

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

**REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2018**

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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

FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S 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 comparative balance sheets-regulatory basis of the various funds of the Township of Neptune, New Jersey (the "Township"), as of December 31, 2018 and 2017, and the related comparative statements of operations and changes in fund balance-regulatory basis, and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis, and the statement of general fixed asset account group for the year ended December 31, 2018, and the related notes to the financial statements which collectively comprise the Township's basic 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 ("Division"); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our 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. 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 1, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division, 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.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2018 and 2017, or the results of its operations and the changes in fund balance for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and fixed asset account group of the Township of Neptune as of December 31, 2018 and 2017, and the results of its operations and changes in its fund balance of the individual funds for the years then ended and the revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2018, in accordance with accounting principles and practices prescribed by the Division as described in Note 1 to the financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that schedule of pension contributions and schedule of net pension liability be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the Township that collectively comprise the Township's financial statements. The accompanying financial information listed as supplementary exhibits and supplementary data in the table of contents are presented for purposes of additional analysis as required by the Division and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements for Federal Awards* (Uniform Guidance), and schedule of expenditures of state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for the Recipients of Federal Grants, State Grants and State Aid*, are also presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The accompanying financial information listed as supplementary exhibits and supplementary schedules in the table of contents and the schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance 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 exhibits and supplementary data are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2019, 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 agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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.

Charles J. Fallon CPA RMA

Charles J. Fallon
Certified Public Accountant
Registered Municipal Accountant #506

Fallon & Company LLP

FALLON & COMPANY LLP

Hazlet, New Jersey
July 17, 2019

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements of prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") the financial statements of the Township of Neptune, of the State of New Jersey ("Township"), as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated July 17, 2019. 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 1, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division, 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 the 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 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 agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 result 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 in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Charles J. Fallon CPA RMA

Charles J. Fallon
Certified Public Accountant
Registered Municipal Accountant #506

Fallon & Company LLP
FALLON & COMPANY LLP

Hazlet, New Jersey
July 17, 2019

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash	A-4	\$ 9,490,186.09	\$ 8,630,302.89
Cash - Change Fund	A	775.00	925.00
		<u>9,490,961.09</u>	<u>8,631,227.89</u>
Investment in General Capital Fund Notes	A		1,750,000.00
Overexpenditure of Appropriations	A-3	1,263.61	
Due from State - P.L. 1971 C.20	A-6		7,136.31
		<u>1,263.61</u>	<u>1,757,136.31</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	1,167,297.70	1,239,955.82
Tax Title Liens Receivable	A-9	27,126.53	18,861.62
Property Acquired for Taxes - Assessed Valuation	A-10	5,242,800.00	5,242,800.00
Revenue Accounts Receivable	A-11	93,905.20	43,528.17
Abating Costs	A-12	13,403.37	15,001.69
Interfunds Receivable	A-13		34,673.06
Mortgage Receivable	A-7	380,000.00	400,000.00
Pilot Program	A	77,399.94	130,609.69
		<u>7,001,932.74</u>	<u>7,125,430.05</u>
Deferred Charges:			
Special Emergency Authorization (N.J.S.40A:4-55)	A-28		200,000.00
		<u>16,494,157.44</u>	<u>17,713,794.25</u>
Federal and State Grant Fund:			
Cash	A-4	373,018.78	556,810.54
Interfund - Current Fund	A-24		21,657.16
Grants Receivable	A-25	512,579.10	554,982.13
		<u>885,597.88</u>	<u>1,133,449.83</u>
Total Assets		<u>\$ 17,379,755.32</u>	<u>\$ 18,847,244.08</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

LIABILITIES, RESERVES AND FUND BALANCE	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Appropriation Reserves	A-3/A-15	\$ 667,777.85	\$ 1,370,612.53
Due to State - P.L. 1971 C.20	A-6	1,523.29	
Interfunds Payable	A-13	495.00	34,989.36
Accounts Payable	A-14	87,300.99	81,129.52
Reserve for Encumbrances	A-16	922,587.73	926,048.98
Tax Overpayments	A-17	66,212.00	62,364.58
Prepaid Taxes	A-18	989,338.43	3,035,308.89
County Taxes Payable	A-20	58,721.89	62,129.73
Local School District Tax Payable	A-21	1,842,863.50	1,467,947.50
Due to State Agencies	A-22	7,366.00	7,860.00
Various Reserves	A-23	226,671.83	293,544.07
Reserve for FEMA Reimbursements - Hurricane Sandy	A-30	17,658.26	
		<u>4,888,516.77</u>	<u>7,341,935.16</u>
Special Emergency Note Payable	A-29		200,000.00
Reserve for Receivables and Other Assets	A	7,001,932.74	7,125,430.05
Fund Balance	A-1	4,603,707.93	3,046,429.04
		<u>11,605,640.67</u>	<u>10,371,859.09</u>
		<u>16,494,157.44</u>	<u>17,713,794.25</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-26	565,327.52	489,780.00
Reserve for Encumbrances	A-26	281,355.73	535,756.22
Unappropriated Reserves	A-27	10,325.95	39,074.93
Interfund - Marina Capital Utility Fund	A		39,750.00
Interfund - Trust Other Fund	A	28,588.68	29,088.68
		<u>885,597.88</u>	<u>1,133,449.83</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 17,379,755.32</u>	<u>\$ 18,847,244.08</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

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

For the Years Ended December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 2,374,102.16	\$ 2,205,727.92
Miscellaneous Revenue Anticipated	A-2	10,418,972.80	10,622,583.62
Receipts from Delinquent Taxes	A-2	1,275,612.57	1,036,964.58
Receipts from Current Taxes	A-2	83,636,706.04	80,560,291.87
Non-Budget Revenues	A-2	872,598.95	702,172.43
Other Credits to Income:			
Interfunds Returned	A-13	34,673.06	
Trust Fund Reserve Cancelled	A-13		700.00
Appropriated Grant Reserves Cancelled	A-13	74,891.67	45,788.20
Accounts Payable Cancelled	A-14	30,560.98	11,497.82
Unexpended Balance of Appropriation Reserves	A-15	1,169,917.54	647,271.86
Tax Overpayments Cancelled	A-17	7,710.18	
County Taxes Cancelled	A-20		0.15
Cancel Prior Year Check	A-4	1,761.79	
		<hr/>	<hr/>
Total Revenue		99,897,507.74	95,832,998.45
		<hr/>	<hr/>
Expenditures:			
Budget Appropriations Within Caps:			
Operations:			
Salaries and Wages	A-3	17,159,613.61	17,201,850.00
Other Expenses	A-3	13,448,250.00	13,057,350.00
Deferred Charges and Statutory Expenditures	A-3	3,919,083.00	3,764,993.00
Budget Appropriations Excluded from Caps:			
Operations:			
Salaries and Wages	A-3	410,325.00	404,887.00
Other Expenses	A-3	2,695,792.99	2,503,827.67
Capital Improvements	A-3	100,000.00	150,000.00
Municipal Debt Service	A-3	4,523,481.11	3,775,195.85
Deferred Charges	A-3	200,495.00	745,372.00
		<hr/>	<hr/>
		42,457,040.71	41,603,475.52

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

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

For the Years Ended December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Prior Year Senior Citizens Disallowed	A-6	\$ 9,093.16	\$ 9,006.16
Due From State of N.J. Cancelled	A-6		10,793.14
Grants Receivable Cancelled	A-13	81,583.14	47,869.61
Refund of Prior Year Tax Revenue	A-17	519.35	41,231.24
Fire District Taxes	A-19	3,646,709.00	3,612,342.00
County Taxes	A-20	11,530,375.94	10,534,013.32
Local District School Tax	A-21	38,241,319.00	37,491,489.00
Refund of Prior Year Revenue	A-4	600.00	
Change Fund Returned	A	150.00	
		<hr/>	<hr/>
Total Expenditures		95,967,390.30	93,350,219.99
		<hr/>	<hr/>
Excess/(Deficit) in Revenue		3,930,117.44	2,482,778.46
Add:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Year:			
Overexpenditure of Appropriations	A-1	1,263.61	
		<hr/>	<hr/>
Statutory Excess to Fund Balance		3,931,381.05	2,482,778.46
Fund Balance January 1	A	3,046,429.04	2,769,378.50
		<hr/>	<hr/>
		6,977,810.09	5,252,156.96
Decreased by:			
Utilized as Anticipated Revenue	A-1/A-2	2,374,102.16	2,205,727.92
		<hr/>	<hr/>
Fund Balance December 31	A	<u>\$ 4,603,707.93</u>	<u>\$ 3,046,429.04</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, 2018

		Anticipated			
	<u>Ref.</u>	<u>Budget</u>	<u>Special N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 2,374,102.16		\$ 2,374,102.16	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-11	60,000.00		58,830.00	\$ (1,170.00)
Other	A-11	215,000.00		220,855.50	5,855.50
Fees and Permits	A-11	415,000.00		436,812.95	21,812.95
Fines and Costs:					
Municipal Court	A-11	647,000.00		651,280.79	4,280.79
Interest and Costs on Taxes	A-11	284,000.00		273,305.89	(10,694.11)
Interest on Investments and Deposits	A-11	13,000.00		28,437.20	15,437.20
Consolidated Municipal Property Tax Relief Aid	A-11	642,353.00		510,203.00	(132,150.00)
Energy Receipts Tax	A-11	4,355,101.00		4,487,251.00	132,150.00
Uniform Construction Code Fees	A-11	680,000.00		853,307.00	173,307.00
Interlocal Services Agreements:					
Monmouth County 9-1-1 Services Personnel Loan	A-11	71,000.00		69,794.00	(1,206.00)
Neptune BOE - GREAT Program	A-11	25,000.00		25,000.00	
Fleet Maintenance - Allenhurst, Neptune Fire District, Neptune BOE, Asbury Park	A-11	158,000.00		156,658.73	(1,341.27)
Liability, Workman's Compensation, Pensions and Property Insurance - Neptune Fire, OG Fire	A-11	162,000.00		162,180.00	180.00
Monmouth County EMS	A-11	6,000.00		6,000.00	

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, 2018

		Anticipated			
	<u>Ref.</u>	<u>Budget</u>	<u>Special N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Community Notification System Agreement	A-11	\$ 11,200.00		\$ 11,200.00	
Prisoner Processing / Jail Program	A-11	29,000.00		30,717.11	\$ 1,717.11
Administration Fees - Off Duty Employment of Police Officers	A-11	270,000.00		301,390.80	31,390.80
Reserve for Debt Service - Capital Fund	A-11	43,943.33		43,943.33	
Cable T.V. - Franchise Fee	A-11	450,384.56		450,384.56	
Commercial Garbage Removal Fees	A-11	83,000.00		105,407.62	22,407.62
OGCMA Special Police Contribution	A-11	30,000.00			(30,000.00)
Cell Tower Lease	A-11	99,000.00		104,666.29	5,666.29
Monmouth County Lease of Facility	A-11	150,000.00		150,000.00	
General Capital Surplus	A-11	65,000.00		65,000.00	
FEMA Reimbursement - Hurricane Sandy	A-11	91,970.75		91,970.75	
EMS Program	A-11	500,000.00		618,191.20	118,191.20
Recycling Tonnage Grant	A-25	39,391.69		39,391.69	
Drunk Driving Enforcement Fund	A-25	11,003.24		11,003.24	
Municipal Alliance on Alcoholism and Drug Abuse - State	A-25	63,915.00		63,915.00	
Federal Emergency Management Assistance	A-25	10,000.00		10,000.00	
Older Americans Act	A-25	25,000.00		25,000.00	
Interfaith Neighbors - Senior Meal Program	A-25	22,308.00		22,308.00	
Cops in Shops	A-25	3,080.00		3,080.00	
NJSP HMEP Training Grant	A-25	12,000.00		12,000.00	
SCHLIP Program (Code Enforcement)	A-25	19,000.00		19,000.00	
Cops in Shops - Summer Shore Initiative	A-25	4,400.00		4,400.00	

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, 2018

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S.A. 40A:4-87</u>		
NJBPU Micro-Grid Project	A-25	\$ 150,000.00		\$ 150,000.00	
NJDCA State Local Cooperative Housing Inspection Program	A-25		\$ 1,300.00	1,300.00	
Municipal Alcohol Education/Rehabilitation program	A-25		8,714.66	8,714.66	
Clean Communities Program	A-25		63,505.49	63,505.49	
2018 Pedestrian Safety Education/Enforcement Fund	A-25		6,500.00	6,500.00	
Edward Byrne Memorial Justice Assistance Grant (JAG)	A-25		14,669.00	14,669.00	
Edward Byrne Memorial Justice Assistance Grant (JAG)	A-25		51,398.00	51,398.00	
Total Miscellaneous Revenues	A-1	9,917,050.57	146,087.15	10,418,972.80	\$ 355,835.08
Receipts from Delinquent Taxes	A-1/A-2	1,242,326.93		1,275,612.57	33,285.64
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-8	29,638,868.70		31,068,532.94	1,429,664.24
Minimum Library Tax	A-8	1,349,769.16		1,349,769.16	
Total Amount to be Raised by Taxes	A-2	30,988,637.86		32,418,302.10	1,429,664.24
Non-Budget Revenues	A-1/A-2			872,598.95	872,598.95
Total		\$ 44,522,117.52	\$ 146,087.15	\$ 47,359,588.58	\$ 2,691,383.91
	<u>Ref.</u>	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, 2018

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	A-1/A-8	\$ 83,636,706.04
Allocated to School, County and Fire District Taxes	A-8	53,418,403.94

Balance for Support of Municipal Budget Appropriations		30,218,302.10
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Add:

Reserve for Uncollected Taxes	A-3	2,200,000.00
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Amount for Support of Municipal Budget Appropriations	A-2	\$ 32,418,302.10
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	A-8	\$ 1,267,414.83
Tax Title Lien	A-9	8,197.74

	A-2	\$ 1,275,612.57
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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, 2018

Analysis of Non-Budget Revenues:

Canister Rentals	\$ 8,541.71
Tires	1,171.00
Recycling	13,177.70
DPW - Freon	3,939.90
Copies	65.20
Planning Board	29,009.00
Employee Reimbursements - Cell Phones	420.00
Sale of Maps	6.00
Workman's Compensation Refunds	14,273.53
Variance - Board of Adjustment	13,760.00
Found Monies - Police	1,409.38
ID Cards - Police	229.00
Returned Checks	560.00
Copies - Clerk's Office	644.15
State Administration Fee - Senior Citizen and Veterans	4,297.29
Other Unanticipated	18,689.09
Sale of Trash Cans	6,310.00
Prescription Rebates	180.92
DMV Inspection Fines	1,148.67
ATM Revenue	543.51
Sale of Bid Documents	1,345.00
Attorney Fees	7,417.69
Vending Revenue	317.22
Duplicate Bill	1,010.00
HPC Application Fees	2,185.00
Green Recycling Cans	4,410.00
Vacant Property Registration Fee	46,583.41
FEMA - Jonas	53,947.31

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, 2018

Analysis of Non-Budget Revenues (continued):

Abating Charges	A-12	\$	40,797.07
Payments in Lieu of Taxes on Real Property			448,695.09
CDBG-DR Grant Non-Federal Cost Share			33,173.78
Neptune City-Brush Pickup			31,025.92
Clean Energy Smart Program			6,600.00
Tax Sale Premiums Forfeited			7,600.00
Bill Board Lease			2,400.00
Salary & Wage Reimbursement - OEM Deployment			66,715.41
Refunds			
			<hr/>
	A-2/A-5	\$	<u><u>872,598.95</u></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, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over- Expenditure</u>
Operations Within CAPS						
General Government Functions:						
General Administration						
Salaries and Wages	\$ 241,500.00	\$ 239,000.00	\$ 237,956.68	\$ 1,043.32		
Other Expenses	96,000.00	87,500.00	84,723.22	2,776.78		
Human Resources						
Salaries and Wages	91,500.00	87,500.00	85,482.56	2,017.44		
Other Expenses	6,000.00	6,000.00	2,605.17	3,394.83		
Municipal Clerk						
Salaries and Wages	217,500.00	221,000.00	220,901.52	98.48		
Other Expenses	28,000.00	28,000.00	27,828.80	171.20		
Financial Administration						
Salaries and Wages	351,000.00	348,350.00	338,485.05	9,864.95		
Other Expenses	97,500.00	95,000.00	93,772.63	1,227.37		
Audit Services						
Other Expenses	46,000.00	46,000.00	46,000.00			
Computerized Data Processing						
Salaries and Wages	147,500.00	147,500.00	145,167.92	2,332.08		
Other Expenses	25,000.00	29,000.00	28,502.37	497.63		
Revenue Administration						
Salaries and Wages	396,000.00	391,000.00	390,999.94	0.06		
Other Expenses	31,000.00	26,000.00	21,415.40	4,584.60		
Tax Assessment Administration						
Salaries and Wages	235,000.00	221,500.00	220,832.10	667.90		
Other Expenses	7,900.00	7,900.00	7,228.46	671.54		
Legal Services						
Other Expenses	600,000.00	1,040,000.00	920,630.39	119,369.61		

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, 2018

		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over- Expenditure</u>
Engineering Services							
Salaries and Wages	\$	261,000.00	\$ 211,000.00	\$ 206,890.19	\$ 4,109.81		
Other Expenses		80,000.00	72,500.00	66,924.08	5,575.92		
Economic Development							
Salaries and Wages		4,000.00					
Other Expenses		2,500.00	2,500.00	857.50	1,642.50		
Land Use Administration:							
Planning Board							
Salaries and Wages		54,000.00	54,000.00	52,838.76	1,161.24		
Other Expenses		14,750.00	14,750.00	13,613.79	1,136.21		
Historic Preservation Committee							
Salaries and Wages		9,100.00	11,600.00	9,178.96	2,421.04		
Other Expenses		27,200.00	22,200.00	22,171.54	28.46		
Zoning Board of Adjustment							
Other Expenses		13,100.00	10,100.00	7,448.13	2,651.87		
Land Use Administration Office							
Salaries and Wages		106,000.00	103,000.00	104,263.61			\$ 1,263.61
Other Expenses		2,250.00	2,250.00	2,021.02	228.98		
Community Programs							
Other Expenses		2,000.00					
Code Enforcement and Administration:							
Code Enforcement							
Salaries and Wages		252,000.00	218,000.00	217,752.60	247.40		
Other Expenses		12,000.00	7,000.00	6,853.29	146.71		
Mercantile Licensing							
Salaries and Wages		7,300.00	7,450.00	7,429.26	20.74		
Other Expenses		13,000.00	10,000.00	5,625.45	4,374.55		

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, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over- Expenditure</u>
Insurance						
Liability Insurance	\$ 395,000.00	\$ 374,000.00	\$ 372,805.50	\$ 1,194.50		
Workers Compensation Insurance	410,000.00	386,500.00	385,364.00	1,136.00		
Employee Group Insurance	6,077,500.00	6,137,500.00	6,116,513.46	20,986.54		
Health Benefit Waivers	35,000.00	35,000.00	35,000.00			
Public Safety Functions:						
Police Department						
Salaries and Wages	10,550,000.00	10,400,000.00	10,194,367.57	205,632.43		
Other Expenses	325,000.00	325,000.00	323,110.20	1,889.80		
Homeland Security Expenses	10,000.00					
Office of Emergency Management						
Salaries and Wages	5,000.00	5,000.00	4,685.01	314.99		
Other Expenses	50,000.00	50,000.00	49,641.86	358.14		
Homeland Security Expenses	10,000.00	10,000.00	8,083.35	1,916.65		
Emergency Medical Services:						
Salaries and Wages	410,000.00	410,000.00	405,338.36	4,661.64		
Other Expenses	72,000.00	72,000.00	71,460.33	539.67		
Aid to Volunteer Ambulance Companies						
Other Expenses	40,000.00	40,000.00	40,000.00			
Municipal Prosecutor's Office						
Salaries and Wages	40,000.00	40,000.00	39,593.76	406.24		
Public Works Functions:						
Streets and Roads Maintenance						
Salaries and Wages	925,000.00	780,000.00	764,188.92	15,811.08		
Other Expenses	195,000.00	245,000.00	244,651.44	348.56		
Administration of Public Works						
Salaries and Wages	231,500.00	231,500.00	229,749.63	1,750.37		
Other Expenses	19,000.00	16,500.00	16,478.68	21.32		

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, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over- Expenditure</u>
Solid Waste Collection						
Salaries and Wages	\$ 1,100,000.00	\$ 1,080,000.00	\$ 1,069,580.98	\$ 10,419.02		
Other Expenses	20,000.00	20,000.00	19,668.01	331.99		
Building and Grounds						
Salaries and Wages	390,000.00	415,000.00	414,393.68	606.32		
Other Expenses	130,000.00	120,000.00	116,908.83	3,091.17		
Vehicle Maintenance						
Other Expenses	1,210,000.00	1,180,000.00	1,170,474.34	9,525.66		
Health and Human Services:						
Public Health Services						
Salaries and Wages	135,000.00	120,500.00	118,927.43	1,572.57		
Other Expenses	6,900.00	6,900.00	6,892.36	7.64		
Environmental and Shade Tree Committee						
Salaries and Wages	1,700.00	1,950.00	1,933.63	16.37		
Other Expenses	6,500.00	6,250.00	2,883.30	3,366.70		
Animal Control Services						
Other Expenses	88,000.00	88,000.00	82,344.19	5,655.81		
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	200,000.00	200,000.00	198,637.94	1,362.06		
Other Expenses	41,000.00	36,000.00	34,565.00	1,435.00		
Senior Citizens Programs						
Salaries and Wages	295,000.00	309,000.00	309,000.00			
Other Expenses	105,000.00	105,000.00	103,657.39	1,342.61		
Maintenance of Parks						
Other Expenses	165,000.00	154,000.00	145,892.83	8,107.17		

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, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over- Expenditure</u>
Publicity and Tourism						
Salaries and Wages	\$ 14,000.00	\$ 14,000.00	\$ 13,288.32	\$ 711.68		
Other Expenses	43,500.00	43,500.00	42,000.00	1,500.00		
Celebration of Public Events						
Other Expenses	8,000.00	8,000.00	6,523.38	1,476.62		
Utility Expenses and Bulk Purchases:						
Electricity	205,000.00	205,000.00	204,905.70	94.30		
Street Lighting	220,000.00	220,000.00	218,797.69	1,202.31		
Telephone	155,000.00	155,000.00	151,114.16	3,885.84		
Water	50,000.00	50,000.00	38,221.00	11,779.00		
Gas (Natural)	100,000.00	100,000.00	85,789.54	14,210.46		
Telecommunications Costs	100,000.00	100,000.00	98,396.42	1,603.58		
Gasoline	290,000.00	265,000.00	256,798.99	8,201.01		
Landfill / Solid Waste Disposal Costs:						
Landfill and Solid Waste Disposal Costs	1,325,000.00	1,325,000.00	1,322,211.70	2,788.30		
Municipal Court						
Salaries and Wages	325,000.00	322,500.00	306,492.14	16,007.86		
Other Expenses	24,000.00	26,500.00	26,194.58	305.42		
Public Defender (P.L. 1997, c.256)						
Salaries and Wages	11,000.00	11,000.00	10,998.68	1.32		
Uniform Construction Code Enforcement Functions						
Salaries and Wages	526,000.00	557,000.00	556,978.51	21.49		
Other Expenses	24,400.00	21,900.00	21,446.30	453.70		
Total Operations Within CAPS	30,606,600.00	30,606,600.00	30,067,349.48	540,514.13		
Contingent						\$ 1,263.61

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, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over- Expenditure</u>
Total Operations Including Contingent Within CAPS	\$ 30,606,600.00	\$ 30,606,600.00	\$ 30,067,349.48	\$ 540,514.13		\$ 1,263.61
Detail:						
Salaries and Wages	17,532,600.00	17,158,350.00	16,876,333.71	283,279.90		1,263.61
Other Expenses	13,074,000.00	13,448,250.00	13,191,015.77	257,234.23		
Deferred Charges and Statutory Expenditures Within CAPS						
Statutory Expenditures:						
Public Employees' Retirement System	906,105.00	906,105.00	906,105.00			
Social Security System (O.A.S.I.)	820,000.00	820,000.00	796,844.43	23,155.57		
Police and Firemen's Retirement System	2,173,978.00	2,173,978.00	2,173,978.00			
Unemployment Insurance	15,000.00	15,000.00	15,000.00			
Defined Contribution Retirement Program	4,000.00	4,000.00	2,500.00	1,500.00		
Deferred Charges and Statutory Expenditures Within CAPS	3,919,083.00	3,919,083.00	3,894,427.43	24,655.57		
Total Appropriations Within CAPS	34,525,683.00	34,525,683.00	33,961,776.91	565,169.70		1,263.61
Operations Excluded from CAPS						
Aid to Free Public Library	1,349,769.16	1,349,769.16	1,288,922.93	60,846.23		
Recycling Tax	65,000.00	65,000.00	45,106.45	19,893.55		
Interlocal Municipal Service Agreements						
Liability, Workers Comp., & Prop. Ins. - NFD & OGF	162,000.00	162,000.00	162,000.00			
Neptune BOE GREAT Program - Police						
Salaries and Wages	25,000.00	25,000.00	25,000.00			
Community Notification System	11,200.00	11,200.00	11,200.00			

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, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over- Expenditure</u>
ANSWER Water Rescue Team	\$ 8,000.00	\$ 8,000.00	\$ 7,243.88	\$ 756.12		
Monmouth County - EMS						
Salaries and Wages	6,000.00	6,000.00	6,000.00			
Fleet Maintenance - Allenhurst, NFD,OGFD, Neptune BoE	147,800.00	147,800.00	146,285.91	1,514.09		
Neptune BOE Newsletter Cooperative	17,000.00	17,000.00	7,600.00	9,400.00		
Prisoner Processing / Jail Program						
Salaries and Wages	28,000.00	28,000.00	28,000.00			
Monmouth County 9-1-1 Services	415,000.00	415,000.00	414,609.04	390.96		
Monmouth County Tax Assessment Program	7,500.00	7,500.00	3,898.32	3,601.68		
Monmouth County Personnel Loan (9-1-1 Operator)						
Salaries and Wages	71,000.00	71,000.00	69,794.48	1,205.52		
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	11,003.24	11,003.24	11,003.24			
Recycling Tonnage Grant	39,391.69	39,391.69	39,391.69			
New Jersey Micro-Grid Project (NJBPU)	150,000.00	150,000.00	150,000.00			
2019 Pedestrian Safety Enforcement		6,500.00	6,500.00			
Federal Emergency Management Services						
Federal Share	10,000.00	10,000.00	10,000.00			
Municipal Match	10,000.00	10,000.00	10,000.00			
DEDR - Drug and Alcohol Alliance - State Share	63,915.00	63,915.00	63,915.00			
DEDR - Drug and Alcohol Alliance - Municipal Share	15,978.75	15,978.75	15,978.75			
Supplemental Fire Services Grant	41,668.00	41,668.00	41,668.00			
Cops in Shops	3,080.00	3,080.00	3,080.00			
Interfaith Neighbors - Sr. Ctr. Meals Program						
Salaries and Wages	48,325.00	48,325.00	48,325.00			

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, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over- Expenditure</u>
NJSP HMEP Training Grant	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00			
COPS in Shops - Summer Shore Initiative	4,400.00	4,400.00	4,400.00			
Matching Funds for Grants	5,000.00	5,000.00		\$ 5,000.00		
SCHLIP Program (Code Enforcement) S & W						
Salaries and Wages	19,000.00	19,000.00	19,000.00			
NJDCA State Local Cooperative Housing Inspection Program		1,300.00	1,300.00			
Municipal Alcohol Education/Rehabilitation program		8,714.66	8,714.66			
Clean Communities Program		63,505.49	63,505.49			
Edward Byrne Memorial Justice Assistance Grant (JAG)		14,669.00	14,669.00			
Edward Byrne Memorial Justice Assistance Grant (JAG)		51,398.00	51,398.00			
Total Operations - Excluded from CAPS	2,960,030.84	3,106,117.99	3,003,509.84	102,608.15		
Detail:						
Salaries and Wages	410,325.00	410,325.00	409,119.48	1,205.52		
Other Expenses	2,549,705.84	2,695,792.99	2,594,390.36	101,402.63		
Capital Improvements Excluded from CAPS						
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			
Municipal Debt Service Excluded from CAPS						
Payment of Bond Principal	2,070,000.00	2,070,000.00	2,070,000.00			
Payment of Ban Antic. Notes and Capital Notes	5,000.00	5,000.00			\$ 5,000.00	
Interest on Bonds	973,015.83	973,015.83	973,010.90		4.93	
Interest on Notes	75,000.00	75,000.00	67,607.92		7,392.08	

