N.J.S. 40A:4-55)	E-1/E-7	<u>1,000,000.00</u>			
		<u>\$ 1,388,391.00</u>			
Analysis of Paid or Charged:					
Cash Disbursements	E-5		\$ 333,172.96		
Reserve for Encumbrances	E-11		76,669.94		
Interfund - General Capital Fund	E		68,500.00		
Accrued Interest on Bonds and Notes	E-12		<u>42,310.73</u>		
	E-4		<u>\$ 520,653.63</u>		

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

LOAN AND GRANT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Cash - Treasurer	F-1	\$ 878,461.05	\$ 932,045.48
Notes Receivable:			
Reciprocal Loans	F-2	291,940.32	329,499.53
Facade Improvement Loans	F-3	<u>69,563.86</u>	<u>31,453.04</u>
		<u>\$ 1,239,965.23</u>	<u>\$ 1,292,998.05</u>
LIABILITIES AND RESERVES			
Reserve for Notes Receivable:			
Reciprocal Loans	F	\$ 291,940.32	\$ 329,499.53
Facade Improvement Loans	F	69,563.86	31,453.04
Reserve for Encumbrances	F-4	54,129.29	3,733.06
Reserve for Loan and Grant Fund Expenditures	F-4	<u>824,331.76</u>	<u>928,312.42</u>
		<u>\$ 1,239,965.23</u>	<u>\$ 1,292,998.05</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash	\$ <u>19,723.17</u>	\$ <u>19,723.17</u>
	\$ <u>19,723.17</u>	\$ <u>19,723.17</u>
LIABILITIES AND RESERVES		
Reserve for Public Assistance	\$ <u>19,723.17</u>	\$ <u>19,723.17</u>
	\$ <u>19,723.17</u>	\$ <u>19,723.17</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash	\$ 166,081.69	\$ 73,303.85
Interfund - Current Fund		<u>69,848.83</u>
	<u>\$ 166,081.69</u>	<u>\$ 143,152.68</u>
LIABILITIES		
Pensions Payable	\$ 152,329.10	\$ 138,076.68
Miscellaneous	13,752.59	5,000.00
Interfund - Trust Other Fund		<u>76.00</u>
	<u>\$ 166,081.69</u>	<u>\$ 143,152.68</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSET ACCOUNT GROUP
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
General Fixed Assets:			
Land	I-1	\$ 18,326,960.52	\$ 18,326,960.52
Land Improvements	I-1	412,519.14	412,519.14
Buildings and Improvements	I-1	4,730,183.72	4,730,183.72
Machinery, Equipment and Vehicles	I-1	<u>14,829,346.35</u>	<u>13,592,873.18</u>
		<u>\$ 38,299,009.73</u>	<u>\$ 37,062,536.56</u>
Investments in General Fixed Assets	I-1	<u>\$ 38,299,009.73</u>	<u>\$ 37,062,536.56</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 1 REPORTING ENTITY

This report includes the financial statements of the Township of Neptune (the "Township"), within the County of Monmouth, in the State of New Jersey, and reflects the activities of the municipality which is under the control of the Mayor and Township Committee. The financial statements of the Board of Education, Housing Authority, Neptune Sewerage Authority, Ocean Grove Sewerage Authority, Public Library, First Aid Organization and Fire Districts are reported separately since their activities are administered by separate boards.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Funds

The Governmental Accounting Standards Board ("GASB") is the recognized standard-setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America.

The accounting policies of the Township conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differs from the fund structure required by generally accepted accounting principles.

Current Fund - resources and expenditures for governmental operations of a general nature.

Grant Fund - accounts for receipts and disbursements of Federal and State grants.

Animal Control Trust Fund - animal license revenues and expenditures.

Trust Other Funds - receipts, custodianship, and disbursements of monies 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. General bonds and notes payable are recorded in this fund and are offset by deferred charges to future taxation.

Sewer Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipality-owned sewer utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Loan and Grant Fund - is used to account for the loan activity related to UDAG, reciprocal, and facade improvement loans.

Marina Utility Operating and Capital Funds - account for the operations and acquisitions of capital facilities of the municipality-owned marina utility. Bonds and notes payable of the Utility Fund are recorded in the Utility Capital Fund.

Public Assistance Trust Fund - receipts and disbursements of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

Payroll Fund - receipts and disbursements to account for the payroll and payroll tax liabilities of the Township. Amounts are received from the Current, Sewer Utility and Marina Utility Funds.

General Fixed Assets Account Group - is used to account for fixed assets used in general governmental operations.

B. Basis of Accounting

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

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

Budgets and Budgetary Accounting - the Township of Neptune must adopt an annual budget in accordance with N.J.S.A. 40A:4-4 et al. N.J.S.A. 40A:4-5 which requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulated in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting (continued)

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

Cash, Cash Equivalents and Investments - New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The Township of Neptune is required to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

The Township considers highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

Property Taxes and Other Revenues - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts. Property taxes are payable quarterly on the first day of February, May, August and November.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting (continued)

Grant Revenues and Expenditures - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized in the accounting period when they are earned and the expenditures to be recognized when the liability is incurred.

Expenditures - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Deferred Charges - the regulatory basis of accounting utilized by the Township requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2012 is set forth in Note 8.

TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting (continued)

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

Property Acquired for Taxes - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

Mortgage Receivable - The Township has entered into a mortgage agreement in the amount of \$400,000.00. The Township sold property to a developer to construct affordable housing units as part of the Schoolhouse Square Project ("the Project"). As part of the mortgage agreement when a unit is sold, the purchaser will sign a \$20,000.00 secondary mortgage payable to the Township under the Neptune Housing Incentive Fund Program. This is a no interest mortgage and is payable in a single lump sum payment upon the first to occur of the following events:

- a) The sale of the property; or
- b) The refinancing of the purchaser's first mortgage
- c) The repayment in full of the note secured by the first mortgage

The mortgage receivable is fully reserved and revenue will only be recognized when and if units are sold and the above conditions are met.

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.

Inventories of Supplies - the costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The inventories have offsetting reserve amounts.

Reserve for Sale of Municipal Assets - cash proceeds from the sale of Township owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds would be reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting (continued)

Capital Leases - are not recorded at the lesser of the fair value of the leased property or the present value of the minimum lease payments. GAAP requires an amount equal to the lesser of the fair value of the leased property or the present value of the minimum lease payments to be recorded in General Fixed Assets Account Group and the long-term obligation be recorded as part of a General Long-Term Debt Account Group. The future principal and interest payments on capital leases are disclosed in Note 5.

General Fixed Assets - property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

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

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value.

No depreciation on general fixed assets is recorded in the financial statements.

Fixed assets acquired through grants-in-aid or contributed capital are not accounted for separately.

Fixed Assets - Utility - accounting for utility fund “fixed capital” remains unchanged under the Requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Sewer and Marina Utility Funds are recorded in the capital account at cost and are adjusted for disposition and abandonments. The amount reported for reserve for amortization of fixed capital acquired on the balance sheet of the Sewer and Marina Capital Funds represents the aggregate charges (capital outlay and debt service) to the operating budget for the costs of acquisitions of property and equipment and proceeds from grants-in-aid. The utilities do not record depreciation of property and equipment. GAAP does not require the establishment of a reserve for amortization of fixed capital, whereas it does require the recognition of depreciation of property and equipment by enterprise funds.

TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting (continued)

Comparative Data - comparative total data for the various funds for the prior year has been presented in the accompanying Balance Sheets and Statements of Operations and Changes in Fund Balance in order to provide an understanding of changes in the Township's financial position. However, Comparative Statements of Revenues and Statements of Expenditures have not been presented since this inclusion would make the statements unduly complex and difficult to read.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP.

In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 3 CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

At December 31, 2012, the Township's deposits had a carrying amount of \$23,681,839.92.

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholding, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 3 CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Custodial Credit Risk Related to Deposits (continued)

As of December 31, 2012, the Township's bank balances of \$26,554,465.55 were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ -
Insured	<u>26,554,465.55</u>
Total	<u>\$ 26,554,465.55</u>

Investments

At December 31, 2012, the Township had no investments.

NOTE 4 BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2012, the Township had authorized but not issued bonds and notes as follows:

General Capital Fund	
Bonds and Notes	\$ 289,969.50
Sewer Utility Capital Fund	
Bonds and Notes	250.00
Marina Utility Capital Fund	
Bonds and Notes	<u>None</u>
Total	<u>\$ 290,219.50</u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 5 LONG-TERM DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The terms of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

The Township's long-term debt is summarized as follows:

<u>Purpose</u>	
<u>General Serial Bonds</u>	
\$2,980,500.00 2001 Pooled Governmental Loan Revenue Bonds due in one annual installment of \$4,000.00 on December 1, 2013, interest rate of 5.000%.	\$ 4,000.00
\$2,460,000.00 2004 Pooled Governmental Loan Revenue Bonds due in annual installments ranging from \$3,000.00 to \$159,000.00 through December 2015, interest rates ranging from 3.750% to 4.000%.	314,000.00
\$5,147,000.00 2005 Pooled Governmental Loan Revenue Bonds due in annual installments ranging from \$1,000.00 to \$253,000.00 through December 2017, interest rates ranging from 4.000% to 5.000%.	728,000.00
\$2,114,000.00 2006 Pooled Governmental Loan Revenue Bonds due in annual installments ranging from \$222,000.00 to \$254,000.00 through December 2016, interest rates ranging from 4.000% to 5.000%.	948,000.00
\$5,518,000.00 2007 Pooled Governmental Loan Revenue Bonds due in annual installments ranging from \$362,000.00 to \$553,000.00 through December 2022, interest rates ranging from 4.000% to 5.250%.	4,532,000.00

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 5 LONG-TERM DEBT (continued)

Purpose

General Serial Bonds (continued)

\$7,100,000.00 2011 General Obligation Bonds due in annual installments ranging from \$350,000.00 to \$500,000.00 through September 2026, interest rates ranging from 2.000% to 4.000%.	\$ 6,850,000.00
\$4,800,000.00 2012 Pooled Governmental Loan Refunding Revenue Bonds due in annual installments ranging from \$0.00 to \$495,000.00 through December 2025, interest rates ranging from 2.000% to 5.000%.	<u>4,475,000.00</u>
	<u>\$ 17,851,000.00</u>

Sewer Utility Bonds

\$1,858,000.00 2005 Pooled Governmental Loan Revenue Bonds due in annual installments ranging from \$83,000.00 to \$91,000.00 through December 2015, interest rate of 5.000%.	\$ 261,000.00
\$1,271,800.00 2006 Pooled Governmental Loan Refunding Revenue Bonds due in annual installments ranging from \$131,000.00 to \$133,000.00 through February 2015, interest rates ranging from 3.800% to 5.000%.	396,000.00
\$722,000.00 2006 Pooled Governmental Loan Revenue Bonds due in annual installments ranging from \$44,000.00 to \$65,000.00 through December 2021, interest rates ranging from 4.000% to 5.000%.	486,000.00
\$504,000.00 2007 Pooled Governmental Loan Revenue Bonds due in annual installments ranging from \$30,000.00 to \$46,000.00 through December 2022, interest rates ranging from 4.000% to 5.250%.	374,000.00
\$1,310,000.00 2012 Pooled Governmental Loan Refunding Revenue Bonds due in annual installments ranging from \$0.00 to \$140,000.00 through December 2025, interest rates ranging from 2.000% to 5.000%.	<u>1,220,000.00</u>
	<u>\$ 2,737,000.00</u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 5 LONG-TERM DEBT (continued)

Marina Utility Bonds

\$452,000.000 2006 Marina Pooled Governmental Loan Revenue Bonds due in annual installments ranging from \$28,000.00 to \$41,000.00 through December 2021, interest rates ranging from 4.000% to 5.000%. \$ 304,000.00

\$483,000.00 2007 Marina Pooled Governmental Loan Revenue Bonds due in annual installments ranging from \$29,000.00 to \$44,000.00 through December 2022, interest rates ranging from 4.000% to 5.250%. 359,000.00

\$ 663,000.00

Annual debt service for principal and interest over the next five years and five-year increments thereafter for bonded debt issued and outstanding are as follows:

<u>Year</u>	<u>General Capital Fund</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$ 1,654,000.00	\$ 697,535.50	\$ 2,351,535.50
2014	1,510,000.00	639,125.50	2,149,125.50
2015	1,557,000.00	575,613.00	2,132,613.00
2016	1,599,000.00	509,397.50	2,108,397.50
2017	1,384,000.00	443,697.50	1,827,697.50
2018-2022	7,097,000.00	1,408,132.50	8,505,132.50
2023-2026	<u>3,050,000.00</u>	<u>291,500.00</u>	<u>3,341,500.00</u>
Total	<u>\$ 17,851,000.00</u>	<u>\$ 4,565,001.50</u>	<u>\$ 22,416,001.50</u>

<u>Year</u>	<u>Sewer Utility Capital Fund</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$ 385,000.00	\$ 121,256.00	\$ 506,256.00
2014	296,000.00	106,445.50	402,445.50
2015	304,000.00	92,462.50	396,462.50
2016	176,000.00	80,537.50	256,537.50
2017	185,000.00	72,637.50	257,637.50
2018-2022	996,000.00	231,990.00	1,227,990.00
2023-2025	<u>395,000.00</u>	<u>40,250.00</u>	<u>435,250.00</u>
Total	<u>\$ 2,737,000.00</u>	<u>\$ 745,579.00</u>	<u>\$ 3,482,579.00</u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 5 LONG-TERM DEBT (continued)

<u>Year</u>	<u>Marina Utility Capital Fund</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$ 57,000.00	\$ 31,955.00	\$ 88,955.00
2014	59,000.00	29,385.00	88,385.00
2015	62,000.00	26,435.00	88,435.00
2016	65,000.00	23,335.00	88,335.00
2017	68,000.00	20,085.00	88,085.00
2018-2022	<u>352,000.00</u>	<u>47,400.00</u>	<u>399,400.00</u>
Total	\$ <u>663,000.00</u>	\$ <u>178,595.00</u>	\$ <u>841,595.00</u>

Loans Payable

General Capital Fund Loans Payable

During 2005, the Township was awarded a loan of \$100,000.00 under the Green Trust Loan Program for the Bradley Park acquisition. The loan is due in semi-annual installments ranging from \$2,400.42 to \$3,078.38 through September 2025, interest rate 2.00%. \$ 70,873.93

During 2005, the Township was awarded a loan of \$25,000.00 under the Green Trust Loan Program for the Bradley Park acquisition. The loan is due in semi-annual installments ranging from \$600.11 to \$769.58 through September 2025, interest rate 2.00%. 17,718.47

During 2007, the Township was awarded a loan of \$170,000.00 under the Green Trust Loan Program for the Riverside Park acquisition. The loan is due in semi-annual installments ranging from \$3,960.70 to \$5,233.24 through May 2027, interest rate 2.00%. 132,486.99

During 2008, the Township was awarded a loan of \$225,228.72 under the Green Trust Loan Program for the development of Bradley Park. The loan is due in semi-annual installments of \$5,927.07 through July 2027, interest rate 0.00% 177,812.16

During 2009, the Township was awarded a loan for \$25,000.00 under the Green Trust Loan Program for the Bradley Park acquisition. The loan is due in semi-annual installments of \$641.03 through June 2029, interest rate 0.00% 21,153.82

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 5 LONG-TERM DEBT (continued)

Loans Payable (continued)

General Capital Fund Loans Payable (continued)

During 2011, the Township was awarded a loan of \$750,000.00 under the Green Trust Loan Program for multi-parks development. The loan is due in semi-annual installments of \$25,000 through August 2026, interest rate at 0.00%.

\$ 700,000.00

\$1,120,045.37

Sewer Utility Fund Loan Payable

On March 1, 2010, the Township entered into loan agreements funded by the New Jersey Environmental Infrastructure Trust in the amount of \$1,281,375.00 for upgrades to the Pennsylvania Avenue pump station. \$315,000.00 was funded by a trust loan with interest rates ranging from 3.00% to 5.00%. The remaining \$966,375.00 was funded by a fund loan with 0.00% interest. The loan is due in semi-annual installments ranging from \$16,379.23 to \$32,758.70 through 2029.

\$1,130,341.13

Total Sewer Utility Capital Fund Loan Payable

\$1,130,341.13

Annual debt service for principle and interest over the next five years and five year increments thereafter for loans issued and outstanding is as follows:

General Capital Fund Loans Payable

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 77,128.27	\$ 4,351.97	\$ 81,480.24
2014	77,409.51	4,070.73	81,480.24
2015	77,696.41	3,783.83	81,480.24
2016	77,989.05	3,491.19	81,480.24
2017	78,287.60	3,192.64	81,480.24
2018-2022	396,130.44	11,270.76	407,401.20
2023-2027	333,481.17	3,088.72	336,569.89
2028-2029	<u>1,922.92</u>	<u>0.00</u>	<u>1,922.92</u>
Total	\$ <u>1,120,045.37</u>	\$ <u>33,249.84</u>	\$ <u>1,153,295.21</u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 5 LONG-TERM DEBT (continued)

Loans Payable (continued)

Sewer Utility Loans Payable

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 59,137.70	\$ 12,500.00	\$ 71,637.70
2014	59,137.70	12,000.00	71,137.70
2015	64,137.70	11,500.00	75,637.70
2016	64,137.70	10,750.00	74,887.70
2017	64,137.70	10,000.00	74,137.70
2018-2022	325,688.50	39,500.00	365,188.50
2023-2027	345,688.50	21,600.00	367,288.50
2028-2029	<u>148,275.63</u>	<u>3,000.00</u>	<u>151,275.63</u>
Total	\$ <u>1,130,341.13</u>	\$ <u>120,850.00</u>	\$ <u>1,251,191.13</u>

Capital Lease Program

During 2003, 2005, 2007 and 2011 the Township of Neptune acquired equipment through the Monmouth County Improvement Authority's Equipment Lease Financing Program. The Equipment Lease Financing Program involved the issuance of Capital Equipment Pooled Lease Revenue Bonds, Series 2003, 2005, 2007 and 2011 of which \$1,841,100.00, \$1,467,600.00, \$2,380,400.00, and \$1,180,000.00 respectively, represent the Township's portion. Debt service requirements by fund are as follows:

General Capital Fund

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coupon Rate</u>
2013	\$ 600,403.00	\$ 121,192.25	\$ 721,595.25	3.00%-5.00%
2014	584,194.00	94,992.10	679,186.10	4.00%-5.00%
2015	524,296.00	67,741.40	592,037.40	4.00%-5.00%
2016	382,844.00	42,685.60	425,529.60	3.00%-5.00%
2017	331,268.00	25,963.40	357,231.40	4.00%-5.00%
2018-2021	<u>239,040.00</u>	<u>105,640.00</u>	<u>344,680.00</u>	2.50%-5.00%
Total	\$ <u>2,662,045.00</u>	\$ <u>458,214.75</u>	\$ <u>3,120,259.75</u>	

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 5 LONG-TERM DEBT (continued)

Capital Lease Program (continued)

Sewer Utility Capital Fund

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coupon Rate</u>
2013	\$ 70,985.00	\$ 14,102.25	\$ 85,087.25	3.00%-5.00%
2014	60,040.00	11,393.00	71,433.00	4.00%-5.00%
2015	62,840.00	8,822.00	71,662.00	4.00%-5.00%
2016	47,040.00	6,131.00	53,171.00	3.00%-5.00%
2017	21,280.00	4,719.00	25,999.00	3.00%-5.00%
2018-2021	<u>92,960.00</u>	<u>10,823.00</u>	<u>103,783.00</u>	2.50%-5.00%
Total	\$ <u>355,145.00</u>	\$ <u>55,990.25</u>	\$ <u>411,135.25</u>	

Marina Utility Capital Fund

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Coupon Rate</u>
2013	\$ 14,412.00	\$ 3,985.50	\$ 18,397.50	5.00%
2014	15,066.00	3,264.90	18,330.90	5.00%
2015	15,864.00	2,511.60	18,375.60	5.00%
2016	16,716.00	1,718.40	18,434.40	5.00%
2017	<u>17,652.00</u>	<u>882.60</u>	<u>18,534.60</u>	5.00%
Total	\$ <u>79,710.00</u>	\$ <u>12,363.00</u>	\$ <u>92,073.00</u>	

TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

NOTE 5 LONG-TERM DEBT (continued)

Changes in Outstanding Debt

Transactions for the year ended December 31, 2012 are summarized as follows:

	Balance Dec. 31, <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance Dec. 31, <u>2012</u>
<u>General Capital Fund</u>				
Serial Bonds	\$ 19,554,899.14	\$ 4,800,000.00	\$ 6,503,899.14	\$ 17,851,000.00
Loans Payable	<u>1,196,897.93</u>	<u>-</u>	<u>76,852.56</u>	<u>1,120,045.37</u>
	<u>20,751,797.07</u>	<u>4,800,000.00</u>	<u>6,580,751.70</u>	<u>18,971,045.37</u>
<u>Sewer Capital Fund</u>				
Serial Bonds	3,155,100.86	1,310,000.00	1,728,100.86	2,737,000.00
Loans Payable	<u>1,189,478.83</u>	<u>-</u>	<u>59,137.70</u>	<u>1,130,341.13</u>
	<u>4,344,579.69</u>	<u>1,310,000.00</u>	<u>1,787,238.56</u>	<u>3,867,341.13</u>
<u>Marina Capital Fund</u>				
Serial Bonds	<u>717,000.00</u>	<u>-</u>	<u>54,000.00</u>	<u>663,000.00</u>
	<u>\$ 25,813,376.76</u>	<u>\$ 6,110,000.00</u>	<u>\$ 8,421,990.26</u>	<u>\$ 23,501,386.50</u>

Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.50% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Township's statutory net debt at December 31, 2012 was 0.672%. The Township's remaining borrowing power is 2.828%. The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in the Supplementary Data section of this report.

NOTE 6 SHORT-TERM DEBT

Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuing of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 6 SHORT-TERM DEBT (continued)

Bond Anticipation Notes (continued)

On December 31, 2012, the Township's outstanding bond anticipation notes were as follows:

<u>General Capital Fund</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
Expansion of and Renovations to the Senior Center and Municipal Complex	09-14-12	09-13-13	\$ 375,000.00	1.00%
Bradley Park Pedestrian and ADA Accessibility Project	09-14-12	09-13-13	23,817.50	1.00%
Acquisition of Block 7013, Lot 11	09-14-12	09-13-13	513,821.50	1.00%
Renovations to the Senior Center	09-14-12	09-13-13	902,500.00	1.00%
South Riverside Drive Flood Mitigation - Phase I	09-14-12	09-13-13	182,433.00	1.00%
Concourse/Seaview Island Flood Mitigation	09-14-12	09-13-13	209,353.00	1.00%
Various Improvements to the Senior Center	09-14-12	09-13-13	403,075.00	1.00%
Acquisition of Property, Block 217, Lot 58	09-14-12	09-13-13	285,000.00	1.00%
Various Roadway Improvements	09-14-12	09-13-13	304,000.00	1.00%
Wesley Lake Wall Reconstruction - Phase II	09-14-12	09-13-13	95,000.00	1.00%
Various Roadway Improvements	09-14-12	09-13-13	148,000.00	1.00%
Various Improvements to Municipal Buildings & Facilities	09-14-12	09-13-13	332,500.00	1.00%
Various 2012 Park and Playground Improvements	09-14-12	09-13-13	81,000.00	1.00%
Acquisition of Various Equipment	09-14-12	09-13-13	95,000.00	1.00%
Acquisition of Equipment and Vehicles	09-14-12	09-13-13	285,000.00	1.00%
Various Improvements to Parks and Facilities	09-14-12	09-13-13	237,500.00	1.00%
Acquisition of Equipment Associated With the Implementation of a Single Stream Recycling Program	09-14-12	09-13-13	<u>1,044,000.00</u>	1.00%
			<u>\$ 5,517,000.00</u>	

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 6 SHORT-TERM DEBT (continued)

Sewer Utility Capital Fund

Upgrades to Pennsylvania Avenue Pumping Station	09-14-12	09-13-13	\$ 300,000.00	1.00%
Acquisition of Vehicles and Equipment	09-14-12	09-13-13	166,000.00	1.00%
Various Sewer Utility Improvements	09-14-12	09-13-13	<u>665,000.00</u>	1.00%
			\$ <u>1,131,000.00</u>	

Marina Utility Capital Fund

Acquisition of Marina Property and Various Improvements to the Marina	09-14-12	09-13-13	\$ 341,500.00	1.00%
Various Improvements to Marina	09-14-12	09-13-13	285,000.00	1.00%
Various Improvements	09-14-12	09-13-13	<u>85,500.00</u>	1.00%
			\$ <u>712,000.00</u>	

Changes in Bond Anticipation Notes

	Balance Dec. 31, <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance Dec. 31, <u>2012</u>
General Capital Fund	\$ 3,442,000.00	\$ 2,075,000.00	\$ -	\$ 5,517,000.00
Sewer Utility Capital Fund	466,000.00	665,000.00	-	1,131,000.00
Marina Utility Capital Fund	<u>695,000.00</u>	<u>85,500.00</u>	<u>68,500.00</u>	<u>712,000.00</u>
	<u>\$ 4,603,000.00</u>	<u>\$ 2,825,500.00</u>	<u>\$ 68,500.00</u>	<u>\$ 7,360,000.00</u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 6 SHORT-TERM DEBT (continued)

Special Emergency Notes

The Township issues special emergency notes to fund special emergency appropriations. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid within three to five years depending on the type of special emergency.

On December 31, 2012, the Township's outstanding special emergency notes were as follows:

	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
<u>Current Fund</u>				
Hurricane Sandy	12-19-12	11-19-13	\$ 3,600,000.00	1.50%
<u>Sewer Utility Fund</u>				
Hurricane Sandy	12-19-12	11-19-13	500,000.00	1.50%
<u>Marina Utility Fund</u>				
Hurricane Sandy	12-19-12	11-19-13	<u>1,000,000.00</u>	1.50%
			<u>\$ 5,100,000.00</u>	

Changes in Special Emergency Notes

Transactions for the year ended December 31, 2012 are summarized as follows:

	<u>Balance Dec. 31, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2012</u>
Current Fund	\$ -	\$ 3,600,000.00	\$ -	\$ 3,600,000.00
Sewer Utility Fund	-	500,000.00	-	500,000.00
Marina Utility Fund	-	<u>1,000,000.00</u>	-	<u>1,000,000.00</u>
	<u>\$ -</u>	<u>\$ 5,100,000.00</u>	<u>\$ -</u>	<u>\$ 5,100,000.00</u>

NOTE 7 DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

Upon the authorization of capital projects, the Township establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As noted in Note 2, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, <u>2012</u>	2013 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Current Fund:			
Special Emergency Authorization	\$ 3,600,000.00	\$ 1,195,004.00	\$ 2,404,996.00
Sewer Utility Operating Fund:			
Special Emergency Authorization	500,000.00	135,000.00	365,000.00
Marina Utility Operating Fund:			
Special Emergency Authorization	<u>1,000,000.00</u>	<u>400,000.00</u>	<u>600,000.00</u>
	<u>\$ 5,100,000.00</u>	<u>\$ 1,730,004.00</u>	<u>\$ 3,369,996.00</u>

The appropriation in the 2013 budget is as required by statute.

NOTE 9 TAXES COLLECTED IN ADVANCE

Taxes collected in advance set forth as cash liabilities in the financial statements, are as follows:

	<u>Balance December 31,</u>	
	<u>2012</u>	<u>2011</u>
Prepaid Taxes	\$473,303.34	\$446,262.26

NOTE 10 ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the Township Tax Assessor as of October 1st in each year and filed with the County Board of Taxation (“Board”) by January 10th of the following year. Upon the filing of certified adopted budgets by the Township, Local School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 20th, with a completed duplicate of the tax rolls to be delivered to the Township Tax Collector (“Collector”) on or before June 3rd. Tax bills are prepared then mailed by the Collector of the Township annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year.

In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year’s tax. The preliminary payments are due and payable on February 1st and

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 10 ASSESSMENT AND COLLECTION OF PROPERTY TAXES

May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Township granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent as of the eleventh day of the eleventh month of the fiscal year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

NOTE 11 LOCAL DISTRICT SCHOOL TAXES

Local District School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 provides that any municipality that levies school taxes on a school year basis may defer from the municipal purposes tax levy 50% (fifty percent) of the levy. The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes. At year end taxes due to the District consisted of the following:

	Local District School Tax Balance December 31	
	2012	2011
Balance of Tax	\$ 17,253,652.50	\$ 17,264,932.50
Deferred	17,265,725.00	17,270,602.50
Tax Payable/(Advanced)	\$(12,072.50)	\$(5,670.00)

NOTE 12 FUND BALANCES APPROPRIATED

Fund balances at December 31, 2012 which were appropriated and included as anticipated revenue in the 2013 municipal budget as adopted for the year ending December 31, 2013 were as follows:

Current Fund:	
Fund Balance	\$3,250,000.00
Sewer Utility Fund:	
Fund Balance	86,600.00
Marina Utility Fund:	
Fund Balance	50,745.00

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 13 PENSION PLANS

Public Employee’s Retirement System and Police and Firemen’s Retirement System

The Township of Neptune contributes to the Public Employees’ Retirement System (“PERS”) and the Police and Firemen’s Retirement System (“PFRS”), cost-sharing multiple-employer defined benefit pension plans administered by the Division of Pensions in the Department of the Treasury, State of New Jersey. The plans provide retirement, death, disability benefits and medical benefits to certain qualifying plan members and beneficiaries. The Public Employees’ Retirement System was established January 1, 1955 under the provisions of N.J.S.A. 43:15A. The Police and Firemen’s Retirement System was established July 1, 1944 under the provisions of N.J.S.A. 43:16A. The Public Employees’ Retirement System and the Police and Firemen’s Retirement System issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the State of New Jersey, Division of Pensions.

Funding Policy

Employee contributions are currently 6.64% and 10% of their base wages for PERS and PFRS, respectively. Employer’s contributions are actuarially determined annually by the Division of Pensions. Township contributions to the plan for the past three (3) years are as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2010	\$694,676.00	\$1,787,752.00
2011	848,957.00	2,087,983.00
2012	850,754.00	1,609,484.00

All contributions were equal to the required contributions for each of the three years, respectively.

Under the provisions of Chapter 78, P.L. 2011, employee pension contribution rates for PERS members increased effective July 1, 2012 from 6.50% to 6.64%. The contribution rate will increase by 0.014% each year on July 1 until the rate reaches 7.50% in July 2018.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 14 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”)

A. Plan Description

In addition to the pension benefits described in Note 13, the Township contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., 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 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. In 2010, the Township authorized participation in the SHBP’s post-employment benefit program through resolution number 10-281. The Township provides post-employment benefits to employees who have completed the required number of years of service, and having attained the specific age, under PERS, PFRS or is retired on approved disability. Said, retirees who have completed 25 years in the appropriate pension plan and have completed 15 years of continuous service to the Township of Neptune, will be provided with hospitalization benefits for the employee and his/her dependents under the New Jersey State Health Benefits Program in accordance with State of New Jersey Statute Chapter 88. In the event the Township changes insurance carriers, substantially similar benefits will be provided.

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 the 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.

B. Funding Policy

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

Contributions to pay for health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township currently contributes on a pay-as-you-go basis based upon monthly invoices from the State of New Jersey Division of Pensions. Employees are not required to contribute. Contributions to the plan for the last three years and the number of former employees eligible for and participating in the post employment health care benefits program as of the respective year ended December 31 was as follows:

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 14 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)

B. Funding Policy (continued)

<u>Year</u>	<u>Contribution</u>	<u>Number of Employees</u>
2012	\$1,823,637.24	117
2011	1,578,364.20	113
2010	1,540,200.21	103

All contributions were equal to the required contributions for each of the three years respectively.

NOTE 15 DEFERRED COMPENSATION PLAN

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

All amounts of compensation deferred under the Plan, all property and rights purchased with the amounts, and all income attributable to these amounts are for the exclusive benefit of the Plan participants and their beneficiaries and the assets cannot be diverted to any other purpose. The Township serves as Trustee under the Plan.

NOTE 16 INTERFUND BALANCES

The composition of interfund balances as of December 31, 2012 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Current Fund	Federal and State Grant Fund	\$ 8,429.01
Current Fund	Trust Other Fund	50,528.00
Current Fund	Sewer Utility Operating Fund	<u>9,574.33</u>
		<u>68,531.34</u>
Marina Utility Operating Fund	Current Fund	<u>5,360.39</u>
General Capital Fund	Marina Utility Capital Fund	262,607.68
General Capital Fund	Current Fund	2,355.93
General Capital Fund	Marina Utility Operating Fund	<u>68,500.00</u>
		<u>333,463.61</u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 16 INTERFUND BALANCES (continued)

Trust Other Fund	Federal and State Grant Fund	\$ <u>6,010.68</u>
Sewer Utility Capital Fund	General Capital Fund	<u>3,800.16</u>
		\$ <u><u>417,166.18</u></u>

All balances resulted from the time lag between the dates that (1) reimbursable expenditures occur, (2) revenues/receipts are collected, and (3) payments between funds are made.

NOTE 17 INTERFUND TRANSFERS

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Current Fund	Federal and State Grant Fund	\$ 126,230.59
Current Fund	Marina Utility Operating Fund	3,610.39
General Capital Fund	Current Fund	22,629.19
Current Fund	Trust Other Fund	5,458.06
Payroll Fund	Current Fund	69,848.83
Current Fund	Animal Control Trust Fund	27,813.38
Trust Other Fund	Payroll Fund	76.00
Federal and State Grant Fund	Trust Other Fund	6,010.68
Marina Utility Operating Fund	General Capital Fund	68,500.00
Sewer Utility Operating Fund	Current Fund	9,574.33
General Capital Fund	Sewer Utility Capital Fund	3,800.16
General Capital Fund	Marina Capital Fund	2,392.32

Transfers are primarily used to move funds from:

- The Current Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.
- The Utility Operating Funds to the Utility Capital Funds to finance capital improvements accounted for in the Utility Capital Funds in accordance with budgetary authorizations.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 18 FIXED ASSETS

Fixed asset and fixed capital activity for the year ended December 31, 2012 was as follows:

Fixed Assets

	Balance Dec. 31, <u>2011</u>	<u>Additions</u>	<u>Disposals</u>	Balance Dec. 31, <u>2012</u>
Land	\$ 18,326,960.52	\$ -	\$ -	\$ 18,326,960.52
Land Improvements	412,519.14	-	-	412,519.14
Buildings and Improvements	4,730,183.72	-	-	4,730,183.72
Machinery, Equipment and Vehicles	<u>13,592,873.18</u>	<u>1,252,941.68</u>	<u>16,468.51</u>	<u>14,829,346.35</u>
	<u>\$ 37,062,536.56</u>	<u>\$ 1,252,941.68</u>	<u>\$ 16,468.51</u>	<u>\$ 38,299,009.73</u>

Fixed Capital - Sewer Utility

	Balance Dec. 31, <u>2011</u>	<u>Additions</u>	<u>Disposals</u>	Balance Dec. 31, <u>2012</u>
Sewer System	\$ <u>15,487,586.06</u>	\$ <u>600,067.82</u>	\$ <u>-</u>	\$ <u>16,087,653.88</u>

Fixed Capital - Marina Utility

	Balance Dec. 31, <u>2011</u>	<u>Additions</u>	<u>Disposals</u>	Balance Dec. 31, <u>2012</u>
Marina	\$ <u>-</u>	\$ <u>300,000.00</u>	\$ <u>-</u>	\$ <u>300,000.00</u>

NOTE 19 RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Township is a member of the Statewide Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of public entities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The Fund will be self-sustaining through member premiums. There were no settlements in excess of insurance coverage in 2012, 2011 and 2010.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 20 CONTINGENCIES

A. Accrued Sick and Vacation Unaudited

As discussed in Note 2 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation and sick pay. The Township permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation would approximate \$4,056,000 at December 31, 2012. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

B. Litigation

The Township is involved in legal and administrative proceedings and claims of various types. While any litigation contains an element of uncertainty, Township Officials, based upon the opinion of the Township Counsel, presently believe that the outcome of each such proceeding or claim which is pending or known to be threatened, or all of them combined, will not have a material or adverse effect on the Township's financial position or adversely affect the Township's ability to levy, collect, and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

C. Federal and State Grants

The Township receives financial assistance from the U.S. government and the State of New Jersey in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require payment to the grantor agency. As of December 31, 2012, the Township estimates that no material liabilities will result from such audits.

D. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserve for unemployment compensation insurance at December 31, 2012 was \$4,152.52.

TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

NOTE 21 SUBSEQUENT EVENTS

On April 8, 2013, the Township adopted ordinance 13-13 providing for various 2013 improvements to parks and other Township facilities, including improvements to Jumping Brook ballfields. The ordinance authorizes \$133,000.00 of debt, \$7,000.00 from the capital improvement fund and anticipates a \$250,000.00 grant from the County of Monmouth Open Space Program for a total appropriation of \$390,000.00.

On April 8, 2013, the Township adopted ordinance 13-14 providing for various 2013 roadway and drainage improvement. The ordinance authorizes \$1,188,735.00 of debt, \$62,565.00 from the capital improvement fund and anticipates a \$248,700.00 grant from the New Jersey Department of Transportation for a total appropriation of \$1,500,000.00.

On May 13, 2013, the Township adopted ordinance 13-18 providing for various marina utility improvements. The ordinance authorizes \$900,000.00 of debt and anticipates a \$600,000.00 Green Acres grant for a total appropriation of \$1,500,000.00.

On June 20, 2013, the Township adopted ordinance 13-23 providing for the emergency watershed protection measures program, including Wesley and Fletcher basins. The ordinance authorizes \$359,100.00 of debt, \$18,900.00 from the capital improvement fund and anticipates a \$1,122,000.00 grant from the United States Department of Agriculture for a total appropriation of \$1,500,000.00.

On July 22, 2013, the Township adopted ordinance 13-25 authorizing the guarantee by the Township of Neptune or payment of principal and interest on the Capital Equipment Lease Revenue Bonds, Series 2013 (the Township of Neptune Fire District #2 Project) of the Monmouth County Improvement Authority. The principal amount guaranteed by the Township is not to exceed \$468,000.00.

On August 12, 2013, the Township adopted ordinance 13-27 providing for the acquisition and the payment of the purchase price of real property being designated as Block 173, Lot 31.01 on the official tax map of the Township of Neptune and various improvements thereof. The ordinance authorizes \$114,000.00 of debt and \$6,000.00 from the capital improvement fund for a total appropriation of \$120,000.00.

On August 12, 2013, the Township adopted ordinance 13-28 providing for the pedestrian/bicycle lane transportation enhancement project. The ordinance authorizes \$120,000.00 of debt and anticipates a \$580,000.00 Transportation Enhancement Program Grant from the New Jersey Department of Transportation for a total appropriation of \$700,000.00.

On August 12, 2013 the Township adopted ordinance 13-29 authorizing the guarantee by the Township of Neptune, New Jersey for payment of principal and interest on the Capital Equipment Lease Revenue Bonds, Series 2013 (Neptune Project) of the Monmouth County Improvement Authority. The principal is not to exceed \$265,000.00.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

NOTE 21 SUBSEQUENT EVENTS (continued)

On August 12, 2013, the Township adopted ordinance 13-31 authorizing the leasing of certain capital equipment from the Monmouth County Improvement Authority and the execution of a lease and agreement relating hereto. The estimated cost is \$2,775,000.00.