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, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Canceled</u>	<u>Over- Expenditure</u>
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	1,149,160.00	1,149,160.00	1,149,160.00			
Interest	182,232.85	182,232.85	182,222.05		10.80	
Total Municipal Debt Service Excluded from CAPS	4,535,908.68	4,535,908.68	4,523,481.11		12,427.57	
Deferred Charges Excluded from CAPS						
Special Emergency Authorizations - 5 Years	200,000.00	200,000.00	200,000.00			
Ordinance #1245	291.00	291.00	291.00			
Ordinance #13-14	104.00	104.00	104.00			
Ordinance #13-23	100.00	100.00	100.00			
Total Deferred Charges Excluded from CAPS	200,495.00	200,495.00	200,495.00			
Total General Appropriations Excluded from CAPS	7,796,434.52	7,942,521.67	7,827,485.95	\$ 102,608.15	12,427.57	
Subtotal General Appropriations	42,322,117.52	42,468,204.67	41,789,262.86	667,777.85	12,427.57	\$ 1,263.61
Reserve for Uncollected Taxes	2,200,000.00	2,200,000.00	2,200,000.00			
Total General Appropriations	\$ 44,522,117.52	\$ 44,668,204.67	\$ 43,989,262.86	\$ 667,777.85	\$ 12,427.57	\$ 1,263.61
Ref.	A-2	A-3	A-1/A-3	A		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, 2018

	<u>Ref.</u>	<u>Budget After Modification</u>
Budget	A-2	\$ 44,522,117.52
Added by N.J.S. 40A:4-87	A-2	<u>146,087.15</u>
	A-3	<u>\$ 44,668,204.67</u>
		<u>Paid or Charged</u>
Reserve for Uncollected Taxes	A-2	\$ 2,200,000.00
Disbursements	A-4	39,919,999.30
Reserve for Encumbrances	A-16	922,587.73
Deferred Charges - Special Emergency	A-28	200,000.00
Deferred Charges - General Capital Fund	A-13	495.00
Appropriated Reserves for Federal and State Grants	A-13/A-26	<u>746,180.83</u>
	A-3	<u>\$ 43,989,262.86</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Animal Control Trust Fund:			
Cash	B-1	\$ 31,945.53	\$ 15,279.53
Trust Other Fund:			
Cash	B-1	4,624,453.51	4,804,706.07
Interfund - Grant Fund	B-4	28,588.68	29,088.68
		4,653,042.19	4,833,794.75
		\$ 4,684,987.72	\$ 4,849,074.28
 LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Trust Fund:			
Reserve for Animal Control Expenditures	B-2	\$ 24,788.73	\$ 7,527.22
Due to State of New Jersey	B-3	31.80	258.00
Reserve for Encumbrances	B-8	7,125.00	7,494.31
		31,945.53	15,279.53
Trust Other Fund:			
Interfund - Current Fund	B-4		34,673.06
Interfund - Sewer Operating Fund	B-4		14,779.26
Reserve for Escrow Funds	B-5	1,381,515.53	1,287,001.63
Various Reserves	B-6	1,837,274.68	1,827,042.24
Reserve for Encumbrances	B-7	200,220.91	137,445.73
Reserve for Tax Collector's Trust	B-9	1,178,659.81	1,483,925.15
Reserve for Unclaimed Moneys	B-10	55,371.26	48,927.68
		4,653,042.19	4,833,794.75
		\$ 4,684,987.72	\$ 4,849,074.28

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash	C-2	\$ 6,251,251.57	\$ 8,684,459.80
Interfund - Current Fund	C-4	495.00	
Grants Receivable	C-5	4,603,046.94	3,869,440.85
Deferred Charges to Future Taxation:			
Funded	C-6	22,752,942.38	24,901,534.53
Unfunded	C-7	5,386,289.00	2,614,931.13
Due from Ocean Grove Camp Meeting Association			
Association	C-10		48,023.13
		<u>\$ 38,994,024.89</u>	<u>\$ 40,118,389.44</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Reserve for Encumbrances	C-11	\$ 2,892,125.93	\$ 2,554,527.31
Green Trust Loans Payable	C-12	652,942.38	731,534.53
General Serial Bonds	C-13	22,100,000.00	24,170,000.00
Bond Anticipation Notes	C-14	3,368,913.00	4,647,500.00
Improvement Authorizations:			
Funded	C-8	5,633,198.00	5,927,272.86
Unfunded	C-8	3,887,054.69	1,855,613.80
Capital Improvement Fund	C-9	41,616.95	55,639.75
Reserve for: Due from Ocean Grove			
Camp Meeting Association	C-10		48,023.13
Reserve for Borough of Bradley Beach Interlocal	C	142,000.00	
Various Reserves	C-15	21,530.74	63,237.58
Fund Balance	C-1	<u>254,643.20</u>	<u>65,040.48</u>
		<u>\$ 38,994,024.89</u>	<u>\$ 40,118,389.44</u>

There were bonds and notes authorized but not issued on December 31, 2018 of \$2,017,376.00 (Exhibit C-16)

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

For the Year Ended December 31, 2018

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 65,040.48
Increased by:		
Canceled Improvement Authorizations	C-8	254,602.72
		<u>319,643.20</u>
Decreased by:		
Utilized as Revenue in the Current Fund	C-2	65,000.00
		<u>65,000.00</u>
Balance, December 31, 2018	C	<u><u>\$ 254,643.20</u></u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 7,212,403.70	\$ 6,987,642.19
Change Fund	D	200.00	200.00
Investment in General Capital Fund Notes	D	816,413.00	
Investment in Marina Capital Fund Notes	D	67,450.00	
Interfund - Current Fund	D-15		13,332.20
Interfund - Trust Fund	D-15		14,779.26
Interfund - Marina Utility Operating Fund	D-15		65,175.59
		<u>8,096,466.70</u>	<u>7,081,129.24</u>
Deferred Charges:			
Overexpenditure of Appropriations	D-7		63,787.17
			<u>63,787.17</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-8	408,766.59	550,480.06
OGSA Obligation Receivable	D-24	72,468.92	108,703.38
		<u>481,235.51</u>	<u>659,183.44</u>
Total Operating Fund		<u>8,577,702.21</u>	<u>7,804,099.85</u>
<u>Capital Fund</u>			
Cash	D-5	2,713,992.58	3,218,553.17
Fixed Capital	D-10	20,048,840.79	20,048,840.79
Fixed Capital Authorized and Uncompleted	D-11	7,088,500.00	5,688,500.00
Total Capital Fund		<u>29,851,333.37</u>	<u>28,955,893.96</u>
Total Assets		<u>\$ 38,429,035.58</u>	<u>\$ 36,759,993.81</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

LIABILITIES, RESERVES AND FUND BALANCE	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>Operating Fund</u>			
Appropriation Reserves	D-4/D-12	\$ 402,799.57	\$ 692,065.69
Reserve for Encumbrances	D-13	204,985.34	40,890.89
Customer Overpayments	D-14	23,957.53	18,200.24
Accrued Interest Payable	D-16	66,626.40	75,765.01
Accounts Payable	D-9		299.99
Reserve for FEMA Reimbursement	D	190,816.62	7,198.91
		<u>889,185.46</u>	<u>834,420.73</u>
Reserve for Receivable	D	481,235.51	659,183.44
Fund Balance	D-1	<u>7,207,281.24</u>	<u>6,310,495.68</u>
Total Operating Fund		<u>8,577,702.21</u>	<u>7,804,099.85</u>
<u>Capital Fund</u>			
Serial Bonds	D-17	4,662,000.00	5,087,000.00
Reserve for Encumbrances	D-18	173,462.24	77,285.25
Improvement Authorizations:			
Funded	D-19	1,881,847.27	2,330,277.99
Unfunded	D-19	971,288.37	
Capital Improvement Fund	D-20	599,258.25	419,258.25
Reserve for Amortization	D-21	18,807,008.58	18,612,345.08
Deferred Reserve for Amortization	D-22	1,582,567.28	1,218,093.08
Loans Payable	D-23	755,514.93	819,652.63
Reserve for FEMA Reimbursement	D	215,892.76	215,892.76
Reserve for Debt Service	D	235.02	235.02
Fund Balance	D-2	<u>202,258.67</u>	<u>175,853.90</u>
Total Capital Fund		<u>29,851,333.37</u>	<u>28,955,893.96</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 38,429,035.58</u>	<u>\$ 36,759,993.81</u>

There were bonds and notes authorized but not issued on December 31, 2018 of \$1,330,250.00 (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 STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS

For the Years Ended December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	\$ 532,928.18	\$ 216,312.08
Sewer Rents	D-3	6,138,136.34	5,945,477.38
Interest on Rents	D-3	54,274.43	53,222.48
Interest on Investments	D-3	11,975.14	6,908.42
Contract - Ocean Grove Sewer Authority	D-3	88,375.84	93,309.08
Contract - Borough of Tinton Falls	D-3	806,728.80	779,724.44
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
CDBG-DR Grant Non-Federal Cost Share	D-3		33,687.92
Penn Station - OGSA Obligation	D-3	36,234.46	36,234.46
Other Credits to Income:			
Miscellaneous Revenue Not Anticipated	D-3	71,869.24	96,326.67
Cancelled Accounts Payable	D-9	299.99	79,742.89
Unexpended Balance of Appropriation Reserves	D-12	687,553.84	189,881.09
Sewer Overpayments Cancelled	D-14	11,286.42	184.00
Total Revenue		<u>8,509,662.68</u>	<u>7,601,010.91</u>
Expenditures:			
Operating	D-4	5,632,311.10	5,634,500.00
Capital Improvements	D-4	450,000.00	500,000.00
Debt Service	D-4	837,850.67	562,114.56
Deferred Charges	D-4	63,787.17	90,000.00
Statutory Expenditures	D-4	96,000.00	87,000.00
Total Expenditures		<u>7,079,948.94</u>	<u>6,873,614.56</u>
Excess/(Deficit) in Revenue		1,429,713.74	727,396.35
Add: Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Year:			
Overexpenditure of Appropriations	D-4		<u>62,575.80</u>
Statutory Excess to Fund Balance		1,429,713.74	789,972.15
Fund Balance January 1	D	<u>6,310,495.68</u>	<u>5,736,835.61</u>
		7,740,209.42	6,526,807.76
Decreased by:			
Utilization as Anticipated Revenue	D-1	<u>532,928.18</u>	<u>216,312.08</u>
Fund Balance December 31	D	<u>\$ 7,207,281.24</u>	<u>\$ 6,310,495.68</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

For the Year Ended December 31, 2017

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 175,853.90
Increased by:		
Funded Improvement Authorizations Cancelled	D-19	26,404.77
Balance, December 31, 2018	D	\$ 202,258.67

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, 2018

	<u>Ref.</u>	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Surplus Anticipated	D-1	\$ 532,928.18	\$ 532,928.18	
Sewer Rent	D-1/D-3	5,700,000.00	6,138,136.34	\$ 438,136.34
Interest on Sewer Rent	D-1/D-5	50,000.00	54,274.43	4,274.43
Interest on Investments	D-1/D-5	3,000.00	11,975.14	8,975.14
Contract - Ocean Grove Sewer Authority	D-1/D-5	65,000.00	88,375.84	23,375.84
Contract - Borough of Tinton Falls	D-1/D-5	650,000.00	806,728.80	156,728.80
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/D-24	36,000.00	36,234.46	234.46
Miscellaneous Revenue Not Anticipated	D-1/D-3		71,869.24	71,869.24
		<u>\$ 7,106,928.18</u>	<u>\$ 7,810,522.43</u>	<u>\$ 703,594.25</u>
	<u>Ref.</u>			
	D-4			
<u>Analysis of Miscellaneous Revenue Not Anticipated</u>				
Sewer Connection Fees			\$ 18,593.00	
Sewer Openings			550.00	
Sewerage Authority 2% Escrow			48,000.00	
T.O.S.A. Agreement			4,140.00	
Miscellaneous			<u>586.24</u>	
	D-3/D-5		<u>\$ 71,869.24</u>	
<u>Analysis of Rents</u>				
Sewer Rents Collected	D-8		\$ 6,123,051.42	
Overpayments Applied	D-8		<u>15,084.92</u>	
	D-3		<u>\$ 6,138,136.34</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, 2018

	Appropriated		Expended		Unexpended Balance Cancelled	
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operating:						
Salaries and Wages	\$ 585,000.00	\$ 585,000.00	\$ 507,980.77	\$ 77,019.23		
Other Expenses	758,500.00	758,500.00	748,197.20	10,302.80		
TNSA - Annual Charge	4,140,000.00	4,088,811.10	3,785,346.24	303,464.86		
Group Insurance for Employees	200,000.00	200,000.00	200,000.00			
Capital Improvements:						
Capital Improvement Fund	250,000.00	250,000.00	250,000.00			
Capital Outlay	200,000.00	200,000.00	197,203.27	2,796.73		
Debt Service:						
Payment of Bond Principal	425,000.00	425,000.00	425,000.00			
Interest on Bonds	150,168.33	201,357.23	201,357.23			
Interest on Notes	1,000.00	1,000.00			\$ 1,000.00	
Capital Lease Program	143,000.00	143,000.00	138,793.65		4,206.35	
NJEIT - Loan	73,400.00	73,400.00	72,699.79		700.21	
Deferred Charges and Statutory Expenditures						
Deferred Charges						
Overexpenditure Interest on Bonds	84,859.85	84,859.85	63,787.17		21,072.68	
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	50,000.00	50,000.00	49,999.81	0.19		
Social Security System (O.A.S.I.)	45,000.00	45,000.00	35,784.24	9,215.76		
Unemployment Compensation Insurance	1,000.00	1,000.00	1,000.00			
	<u>\$ 7,106,928.18</u>	<u>\$ 7,106,928.18</u>	<u>\$ 6,677,149.37</u>	<u>\$ 402,799.57</u>	<u>\$ 26,979.24</u>	
	Ref.	D-3	D-3	D-1	D/D-1	D-1
Cash Disbursed	D-5			\$ 6,198,457.54		
Deferred Charges - Overexpenditure	D-7			63,787.17		
Reserve for Encumbrances	D-13			204,985.34		
Accrued Interest Payable	D-16			209,919.32		
	D-4			<u>\$ 6,677,149.37</u>		

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY FUND
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>		<u>Ref.</u>	<u>2018</u>	<u>2017</u>
ASSETS				ASSETS			
<u>Operating Fund</u>				<u>Capital Fund</u>			
Cash	E-5	\$ 359,715.27	\$ 224,877.70	Cash	E-5/E-6	\$ 294,188.05	\$ 288,551.62
Change Fund	E	50.00	50.00	Fixed Capital	E-8	7,465,188.86	5,880,400.00
Grants Receivable	E		93.04	Fixed Capital Authorized and Uncompleted	E-9	2,900,000.00	4,490,000.00
Interfund - Marina Utility Capital Fund	E-7	<u>712,081.97</u>	<u>800,500.00</u>	Grants Receivable	E-21	712,081.97	742,703.72
				Interfund - Federal and State Grant Fund	E-18		<u>39,750.00</u>
		<u>1,071,847.24</u>	<u>1,025,520.74</u>				
Total Assets		<u>\$ 1,071,847.24</u>	<u>\$ 1,025,520.74</u>	Total Assets		<u>\$11,371,458.88</u>	<u>\$11,441,405.34</u>
LIABILITIES, RESERVES AND FUND BALANCE				LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	E-4/E-10	\$ 25,279.78	\$ 11,904.06	Serial Bonds	E-14	\$ 964,000.00	\$ 1,063,000.00
Reserve for Encumbrances	E-11	6,836.08	7,228.57	Bond Anticipation Notes	E-15	1,189,850.00	1,132,900.00
Accounts Payable	E-12	506.25	506.25	Improvement Authorizations:			
Accrued Interest Payable	E-13	15,575.25	14,600.47	Unfunded	E-16	41,351.96	51,392.84
Sales Taxes Payable	E-22	3,310.27	2,568.23	Reserve for Encumbrances	E-16	53,422.46	107,360.01
Reserve for FEMA Reimbursement	E-25	769,760.31	769,760.31	Capital Improvement Fund	E-17	78,950.00	63,950.00
Interfund - Sewer Utility Operating Fund	E-26	<u></u>	<u>65,175.59</u>	Reserve for Amortization	E-19	5,952,100.00	5,058,900.00
				Deferred Reserve for Amortization	E-20	2,259,650.00	3,048,150.00
		<u>821,267.94</u>	<u>871,743.48</u>	Reserve for Reconstruction	E-23	100,000.00	100,000.00
Fund Balance	E-1	<u>250,579.30</u>	<u>153,777.26</u>	Interfund - Marina Utility Operating Fund	E-24	712,081.97	800,500.00
				Fund Balance	E-2	<u>20,052.49</u>	<u>15,252.49</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 1,071,847.24</u>	<u>\$ 1,025,520.74</u>	Total Liabilities, Reserves and Fund Balance		<u>\$11,371,458.88</u>	<u>\$11,441,405.34</u>

Bonds and notes authorized but not issued on December 31, 2018 is \$0.00 (Exhibit E-27).

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

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

For the Years Ended December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Revenue and Other Income Realized:			
Marina Fees and Costs	E-3	\$ 497,726.83	\$ 475,982.20
FEMA Disaster Assistance-Hurricane Sandy	E-3	51,678.81	212,671.46
Interest on Investments	E-3	656.19	819.06
CDBG-DR Non-Federal Cost Share	E-3		16,031.00
Miscellaneous	E-3	435.28	12,756.51
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-10	16,037.59	11,193.39
Accounts Payable Cancelled	E-12		1,045.00
Deferred Charge Cancelled			1,089.27
		<hr/>	<hr/>
Total Revenue		566,534.70	731,587.89
		<hr/>	<hr/>
Expenditures:			
Operating	E-4	177,800.00	173,650.00
Capital Improvements	E-4	25,000.00	15,181.00
Debt Service	E-4	257,839.62	278,989.30
Deferred Charges	E-4		150,521.46
Statutory Expenditures	E-4	9,000.00	8,500.00
Cancelled Grant Receivable	E	93.04	
		<hr/>	<hr/>
Total Expenditures		469,732.66	626,841.76
		<hr/>	<hr/>
Excess/(Deficit) in Revenue		96,802.04	104,746.13
Fund Balance January 1	E	153,777.26	49,031.13
		<hr/>	<hr/>
Fund Balance December 31	E	<u>\$ 250,579.30</u>	<u>\$ 153,777.26</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
 STATEMENT OF FUND BALANCE - REGULATORY BASIS

For the Year Ended December 31, 2018

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 15,252.49
Increased by:		
Cancellation of Funded Improvement Authorizations	E-20	4,800.00
Balance, December 31, 2018	E	\$ 20,052.49

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, 2018

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Marina Fees and Costs	E-3	\$ 474,400.00	\$ 497,726.83	\$ 23,326.83
FEMA Disaster Assistance-Hurricane Sandy	E-1/E-5		51,678.81	51,678.81
Interest on Investments	E-1/E-5		656.19	656.19
Miscellaneous	E-1/E-5		435.28	435.28
		<u>\$ 474,400.00</u>	<u>\$ 550,497.11</u>	<u>\$ 76,097.11</u>
<u>Analysis of Marina Fees and Costs</u>				
Summer Dockage			\$ 409,900.07	
Winter Storage Fees			57,013.76	
Ramp Fees			15,365.00	
Launching/Haul Out			2,841.50	
Summer Land Storage			12,606.50	
	E-1/E-5		<u>\$ 497,726.83</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 EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2018

	<u>Appropriated</u>		<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 95,500.00	\$ 95,500.00	\$ 87,093.56	\$ 8,406.44	
Other Expenses	82,300.00	82,300.00	75,591.18	6,708.82	
Capital Improvements:					
Capital Improvement Fund	15,000.00	15,000.00	15,000.00		
Capital Outlay	10,000.00	10,000.00		10,000.00	
Debt Service:					
Payment of Bond Principal	99,000.00	99,000.00	99,000.00		
Payment of Bond Anticipation and Capital Notes	10,500.00	10,500.00	10,500.00		
Interest on Bonds	48,000.00	48,000.00	47,679.45		\$ 320.55
Interest on Notes	25,000.00	25,000.00	20,640.09		4,359.91
MCIA Capital Equipment Lease Program - 2007	80,100.00	80,100.00	80,020.08		79.92
Statutory Expenditures:					
Public Employees' Retirement System	2,500.00	2,500.00	2,500.00		
Contribution to Social Security System (O.A.S.I.)	6,500.00	6,500.00	6,335.48	164.52	
	<u>\$ 474,400.00</u>	<u>\$ 474,400.00</u>	<u>\$ 444,359.84</u>	<u>\$ 25,279.78</u>	<u>\$ 4,760.38</u>
<u>Ref.</u>	E-3		E-1/E-4	E/E-1	
Analysis of Paid or Charged:					
Cash Disbursements	E-5		\$ 369,204.22		
Reserve for Encumbrances	E-11		6,836.08		
Accrued Interest Payable	E-13		<u>68,319.54</u>		
	E-4		<u>\$ 444,359.84</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 SHEETS - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash - Treasurer	F-1	\$ 666,907.87	\$ 641,855.95
Notes Receivable:			
Reciprocal Loans	F-2	113,405.82	138,547.87
Facade Improvement Loans	F-3	40,589.50	63,414.21
		<u>\$ 820,903.19</u>	<u>\$ 843,818.03</u>
LIABILITIES AND RESERVES			
Reserve for Loans Receivable:			
Reciprocal Loans	F-2	\$ 113,405.82	\$ 138,547.87
Facade Improvement Loans	F-3	40,589.50	63,414.21
Reserve for Loan and Grant Fund Expenditures	F-4	666,907.87	641,855.95
		<u>\$ 820,903.19</u>	<u>\$ 843,818.03</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
ASSETS			
Cash	G-1	\$ 19,359.70	\$ 19,340.35
		<u>\$ 19,359.70</u>	<u>\$ 19,340.35</u>
 LIABILITIES AND RESERVES			
Reserve for Public Assistance	G	\$ 19,359.70	\$ 19,340.35
		<u>\$ 19,359.70</u>	<u>\$ 19,340.35</u>

The accompanying notes are an integral part of this statement.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL FUND
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

As of December 31,

ASSETS	<u>2018</u>	<u>2017</u>
Cash	\$ 211,619.83	\$ 207,244.40
	<u>\$ 211,619.83</u>	<u>\$ 207,244.40</u>
LIABILITIES		
Pensions Payable	\$ 164,539.55	\$ 159,320.05
Miscellaneous	47,080.28	47,924.35
	<u>\$ 211,619.83</u>	<u>\$ 47,924.35</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 STATEMENTS OF GENERAL FIXED ASSETS
 REGULATORY BASIS

As of December 31,

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
General Fixed Assets:			
Land	I-1	\$ 18,230,797.52	\$ 18,230,797.52
Land Improvements	I-1	411,700.15	411,700.15
Buildings and Improvements	I-1	4,727,236.77	4,727,237.72
Machinery, Equipment and Vehicles	I-1	<u>20,110,810.24</u>	<u>19,003,061.59</u>
		<u>\$ 43,480,544.68</u>	<u>\$ 42,372,796.98</u>
 Investments in General Fixed Assets	 I-1	 <u>\$ 43,480,544.68</u>	 <u>\$ 42,372,796.98</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 1 SUMMARY OF ACCOUNTING POLICIES

This report includes the financial statements of the Township of Neptune (“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 Council. 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 based on management’s interpretation of Governmental Accounting Standards Board (“GASB”) Standard No. 61.

A. Reporting Entity

The Governmental Accounting Standards Board (“GASB”) has established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division of Local Government Services, Department of Community Affairs, State of New Jersey (“Division”) requires the financial statements of the Township of Neptune (“Township”) to be reported separately.

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

The financial statements of the Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of other organizations, inasmuch as their activities are administered by separate boards.

B. Basis of Presentation and Basis of Accounting

The financial statements are presented on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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 exhibits. This practice differs from GAAP.

The accounting principles and practices prescribed for municipalities by the Division differ in certain aspects 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.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 1 SUMMARY OF ACCOUNTING POLICIES

B. Basis of Presentation and Basis of Accounting (continued)

Fund Accounting - A fund is a self-balancing set of accounts. 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 (the "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 activities through the following separate funds which differ from the fund structure required by accounting principles generally accepted in the United States of America:

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

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

Animal Control Trust Fund - animal license revenues and expenditures.

Trust Other Fund - records the receipts, custodianship and disbursement of monies in accordance with the purpose for which each reserve was established.

General Capital Fund - records the receipt and disbursement of funds for the acquisition of general infrastructure and other capital facilities, other than those acquired through the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

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

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

Public Assistance 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 - utilized to account for land, buildings, machinery, equipment and vehicles that have been acquired by other governmental funds, other than utility funds.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (continued)

B. Basis of Presentation and Basis of Accounting (continued)

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 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.

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

C. 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 cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the act.

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

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (continued)

D. 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. The Township currently has no inventory.

E. 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.

F. 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.

G. Property Acquired for Taxes

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.

H. Interfunds

Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Revenue 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.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (continued)

I. 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, 2018 is set forth in Note 11.

J. Appropriation Reserves

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.

K. 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.

L. 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.

M. 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.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (continued)

N. 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.

O. Capital Leases

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.

P. General Fixed Assets

Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed asset reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to June 30, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the fiscal year, must be included in the Township's basic financial statements. The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (continued)

Q. Fixed Assets - Utility

Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

R. 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.

S. Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

In 2018, management adopted Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plan*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans.

In 2018, management adopted Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits

At December 31, 2018, the Township’s deposits had a carrying amount of \$32,250,067.48.

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 should not be relied on to protect intermingled trust funds, bail funds, withholdings from an employee’s salary or funds that may pass to the municipality upon the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2018, the Township’s bank balances of \$33,022,776.81 were exposed to custodial credit risk as follows:

Insured by FDIC	\$	1,367,158.46
Insured by GUDPA		30,706,023.06
Uninsured and Uncollateralized		<u>949,595.29</u>
 Total	 \$	 <u><u>33,022,776.81</u></u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 3 PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate (Per \$100 Assessed Valuation)	\$ 2.066	\$ 2.150	\$ 2.153
Apportionment of Tax Rate			
Municipality	0.793	0.823	0.820
County	0.294	0.290	0.294
Local School	0.979	1.037	1.039

Net Valuation Table

2018	\$ 3,906,392,700.00		
2017		\$ 3,615,695,800.00	
2016			\$ 3,537,256,010.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2018	\$ 84,859,219.13	\$ 83,636,706.04	98.55%
2017	81,838,221.55	80,560,291.87	98.43%
2016	80,338,226.28	79,171,861.63	98.54%

Delinquent Taxes and Tax Title Liens

<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>
2018	\$ 27,126.53	\$ 1,167,297.70	\$ 1,194,424.23	1.40%
2017	18,861.62	1,239,955.82	1,258,817.44	1.53%
2016	13,331.58	1,022,804.86	1,036,136.44	1.28%

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 3 PROPERTY TAXES

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

<u>Tax Year</u>	<u>Number of Liens</u>
2018	15
2017	10
2016	10

NOTE 4 PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of the property acquired by liquidation of tax title liens on December 31st, on the basis of the last assessed valuation of such properties, for the current and previous two years was as follows:

<u>Year</u>	<u>Amount</u>
2018	\$5,242,800.00
2017	5,242,800.00
2016	5,242,800.00

NOTE 5 SEWER UTILITY SERVICE CHARGES

The following is a three-year comparison of sewer utility service charges (rents) for the current and previous two years:

<u>Year</u>	<u>Levy</u>	<u>Prior Year Delinquent</u>	<u>Cash Collections</u>
2018	\$ 5,996,422.87	\$ 550,480.06	\$ 6,138,136.34
2017	5,993,406.39	502,551.05	5,944,787.63
2016	6,041,448.20	425,955.12	5,963,042.27

NOTE 6 BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2018, the Township had authorized but not issued bonds and notes as follows:

General Capital Fund Bonds and Notes	\$2,017,376.00
Sewer Utility Capital Fund Bonds and Notes	1,330,250.00
Marina Utility Capital Fund Bonds and Notes	-

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 7 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.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 7 LONG TERM DEBT (continued)

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

Purpose

General Serial Bonds

\$7,100,000.00 2011 General Obligation Bonds due in annual installments of \$500,000.00 through September 2026, interest rates ranging from 2.250% to 4.000%.	\$4,000,000.00
\$4,800,000.00 2012 Pooled Governmental Loan Refunding Revenue Bonds due in annual installments ranging from \$310,000.00 to \$495,000.00 through December 2025, interest rates ranging from 4.000% to 5.000%.	2,655,000.00
\$5,180,000.00 2013 Pooled Governmental Loan Revenue Bonds due in annual installments ranging from \$300,000.00 to \$400,000.00 through December 2029, interest rates ranging from 4.000% to 5.000%.	4,015,000.00
\$2,395,000.00 2016 Pooled Government Loan Refunding Bonds due in annual installments ranging from \$455,000.00 to \$520,000.00 through December 2022, interest rates ranging from 4.000% to 5.000%.	1,940,000.00
\$9,875,000.00 2017B Pooled Government Loan Revenue Bonds due in annual installments ranging from \$385,000.00 to \$770,000.00 through July 2034, interest rates ranging from 4.000% to 5.000%.	<u>9,490,000.00</u>
	<u><u>\$22,100,000.00</u></u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 7 LONG-TERM DEBT (continued)

Sewer Utility Bonds

\$1,310,000.00 2012 Pooled Governmental Loan Refunding Revenue Bonds due in annual installments ranging from \$105,000.00 to \$140,000.00 through December 2025, interest rates ranging from 4.000% to 5.000%.	\$840,000.00
\$291,000.00 2014 Pooled Governmental Loan Refunding Revenue Bonds due in annual installments ranging from \$58,000.00 to \$63,000.00 through December, 2021, interest rate of 5.000%.	182,000.00
\$1,005,000.00 2014 Pooled Governmental Loan Revenue Bonds due in annual installments ranging from \$35,000.00 to \$70,000.00 through December 2034, interest rates ranging from 3.250% to 5.000%.	865,000.00
\$200,000.00 2016 Pooled Government Loan Refunding Bonds due in annual installments ranging from \$40,000.00 to \$45,000.00 through December, 2022, interest rates ranging from 4.000% to 5.000%.	165,000.00
\$2,810,000.00 2017B Pooled Government Loan Revenue Bonds due in annual installments ranging from \$245,000.00 to \$345,000.00 through July 2027, interest rates ranging from 4.000% to 5.000%.	<u>2,610,000.00</u>
	<u>\$4,662,000.00</u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 7 LONG-TERM DEBT (continued)

Marina Utility Bonds

\$181,000.00 2014 Marina Pooled Governmental Loan Refunding Revenue Bonds due in annual installments ranging from \$36,000.00 to \$40,000.00 through December 2021, interest rate of 5.000%.	\$ 114,000.00
\$815,000.00 2014 Marina Pooled Governmental Loan Revenue Bonds due in annual installments ranging from \$30,000.00 to \$60,000.00 through December 2034, interest rates ranging from 3.250% to 5.000%.	695,000.00
\$190,000.00 2016 Pooled Government Loan Refunding Bonds due in annual installments ranging from \$35,000.00 to \$40,000.00 through December 2022, interest rates ranging from 4.000% to 5.000%.	<u>155,000.00</u>
	<u><u>\$ 964,000.00</u></u>

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:

Year	General Capital Fund		
	Principal	Interest	Total
2019	\$ 2,120,000.00	\$ 972,025.00	\$ 3,092,025.00
2020	2,160,000.00	895,975.00	3,055,975.00
2021	2,090,000.00	809,900.00	2,899,900.00
2022	2,160,000.00	725,600.00	2,885,600.00
2023	1,695,000.00	627,600.00	2,322,600.00
2024-2028	7,075,000.00	2,025,750.00	9,100,750.00
2029-2033	4,030,000.00	694,250.00	4,724,250.00
2034	770,000.00	30,800.00	800,800.00
	<u>\$ 22,100,000.00</u>	<u>\$ 6,781,900.00</u>	<u>\$ 28,881,900.00</u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 7 LONG-TERM DEBT (continued)

Year	Sewer Utility Capital Fund		
	Principal	Interest	Total
2019	\$ 483,000.00	\$ 214,150.00	\$ 697,150.00
2020	501,000.00	194,250.00	695,250.00
2021	518,000.00	173,200.00	691,200.00
2022	480,000.00	151,050.00	631,050.00
2023	455,000.00	127,050.00	582,050.00
2024-2028	1,825,000.00	300,700.00	2,125,700.00
2029-2033	330,000.00	51,250.00	381,250.00
2034	70,000.00	2,275.00	72,275.00
	\$ 4,662,000.00	\$ 1,213,925.00	\$ 5,875,925.00

Year	Marina Utility Capital Fund		
	Principal	Interest	Total
2019	\$ 101,000.00	\$ 44,050.00	\$ 145,050.00
2020	108,000.00	39,650.00	147,650.00
2021	110,000.00	34,550.00	144,550.00
2022	75,000.00	29,050.00	104,050.00
2023	35,000.00	25,300.00	60,300.00
2024-2028	205,000.00	98,500.00	303,500.00
2029-2033	270,000.00	42,400.00	312,400.00
2034	60,000.00	1,950.00	61,950.00
	\$ 964,000.00	\$ 315,450.00	\$ 1,279,450.00

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 7 LONG-TERM DEBT (continued)

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 \$2,704.85 to \$3,078.38 through September 2025, interest rate of 2.000%. \$ 40,430.59

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 \$676.21 to \$769.58 through September 2025, interest rate of 2.000%. 10,107.62

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 \$4,463.02 to \$5,233.24 through May 2027, interest rate of 2.000%. 82,255.39

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 of 0.000%. 106,687.32

During 2009, 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 of \$641.03 through June 2029, interest rate of 0.000%. 13,461.46

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 \$25,000.00 through August 2026, interest rate of 0.000%. 400,000.00

\$ 652,942.38

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 7 LONG-TERM DEBT (continued)

Loans Payable (continued)

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 3.000% to 5.000%. The trust loan is due in annual installments ranging from \$15,000.00 to \$25,000.00 through 2029. The remaining \$966,375.00 was funded by a fund loan with 0.000% interest. The fund loan is due in semi-annual installments ranging from \$16,379.23 to \$32,758.70 through 2029.

\$ 755,514.93

\$ 755,514.93

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:

Year	General Capital Fund Loans Payable		
	Principal	Interest	Total
2019	\$ 78,902.81	\$ 2,577.43	\$ 81,480.24
2020	79,219.71	2,260.53	81,480.24
2021	79,543.00	1,937.24	81,480.24
2022	79,872.77	1,607.47	81,480.24
2023	80,209.18	1,271.06	81,480.24
2024-2028	254,554.05	1,817.66	256,371.71
2029-2030	640.86	-	640.86
	\$ 652,942.38	\$ 11,471.39	\$ 664,413.77

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 7 LONG-TERM DEBT (continued)

Loans Payable (continued)

Year	Sewer Utility Capital Fund		
	Principal	Interest	Total
2019	\$ 64,137.70	\$ 8,500.00	\$ 72,637.70
2020	64,137.70	7,900.00	72,037.70
2021	64,137.70	7,150.00	71,287.70
2022	69,137.70	6,700.00	75,837.70
2023	69,137.70	5,900.00	75,037.70
2024-2028	350,688.50	17,700.00	368,388.50
2029-2033	74,137.93	1,000.00	75,137.93
	\$ 755,514.93	\$ 54,850.00	\$ 810,364.93

Capital Lease Program

During 2007, 2011, 2013, 2015 and 2017 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 2011, 2013, 2015 and 2017 of which \$1,180,000.00, \$2,789,000.00, \$2,515,000.00 and \$1,872,000.00 respectively, represent the Township's portion. Debt service requirements by fund are as follows:

Year	General Capital Fund			Coupon
	Principal	Interest	Total	Rate
2019	\$ 795,040.00	\$ 134,099.00	\$ 929,139.00	4.000%-5.000%
2020	828,760.00	98,571.20	927,331.20	4.000%-5.000%
2021	417,480.00	59,085.20	476,565.20	4.000%-5.000%
2022	369,680.00	38,849.20	408,529.20	2.000%-5.000%
2023	172,920.00	22,585.20	195,505.20	2.500%-5.000%
2024-2027	329,360.00	35,184.40	364,544.40	4.000%-5.000%
Total	\$ 2,913,240.00	\$ 388,374.20	\$ 3,301,614.20	

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 7 LONG-TERM DEBT (continued)

Capital Lease Program (continued)

Sewer Utility Fund				
Year	Principal	Interest	Total	Coupon Rate
2019	\$ 105,960.00	\$ 17,860.00	\$ 123,820.00	4.000%-5.000%
2020	110,240.00	13,239.80	123,479.80	4.000%-5.000%
2021	61,520.00	6,709.80	68,229.80	4.000%-5.000%
2022	38,320.00	3,663.80	41,983.80	2.000%-5.000%
2023	12,080.00	1,769.80	13,849.80	2.500%-5.000%
2024-2027	29,640.00	3,645.60	33,285.60	4.000%-5.000%
Total	\$ 357,760.00	\$ 46,888.80	\$ 404,648.80	

Marina Utility Fund				
Year	Principal	Interest	Total	Coupon Rate
2019	\$ 19,000.00	\$ 3,376.00	\$ 22,376.00	4.000%-5.000%
2020	20,000.00	2,504.00	22,504.00	4.000%-5.000%
2021	11,000.00	1,330.00	12,330.00	4.000%-5.000%
2022	11,000.00	902.00	11,902.00	2.000%-5.000%
2023	11,000.00	460.00	11,460.00	2.500%-5.000%
Total	\$ 72,000.00	\$ 8,572.00	\$ 80,572.00	

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 7 LONG-TERM DEBT (continued)

Changes in Outstanding Debt

Transactions for the year ended December 31, 2018 are summarized as follows:

	Balance Dec. 31, 2017	Additions	Deductions	Balance Dec. 31, 2018
<u>General Capital Fund</u>				
Serial Bonds	\$ 24,170,000.00		\$ 2,070,000.00	\$ 22,100,000.00
Loans Payable	731,534.53		78,592.15	652,942.38
	<u>24,901,534.53</u>	<u>-</u>	<u>2,148,592.15</u>	<u>22,752,942.38</u>
<u>Sewer Capital Fund</u>				
Serial Bonds	5,087,000.00		425,000.00	4,662,000.00
Loans Payable	819,652.63		64,137.70	755,514.93
	<u>5,906,652.63</u>	<u>-</u>	<u>489,137.70</u>	<u>5,417,514.93</u>
<u>Marina Capital Fund</u>				
Serial Bonds	1,063,000.00		99,000.00	964,000.00
	<u>\$ 31,871,187.16</u>	<u>\$ -</u>	<u>\$ 2,736,729.85</u>	<u>\$ 29,134,457.31</u>

NOTE 8 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 ENDING DECEMBER 31, 2018**

NOTE 8 SHORT-TERM DEBT (continued)

Bond Anticipation Notes (continued)

On December 31, 2018, 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>
Various 2016 Capital Improvements	08-30-2018	08-29-2019	\$ 1,750,000.00	1.950%
	12-21-2018	12-20-2019	624,413.00	0.000%
Acquisition of Green Acres Property Located on South Riverside Drive	12-21-2018	12-20-2019	192,000.00	1.950%
Construction of a Skate Park at the Sunshine Village Fields	08-30-2018	08-29-2019	185,000.00	1.950%
Acquisition of Office Equipment & Furniture for Various Departments	08-30-2018	08-29-2019	190,000.00	1.950%
Acquisition of a Garbage Truck & Field Communications Vehicle	08-30-2018	08-29-2019	<u>427,500.00</u>	1.950%
			<u>\$ 3,368,913.00</u>	
<u>Marina Utility Capital Fund</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
Acquisition of Marina Property and Various Improvements to the Marina	08-30-2018	08-29-2019	\$ 191,590.00	1.950%
	01-31-2018	01-30-2019	25,000.00	1.550%
Various Improvements to Marina	08-30-2018	08-29-2019	259,365.00	1.950%
Various Improvements	08-30-2018	08-29-2019	73,545.00	1.950%
Reconstruction of the Municipal Marina Building	01-31-2018	01-30-2019	420,900.00	1.550%
Shark River Dredging	01-31-2018	01-30-2019	152,000.00	1.550%
Marina Site Remediation Project	12-21-2018	12-20-2019	<u>67,450.00</u>	0.000%
			<u>\$ 1,189,850.00</u>	

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 8 SHORT-TERM DEBT (continued)

Bond Anticipation Notes (continued)

Changes in Bond Anticipation Notes

	Balance Dec. 31, 2017	Additions	Deductions	Balance Dec. 31, 2018
General Capital Fund	\$ 4,647,500.00	\$ 1,618,913.00	\$ 2,897,500.00	\$ 3,368,913.00
Marina Utility Capital Fund	1,132,900.00	67,450.00	10,500.00	1,189,850.00
	<u>\$ 5,780,400.00</u>	<u>\$ 1,686,363.00</u>	<u>\$ 2,908,000.00</u>	<u>\$ 4,558,763.00</u>

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, 2018, the Township had no outstanding special emergency notes.

Changes in Special Emergency Notes

Transactions for the year ended December 31, 2018 are summarized as follows:

	Balance Dec. 31, 2017	Additions	Deductions	Balance Dec. 31, 2018
Current Fund	\$ 200,000.00	\$ -	\$ 200,000.00	\$ -

TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018

NOTE 9 SUMMARY OF MUNICIPAL DEBT

The following schedule represents the Township's summary of debt for the current and two previous years:

	<u>Year 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>
Issued			
General Bonds, Notes and Loans	\$ 26,121,855.38	\$ 29,549,034.53	\$ 20,381,053.13
Sewer Utility Bonds, Notes and Loans	5,417,514.93	5,906,652.63	3,380,790.33
Marina Utility Bonds, Notes and Loans	<u>2,153,850.00</u>	<u>2,195,900.00</u>	<u>2,304,269.00</u>
 Total Debt Issued	 <u>33,693,220.31</u>	 <u>37,651,587.16</u>	 <u>26,066,112.46</u>
 Authorized But Not Issued			
General Bonds, Notes and Loans	2,017,376.00	864,931.13	8,161,719.23
Sewer Utility Bonds, Notes and Loans	1,330,250.00	250.00	1,520,250.00
Marina Utility Bonds, Notes and Loans	<u>-</u>	<u>67,450.00</u>	<u>67,450.00</u>
 Total Authorized But Not Issued	 <u>3,347,626.00</u>	 <u>932,631.13</u>	 <u>9,749,419.23</u>
 Net Bonds, Notes and Loans Issued and Authorized But Not Issued	 <u>37,040,846.31</u>	 <u>38,584,218.29</u>	 <u>35,815,531.69</u>
 Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
General Capital Fund	20,530.74	43,943.33	138,835.75
Sewer Utility Fund	<u>235.02</u>	<u>235.02</u>	<u>235.02</u>
	<u>20,765.76</u>	<u>44,178.35</u>	<u>139,070.77</u>
 Net Debt Issued and Authorized But Not Issued	 <u>\$ 37,020,080.55</u>	 <u>\$ 38,540,039.94</u>	 <u>\$ 35,676,460.92</u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 9 SUMMARY OF MUNICIPAL DEBT (continued)

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 0.704%.

	Gross Debt	Deductions	Net Debt
Local District School Debt	\$ -	\$ -	\$ -
General Debt	28,139,231.38	20,530.74	28,118,700.64
Sewer Utility Debt	6,747,764.93	6,747,764.93	-
Marina Utility Debt	2,153,850.00	2,153,850.00	-
	\$ 37,040,846.31	\$ 8,922,145.67	\$ 28,118,700.64

New Jersey statutes limit the debt of a municipality to 3.500% of the average of the last three preceding year’s equalized valuations of the taxable real estate and improvements. The Township’s statutory net debt at December 31, 2018 was 0.704% as calculated below. The Township’s remaining borrowing power is 2.796%.

Net Debt \$28,118,700.64 divided by the Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,988,477,635.33 equals 0.704%.

Borrowing Power under N.J.S.A. 40A:2-6 amended

3-1/2 % Equalized Valuation Basis Municipal	\$ 139,596,717.23
Net Debt	28,118,700.64
	\$ 111,478,016.59

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 9 SUMMARY OF MUNICIPAL DEBT (continued)

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		\$ 7,810,522.43
Deductions:		
Operating and Maintenance Costs	\$ 5,728,311.10	
Debt Service	837,850.67	
Total Deductions		6,566,161.77
Excess Revenue		\$ 1,244,360.66

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		\$ 550,497.11
Deductions:		
Operating and Maintenance Costs	\$ 186,800.00	
Debt Service	257,839.62	
Total Deductions		444,639.62
Excess Revenue		\$ 105,857.49

The annual debt statement as filed by the Chief Financial Officer should be amended.

NOTE 10 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 ENDING DECEMBER 31, 2018**

NOTE 11 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As noted in Note 1, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2018, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2018	2019 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Overexpenditure of Appropriations	\$ 1,263.61	\$ 1,263.61	\$ -

NOTE 12 TAXES COLLECTED IN ADVANCE

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

	Balance	
	2018	2017
Prepaid Taxes	\$ 989,338.43	\$ 3,035,308.89

During 2017, the governor signed executive order No. 237. Due to various changes in the Internal Revenue Code including changes in the allowable deduction for State and local property taxes some taxpayers found it advantageous to prepay their 2018 taxes in 2017. Executive order No. 237 assured that all New Jersey taxpayers who wished to prepay their taxes, would be able to do so in their municipality. As a result of the executive order, many municipalities saw sharp increase in their prepaid taxes balance at December 31, 2017, such was the case in the Township. As the tax advantage was limited to 2017, prepaid taxes at December 31, 2018 is reduced to pre-2017 levels.

NOTE 13 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.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 13 ASSESSMENT AND COLLECTION OF PROPERTY TAXES (continued)

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 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 14 LOCAL DISTRICT SCHOOL TAXES

Local District School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991,63 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	
	2018	2017
Balance of Tax	\$ 19,108,588.50	\$ 18,733,672.50
Deferred	17,265,725.00	17,265,725.00
Tax Payable	\$ 1,842,863.50	\$ 1,467,947.50

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 15 FUND BALANCES APPROPRIATED

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

Current Fund		
Year	Balance December 31	Utilized In Budget of Succeeding Year
2018	\$ 4,603,707.93	\$ 2,595,891.29
2017	3,046,404.04	2,374,102.16
2016	2,769,378.50	2,205,727.92
2015	3,130,200.46	2,400,000.00
2014	3,229,634.78	2,400,000.00

Sewer Utility Fund		
Year	Balance December 31	Utilized In Budget of Succeeding Year
2018	\$ 7,207,281.24	\$ 296,900.00
2017	6,310,495.68	532,928.18
2016	5,736,835.61	216,312.08
2015	4,806,652.02	-
2014	3,225,115.41	-

Marina Utility Fund		
Year	Balance December 31	Utilized In Budget of Succeeding Year
2018	\$ 250,579.30	\$ 34,300.00
2017	153,777.26	-
2016	49,031.13	-
2015	113,061.57	75,000.00
2014	136,667.53	120,000.00

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS

A. Public Employees' Retirement System (PERS)

General Information About the Plan

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

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS (continued)

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

General information about the Plan (continued)

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2016, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2018, the Township's contributions to the PERS was \$970,595.

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability - At December 31, 2018, the Township reported a liability of \$19,212,803 as the Township's proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The Township's proportion measured as of June 30, 2018, was 0.09757892% which was a decrease of .0045007368% from its proportion measured as of June 30, 2017.

Pension Expense - At December 31, 2018, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2018 measurement date is \$1,065,065. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS (continued)

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

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Deferred Outflows and Deferred Inflows of Resources, and Pension Expense - At December 31, 2018 the State reported deferred outflows of resources and deferred inflows from resources attributable to the Township from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 345,752	\$ 140,638
Changes in Assumptions	2,917,149	8,709,750
Net Difference between Projected and Actual Earnings on Pension Plan Investments		185,928
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>2,656,187</u>	<u>206,638</u>
	<u>\$ 5,919,088</u>	<u>\$ 9,242,954</u>

The Township will amortize the above sources of deferred outflows and inflows related to the PERS over the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan with the exception of net differences between projected and actual earnings on pension plan investments which will be amortized over 5 years. The average of the expected remaining service lives of all employees are 6.44, 5.72, 5.57, 5.48 and 5.63 for the years 2014, 2015, 2016, 2017, and 2018, respectively.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS (continued)

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

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Deferred Outflows and Deferred Inflows of Resources, and Pension Expense (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions that would be recognized in future periods if the Township was on a GAAP basis of accounting, is as follows:

Year Ending Dec. 31,	PERS
2019	\$ (125,692)
2020	(487,028)
2021	(1,727,553)
2022	(1,461,538)
2023	(478,402)
	<u>\$ (4,280,213)</u>

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS (continued)

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

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Actuarial Assumptions (continued)

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP- 2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS (continued)

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

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Long-term Expected Rate of Return (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	<u>8.25%</u>	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS (continued)

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

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township's Proportionate Share of the Net Pension Liability	\$24,157,886	\$ 19,212,803	\$ 15,064,195

Required Supplementary Pension Information – In accordance with GASB 68, the following information is also presented for the PERS Pension Plan. These schedules are presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the Net Pension Liability (Last 5 Plan Fiscal Years) (unaudited)

	2014	2015	2016	2017	2018
Township's proportion of the net liability	0.1072688587%	0.1055188369%	0.1066784373%	0.1020796568%	0.0975789200%
Township's proportionate share of the net pension liability	\$ 20,083,664	\$ 23,686,864	\$ 31,595,093	\$ 23,762,512	\$ 19,212,803
Township's covered-employee payroll	\$ 7,225,450	\$ 7,290,399	\$ 7,216,068	\$ 7,092,870	\$ 7,164,474
Township's proportionate share of the net pension liability as a percentage of its covered-employee payroll	277.96%	324.90%	437.84%	335.02%	268.17%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS (continued)

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

Schedule of the Township's Contributions (Last 5 Plan Fiscal Years) (unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Contribution	\$ 884,309	\$ 907,179	\$ 947,716	\$ 945,659	\$ 970,595
Contributions in Relation to the contractually Required Contribution	<u>884,309</u>	<u>907,179</u>	<u>947,716</u>	<u>945,659</u>	<u>970,595</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's covered-employee payroll	\$7,225,450	\$7,290,399	\$7,216,068	\$7,092,870	\$7,164,474
Contribution as a percentage of covered-employee payroll	12.24%	12.44%	13.13%	13.33%	13.55%

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

General Information About the Plan

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

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

The following represents the membership tiers for PFRS:

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

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS (continued)

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

General Information About the Plan (continued)

Plan Description (continued)

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

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2018, the State contributed an amount less than the actuarially determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2018, the Township's contributions to PFRS was \$2,455,375. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS (continued)

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

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability - At December 31, 2018, the Township’s proportionate share of the PFRS net pension liability is valued to be \$33,984,925. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The Township’s proportion of the net pension liability was based on the Township’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2018. The Township’s proportion measured as of June 30, 2018, was 0.2511514037%, which was an increase of 0.0055092953% from its proportion measured as of June 30, 2017.

Pension Expense - At December 31, 2018, the Township’s proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2018 measurement date is \$2,635,875. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1.

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2018, the Township had deferred outflows of resources and deferred inflows of resources related to the PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 366,391	\$ 99,067
Changes in Assumptions	3,165,952	6,143,233
Net Difference between Projected and Actual Earnings on Pension Plan Investments		180,217
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	182,780	1,572,819
	\$ 3,715,123	\$ 7,995,336

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS (continued)

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

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Pension Expense and Deferred Outflows/Inflows of Resources (continued)

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan with the exception of net differences between projected and actual earnings on pension plan investments which will be amortized over 5 years. The average of the expected remaining service lives of all employees are 6.17, 5.53, 5.58, 5.59, and 5.73 for the years 2014, 2015, 2016, 2017, and 2018, respectively.

The following is a summary of the pension expense, deferred outflows of resources and deferred inflows of resources related to the PFRS that would be recognized in future periods if the Township was on GAAP basis of accounting:

Year Ending Dec. 31,	PFRS
2019	\$ 1,278,533
2020	(216,609)
2021	(2,282,628)
2022	(1,647,173)
2023	(455,989)
	\$ (3,323,866)

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS (continued)

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

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2010 - June 30, 2013

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary’s modified MP- 2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females). The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS (continued)

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	<u>8.25%</u>	13.08%
	<u>100.00%</u>	

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Special Funding Situation

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

The State's proportionate share of the PFRS net pension liability attributable to the Township is \$4,616,290 as of December 31, 2018. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2017, to the measurement date of June 30, 2018. The State's proportion of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2018 was 0.2511514037%, which was an increase of 0.005509295% from its proportion measured as of June 30, 2017, which is the same proportion as the Township's. At December 31, 2018, the Township's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS (continued)

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

Township's Proportionate Share of Net Pension Liability	\$	33,984,925
State of New Jersey's Proportionate Share of the Net Pension Liability Attributable to the Township		4,616,290
		\$ 38,601,215

Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.51%) or 1-percentage-point higher (7.51%)

	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
Township's Proportionate Share of the Net Pension Liability	\$45,484,605	\$ 33,984,925	\$24,499,784
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	6,178,331	4,616,290	3,327,890
	\$51,662,936	\$ 38,601,215	\$27,827,674

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

Required Supplementary Pension Information - In accordance with GASB 68, the following information is also presented for the PFRS Pension Plan. These schedules are presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 16 PENSION PLANS (continued)

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

Schedule of the Township's Proportionate Share of the Net Position Liability (Last 5 Plan Fiscal Year) (unaudited)

	2014	2015	2016	2017	2018
Township's proportion of the net liability	0.2219102517%	0.2272552232%	0.2477529044%	0.2456421084%	0.2511514037%
Township's proportionate share of the net pension liability	\$ 27,914,251	\$ 37,852,799	\$ 47,327,142	\$ 37,922,393	\$ 33,984,925
State's proportionate share of net pension liability associated with the Township	3,005,896	3,319,563	3,974,306	4,247,627	4,616,290
	<u>\$ 30,920,147</u>	<u>\$ 41,172,362</u>	<u>\$ 51,301,448</u>	<u>\$ 42,170,020</u>	<u>\$ 38,601,215</u>
Township's covered-employee payroll	\$ 7,319,006.60	\$ 7,777,012.00	\$ 7,876,868.00	\$ 8,287,818.60	\$ 8,498,193.00
Township's proportionate share of the net pension liability as a percentage of its covered-employee payroll	381.39%	486.73%	600.84%	457.57%	399.91%
Plan fiduciary net position as a percentage of the total pension liability	62.41%	56.31%	52.01%	58.60%	62.48%

Schedule of the Township's contributions (Last 5 Plan Fiscal Years) (unaudited)

	2014	2015	2016	2017	2018
Contractually Required Contribution	\$ 1,704,424	\$ 1,847,246	\$ 2,020,030	\$ 2,173,978	\$ 2,455,375
Contributions in Relation to the contractually Required Contribution	1,704,424	1,847,246	2,020,030	2,173,978	2,455,375
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's covered-employee payroll	\$ 7,319,006.60	\$ 7,777,012.00	\$ 7,876,868.00	\$ 8,287,818.60	\$ 8,498,193.00
Contribution as a percentage of covered-employee payroll	23.29%	23.75%	25.65%	26.23%	28.89%

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 17 TAX ABATEMENTS

The Township negotiates tax abatements under the State of New Jersey Local Redevelopment and Housing Law (NJSA 40A:12A-1 et seq). These abatements include specifically the Five-Year Exemption and Abatement Law (NJSA 40A:21-1 et seq) and the Long Term Tax Exemption Law (NJSA 40A:20-1 et seq). The purposes for which a tax abatement may be considered for approval in the Township encompasses residential, commercial and industrial development that addresses a need identified by the Township Redevelopment Plans, the Township Affordable Housing Plan or other specific projects as described in the above-referenced laws.

Each agreement has been negotiated pursuant to the Local Redevelopment and Housing Law which allows the municipality to abate property taxes for economic development purposes. The abatements are directed toward development within a Township designated Area in Need of Redevelopment or a property that is developed to meet designated unmet needs in the Township's Affordable Housing Program.

The Township has not made any commitments as part of the agreements other than to reduce taxes. The Township is not subject to any tax abatement agreements entered into by other governmental entities. The Township has chosen to disclose information about its tax abatement agreements.

In 2018, the Township maintained a total of six (6) tax abatements which raised a total of \$320,173.88 under this program, reducing overall that would have been due from these developments from \$1,044,481.69 (a reduction of \$724,307.81).