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Regular</u>	<u>Grant Fund</u>
Balance, December 31, 2011	A	\$ 6,854,218.11	\$ 209,089.00
Increased by Receipts:			
Collector	A-5	\$ 88,178,477.89	
Federal and State Grants Receivable	A-25		\$ 823,535.29
Federal and State Grants Unappropriated Reserves	A-27		<u>47,025.81</u>
		<u>88,178,477.89</u>	<u>870,561.10</u>
Decreased by Disbursements:			
2012 Budget Appropriations	A-3	35,402,991.12	
Appropriation Reserves	A-15	1,133,826.83	
Due to Neptune Township Public Library	A-7	5,387.47	
Tax Overpayments	A-17	77,363.03	
County Taxes Payable	A-20	10,372,115.37	
Local School District Tax	A-21	34,542,730.00	
Fire District Taxes	A-19	3,445,873.00	
Various Reserves	A-23	114,777.38	
Interfunds	A-13	344,092.97	
Due to State Agencies	A-22	33,071.00	
Accounts Payable	A-14	42,387.68	
Appropriated Reserves for Federal and State Grants	A-26		<u>731,768.23</u>
		<u>85,514,615.85</u>	<u>731,768.23</u>
Balance, December 31, 2012	A	<u>\$ 9,518,080.15</u>	<u>\$ 347,881.87</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF CASH - COLLECTOR

	<u>Ref.</u>	
Increased by Receipts:		
Taxes Receivable	A-8	\$ 72,325,588.12
Tax Title Liens	A-9	7,797.31
Revenue Accounts Receivable	A-11	8,548,650.67
Tax Overpayments	A-17	72,261.63
Prepaid Taxes	A-18	473,303.34
State of New Jersey (Ch. 20, P.L. 1971)	A-6	279,732.46
Non-Budget Revenues	A-2	813,683.78
Premium on Sale of Special Emergency Notes	A-1	19,297.41
Void Checks	A-1	187.98
Interfunds	A-13	128,793.58
Due to State Agencies	A-22	25,052.00
Various Reserves	A-23	84,125.48
Sale of Special Emergency Notes	A	3,600,000.00
Reserve for FEMA Reimbursement - Hurricane Sandy	A	<u>1,800,004.13</u>
		<u>\$ 88,178,477.89</u>
Decreased by Disbursements:		
Payments to Treasurer	A-4	<u>\$ 88,178,477.89</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF DUE TO STATE - P.L. 1971, C. 20

	<u>Ref.</u>		
Balance, December 31, 2011	A		\$ 7,292.46
Increased by:			
Received from State of New Jersey	A-5	\$ 279,732.46	
Deductions Disallowed by Collector - Prior Taxes	A-1/A-8	<u>32,178.77</u>	
			<u>311,911.23</u>
			319,203.69
Decreased by:			
Deductions per Tax Duplicate:			
Senior Citizens		73,000.00	
Veterans		240,000.00	
Deductions Allowed by Collector		<u>5,500.00</u>	
		318,500.00	
Less: Deductions Disallowed by Collector		<u>15,508.90</u>	
	A-8	302,991.10	
Adjustment	A-1	<u>12,340.68</u>	
			<u>315,331.78</u>
Balance, December 31, 2012	A		<u>\$ 3,871.91</u>

SCHEDULE OF DUE TO NEPTUNE TOWNSHIP PUBLIC LIBRARY

	<u>Ref.</u>		
Balance, December 31, 2011	A		\$ 5,387.47
Decreased by:			
Cash Disbursed	A-4		<u>\$ 5,387.47</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2011	2012 Levy	2011	2012	P.L. 1971 Senior Citizens and Veterans	Tax Overpayments Applied	Transfer to Tax Title Lien	Canceled, Remitted or Abated	Balance Dec. 31, 2012
2006	\$ 0.16			\$ 2,000.16	(2,000.00)				
2007	4,132.02			6,882.02	(3,000.00)			\$	250.00
2008	4,266.51			7,266.51	(3,000.00)				
2009	8,011.60			12,261.60	(4,500.00)				250.00
2010	38,914.36			37,928.52				\$ 985.84	
2011	1,368,039.08			1,380,582.50	(19,678.77)	\$ 0.60	\$ 1,628.94		5,505.81
	1,423,363.73			1,446,921.31	(32,178.77)	0.60	1,628.94	985.84	6,005.81
2012	\$ 1,423,363.73	\$ 73,363,575.81	\$ 446,262.26	70,878,666.81	302,991.10	35,544.89	24,614.03	232,277.12	1,443,219.60
			\$ 446,262.26	\$ 72,325,588.12	\$ 270,812.33	\$ 35,545.49	\$ 26,242.97	\$ 233,262.96	\$ 1,449,225.41
Ref.	A	A-8	A-2/A-18	A-2/A-5	A-1/A-2/A-6	A-2/A-17	A-9		A

Analysis of 2012 Property Tax Levy

Tax Yield:								
General Purpose Tax		\$		\$ 69,589,028.08				
Special District Taxes				3,451,049.58				
Added and Omitted Tax				323,498.15				
						\$ 73,363,575.81		
Tax Levy:			A-8					
Local District School Tax			A-21	\$ 34,531,450.00				
County Taxes:								
County Tax		\$	A-20	9,571,777.14				
County Open Space Tax			A-20	555,073.56				
County Health Tax			A-20	190,864.17				
Due County for Added and Omitted Taxes			A-20	46,035.65				
Total County Taxes				10,363,750.52				
Fire District No. 1 (Amount Certified)			A-19	2,817,039.00				
Fire District No. 2 (Amount Certified)			A-19	628,834.00				
Local Tax for Municipal Purposes			A-2	23,509,081.86				
Minimum Library Tax			A-2	1,218,713.13				
Add: Additional Tax Levied				294,707.30				
				25,022,502.29				
			A-8			\$ 73,363,575.81		

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$ 30,792.64
Increased by:		
Transfer from Taxes Receivable	A-8	\$ 26,242.97
Interest and Costs of Tax Sale of February 23, 2012		<u>242.85</u>
		<u>26,485.82</u>
		57,278.46
Decreased by:		
Cash Receipts	A-2/A-5	<u>7,797.31</u>
Balance, December 31, 2012	A	<u>\$ 49,481.15</u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
 (AT ASSESSED VALUATION)

	<u>Ref.</u>	
Balance, December 31, 2011 and 2012	A	<u>\$ 5,246,000.00</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance Dec. 31, 2011	Accrued in 2012	Collected	Balance Dec. 31, 2012
Licenses:					
Alcoholic Beverages	A-2		\$ 55,440.00	\$ 55,440.00	
Other	A-2		234,061.51	234,061.51	
Fees & Permits	A-2		329,720.45	329,720.45	
Municipal Court:					
Fines and Costs	A-2	\$ 57,424.06	719,543.06	731,491.92	\$ 45,475.20
Other Revenue:					
Interest and Costs on Taxes	A-2		336,057.49	336,057.49	
Interest on Investments and Deposits	A-2		53,517.02	53,517.02	
Consolidated Municipal Property Tax Relief Aid	A-2		882,060.00	882,060.00	
Energy Receipts Tax	A-2		4,115,394.00	4,115,394.00	
Uniform Construction Code Fees	A-2		495,505.00	495,505.00	
Interlocal Services Agreement:					
Neptune City 911 Services	A-2		20,000.00	20,000.00	
Neptune BOE - GREAT Program	A-2		20,000.00	20,000.00	
Fleet Maintenance	A-2		119,720.36	119,720.36	
Insurances	A-2		171,400.00	171,400.00	
Monmouth County EMS	A-2		6,000.00	6,000.00	
Community Notification System Agreement	A-2		16,800.00	16,800.00	
Public Safety Officer Program	A-2		50,000.00	50,000.00	
Prisoner Processing/Jail Program	A-2		24,750.00	24,750.00	
Administrative Fees - Off Duty Employment					
of Police Officers	A-2		286,504.60	286,504.60	
Reserve for Debt Service - Capital Fund	A-2		17,000.00	17,000.00	
Cable TV Franchise Fees	A-2		369,540.75	369,540.75	
Commercial Garbage Removal Fees	A-2	114,010.60	87,178.00	123,865.67	77,322.93
Interfund - Trust Other	A-2		5,458.06	5,458.06	
Reserve for Debt Service - Ord. 98-38	A-2		5,629.19	5,629.19	
OCGMA Special Police Contribution	A-2		23,104.00	23,104.00	
Cell Tower Lease	A-2		83,717.90	83,717.90	
		<u>\$ 171,434.66</u>	<u>\$ 8,528,101.39</u>	<u>\$ 8,576,737.92</u>	<u>\$ 122,798.13</u>
	Ref.	A			A
Cash Receipts	A-5			\$ 8,548,650.67	
Interfunds Receivable	A-13			<u>28,087.25</u>	
				<u>\$ 8,576,737.92</u>	

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF ABATING COSTS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$ 25,012.67
Increased by:		
Billings		<u>26,588.25</u>
		51,600.92
Decreased by:		
Collections	A-2	<u>34,548.92</u>
Balance, December 31, 2012	A	<u>\$ 17,052.00</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF INTERFUNDS RECEIVABLE / (PAYABLE)

Ref.	Total (MEMO ONLY)	Federal and State Grant Fund	Marina Utility Operating Fund	General Capital Fund	Trust Other Fund	Animal Control Trust Fund	Sewer Utility Operating Fund	Payroll Fund
A	\$ 218,459.04	\$ 134,659.60	\$ (1,750.00)	\$ (24,985.12)	\$ 55,986.06	\$ 27,813.38		\$ (69,848.83)
A	<u>(96,583.95)</u>							
Balance, December 31, 2011:								
	Interfunds Receivable						\$ 12,254.53	113,088.44
	Interfunds Payable							
Increased by:								
A-4	Disbursements	217,000.00	1,750.00					
A-24	Grants Receivable - Budget	647,676.78						
A-1	Grants Appropriated Canceled	5,781.35						
A-11	Revenue Accounts Receivable	22,629.19		22,629.19				
		<u>870,458.13</u>	<u>1,750.00</u>				<u>12,254.53</u>	<u>113,088.44</u>
		1,142,055.38		(2,355.93)		27,813.38		43,239.61
Decreased by:								
A-5	Receipts	49,700.00					2,680.20	
A-3	Grant Appropriations	911,990.78	5,360.39					
A-1	Grants Receivable Canceled	34,997.94						
A-1	Refund Prior Revenue and Bank Fees	5,458.06			5,458.06			
		<u>996,688.72</u>	<u>5,360.39</u>		<u>5,458.06</u>		<u>2,680.20</u>	<u>43,239.61</u>
A	Balance, December 31, 2012:	\$ 8,429.01					\$ 9,574.33	
A	Interfunds Receivable	<u>(7,716.32)</u>						
A	Interfunds Payable	<u>60,815.02</u>		<u>(2,355.93)</u>				\$

Analysis of Net Charge to Operations

Interfunds Accounts Receivable:

Balance, December 31, 2012

Balance, December 31, 2011

Net Credit to Operations

Less Anticipated as Revenue:

Interfund - Trust Other Fund

Net Credit to Operations

	\$ 68,531.34
	218,459.04
	(149,927.70)
	5,458.06
	\$ (144,469.64)

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$ 84,590.24
Increased by:		
Charged to Appropriation Reserves	A-15	<u>36,097.01</u>
		120,687.25
Decreased by:		
Disbursements	A-4	\$ 42,387.68
Canceled	A-1	<u>22,379.76</u>
		<u>64,767.44</u>
Balance, December 31, 2012	A	\$ <u>55,919.81</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2011	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
<u>Operations Within CAPS</u>					
General Government Functions:					
General Administration	\$ 223.87	\$	223.87	\$	223.87
Salaries and Wages	68.20	17,799.55	15,867.75	10,303.12	5,564.63
Other Expenses	1.17		1.17		1.17
Municipal Clerk	4,102.58	999.26	5,101.84	268.94	4,832.90
Financial Administration	14,075.13		14,075.13		14,075.13
Salaries and Wages	301.48	7,584.09	7,885.57	7,368.71	516.86
Other Expenses					
Audit Services		40,000.00	40,000.00	40,000.00	
Other Expenses					
Computerized Data Processing	146.32		146.32		146.32
Salaries and Wages	3,892.03	6,443.65	10,335.68	5,630.74	4,704.94
Other Expenses					
Revenue Administration	1,804.00		1,804.00		1,804.00
Salaries and Wages	1,247.01	652.84	1,899.85	745.06	1,154.79
Other Expenses					
Tax Assessment Administration	616.19		616.19		616.19
Salaries and Wages	5,959.43	230.00	6,189.43	55.00	6,134.43
Other Expenses					
Legal Services	26,679.05	15,196.97	41,876.02	23,847.68	18,028.34
Other Expenses					
Engineering Services	5,751.87		5,751.87		5,751.87
Salaries and Wages	21,148.67	57,276.77	78,425.44	51,311.65	27,113.79
Other Expenses					
Economic Development	4,530.96		4,530.96		4,530.96
Salaries and Wages	2,759.28	109.02	2,868.30	109.02	2,759.28
Other Expenses					

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2011	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Land Use Administration:					
Planning Board	\$ 2,961.39	\$ 2,354.26	\$ 5,315.65	\$ 1,807.54	\$ 3,508.11
Other Expenses	1,369.38		1,369.38		1,369.38
Zoning Board	919.77	3,141.85	4,061.62	647.31	3,414.31
Salaries and Wages					
Other Expenses	82.55		82.55		82.55
Historical Preservation Committee	4,767.00	4,449.20	9,216.20	2,898.20	6,318.00
Salaries and Wages	127.87		127.87		127.87
Other Expenses	929.93	305.00	1,234.93		1,234.93
Land Use Administration Office	2,850.02	168.00	3,018.02	152.00	2,866.02
Salaries and Wages	9,732.67		9,732.67		9,732.67
Other Expenses	3,500.03	679.90	4,179.93	713.70	3,466.23
Mercantile Licensing	135.20		135.20		135.20
Salaries and Wages	1,829.38	1,016.38	2,845.76	1,003.70	1,842.06
Other Expenses	725.80	11,175.02	11,900.82	4,095.76	7,805.06
Insurance	12,670.13		12,670.13		12,670.13
Liability Insurance	38,958.08	153,046.23	192,004.31	163,712.29	28,292.02
Workers Compensation Insurance					
Employee Group Insurance					
Public Safety Functions:					
Police Department	3,875.28	75,000.00	78,875.28	75,000.00	3,875.28
Salaries and Wages	646.10	106,764.47	107,410.57	89,824.39	17,586.18
Other Expenses					
Police Dispatch / 911					
Salaries and Wages	2,773.73	20,000.00	53,273.73	53,261.75	11.98
Other Expenses	7,169.63	5,057.63	12,227.26	11,062.23	1,165.03

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2011	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Office of Emergency Management					
Salaries and Wages	\$ 1,527.44	\$	1,527.44		\$ 1,527.44
Other Expenses	659.64	2,173.03	2,832.67	2,498.26	334.41
Municipal Prosecutor's Office					
Salaries and Wages	1,099.92		1,099.92		1,099.92
Public Works Functions:					
Streets and Roads Maintenance					
Salaries and Wages	6,471.59		6,471.59		6,471.59
Other Expenses	7,205.05	18,030.67	25,235.72	24,104.94	1,130.78
Administration of Public Works					
Salaries and Wages	6,070.23		6,070.23		6,070.23
Other Expenses	304.23	933.17	1,237.40	748.95	488.45
Solid Waste Collection					
Salaries and Wages	14,421.50		14,421.50		14,421.50
Other Expenses	27.21	2,941.09	2,968.30	2,757.70	210.60
Buildings and Grounds					
Salaries and Wages	14,668.20		14,668.20		14,668.20
Other Expenses	2,213.57	17,442.54	19,656.11	14,545.75	5,110.36
Vehicle Maintenance					
Other Expenses	14,827.83	125,490.15	140,317.98	133,568.61	6,749.37
Health and Human Services:					
Public Health Services					
Salaries and Wages	3,030.56		3,030.56		3,030.56
Other Expenses	2,512.84	704.24	3,217.08	223.24	2,993.84
Environmental and Shade Tree Committee					
Salaries and Wages	56.72		56.72		56.72
Other Expenses	2,846.11		4,846.11	3,000.00	1,846.11
Monmouth County Drug & Alcohol Abuse Program					
Other Expenses		945.00	945.00		945.00

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2011	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Park and Recreation Functions:					
Recreation Services and Programs					
Salaries and Wages	\$ 1.15	\$	1.15		1.15
Other Expenses	12,046.87	12,909.56	24,956.43	12,843.96	12,112.47
Senior Citizen Programs					
Other Expenses	23.56	13,484.37	13,507.93	11,789.91	1,718.02
Maintenance of Parks					
Other Expenses	3,466.12	150.00	3,616.12	91.33	3,524.79
Publicity and Tourism					
Salaries and Wages	892.80		892.80		892.80
Celebration of Public Events					
Other Expenses	152.14		152.14		152.14
Utility Expenses and Bulk Purchases:					
Electricity	15,991.38	20,000.00	35,991.38	18,763.33	17,228.05
Street Lighting		4,765.23	4,765.23	3,064.78	1,700.45
Telephone	46,428.18	5,792.35	21,720.53	4,293.53	17,427.00
Water	2,777.53	6,820.47	9,598.00	1,536.80	8,061.20
Natural Gas	10,074.09	60,715.41	70,789.50	23,542.50	47,247.00
Telecommunications	1,813.18	3,848.76	5,661.94	3,658.85	2,003.09
Gasoline	220.46	18,176.74	18,397.20	18,176.74	220.46
Landfill and Solid Waste Disposal Costs	554.55	387,406.97	387,961.52	239,480.44	148,481.08
Municipal Court					
Salaries and Wages	9,749.37		9,749.37		9,749.37
Other Expenses	124.16	4,161.71	4,285.87	3,973.24	312.63
Public Defender (P.L. 1997, c.256)					
Salaries and Wages	102.64		102.64		102.64
Uniform Construction Code Enforcement Functions					
Salaries and Wages	28.07		28.07		28.07
Other Expenses	2,878.75	3,379.86	6,258.61	3,416.72	2,841.89
Contingent	10,000.00		10,000.00		10,000.00
Deferred Charges and Statutory Expenditures:					
Social Security System	16,196.82		16,196.82		16,196.82

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2011	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Consolidated Police and Firemen's Pension Fund	\$ 14.13	\$	14.13		\$ 14.13
Police and Firemen's Pension Fund	13,191.46		13,191.46		13,191.46
Defined Contribution Retirement Program	1,432.72		1,432.72		1,432.72
Police Pension Adjustment	1,715.04		1,715.04		1,715.04
<u>Operations Excluded from CAPS</u>					
Aid to Free Library:					
Other Expenses	5,662.04	\$ 52,419.39	58,081.43	\$ 58,081.43	
Recycling Tax	974.19	3,066.10	4,040.29	3,885.99	154.30
ANSWER Water Rescue Team	80.45		80.45		80.45
Neptune City 9-1-1 Services	12,542.25	17,972.99	30,515.24	30,515.24	
Fleet Maintenance - Allenhurst, NFD, OGF, D,					
Neptune Board of Education	1.84	12,205.63	12,207.47	7,542.81	4,664.66
Monmouth County Communications - Computer	0.12		0.12		0.12
Matching Funds for Grants	10,000.00		10,000.00		10,000.00
	<u>\$ 446,409.88</u>	<u>\$ 1,325,385.52</u>	<u>\$ 1,771,795.40</u>	<u>\$ 1,169,923.84</u>	<u>\$ 601,871.56</u>
Ref.	A	A-16			A-1
Cash Disbursed				\$ 1,133,826.83	
Accounts Payable				<u>36,097.01</u>	
				<u>\$ 1,169,923.84</u>	

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$ 1,325,385.52
Increased by:		
Current Appropriations Charged	A-3	2,421,225.87
		<u>3,746,611.39</u>
Decreased by:		
Transferred to Appropriation Reserves	A-15	<u>1,325,385.52</u>
Balance, December 31, 2012	A	<u>\$ 2,421,225.87</u>

SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$ 32,517.30
Increased by:		
Receipts	A-5	\$ 72,261.63
Refund Prior Year Tax Revenue	A-1	<u>45,291.00</u>
		<u>117,552.63</u>
		150,069.93
Decreased by:		
Applied to Taxes Receivable	A-8	35,545.49
Refunds	A-4	77,363.03
Canceled	A-1	<u>359.77</u>
		<u>113,268.29</u>
Balance, December 31, 2012	A	<u>\$ 36,801.64</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$ 446,262.26
Increased by:		
Collections, 2013 Taxes	A-5	<u>473,303.34</u>
		919,565.60
Decreased by:		
Applied to Taxes Receivable	A-8	<u>446,262.26</u>
Balance, December 31, 2012	A	<u>\$ 473,303.34</u>

SCHEDULE OF FIRE DISTRICTS' TAXES PAYABLE

	<u>Ref.</u>	
Increased by:		
Fire District #1 Levy	A-8	\$ 2,817,039.00
Fire District #2 Levy	A-8	<u>628,834.00</u>
	A-1	\$ 3,445,873.00
Decreased by:		
Disbursed	A-4	<u>\$ 3,445,873.00</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2011	A	\$	54,400.23
Increased by:			
County Tax	A-8	\$	9,571,777.14
County Open Space Tax	A-8		555,073.56
County Health Tax	A-8		190,864.17
Due County for Added and Omitted Taxes	A-8		<u>46,035.65</u>
	A-1		10,363,750.52
			<u>10,418,150.75</u>
Decreased by:			
Payments	A-4		<u>10,372,115.37</u>
Balance, December 31, 2012	A	\$	<u>46,035.38</u>

Exhibit A-21

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2011:			
School Tax Payable/(Advanced)	A/A-1	\$	(5,670.00)
School Tax Deferred			<u>17,270,602.50</u>
		\$	17,264,932.50
Increased by:			
Levy - School Year July 1, 2012 to June 30, 2013	A-8		34,531,450.00
			<u>51,796,382.50</u>
Decreased by:			
Payments	A-4		<u>34,542,730.00</u>
Balance December 31, 2012:			
School Tax Payable/(Advanced)	A/A-1		(12,072.50)
School Tax Deferred			<u>17,265,725.00</u>
		\$	<u>17,253,652.50</u>
<u>2012 Liability for Local School District Taxes:</u>			
Tax Paid	A-21	\$	34,542,730.00
Taxes Payable/(Advanced) December 31, 2012	A		<u>(12,072.50)</u>
			34,530,657.50
Less: Taxes Payable/(Advanced) December 31, 2011	A		<u>(5,670.00)</u>
Amount Charged to 2012 Operations	A-1	\$	<u>34,536,327.50</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE TO STATE AGENCIES

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Due to State:				
Vital Statistics - Marriage				
Licenses and Death				
Certificates	\$ 775.00	\$ 3,480.00	\$ 1,400.00	\$ 2,855.00
Training Fees	<u>13,089.00</u>	<u>21,572.00</u>	<u>31,671.00</u>	<u>2,990.00</u>
	<u>\$ 13,864.00</u>	<u>\$ 25,052.00</u>	<u>\$ 33,071.00</u>	<u>\$ 5,845.00</u>
	A	A-5	A-4	A

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF VARIOUS RESERVES

	Balance Dec. 31, 2011	Increased	Decreased	Balance Dec. 31, 2012
Reserve for:				
State Library Aid	\$ 34,490.20	\$ 12,363.00	\$ 23,787.73	\$ 23,065.47
Insurance Refunds	75,931.11	64,548.82	86,904.14	53,575.79
Election Expenses	3,779.75	6,013.24	2,400.00	7,392.99
Cobra	1,529.78	1,200.42	1,685.51	1,044.69
	<u>\$ 115,730.84</u>	<u>\$ 84,125.48</u>	<u>\$ 114,777.38</u>	<u>\$ 85,078.94</u>

Ref. A A-5 A-4 A

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>		
Balance, December 31, 2011	A		\$ 134,659.60
Increased by:			
Appropriated Reserves Canceled	A-26	\$ 5,781.35	
Disbursed by Current Fund	A-26	217,000.00	
2012 Anticipated Revenue	A-25	<u>647,676.78</u>	
			<u>870,458.13</u>
			1,005,117.73
Decreased by:			
2012 Budget Appropriations	A-26	911,990.78	
Grants Receivable Deposit to Current Fund	A-25	49,700.00	
Grants Receivable Canceled	A-25	<u>34,997.94</u>	
			<u>996,688.72</u>
Balance, December 31, 2012	A		<u><u>\$ 8,429.01</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

Grant	Balance Dec. 31, 2011	2012 Anticipated Revenue	Cash Received	Transferred From Grants Unappropriated	Canceled	Balance Dec. 31, 2012
Senior Citizens - Title III (Older Americans Act)	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00			\$ 25,000.00
Neighborhood Preservation Program - Balanced Housing	260,000.00					260,000.00
Federal Emergency Management Assistance	5,000.00	5,000.00	5,000.00			5,000.00
Municipal Alliance on Alcoholism and Drug Abuse - State	14,609.17	51,074.00	25,107.99			40,575.18
Drunk Driving Enforcement Fund		7,654.71	7,654.71			
Alcohol Education and Rehabilitation Fund		3,021.93	3,021.93			
Hazardous Discharge Site Remediation - Childidnese Property	10,339.00					10,339.00
Hazardous Discharge Site Remediation Program - Childidnese Property		60,523.30		\$ 60,523.30		
Hazardous Discharge Site Remediation Program - Tides Motes		65,515.00	65,515.00			
COPS in Shops - Shore Initiative	1,600.00		1,600.00			
COPS in Shops - Summer Shore Initiative		2,400.00	2,400.00			
U.S. DOJ - Bulletproof Vest Program	17,306.00		17,306.00			
U.S. DOJ - Bulletproof Vest Program	3,926.00		2,876.50	\$ 1,049.50		
Federal Bulletproof Vest Partnership Grant		12,655.50				12,655.50
Clean Communities Program		52,136.61	51,111.84		1,024.77	
Interfaith Neighbors Senior Meal Program		24,780.00	24,780.00			
NJ DOT - Safe Routes to School Program			133,173.31			
Click It or Ticket	162,896.98	4,000.00	4,000.00			
FY 2010 EMPG Exercise Pass Thru Grant		15,000.00	15,000.00			
FY 2011 EMPG Exercise Pass Thru Grant		14,000.00				14,000.00
EMPG Open Initiative Subgrant Program		24,000.00				24,000.00
Edward Byrne Memorial Justice Assistance Grant - 2009	93,433.50		93,433.50			
Edward Byrne Memorial Justice Assistance Grant - 2010	33,026.00		33,026.00			

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

Grant	Balance Dec. 31, 2011	2012		Cash Received	Transferred From Grants Unappropriated	Canceled	Balance Dec. 31, 2012
		Anticipated Revenue					
Edward Byrne Memorial Justice Assistance Grant - 2012	\$ 64,811.00	\$ 64,811.00					\$ 64,811.00
Body Armor Replacement Fund - N.J.	6,804.73	6,804.73	6,804.73				338,017.01
COPS - Hiring Program Grant	571,930.79	233,913.78	233,913.78				105,800.00
FY12 Urban Areas Security Initiative		105,800.00					3,000.00
National Parks and Recreation 2012 ACHIEVE		50,000.00	50,000.00				
NJ Green Communities Grant		3,000.00					
NJSP HMEP Training Grant		26,000.00	22,800.00			\$ 3,200.00	
HMEP Planning Grant	25,210.00		25,210.00				
NJSP HMEP Planning Grant		24,500.00	24,500.00				
	<u>\$ 1,224,277.44</u>	<u>\$ 647,676.78</u>	<u>\$ 873,235.29</u>	<u>\$ 34,997.94</u>	<u>\$ 60,523.30</u>	<u>\$ 903,197.69</u>	
Ref.	A	A-2/A-24			A-27	A-24	A
Cash Received in Grant Fund			\$ 823,535.29				
Cash Received in Current Fund			49,700.00				
			<u>\$ 873,235.29</u>				

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

Grant	Balance Dec. 31, 2011	Transfer from 2012 Budget Appropriation	Transfer from Reserve for Encumbrances	Paid or Charged	Reserve for Encumbrances	Canceled	Balance Dec. 31, 2012
Senior Citizens - Title III	\$ 89,366.79	\$ 213,000.00		\$ 213,000.00			\$ 75,720.27
Recycling Tonnage Grant				13,646.52			
Neighborhood Preservation Program - Balanced Housing	270,183.39			3,991.28			266,192.11
Federal Emergency Management Assistance - Federal	2,287.99	5,000.00	\$ 1,108.64	2,455.34	\$ 507.55		5,433.74
Federal Emergency Management Assistance - Match	2,288.01	5,000.00	1,108.64	2,455.33	507.55		5,433.77
DEDR - Municipal Drug and Alcohol Alliance - State		51,074.00	9,044.73	59,008.73	1,110.00		
DEDR - Municipal Drug and Alcohol Alliance - Local		12,769.00		12,541.38			227.62
Drunk Driving Enforcement Fund	10,182.78	7,654.71	142.00	2,436.95			15,542.54
Alcohol Education and Rehabilitation	7,184.61	3,021.93					10,206.54
Hazardous Discharge Site Remediation - Tides Motel		65,515.00	11,176.91	33,753.17	42,938.74		
Hazardous Discharge Site Remediation - Sewall				(9,576.91)	9,576.91		
Hazardous Discharge Site Remediation - Childnese Property		60,523.30					60,523.30
Hazardous Discharge Site Remediation - Shark River Municipal Marina	1,180.00		970.00	970.00			1,180.00
COPS in Shops - Summer Shore Initiative		2,400.00		2,400.00			
National Parks and Recreation 2012 ACHIEVE		50,000.00		7,477.34	2,451.80		40,070.86
Clean Communities	51,015.60	52,136.61	706.00	15,780.76	2,704.36	\$ 1,024.77	84,348.32
NJ Green Communities Grant		3,000.00		3,000.00			
Body Armor Replacement Fund - N.J.			21,057.94	20,182.50	843.70		31.74
Body Armor Replacement Fund - N.J.	3,563.06		3,601.00	3,601.00	3,374.80		188.26
Body Armor Replacement Fund - N.J.	6,549.73				4,218.50		2,331.23
Body Armor Replacement Fund - N.J.		6,804.73					6,804.73
Interfaith Neighbors Senior Meal Program	25,000.00	48,325.00		69,955.32	2,200.00		1,169.68
NJSP HMEP Planning Grant		24,500.00	3,910.00	28,410.00			
NJSP HMEP Training Grant		26,000.00		22,800.00		3,200.00	

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

Grant	Balance Dec. 31, 2011	Transfer from		Paid or Charged	Reserve for Encumbrances	Canceled	Balance Dec. 31, 2012
		2012 Budget	Reserve for Encumbrances				
HMEP - Pass Through Grant	\$ 854.83					\$ 854.83	
NJ State Police - FY07 Exercise Improvement Grant	541.44			541.44			
FY 2010 EMPG Exercise Pass Thru Grant	\$	15,000.00		15,000.00			
FY 2010 EMPG Exercise Pass Thru Grant - Local Match		15,000.00		15,000.00			
FY 2011 EMPG Exercise Pass Thru Grant		14,000.00					\$ 14,000.00
EMPG Open Initiative Subgrant Program		24,000.00					24,000.00
EMPG Open Initiative Subgrant - Local Match		20,000.00					20,000.00
Emergency Management Exercise Grant	4,687.63			4,687.63			
NJ DOT - Safe Routes to School Program			\$ 10,285.06	10,285.06			
Click It or Ticket		4,000.00		4,000.00			
Edward Byrne Memorial Justice Assistance Grant - 2009 Monmouth County			93,433.50	93,433.50			
Edward Byrne Memorial Justice Assistance Grant - 2009 Asbury Park			21,004.68	21,004.68			
Edward Byrne Memorial Justice Assistance Grant - 2010			50,894.00	50,530.19	\$ 363.81		
Edward Byrne Memorial Justice Assistance Grant - 2012		64,811.00			64,811.00		304,048.13
COPS - Hiring Program Grant	514,061.33			210,013.20			
Federal Bulletproof Vest Partnership Grant			16,867.25	16,867.25			
Federal Bulletproof Vest Partnership Grant	701.75	12,655.50	3,224.25	5,127.25	6,534.00	701.75	4,218.50
FY12 Urban Areas Security Initiative		105,800.00					105,800.00
	\$ 989,648.94	\$ 911,990.78	\$ 248,534.60	\$ 954,778.91	\$ 142,142.72	\$ 5,781.35	\$ 1,047,471.34
Ref.	A	A-3/A-24	A	A	A	A-24	A
Cash Disbursed				\$ 731,768.23			
Interfund - Current Fund				217,000.00			
Interfund - Trust Other Fund				6,010.68			
				\$ 954,778.91			

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

<u>Grant</u>	Balance Dec. 31, 2011	Funding Received	Transferred to Grants Receivable	Balance Dec. 31, 2012	
Hazardous Discharge Site Remediation	\$ 60,523.30		\$ 60,523.30	\$ 47,025.81	
Recycling Tonnage Grant		\$ 47,025.81			
	<u>\$ 60,523.30</u>	<u>\$ 47,025.81</u>	<u>\$ 60,523.30</u>	<u>\$ 47,025.81</u>	
Ref.	A	A-4	A-25	A	

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
N.J.S. 40A: 4-55 SPECIAL EMERGENCY

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of</u>	<u>Net Amount Authorized</u>	<u>Authorized in 2012</u>	<u>Balance Dec. 31, 2012</u>
2012	Hurricane Sandy	\$ 3,600,000.00		\$ 720,000.00	\$ 3,600,000.00	\$ 3,600,000.00
					<u>\$ 3,600,000.00</u>	<u>\$ 3,600,000.00</u>
	<u>Ref.</u>				A-1/A-3	A

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
 SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Trust Other Fund</u>
Balance, December 31, 2011	B	\$ 72,395.58	\$ 3,262,679.72
Increased by Receipts:			
Reserve for Animal Control			
Trust Fund Expenditures	B-2	\$ 78,651.40	
Interfund - Current Fund	B-4		1,158.89
Various Reserves	B-6		3,823,016.08
Escrow Funds	B-5		217,565.91
Interfund - Payroll Fund	B		76.00
Due to State of New Jersey	B-3	<u>2,617.20</u>	
		81,268.60	4,041,816.88
		<u>153,664.18</u>	<u>7,304,496.60</u>
Decreased by Disbursements:			
Due to State of New Jersey	B-3	2,577.60	
Animal Control Trust Fund			
Expenditures (R.S. 4:19-15.11)	B-2	86,533.00	
Various Reserves	B-6		3,406,944.47
Escrow Funds	B-5		512,789.63
Interfund - Current Fund	B/B-4	27,813.38	6,616.95
Interfund - Grant Fund	B		6,010.68
		<u>116,923.98</u>	<u>3,932,361.73</u>
Balance, December 31, 2012	B	<u>\$ 36,740.20</u>	<u>\$ 3,372,134.87</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$ 44,528.80
Increased by:		
Dog License Fees Collected		\$ 25,386.80
Current Fund Budget Appropriation		<u>53,264.60</u>
	B-1	<u>78,651.40</u>
Increased by:		123,180.20
Expenditures Under R.S. 4:19-15.11:		
Cash Disbursed	B-1	<u>86,533.00</u>
Balance, December 31, 2012	B	\$ <u>36,647.20</u>

License and Penalty Fees Collected:

<u>Year</u>	<u>Amount</u>
2010	\$ 26,048.00
2011	<u>27,216.60</u>
	<u>\$ 53,264.60</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$ 53.40
Increased by:		
Cash Receipts	B-1	<u>2,617.20</u>
		2,670.60
Decreased by:		
Cash Disbursed	B-1	<u>2,577.60</u>
Balance, December 31, 2012	B	<u>\$ 93.00</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$ 55,986.06
Increased by:		
Cash Receipts	B-1	1,158.89
		<u>57,144.95</u>
Decreased by:		
Cash Disbursed	B-1	6,616.95
		<u>6,616.95</u>
Balance, December 31, 2012	B	<u>\$ 50,528.00</u>
Detail:		
Municipal Escrow		\$ 62,201.69
Tax Collector Trust		52.05
Accumulated Leave		<u>(11,725.74)</u>
	B-4	<u>\$ 50,528.00</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF RESERVE FOR ESCROW FUNDS

Ref.	Total	Developers' Escrow Trust Fund Account	Inspection Fees	Special Developers' Escrow Account
Balance, December 31, 2011	B \$ 1,665,557.53	\$ 1,404,050.23	\$ 226,325.98	\$ 35,181.32
Increased by:				
Cash Receipts	B-1 217,565.91	49,894.08	7,645.10	160,026.73
Reserve for Encumbrances	B-7 133,502.53	19,699.64	5,439.26	108,363.63
	<u>2,016,625.97</u>	<u>1,473,643.95</u>	<u>239,410.34</u>	<u>303,571.68</u>
Decreased by:				
Cash Disbursements	B-1 512,789.63	248,845.76	81,954.63	181,989.24
Reserve for Encumbrances	B-7 233,069.50	157,213.20	16,747.62	59,108.68
	<u>745,859.13</u>	<u>406,058.96</u>	<u>98,702.25</u>	<u>241,097.92</u>
Balance, December 31, 2012	B \$ <u>1,270,766.84</u>	\$ <u>1,067,584.99</u>	\$ <u>140,708.09</u>	\$ <u>62,473.76</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF VARIOUS RESERVES

	Balance <u>Dec. 31, 2011</u>	Increases	Decreases	Balance <u>Dec. 31, 2012</u>
Emergency Management	\$ 764.03	\$ 2,124.00	\$ 2,888.03	
Fire Prevention Services	474.00			\$ 474.00
Public Defender	3,474.02	12,703.00	9,760.00	6,417.02
POAA	7,915.96	805.00		8,720.96
Freehold RCA	1,627.83	1,321.45		2,949.28
Recreation Trust	186,862.29	55,893.42	35,925.27	206,830.44
Law Enforcement	85,711.55	60,186.54	74,249.42	71,648.67
Unclaimed Moneys	18,679.32	6,671.72		25,351.04
Unemployment Trust	16,858.45	66,382.33	79,088.26	4,152.52
Miscellaneous Trust Escrows	11,692.02	5.25		11,697.27
Municipal Alliance	14,433.69	6,776.99	5,000.00	16,210.68
Older Americans	227.04	223.51	450.00	0.55
Special Police	132,989.79	658,629.22	594,339.48	197,279.53
Tax Collector's Trust	172,580.94	2,832,451.22	2,449,884.69	555,147.47
Police Vest	5,912.11	1,829.13	2,164.50	5,576.74
Senior Citizen Donations	45,790.26	19,122.16	42,970.38	21,942.04
Tree Preservation	116,257.58	19,308.65	16,114.20	119,452.03
Fuel Agencies	286,662.47	100,515.63	150,876.25	236,301.85
Affordable Housing	207,864.82	850.43		208,715.25
Federal LETF	70.68	0.28		70.96
Senior Citizen Building Donations	1,525.80	13,963.01	14,477.94	1,010.87
Veterans Memorial Park	690.00	30,295.00	63.29	30,921.71
Accumulated Leave	11,725.74	9,802.35		21,528.09
Hurricane Sandy		75.00		75.00
	<u>\$ 1,330,790.39</u>	<u>\$ 3,899,935.29</u>	<u>\$ 3,478,251.71</u>	<u>\$ 1,752,473.97</u>