- Township of Neptune Housing Authority Provides affordable housing to families and senior citizens. The PILOT agreement calls for a payment equal of 10% of annual net revenue or \$70,980.00.
- Sebastian Villa provides affordable housing for senior citizens. The PILOT agreement calls for a payment equal to 9% of the annual gross revenue (through 2031 at which time an annual minimum payment is implemented based upon the actual taxes which would be due in the absence of a PILOT agreement).
- Midtown Senior Housing provides affordable housing for senior citizens. The PILOT agreement calls for a payment equal to 12% of project revenues (as described in the agreement).
- West Lake Senior Housing provides affordable housing for senior citizens. The PILOT agreement calls for a payment equal to the annual service charge calculated pursuant to NJSA 40A:20-12, with a minimum amount of \$24,220.00 due each year. Taxes paid on the land each year (assessed and taxed at full value) serve as a credit against the annual service charge.
- The Redevelopment FUND (TRF) project provides affordable housing for families. The PILOT Agreement requires an annual fee of \$100.00 for each lot slated for development as affordable housing until a CO is issued pursuant to the Uniform Construction Code.
- Monmouth Housing Alliance provide affordable rental housing. The PILOT agreement calls for a payment equal to 7% of gross operating revenue or \$7,500.00, whichever is higher.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 18 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”)

General Information About the Plan

Plan Description - The State Health Benefit Local Government Retired Employee Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey, Division of Pensions and Benefits’ (the Division). Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/financial-reports.shtml.

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 18 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation’s and nonspecial funding situation’s net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation, the total OPEB liabilities for the years ended June 30, 2017 and 2018 were \$8,695,413,135 and \$6,338,578,586, respectively, while for the nonspecial funding situation, the total OPEB liabilities were \$11,720,375,604 and \$9,642,524,641, respectively. The nonspecial funding situation’s net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan’s nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities’ total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

OPEB Liabilities, Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources:

Net OPEB Liability

At December 31, 2018, the Township reported a liability of \$42,206,026 as the Township’s proportionate share of Net OPEB liability. The Net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the Net OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The Township’s proportion measured as of June 30, 2018, was 0.269401% which was an increase of .000616% from its proportion measured as of June 30, 2017.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 18 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)

OPEB Liabilities, Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (continued):

OPEB Expense - At December 31, 2018, the Township’s proportionate share of the expense, calculated by the plan as of the June 30, 2018 measurement date is \$1,642,640. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1.

Deferred Outflows and Deferred Inflows of Resources, and OPEB Expense - At December 31, 2018 the State reported deferred outflows of resources and deferred inflows from resources attributable to the Township from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Differences between Projected and Actual Investment Earnings		\$ 8,547,025
Changes in Assumptions		10,706,111
Changes in Proportion	\$ 122,536	2,546,462
	<u>\$ 122,536</u>	<u>\$ 21,799,598</u>

The Township will amortize the above sources of deferred outflows and inflows related to the OPEB over the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan with the exception of net differences between projected and actual earnings on OPEB plan investments which will be amortized over 5 years. The average of the expected remaining service lives of all employees is 8.14 and 8.04 for the 2018 and 2017 amounts, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB that would be recognized in future periods if the Township was on a GAAP basis of accounting, is as follows:

Year Ending Dec. 31,	OPEB
2019	\$ (4,173,347)
2020	(4,173,347)
2021	(4,173,347)
2022	(4,175,700)
2023	(2,037,179)
2024-2026	(2,944,142)
	<u>\$ (21,677,062)</u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 18 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)

OPEB Liabilities, Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (continued):

Actuarial Assumptions - The total OPEB liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total OPEB liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	2.50%
Salary Increases*:	
Through 2026	1.65% - 8.98%
Thereafter	2.65% - 9.98%

* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2017 valuation were based on the results of the pension plans’ experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees’ Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 18 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)

OPEB Liabilities, Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources (continued):

Actuarial Assumptions (continued)

Discount Rate

The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate:

The following presents the Township’s proportionate share of the net OPEB liability as of June 30, 2018 and 2017, respectively, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage- point higher than the current rate:

		<u>June 30, 2018</u>	
	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
Township's Proportionate Share of the Net OPEB Liability	<u>\$49,518,827</u>	<u>\$ 42,206,026</u>	<u>\$36,364,753</u>
		<u>June 30, 2017</u>	
	1% Decrease <u>(2.58%)</u>	Current Discount Rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
Township's Proportionate Share of the Net OPEB Liability	<u>\$64,726,201</u>	<u>\$ 54,874,578</u>	<u>\$47,057,481</u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 18 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:

The following presents the Townships proportionate share of the net OPEB liability as of June 30, 2018 and 2017, respectively, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1%</u> <u>Decrease</u>	<u>June 30, 2018</u> <u>Current</u> <u>Trend Rate</u>	<u>1%</u> <u>Increase</u>
Township's Proportionate Share of the Net OPEB Liability	<u>\$ 35,206,593</u>	<u>\$ 42,206,026</u>	<u>\$ 51,264,333</u>
	<u>1%</u> <u>Decrease</u>	<u>June 30, 2017</u> <u>Current</u> <u>Trend Rate</u>	<u>1%</u> <u>Increase</u>
Township's Proportionate Share of the Net OPEB Liability	<u>\$ 45,602,377</u>	<u>\$ 54,874,578</u>	<u>\$ 66,948,058</u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 18 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)

OPEB plan fiduciary net position

Detailed information about the OPEB plan’s fiduciary net position is available in a report issued separately by the New Jersey Division of Pensions and Benefits.

Schedule of the Township’s Proportionate Share of the Net OPEB Liability (Last 3 Plan Fiscal Years)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Township's proportion of the net OPEB liability	0.284393%	0.268785%	0.269401%
Township's proportionate share of the net OPEB liability	\$ 61,762,949	\$ 54,874,578	\$ 42,206,026
State's proportionate share of the net OPEB liability associated with the Township	N/A	<u>23,116,930</u>	<u>16,181,907</u>
	N/A	<u>\$ 77,991,508</u>	<u>\$ 58,387,933</u>
Township's covered-employee payroll	\$ 18,652,581.12	\$ 19,314,319.80	\$ 19,362,304.24
Township's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	331.12%	284.11%	217.98%
Plan fiduciary net position as a percentage of the total OPEB liability	0.69%	1.03%	1.97%

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 18 POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (“OPEB”) (continued)

Schedule of the Township’s Contributions (Last 3 Plan Fiscal Years)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Contribution	\$ 2,499,735.36	\$ 2,592,903.60	\$ 2,661,464
Contributions in Relation to the contractually Required Contribution	<u>2,499,735.36</u>	<u>2,592,903.60</u>	<u>2,661,464</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Funding Situation

Township's Proportionate Share of Net OPEB Liability	\$ 42,206,026
State of New Jersey's Proportionate Share of the Net OPEB Liability Attributable to the Township	<u>16,181,907</u>
	<u>\$ 58,387,933</u>

NOTE 20 INTERFUND BALANCES

The composition of interfund balances as of December 31, 2018 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Trust Other Fund	Federal and State Grant Fund	\$ 28,588.68
General Capital Fund	Current Fund	495.00
Marina Utility Operating Fund	Marina Utility Capital Fund	<u>712,081.97</u>
		<u>\$741,165.65</u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 21 FIXED ASSETS

Fixed asset and fixed capital activity for the year ended December 31, 2018 was as follows:

Fixed Assets

	Balance Dec. 31, 2017	Additions	Deductions	Adjustments	Balance Dec. 31, 2018
Land	\$ 18,230,797.52				\$ 18,230,797.52
Land Improvements	411,700.15				411,700.15
Buildings and Improvements	4,727,237.72			(0.95)	4,727,236.77
Machinery, Equipment and Vehicles	19,003,061.59	1,122,588.65	14,840.00		20,110,810.24
	<u>\$ 42,372,796.98</u>	<u>\$ 1,122,588.65</u>	<u>\$ 14,840.00</u>	<u>\$ (0.95)</u>	<u>\$ 43,480,544.68</u>

Fixed Capital - Sewer Utility

	Balance Dec. 31, 2017	Additions	Deductions	Balance Dec. 31, 2018
Sewer System	<u>\$ 20,048,840.79</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,048,840.79</u>

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 21 FIXED ASSETS (continued)

Fixed Capital - Marina Utility

	Balance Dec. 31, 2017	Additions	Deductions	Balance Dec. 31, 2018
Marina	<u>\$ 5,880,400.00</u>	<u>\$ 1,584,788.86</u>	<u>\$ -</u>	<u>\$ 7,465,188.86</u>

NOTE 22 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 2018, 2017 and 2016.

NOTE 23 CONTINGENCIES

A. Accrued Sick and Vacation Unaudited

As discussed in Note 1 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 \$3,675,260.18 at December 31, 2018. 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.

**TOWNSHIP OF NEPTUNE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDING DECEMBER 31, 2018**

NOTE 23 CONTINGENCIES (continued)

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, 2018, 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, 2018 was \$141,837.90.

NOTE 24 SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after December 31, 2018 through the date of July 17, 2019 which is the date the financial statements were available to be issued.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH
SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2018

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Current Fund</u>	<u>Grant Fund</u>
Balance, December 31, 2017	A	\$ 8,630,302.89	\$ 556,810.54
Increased by Receipts:			
Collector	A-5	\$ 93,905,536.36	
Investment in General Capital Fund Notes	A	1,750,000.00	
Cancel Prior Year Check	A-1	1,761.79	
Interfund - Current Fund	A-24		\$ 119,496.79
Federal and State Grants Receivable	A-25		438,281.17
Federal and State Grants Unappropriated Reserves	A-27		642.71
		95,657,298.15	558,420.67
		104,287,601.04	1,115,231.21
Decreased by Disbursements:			
2018 Budget Appropriations	A-3	39,919,999.30	
Interfunds	A-13	281,676.58	
Accounts Payable	A-14	11,377.05	
Appropriation Reserves	A-15	1,078,634.47	
Tax Overpayments	A-17	75,624.77	
Fire District Taxes	A-19	3,646,709.00	
County Taxes Payable	A-20	11,533,783.78	
Local School District Tax	A-21	37,866,403.00	
Due to State Agencies	A-22	56,355.00	
Various Reserves	A-23	126,252.00	
Appropriated Reserves for Federal and State Grants	A-26		701,962.43
Special Emergency Notes Payable	A-29	200,000.00	
Refund of Prior Year Revenue	A-1	600.00	
Interfund - Marine Operating Fund	A		39,750.00
Interfund - Trust Other Fund	A		500.00
		94,797,414.95	742,212.43
Balance, December 31, 2018	A	\$ 9,490,186.09	\$ 373,018.78

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH - COLLECTOR

	<u>Ref.</u>		
Increased by Receipts:			
Non-Budget Revenues	A-2	\$ 872,598.95	
State of New Jersey (Ch. 20, P.L. 1971)	A-6	212,689.04	
Taxes Receivable	A-8	81,625,249.46	
Tax Title Lien	A-9	8,197.74	
Revenue Accounts Receivable	A-11	9,820,816.97	
Interfunds	A-13	34,673.06	
Tax Overpayments	A-17	117,102.94	
Prepaid Taxes	A-18	989,338.43	
Due to State Agencies	A-22	55,861.00	
Various Reserves	A-23	59,379.76	
Reserve for FEMA Reimbursement	A-30	109,629.01	
			\$ 93,905,536.36
Decreased by Disbursements:			
Payments to Treasurer	A-4		\$ 93,905,536.36

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE FROM/(TO) STATE - P.L. 1971, C. 20

	<u>Ref.</u>		
Balance, December 31, 2017	A		\$ 7,136.31
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens		\$ 48,250.00	
Veterans		165,000.00	
Deductions Allowed by Collector - 2018		3,000.00	
		<u>216,250.00</u>	
Less: Deductions Disallowed by Collector		<u>3,127.40</u>	
	A-8		<u>213,122.60</u>
			220,258.91
Decreased by:			
Received from State of New Jersey	A-5	212,689.04	
Deductions Disallowed by Collector - Prior Taxes	A-1/A-8	<u>9,093.16</u>	
			<u>221,782.20</u>
Balance, December 31, 2018	A		<u><u>\$ (1,523.29)</u></u>

SCHEDULE OF MORTGAGE RECEIVABLE

	<u>Ref.</u>		
Balance, December 31, 2017	A		\$ 400,000.00
Decreased by:			
Cancelled	A		<u>20,000.00</u>
Balance, December 31, 2018	A		<u><u>\$ 380,000.00</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

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

Year	Balance	2018 Levy	Collections		P.L. 1971	Tax Overpayments Applied	Transfer to Tax Title Lien	Cancelled, Remitted or Abated	Balance
	Dec. 31, 2017		2017	2018	Senior Citizens and Veterans				Dec. 31, 2018
2014	\$ 1.54			\$ 15.75	\$ (15.75)				\$ 1.54
2015				1,655.49	(1,655.49)				
2016	260.18			780.04	(519.86)				
2017	1,239,694.10	\$ 44,441.93		1,264,963.55	(6,902.06)		\$ 5,700.68	\$ 1,289.28	19,084.58
	1,239,955.82	44,441.93		1,267,414.83	(9,093.16)		5,700.68	1,289.28	19,086.12
2018		84,814,777.20	\$ 3,035,308.89	80,357,834.63	213,122.60	\$ 30,439.92	9,320.15	20,539.43	1,148,211.58
	<u>\$ 1,239,955.82</u>	<u>\$ 84,859,219.13</u>	<u>\$ 3,035,308.89</u>	<u>\$ 81,625,249.46</u>	<u>\$ 204,029.44</u>	<u>\$ 30,439.92</u>	<u>\$ 15,020.83</u>	<u>\$ 21,828.71</u>	<u>\$ 1,167,297.70</u>
Ref.	A	A-8	A-2/A-18	A-2/A-5	A-2/A-6	A-2/A-17	A-9		A
<u>Analysis of 2018 Property Tax Levy</u>			<u>Ref.</u>						
Tax Yield:									
General Purpose Tax					\$ 80,706,073.08				
Special District Taxes					3,676,553.24				
Added and Omitted Tax					432,150.88				
6% Penalty					44,441.93				
			A-8		<u>\$ 84,859,219.13</u>				
Tax Levy:									
Local District School Tax			A-2/A-21		\$ 38,241,319.00				
County Taxes:									
County Tax					A-20 \$ 10,144,872.77				
County Open Space Tax					A-20 1,125,502.41				
County Health Tax					A-20 201,278.87				
Due County for Added and Omitted Taxes					A-20 58,721.89				
Total County Taxes			A-2		11,530,375.94				
Fire District No. 1 (Amount Certified)			A-19		2,896,466.00				
Fire District No. 2 (Amount Certified)			A-19		750,243.00				
			A-2		3,646,709.00				
Local Tax for Municipal Purposes					A-2 29,638,868.70				
Minimum Library Tax					A-2 1,349,769.16				
Add: Additional Tax Levied					452,177.33				
			A-8		<u>31,440,815.19</u>				
			A-8		<u>\$ 84,859,219.13</u>				

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 18,861.62
Increased by:		
Transfer from Taxes Receivable	A-8	\$ 15,020.83
Interest and Costs of Tax Sale		<u>1,441.82</u>
		<u>16,462.65</u>
		35,324.27
Decreased by:		
Cash Receipts	A-2/A-5	<u>8,197.74</u>
Balance, December 31, 2018	A	<u><u>\$ 27,126.53</u></u>

Exhibit A-10

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

	<u>Ref.</u>	
Balance, December 31, 2017 and 2018	A	<u><u>\$ 5,242,800.00</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Accrued</u> <u>in 2017</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Licenses:					
Alcoholic Beverages	A-2		\$ 58,830.00	\$ 58,830.00	
Other	A-2		220,855.50	220,855.50	
Fees & Permits	A-2		436,812.95	436,812.95	
Municipal Court:					
Fines and Costs	A-2	\$ 43,105.24	702,079.36	651,280.79	\$ 93,903.81
Other Revenue:					
Interest and Costs on Taxes	A-2		273,305.89	273,305.89	
Interest on Investments and Deposits	A-2		28,437.20	28,437.20	
Consolidated Municipal Property Tax Relief Aid	A-2		510,203.00	510,203.00	
Energy Receipts Tax	A-2		4,487,251.00	4,487,251.00	
Uniform Construction Code Fees	A-2		853,307.00	853,307.00	
Interlocal Services Agreement:					
Monmouth County 9-1-1 Services					
Personnel Loan	A-2		69,794.00	69,794.00	
Neptune BOE - GREAT Program	A-2		25,000.00	25,000.00	
Fleet Maintenance	A-2		156,658.73	156,658.73	
Insurances	A-2		162,180.00	162,180.00	
Monmouth County EMS	A-2		6,000.00	6,000.00	
Community Notification System Agreement	A-2		11,200.00	11,200.00	
Prisoner Processing/Jail Program	A-2		30,717.11	30,717.11	
Administrative Fees - Off Duty Employment of Police Officers	A-2		301,390.80	301,390.80	
Reserve for Debt Service - Capital Fund	A-2		43,943.33	43,943.33	
Cable TV Franchise Fees	A-2		450,384.56	450,384.56	
Commercial Garbage Removal Fees	A-2	422.93	104,986.08	105,407.62	1.39
OCGMA Special Police Contribution	A-2				
Cell Tower Lease	A-2		104,666.29	104,666.29	
Monmouth County Lease of Facility	A-2		150,000.00	150,000.00	
General Capital Surplus	A-2		65,000.00	65,000.00	
Reimbursement - Hurricane Sandy	A-2		91,970.75	91,970.75	
EMS Program	A-2		618,191.20	618,191.20	
		<u>\$ 43,528.17</u>	<u>\$ 9,963,164.75</u>	<u>\$ 9,912,787.72</u>	<u>\$ 93,905.20</u>
	<u>Ref.</u>	A		A-11	A
Cash Receipts	A-5			\$ 9,820,816.97	
Reserve for FEMA Reimbursement	A-30			91,970.75	
	A-11			<u>\$ 9,912,787.72</u>	

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF ABATING COSTS

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 15,001.69
Increased by:		
Billings		39,198.75
		54,200.44
Decreased by:		
Collections	A-2	40,797.07
		40,797.07
Balance, December 31, 2018	A	\$ 13,403.37

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF INTERFUNDS RECEIVABLE / (PAYABLE)

	<u>Ref.</u>	<u>Total</u> <u>(MEMO ONLY)</u>	<u>Federal and</u> <u>State Grant</u> <u>Fund</u>	<u>Sewer Utility</u> <u>Operating</u> <u>Fund</u>	<u>General</u> <u>Capital</u> <u>Fund</u>	<u>Trust</u> <u>Other</u> <u>Fund</u>
Balance, December 31, 2017:						
Interfunds Receivable	A	\$ 34,673.06				\$ 34,673.06
Interfunds Payable	A	<u>(34,989.36)</u>	<u>\$ (21,657.16)</u>	<u>\$ (13,332.20)</u>		
Increased by:						
Disbursements	A-4	281,676.58	268,344.38	13,332.20		
Grants Receivable - Budget	A-25	506,185.08	506,185.08			
Grants Appropriated Cancelled	A-1	74,891.67	74,891.67			
		<u>862,753.33</u>	<u>849,421.13</u>	<u>\$ 13,332.20</u>		
		<u>862,437.03</u>	<u>827,763.97</u>			<u>34,673.06</u>
Decreased by:						
Receipts	A-5	34,673.06				34,673.06
Budget Appropriations	A-3	495.00			\$ 495.00	
Grant Appropriations	A-3	746,180.83	746,180.83			
Grants Receivable Cancelled	A-1	81,583.14	81,583.14			
		<u>862,932.03</u>	<u>\$ 827,763.97</u>		<u>495.00</u>	<u>\$ 34,673.06</u>
Balance, December 31, 2018						
Interfunds Payable	A	<u>(495.00)</u>			<u>\$ (495.00)</u>	
		<u>\$ (495.00)</u>				
<u>Analysis of Net Charge/(Credit) to Operations</u>						
Interfunds Accounts Receivable:						
Balance, December 31, 2017	Above	\$ 34,673.06				
Net Charge/(Credit) to Operations	A-1	<u>\$ (34,673.06)</u>				

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2017	A		\$ 81,129.52
Increased by:			
Charged to Appropriation Reserves	A-15		48,109.50
			<u>129,239.02</u>
Decreased by:			
Disbursements	A-4	\$ 11,377.05	
Cancelled	A-1	<u>30,560.98</u>	
			<u>41,938.03</u>
Balance, December 31, 2018	A		<u>\$ 87,300.99</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<u>Operations Within CAPS</u>					
General Government Functions:					
General Administration					
Salaries and Wages	\$ 1,031.71		\$ 1,031.71		\$ 1,031.71
Other Expenses	97.14	\$ 1,094.48	1,191.62	\$ 356.84	834.78
Municipal Clerk					
Other Expenses	9,584.77	1,891.11	11,475.88	8,547.65	2,928.23
Financial Administration					
Other Expenses	2,175.93	11,574.72	13,750.65	11,455.75	2,294.90
Audit Services					
Other Expenses		45,000.00	45,000.00	45,000.00	
Computerized Data Processing					
Salaries and Wages	2,174.69		2,174.69		2,174.69
Other Expenses	15,988.85		15,988.85	33.43	15,955.42
Revenue Administration					
Other Expenses	2,095.92	4,450.42	6,546.34	4,379.40	2,166.94
Tax Assessment Administration					
Salaries and Wages	6,899.10		6,899.10		6,899.10
Other Expenses	5.90	116.28	122.18	95.52	26.66
Legal Services					
Other Expenses	71,340.32	163,487.50	234,827.82	207,133.35	27,694.47
Engineering Services					
Salaries and Wages	12,214.83		12,214.83		12,214.83
Other Expenses	17,520.42	10,926.81	28,447.23	8,056.76	20,390.47

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Economic Development					
Salaries and Wages	\$ 4,200.23		\$ 4,200.23		\$ 4,200.23
Other Expenses	2,921.32		2,921.32		2,921.32
Land Use Administration:					
Planning Board					
Salaries and Wages	791.14		791.14		791.14
Other Expenses	1,836.97	\$ 918.00	2,754.97	\$ 2,457.50	297.47
Historical Preservation Committee					
Other Expenses	7,373.44	2,932.21	10,305.65	1,218.19	9,087.46
Zoning Board					
Other Expenses	4,093.54	618.57	4,712.11	605.00	4,107.11
Land Use Administration Office					
Other Expenses	100.21	235.00	335.21	35.00	300.21
Community Programs					
Salaries and Wages	1,025.50		1,025.50		1,025.50
Other Expenses	180.74		180.74		180.74
Code Enforcement and Administration:					
Code Enforcement					
Salaries and Wages	700.04		700.04		700.04
Other Expenses	2,080.70	1,337.03	3,417.73	947.50	2,470.23
Mercantile Licensing					
Other Expenses	99.00	5,704.45	5,803.45	4,801.03	1,002.42
Insurance					
Liability Insurance	28,438.00	45.50	7,483.50	45.50	7,438.00
Workers Compensation Insurance	99,394.50		99,394.50		99,394.50
Employee Group Insurance	163,646.45		184,646.45	177,227.90	7,418.55

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Public Safety Functions:					
Police Department					
Salaries and Wages	\$ 194,158.86		\$ 194,158.86		\$ 194,158.86
Other Expenses	260.74	\$ 42,324.04	42,584.78	\$ 38,642.71	3,942.07
Homeland Security Expenses	4,153.65	5,846.35	10,000.00	5,875.34	4,124.66
Office of Emergency Management					
Salaries and Wages	1,636.45		1,636.45		1,636.45
Other Expenses	2,230.12	5,335.77	7,565.89	4,641.71	2,924.18
Homeland Security Expenses	927.25	6,507.75	7,435.00	6,432.56	1,002.44
Emergency Medical Services					
Salaries and Wages	1,465.90		1,465.90		1,465.90
Other Expenses	1,159.08	14,279.12	15,438.20	11,738.54	3,699.66
Aid to Volunteer Fire Companies					
Other Expenses	2,293.00	9,080.00	11,373.00	8,750.00	2,623.00
Municipal Prosecutor's Office					
Salaries and Wages	1,182.88		1,182.88		1,182.88
Public Works Functions:					
Streets and Roads Maintenance					
Salaries and Wages	30,277.54		30,277.54		30,277.54
Other Expenses	866.00	103,350.69	104,216.69	96,867.16	7,349.53
Administration of Public Works					
Salaries and Wages	29,968.83		29,968.83		29,968.83
Other Expenses	737.98	2,494.06	3,232.04	1,144.83	2,087.21
Solid Waste Collection					
Salaries and Wages	41,131.18		41,131.18		41,131.18
Other Expenses	954.92	2,310.93	3,265.85	3,064.39	201.46

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Buildings and Grounds					
Salaries and Wages	\$ 6,865.91		\$ 6,865.91		\$ 6,865.91
Other Expenses	10,017.44	\$ 13,963.73	23,981.17	\$ 14,703.95	9,277.22
Vehicle Maintenance					
Other Expenses	83,377.91	131,619.67	214,997.58	79,659.17	135,338.41
Health and Human Services:					
Public Health Services					
Salaries and Wages	2,224.48		2,224.48		2,224.48
Other Expenses	1,248.33	144.14	1,392.47	73.12	1,319.35
Environmental and Shade Tree Committee					
Other Expenses	1,812.39		1,812.39		1,812.39
Animal Control Services					
Other Expenses	22,506.38		22,506.38		22,506.38
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	437.43		437.43		437.43
Other Expenses	2,104.20	6,268.79	8,372.99	5,593.67	2,779.32
Senior Citizen Programs					
Salaries and Wages	4,608.88		4,608.88		4,608.88
Other Expenses	149.93	10,811.75	10,961.68	9,125.26	1,836.42
Maintenance of Parks					
Other Expenses	12,957.34	426.66	13,384.00		13,384.00
Publicity and Tourism					
Salaries and Wages	1,160.00		1,160.00		1,160.00
Other Expenses	250.00	3,500.00	3,750.00	3,500.00	250.00

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Celebration of Public Events					
Other Expenses	\$ 4,046.17	\$ 500.00	\$ 4,546.17		\$ 4,546.17
Utility Expenses and Bulk Purchases:					
Electricity	6,097.97	5,583.50	11,681.47	\$ 1,282.20	10,399.27
Telephone	19,401.45	11,632.88	31,034.33	30,675.23	359.10
Water	7,696.98	4,000.00	11,696.98	1,391.81	10,305.17
Natural Gas	8,618.27	17,975.31	26,593.58	22,749.11	3,844.47
Telecommunications	800.36	8,024.04	8,824.40	6,834.44	1,989.96
Gasoline	86,001.51	44,912.74	130,914.25	77,361.06	53,553.19
Landfill and Solid Waste Disposal Costs	72,960.62	159,882.21	232,842.83	142,708.35	90,134.48
Municipal Court					
Salaries and Wages	25,532.18		25,532.18		25,532.18
Other Expenses	67.38	6,380.29	6,447.67	4,468.08	1,979.59
Public Defender (P.L. 1997, c.256)					
Salaries and Wages	5,288.75		5,288.75		5,288.75
Uniform Construction Code Enforcement Functions					
Salaries and Wages	9,394.14		9,394.14		9,394.14
Other Expenses	941.88	3,416.75	4,358.63	3,261.48	1,097.15
Deferred Charges and Statutory Expenditures:					
Social Security System	3,938.55		3,938.55		3,938.55
Defined Contribution Retirement Program	1,959.91	1,679.89	3,639.80		3,639.80

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<u>Operations Excluded from CAPS</u>					
Aid to Free Public Library	\$ 11,289.95	\$ 37,206.14	\$ 48,496.09	\$ 48,496.09	
Recycling Tax	21,727.82	5,487.59	27,215.41	3,104.25	\$ 24,111.16
Community Notification System	11,200.00		11,200.00	11,200.00	
ANSWER Water Rescue Team	727.44	3,548.97	4,276.41	3,530.00	746.41
Fleet Maintenance - Allenhurst, NFD, OGF, Neptune BoE	67,335.87	5,373.14	72,709.01	5,373.14	67,335.87
Prisoner Processing / Jail Program S & W	28,000.00		28,000.00		28,000.00
Neptune BOE Newsletter Cooperative	9,900.00	1,850.00	11,750.00	2,100.00	9,650.00
Monmouth County 9-1-1 Services	7,890.96		7,890.96		7,890.96
Monmouth County Tax Assessment Program	3,562.09		3,562.09		3,562.09
Monmouth County Personnel Loan (9-1-1) S & W	1,095.92		1,095.92		1,095.92
Matching Funds for Grants	20,000.00		20,000.00		20,000.00
	<u>\$ 1,370,612.53</u>	<u>\$ 926,048.98</u>	<u>\$ 2,296,661.51</u>	<u>\$ 1,126,743.97</u>	<u>\$ 1,169,917.54</u>
<u>Ref.</u>	A	A-16		A-15	A-1
Cash Disbursed	A-4			\$ 1,078,634.47	
Accounts Payable	A-14			<u>48,109.50</u>	
	A-15			<u>\$ 1,126,743.97</u>	