	<u>Ref.</u>	<u>B</u>		<u>B</u>
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Cash Received	B-1	\$ 3,823,016.08		
Reserve for Encumbrances	B-7	76,919.21		
		<u>\$ 3,899,935.29</u>		
Cash Disbursed	B-1		\$ 3,406,944.47	
Reserve for Encumbrances	B-7		71,307.24	
			<u>\$ 3,478,251.71</u>	

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>		
Balance, December 31, 2011	B		\$ 210,421.74
Increased by:			
Charges to Reserve for Escrow Funds	B-5	\$ 233,069.50	
Charges to Various Reserves	B-6	<u>71,307.24</u>	
			<u>304,376.74</u>
Decreased by:			<u>514,798.48</u>
Transfer to Reserve for Escrow Funds	B-5	133,502.53	
Transfer to Various Reserves	B-6	<u>76,919.21</u>	
			<u>210,421.74</u>
Balance, December 31, 2012	B		<u>\$ 304,376.74</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>		
Balance, December 31, 2011	C		\$ 4,361,962.64
Increased by Receipts:			
Budget Appropriation			
Capital Improvement Fund	C-9	\$ 100,000.00	
Grants Receivable	C-5	521,372.09	
Premium on Sale of Bond Anticipation Notes	C-1	18,548.02	
Refunding Bonds - Additional Proceeds	C-1	9,734.29	
Interfund - Marina Capital Fund	C-4	2,392.32	
Interfund - Sewer Capital Fund	C	3,800.16	
Interlocal Receivable	C-16	10,191.93	
Bond Anticipation Notes	C-14	2,075,000.00	
Various Reserves	C-15	<u>11,226.95</u>	
			<u>2,752,265.76</u>
			7,114,228.40
Decreased by Disbursements:			
Improvement Authorizations	C-8	3,129,558.45	
Interfund - Marina Operating Fund	C	<u>68,500.00</u>	
			<u>3,198,058.45</u>
Balance, December 31, 2012	C		<u>\$ 3,916,169.95</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH

	Balance <u>Dec. 31, 2012</u>
Fund Balance	\$ 270,293.12
Capital Improvement Fund	194,579.75
Interfund - Marina Capital Fund	(262,607.68)
Interfund - Marina Operating Fund	(68,500.00)
Interfund - Current Fund	(2,355.93)
Interfund - Sewer Capital Fund	3,800.16
Reserve for Encumbrances	1,683,543.23
Various Reserves	62,424.75
Grants Receivable	(1,897,014.75)

Improvement Authorizations:

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	
1245	Installation of Traffic Signal	(291.00)
98-38/99-34	Restoration of the Beachfront Area and the Extension of the Fishing Pier Located Therein	17,315.74
03-14	Capital Improvements to Various Lakes	2,860.54
04-14	Acquisition of Property	12.50
04-19	Public Facility Improvements and Equipment	195.75
04-32	Lake Alberta Watershed Improvements	27,796.03
04-55	Acquisition of Property	3.75
05-21	Reconstruction of Wesley Lake Retaining Wall	314,579.25
05-23	Reconstruction of Various Public Sidewalks	0.75
05-29	Acquisition, Demolition, and Improvements of Neptune Boulevard	56,121.98
05-40	Development of Various Park and Playground Facilities	2,393.36
05-22/05-41	Improvements to Various Parks	2,007.19
06-11	Acquisition of Property at Ridge Avenue School	(231,714.21)
06-36/07-03	Expansion and Renovations to Senior Center and Municipal Complex, Phase I and Parking Lots	22.55
07-16	Acquisition of Real Property Designated as Block 563, lots 1 and 2	13,839.94
07-37	Study. Software and Hardware Associated with the Planned Computer Technology Infrastructure Program	4.02

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 ANALYSIS OF GENERAL CAPITAL CASH

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>
07-38	Purchase and Installation of Street Lighting on Broadway	\$ 98,720.50
07-40	Ocean Grove Storm Water Management Project - Phase III and Township-Wide Storm Drain Labeling and Mapping	187,181.87
07-51	Acquisition and Installation of Various Public Improvements	43.07
08-20	Acquisition and Installation of Various 2008 Public Improvements	1.81
08-49	Acquisition and Installation of a Storm Water Management Facility in the Gables Area	9,920.95
08-50	2008/2009 Roadway Reconstruction and Storm Water Management Project	11,186.28
09-20	Bradley Park Pedestrian and ADA Accessibility Project	35,248.16
09-34	Acquisition and Payment of the Purchase Price of Real Property Designated as Block 7013, Lot 11	40,817.76
09-36	Acquisition of Various Vehicles and Equipment for the Department of Public Works and the Senior Center	36,043.38
10-10	Renovations to the Senior Center	14,889.64
11-02	Various Improvements to the Senior Center	22,055.09
11-05	Concourse/Seaview Island Flood Mitigation	645,358.95
11-06	Acquisition of Property - Block 217, Lot 58	43,519.51
11-19	Various Roadway Improvements	556,515.07
11-24	Wesley Lake Wall Reconstruction - Phase II	322,779.51
11-25	Various Roadway Improvements	109,709.19
12-07	Various Improvements to Municipal Buildings and Facilities	162,309.43
12-08	Various 2012 Park and Playground Improvements	9,576.68
12-15	Acquisition of Various Equipment	52,101.93
12-16	Acquisition of Various Equipment and Vehicles	76,389.48
12-17	Various Improvements to Parks and Facilities	194,772.93
12-24	Acquisition of Equipment Associated with the Implementation of a Single Stream Recycling Program	<u>1,097,717.97</u>
		<u>\$ 3,916,169.95</u>

Ref.

C

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND - MARINA CAPITAL FUND

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$ 265,000.00
Decreased by:		
Cash Receipts	C-2	<u>2,392.32</u>
Balance, December 31, 2012	C	<u>\$ 262,607.68</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF GRANTS RECEIVABLE

Ordinance Number	Grant Description	Balance December 31, 2011	2012 Grant Awards	Cash Receipts	Decreased Canceled	Balance December 31, 2012
02-50	NJ Dept. of Transportation (West Lake Avenue)	\$ 79,866.23		\$ 23,993.84	\$ 55,872.39	
08-19	NJ Dept. of Transportation (West Lake Avenue Park)	137,500.00		137,500.00		
09-27	NJ Dept. of Transportation (Broadway - South Side)	129,298.75				\$ 129,298.75
11-02	County of Monmouth CDBG (Senior Center)	176,765.00		176,765.00		
11-04	FEMA Grant (South Riverside Drive Flood Mitigation)	508,441.50				508,441.50
11-05	FEMA Grant (Concourse/Seaview Island Flood Mitigation)	430,176.75				430,176.75
11-19	NJ Dept. of Transportation (Green Grove Road)	279,060.00				279,060.00
11-24	County of Monmouth Open Space (Wesley Lake Wall)	250,000.00				250,000.00
11-25	NJ Dept. of Transportation (Millbrook Avenue)	244,151.00		183,113.25		61,037.75
12-08	County of Monmouth Open Space (Three Park Playgrounds)	\$ 239,000.00	\$ 239,000.00			239,000.00
		<u>\$ 2,235,259.23</u>	<u>\$ 239,000.00</u>	<u>\$ 521,372.09</u>	<u>\$ 55,872.39</u>	<u>\$ 1,897,014.75</u>
		Ref. C	C-8	C-2		C
	Improvement Authorizations				\$ 27,215.92	
	Various Reserves				<u>28,656.47</u>	
					<u>\$ 55,872.39</u>	

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$ 20,751,797.07
Increased by:		
Refunding Bonds Issued	C-13	<u>4,800,000.00</u>
		25,551,797.07
Decreased by:		
Budget Appropriation to Pay Bonds	C-13	1,500,000.00
Bonds Refunded	C-13	5,003,899.14
Budget Appropriation to Pay Green Trust Loan	C-12	<u>76,852.56</u>
		<u>6,580,751.70</u>
Balance, December 31, 2012	C	\$ <u>18,971,045.37</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	Increased by 2012 Authorizations	Balance Dec. 31, 2012	Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1245	Installation of Traffic Signal	\$ 291.00		291.00		291.00	
06-11	Acquisition of Property at Ridge Avenue School	280,000.00		280,000.00			
07-61	Expansion and Renovations to the Senior Center and Municipal Complex (Phase III and IV)	375,000.00		375,000.00	375,000.00		48,285.79
09-20	Bradley Park Pedestrian and ADA Accessibility Project	23,817.50		23,817.50	23,817.50		
09-34	Acquisition and Payment of the Purchase Price of Real Property Designated as Block 7013, Lot 11	522,500.00		522,500.00			8,678.50
10-10	Renovations to the Senior Center	902,500.00		902,500.00			
11-02	Various Improvements to the Senior Center	403,075.00		403,075.00			
11-04	South Riverside Drive Flood Mitigation - Phase I	182,433.00		182,433.00			
11-05	Concourse/Seaview Island Flood Mitigation	209,353.00		209,353.00			
11-06	Acquisition of Property - Block 217, Lot 58	285,000.00		285,000.00			
11-19	Various Roadway Improvements	304,000.00		304,000.00			
11-24	Wesley Lake Wall Reconstruction - Phase II	95,000.00		95,000.00			
11-25	Various Roadway Improvements	148,000.00		148,000.00			
12-07	Various Improvements to Municipal Buildings and Facilities	\$ 332,500.00		332,500.00			
12-08	Various 2012 Park and Playground Improvements	81,000.00		81,000.00			
12-15	Acquisition of Various Equipment	95,000.00		95,000.00			
12-16	Acquisition of Various Equipment and Vehicles	285,000.00		285,000.00			
12-17	Various Improvements to Parks and Facilities	237,500.00		237,500.00			
12-24	Acquisition of Equipment Associated with the Implementation of a Single Stream Recycling Program	1,045,000.00		1,045,000.00			1,000.00
		<u>\$ 3,730,969.50</u>	<u>\$ 2,076,000.00</u>	<u>\$ 5,806,969.50</u>	<u>\$ 5,517,000.00</u>	<u>\$ 232,005.21</u>	<u>\$ 57,964.29</u>
		C	C-8/C-18	C	C-14	C-3	
		Ref.			Ref.		
						C-8	\$ 2,460,276.43
						Less: Unexpended Proceeds of Bond Anticipation Notes:	
					Ordinance		
					09-20	\$ 23,817.50	
					09-34	40,817.76	
					10-10	14,889.64	
					11-02	22,055.09	
					11-05	209,353.00	
					11-06	43,519.51	
					11-19	304,000.00	
					11-24	95,000.00	
					11-25	109,709.19	
					12-07	162,309.43	
					12-08	9,576.68	
					12-15	52,101.93	
					12-16	76,389.48	
					12-17	194,772.93	
					12-24	1,044,000.00	
						<u>2,402,312.14</u>	
							<u>\$ 57,964.29</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2011		Increased by Reserve for 2012		Paid	Decreased by Reserve for Encumbrances	Canceled	Balance Dec. 31, 2012	
				Funded	Unfunded	Encumbrances	Authorizations				Funded	Unfunded
98-38/99-34	Restoration of the Beachfront Area and the Extension of the Fishing Pier Located Therein	10/19/98	\$ 425,000.00	\$ 17,715.74		\$ 2,509.02		\$ 805.00	\$ 2,104.02		\$ 17,315.74	
01-14	Acquisition and Improvements to Real Property	04/09/01	125,000.00			2,375.00			2,375.00			
02-50	West Lake Avenue Streetscape Improvement Program	12/23/02	900,000.00	27,615.92		27,145.80		27,545.80		\$ 27,215.92		2,860.54
03-14	Capital Improvements to Various Lakes	03/10/03	195,165.16	3,260.54		2,000.00		400.00	2,000.00			12.50
04-14	Acquisition of Property	04/26/04	150,000.00	12.50		3,446.00			3,446.00			195.75
04-19	Public Facility Improvements and Equipment	05/24/04	375,000.00	195.75								27,796.03
04-32	Lake Alberta Watershed Improvements	07/26/04	255,400.00	27,796.03								3.75
04-55	Acquisition of Property	12/27/04	900,000.00	3.75		875.25		395.00	875.25			
03-17/05-03	Main Avenue Streetscape Improvement Program	04/14/03	1,250,000.00	25,253.73								
05-21	Reconstruction of Wesley Lake Retaining Wall	06/13/05	350,000.00	319,979.25		9,769.10		15,169.10	24,858.73		314,579.25	0.75
05-23	Reconstruction of Various Public Sidewalks	06/13/05	125,000.00	0.75								
05-24	Main Avenue Drainage Project Phase II	06/13/05	500,000.00	26,158.16					26,158.16			
05-29	Acquisition, Demolition and Improvements of Neptune Boulevard	06/27/05	300,000.00	56,121.98							56,121.98	
05-40	Development of Various Park and Playground Facilities	09/26/05	462,000.00	2,393.36							2,393.36	
05-22/05-41	Improvements to Various Parks	09/26/05	1,500,000.00	7,920.95				5,913.76			2,007.19	
06-11	Acquisition of Property at Ridge Avenue School	03/27/06	2,400,000.00					93.75				\$ 48,379.54
06-36/07-03	Expansion and Renovations to Senior Center and Municipal Complex Phase I and Parking Lots	08/14/06	1,600,000.00									
07-16	Acquisition of Real Property Designated as Block 563, Lots 1 and 2	01/22/07	4,000,000.00	355.55		167.00		500.00				22.55
07-37	Acquisition of Real Property Designated as Block 563, Lots 1 and 2	03/12/07	610,000.00	13,933.69				93.75			13,839.94	
	Study, Software and Hardware Associated with the Planned Computer Technology Infrastructure Program											
07-38	Purchase and Installation of Street Lighting on Broadway	06/25/07	100,000.00	13,004.02		10,727.50		18,040.00	5,687.50			4.02
07-39	Various 2007 Capital Improvements to Municipal Facilities	06/25/07	100,000.00	98,720.50							98,720.50	
07-40	Ocean Grove Storm Water Management Project - Phase III and Township-Wide Storm Drain Labeling and Mapping	06/25/07	600,000.00	162,447.23		9,488.36		37,946.76	133,988.83			
								404,429.70	86,208.93			187,181.87

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$ 204,579.75
Increased by:		
Budget Appropriation	C-2	<u>100,000.00</u>
		304,579.75
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-8	<u>110,000.00</u>
Balance, December 31, 2012	C	<u>\$ 194,579.75</u>

SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$ 24,985.12
Decreased by:		
Various Reserves	C-15	<u>22,629.19</u>
Balance, December 31, 2012	C	<u>\$ 2,355.93</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$ 2,716,106.79
Increased by:		
Charged to Improvement Authorizations	C-8	<u>1,683,543.23</u>
		4,399,650.02
Decreased by:		
Applied to Improvement Authorizations	C-8	<u>2,716,106.79</u>
Balance, December 31, 2012	C	\$ <u>1,683,543.23</u>

SCHEDULE OF GREEN TRUST LOANS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$ 1,196,897.93
Decreased by:		
Paid by Budget Appropriation	C-6	<u>76,852.56</u>
Balance, December 31, 2012	C	\$ <u>1,120,045.37</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2012	Interest Rate	Balance Dec. 31, 2011	Issued	Paid by Budget Appropriation	Refunded	Balance Dec. 31, 2012
Pooled Governmental Loan Revenue Bonds, Series 2001	12-01-01	\$ 2,980,500.00	12-01-13	5.000%	\$ 663,899.14		\$ 4,000.00	\$ 655,899.14	\$ 4,000.00
Pooled Governmental Loan Revenue Bonds, Series 2004	12-21-04	2,460,000.00	12-01-13	4.000%					
			12-01-14	3.750%					
			12-01-15	3.850%	1,569,000.00		1,110,000.00		314,000.00
Pooled Governmental Loan Revenue Bonds, Series 2005	12-19-05	5,147,000.00	12-01-13	5.000%					
			12-01-14	5.000%					
			12-01-15	5.000%					
			12-01-16	5.000%	1,000.00				
			12-01-17	4.000%	4,000.00		4,184,000.00		728,000.00
Pooled Governmental Loan Revenue Bonds, Series 2006	12-21-06	2,114,000.00	12-01-13	4.000%					
			12-01-14	5.000%					
			12-01-15	5.000%	242,000.00				
			12-01-16	5.000%	254,000.00		1,161,000.00		948,000.00
Pooled Governmental Loan Revenue Bonds, Series 2007	12-13-07	5,518,000.00	12-01-13	5.000%					
			12-01-14	5.000%	362,000.00				
			12-01-15	5.000%	380,000.00				
			12-01-16	5.000%	399,000.00				
			12-01-17	5.000%	419,000.00				
			12-01-18	5.250%	440,000.00				
			12-01-19	4.000%	462,000.00				
			12-01-20	4.000%	486,000.00				
			12-01-21	5.250%	505,000.00				
			12-01-22	4.250%	526,000.00		4,877,000.00		345,000.00
General Obligation Bonds Series 2011	09-15-11	7,100,000.00	09-01-13	2.000%					
			09-01-14 to 18	3.000%	350,000.00				
			09-01-19	2.250%	500,000.00				
			09-01-20	2.375%	500,000.00				
			09-01-21	2.500%	500,000.00				
09-01-22 to 24	3.000%	500,000.00							
09-01-25 to 26	4.000%	500,000.00		7,100,000.00		250,000.00		6,850,000.00	

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance	
						Dec. 31, 2011	Dec. 31, 2012
07-61	Expansion and Renovations to the Senior Center and the Municipal Complex (Phase III and IV)	02/24/11	09/14/12	09/13/13	1.00%	\$ 375,000.00	\$ 375,000.00
09-20	Bradley Park Pedestrian and ADA Accessibility Project	02/24/11	09/14/12	09/13/13	1.00%	23,817.50	23,817.50
09-34	Acquisition and Payment of Purchase Price of Real Property Designated as Block 7013, Lot 11	02/24/11	09/14/12	09/13/13	1.00%	513,821.50	513,821.50
10-10	Renovations to the Senior Center	02/24/11	09/14/12	09/13/13	1.00%	902,500.00	902,500.00
11-02	Various Improvements to the Senior Center	02/24/11	09/14/12	09/13/13	1.00%	403,075.00	403,075.00
11-04	South Riverside Drive Flood Mitigation - Phase I	02/24/11	09/14/12	09/13/13	1.00%	182,433.00	182,433.00
11-05	Concourse/Seaview Island Flood Mitigation	02/24/11	09/14/12	09/13/13	1.00%	209,353.00	209,353.00
11-06	Acquisition of Property - Block 217, Lot 58	02/24/11	09/14/12	09/13/13	1.00%	285,000.00	285,000.00
11-19	Various Roadway Improvements	09/15/11	09/14/12	09/13/13	1.00%	304,000.00	304,000.00
11-24	Wesley Lake Wall Reconstruction - Phase II	09/15/11	09/14/12	09/13/13	1.00%	95,000.00	95,000.00
11-25	Various Roadway Improvements	09/15/11	09/14/12	09/13/13	1.00%	148,000.00	148,000.00
12-07	Various Improvements to Municipal Buildings & Facilities	09/14/12	09/14/12	09/13/13	1.00%		332,500.00
12-08	Various 2012 Park and Playground Improvements	09/14/12	09/14/12	09/13/13	1.00%		81,000.00
12-15	Acquisition of Various Equipment	09/14/12	09/14/12	09/13/13	1.00%		95,000.00
12-16	Acquisition of Various Equipment and Vehicles	09/14/12	09/14/12	09/13/13	1.00%		285,000.00
12-17	Various Improvements to Parks and Facilities	09/14/12	09/14/12	09/13/13	1.00%		237,500.00
12-24	Acquisition of Equipment Associated With the Implementation of a Single Stream Recycling Program	09/14/12	09/14/12	09/13/13	1.00%		1,044,000.00
						\$ 3,442,000.00	\$ 5,517,000.00

Ref C C-2 C

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND
 SCHEDULE OF VARIOUS RESERVES

Description	Increased by			Decreased by		Balance Dec. 31, 2012
	Balance Dec. 31, 2011	Cash Receipts	Reserve for Interlocal Receivable	Anticipated as Current Revenue	Grants Receivable	
Reserve to Pay Debt Service	\$ 85,662.34		\$ 10,191.93	\$ 17,000.00	\$ 28,656.47	\$ 50,197.80
Reserve to Pay Debt Service - Ordinance 98-38 Beach Erosion and Fishing Pier	5,629.19	\$ 11,226.95		5,629.19		11,226.95
Reserve for Main Avenue Improvements	1,000.00					1,000.00
	<u>\$ 92,291.53</u>	<u>\$ 11,226.95</u>	<u>\$ 10,191.93</u>	<u>\$ 22,629.19</u>	<u>\$ 28,656.47</u>	<u>\$ 62,424.75</u>

Ref. C C-2 C-17 C-10 C-5 C

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF INTERLOCAL RECEIVABLE

	<u>Ref.</u>	
Increased by:		
Interlocal Agreement - Salt Dome	C-17	\$ 50,959.64
Decreased by:		
Cash Receipts	C-2	<u>10,191.93</u>
Balance, December 31, 2012	C	\$ <u>40,767.71</u>

Detail:

<u>Ordinance</u>	<u>Municipality</u>	
<u>Number</u>		
12-07	Bradley Beach	\$ <u>40,767.71</u>

SCHEDULE OF RESERVE FOR INTERLOCAL RECEIVABLE

	<u>Ref.</u>	
Increased by:		
Interlocal Agreement - Salt Dome	C-16	\$ 50,959.64
Decreased by:		
Reserve for Debt Service	C-15	<u>10,191.93</u>
Balance, December 31, 2012	C	\$ <u>40,767.71</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED
BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>2012</u> <u>Authorizations</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
1245	Installation of Traffic Signal	\$ 291.00			\$ 291.00
06-11	Acquisition of Property at Ridge Avenue School	280,000.00			280,000.00
09-34	Acquisition and Payment of the Purchase Price of Real Property Designated as Block 7013, Lot 11	8,678.50			8,678.50
12-07	Various Improvements to Municipal Buildings and Facilities		\$ 332,500.00	\$ 332,500.00	
12-08	Various 2012 Park and Playground Improvements		81,000.00	81,000.00	
12-15	Acquisition of Various Equipment		95,000.00	95,000.00	
12-16	Acquisition of Various Equipment and Vehicles		285,000.00	285,000.00	
12-17	Various Improvements to Parks and Facilities		237,500.00	237,500.00	
12-24	Acquisition of Equipment Associated with the Implementation of a Single Stream Recycling Program		1,045,000.00	1,044,000.00	1,000.00
		<u>\$ 288,969.50</u>	<u>\$ 2,076,000.00</u>	<u>\$ 2,075,000.00</u>	<u>\$ 289,969.50</u>
	Ref.		C-7/C-8	C-14	(Footnote C)

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND
 SCHEDULE OF CASH

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2011	D	\$ 611,107.61	\$ 1,280,931.12
Increased by Receipts:			
Miscellaneous Revenue Anticipated	D-3	\$ 1,141,603.03	
Miscellaneous Revenue Not Anticipated	D-3	94,395.20	
Consumer Accounts Receivable	D-8	5,742,302.15	
Customer Overpayments	D-14	20,400.87	
Interfund - Current Fund	D	9,574.33	
Special Emergency Note	D	500,000.00	
Interfund - Sewer Operating Fund	D		\$ 7,758.47
Bond Anticipation Notes Payable	D-24		665,000.00
Budget Appropriation-Capital Improvement Fund	D-20		10,000.00
Due from State of New Jersey Environmental Infrastructure Trust Fund	D-15	<u>7,508,275.58</u>	<u>1,136,224.00</u>
		8,119,383.19	3,099,913.59
Decreased by Disbursements:			
2012 Appropriations	D-4	5,947,751.37	
Appropriation Reserves	D-12	117,396.85	
Accrued Interest on Bonds, Notes and Loans	D-16	159,908.17	
Interfund - Sewer Capital	D	7,758.47	
Improvement Authorizations	D-19	<u>6,232,814.86</u>	<u>1,037,283.81</u>
Balance, December 31, 2012	D	<u>\$ 1,886,568.33</u>	<u>\$ 2,062,629.78</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
ANALYSIS OF SEWER UTILITY CAPITAL CASH

	Balance <u>Dec. 31, 2012</u>
Capital Improvement Fund	\$ 114,258.25
Reserve for Encumbrances	450,991.67
Due From New Jersey Environmental Infrastructure Trust	(39,856.00)
Interfund - General Capital Fund	(3,800.16)
Reserve for Debt Service	235.02
Fund Balance	4,452.18

<u>Ordinance Number</u>	<u>Improvement Description</u>	
98-35	Phase II Rehabilitation/Infiltration and Inflow Program, Improvements to Hillside and Beverly Pump Stations	18.01
99-51/00-17	Construction and Reconstruction of Various Sewer Lines, Stations, Facilities and Related Assets	21.41
01-25	Reconstruction of Gables Area Sanitary Sewer System	1,205.55
04-31	Improvements to PA Station and Equipment Purchases	99,529.82
05-25	Gables Area Sanitary Sewer Project - Phase II	95,425.20
06-07	Sanitary Sewer Main System Construction	22,294.04
07-41	Gables Area Sanitary Sewer System Replacement Project - Phase III	547,320.50
08-51/09-21	Upgrades to the Pennsylvania Avenue Sanitary Sewer Pumping Station	130,907.30
09-37	Acquisition of Various Vehicles and Equipment for Sewer Utility	124.51
12-14	Various Sewer Utility Improvements	<u>639,502.48</u>
		<u>\$ 2,062,629.78</u>

Ref.

D

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
 SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY AUTHORIZATIONS

<u>Year</u> <u>Authorized</u>	<u>Purpose</u>	<u>Authorized</u>	Balance December 31, <u>2012</u>
2012	Hurricane Sandy	\$ <u>500,000.00</u>	\$ <u>500,000.00</u>
	<u>Ref.</u>	D-4	D

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
 SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 479,002.88
Increased by:		
Sewer Rents Levied		<u>5,672,493.77</u>
		6,151,496.65
Decreased by:		
Collections	D-3/D-5	\$ 5,742,302.15
Transferred to Sewer Lien	D-9	5,422.16
Overpayments Applied	D-14	<u>15,055.41</u>
		<u>5,762,779.72</u>
Balance, December 31, 2012	D	<u>\$ 388,716.93</u>

SCHEDULE OF SEWER LIENS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 713.97
Increased by:		
Consumer Accounts Receivable	D-8	<u>5,422.16</u>
Balance, December 31, 2012	D	<u>\$ 6,136.13</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

<u>Improvement Description</u>	Balance December 31, <u>2011</u>	Transfer from Fixed Capital Authorized and <u>Uncompleted</u>	Balance December 31, <u>2012</u>
Sewer District #1 Tank and Outlet			
Term Bonds Issued in 1913	\$ 379,782.00		\$ 379,782.00
Truss Crane	1,889.00		1,889.00
Installation of 18 Inch Sewer Line			
Connecting Outfall Pipes	6,317.00		6,317.00
Reconstruction of Septic Tank and			
Outfall Pipe	27,894.00		27,894.00
Construction of Pumping Station	11,966.00		11,966.00
Centrifugal Trash Pump	3,262.00		3,262.00
Sanitary Outfall Pipe	35,741.00		35,741.00
Accounting Machine	7,280.00		7,280.00
Sanitary Sewers	5,119,591.00		5,119,591.00
Sewer Plant and Truck Lines	3,589,725.00		3,589,725.00
Regional Pumping Station	477,180.00		477,180.00
Sewer Force Main	132,000.00		132,000.00
Sewer Jet Vehicle	117,699.44		117,699.44
Maple Avenue Pumping Station	280,000.00		280,000.00
Brockton Avenue Pumping Station	67,444.00		67,444.00
Sanitary Sewer Equipment	165,000.00		165,000.00
Sanitary Sewer Equipment	42,492.00		42,492.00
Computer System	18,000.00		18,000.00
Penn Avenue Pumping Station	85,526.55	\$ 600,000.00	685,526.55
Ord. 1641 - Sanitary Sewer Pumping Station	56,357.93		56,357.93
Ord. 1642 - Acquisition of Truck and			
Equipment	21,369.00		21,369.00
Ord. 1677/0023 - Improvement and Construction of			
Tremont and Brockton Avenue Pumping Station	177,744.91		177,744.91
Ord. 95-19 - Various Improvements and Construction of			
Sanitary Sewer Lines	246,130.64		246,130.64
Ord. 98-02 - Improvements to Sanitary Sewer Lines and			
and Acquisition of Air Scrubbing System	1,308,218.11		1,308,218.11
Ord. 97-39 - General Improvements to Sewer System	174,678.95		174,678.95
Ord. 98-39 - Construction and Reconstruction of Various			
Sewer Lines, Stations, Facilities and Related Assets	416,996.18		416,996.18
Ord. 00-20 - Acquisition of Vehicles and Equipment and Sewer			
Facility Improvements	119,999.36		119,999.36
Ord. 01-25 - Reconstruction of Gables Area Sanitary Sewer System	750,000.00		750,000.00
Dell Inspiron 8600 Laptop Computer	3,383.77		3,383.77
Upgrade Pumps	54,451.94		54,451.94
2006 Refinancing Costs on Bonds	15,800.00		15,800.00
Repair 2002 Rutherford Avenue	4,500.00		4,500.00
Ord. 98-35 - Phase II Rehabilitation/Infiltration and Inflow			
Program, Improvements to Hillside and Beverly Pump Stations	807,959.27		807,959.27
Ord. 03-15 Various Improvements to the Sanitary Sewer System	761,207.01	67.82	761,274.83
	<u>\$ 15,487,586.06</u>	<u>\$ 600,067.82</u>	<u>\$ 16,087,653.88</u>

Ref.

D

D-11

D

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2011	2012 Authorizations	Transfer to Fixed Capital	Balance Dec. 31, 2012
98-35	Phase II Rehabilitation/Infiltration and Inflow Program, Improvements to Hillside and Beverly Pump Stations	09-28-98	\$ 1,000,000.00	\$ 11,997.11			\$ 11,997.11
99-51/00-17	Construction and Reconstruction of Various Sewer Lines, Stations, Facilities and Related Assets	10-18-99 04-24-00	1,000,000.00	1,000,000.00			1,000,000.00
03-15	Various Improvements to the Sanitary Sewer System	03-10-03	761,274.83	67.82	\$	\$ 67.82	
04-20	Improvements to Pa. Station	05-24-04	600,000.00	600,000.00		600,000.00	
04-31	Improvements to Pa. Station and Equipment Purchases	07-26-04	865,000.00	865,000.00			865,000.00
05-25	Gables Area Sanitary Sewer Project - Phase II	06-13-05	500,000.00	500,000.00			500,000.00
06-07	Sanitary Sewer Main System Construction	02-13-06	500,000.00	500,000.00			500,000.00
06-35	Improvements to Sanitary Sewer Infrastructure	07-10-06	300,000.00	300,000.00			300,000.00
07-41	Gables Area Sanitary Sewer System Replacement Project - Phase III	06-25-07	550,000.00	550,000.00			550,000.00
08-51/09-21	Upgrades to the Pennsylvania Avenue Sanitary Sewer Pumping Station	12-22-08 06-22-09	1,000,000.00 588,500.00	1,588,500.00			1,588,500.00
09-37	Acquisition of Various Vehicles and Equipment for the Sewer Utility	08-24-09	175,000.00	175,000.00			175,000.00
12-14	Various Sewer Utility Improvements	06-11-12	700,000.00		\$ 700,000.00		700,000.00
				<u>\$ 6,090,564.93</u>	<u>\$ 700,000.00</u>	<u>\$ 600,067.82</u>	<u>\$ 6,190,497.11</u>
	Ref.			D	D-19	D-10	D

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2011	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages	\$ 11,411.80	\$	11,411.80	\$	11,411.80
Other Expenses	5,102.32	\$ 87,692.16	92,794.48	88,337.01	4,457.47
TNSA - Annual Charge	33,393.52		33,393.52	29,059.84	4,333.68
Group Insurance for Employees	6,264.30		6,264.30		6,264.30
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	20,000.00		20,000.00		20,000.00
Social Security System	4,756.88		4,756.88		4,756.88
	<u>\$ 80,928.82</u>	<u>\$ 87,692.16</u>	<u>\$ 168,620.98</u>	<u>\$ 117,396.85</u>	<u>\$ 51,224.13</u>

Ref. D

D-13

D-5

D-1

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 87,692.16
Increased by:		
Transferred from Budget Appropriations	D-4	<u>159,230.74</u>
		246,922.90
Decreased by:		
Transferred to Appropriation Reserves	D-12	<u>87,692.16</u>
Balance, December 31, 2012	D	\$ <u>159,230.74</u>

SCHEDULE OF CUSTOMER OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 15,055.41
Increased by:		
Cash Received	D-5	<u>20,400.87</u>
		35,456.28
Decreased by:		
Applied to Consumer Accounts Receivable	D-3/D-7	<u>15,055.41</u>
Balance, December 31, 2012	D	\$ <u>20,400.87</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER CAPITAL FUND
 SCHEDULE OF DUE FROM STATE OF NEW JERSEY
 ENVIRONMENTAL INFRASTRUCTURE TRUST FUND

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 1,168,955.00
Increased by:		
Reserve for Due From NJEITF	D	7,125.00
		<u>1,176,080.00</u>
Decreased by:		
Cash Receipts	D-5	<u>1,136,224.00</u>
Balance, December 31, 2012	D	\$ <u><u>39,856.00</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
 SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 26,950.49
Increased by:		
Budget Appropriations	D-4	157,716.91
		184,667.40
Decreased by:		
Interest Paid	D-5	159,908.17
Balance, December 31, 2012	D	\$ 24,759.23

Analysis of Accrued Interest December 31, 2012

	<u>Principal</u> <u>Outstanding</u> <u>Dec. 31, 2012</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:						
\$ 261,000.00	Various	12-01-12	12-31-12	30 Days	\$ 1,087.50	
396,000.00	Various	08-01-12	12-31-12	150 Days	7,312.92	
486,000.00	Various	12-01-12	12-31-12	30 Days	1,988.33	
374,000.00	Various	12-01-12	12-31-12	30 Days	1,478.13	
1,220,000.00	Various	12-01-12	12-31-12	30 Days	4,337.50	
Bond Anticipation Notes:						
\$ 1,131,000.00	1.000%	09-14-12	12-31-12	108 Days	3,346.52	
Loans Payable:						
\$ 1,248,616.53	Various	08-01-11	12-31-11	150 Days	5,208.33	
					\$ 24,759.23	

Ref. D-16

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER UTILITY SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2012	Interest Rate	Balance Dec. 31, 2011	Issued	Paid by Budget Appropriation	Refunded	Balance Dec. 31, 2012
Sewer Utility Bond (MCIA Pooled Loan)	12-01-01	\$ 826,500.00	12-01-12	5.000%	\$ 89,879.43				
			12-01-13	5.000%	\$ 94,221.43		\$ 184,100.86		
Pooled Governmental Loan Revenue Bonds, Series 2005	12-19-05	1,858,000.00	12-01-13	5.000%	83,000.00				
			12-01-14	5.000%	87,000.00				
			12-01-15	5.000%	91,000.00	1,510,000.00	\$ 79,000.00	1,170,000.00	\$ 261,000.00
Pooled Governmental Loan Refunding Revenue Bonds, Series 2006	04-03-06	1,271,800.00	02-01-13	4.500%	133,000.00				
			02-01-14	3.800%	132,000.00				
			02-01-15	5.000%	131,000.00	529,000.00	133,000.00		396,000.00
Pooled Governmental Loan Revenue Bonds, Series 2006	12-21-06	722,000.00	12-01-13	4.000%	44,000.00				
			12-01-14	5.000%	46,000.00				
			12-01-15	5.000%	49,000.00				
			12-01-16	5.000%	51,000.00				
			12-01-17	5.000%	54,000.00				
			12-01-18	5.000%	56,000.00				
		12-01-19	5.000%	59,000.00					
		12-01-20	5.000%	62,000.00					
		12-01-21	5.000%	65,000.00	529,000.00	43,000.00			486,000.00

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 809,597.80
Increased by:		
Charged to Improvement Authorizations	D-19	<u>450,991.67</u>
		1,260,589.47
Decreased by:		
Applied to Improvement Authorizations	D-19	<u>809,597.80</u>
Balance, December 31, 2012	D	<u>\$ 450,991.67</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2011		Increased by		Decreased by		Balance Dec. 31, 2012	
				Funded	Unfunded	2012 Authorizations	Prior Year Encumbrances	Paid or Charged	Reserve for Encumbrances	Funded	Unfunded
98-35	Phase II Rehabilitation/Infiltration and Inflow Program, Improvements to Hillside and Beverly Pump Stations	09-28-98	\$ 1,000,000.00	\$ 18.01							\$ 18.01
99-51/00-17	Construction and Reconstruction of Various Sewer Lines, Stations, Facilities and Related Assets	10-18-99 04-24-00	1,000,000.00	21.41							21.41
01-25	Reconstruction of Gables Area Sanitary Sewer System Phase I	05-29-01	750,000.00	1,205.55							1,205.55
03-15	Various Improvements to Sanitary Sewer System	03-10-03	761,274.83	67.82		\$	67.82				
04-31	Improvements to PA Station and Equipment Purchases	07-26-04	865,000.00	134,612.00			35,082.18				99,529.82
05-25	Gables Area Sanitary Sewer Project - Phase II	06-13-05	500,000.00	95,425.20							95,425.20
06-07	Sanitary Sewer Main System Construction	02-13-06	500,000.00	22,294.04							22,294.04
06-35	Improvements to Sanitary Sewer Infrastructure	07-10-06	300,000.00	221,396.64				31,401.50	\$ 189,995.14		
07-41	Gables Area Sanitary Sewer System Replacement Project - Phase III	06-25-07	550,000.00	547,320.50							547,320.50
08-51	Upgrades to the Pennsylvania Avenue Sanitary Sewer Pumping Station	12-22-08	1,000,000.00								
09-21	Sanitary Sewer Pumping Station	06-22-09	3,507,000.00		\$ 360,448.81			\$ 809,597.80	\$ 969,420.78	69,718.53	\$ 130,907.30
09-37	Acquisition of Various Vehicles and Equipment for the Sewer Utility	08-24-09	175,000.00	132,466.52				479.01		131,613.00	374.51
12-14	Various Sewer Utility Improvements	06-11-12	700,000.00			\$ 700,000.00		832.52		59,665.00	639,502.48
				\$ 1,022,361.17	\$ 492,915.33	\$ 700,000.00	\$ 809,597.80	\$ 1,037,283.81	\$ 450,991.67	\$ 765,814.53	\$ 770,784.29
	Capital Improvement Fund	Ref.		D	D	D-18	D-5	D-18	D	D	D
	Deferred Charges to Future Revenue	D-20/D-11 D-11		\$ 35,000.00							
				\$ 665,000.00							
				\$ 700,000.00							

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 139,258.25
Increased by:		
Budget Appropriation-Capital Improvement Fund	D-5	10,000.00
		<u>149,258.25</u>
Decreased by:		
Appropriated to Finance Improvement Authorization	D-19	35,000.00
		<u>35,000.00</u>
Balance, December 31, 2012	D	\$ <u>114,258.25</u>