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 926,048.98
Increased by:		
Current Appropriations Charged	A-3	922,587.73
		<u>1,848,636.71</u>
Decreased by:		
Transferred to Appropriation Reserves	A-15	926,048.98
		<u>926,048.98</u>
Balance, December 31, 2018	A	<u><u>\$ 922,587.73</u></u>

Exhibit A-17

SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 62,364.58
Increased by:		
Receipts	A-5	\$ 117,102.94
Refund Prior Year Tax Revenue	A-1	519.35
		<u>117,622.29</u>
		<u>179,986.87</u>
Decreased by:		
Applied to Taxes Receivable	A-8	30,439.92
Refunds	A-4	75,624.77
Canceled	A-1	7,710.18
		<u>113,774.87</u>
Balance, December 31, 2018	A	<u><u>\$ 66,212.00</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance, December 31, 2017	A	\$ 3,035,308.89
Increased by:		
Collections, 2018 Taxes	A-5	989,338.43
		4,024,647.32
Decreased by:		
Applied to Taxes Receivable	A-8	3,035,308.89
		\$ 989,338.43
Balance, December 31, 2018	A	\$ 989,338.43

SCHEDULE OF FIRE DISTRICTS' TAXES PAYABLE

	<u>Ref.</u>	
Increased by:		
Fire District #1 Levy	A-8	\$ 2,896,466.00
Fire District #2 Levy	A-8	750,243.00
	A-1	\$ 3,646,709.00
Decreased by:		
Disbursed	A-4	\$ 3,646,709.00

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2017	A		\$ 62,129.73
Increased by:			
County Tax	A-8	\$ 10,144,872.77	
County Open Space Tax	A-8	1,125,502.41	
County Health Tax	A-8	201,278.87	
Due County for Added and Omitted Taxes	A-8	<u>58,721.89</u>	
	A-1		<u>11,530,375.94</u>
			<u>11,592,505.67</u>
Decreased by:			
Payments	A-4		<u>11,533,783.78</u>
Balance, December 31, 2018	A		<u><u>\$ 58,721.89</u></u>

Exhibit A-21

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2017:			
School Tax Payable	A	\$ 1,467,947.50	
School Tax Deferred		<u>17,265,725.00</u>	
			\$ 18,733,672.50
Increased by:			
Levy - School Year July 1, 2018 to June 30, 2019	A-1/A-8		<u>38,241,319.00</u>
			56,974,991.50
Decreased by:			
Payments	A-4		<u>37,866,403.00</u>
Balance December 31, 2018:			
School Tax Payable	A	1,842,863.50	
School Tax Deferred		<u>17,265,725.00</u>	
			<u><u>\$ 19,108,588.50</u></u>
<u>2018 Liability for Local School District Taxes:</u>			
Tax Paid	A-21		\$ 37,866,403.00
Taxes Payable December 31, 2018	A		<u>1,842,863.50</u>
			39,709,266.50
Less: Taxes Payable December 31, 2017	A		<u>1,467,947.50</u>
Amount Charged to 2018 Operations	A-1		<u><u>\$ 38,241,319.00</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF DUE TO STATE AGENCIES

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Due to State:				
Vital Statistics - Marriage Licenses and Death Certificates	\$ 900.00	\$ 4,697.00	\$ 4,622.00	\$ 975.00
Training Fees	<u>6,960.00</u>	<u>51,164.00</u>	<u>51,733.00</u>	<u>6,391.00</u>
	<u>\$ 7,860.00</u>	<u>\$ 55,861.00</u>	<u>\$ 56,355.00</u>	<u>\$ 7,366.00</u>
	A	A-5	A-4	A

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
SCHEDULE OF VARIOUS RESERVES

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Reserve for:				
State Library Aid	\$ 12,776.00	\$ 12,226.00	\$ 4,235.67	\$ 20,766.33
Insurance Refunds	180,432.60	42,686.23	72,926.63	150,192.20
Election Expenses	10,120.12	4,467.53	4,800.00	9,787.65
Revaluation	<u>90,215.35</u>	<u> </u>	<u>44,289.70</u>	<u>45,925.65</u>
	<u>\$ 293,544.07</u>	<u>\$ 59,379.76</u>	<u>\$ 126,252.00</u>	<u>\$ 226,671.83</u>
<u>Ref.</u>	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, 2017 - Due From	A		\$ 21,657.16
Increased by:			
Grants Receivable Canceled	A-25	\$ 80,915.25	
2018 Budget Appropriations	A-26	<u>746,180.83</u>	
			<u>827,096.08</u>
			848,753.24
Decreased by:			
Cash Receipts	A-4	119,496.79	
2018 Anticipated Revenue	A-25	506,185.08	
Grant Expenditures in the Current Fund	A-26	148,179.70	
Grants Appropriated Canceled	A-26	<u>74,891.67</u>	
			<u>848,753.24</u>
Balance, December 31, 2018	A		<u><u> </u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Anticipated Revenue</u>	<u>Cash Received</u>	<u>Transferred From Grants Unappropriated</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2018</u>
Federal						
US Department of Housing and Urban Development						
Passed through the Department of Community Affairs						
Sandy/Community Resiliency North Island	\$ 18,025.00				\$ 18,025.00	
Sandy/Community Resiliency SRH	16,363.75				16,363.75	
Sandy/Environmental Resources Inventory	135.00				135.00	
Sandy/Ord to Reduce Flood Risk	72.50				72.50	
Sandy/Parks, Rec, Open Space Master Plan	6.25				6.25	
Post Sandy Planning Grant - Capital Improvement Plan	5,606.25				5,606.25	
Post Sandy Planning Grant - Community Facilities Plan	1.25				1.25	
Post Sandy Planning Grant - Land Development Ordinance	<u>21,923.75</u>				<u>21,923.75</u>	
Total US Department of Housing and Urban Development	<u>62,133.75</u>				<u>62,133.75</u>	
US Department of Justice:						
2016 Bulletproof Vest Partnership Grant	667.89		\$ 667.89			
2017 Bulletproof Vest Partnership Grant	9,152.37		3,152.11			\$ 6,000.26
Edward Byrne Memorial Justice Assistance Grant - 2016	23,029.00		23,029.00			
Edward Byrne Memorial Justice Assistance Grant - 2017		\$ 14,669.00				14,669.00
Edward Byrne Memorial Justice Assistance Grant - 2018		<u>51,398.00</u>				<u>51,398.00</u>
Total US Department of Justice	<u>32,849.26</u>	<u>66,067.00</u>	<u>26,849.00</u>			<u>72,067.26</u>
US Department of Transportation:						
National Highway Traffic Safety Administration:						
NJ Department of Law and Public Safety:						
Division of Alcohol and Beverage Control:						
COPS in Shops - Summer Shore Initiative - 2018		4,400.00	3,080.00		1,320.00	
COPS in Shops - 2018		3,080.00	1,100.00		1,980.00	
Pipeline and Hazardous Materials Safety Administration						
Passed Through the NJ State Police						
Hazardous Materials Emergency Preparedness Training Grant (HMEP)	27,500.00		27,500.00			
Hazardous Materials Emergency Preparedness Training Grant (HMEP)		<u>12,000.00</u>	<u>11,996.00</u>		4.00	
Total US Department of Transportation	<u>27,500.00</u>	<u>19,480.00</u>	<u>43,676.00</u>		<u>3,304.00</u>	

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
 SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Anticipated Revenue</u>	<u>Cash Received</u>	<u>Transferred From Grants Unappropriated</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2018</u>
US Department of Homeland Security:						
Federal Emergency Management Agency (FEMA)						
Passed Through - NJ Department of Law and Public Safety:						
NJ State Police Office of Emergency Management						
Pre-Disaster Mitigation - Competitive Grant (PDMC)						
NJ OEM - Hazard Mitigation Grant Program						
FY 2017 Federal Emergency Management Assistance	\$ 9,400.00		\$ 9,400.00			
FY 2018 Federal Emergency Management Assistance		\$ 10,000.00	10,000.00			
Total US Department of Homeland Security	<u>9,400.00</u>	<u>10,000.00</u>	<u>19,400.00</u>			
US Department of Health and Human Services:						
Passed Through the County of Monmouth:						
Senior Citizens - Title III (Older Americans Act)	25,000.00		25,000.00			
Senior Citizens - Title III (Older Americans Act)		25,000.00				\$ 25,000.00
Total Department of Health and Human Services	<u>25,000.00</u>	<u>25,000.00</u>	<u>25,000.00</u>			<u>25,000.00</u>
US Environmental Protection Agency:						
US EPA - Brownfields Hazardous Assessment	188,116.25		86,779.99			101,336.26
US EPA - Brownfields Petroleum Assessment	<u>108,950.42</u>		<u>48,130.44</u>			<u>60,819.98</u>
Total US Department of Environmental Protection	<u>297,066.67</u>		<u>134,910.43</u>			<u>162,156.24</u>
US Department of Commerce:						
National Atmospheric and Oceanic Administration:						
NJ Department of Environmental Protection:						
Municipal Public Access Planning	462.50				\$ 462.50	
Municipal Public Access Planning - 2016	<u>15,000.00</u>				<u>15,000.00</u>	
Total US Department of Commerce	<u>15,462.50</u>				<u>15,462.50</u>	
Total Federal Grants	<u>469,412.18</u>	<u>120,547.00</u>	<u>249,835.43</u>		<u>80,900.25</u>	<u>259,223.50</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
 SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	Balance Dec. 31, 2017	2018 Anticipated Revenue	Cash Received	Transferred From Grants Unappropriated	Canceled	Balance Dec. 31, 2018
State						
NJ Department of Law and Public Safety:						
Division of Highway Traffic Safety:						
Drunk Driving Enforcement Fund		\$ 11,003.24	\$ 11,003.24			
Highway Safety 2018 Pedestrian Safety Grant	\$ 6,500.00		6,485.00		\$ 15.00	
Highway Safety 2019 Pedestrian Safety Grant		6,500.00				\$ 6,500.00
Total Department of Law and Public Safety	<u>6,500.00</u>	<u>17,503.24</u>	<u>17,488.24</u>		<u>15.00</u>	<u>6,500.00</u>
NJ Department of Health and Senior Services:						
Alcohol Education Rehabilitation and Enforcement Fund (AEREF)		8,714.66	8,714.66			
Total Department of Health and Senior Services		<u>8,714.66</u>	<u>8,714.66</u>			
NJ Department of Environmental Protection:						
Clean Communities Program		63,505.49	63,505.49			
Recycling Tonnage Grant		39,391.69		\$ 29,391.69		10,000.00
Hazardous Discharge Site Remediation - Childnese Property	10,383.47					10,383.47
Total Department of Environmental Protection	<u>10,383.47</u>	<u>102,897.18</u>	<u>63,505.49</u>	<u>29,391.69</u>		<u>20,383.47</u>
Governor's Council on Alcoholism and Drug Abuse						
Municipal Alliance on Alcoholism and Drug Abuse - State (DEDR) 2017	43,703.10	47,365.75	43,703.10			47,365.75
Municipal Alliance on Alcoholism and Drug Abuse - State (DEDR) 2018		16,549.25	16,549.25			
Total Governor's Council on Alcoholism and Drug Abuse	<u>43,703.10</u>	<u>63,915.00</u>	<u>60,252.35</u>			<u>47,365.75</u>
New Jersey Board of Public Utilities						
Micro-Grid Project		150,000.00				150,000.00
Total New Jersey Board of Public Utilities		<u>150,000.00</u>				<u>150,000.00</u>
Total State Grants	<u>60,586.57</u>	<u>343,030.08</u>	<u>149,960.74</u>	<u>29,391.69</u>	<u>15.00</u>	<u>224,249.22</u>
Local						
Interfaith Neighbors Senior Meal Program		22,308.00	20,449.00			1,859.00
SCHLIP Program (Code Enforcement)	9,979.00	20,300.00	18,036.00			12,243.00
Statewide Insurance Fund - Safety Grant	15,004.38					15,004.38
Total Local Funds	<u>24,983.38</u>	<u>42,608.00</u>	<u>38,485.00</u>			<u>29,106.38</u>
	<u>\$ 554,982.13</u>	<u>\$ 506,185.08</u>	<u>\$ 438,281.17</u>	<u>\$ 29,391.69</u>	<u>\$ 80,915.25</u>	<u>\$ 512,579.10</u>
<u>Ref.</u>	A	A-2/A-13/A-24	A-4	A-27	A-24	A

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, 2017	Transfer from 2018 Budget Appropriation	Transfer from Reserve for Encumbrances	Paid	Reserve for Encumbrances	Canceled Appropriation	Balance Dec. 31, 2018
Federal							
US Department of Housing and Urban Development							
Sandy/Community Resiliency North Island	\$ 35.00		\$ 17,990.00				\$ 18,025.00
Sandy/Community Resiliency SRH	35.00		16,328.75			\$ 16,363.75	
Sandy/Environmental Resources Inventory	125.00		10.00			135.00	
Sandy/Ord to Reduce Flood Risk	110.00		4.50			114.50	
Sandy/Parks, Rec, Open Space Master Plan	375.00		3.75			378.75	
Post Sandy Planning Grant - Community Facilities Plan			1.25			1.25	
Post Sandy Planning Grant - Land Development Ordinance			21,451.25			21,451.25	
Post Sandy Planning Grant - Strategic Report			3,502.50			3,502.50	
Total US Department of Housing and Urban Development	<u>680.00</u>		<u>59,292.00</u>			<u>41,947.00</u>	<u>18,025.00</u>
US Department of Justice:							
2016 Bulletproof Vest Partnership Grant			667.89	\$ 667.89			
2017 Bulletproof Vest Partnership Grant	9,152.37			8,882.11			270.26
Edward Byrne Memorial Justice Assistance Grant - 2016			23,029.00	23,029.00			
Edward Byrne Memorial Justice Assistance Grant - 2017		\$ 14,669.00			\$ 14,669.00		
Edward Byrne Memorial Justice Assistance Grant - 2018		51,398.00			32,055.00		19,343.00
Total US Department of Justice	<u>9,152.37</u>	<u>66,067.00</u>	<u>23,696.89</u>	<u>32,579.00</u>	<u>46,724.00</u>		<u>19,613.26</u>
US Department of Transportation:							
National Highway Traffic Safety Administration:							
NJ Department of Law and Public Safety:							
Alcohol and Beverage Control:							
COPS in Shops - Summer Shore Initiative		3,080.00		3,080.00			
COPS in Shops		4,400.00		1,100.00		3,300.00	
Pipeline and Hazardous Materials Safety Administration							
Passed Through the NJ State Police							
NJSP HMEP Training Grant		12,000.00		11,996.00		4.00	
Total US Department of Transportation		<u>19,480.00</u>		<u>16,176.00</u>		<u>3,304.00</u>	
US Department of Homeland Security:							
Federal Emergency Management Agency (FEMA)							
Passed Through - NJ Department of Law and Public Safety:							
NJ State Police Office of Emergency Management							
Pre-Disaster Mitigation - Competitive Grant (PDMC)							
NJ OEM - Hazard Mitigation Grant Program:							
FY 2015 Federal Emergency Management Assistance - Federal	504.78		2.35	96.00	2.35		408.78
FY 2016 Federal Emergency Management Assistance - Federal	7,000.00				6,520.06		479.94
FY 2017 Federal Emergency Management Assistance - Federal	9,400.00				9,400.00		
FY 2018 Federal Emergency Management Assistance - Federal		10,000.00		10,000.00			
Total US Department of Homeland Security	<u>16,904.78</u>	<u>10,000.00</u>	<u>2.35</u>	<u>10,096.00</u>	<u>15,922.41</u>		<u>888.72</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, 2017	Transfer from 2018 Budget Appropriation	Transfer from Reserve for Encumbrances	Paid	Reserve for Encumbrances	Canceled Appropriation	Balance Dec. 31, 2018
US Department of Commerce:							
National Atmospheric and Oceanic Administration:							
Passed through the NJ Department of Environmental Protection:							
Municipal Public Access Planning - 2015			\$ 0.65			\$ 0.65	
Municipal Public Access Planning -2016	\$ 15,000.00					15,000.00	
Total US Department of Commerce	<u>15,000.00</u>		<u>0.65</u>			<u>15,000.65</u>	
US Department of Health and Human Services:							
Passed Through the County of Monmouth:							
Senior Citizens - Title III		\$ 25,000.00		\$ 25,000.00			
Total US Department of Health and Human Services		<u>25,000.00</u>		<u>25,000.00</u>			
US Environmental Protection Agency:							
US EPA - Brownfields Hazardous Assessment	1,700.00		137,636.02	38,149.76	\$ 99,336.26		\$ 1,850.00
US EPA - Brownfields Petroleum Assessment	1,700.00		154,905.65	95,935.67	58,819.98		1,850.00
Total Environmental Protection Agency	<u>3,400.00</u>		<u>292,541.67</u>	<u>134,085.43</u>	<u>158,156.24</u>		<u>3,700.00</u>
Total Federal Grants	<u>45,137.15</u>	<u>120,547.00</u>	<u>375,533.56</u>	<u>217,936.43</u>	<u>220,802.65</u>	<u>60,251.65</u>	<u>42,226.98</u>
State							
NJ Department of Law and Public Safety:							
Division of Criminal Justice:							
Body Armor Replacement Fund - N.J. - 2015			1,528.09	1,528.09			
Body Armor Replacement Fund - N.J. - 2016	2,980.88		3,534.02	6,514.90			
Body Armor Replacement Fund - N.J. - 2017	6,766.92			1,507.01			5,259.91
Division of Highway Traffic Safety:							
Drunk Driving Enforcement Fund	10,065.49	11,003.24		2,780.31	560.00		17,728.42
Highway Safety 2018 Pedestrian Safety Grant	3,200.00			3,185.00		15.00	
Highway Safety 2019 Pedestrian Safety Grant		6,500.00					6,500.00
Total Department of Law and Public Safety	<u>23,013.29</u>	<u>17,503.24</u>	<u>5,062.11</u>	<u>15,515.31</u>	<u>560.00</u>	<u>15.00</u>	<u>29,488.33</u>
NJ Department of Health and Senior Services:							
Alcohol Education Rehabilitation and Enforcement Fund (AEREF)	31,400.23	8,714.66		955.00			39,159.89
Total Department of Health and Senior Services	<u>31,400.23</u>	<u>8,714.66</u>		<u>955.00</u>			<u>39,159.89</u>
NJ Department of Environmental Protection:							
Clean Communities	140,645.97	63,505.49	5,666.91	37,902.23	1,200.00		170,716.14
Recycling Tonnage Grant	115,270.22	39,391.69	1,280.00	18,653.00	18,510.00		118,778.91
Hazardous Discharge Site Remediation - Childnese Property	47,444.61		55,656.00	55,596.74		59.26	47,444.61
Hazardous Discharge Site Remediation - Sewall	9,576.91					9,576.91	
Hazardous Discharge Site Remediation - Shark River Marina	1,180.00		47,287.75				48,467.75
Hazardous Discharge Site Remediation - Tides Motel	3,693.95					3,693.95	
Hazardous Discharge Site Remediation Program - Welsh Farms			11,534.95		11,534.95		
Total Department of Health and Senior Services	<u>317,811.66</u>	<u>102,897.18</u>	<u>121,425.61</u>	<u>112,151.97</u>	<u>31,244.95</u>	<u>13,330.12</u>	<u>385,407.41</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. 31,2017	Transfer from 2018 Budget Appropriation	Transfer from Reserve for Encumbrances	Paid	Reserve for Encumbrances	Canceled Appropriation	Balance Dec. 31,2018
New Jersey Board of Public Utilities							
Micro-Grid Project		\$ 150,000.00		\$ 150,000.00			
Total New Jersey Board of Public Utilities		150,000.00		150,000.00			
Governor's Council on Alcoholism and Drug Abuse							
Municipal Alliance on Alcoholism and Drug Abuse - State (DEDR)	\$ 8,154.47		\$ 27,647.51	7,056.20	\$ 28,745.78		
Municipal Alliance on Alcoholism and Drug Abuse - State (DEDR)		63,915.00		62,998.35			\$ 916.65
Total Governor's Council on Alcoholism and Drug Abuse	8,154.47	63,915.00	27,647.51	70,054.55	28,745.78		916.65
NJ Department of Community Affairs							
Neighborhood Preservation Program - Balanced Housing	848.47					\$ 848.47	
Total Department of Community Affairs	848.47					848.47	
Total State Grants	381,228.12	343,030.08	154,135.23	348,676.83	60,550.73	14,193.59	454,972.28
Local Funds							
Interfaith Neighbors Senior Meal Program	3,049.05	22,308.00		25,357.05			
Interfaith Neighbors Senior Meal Program - Match		26,017.00		26,017.00			
National Parks and Recreation 2012 Achieve	446.43					446.43	
SCHLIP Program (Code Enforcement) S & W	19,000.00	20,300.00		20,300.00			19,000.00
Statewide Insurance Fund Grant	25.69		5,190.00	5,204.52			11.17
Total Local Funds	22,521.17	68,625.00	5,190.00	76,878.57		446.43	19,011.17
Local Match - Federal Grants							
FY 2015 Federal Emergency Management Assistance - Match	831.20		2.35		2.35		831.20
FY 2016 Federal Emergency Management Assistance - Match	7,000.00						7,000.00
FY 2017 Federal Emergency Management Assistance - Match	9,400.00						9,400.00
FY 2018 Federal Emergency Management Assistance - Match		10,000.00		10,000.00			
Senior Citizens - Title III	-	188,000.00		188,000.00			
Total Local Match of Federal Grants	17,231.20	198,000.00	2.35	198,000.00	2.35		17,231.20
Local Match - State Grants							
Hazardous Discharge Site Remediation Fund - Childnese Match	13,078.69						13,078.69
DEDR - Municipal Drug and Alcohol Alliance - Municipal Share	10,583.67	15,978.75	895.08	8,650.30			18,807.20
Total Local Match of State Grants	23,662.36	15,978.75	895.08	8,650.30			31,885.89
Total Grants	\$ 489,780.00	\$ 746,180.83	\$ 535,756.22	\$ 850,142.13	\$ 281,355.73	\$ 74,891.67	\$ 565,327.52
Ref.	A	A-3/A-24	A	A-26	A	A-24	A
Cash Disbursed	A-4			\$ 701,962.43			
Interfund - Current Fund	A-24			148,179.70			
	A-26			<u>\$ 850,142.13</u>			

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND
 SCHEDULE OF UNAPPROPRIATED RESERVES

<u>Grant</u>	Balance <u>Dec. 31, 2017</u>	Funding <u>Received</u>	Transferred to Grants <u>Receivable</u>	Balance <u>Dec. 31, 2018</u>
Recycling Tonnage Grant	\$ 29,391.69		\$ 29,391.69	
Drunk Driving Enforcement Fund	<u>9,683.24</u>	<u>\$ 642.71</u>		<u>\$ 10,325.95</u>
	<u>\$ 39,074.93</u>	<u>\$ 642.71</u>	<u>\$ 29,391.69</u>	<u>\$ 10,325.95</u>
<u>Ref.</u>	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>Budget Requirement</u>	<u>Balance Dec. 31, 2017</u>	<u>Raised in 2018 Budget</u>	<u>Balance Dec. 31, 2018</u>
10-13-13	Revaluation of Real Property & Tax Map Updates	\$ 1,000,000.00	\$ 200,000.00	<u>\$ 200,000.00</u>	<u>\$ 200,000.00</u>	
				<u><u>\$ 200,000.00</u></u>	<u><u>\$ 200,000.00</u></u>	<u><u> </u></u>
			Ref.	A	A-3	A

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENT - HURRICANE SANDY

	<u>Ref.</u>	
Balance, December 31, 2017	A	
Increased by:		
Cash Receipts	A-5	\$ 109,629.01
		<u>109,629.01</u>
Decreased by:		
Anticipated Revenue	A-11	<u>91,970.75</u>
Balance, December 31, 2018	A	<u><u>\$ 17,658.26</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND
SCHEDULE OF CASH

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Trust Other Fund</u>
Balance, December 31, 2017	B	\$ 15,279.53	\$ 4,804,706.07
Increased by Receipts:			
Reserve for Animal Control Trust			
Fund Expenditures	B-2	\$ 25,628.60	
Due to State of New Jersey	B-3	2,687.40	
Interfunds Receivable	B-4		\$ 500.00
Escrow Funds	B-5		436,422.29
Tax Collector's Trust	B-9		4,920,518.01
Unclaimed Moneys	B-10		36,244.58
Various Reserves	B-6		936,961.66
		28,316.00	
		43,595.53	6,330,646.54
Decreased by Disbursements:			
Animal Control Trust Fund			
Expenditures (R.S. 4:19-15.11)	B-2	8,736.40	
Due to State of New Jersey	B-3	2,913.60	
Interfunds Payable	B-4		49,452.32
Escrow Funds	B-5		330,166.55
Tax Collector's Trust	B-9		5,225,783.35
Unclaimed Moneys	B-10		29,761.00
Various Reserves	B-6		875,735.88
		11,650.00	
		43,595.53	6,510,899.10
Balance, December 31, 2018	B	\$ 31,945.53	\$ 4,624,453.51

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, 2017	B		\$ 7,527.22
Increased by:			
Dog License Fees Collected	B-1	\$ 25,628.60	
Encumbrances (R.S. 4:19-15.11)	B-8	7,494.31	
			33,122.91
			40,650.13
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursed	B-1	8,736.40	
Encumbrances	B-8	7,125.00	
			15,861.40
Balance, December 31, 2018	B		\$ 24,788.73

License and Penalty Fees Collected:

<u>Year</u>	<u>Amount</u>
2017	\$ 25,703.00
2016	25,985.20
	\$ 51,688.20

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, 2017	B	\$ 258.00
Increased by:		
Cash Receipts	B-1	2,687.40
		2,945.40
Decreased by:		
Cash Disbursed	B-1	2,913.60
		2,913.60
Balance, December 31, 2018	B	\$ 31.80

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
 SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)

	<u>Ref.</u>	<u>Total (MEMO ONLY)</u>	<u>Current Fund</u>	<u>Sewer Utility Operating Fund</u>	<u>Federal and State Grant Fund</u>
Balance, December 31, 2017:					
Interfunds Receivable	B	\$ 29,088.68			\$ 29,088.68
Interfunds Payable	B	\$ (49,452.32)	\$ (34,673.06)	\$ (14,779.26)	
Increased by:					
Disbursements	B-1	49,452.32	\$ 34,673.06	\$ 14,779.26	
		<u>29,088.68</u>			<u>29,088.68</u>
Decreased by:					
Receipts	B-1	500.00			500.00
Balance, December 31, 2018:					
Interfunds Receivable	B	<u>\$ 28,588.68</u>			<u>\$ 28,588.68</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
 SCHEDULE OF RESERVE FOR ESCROW FUNDS

	<u>Ref.</u>	<u>Total</u>	<u>Developers' Escrow Trust Fund Account</u>	<u>Inspection Fees</u>	<u>Developers' Escrow Account</u>	<u>Special Developers' Escrow Account</u>
Balance, December 31, 2017	B	\$ 1,287,001.63	\$ 883,990.34	\$ 206,814.87	\$ 82,232.00	\$ 113,964.42
Increased by:						
Cash Receipts	B-1	436,422.29	182,945.24	79,805.41		173,671.64
Reserve for Encumbrances	B-7	90,298.34	11,491.29	19,808.16	479.00	58,519.89
		<u>526,720.63</u>	<u>194,436.53</u>	<u>99,613.57</u>	<u>479.00</u>	<u>232,191.53</u>
Decreased by:						
Cash Disbursements	B-1	330,166.55	89,633.14	107,371.05	1,935.00	131,227.36
Reserve for Encumbrances	B-7	102,040.18	12,269.26	18,542.50	1,748.00	69,480.42
		<u>432,206.73</u>	<u>101,902.40</u>	<u>125,913.55</u>	<u>3,683.00</u>	<u>200,707.78</u>
Balance, December 31, 2018	B	<u>\$ 1,381,515.53</u>	<u>\$ 976,524.47</u>	<u>\$ 180,514.89</u>	<u>\$ 79,028.00</u>	<u>\$ 145,448.17</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
SCHEDULE OF VARIOUS RESERVES