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 15,079,961.39
Increased by:		
Serial Bonds Paid by Operating Budget	D-17	\$ 63,451.66
Reserve for Deferred Amortization	D-22	187,665.45
Net Refunded Bonds	D-17	44,100.86
		<u>295,217.97</u>
Balance, December 31, 2012	D	\$ <u>15,375,179.36</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
 SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2011	2012 Authorizations	Increased by		Decreased by		Balance Dec. 31, 2012
					Serial Bonds Paid	Loans Paid	Transfer to Reserve for Amortization		
98-35	Phase II Rehabilitation/Infiltration and Inflow Program, Improvements to Hillside and Beverly Pump Stations	09-28-98	\$ 11,997.11						\$ 11,997.11
99-51/00-17	Construction and Reconstruction of Various Sewer Lines, Stations, Facilities and Related Assets	10-18-99			\$ 79,166.67				
03-15	Various Improvements to Sanitary Sewer System	04-24-00	694,523.81						773,690.48
04-20	Improvements to Pa. Station	03-10-03	67.82				\$ 67.82		
04-31	Improvements to Pa. Station and Equipment Purchases	05-24-04	138,931.49		48,666.14		187,597.63		
05-25	Gables Area Sanitary Sewer Project - Phase II	07-26-04	200,292.80		70,160.36				270,453.16
06-07	Sanitary Sewer Main System Construction	06-13-05	115,775.71		40,555.17				156,330.88
06-35	Improvements to Sanitary Sewer Infrastructure	02-27-06	169,375.00		26,875.00				196,250.00
07-41	Gables Area Sanitary Sewer System Replacement Project - Phase III	07-24-06	101,625.00		16,125.00				117,750.00
08-51/09-21	Upgrades to the Pennsylvania Avenue Sanitary Sewer Pumping Station	06-25-07	147,000.00		29,000.00				176,000.00
09-37	Acquisition of Various Vehicles and Equipment for the Sewer Utility	12-22-08	91,896.17					\$ 59,137.70	151,033.87
12-14	Various Sewer Utility Improvements	06-22-09	8,750.00	\$ 35,000.00					8,750.00
		06-11-12							35,000.00
			<u>\$ 1,680,234.91</u>	<u>\$ 35,000.00</u>	<u>\$ 310,548.34</u>	<u>\$ 59,137.70</u>	<u>\$ 187,665.45</u>	<u>\$ 1,897,255.50</u>	
			D	D-20	D-17	D-23	D-21	D	

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 1,189,478.83
Decreased by:		
Paid by Budget Appropriation	D-22	<u>59,137.70</u>
Balance, December 31, 2012	D	<u>\$ 1,130,341.13</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2011	Increased	Balance Dec. 31, 2012
08-51/09-21	Upgrades to the Pennsylvania Avenue Sanitary Sewer Pumping Station	09-15-11	09-14-12	09-13-13	1.00%	\$ 300,000.00		\$ 300,000.00
09-37	Acquisition of Various Vehicles and Equipment for the Sewer Utility	09-15-11	09-14-12	09-13-13	1.00%	166,000.00		166,000.00
12-14	Various Sewer Utility Improvements	09-14-12	09-14-12	09-13-13	1.00%		\$ 665,000.00	665,000.00
						<u>\$ 466,000.00</u>	<u>\$ 665,000.00</u>	<u>\$ 1,131,000.00</u>
					Ref.	D	D-5	D

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED
BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Notes Issued	Due From NJ/EIT	Balance Dec. 31, 2012
08-51/ 09-21	Upgrades to the Pennsylvania Avenue Sanitary Sewer Pumping Station	\$ 7,125.00			\$ 7,125.00	
09-37	Acquisition of Various Vehicles and Equipment for the Sewer Utility	250.00				\$ 250.00
12-14	Various Sewer Utility Improvements		\$ 665,000.00	\$ 665,000.00		
		<u>\$ 7,375.00</u>	<u>\$ 665,000.00</u>	<u>\$ 665,000.00</u>	<u>\$ 7,125.00</u>	<u>\$ 250.00</u>
	Ref.		D-19	D-24	D-15	(Footnote D)

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY FUND
 SCHEDULE OF CASH

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2011	E	\$ 199,760.36	\$ 505,579.44
Increased by Receipts:			
Budget Appropriation			
Capital Improvement Fund	E-16		\$ 15,000.00
Marina Fees and Costs	E-3	\$ 287,288.32	
Marina Lease	E-3	34,381.63	
Interest on Investments	E-3	2,988.08	
Miscellaneous	E-3	327.92	
Premium on Special Emergency Note Sale	E-3	5,360.39	
Interfund - Current Fund	E	1,750.00	
Special Emergency Note Payable	E	1,000,000.00	
Bond Anticipation Notes	E-14		<u>85,500.00</u>
		<u>1,332,096.34</u>	<u>100,500.00</u>
Decreased by Disbursements:			
2012 Appropriations	E-4	333,172.96	
Appropriation Reserves	E-10	8,261.58	
Accrued Interest on Bonds and Notes	E-12	43,024.83	
Interfund - Current Fund	E	5,360.39	
Improvement Authorizations	E-15		<u>271,922.52</u>
		<u>389,819.76</u>	<u>271,922.52</u>
Balance, December 31, 2012	E	<u>\$ 1,142,036.94</u>	<u>\$ 334,156.92</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
 ANALYSIS OF MARINA UTILITY CAPITAL CASH

	Balance <u>Dec. 31, 2012</u>
Capital Improvement Fund	\$ 15,500.00
Capital Fund Balance	7,126.95
Interfund - General Capital Fund	262,607.68
Reserve for Encumbrances	5,415.35

<u>Ordinance Number</u>	<u>Improvement Description</u>	
06-33/07-19	Acquisition of Marina Property and Various Improvements	6.50
12-18	Various Improvements	<u>43,500.44</u>
		<u>\$ 334,156.92</u>

Ref. E

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY OPERATING FUND
 SCHEDULE OF DEFERRED CHARGES
 N.J.S. 40A: 4-55 SPECIAL EMERGENCY

<u>Date</u> Authorized	<u>Purpose</u>	<u>Amount</u> Authorized	1/5 of	<u>Net Amount</u> Authorized	<u>Authorized</u> in 2012	<u>Balance</u> Dec. 31, 2012
2012	Hurricane Sandy	\$ 1,000,000.00	\$	200,000.00	\$ 1,000,000.00	\$ 1,000,000.00
					<u>\$ 1,000,000.00</u>	<u>\$ 1,000,000.00</u>
	<u>Ref.</u>				E-1/E-4	E

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Increased by:		
Transfer from Fixed Capital Authorized and Uncompleted	E-9	\$ <u>300,000.00</u>
Balance, December 31, 2012	E	\$ <u><u>300,000.00</u></u>
Analysis:		
Ordinance 11-03 Various Improvements		\$ <u><u>300,000.00</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2011	2012 Authorizations			Balance Dec. 31, 2012
					Deferred Reserve for Amortization	Deferred Charges To Future Revenue	Transfer to Fixed Capital	
06-33/07-19	Acquisition of Marina Property and Various Improvements	08-14-06/03-26-07	\$ 4,800,000.00	\$ 5,565,000.00			\$ 5,565,000.00	
11-03	Various Improvements	01-24-11	300,000.00	300,000.00		\$ 300,000.00		
12-18	Various Improvements	06-11-12	90,000.00		\$ 85,500.00		90,000.00	
			\$ 4,500.00	\$ 4,500.00	\$ 85,500.00	\$ 300,000.00	\$ 90,000.00	
			<u>\$ 5,865,000.00</u>	<u>\$ 5,865,000.00</u>	<u>\$ 85,500.00</u>	<u>\$ 300,000.00</u>	<u>\$ 5,655,000.00</u>	

Ref.

E-15

E-15

E-8

E

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY
 MARINA UTILITY OPERATING FUND
 SCHEDULE OF APPROPRIATION RESERVES

	Balance Dec. 31, 2011	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages	\$ 8,076.46	\$	8,076.46	\$	8,076.46
Other Expenses	2,192.56	\$ 29,268.86	31,461.42	\$ 8,261.58	23,199.84
Statutory Expenditures:					
Public Employees' Retirement System	2,500.00		2,500.00		2,500.00
Contribution to Social Security System	3,419.21		3,419.21		3,419.21
	<u>\$ 16,188.23</u>	<u>\$ 29,268.86</u>	<u>\$ 45,457.09</u>	<u>\$ 8,261.58</u>	<u>\$ 37,195.51</u>

Ref.

E

E-11

E-5

E-1

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2011	E	\$ 37,901.88
Increased by:		
Transferred from Budget Appropriations	E-4	<u>76,669.94</u>
		114,571.82
Decreased by:		
Transferred to Appropriation Reserves	E-10	\$ 29,268.86
Canceled to Operations	E-1	<u>8,633.02</u>
		<u>37,901.88</u>
Balance, December 31, 2012	E	\$ <u><u>76,669.94</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

	<u>Ref.</u>	
Balance, December 31, 2011	E	\$ 5,423.40
Increased by:		
Budget Appropriations	E-4	42,310.73
		<u>47,734.13</u>
Decreased by:		
Interest Paid	E-5	43,024.83
		<u>43,024.83</u>
Balance, December 31, 2012	E	<u>\$ 4,709.30</u>

Analysis of Accrued Interest December 31, 2012

Principal Outstanding Dec. 31, 2012	Interest Rate	From	To	Period	Amount
Serial Bonds:					
\$ 304,000.00	Various	12/01/12	12/31/12	30 Days	\$ 1,243.33
359,000.00	Various	12/01/12	12/31/12	30 Days	1,419.58
Bond Anticipation Notes:					
\$ 626,500.00	1.00%	09/15/12	12/31/12	106 Days	<u>2,046.39</u>
					<u>\$ 4,709.30</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
 SCHEDULE OF MARINA UTILITY BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2012</u>
06-33/ 07-19	Acquisition of Marina Property and Various Improvements	11-10-06	09-14-12	09-13-13	1.00%	\$ 170,000.00		\$ 65,000.00	\$ 105,000.00
06-33/ 07-19	Acquisition of Marina Property and Various Improvements	11-09-07	09-14-12	09-13-13	1.00%	240,000.00		3,500.00	236,500.00
11-03	Various Improvements to the Shark River Marina	01-24-11	09-14-12	09-13-13	1.00%	285,000.00			285,000.00
12-18	Various Improvements	09-14-12	09-14-12	09-13-13	1.00%		\$ 85,500.00		85,500.00
						<u>\$ 695,000.00</u>	<u>\$ 85,500.00</u>	<u>\$ 68,500.00</u>	<u>\$ 712,000.00</u>

Ref.

E

E-5

E-19

E

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Ordinance	Amount	Balance Dec. 31, 2011		Increased by		2012 Authorizations	Decreased by		Balance Dec. 31, 2012 Unfunded
					Unfunded	Total	Reserve for Encumbrances	for Encumbrances		Paid or Charged	Reserve for Encumbrances	
06-33/	Acquisition of Marina Property and	08-14-06	\$ 4,800,000.00									
07-19	Various Improvements	03-26-07	765,000.00		\$ 182.00					\$ 175.50		\$ 6.50
11-03	Various Improvements	1-24-11	300,000.00			\$ 230,662.81				230,662.81		
12-18	Various Improvements	06-11-12	90,000.00				\$ 90,000.00			41,084.21	\$ 5,415.35	43,500.44
						\$ 230,662.81	\$ 182.00	\$ 90,000.00	\$ 271,922.52	\$ 5,415.35	\$ 43,506.94	

Ref.	E	E	E-5	E

Detail:
 Capital Improvement Fund
 Deferred Charges to Future Revenue

\$	4,500.00
	85,500.00
\$	90,000.00

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2011	E	\$ 5,000.00
Increased by:		
Budget Appropriation	E-5	<u>15,000.00</u>
		20,000.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	E-15	<u>4,500.00</u>
Balance, December 31, 2012	E	<u><u>\$ 15,500.00</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
SCHEDULE OF INTERFUND - GENERAL CAPITAL FUND

	<u>Ref.</u>	
Balance, December 31, 2011	E	\$ 265,000.00
Decreased by:		
Premium on Sale of Bond Anticipation Notes	E-2	<u>2,392.32</u>
Balance, December 31, 2012	E	<u>\$ 262,607.68</u>

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Increased by:		
Transfer from Deferred Reserve for Amortization	E-19	<u>\$ 15,000.00</u>
Balance, December 31, 2012	E	<u>\$ 15,000.00</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY
 MARINA UTILITY CAPITAL FUND
 SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2011	Increased by		Paid From Operating Budget Notes	Decreased by Transfer to Reserve for Amortization	Balance Dec. 31, 2012
				Fixed Capital Authorized	Paid From Operating Budget Serial Bonds			
06-33/07-19	Acquisition of Marina Property and Various Improvements	08-14-06	\$ 4,438,000.00		\$ 54,000.00	\$ 68,500.00	\$ 15,000.00	\$ 4,560,500.00
11-03	Various Improvements	01-24-11	15,000.00					
12-18	Various Improvements	06-11-12		\$ 4,500.00				4,500.00
			<u>\$ 4,453,000.00</u>	<u>\$ 4,500.00</u>	<u>\$ 54,000.00</u>	<u>\$ 68,500.00</u>	<u>\$ 15,000.00</u>	<u>\$ 4,565,000.00</u>

Ref. E E-9/E-16 E-13 E-14 E-18 E

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED
BUT NOT ISSUED

Ordinance Number	<u>Improvement Description</u>	2012 <u>Authorizations</u>	Bond Anticipation <u>Notes Issued</u>
12-18	Various Improvements	\$ <u>85,500.00</u>	\$ <u>85,500.00</u>
		\$ <u><u>85,500.00</u></u>	\$ <u><u>85,500.00</u></u>
		E-15	E-14

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

LOAN AND GRANT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance, December 31, 2011	F		\$ 932,045.48
Increased by Receipts:			
Loan and Interest Payments	F-4	\$ 57,620.69	
Late Fees	F-4	489.53	
Interest Income Earned - Deposits	F-4	<u>3,810.25</u>	
			<u>61,920.47</u>
			993,965.95
Decreased by Disbursements:			
Facade Loan		50,000.00	
Paint Program		29,457.94	
Administration of Programs		<u>36,046.96</u>	
	F-4		<u>115,504.90</u>
Balance, December 31, 2012	F		\$ <u>878,461.05</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

LOAN AND GRANT FUND
SCHEDULE OF RECIPROCAL LOANS RECEIVABLE

Ref.	Totals	Abbas Osman Family Trust Loan 1	Abbas Osman Family Trust Loan 2	All American Turf	Scrubber Doctor	Sumiland Furniture Inc. Loan 1	Sumiland Furniture Inc. Loan 2	Accredited Dermatology	Waterfront Sunsis LLC
F	\$ 329,499.53	\$ 66,416.20	\$ 20,140.00	\$ 61,663.79	\$ 29,519.71	\$ 31,399.27	\$ 27,326.67	\$ 75,703.76	\$ 17,330.13
	<u>7,400.44</u>	<u>920.91</u>	<u>576.35</u>	<u>2,365.22</u>	<u>495.48</u>	<u>668.70</u>	<u>1,060.99</u>	<u>1,069.03</u>	<u>243.76</u>
	336,899.97	67,337.11	20,716.35	64,029.01	30,015.19	32,067.97	28,387.66	76,772.79	17,573.89
	<u>44,959.65</u>			<u>12,223.20</u>	<u>11,041.92</u>	<u>7,404.21</u>	<u>4,351.93</u>	<u>9,938.39</u>	
	44,959.65			12,223.20	11,041.92	7,404.21	4,351.93	9,938.39	
F	\$ 291,940.32	\$ 67,337.11	\$ 20,716.35	\$ 51,805.81	\$ 18,973.27	\$ 24,663.76	\$ 24,035.73	\$ 66,834.40	\$ 17,573.89

Ref.	Totals	Abbas Osman Family Trust Loan 1	Abbas Osman Family Trust Loan 2	All American Turf	Scrubber Doctor	Sumiland Furniture Inc. Loan 1	Sumiland Furniture Inc. Loan 2	Accredited Dermatology	Waterfront Sunsis LLC
F	\$ 581,105.59	\$ 71,661.63	\$ 20,145.83	\$ 100,000.00	\$ 100,000.00	\$ 52,035.89	\$ 37,262.24	\$ 100,000.00	\$ 100,000.00
	<u>59,967.35</u>	<u>4,945.28</u>	<u>2,694.32</u>	<u>16,996.21</u>	<u>10,069.11</u>	<u>3,590.93</u>	<u>4,972.47</u>	<u>4,780.98</u>	<u>11,918.05</u>
	641,072.94	76,606.91	22,840.15	116,996.21	110,069.11	55,626.82	42,234.71	104,780.98	111,918.05
	<u>349,132.62</u>	<u>9,269.80</u>	<u>2,123.80</u>	<u>65,190.40</u>	<u>91,095.84</u>	<u>30,963.06</u>	<u>18,198.98</u>	<u>37,946.58</u>	<u>94,344.16</u>
F-2	\$ 291,940.32	\$ 67,337.11	\$ 20,716.35	\$ 51,805.81	\$ 18,973.27	\$ 24,663.76	\$ 24,035.73	\$ 66,834.40	\$ 17,573.89

Increased by:

Accrued Interest

Decreased by:

Loan Payments Received

Balance, December 31, 2012

Details as to Loans Receivable:

Original Date of Loan

Interest Rate

Repayment Term - Years

Original Amount of Loan

Capitalized Interest

Payments Made to Date on Loans

Balance on Loans, December 31, 2012

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

LOAN AND GRANT FUND
SCHEDULE OF FACADE IMPROVEMENT LOANS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2011	F	\$ 31,453.04
Increased by:		
Accrued Interest		\$ 705.79
Loans Granted		<u>50,000.00</u>
		<u>50,705.79</u>
		82,158.83
Decreased by:		
Cash Receipts		<u>12,594.97</u>
Balance, December 31, 2012	F	<u>\$ 69,563.86</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

LOAN AND GRANT FUND
SCHEDULE OF RESERVE FOR LOAN AND GRANT FUND EXPENDITURES

	<u>Ref.</u>		
Balance, December 31, 2011	F		\$ 928,312.42
Increased by:			
Loan and Interest Payments	F-1	\$ 57,620.69	
Late Fees	F-1	489.53	
Interest Income - Deposits	F-1	3,810.25	
Prior Year Encumbrances	F	<u>3,733.06</u>	
			<u>65,653.53</u>
			993,965.95
Decreased by:			
Grant Expenditures	F-1	115,504.90	
Reserve for Encumbrances	F	<u>54,129.29</u>	
			<u>169,634.19</u>
Balance, December 31, 2012	F		<u>\$ 824,331.76</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSET ACCOUNT GROUP
SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS

	Balance Dec. 31, 2011	Additions	Deletions	Balance Dec. 31, 2012
General Fixed Assets:				
Land	\$ 18,326,960.52			\$ 18,326,960.52
Land Improvements	412,519.14			412,519.14
Buildings and Improvements	4,730,183.72			4,730,183.72
Machinery, Equipment and Vehicles	<u>13,592,873.18</u>	<u>\$ 1,252,941.68</u>	<u>\$ 16,468.51</u>	<u>14,829,346.35</u>
	<u>\$ 37,062,536.56</u>	<u>\$ 1,252,941.68</u>	<u>\$ 16,468.51</u>	<u>\$ 38,299,009.73</u>

Ref.

I

I

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH
SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2012

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION (EXCLUDING FIRE DISTRICT TAX)

Tax Rate	<u>2012</u> <u>\$2.391</u>	<u>2011</u> <u>\$2.367</u>	<u>2010</u> <u>\$2.328</u>
Apportionment of Tax Rate			
Municipal	.850	.821	.786
County	.355	.356	.353
Local School	1.186	1.190	1.189
Assessed Valuation			
2012	\$2,910,456,833.00		
2011		\$2,903,352,447.00	
2010			\$2,908,221,306.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this 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 levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collection</u>	<u>Percentage of Collection</u>
2012	\$73,363,575.81	\$71,663,465.06	97.68%
2011	72,542,916.29	71,009,697.89	97.88%
2010	71,185,687.57	69,698,033.86	97.91%

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>Year Ended December 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$49,481.15	\$1,449,225.41	\$1,498,706.56	2.04%
2011	30,792.64	1,423,363.73	1,454,156.37	2.00%
2010	6,321.02	1,362,486.56	1,368,807.58	1.92%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties in the year of acquisition, is summarized as follows:

<u>Year</u>	<u>Amount</u>
2012	\$5,246,000.00
2011	5,246,000.00
2010	5,246,000.00

COMPARISON OF SEWER UTILITY RENTS LEVIED

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collection</u>
2012	\$5,672,493.07	\$479,002.88	\$5,757,357.56
2011	5,330,654.94	382,002.23	5,329,940.97
2010	5,096,826.30	358,951.93	5,073,776.00

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Current Fund</u>		
2012	\$3,704,245.96	\$3,250,000.00
2011	4,226,718.96	3,516,000.00
2010	3,878,424.61	3,350,000.00
2009	4,906,203.60	4,255,000.00
2008	4,635,897.85	3,950,000.00
<u>Sewer Utility Fund</u>		
2012	\$1,013,369.87	\$86,600.00
2011	431,264.06	80,800.00
2010	138,129.02	31,365.54
2009	184,643.35	150,000.00
2008	42,302.02	24,955.00
<u>Marina Utility Fund</u>		
2012	\$133,314.77	\$50,745.00
2011	142,139.89	43,391.00
2010	56,568.97	19,630.00
2009	23,913.89	20,000.00
2008	61,319.63	55,000.00

SUMMARY OF MUNICIPAL DEBT
(Excluding Current and Operating Debt and Type II School Debt)

	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
<u>Issued</u>			
General Bonds, Notes and Loans	\$ 24,488,045.37	\$ 24,193,797.07	\$ 18,560,122.77
Sewer Utility Bonds, Notes and Loans	4,998,341.13	4,810,579.69	4,766,054.82
Marina Bonds and Notes	<u>1,375,000.00</u>	<u>1,412,000.00</u>	<u>2,829,000.00</u>
 Total Debt Issued	 <u>30,861,386.50</u>	 <u>30,416,376.76</u>	 <u>26,155,177.59</u>
 <u>Authorized but not Issued</u>			
General Bonds and Notes	289,969.50	288,969.50	5,719,108.50
Sewer Utility Bonds and Notes	250.00	7,375.00	3,391,875.00
Marina Utility Bonds and Notes	<u>-</u>	<u>-</u>	<u>-</u>
 Total Authorized but not Issued	 <u>290,219.50</u>	 <u>296,344.50</u>	 <u>9,110,983.50</u>
 Net Debt Issued and Authorized but not Issued	 <u>31,151,606.00</u>	 <u>30,712,721.26</u>	 <u>35,266,161.09</u>
 Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
General Fund	61,424.75	91,291.53	11,813.64
Sewer Utility Fund	235.02	235.02	235.02
Marina Utility Fund	<u>-</u>	<u>-</u>	<u>1,400,000.00</u>
	<u>61,659.77</u>	<u>91,526.55</u>	<u>1,412,048.66</u>
 Net Debt Issued and Authorized But Not Issues	 <u>\$ 31,089,946.23</u>	 <u>\$ 30,621,194.71</u>	 <u>\$ 33,854,112.43</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarization statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a Statutory Net Debt of 0.672%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local District School Debt	\$ 145,000.00	\$ 145,000.00	\$ -
General Debt	24,778,014.87	61,424.75	24,716,590.12
Sewer Utility Debt	4,998,591.13	4,998,591.13	-
Marina Utility Debt	<u>1,375,000.00</u>	<u>1,375,000.00</u>	<u>-</u>
	<u>\$ 31,296,606.00</u>	<u>\$ 6,580,015.88</u>	<u>\$ 24,716,590.12</u>

Net Debt \$24,716,590.12 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended
\$3,677,110,856.33 = 0.672%.

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

3 1/2% of Equalized Valuation Basis	\$ 128,698,879.97
Net Debt	<u>24,716,590.12</u>
Remaining Borrowing Power	\$ <u><u>103,982,289.85</u></u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER UTILITY PER N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other		
Charges for the Year		\$ 7,074,156.59
Deductions:		
Operating and Maintenance Costs	\$ 5,742,100.00	
Debt Service per Sewer Account	<u>672,032.31</u>	
		<u>6,414,132.31</u>
Excess in Revenue		\$ <u><u>660,024.28</u></u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE" MARINA UTILITY PER N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other		
Charges for the Year		\$ 373,737.34
Deductions:		
Operating and Maintenance Costs	\$ 187,000.00	
Debt Service per Marina Account	<u>182,999.99</u>	
		<u>369,999.99</u>
Excess in Revenue		\$ <u><u>3,737.35</u></u>

The Chief Financial Officer should file an amended debt statement.

TOWNSHIP OF NEPTUNE - COUNTY OF MONMOUTH
OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Randy Bishop	Mayor	
Eric Houghtaling	Deputy Mayor	
Dr. Michael Brantley	Committeeman	
Mary Beth Jahn	Committeewoman	
Kevin B. Mc Millan	Committeeman	
Vito D. Gadaleta	Business Administrator	
Michael J. Bascom	Tax Collector, Chief Financial Officer, Sewer Rent Collector, Tax Search Officer	\$360,000
Richard J. Cuttrell	Township Clerk	
Gene Anthony	Township Attorney	
Robin T. Wernik	Municipal Court Judge	*
Ursula Postell	Court Administrator	*
Elizabeth Sullivan	Deputy Court Administrator	*

All employees listed above are covered by a dishonesty Public Employees' Blanket Bond, in the amount of \$1,000,000 per employee, written by the Statewide Insurance Fund.

* There was a Public Official Blanket Bond with Selective Insurance in the amount of \$70,000 for the Municipal Court.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH
PART II
SINGLE AUDIT SECTION
FOR THE YEAR ENDED DECEMBER 31, 2012

FALLON & LARSEN LLP

Certified Public Accountants
Registered Municipal Accountants

1390 Route 36, Suite 102
Hazlet, New Jersey 07730-1716
Telephone: (732) 888-2070
FAX: (732) 888-6245

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

To the Honorable Mayor
and Members of the Township Committee
Township of Neptune
County of Monmouth
Neptune, New Jersey

Report on Compliance for Each Major Federal Program

We have audited the Township of Neptune, State of New Jersey's (the "Township") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2012. The Township's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Township, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

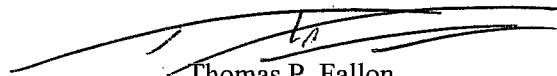
Report on Internal Control Over Compliance

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

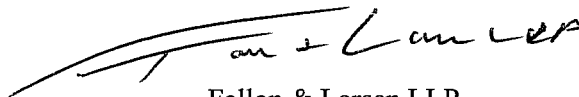
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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



Thomas P. Fallon
Certified Public Accountant
Registered Municipal Accountant #465



Fallon & Larsen LLP

August 27, 2013

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH
 STATE OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2012

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Grant Number/ Pass through Grant Number	Federal CFDA Number	Grant Period	Grant/Loan Award	Cash Received	Program Expenditures	Cumulative Expenditures
U.S. Department of Housing and Urban Development: Pass-through programs from: County of Monmouth: Community Development Block Grant Total U.S. Department of Housing and Urban Development	G-14-56-892-110-733	14.UNK	08/26/11-08/26/12	\$ 176,765.00 176,765.00	\$ 176,765.00 176,765.00	\$ 176,765.00 176,765.00	\$ 176,765.00 176,765.00
U.S. Department of Justice: Direct Programs: Bulleproof Vest Partnership Bulleproof Vest Partnership - FY2012 Public Safety Partnership and Community Policing Services: COPS Hiring Program Edward Byrne Memorial Justice Assistance Grants: 2010 JAG Law Enforcement Project Pass-through to: City of Asbury Park City of Long Branch Total Direct Programs Pass-through programs from: City of Asbury Park: Edward Byrne Memorial Justice Assistance Grant County of Monmouth ARRA - Edward Byrne Memorial Justice Assistance Grant Total Pass-through Programs Total U.S. Department of Justice	None None 2010UMWX0225 2010-DJ-BX-192 2010-DJ-BX-192 2010-DJ-BX-192 2009-DJ-BX-1309 2009-SB-B9-2938	16.607 16.607 16.710 16.738 16.738 16.738 16.738 16.804	Open 04/01/12-08/31/14 09/01/10-08/31/13 10/01/09-09/30/13 10/01/09-09/30/13 10/01/09-09/30/13 10/01/08-09/30/12 03/01/09-03/28/13	20,182.50 12,655.50 725,301.00 33,026.00 47,769.00 17,868.00 856,802.00 22,659.00 103,815.00 126,474.00 983,276.00	20,182.50 233,913.78 33,026.00 287,122.28 93,433.50 93,433.50 380,555.78	20,091.50 1,903.00 210,013.20 32,662.19 17,868.00 282,537.89 21,004.68 93,433.50 114,438.18 396,976.07	20,182.50 1,903.00 421,252.87 32,662.19 47,769.00 17,868.00 541,637.56 22,659.00 103,815.00 126,474.00 668,111.56

See accompanying notes to the schedule of expenditures of federal awards .

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH
 STATE OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2012

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Grant Number/ Pass through Grant Number	Federal CFDA Number	Grant Period	Grant/Loan Award	Cash Received	Program Expenditures	Cumulative Expenditures
U.S. Department of Transportation: Pass-through programs from: New Jersey Department of Transportation: Highway Planning and Construction :	6300-480-FAJ	20.205	Open	\$ 269,000.00	\$ 133,173.31	\$ 10,285.06	\$ 269,000.00
Safe Routes to School	Various	20.205	Open	550,000.00	161,493.84		550,000.00
West Lake Avenue	Various	20.205	Open	517,195.00		517,195.00	517,195.00
Broadway-South Side	6320-480	20.205	Open	244,151.00	183,113.25	157,414.61	157,414.61
Millbrook Avenue							
New Jersey Department of Law and Public Safety: Alcohol Impaired Driving Countermeasures Incentive Grants:	AL-11-10-05-03	20.601	05/23/12 - 09/14/12	2,400.00	2,400.00	2,400.00	2,400.00
COPS in Shops - Summer Shore Initiative Occupant Protection Grants:	OP-12-45-01-MC-92	20.602	05/21/12-06/03/12	4,000.00	4,000.00	4,000.00	4,000.00
Click It or Ticket							
Hazardous Materials Emergency Preparedness Training and Planning Grants:	1200-100-703	20.703	01/20/11-09/30/11	26,000.00	25,210.00	3,910.00	25,210.00
HMEP Planning - Township Committee Room/Chemical Release							
HMEP Training - Classroom and							
HMEP Training	11-HMEP-V110-T07	20.703	09/30/11-09/30/12	26,000.00	22,800.00	22,800.00	22,800.00
HMEP Planning	11-HMEP-V110-PO2	20.703	09/30/11-09/30/12	24,500.00	24,500.00	24,500.00	24,500.00
Total U.S. Department of Transportation				<u>1,663,246.00</u>	<u>556,690.40</u>	<u>742,504.67</u>	<u>1,572,519.61</u>
U.S. Department of Environmental Protection: Pass-through programs from: State of New Jersey Department of Environmental Protection:	S340410-04	66.458	Open	966,375.00	852,168.00	695,249.00	936,868.00
Capitalization Grants for Clean Water State Revolving Funds: Pennsylvania Avenue Pump Station:	4860-510-040			<u>966,375.00</u>	<u>852,168.00</u>	<u>695,249.00</u>	<u>936,868.00</u>
Total U.S. Department of Environmental Protection:							

See accompanying notes to the schedule of expenditures of federal awards.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2012

Federal Grantor/Pass-through Program or Cluster Title	Grant Number/Pass through Grant Number	Federal CFDA Number	Grant Period	Grant/Loan Award	Cash Received	Program Expenditures	Cumulative Expenditures
U.S. Department of Health and Human Services: Pass-through programs from: Monmouth County Office of Senior Services: Title III-B - Senior Citizens Grant National Recreation and Park Association: Center for Disease Control and Prevention - Investigations and Technical Assistance	13-013	93.044	01/01/12-12/31/12	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Total U.S. Department of Health and Human Services	None	93.283	01/01/12-12/31/13	50,000.00 75,000.00	50,000.00 75,000.00	7,477.34 32,477.34	7,477.34 32,477.34
U.S. Department of Homeland Security: Pass-through programs from: New Jersey Department of Law and Public Safety: Emergency Management Performance Grants: Exercise Improvement Grant FY 2011 EMAAA FY 2012 EMAAA FY 2010 EMPG Exercise Pass Thru Grant Pre-Disaster Mitigation Grant Program	1200-100-726 1200-100-726 1200-100-726 2010-EMPG-P330-16 PDMC-PJ-02-NJ-2010	97.042 97.042 97.042 97.042 97.047	10/01/06-09/30/07 10/01/10-12/31/11 01/01/12-12/31/12 10/01/11-09/30/12 10/01/10-09/30/13	10,000.00 5,000.00 5,000.00 15,000.00 508,441.50	5,000.00 15,000.00 20,000.00	541.44 2,455.34 15,000.00 508,441.50 526,438.28	10,000.00 4,058.71 15,000.00 508,441.50 537,500.21
Total U.S. Department of Homeland Security				\$ 4,408,103.50	\$ 2,061,179.18	\$ 2,570,410.36	\$ 3,924,241.72

See accompanying notes to the schedule of expenditures of federal awards.

TOWNSHIP OF NEPTUNE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 ORGANIZATION AND BASIS OF PRESENTATION

A. Organization

The Township of Neptune is the prime sponsor and recipient of various federal and state grant funds. The Township has delegated the administration of grant programs and the reporting function to various departments within the Township. Substantially all grant and program cash funds are commingled with the Township's other funds, although each grant is accounted for separately within the Township's financial records. The Township's Department of Finance performs the accounting functions for all grants.

B. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Township of Neptune and is presented on the cash basis of accounting. Differences between budget and actual cash disbursements, as well as differences between budget revenues and actual cash receipts, for grants accounted for in the Federal and State Grant Fund are transferred to the Current Fund balance when the grant is closed out. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. The schedule does not include local matches.

NOTE 2 CONTINGENCIES

Each of the grantor agencies reserves the right to conduct additional audits of the Township's grant programs for economy, efficiency and program results. However, Township management does not believe such audits would result in material amounts of disallowed costs.

**TOWNSHIP OF NEPTUNE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Section I - Summary of Auditors' Results

Financial Statements Section

Type of auditors' report issued:

Generally Accepted Accounting Principles Regulatory Basis	<u>Adverse</u> <u>Unqualified</u>
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Internal control over financial reporting:

Material weakness identified?	___ Yes	<u>X</u> No
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Significant deficiency identified not considered to be material weaknesses?	___ Yes	<u>X</u> No
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Noncompliance material to financial statements noted?	___ Yes	<u>X</u> No
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a) Federal Awards

Internal Control over major programs:

Material weakness identified?	___ Yes	<u>X</u> No
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Significant deficiency identified not considered to be material weakness?	___ Yes	<u>NONE REPORTED</u>
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Type of auditors' report issued on compliance for major programs:	<u>Unqualified</u>
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	___ Yes	<u>X</u> No
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Identification of major federal program:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Grant Number</u>
66.458	Capitalization Grants for Clean Water State Revolving Funds - Pennsylvania Avenue Pump Station	S340410-04
97.047	Pre-Disaster Mitigation Grant Program	PDMC-PJ-02-HJ-2010

Dollar threshold used to distinguish between Type A and Type B Programs:	<u>\$300,000.00</u>
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Auditee qualified as a low-risk auditee?	<u>X</u> Yes	___ No
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TOWNSHIP OF NEPTUNE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2012

Section II - Financial Statement Findings

There were no financial statement findings.

Section III

a) Federal Award Findings and Questioned Costs.

None reported.

**TOWNSHIP OF NEPTUNE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012**

None reported.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH
PART III
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012

GENERAL COMMENTS

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

N.J.S. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law".

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

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

- Traffic Control Signal Monitoring
- Fiberglass Composite Pilings for the Municipal Marina
- Two 30 Cubic Yard Trailer Mounted Vacuum Leaf Collectors
- Disposal of Bulky Waste
- Uniform Maintenance for the Department of Public Works
- Ceramics Instructor at the Senior Center
- Relocation of Sanitary Sewer Main at Broadway and Central Avenue
- Salt Storage Building Construction
- Wheel Loader
- Backhoe Loader
- Multi Purpose Wheel Loader
- Demolition and Removal Services at the Shark River Municipal Marina
- Police Sedan

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

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

Our examination of expenditures did not reveal individual payments in excess of the bid threshold "for the provision or performance of any goods or services" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

GENERAL COMMENTS (continued)

Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, "For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered".

Collection of Interest on Delinquent Tax, Assessments and Sewer Charges

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

The Governing Body, on January 1, 2012, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

NOW, THEREFORE, BE IT RESOLVED, by the Township
of Neptune, County of Monmouth, State of New Jersey, as follows:

1. Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged against the delinquency.

2. Any payment received after the prescribed grace period will be charged interest in the above manner from the original due date.

Sewer utility delinquencies are charged interest at the rate of 8% per annum on the first \$1,500.00 of sewer utility charges delinquent after due date and 18% per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

It appears, from an examination of the Tax Collector and Sewer Utility Collector's records, that interest was collected in accordance with the foregoing resolutions and statutes.

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

The detail of all unpaid taxes for 2012 and prior years and tax title liens is being properly carried in the Tax Collector's records. An abstract taken from these records as of December 31, 2012, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

GENERAL COMMENTS (continued)

Delinquent Taxes, Tax Title Liens and Delinquent Sewer Rents and Liens (continued)

The last tax sale was held on February 23, 2012 and it was complete.

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

The following comparison is made of the number of tax title liens receivable on December 31st of the last three (3) years.

<u>Year</u>	<u>Number of Liens</u>
2012	18
2011	16
2010	6

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

The detail of all unpaid Sewer rents for 2012 and prior years and Sewer liens is being properly carried in the Sewer Collector's records. An abstract taken from these records as of December 31, 2012, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

Verification of Delinquent Taxes and Sewer Charges

Verification of delinquent charges and current payments was done for the period under audit in accordance with the regulations of the Division of Local Government Services, on December 31, 2012 and consisted of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>	<u>Number Returned</u>
Dates of Payments of Taxes	25	4
Delinquent Taxes	17	2
Dates of Payment of Sewer Utility Charges	25	9
Delinquent Sewer Utility Charges	23	4

Through examination of those notices that were returned, and by alternative procedures for notices unreturned, no irregularities were noted.

OTHER COMMENTS

Cash Balances

The cash balances in all funds were verified by independent certifications obtained from the depositories as of December 31, 2012.

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

The change funds and petty cash funds were counted.

Revenues

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

Financial Administration

Comment: Interfunds receivable and payable are reflected on the various balance sheets of the funds at December 31, 2012.

Recommendation: That all interfunds be liquidated prior to year end.

Expenditures

The vouchers for all funds were examined to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute.

Payroll

An examination was made of the employee's compensation records for the year 2012 to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance. Vouchers for overtime and part-time wages were checked.

Miscellaneous Comments

The confirmation sent to the Local School Board of Education verified the correct school taxes payable at December 31, 2012.

RECOMMENDATIONS

It is recommended:

12-1. That all interfunds be liquidated prior to year end.

Of the above recommendations, number 12-1 is similar to that from the 2011 audit.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to contact me.

Very truly yours,



Thomas P. Fallon
Registered Municipal Accountant # 465

For the Firm
FALLON & LARSEN LLP