	Balance <u>Dec. 31, 2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>Dec. 31, 2018</u>
Fire Prevention Services	\$ 474.00			\$ 474.00
POAA	12,168.96	\$ 446.00	\$ 2,870.00	9,744.96
Veterans Memorial Park	38,044.95	5,542.34	5,757.16	37,830.13
Fuel Agencies	29,417.67	81,399.03	66,520.34	44,296.36
Hurricane Sandy	1,496.11		1,496.11	-
Emergency Management	1,204.20	44,177.10	3,560.24	41,821.06
Public Defender	28,745.95	17,625.00	10,500.00	35,870.95
Senior Citizen Donations	33,132.57	31,641.26	24,336.80	40,437.03
Storm Recovery Trust Fund		100,000.00		100,000.00
Senior Citizen Building Donations	2,286.56	8,678.64	4,470.09	6,495.11
Law Enforcement	75,362.19	19,007.04	32,469.67	61,899.56
Unemployment Trust	129,128.59	43,204.10	30,494.79	141,837.90
Municipal Alliance	20,152.05	2,142.79	1,509.95	20,784.89
Older Americans	1.00	1,250.09	1,250.00	1.09
Special Police	238,569.52	465,565.25	635,130.10	69,004.67
Police Vest	3,491.34	2,203.66		5,695.00
Recreation Trust	163,587.89	71,636.28	82,901.73	152,322.44
Wesley Lake Trust	264.47			264.47
Open Space	3,154.87	3.16		3,158.03
Tree Preservation	81,477.18	42,937.36	29,931.20	94,483.34
Affordable Housing	932,032.51	20,000.65	14,245.67	937,787.49
Federal LETF	24,583.30	26,619.66	26,403.12	24,799.84
Accumulated Leave	8,266.36			8,266.36
	<u>\$ 1,827,042.24</u>	<u>\$ 984,079.41</u>	<u>\$ 973,846.97</u>	<u>\$ 1,837,274.68</u>

	<u>Ref.</u>	B		B
Cash Received	B-1	\$ 936,961.66		
Reserve for Encumbrances	B-7	47,117.75		
		<u>\$ 984,079.41</u>		
Cash Disbursed	B-1		\$ 875,735.88	
Reserve for Encumbrances	B-7		98,111.09	
			<u>\$ 973,846.97</u>	

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>		
Balance, December 31, 2017	B		\$ 137,445.73
Increased by:			
Charges to Reserve for Escrow Funds	B-5	\$ 102,040.18	
Charges to Various Reserves	B-6	98,111.09	
Charger to Reserve for Unclaimed Moneys	B-10	69.64	
		200,220.91	
			337,666.64
Decreased by:			
Transfers to Reserve for Escrow Funds	B-5	90,298.34	
Transfers to Various Reserves	B-6	47,117.75	
Transfers to Reserve for Unclaimed Moneys	B-10	29.64	
		137,445.73	
Balance, December 31, 2018	B		\$ 200,220.91

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2017	B	\$ 7,494.31
Increased by:		
Charges to Reserve for Animal Control	B-2	7,125.00
		14,619.31
Decreased by:		
Transfers to Reserve for Animal Control	B-2	7,494.31
		7,494.31
Balance, December 31, 2018	B	\$ 7,125.00

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
 SCHEDULE OF RESERVE FOR TAX COLLECTOR'S TRUST

	<u>Ref.</u>	
Balance, December 31, 2017	B	\$ 1,483,925.15
Increased by:		
Cash Receipts	B-1	4,920,518.01
		<u>6,404,443.16</u>
Decreased by:		
Cash Disbursed	B-1	5,225,783.35
		<u>5,225,783.35</u>
Balance, December 31, 2018	B	<u><u>\$ 1,178,659.81</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND
 SCHEDULE OF RESERVE FOR UNCLAIMED FUNDS

	<u>Ref.</u>		
Balance, December 31, 2017	B		\$ 48,927.68
Increased by:			
Cash Received	B-1	\$ 36,244.58	
Reserve for Encumbrances	B-7	<u>29.64</u>	
			<u>36,274.22</u>
			85,201.90
Decreased by:			
Cash Disbursed	B-1	29,761.00	
Reserve for Encumbrances	B-7	<u>69.64</u>	
			<u>29,830.64</u>
Balance, December 31, 2018	B		<u><u>\$ 55,371.26</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>		
Balance, December 31, 2017	C		\$ 8,684,459.80
Increased by Receipts:			
Grants Receivable	C-5	\$ 1,010,043.49	
Budget Appropriation - Capital Improvement Fund	C-9	100,000.00	
Due from Ocean Grove Camp Meeting Association	C-10	1,800.00	
Improvement Authorizations	C-8	3,817.16	
Bond Anticipation Notes	C-14	1,618,913.00	
Various Reserves	C-15	<u>2,236.49</u>	
			<u>2,736,810.14</u>
			11,421,269.94
Decreased by Disbursements:			
Utilized as Revenue in Current Fund	C-1	65,000.00	
Improvement Authorizations	C-8	2,163,575.04	
Bond Anticipation Notes	C-14	2,897,500.00	
Various Reserves	C-15	<u>43,943.33</u>	
			<u>5,170,018.37</u>
Balance, December 31, 2018	C		<u><u>\$ 6,251,251.57</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH

	Balance <u>Dec. 31, 2018</u>
Fund Balance	\$ 254,643.20
Capital Improvement Fund	41,616.95
Reserve for Encumbrances	2,892,125.93
Various Reserves	21,530.74
Grants Receivable	(4,603,046.94)
Grants Receivable - Fully Reserved	142,000.00
Interfund - Due Current Fund	(495.00)
 Improvement Authorizations:	
Ordinance	
<u>Number</u>	
12-17	Various Improvements to Parks and Facilities 3,817.16
13-14	Various 2013 Roadway and Drainage Improvements 121,132.38
13-28	Pedestrian/Bicycle Lane Transportation 637,476.53
13-40	Demolition of the Welsh Farms Property 17,325.19
14-13/14-29	Development of Veterans Park 53,995.66
15-07	Alberta Basin Drainage Project 33,965.70
15-37	Various Parks Improvements 54,719.00
15-38	Various Facilities Improvements (Senior Center/Municipal Complex/Public Works Facility/OEM Facility) 173,969.81
15-40	Sunshine Village Park Improvements 72,097.94
16-08	Loffredo Field Improvements 48,883.97
16-27	Various 2016 Capital Improvements
(i)	Acquisition of heavy duty vehicles and equipment 7,328.92
(ii)	Acquisition of computer and communications equipment
(iii)	Improvements to various parks, lakes and streetscape 457,973.84
(iv)	Improvements to the Department of Public Works Complex, Senior Center, Municipal Complex and other Municipal Facilities 2,242,852.85
(v)	Implementation of the 2016 Community Development Block Grant Program Tenth Avenue Rehabilitation Project 25,610.46

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH

Balance
Dec. 31, 2018

Improvement Authorizations (cont.):

Ordinance

Number

16-33	Improvements to Brighton Avenue, Lakewood Road and Adjoining Roadways	\$	262,877.42
17-20	Fletcher Lake Bulkhead, Bridge and Roadway Improvements		18,133.75
17-21	2017 Roadway Improvements		920,862.97
17-22	Acquisition of West Lake Avenue Development Area Property		541,119.16
17-23	Replacement of the Municipal Complex Roof and other Facilities Improvements		4,390.67
17-36	Acquisition of Green Acres Property Located on South Riverside Drive		147,190.00
18-05	Construction of a Skate Park at the Sunshine Village Fields		46,753.10
18-06	Improvements to Jumping Brook Road		856,330.00
18-11	Roadway Improvements to Heck Road		386,850.00
18-18	Acq. of Office Equipment & Furniture for Various Departments		81,529.49
18-19	Various 2018 Road Improvements		283,124.00
18-20	Acquisition of a Garbage Truck & Field Communications Vehicle		2,566.72
			\$ 6,251,251.57

Ref

C

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND - CURRENT FUND

	<u>Ref.</u>	
Balance, December 31, 2017	C	
Increased by:		
Budget Appropriations	C-7/C-16	\$ 495.00
Balance, December 31, 2018	C	\$ 495.00

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF GRANTS RECEIVABLE

Ordinance Number	Grant Description	Balance December 31, 2017	2018 Grant Awards	Cash Receipts	Cancelled	Balance December 31, 2018
11-05	FEMA Grant (Concourse/Seaview Island Flood Mitigation)	\$ 0.50				\$ 0.50
13-28	NJ Dept. of Transportation (Pedestrian/Bicycle Enhancement)	580,000.00				580,000.00
15-03	U.S. Department of Housing and Urban Development - Community Development Block Grant Disaster Recovery Program - West Lake Avenue Redevelopment Area	241,264.10		\$ 94,987.85	\$ 111,301.62	34,974.63
15-06	NJ Department Dept. of Transportation (Central Ave. Roadway Reconstruction and Drainage Improvements).	68,397.50				68,397.50
15-07	NJ Office of Emergency Management/Federal Emergency Management Agency, Pre-Disaster Mitigation Program	696,084.75		683,055.64		13,029.11
15-40	County of Monmouth Open Space (Sunshine Village Park Improvements)	232,000.00		232,000.00		
16-08	Monmouth County Open Space Grant	250,000.00				250,000.00
16-27	FEMA Public Assistance Grant	450,000.00				450,000.00
16-33	NJ Department of Transportation	264,194.00				264,194.00
17-36	NJDEP Green Acres Grant	960,000.00				960,000.00
17-36	Monmouth Conservation Fund Grant	127,500.00				127,500.00
18-05	Monmouth County Open Space Grant		\$ 165,000.00			165,000.00
18-06	NJ Department of Transportation		887,000.00			887,000.00
18-11	NJ Department of Transportation		386,850.00			386,850.00
18-19	NJ Department of Transportation		223,374.00			223,374.00
17-20/18-23	Borough of Bradley Beach - Interlocal Agreement		192,727.20			192,727.20
		<u>\$ 3,869,440.85</u>	<u>\$ 1,854,951.20</u>	<u>\$ 1,010,043.49</u>	<u>\$ 111,301.62</u>	<u>\$ 4,603,046.94</u>
	<u>Ref.</u>	C	C-8	C-2	C-8	C

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, 2017	C		\$ 24,901,534.53
Decreased by:			
Budget Appropriation to Pay Green Trust Loa	C-12	\$ 78,592.15	
Budget Appropriation to Pay Bonds	C-13	<u>2,070,000.00</u>	
			<u>2,148,592.15</u>
Balance, December 31, 2018	C		<u><u>\$ 22,752,942.38</u></u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

Exhibit C-7

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	Increased by:		Decreased by:		Balance Dec. 31, 2018	Analysis of Balance Dec. 31, 2018	
			2018 Authorizations		Due from Ocean Grove Camp Meeting Association	Decreased		Bond Anticipation Notes	Unexpended Improvement Authorizations
1245	Installation of Traffic Signal	\$ 291.00				\$ 291.00			
13-13	Various 2013 Improvements to Parks and Other Township								
13-14	Various 2013 Roadway and Drainage Improvements	104.00				104.00			
13-23	Emergency Watershed Protection Measures Program, Including Wesley and Fletcher Basins	100.00				100.00			
14-09/14-43	Reconstruction of Ocean Grove Boardwalk	48,023.13		\$ 1,800.00		46,223.13			
16-27	Various 2016 Capital Improvements								
	(i) Acquisition of heavy duty vehicles and equipment	382,839.00				\$ 382,839.00	\$ 382,839.00		
	(ii) Acquisition of computer and communications equipment	246,110.00				246,110.00	246,110.00		
	(iii) Improvements to various parks, lakes and streetscape	273,456.00				273,456.00	273,456.00		
	(iv) Improvements to the Department of Public Works Complex, Senior Center, Municipal Complex and other municipal facilities	1,285,244.00				1,285,244.00	1,285,244.00		
	(v) Implementation of the 2016 Community Development Block Grant Program Tenth Avenue Rehabilitation Project	186,764.00				186,764.00	186,764.00		
17-36	Acquisition of Green Acres Property Located on South Riverside Drive	192,000.00				192,000.00	192,000.00		
18-05	Construction of a Skate Park at the Sunshine Village Fields		\$ 185,250.00			185,250.00	185,000.00		\$ 250.00
18-06	Improvements to Jumping Brook Road		313,000.00			313,000.00	313,000.00		313,000.00
18-18	Acq. of Office Equipment & Furniture for Various Departments		190,000.00			190,000.00	190,000.00		
18-19	Various 2018 Road Improvements		1,704,126.00			1,704,126.00			1,704,126.00
18-20	Acquisition of a Garbage Truck & Field Communications Vehicle		427,500.00			427,500.00	427,500.00		
		<u>\$ 2,614,931.13</u>	<u>\$ 2,819,876.00</u>	<u>\$ 1,800.00</u>	<u>\$ 46,718.13</u>	<u>\$ 5,386,289.00</u>	<u>\$ 3,368,913.00</u>	<u>\$ 2,017,376.00</u>	
		Ref. C	C-8	C-10	C-7	C	C-14	C-7	
	Paid by Budget Appropriation	C-4			\$ 495.00				
	Canceled	C-10			<u>46,223.13</u>				
		C-7			<u>\$ 46,718.13</u>				
							Ref.		
							Improvement Authorizations Unfunded	C-8	\$ 3,887,054.69
							Unexpended Proceeds of Bond Anticipation Notes:		
							Ordinance		
							16-27(i)	\$ 7,328.92	
							16-27(iii)	273,456.00	
							16-27(iv)	1,285,244.00	
							16-27(v)	25,610.46	
							17-36	147,190.00	
							18-05	46,753.10	
							18-18	81,529.49	
							18-20	2,566.72	
									<u>1,869,678.69</u>
								C-7	<u>\$ 2,017,376.00</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, 2017		Reserve for Encumbrances	Increased by 2018 Authorizations	Reimbursements	Decreased by		Balance Dec. 31, 2018	
				Funded	Unfunded				Canceled	Paid	Funded	Unfunded
04-32	Lake Alberta Watershed Improvements	07-26-04	\$ 255,400.00	\$ 18,571.03					\$ 13,171.03	\$ 5,400.00		
05-29	Acquisition, Demolition and Improvements of Neptune Boulevard	06-27-05	300,000.00	47,596.98					47,596.98			
07-38	Purchase and Installation of Street Lighting on Broadway	06-25-07	100,000.00	1,353.82		\$ 105.50			105.50	1,353.82		
07-40	Ocean Grove Storm Water Management Project - Phase III and Township-Wide Storm Drain Labeling and Mapping	06-25-07	720,000.00	15,944.99		24,702.74			5,693.22	34,954.51		
09-27	Ocean Grove Drainage Project - Broadway Area	06-22-09	375,000.00	16,122.48					16,122.48			
11-02	Various Improvements to the Senior Center	01-24-11	600,000.00	3,236.99		1,190.00			2,426.99	2,000.00		
11-05/14-30	Concourse/Seaview Island Flood Mitigation	01-24-11	850,000.00			3,644.92			3,644.92			
12-17	Various Improvements to Parks and Facilities	06-11-12	250,000.00			1,358.56		\$ 3,817.16	830.40	528.16	\$ 3,817.16	
12-24	Acquisition of Equipment Associated with the Implementation of a Single Stream Recycling Program Ballfields	07-23-12	1,100,000.00									
13-14	Various 2013 Roadway and Drainage Improvements	04-08-13	390,000.00	11,311.10					11,311.10			
13-23	Emergency Watershed Protection Measures Program, Including Wesley and Fletcher Basins	04-08-13	1,500,000.00	8,488.58	\$ 104.00	116,815.37				4,275.57		121,132.38
13-27	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	08-12-13	1,500,000.00	158,383.95	100.00				110,458.22	48,025.73		
13-28	Pedestrian/Bicycle Lane Transportation Enhancement Project	08-12-13	120,000.00			2,870.75			2,870.75			
13-39	Implementation of the Energy Efficiency Improvement Program and the Boiler Replacement Project	08-12-13	700,000.00	638,709.47		104.40				787.34	\$ 550.00	637,476.53
13-40	Demolition of the Welsh Farms Property	10-10-13	750,000.00	32,423.61		40,346.48			32,700.67	40,069.42		
14-09/14-43	Reconstruction of Ocean Grove Boardwalk	10-10-13	200,000.00	19,105.19						1,780.00		17,325.19
		10-27-14	2,200,000.00		20,289.87	25,972.50			46,262.37			
14-12	Sidewalk and Accessibility Project on Neptune Boulevard and Other Identified Locations	03-24-14	300,000.00			10,842.99			3,331.75	7,511.24		
14-13/14-29	Development of Veterans Park	03-24-14										
		08-11-14	1,000,000.00	64,535.92		29,334.74					39,875.00	53,995.66
14-20	Acquisition and Installation of Various Public Safety Technology and Equipment	06-09-14	400,000.00	40.66					40.66			
15-03	Improvements in the West Lake Avenue Redevelopment Area	02-23-15	800,114.00	119,287.62		56,620.12			111,301.62	64,606.12		
15-06	Central Avenue Roadway Reconstruction and Drainage Improvements	02-23-15	500,000.00			1,924.81			1,498.81	426.00		
15-07	Alberta Basin Drainage Project	02-23-15	950,000.00	52,482.00		258,343.60				272,783.80	4,076.10	33,965.70
15-37	Various Parks Improvements	08-24-15	300,000.00	87,839.17		14.17				33,134.34		54,719.00
15-38	Various Facilities Improvements (Senior Center/Municipal Complex/Public Works Facility/OEM Facility)	08-24-15	600,000.00	161,030.39		186,555.40				172,673.58	942.40	173,969.81
15-40	Sunshine Village Park Improvements	09-14-15	480,000.00	73,931.69		4,161.25				5,995.00		72,097.94
15-46	Shark River Dredging	10-08-15	300,000.00	2,760.00					2,760.00			
16-08	Loffredo Field Improvements	03-24-16	600,000.00	538,490.00		25,800.00				455,551.80	59,854.23	48,883.97
16-27	Various 2016 Capital Improvements	08-22-16										
	(i) Acquisition of heavy duty vehicles and equipment		700,000.00		13,663.17	4,615.00				10,949.25		\$ 7,328.92
	(ii) Acquisition of computer and communications equipment		450,000.00		89,960.30	31,558.00				119,718.30	1,800.00	
	(iii) Improvements to various parks, lakes and streetscape		500,000.00	184,517.84	273,456.00							184,517.84
	(iv) Improvements to the Department of Public Works Complex, Senior Center, Municipal Complex and other municipal facilities		2,800,000.00	960,088.73	1,285,244.00	217,554.42				77,187.45	142,846.85	957,608.85
	(v) Implementation of the 2016 Community Development Block Grant Program Tenth Avenue Rehabilitation Project		480,000.00		25,606.46	30,604.79				30,600.79		25,610.46
16-33	Improvements to Brighton Avenue, Lakewood Road and Adjoining Roadways	09-26-16	500,000.00	498,235.20		64.80				509.55	234,913.03	262,877.42
17-20/18-23	Fletcher Lake Bulkhead, Bridge and Roadway Improvements	06/26/17	500,000.00									
	Fletcher Lake Bulkhead, Bridge and Roadway Improvements	07-09-18	50,000.00	429,600.00		59,400.00	\$ 50,000.00			41,744.75	479,121.50	18,133.75

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2017		Reserve for Encumbrances	Increased by 2018 Authorizations	Reimbursements	Decreased by			Balance Dec. 31, 2018	
				Funded	Unfunded				Canceled	Paid	Reserve for Encumbrances	Funded	Unfunded
17-21	2017 Roadway Improvements	06/26/17	\$ 1,000,000.00	\$ 936,830.45						\$ 10,879.98	\$ 5,087.50	\$ 920,862.97	
17-22	Acquisition of West Lake Avenue Development Area Property	06/26/17	750,000.00	747,300.00						22,898.71	183,282.13	541,119.16	
17-23	Replacement of the Municipal Complex Roof and other Facilities Improvements	06/26/17	800,000.00	99,055.00		\$ 292,522.00				373,909.14	13,277.19	4,390.67	
17-36	Acquisition of Green Acres Property Located on South Riverside Drive	08-28-17	1,280,000.00		\$ 147,190.00	1,127,500.00					1,127,500.00		\$ 147,190.00
18-05	Construction of a Skate Park at the Sunshine Village Fields	03-12-18	360,000.00			\$ 360,000.00				33,396.90	279,600.00		47,003.10
18-06	Improvements to Jumping Brook Road	03-12-18	1,200,000.00			1,200,000.00				30,095.20	574.80	856,330.00	313,000.00
18-11	Roadway Improvements to Heck Road	04-23-18	386,850.00			386,850.00						386,850.00	
18-18	Acq. of Office Equipment & Furniture for Various Departments	06-11-18	200,000.00			200,000.00				52,928.59	65,541.92		81,529.49
18-19	Various 2018 Road Improvements	06-11-18	2,000,000.00			2,000,000.00				635.00	12,115.00	283,124.00	1,704,126.00
18-20	Acquisition of a Garbage Truck & Field Communications Vehicle	06-11-18	450,000.00			450,000.00				206,265.00	241,168.28		2,566.72
				<u>\$ 5,927,272.86</u>	<u>\$ 1,855,613.80</u>	<u>\$ 2,554,527.31</u>	<u>\$ 4,646,850.00</u>	<u>\$ 3,817.16</u>	<u>\$ 412,127.47</u>	<u>\$ 2,163,575.04</u>	<u>\$ 2,892,125.93</u>	<u>\$ 5,633,198.00</u>	<u>\$ 3,887,054.69</u>
		<u>Ref.</u>		C	C	C-11	C-8	C-2	C-8	C-2	C-11	C	C/C-7
	Capital Fund Balance	C-1							\$ 254,602.72				
	Grants and Other Receivables	C-5				\$ 1,854,951.20			111,301.62				
	Fully Reserved Receivables	C-5				(142,000.00)							
	Deferred Charges - Unfunded	C-7/C-16				2,819,876.00			46,223.13				
	Restated Ordinance	C-9				(727.20)							
	Capital Improvement Fund	C-9				114,750.00							
		C-8				\$ 4,646,850.00			\$ 412,127.47				

in 2019 the 72,500 disappears with amended ordinance 4/8/2019

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>		
Balance, December 31, 2017	C		\$ 55,639.75
Increased by:			
Restating Bond Ordinance	C-8	\$ 727.20	
Budget Appropriation	C-2	<u>100,000.00</u>	
			<u>100,727.20</u>
			156,366.95
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-8		<u>114,750.00</u>
Balance, December 31, 2018	C		<u><u>\$ 41,616.95</u></u>

Exhibit C-10

SCHEDULE OF DUE FROM OCEAN GROVE CAMP MEETING ASSOCIATION

	<u>Ref.</u>		
Balance, December 31, 2017	C		\$ 48,023.13
Decreased by:			
Cash Receipts	C-2/C-7/C-16	\$ 1,800.00	
Cancelled	C-7	<u>46,223.13</u>	
			<u>\$ 48,023.13</u>
Balance, December 31, 2018	C		<u><u> </u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 2,554,527.31
Increased by:		
Charged to Improvement Authorizations	C-8	2,892,125.93
		5,446,653.24
Decreased by:		
Applied to Improvement Authorizations	C-8	2,554,527.31
		2,554,527.31
Balance, December 31, 2018	C	\$ 2,892,125.93

Exhibit C-12

SCHEDULE OF GREEN TRUST LOANS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017	C	\$ 731,534.53
Decreased by:		
Paid by Budget Appropriation	C-6	78,592.15
		78,592.15
Balance, December 31, 2018	C	\$ 652,942.38

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2018</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>	
General Obligation Bonds Series 2011	09-15-11	\$ 7,100,000.00	09-01-19	\$ 500,000.00	2.250%	\$ 4,500,000.00	\$ 500,000.00	\$ 4,000,000.00
			09-01-20	500,000.00	2.375%			
			09-01-21	500,000.00	2.500%			
			09-01-22 to 24	500,000.00	3.000%			
			09-01-25 to 26	500,000.00	4.000%			
Revenue Refunding Bonds, Series 2012	05-22-12	4,800,000.00	12-01-19	480,000.00	4.000%	3,115,000.00	460,000.00	2,655,000.00
			12-01-20	495,000.00	4.000%			
			12-01-21	310,000.00	4.000%			
			12-01-22	320,000.00	5.000%			
			12-01-23	335,000.00	5.000%			
			12-01-24	350,000.00	5.000%			
			12-01-25	365,000.00	5.000%			
Pooled Governmental Loan Revenue Bonds, Series 2013	12-24-13	5,180,000.00	12-01-19	300,000.00	4.000%	4,305,000.00	290,000.00	4,015,000.00
			12-01-20	310,000.00	5.000%			
			12-01-21	325,000.00	5.000%			
			12-01-22	345,000.00	5.000%			
			12-01-23	360,000.00	5.000%			
			12-01-24	380,000.00	5.000%			
			12-01-25	395,000.00	5.000%			
			12-01-26	400,000.00	5.000%			
			12-01-27	400,000.00	5.000%			
			12-01-28	400,000.00	5.000%			
12-01-29	400,000.00	5.000%						

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2018</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>	
Pooled Governmental Loan Revenue Refunding Bond, Series 2016	3-24-16	\$ 2,395,000.00	12-01-19	455,000.00	4.000%	\$ 2,375,000.00	\$ 435,000.00	\$ 1,940,000.00
			12-01-20	470,000.00	5.000%			
			12-01-21	495,000.00	5.000%			
			12-01-22	520,000.00	5.000%			
Pooled Government Loan Revenue Bonds, Series 2017B	9-13-17	9,875,000.00	7-15-19 to 7-15-20	385,000.00	4.000%			
			7-15-21	460,000.00	4.000%			
			7-15-22	475,000.00	5.000%			
			7-15-23	500,000.00	5.000%			
			7-15-24	525,000.00	5.000%			
			7-15-25	550,000.00	4.000%			
			7-15-26	575,000.00	5.000%			
			7-15-27	600,000.00	5.000%			
			7-15-28	635,000.00	5.000%			
			7-15-29	665,000.00	5.000%			
			7-15-30	695,000.00	5.000%			
			7-15-31	730,000.00	5.000%			
			7-15-32	770,000.00	5.000%			
7-15-33 to 7-15-34	770,000.00	4.000%						
					<u>9,875,000.00</u>	<u>385,000.00</u>	<u>9,490,000.00</u>	
					<u>\$ 24,170,000.00</u>	<u>\$ 2,070,000.00</u>	<u>\$ 22,100,000.00</u>	
<u>Ref.</u>					C	C-6	C	

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, 2017	Increased	Decreased	Balance Dec. 31, 2018
16-27	Various 2016 Capital Improvements								
	(i) Acquisition of heavy duty vehicles and equipment	12-31-16	08-30-18	08-29-19	1.95%	\$ 282,161.00			\$ 282,161.00
	(i) Acquisition of heavy duty vehicles and equipment	12-21-18	12-21-18	12-20-19	0.00%		\$ 100,678.00		100,678.00
	(ii) Acquisition of computer and communications equipment	12-31-16	08-30-18	08-29-19	1.95%	181,390.00			181,390.00
	(ii) Acquisition of computer and communications equipment	12-21-18	12-21-18	12-20-19	0.00%		64,720.00		64,720.00
	(iii) Improvements to various parks, lakes and streetscape	12-31-16	08-30-18	08-29-19	1.95%	201,544.00			201,544.00
	(iii) Improvements to various parks, lakes and streetscape	12-21-18	12-21-18	12-20-19	0.00%		71,912.00		71,912.00
	(iv) Improvements to the Department of Public Works Complex, Senior Center, Municipal Complex and other municipal facilities	12-31-16	08-30-18	08-29-19	1.95%	947,256.00			947,256.00
	(iv) Improvements to the Department of Public Works Center, Municipal Complex and other municipal facilities	12-21-18	12-21-18	12-20-19	0.00%		337,988.00		337,988.00
	(v) Implementation of the 2016 Community Development Block Grant Program Tenth Avenue Rehabilitation Project	12-31-16	08-30-18	08-29-19	1.95%	137,649.00			137,649.00
	(v) Implementation of the 2016 Community Development Block Grant Program Tenth Avenue Rehabilitation Project	12-21-18	12-21-18	12-20-19	0.00%		49,115.00		49,115.00
17-20	Fletcher Lake Bulkhead, Bridge and Roadway Improvements	09-05-17				475,000.00		\$ 475,000.00	
17-21	2017 Roadway Improvements	09-05-17				950,000.00		950,000.00	
17-22	Acquisition of West Lake Avenue Development Area Property	09-05-17				712,500.00		712,500.00	
17-23	Replacement of the Municipal Complex Roof and other Facilities Improvements	09-05-17				760,000.00		760,000.00	
17-36	Acquisition of Green Acres Property Located on South Riverside Drive	12-21-18	12-21-18	12-20-19	0.00%		192,000.00		192,000.00
18-05	Construction of a Skate Park at the Sunshine Village Fields	08-30-18	08-30-18	08-29-19	1.95%		185,000.00		185,000.00
18-18	Acquisition of Office Equipment & Furniture for Various Departments	08-30-18	08-30-18	08-29-19	1.95%		190,000.00		190,000.00
18-20	Acquisition of a Garbage Truck & Field Communications Vehicle	08-30-18	08-30-18	08-29-19	1.95%		427,500.00		427,500.00
						<u>\$ 4,647,500.00</u>	<u>\$ 1,618,913.00</u>	<u>\$ 2,897,500.00</u>	<u>\$ 3,368,913.00</u>
					<u>Ref.</u>	C	C-2/C-16	C-2	C/C-7

COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF VARIOUS RESERVES

<u>Description</u>	<u>Balance Dec. 31, 2017</u>	<u>Increased by:</u>	<u>Decreased by:</u>	<u>Balance Dec. 31, 2018</u>
		<u>Cash Receipts</u>	<u>Anticipated as Current Revenue</u>	
Reserve to Pay Debt Service	\$ 43,943.33	\$ 2,236.49	\$ 43,943.33	\$ 2,236.49
Reserve for 2017 Bond issuance Costs	18,294.25			18,294.25
Reserve for Main Avenue Improvements	<u>1,000.00</u>			<u>1,000.00</u>
	<u>\$ 63,237.58</u>	<u>\$ 2,236.49</u>	<u>\$ 43,943.33</u>	<u>\$ 21,530.74</u>
<u>Ref.</u>	C	C-2	C-2	C

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND
 SCHEDULE OF BONDS AND NOTES AUTHORIZED
 BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	Increased by:		Decreased by:			Balance Dec. 31, 2018
			2018 Authorizations	Budget Appropriation	Bond Anticipation Notes Issued	Due from Ocean Grove Camp Meeting Assoc.	Canceled	
1245	Installation of Traffic Signal	\$ 291.00		\$ 291.00				
13-14	Various 2013 Roadway and Drainage Improvements	104.00		104.00				
13-23	Emergency Watershed Protection Measures Program, Including Wesley and Fletcher Basins	100.00		100.00				
13-39	Implementation of the Energy Efficiency Improvement							
14-09/14-43	Reconstruction of Ocean Grove Boardwalk	48,023.13				\$ 1,800.00	\$ 46,223.13	
14-12	Sidewalk and Accessibility Project on Neptune							
16-27	Various 2016 Capital Improvements							
	(i) Acquisition of heavy duty vehicles and equipment	100,678.00			\$ 100,678.00			
	(ii) Acquisition of computer and communications equipment	64,720.00			64,720.00			
	(iii) Improvements to various parks, lakes and streetscape	71,912.00			71,912.00			
	(iv) Improvements to the Department of Public Works Complex, Senior Center, Municipal Complex and other municipal facilities	337,988.00			337,988.00			
	(v) Implementation of the 2016 Community Development Block Grant Program Tenth Avenue Rehabilitation Project	49,115.00			49,115.00			
17-36	Acq. of Green Acres Property Located on South Riverside Drive	192,000.00			192,000.00			
18-05	Construction of a Skate Park at the Sunshine Village Fields		\$ 185,250.00		185,000.00			\$ 250.00
18-06	Improvements to Jumping Brook Road		313,000.00					313,000.00
18-18	Acq. of Office Equipment & Furniture for Various Departments		190,000.00		190,000.00			
18-19	Various 2018 Road Improvements		1,704,126.00					1,704,126.00
18-20	Acquisition of a Garbage Truck & Field Communications Vehicle		427,500.00		427,500.00			
		<u>\$ 864,931.13</u>	<u>\$ 2,819,876.00</u>	<u>\$ 495.00</u>	<u>\$ 1,618,913.00</u>	<u>\$ 1,800.00</u>	<u>\$ 46,223.13</u>	<u>\$ 2,017,376.00</u>
		<u>Ref.</u>	<u>C-8</u>	<u>C-4</u>	<u>C-14</u>	<u>C-10</u>		<u>(Footnote C)</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY FUND
 SCHEDULE OF CASH

	Ref.	Operating	Capital
Balance, December 31, 2017	D	\$ 6,987,642.19	\$ 3,218,553.17
Increased by Receipts:			
Miscellaneous Revenue Anticipated	D-3	\$ 1,067,588.67	
Miscellaneous Revenue Not Anticipated	D-3	71,869.24	
Consumer Accounts Receivable	D-8	6,123,051.42	
Customer Overpayments	D-14	33,239.29	
Interfunds Receivable	D-15	93,287.05	
Reserve for FEMA Reimbursement	D	183,617.71	
Budget Appropriation - Capital Improvement Fund	D-20		\$ 250,000.00
		<u>7,572,653.38</u>	<u>250,000.00</u>
		14,560,295.57	3,468,553.17
Decreased by Disbursements:			
2018 Appropriations	D-4	6,198,457.54	
Appropriation Reserves	D-12	45,402.74	
Refund Customer Overpayments	D-14	1,110.66	
Accrued Interest Payable	D-16	219,057.93	
Investment in General Capital Fund Notes	D	816,413.00	
Investment in Marina Capital Fund Notes	D	67,450.00	
Improvement Authorizations	D-19		754,560.59
		<u>7,347,891.87</u>	<u>754,560.59</u>
Balance, December 31, 2018	D	<u>\$ 7,212,403.70</u>	<u>\$ 2,713,992.58</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
 ANALYSIS OF SEWER UTILITY CAPITAL CASH

	Balance <u>Dec. 31, 2018</u>
Capital Improvement Fund	\$ 599,258.25
Reserve for Encumbrances	173,462.24
Reserve for FEMA Reimbursement	215,892.76
Reserve for Debt Service	235.02
Fund Balance	202,258.67

<u>Ordinance Number</u>	<u>Improvement Description</u>	
08-51/09-21	Upgrades to the Pennsylvania Avenue Sanitary Sewer Pumping Station	32,758.47
09-37	Acquisition of Various Vehicles and Equipment for the Sewer Utility	(250.00)
16-28	Various Sewer Utility Improvements and the Acquisition of a Sewer Utility Vehicle	478,365.63
17-19	Various Sewer Utility Improvements	1,370,723.17
18-07	Various Sewer Utility Improvements	<u>(358,711.63)</u>
		<u><u>\$ 2,713,992.58</u></u>

Ref. D

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF DEFERRED CHARGES - OVEREXPENDITURE

<u>Purpose</u>	Balance December 31, <u>2017</u>	Budget <u>Appropriation</u>	Balance December 31, <u>2018</u>
Overexpenditure Interest on Bonds	<u>\$ 63,787.17</u>	<u>\$ 63,787.17</u>	<u> </u>
<u>Ref.</u>	D	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, 2017	D		\$ 550,480.06
Increased by:			
Sewer Rents Levied			5,996,422.87
			6,546,902.93
Decreased by:			
Collections	D-3/D-5	\$ 6,123,051.42	
Overpayments Applied	D-3/D-14	15,084.92	
		6,138,136.34	
Balance, December 31, 2018	D		\$ 408,766.59

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
 SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 299.99
Decreased by:		
Cancelled	D-1	<u>\$ 299.99</u>
Balance, December 31, 2018	D	<u><u> </u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance, December 31, 2018 and 2017	D	<u>\$ 20,048,840.79</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2017	2018 Authorizations		Balance Dec. 31, 2018
		Date	Amount		Capital Improvement Fund	Deferred Charges to Future Revenue	
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
12-14	Various Sewer Utility Improvements	06-11-12	700,000.00	700,000.00			700,000.00
15-36	Reconstruction of the Sanitary Sewer System	08-24-15	1,000,000.00	1,000,000.00			1,000,000.00
16-28	Various Sewer Utility Improvements and the Acquisition of a Sewer Utility Vehicle	08-22-16	600,000.00	600,000.00			600,000.00
17-19	Various Sewer Utility Improvements	06-26-17	1,800,000.00	1,800,000.00			1,800,000.00
18-07	Improvement to Heck and Tremont	07-09-18	1,400,000.00		\$ 70,000.00	\$ 1,330,000.00	1,400,000.00
				<u>\$ 5,688,500.00</u>	<u>\$ 70,000.00</u>	<u>\$ 1,330,000.00</u>	<u>\$ 7,088,500.00</u>
		<u>Ref.</u>		D	D-19/D-22	D-19/D-25	D

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 106,095.95		\$ 106,095.95		\$ 106,095.95
Other Expenses	6,131.85	\$ 40,890.89	47,022.74	\$ 41,973.74	5,049.00
TNSA - Annual Charge	355,309.24		280,309.24		280,309.24
Group Insurance for Employees			75,000.00		75,000.00
Capital Improvements:					
Capital Outlay	214,468.11		214,468.11	3,429.00	211,039.11
Statutory Expenditures:					
Contribution to:					
Social Security System	<u>10,060.54</u>		<u>10,060.54</u>		<u>10,060.54</u>
	<u>\$ 692,065.69</u>	<u>\$ 40,890.89</u>	<u>\$ 732,956.58</u>	<u>\$ 45,402.74</u>	<u>\$ 687,553.84</u>
<u>Ref.</u>	D	D-13		D-5	D-1

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR SEWER OPERATING ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 40,890.89
Increased by:		
Transferred from Budget Appropriations	D-4	204,985.34
		245,876.23
Decreased by:		
Transferred to Appropriation Reserves	D-12	40,890.89
		40,890.89
Balance, December 31, 2018	D	\$ 204,985.34

Exhibit D-14

SCHEDULE OF CUSTOMER OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 18,200.24
Increased by:		
Cash Received	D-5	33,239.29
		51,439.53
Decreased by:		
Overpayments Cancelled	D-1	\$ 11,286.42
Cash Disbursements	D-5	1,110.66
Applied to Consumer Accounts Receivable	D-8	15,084.92
		27,482.00
Balance, December 31, 2018	D	\$ 23,957.53

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
 SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)

	<u>Ref.</u>	<u>Total (Memo Only)</u>	<u>Current Fund</u>	<u>Trust Other Fund</u>	<u>Marina Utility Operating Fund</u>
Balance, December 31, 2017 Interfunds Receivable	D	\$ 93,287.05	\$ 13,332.20	\$ 14,779.26	\$ 65,175.59
Decreased by: Cash Receipt	D-5	\$ 93,287.05	\$ 13,332.20	\$ 14,779.26	\$ 65,175.59
Balance, December 31, 2018 Interfunds Receivable	D				

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 75,765.01
Increased by:		
Budget Appropriations	D-4	209,919.32
		285,684.33
Decreased by:		
Interest Paid	D-5	219,057.93
		219,057.93
Balance, December 31, 2018	D	\$ 66,626.40

Analysis of Accrued Interest December 31, 2018

	<u>Principal</u> <u>Outstanding</u> <u>Dec. 31, 2018</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:						
\$ 840,000.00	Various	12/01/18	12/31/18	30 Days	\$ 3,229.17	
182,000.00	Various	12/01/18	12/31/18	30 Days	758.33	
865,000.00	Various	12/01/18	12/31/18	30 Days	3,225.00	
165,000.00	Various	12/01/18	12/31/18	30 Days	654.17	
2,610,000.00	Various	07/15/18	12/31/18	166 Days	55,218.06	
\$4,662,000.00					63,084.73	
Loans Payable:						
\$ 755,514.93	Various	08/01/18	12/31/18	150 Days	3,541.67	
					\$ 66,626.40	

Ref.

D-16

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
 SCHEDULE OF SEWER UTILITY SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
			<u>Outstanding</u>	<u>December 31, 2018</u>				
Governmental Pooled Loan Revenue Refunding Bonds, Series 2012	05-22-12	\$ 1,310,000.00	12-01-19	\$ 105,000.00	4.000%	\$ 940,000.00	\$ 100,000.00	\$ 840,000.00
			12-01-20	110,000.00	4.000%			
			12-01-21	110,000.00	4.000%			
			12-01-22	120,000.00	5.000%			
			12-01-23	125,000.00	5.000%			
			12-01-24	130,000.00	5.000%			
			12-01-25	140,000.00	5.000%			
Pooled Governmental Loan Refunding Revenue Bonds, Series 2014	12-4-14	291,000.00	12-01-19	58,000.00	5.000%	237,000.00	55,000.00	182,000.00
			12-01-20	61,000.00	5.000%			
			12-01-21	63,000.00	5.000%			
Pooled Governmental Loan Revenue Bond, Series 2014	12-24-14	1,005,000.00	12-01-19	35,000.00	4.000%	900,000.00	35,000.00	865,000.00
			12-01-20	40,000.00	4.000%			
			12-01-21	40,000.00	5.000%			
			12-01-22	40,000.00	5.000%			
			12-01-23	45,000.00	5.000%			
			12-01-24	50,000.00	5.000%			
			12-01-25	50,000.00	5.000%			
			12-01-26	55,000.00	5.000%			
			12-01-27	55,000.00	5.000%			
			12-01-28	55,000.00	5.000%			
			12-01-29	60,000.00	5.000%			
			12-01-30	65,000.00	5.000%			
			12-01-31	65,000.00	4.000%			
			12-01-32	70,000.00	4.000%			
			12-01-33	70,000.00	3.250%			
			12-01-34	70,000.00	3.250%			

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
 SCHEDULE OF SEWER UTILITY SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
			<u>Outstanding</u>	<u>December 31, 2018</u>				
Refunding of Pooled Governmental Loan Revenue Refunding Bonds, Series 2016	03-24-16	\$ 200,000.00	12-01-19	\$ 40,000.00	4.000%	\$ 200,000.00	\$ 35,000.00	\$ 165,000.00
			12-01-20	40,000.00	5.000%			
			12-01-21	40,000.00	5.000%			
			12-01-22	45,000.00	5.000%			
Pooled Government Loan Revenue Bonds, Series 2017B	09-13-17	2,810,000.00	7-15-19	245,000.00	4.000%	<u>2,810,000.00</u>	<u>200,000.00</u>	<u>2,610,000.00</u>
			7-15-20	250,000.00	4.000%			
			7-15-21	265,000.00	4.000%			
			7-15-22	275,000.00	5.000%			
			7-15-23	285,000.00	5.000%			
			7-15-24	300,000.00	5.000%			
			7-15-25	315,000.00	4.000%			
			7-15-26	330,000.00	5.000%			
			7-15-27	345,000.00	5.000%			
					<u>\$ 5,087,000.00</u>	<u>\$ 425,000.00</u>	<u>\$ 4,662,000.00</u>	
				<u>Ref.</u>	D	D-17	D	
		Reserve for Amortization		D-21		\$ 194,663.50		
		Deferred Reserve for Amortization		D-22		<u>230,336.50</u>		
				D-17		<u>\$ 425,000.00</u>		

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR SEWER CAPITAL ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 77,285.25
Increased by:		
Charged to Improvement Authorizations	D-19	173,462.24
		250,747.49
Decreased by:		
Applied to Improvement Authorizations	D-19	77,285.25
		77,285.25
Balance, December 31, 2018	D	\$ 173,462.24

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

Ordinance Number	Improvement Description	Ordinance		Balance	Increased by		Decreased by			Balance	
		Date	Amount	Dec. 31, 2017 Funded	2018 Authorizations	Prior Year Encumbrances	Paid	Reserve for Encumbrances	Cancelled	Dec. 31, 2018 Funded	Unfunded
09-21	Sanitary Sewer Pumping Station	06-22-09	\$ 3,507,000.00	\$ 32,758.47						\$ 32,758.47	
12-14	Various Sewer Utility Improvements	06-11-12	700,000.00	26,094.52		\$ 4,555.00	\$ 4,555.00		\$ 26,094.52		
15-36	Reconstruction of the Sanitary Sewer System	08-24-15	1,000,000.00			310.25			310.25		
16-28	Various Sewer Utility Improvements and the Acquisition of a Sewer Utility Vehicle	08-22-16	600,000.00	540,145.00		4,250.00	32,072.01	\$ 33,957.36		478,365.63	
17-19	Various Sewer Utility Improvements	06-26-17	1,800,000.00	1,731,280.00		68,170.00	356,848.97	71,877.86		1,370,723.17	
18-07	Improvement to Heck and Tremont	07-09-18	1,400,000.00		\$ 1,400,000.00		361,084.61	67,627.02			\$ 971,288.37
				<u>\$ 2,330,277.99</u>	<u>\$ 1,400,000.00</u>	<u>\$ 77,285.25</u>	<u>\$ 754,560.59</u>	<u>\$ 173,462.24</u>	<u>\$ 26,404.77</u>	<u>\$ 1,881,847.27</u>	<u>\$ 971,288.37</u>
		<u>Ref.</u>		D	D-19	D-18	D-5	D-18	D-2	D	D
	Capital Improvement Fund		D-11/D-20		\$ 70,000.00						
	Deferred Charges to Future Revenue		D-11		<u>1,330,000.00</u>						
			D-19		<u>\$ 1,400,000.00</u>						

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 419,258.25
Increased by:		
Budget Appropriation	D-5	<u>250,000.00</u>
		669,258.25
Decreased by:		
Appropriated to Finance		
Improvement Authorization	D-19	<u>70,000.00</u>
Balance, December 31, 2018	D	<u><u>\$ 599,258.25</u></u>

Exhibit D-21

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 18,612,345.08
Increased by:		
Serial Bonds Paid by Operating Budget	D-17	<u>194,663.50</u>
Balance, December 31, 2018	D	<u><u>\$ 18,807,008.58</u></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, 2017	Increased by:			Balance Dec. 31, 2018
				Capital Improvement Fund	Serial Bonds Paid	Loans Paid	
09-21	Sanitary Sewer Pumping Station	06-22-09	\$ 510,794.07		\$ 9,311.20	\$ 64,137.70	\$ 584,242.97
12-14	Various Sewer Utility Improvements	06-11-12	117,299.01		21,025.30		138,324.31
15-36	Reconstruction of the Sanitary Sewer System	08-24-15	173,529.41		58,823.52		232,352.93
16-28	Various Sewer Utility Improvements and the Acquisition of a Sewer Utility Vehicle	08-22-16	104,117.65		35,294.11		139,411.76
17-19	Various Sewer Utility Improvements	06-26-17	312,352.94		105,882.37		418,235.31
18-07	Improvement to Heck and Tremont	07-09-18		\$ 70,000.00			70,000.00
			<u>\$ 1,218,093.08</u>	<u>\$ 70,000.00</u>	<u>\$ 230,336.50</u>	<u>\$ 64,137.70</u>	<u>\$ 1,582,567.28</u>
			D	D-11	D-17	D-23	D

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY CAPITAL FUND
 SCHEDULE OF LOANS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 819,652.63
Decreased by:		
Paid by Budget Appropriation	D-22	64,137.70
Balance, December 31, 2018	D	\$ 755,514.93

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF OGSA OBLIGATION RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2017	D	\$ 108,703.38
Decreased by:		
Current Year Collections	D-3	<u>36,234.46</u>
Balance, December 31, 2018	D	<u><u>\$ 72,468.92</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Authorizations</u>	<u>Balance Dec. 31, 2018</u>
09-37	Acquisition of Various Vehicles and Equipment for the Sewer Utility	\$ 250.00		\$ 250.00
18-07	Various Sewer Utility Improvements	<u> </u>	<u>\$ 1,330,000.00</u>	<u>1,330,000.00</u>
		<u>\$ 250.00</u>	<u>\$ 1,330,000.00</u>	<u>\$ 1,330,250.00</u>
	<u>Ref.</u>		D-11	(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, 2017	E	\$ 224,877.70	\$ 288,551.62
Increased by Receipts:			
Marina Fees and Costs	E-3	\$ 497,726.83	
FEMA Reimbursements	E-3	51,678.81	
Interest on Investments	E-3	656.19	
Miscellaneous	E-3	435.28	
Interfund - Marina Utility Capital Fund	E-7	88,418.03	
Sales Taxes Payable	E-22	3,732.88	
Bond Anticipation Notes	E-15		\$ 67,450.00
Capital Improvement Fund	E-17		15,000.00
Interfund - Federal and State Grant Fund	E-18		39,750.00
Grants Receivable	E-21		30,621.75
		642,648.02	152,821.75
		867,525.72	441,373.37
Decreased by Disbursements:			
2018 Appropriations	E-4	369,204.22	
Appropriation Reserves	E-10	3,095.04	
Accrued Interest Payable	E-13	67,344.76	
Sales Tax Payable	E-22	2,990.84	
Interfund Sewer Utility Operating Fund	E-26	65,175.59	
Improvement Authorizations	E-16		58,767.29
Interfund - Marina Utility Operating Fund	E-24		88,418.03
		507,810.45	147,185.32
Balance, December 31, 2018	E	\$ 359,715.27	\$ 294,188.05

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
ANALYSIS OF MARINA UTILITY CAPITAL CASH

	<u>Balance</u> <u>Dec. 31, 2018</u>
Capital Improvement Fund	\$ 78,950.00
Capital Fund Balance	20,052.49
Reserve for Encumbrances	53,422.46
Reserve for Reconstruction	100,000.00
Excess Bond Anticipation Note Proceeds	411.14

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>		
15-04	Various Improvements		33,323.18
15-51	Shark River Dredging		2,088.28
16-29	Marina Site Remediation Project		5,940.50
			\$ 294,188.05

Ref. E

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY OPERATING FUND
 SCHEDULE OF INTERFUND - MARINA UTILITY CAPITAL FUND

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 800,500.00
Decreased by:		
Cash Receipts	E-5	88,418.03
Balance, December 31, 2018	E	\$ 712,081.97

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 5,880,400.00
Increased by:		
Transfer from Fixed Capital Authorized and Uncomplete	E-9	<u>1,584,788.86</u>
Balance, December 31, 2018	E	<u><u>\$ 7,465,188.86</u></u>
Analysis:		
Capital Outlay		\$ 15,400.00
Ordinance 11-03 Various Improvements		300,000.00
Ordinance 07-19 Acquisition of Marina Property and Various Improvements		5,565,000.00
Ordinance 12-18 Various Improvements		89,588.86
Ordinance 13-18 Various Improvements		<u>1,495,200.00</u>
		<u><u>\$ 7,465,188.86</u></u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2017</u>	<u>Cancelled</u>	<u>Transfer to Fixed Capital</u>	<u>Balance Dec. 31, 2018</u>
12-18	Various Improvements	6/11/2012	\$ 90,000.00	\$ 90,000.00	\$ 411.14	\$ 89,588.86	
13-18	Various Improvements	5/13/2013	1,500,000.00	1,500,000.00	4,800.00	1,495,200.00	
15-04	Reconstruction of the Municipal Marina Building	2/23/2015	2,500,000.00	2,500,000.00			\$ 2,500,000.00
15-51	Shark River Dredging	11/9/2015	160,000.00	160,000.00			160,000.00
16-29	Marina Site Remediation Project	8/22/2016	240,000.00	<u>240,000.00</u>			<u>240,000.00</u>
				<u>\$ 4,490,000.00</u>	<u>\$ 5,211.14</u>	<u>\$ 1,584,788.86</u>	<u>\$ 2,900,000.00</u>
			<u>Ref.</u>	E	E-16	E-8	E

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY OPERATING FUND
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 7,905.71		\$ 7,905.71		\$ 7,905.71
Other Expenses	3,814.72	\$ 7,228.57	11,043.29	\$ 3,095.04	7,948.25
Capital Improvements					
Capital Outlay	181.00		181.00		181.00
Statutory Expenditures:					
Contribution to Social Security System (O.A.S.I.)	2.63		2.63		2.63
	<u>\$ 11,904.06</u>	<u>\$ 7,228.57</u>	<u>\$ 19,132.63</u>	<u>\$ 3,095.04</u>	<u>\$ 16,037.59</u>
<u>Ref.</u>	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, 2017	E	\$ 7,228.57
Increased by:		
Transferred from Budget Appropriations	E-4	6,836.08
		14,064.65
Decreased by:		
Transferred to Appropriation Reserves	E-10	7,228.57
		7,228.57
Balance, December 31, 2018	E	\$ 6,836.08

Exhibit E-12

SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017 and 2018	E	\$ 506.25

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY OPERATING FUND
 SCHEDULE OF ACCRUED INTEREST PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 14,600.47
Increased by:		
Budget Appropriations	E-4	68,319.54
		82,920.01
Decreased by:		
Interest Paid	E-5	67,344.76
		67,344.76
Balance, December 31, 2018	E	\$ 15,575.25

Analysis of Accrued Interest December 31, 2018

	Principal Outstanding <u>Dec. 31, 2018</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:						
\$ 114,000.00	Various	12/1/2018	12/31/2018	30 Days	\$ 475.00	
695,000.00	Various	12/1/2018	12/31/2018	30 Days	2,579.17	
155,000.00	Various	12/1/2018	12/31/2018	30 Days	616.67	
Bond Anticipation Notes:						
\$ 597,900.00	1.55%	1/31/2018	12/31/2018	330 Days	8,495.16	
524,500.00	1.95%	8/30/2018	12/31/2018	120 Days	3,409.25	
67,450.00	0.00%	12/21/2018	12/31/2018	10 Days	8,495.16	
					\$ 15,575.25	

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
 SCHEDULE OF MARINA UTILITY SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2018</u>	<u>Principal Payments</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid</u>	<u>Balance Dec. 31, 2018</u>
Pooled Governmental Loan								
Refunding Revenue Bonds								
Series 2014								
	12/4/2014	\$ 181,000.00	12/1/2019	\$ 36,000.00	5.00%			
			12/1/2020	38,000.00	5.00%			
			12/1/2021	40,000.00	5.00%	\$ 148,000.00	\$ 34,000.00	\$ 114,000.00
Pooled Governmental Loan								
Revenue Bonds Series 2014								
	12/24/2014	815,000.00	12/01/19-20	30,000.00	4.00%			
			12/1/2021	30,000.00	5.00%			
			12/01/22-24	35,000.00	5.00%			
			12/01/25-26	40,000.00	5.00%			
			12/01/27-28	45,000.00	5.00%			
			12/01/29-30	50,000.00	5.00%			
			12/01/31-32	55,000.00	4.00%			
			12/01/33-34	60,000.00	3.25%	725,000.00	30,000.00	695,000.00
Pooled Governmental Loan								
Revenue Refunding Bonds								
Series 2016								
	3/24/2016	190,000.00	12/1/2019	35,000.00	4.00%			
			12/1/2020	40,000.00	5.00%			
			12/1/2021	40,000.00	5.00%			
			12/1/2022	40,000.00	5.00%	190,000.00	35,000.00	155,000.00
						<u>\$ 1,063,000.00</u>	<u>\$ 99,000.00</u>	<u>\$ 964,000.00</u>
					<u>Ref.</u>	E	E-14	E
			Reserve for Amortization		E-19		\$ 69,000.00	
			Deferred Reserve for Amortization		E-20		<u>30,000.00</u>	
					E-14		<u>\$ 99,000.00</u>	

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
 SCHEDULE OF MARINA UTILITY BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2017	Issued	Decreases	Balance Dec. 31, 2018
06-33/ 07-19	Acquisition of Marina Property and Various Improvements	11/9/2007 2/4/2016	8/30/2018 1/31/2018	8/29/2019 1/30/2019	1.95% 1.55%	\$ 195,000.00 25,000.00		\$ 3,410.00	\$ 191,590.00 25,000.00
11-03	Various Improvements to the Shark River Marina	1/24/2011	8/30/2018	8/29/2019	1.95%	263,500.00		4,135.00	259,365.00
12-18	Various Improvements	9/14/2012	8/30/2018	8/29/2019	1.95%	76,500.00		2,955.00	73,545.00
15-04	Reconstruction of the Municipal Marina Building	2/4/2016	1/31/2018	1/30/2019	1.55%	420,900.00			420,900.00
15-51	Shark River Dredging	2/4/2016	1/31/2018	1/30/2019	1.55%	152,000.00			152,000.00
16-29	Marina Site Remediation Project	12/21/2018	12/21/2018	12/20/2019	0.00%	<u> </u>	\$ 67,450.00		<u>67,450.00</u>
						<u>\$ 1,132,900.00</u>	<u>\$ 67,450.00</u>	<u>\$ 10,500.00</u>	<u>\$ 1,189,850.00</u>
					<u>Ref.</u>	E	E-5/E-27	E-15	E
	Reserve for Amortization				E-19			\$ 7,545.00	
	Deferred Reserve for Amortization				E-20			<u>2,955.00</u>	
					E-15			<u>\$ 10,500.00</u>	

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	Balance Dec. 31, 2017 <u>Unfunded</u>	<u>Increased by Reserve for Encumbrances</u>	<u>Paid or Charged</u>	<u>Decreased by Reserve for Encumbrances</u>	<u>Cancelled</u>	Balance Dec. 31, 2018 <u>Unfunded</u>
12-18	Various Improvements	6/11/2012	\$ 90,000.00	\$ 411.14				\$ 411.14	
13-18	Various Improvements	5/13/2013	1,500,000.00		\$ 4,800.00			4,800.00	
15-04	Reconstruction of the Municipal Marina Building	2/23/2015	2,500,000.00	33,924.92	679.51	\$ 1,281.25			\$ 33,323.18
15-51	Shark River Dredging	11/9/2015	160,000.00	3,369.28		1,281.00			2,088.28
16-29	Marina Site Remediation Project	8/22/2016	240,000.00	<u>13,687.50</u>	<u>101,880.50</u>	<u>56,205.04</u>	<u>\$ 53,422.46</u>		<u>5,940.50</u>
				<u>\$ 51,392.84</u>	<u>\$ 107,360.01</u>	<u>\$ 58,767.29</u>	<u>\$ 53,422.46</u>	<u>\$ 5,211.14</u>	<u>\$ 41,351.96</u>
		<u>Ref.</u>		E	E	E-5	E	E-9	E

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 63,950.00
Increased by:		
Budget Appropriation	E-5	<u>15,000.00</u>
Balance, December 31, 2018	E	<u>\$ 78,950.00</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
SCHEDULE OF INTERFUND - FEDERAL AND STATE GRANT FUND

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 39,750.00
Decreased by:		
Cash Receipts	E-5	<u>\$ 39,750.00</u>
Balance, December 31, 2018	E	<u><u> </u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>		
Balance, December 31, 2017	E		\$ 5,058,900.00
Increased by:			
Budget Appropriation - Serial Bonds	E-14	\$ 69,000.00	
Budget Appropriation - Bond Anticipation Notes	E-15	7,545.00	
Transfer from Deferred Reserve for Amortization	E-20	<u>816,655.00</u>	
			<u>893,200.00</u>
Balance, December 31, 2018	E		<u><u>\$ 5,952,100.00</u></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, 2017	Increased by		Decreased by:		Balance Dec. 31, 2018
				Serial Bonds Paid	Bond Anticipation Notes Paid by Budget	Transfer to Reserve for Amortization	Authorizations Cancelled To Surplus	
12-18	Various Improvements	6/11/2012	\$ 13,500.00		\$ 2,955.00	\$ 16,455.00		
13-18	Various Improvements	5/13/2013	775,000.00	\$ 30,000.00		800,200.00	\$ 4,800.00	
15-04	Reconstruction of the Municipal Marina Building	2/23/2015	2,079,100.00					\$ 2,079,100.00
15-51	Shark River Dredging	11/9/2015	8,000.00					8,000.00
16-29	Marina Site Remediation Project	8/22/2016	172,550.00					172,550.00
			<u>\$ 3,048,150.00</u>	<u>\$ 30,000.00</u>	<u>\$ 2,955.00</u>	<u>\$ 816,655.00</u>	<u>\$ 4,800.00</u>	<u>\$ 2,259,650.00</u>
	<u>Ref.</u>		E	E-14	E-15	E-19	E-2	E

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
SCHEDULE OF GRANT RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 742,703.72
Decreased by:		
Cash Receipts	E-5	30,621.75
Balance, December 31, 2018	E	\$ 712,081.97
Analysis:		
Ordinance 13-18 - Green Acres		\$ 600,000.00
Ordinance 15-04 - FEMA Disaster Assistance		13,453.72
Ordinance 16-29 - Marina Site Remediation Project		98,628.25
		\$ 712,081.97

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY OPERATING FUND
 SCHEDULE OF SALES TAX PAYABLE

	Ref.	
Balance, December 31, 2017	E	\$ 2,568.23
Increased by:		
Cash Receipts	E-5	3,732.88
		6,301.11
Decreased by:		
Cash Disbursements	E-5	2,990.84
		2,990.84
Balance, December 31, 2018	E	\$ 3,310.27

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR RECONSTRUCTION

	<u>Ref.</u>	
Balance, December 31, 2018 and 2017	E	<u>\$ 100,000.00</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY CAPITAL FUND
SCHEDULE OF INTERFUND - MARINA OPERATING FUND

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 800,500.00
Decreased by:		
Cash Disbursements	E-5	<u>88,418.03</u>
Balance, December 31, 2018	E	<u><u>\$ 712,081.97</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENT

	<u>Ref.</u>	
Balance, December 31, 2018 and 2017	E	<u>\$ 769,760.31</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

MARINA UTILITY OPERATING FUND
SCHEDULE OF INTERFUND - SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance, December 31, 2017	E	\$ 65,175.59
Decreased by:		
Cash Disbursements	E-5	<u>\$ 65,175.59</u>
Balance, December 31, 2018	E	<u><u> </u></u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2017</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2018</u>
16-29	Marina Site Remediation Project	\$ 67,450.00	\$ 67,450.00	_____
		<u>\$ 67,450.00</u>	<u>\$ 67,450.00</u>	<u>_____</u>
	<u>Ref.</u>		E-15	(Footnote E)

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

LOAN AND GRANT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance, December 31, 2017	F		\$ 641,855.95
Increased by Receipts:			
Loan and Interest Payments			
Reciprocal Loans	F-2	\$ 27,028.35	
Façade Loans	F-3	23,608.16	
Late Fees	F-4	886.47	
Paint Program - Reimbursement	F-4	330.16	
Interest Income - Deposits	F-4	<u>652.76</u>	
			<u>52,505.90</u>
			694,361.85
Decreased by Disbursements:			
World Changers Program	F-4		<u>27,453.98</u>
Balance, December 31, 2018	F		<u><u>\$ 666,907.87</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

LOAN AND GRANT FUND
SCHEDULE OF RECIPROCAL LOANS RECEIVABLE

	<u>Ref.</u>	<u>Totals</u>	<u>Accredited Dermatology</u>	<u>All American Turf</u>	<u>Headliners</u>	<u>Sunniland Furniture Inc. Loan</u>	<u>Waterfront Sunsets</u>
Balance, December 31, 2017	F	\$ 138,547.87	\$ 16,055.74	\$ 11,488.85	\$ 67,685.70	\$ 25,709.48	\$ 17,608.10
Increased by:							
Accrued Interest		1,886.30	181.64	335.86	1,041.39	327.41	
		<u>140,434.17</u>	<u>16,237.38</u>	<u>11,824.71</u>	<u>68,727.09</u>	<u>26,036.89</u>	<u>17,608.10</u>
Decreased by:							
Loan Principal Received		25,390.51	10,660.24	5,642.12	9,088.15		
Loan Interest Received		1,637.84	181.64	311.41	1,144.79		
	F-1/F-4	<u>27,028.35</u>	<u>10,841.88</u>	<u>5,953.53</u>	<u>10,232.94</u>		
Balance, December 31, 2018	F/F-2	<u>\$ 113,405.82</u>	<u>\$ 5,395.50</u>	<u>\$ 5,871.18</u>	<u>\$ 58,494.15</u>	<u>\$ 26,036.89</u>	<u>\$ 17,608.10</u>
Details as to Loans Receivable:							
Original Date of Loan			7/1/09	9/1/15	2/12/13	2/1/15	5/15/03
Interest Rate			1.625%	4.125%	2.000%	2.380%	2.125%
Repayment Term - Years			10	4	10	10	10
Original Amount of Loan		\$ 360,910.14	\$ 100,000.00	\$ 23,910.14	\$ 100,000.00	\$ 37,000.00	\$ 100,000.00
Capitalized Interest		30,080.37	8,040.00	1,402.22	7,057.72	1,628.17	11,952.26
		<u>390,990.51</u>	<u>108,040.00</u>	<u>25,312.36</u>	<u>107,057.72</u>	<u>38,628.17</u>	<u>111,952.26</u>
Payments Made to Date on Loans		<u>277,584.69</u>	<u>102,644.50</u>	<u>19,441.18</u>	<u>48,563.57</u>	<u>12,591.28</u>	<u>94,344.16</u>
Balance on Loans, December 31, 2018	F-2	<u>\$ 113,405.82</u>	<u>\$ 5,395.50</u>	<u>\$ 5,871.18</u>	<u>\$ 58,494.15</u>	<u>\$ 26,036.89</u>	<u>\$ 17,608.10</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

LOAN AND GRANT FUND
SCHEDULE OF RECIPROCAL FACADE LOANS RECEIVABLE

	Ref.	Totals	Asbury Car Wash	Asbury LLC	Blanco Brothers	F&C	Homestead Dining	Monmouth Auto Body	Neptune Investments	Tony's Customs
Balance, December 31, 2017	F	\$ 63,414.21	\$ 1,458.09	\$ 1,800.34	\$ 5,894.50	\$ 1,210.50	\$ 29,006.28	\$ 3,088.75	\$ 16,510.23	\$ 4,445.52
Increased by:										
Accrued Interest		783.45	16.07	17.75	73.12	4.90	371.31	30.57	201.28	68.45
		<u>64,197.66</u>	<u>1,474.16</u>	<u>1,818.09</u>	<u>5,967.62</u>	<u>1,215.40</u>	<u>29,377.59</u>	<u>3,119.32</u>	<u>16,711.51</u>	<u>4,513.97</u>
Decreased by:										
Loan Principal Received		22,730.58	1,025.89	1,105.98	3,309.02	1,036.85	7,922.91	1,874.31	5,404.47	1,051.15
Loan Interest Received		877.58	16.07	22.68	76.96	4.90	412.05	35.84	239.22	69.86
	F-1/F-4	<u>23,608.16</u>	<u>1,041.96</u>	<u>1,128.66</u>	<u>3,385.98</u>	<u>1,041.75</u>	<u>8,334.96</u>	<u>1,910.15</u>	<u>5,643.69</u>	<u>1,121.01</u>
Balance, December 31, 2018	F/F-3	<u>\$ 40,589.50</u>	<u>\$ 432.20</u>	<u>\$ 689.43</u>	<u>\$ 2,581.64</u>	<u>\$ 173.65</u>	<u>\$ 21,042.63</u>	<u>\$ 1,209.17</u>	<u>\$ 11,067.82</u>	<u>\$ 3,392.96</u>
Details as to Loans Receivable:										
Original Date of Loan			3/24/14	7/28/14	11/1/14	3/19/13	8/1/16	4/29/14	3/1/16	4/1/17
Interest Rate			1.625%	1.625%	1.625%	1.625%	1.625%	1.625%	1.625%	1.750%
Repayment Term - Years			5	5	5	5	5	5	5	5
Original Amount of Loan		\$ 115,000.00	\$ 5,000.00	\$ 5,000.00	\$ 15,000.00	\$ 10,000.00	\$ 40,000.00	\$ 10,000.00	\$ 25,000.00	\$ 5,000.00
Capitalized Interest		3,985.39	207.85	204.07	604.64	418.85	1,185.45	412.62	828.24	123.67
		<u>118,985.39</u>	<u>5,207.85</u>	<u>5,204.07</u>	<u>15,604.64</u>	<u>10,418.85</u>	<u>41,185.45</u>	<u>10,412.62</u>	<u>25,828.24</u>	<u>5,123.67</u>
Payments Made to Date on Loans		<u>78,395.89</u>	<u>4,775.65</u>	<u>4,514.64</u>	<u>13,023.00</u>	<u>10,245.20</u>	<u>20,142.82</u>	<u>9,203.45</u>	<u>14,760.42</u>	<u>1,730.71</u>
Balance on Loans, December 31, 2018	F-3	<u>\$ 40,589.50</u>	<u>\$ 432.20</u>	<u>\$ 689.43</u>	<u>\$ 2,581.64</u>	<u>\$ 173.65</u>	<u>\$ 21,042.63</u>	<u>\$ 1,209.17</u>	<u>\$ 11,067.82</u>	<u>\$ 3,392.96</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, 2017	F		\$ 641,855.95
Cash Receipts:			
Loan Principal and Interest Receipts:			
Reciprocal Loans	F-2	\$ 27,028.35	
Façade Loans	F-3	23,608.16	
Late Fees	F-1	886.47	
Paint Program - Reimbursement	F-1	330.16	
Interest Income - Deposits	F-1	<u>652.76</u>	
			<u>52,505.90</u>
			<u>694,361.85</u>
Decreased by Disbursements:			
World Changers Program	F-1		<u>27,453.98</u>
Balance, December 31, 2018	F		<u><u>\$ 666,907.87</u></u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND
STATEMENT OF CASH - TREASURER

	<u>Ref.</u>	
Balance, December 31, 2017	G	\$ 19,340.35
Increased by:		
Interest Income	G-1	<u>19.35</u>
Balance, December 31, 2018	G	<u><u>\$ 19,359.70</u></u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSET ACCOUNT GROUP
 SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
General Fixed Assets:					
Land	\$ 18,230,797.52				\$ 18,230,797.52
Land Improvements	411,700.15				411,700.15
Buildings and Improvements	4,727,237.72			\$ (0.95)	4,727,236.77
Machinery, Equipment and Vehicles	<u>19,003,061.59</u>	<u>\$ 1,122,588.65</u>	<u>\$ 14,840.00</u>		<u>20,110,810.24</u>
	<u>\$ 42,372,796.98</u>	<u>\$ 1,122,588.65</u>	<u>\$ 14,840.00</u>	<u>\$ (0.95)</u>	<u>\$ 43,480,544.68</u>
<u>Ref.</u>	I				I

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH
PART II
SINGLE AUDIT SECTION
FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

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 Compliance Supplement that could have a direct and material effect on each of Township's major federal programs for the year ended December 31, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08. Those standards and the Uniform Guidance 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 the Township's compliance.

Opinion on Each Major Federal 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, 2018.

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 the Uniform Guidance and New Jersey Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Charles J. Fallon CPA RMA

Charles J. Fallon
Certified Public Accountant
Registered Municipal Accountant #506

Fallon & Company LLP

FALLON & COMPANY LLP

Hazlet, New Jersey
July 17, 2019

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW
JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major State Program

We have audited the Township of Neptune's (Township) compliance with the types of compliance requirements described by reference in New Jersey OMB Circular 15-08 that could have a direct and material effect on each of the Township's major state programs for the year ended December 31, 2018. The Township's major state 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) as referenced by New Jersey OMB's Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and the New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state 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 state program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on Each Major 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 state programs for the year ended December 31, 2018.

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 state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 state program on a timely basis. *A material weakness* in internal control over compliance is a deficiency, or a 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 state 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Charles J. Fallon CPA RMA

Charles J. Fallon
Certified Public Accountant
Registered Municipal Accountant #506

Fallon & Company LLP
FALLON & COMPANY LLP

Hazlet, New Jersey
July 17, 2019

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2018

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>Grant Number/ Pass Through Grant Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Grant Fund:			
US Department of Justice:			
2016 Bulletproof Vest Partnership Grant	2016-BUBX-16083058	16.607	\$ 667.89
2017 Bulletproof Vest Partnership Grant	2016-BUBX-16083058	16.607	8,882.11
Edward Byrne Memorial Justice Assistance Grant - 2015	2016-H3518-NJ-DJ	16.738	23,029.00
Total US Department of Justice			<u>32,579.00</u>
US Department of Transportation:			
National Highway Traffic Safety Administration:			
NJ Department of Law and Public Safety:			
Alcohol Beverage Control:			
COPS in Shops - Summer Shore Initiative	066-1160-025-100	20.616	3,080.00
COPS in Shops			1,100.00
Pipeline and Hazardous Materials Safety Administration			
Passed Through the NJ State Police			
NJSP HMEP Training Grant	HM-HMP-0560-16	20.703	11,996.00
Total US Department of Transportation			<u>16,176.00</u>
US Environmental Protection Agency:			
Brownfield Assessment Grants	96277216/9627416	66.818	134,085.43
Total Environmental Protection Agency			<u>134,085.43</u>
US Department of Health and Human Services:			
Passed Through the County of Monmouth:			
Senior Citizens - Title III Part B	DOAS17AAA015	93.044	25,000.00
Total Department of Health and Human Services			<u>25,000.00</u>
US Department of Homeland Security:			
Federal Emergency Management Agency (FEMA)			
Passed Through - NJ Department of Law and Public Safety:			
NJ State Police Office of Emergency Management			
Pre-Disaster Mitigation - Competitive Grant (PDMC)			
NJ OEM - Hazard Mitigation Grant Program:			
Federal Emergency Management Assistance - Federal	066-1200-726-100	97.047	10,096.00
Total Department of Homeland Security			<u>10,096.00</u>
Total Grant Fund			<u>217,936.43</u>
Trust Fund:			
US Department of Justice			
Asset Forfeiture Program	N/A	16.922	8,674.92
Total US Department of Justice			<u>8,674.92</u>
Total Trust Fund			<u>8,674.92</u>

The accompanying notes are an integral part of this schedule.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2018

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>Grant Number/ Pass Through Grant Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
General Capital Fund:			
US Department of Housing and Urban Development Community Development Block Grant - Disaster Recovery Passed Through NJ Department of Community Affairs: Passed Through the NJ Economic Development Authority Neighborhood Community Revitalization Program	022-8022-100	14.269	64,606.12
Passed Through Monmouth County Community Development Block Grant - 10th Ave.	G-14-56-892-140-234	14.218	30,439.79
Total US Department of Housing and Urban Development			<u>95,045.91</u>
US Department of Homeland Security:			
Federal Emergency Management Agency (FEMA) Passed Through - NJ Department of Law and Public Safety: NJ State Police Office of Emergency Management Pre-Disaster Mitigation - Competitive Grant (PDMC) NJ OEM - Hazard Mitigation Grant Program: Federal Emergency Management Assistance - Federal	066-1200-726-100	97.042	141,551.75
Total Department of Homeland Security			<u>141,551.75</u>
Total General Capital Fund			<u>236,597.66</u>
Sewer Capital Fund:			
US Environmental Protection Agency: Passed Through the NJ Department of Environmental Protection: NJEIT Fund	2-00007-410009	66.458	589,652.63
Total Environmental Protection Agency			<u>589,652.63</u>
Total Sewer Capital Fund			<u>589,652.63</u>
Total Federal Awards			<u>1,052,861.64</u>
Department Totals			
US Department of Housing and Urban Development			\$ 95,045.91
US Department of Justice			41,253.92
US Department of Transportation			16,176.00
US Environmental Protection Agency			723,738.06
US Department of Health and Human Services			25,000.00
US Department of Homeland Security			151,647.75
Total Federal Awards			<u>\$ 1,052,861.64</u>

The accompanying notes are an integral part of this schedule.

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For The Year Ended December 31, 2018

State Grantor/Pass-through Grantor/Program	State Account Number or Other Identifying Number	Grant Period	Grant/Loan Award	State Expenditures	Cumulative Expenditures
Grant Fund:					
NJ Department of Environmental Protection:					
Clean Communities Program	<u>042-4900-765-004</u>	Open	\$ 66,442.11		\$ 56,583.35
Clean Communities Program	<u>042-4900-765-004</u>	Open	63,505.49	\$ 37,902.23	37,902.23
Hazardous Discharge Site Remediation - Childnese	<u>042-4815-516-003</u>	Open	193,092.36	55,596.74	145,588.49
Hazardous Discharge Site Remediation - Welsh Farms	<u>042-4815-516-003</u>	Open	60,320.00		48,785.05
Recycling Tonnage Grant - 2013	<u>042-4910-100-224</u>	Open	47,025.81		47,025.81
Recycling Tonnage Grant - 2014	<u>042-4910-100-224</u>	Open	46,194.61		46,194.61
Recycling Tonnage Grant - 2015	<u>042-4910-100-224</u>	Open	55,922.82		7,014.74
Recycling Tonnage Grant - 2016	<u>042-4910-100-224</u>	Open	36,443.44		
Recycling Tonnage Grant - 2017	<u>042-4910-100-224</u>	Open	31,198.70		
Recycling Tonnage Grant - 2018	<u>042-4910-100-224</u>	Open	39,391.69	18,653.00	18,653.00
Green Acres Grant	<u>042-4800-533-003</u>	Open			
Total NJ Department of Environmental Protection			<u>639,537.03</u>	<u>112,151.97</u>	<u>407,747.28</u>
NJ Department of Law and Public Safety:					
Division of Highway Traffic Safety:					
Pedestrian Safety Grant - 2018	<u>066-1160-100-131</u>	7/1/2017-5/31/2018	6,500.00	3,185.00	5,330.00
Pedestrian Safety Grant - 2019	<u>066-1160-100-131</u>	7/1/2018-5/31/2019	6,500.00		
Drunk Driving Enforcement Fund	<u>066-6400-100-078</u>	Open	23,248.38	2,780.31	4,959.96
Total NJ Division of Highway Traffic Safety			<u>36,248.38</u>	<u>5,965.31</u>	<u>10,289.96</u>
Division of Criminal Justice					
Body Armor Replacement Fund - 2014	<u>066-1020-718-001</u>	Open			
Body Armor Replacement Fund - 2015	<u>066-1020-718-001</u>	Open	6,730.37	1,528.09	6,730.37
Body Armor Replacement Fund - 2016	<u>066-1020-718-001</u>	Open	6,514.90	6,514.90	6,514.90
Body Armor Replacement Fund - 2017	<u>066-1020-718-001</u>	Open	6,766.92	1,507.01	1,507.01
Total Division of Criminal Justice			<u>20,012.19</u>	<u>9,550.00</u>	<u>14,752.28</u>
Total NJ Department of Law and Public Safety			<u>56,260.57</u>	<u>15,515.31</u>	<u>25,042.24</u>
NJ Governor's Council on Alcoholism					
Municipal Alliance on Alcoholism and Drug Abuse	Not Available	7/1/17 - 6/30/18	63,915.00	35,801.98	63,915.00
Municipal Alliance on Alcoholism and Drug Abuse	Not Available	7/1/18 - 6/30/19	63,915.00	34,252.57	28,113.02
Total NJ Governor's Council on Alcoholism			<u>127,830.00</u>	<u>70,054.55</u>	<u>92,028.02</u>
NJ Department of Health and Senior Services:					
Alcohol Education Rehabilitation and Enforcement Fund (AEREF)	<u>098-9735-760-001</u>	Open	40,114.89	955.00	955.00
Total Department of Health and Senior Services			<u>40,114.89</u>	<u>955.00</u>	<u>955.00</u>

TOWNSHIP OF NEPTUNE
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For The Year Ended December 31, 2018

<u>State Grantor/Pass-through Grantor/Program</u>	<u>State Account Number or Other Identifying Number</u>	<u>Grant Period</u>	<u>Grant/Loan Award</u>	<u>State Expenditures</u>	<u>Cumulative Expenditures</u>
New Jersey Board of Public Utilities Micro-Grid Project	082-6130-71D-019	N/A	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
Total New Jersey Board of Public Utilities			<u>150,000.00</u>	<u>150,000.00</u>	<u>150,000.00</u>
Total State Awards Grant Fund			\$ <u>1,013,742.49</u>	\$ <u>348,676.83</u>	\$ <u>675,772.54</u>
General Capital Fund:					
NJ Department of Environmental Protection: Green Acres Loan	042-4800-533-002	N/A	1,506,228.72	731,534.53	731,534.53
Total NJ Department of Environmental Protection			<u>1,506,228.72</u>	<u>731,534.53</u>	<u>731,534.53</u>
Total State Awards General Capital Fund			\$ <u>1,506,228.72</u>	\$ <u>731,534.53</u>	\$ <u>731,534.53</u>
Sewer Capital Fund:					
NJ Department of Environmental Protection NJEIT Loan	2-00007-410009	Open	315,000.00	230,000.00	230,000.00
Total NJ Department of Environmental Protection			<u>315,000.00</u>	<u>230,000.00</u>	<u>230,000.00</u>
Total State Awards Sewer Capital Fund			\$ <u>315,000.00</u>	\$ <u>230,000.00</u>	\$ <u>230,000.00</u>
Marina Capital:					
NJ Department of Environmental Protection: Marina Hazardous Discharge Site Remediation Fund	N/A	Open	169,435.00	46,221.79	168,621.29
Total NJ Department of Environmental Protection			<u>169,435.00</u>	<u>46,221.79</u>	<u>168,621.29</u>
Total State Awards Marina Capital Fund			\$ <u>169,435.00</u>	\$ <u>46,221.79</u>	\$ <u>168,621.29</u>
Total State Awards			\$ <u>3,004,406.21</u>	\$ <u>1,356,433.15</u>	\$ <u>1,805,928.36</u>

TOWNSHIP OF NEPTUNE
 COUNTY OF MONMOUTH
 STATE OF NEW JERSEY

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 For The Year Ended December 31, 2018

<u>State Grantor/Pass-through Grantor/Program</u>	<u>State Account Number or Other Identifying Number</u>	<u>Grant Period</u>	<u>Grant/Loan Award</u>	<u>State Expenditures</u>	<u>Cumulative Expenditures</u>
Departments/Board					
NJ Department of Environmental Protection				\$ 1,119,908.29	
NJ Department of Law and Public Safety				15,515.31	
NJ Board of Public Utilities				150,000.00	
NJ Department of State				70,054.55	
NJ Department of Health and Senior Services				955.00	
Total Departments				<u>\$ 1,356,433.15</u>	

TOWNSHIP OF NEPTUNE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE
YEAR ENDED DECEMBER 31, 2018

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of state financial assistance and schedule of expenditures of federal awards include all award activity of the Township of Neptune under programs of the State of New Jersey and the federal government for the year ended December 31, 2018. The information in these schedules is presented in accordance with the requirements of New Jersey OMB Circular 15-08. Because the schedules present only a selected portion of the operations of the Township, it is not intended to and does not represent the fund balance and changes in fund balance of the Township.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in the New Jersey OMB Circular 15-08, and Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

The Township has elected not to use the 10-percent de-minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. LOAN BALANCES

The Townships loans outstanding at December 31, 2018 are as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Green Acres		\$ 652,942.38	\$ 652,942.38
NJEIT - Trust		215,000.00	215,000.00
NJEIT - Fund	<u>\$ 540,514.93</u>	<u> </u>	<u>540,514.93</u>
	<u>\$ 540,514.93</u>	<u>\$ 867,942.38</u>	<u>\$ 1,408,457.31</u>

TOWNSHIP OF NEPTUNE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE
YEAR ENDED DECEMBER 31, 2018

NOTE 5. RELATIONSHIP TO THE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements.

	<u>Federal (SEFA)</u>	<u>State (SESFA)</u>	<u>Total</u>
Expenditures:			
Grant Fund	\$ 217,936.43	\$ 348,676.83	\$ 566,613.26
Trust Fund	8,674.92		8,674.92
General Capital Fund	236,597.66		236,597.66
Marina Capital Fund		46,221.79	46,221.79
Total fund expenditures	<u>463,209.01</u>	<u>394,898.62</u>	<u>858,107.63</u>
Loans (beginning balance):			
General Capital		731,534.53	731,534.53
Sewer Capital	<u>589,652.63</u>	<u>230,000.00</u>	<u>819,652.63</u>
Total Loans	<u>589,652.63</u>	<u>961,534.53</u>	<u>1,551,187.16</u>
Total Schedule of Awards	<u>\$ 1,052,861.64</u>	<u>\$ 1,356,433.15</u>	<u>\$ 2,409,294.79</u>

**TOWNSHIP OF NEPTUNE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Section I - Summary of Auditor's Results

Financial Statements Section

Type of auditor's report issued on whether the financial Statements audited were prepared in accordance with:
GAAP
Regulatory Basis (described in Note 1)

Adverse
Unmodified

Internal control over financial reporting:

Material weakness identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

a) Federal Awards

Internal Control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? _____ Yes X No

Identification of major state programs:

Name of State Program or Cluster

New Jersey Environmental Infrastructure Trust – Fund - CFDA# 66.458

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$750,000.00

Auditee qualified as low risk auditee? _____ Yes X No

**TOWNSHIP OF NEPTUNE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Section II – Financial Statement Findings

None

**TOWNSHIP OF NEPTUNE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Section III – Summary Schedule of Prior Year Findings

Finding 2017-001:

Condition:

The general ledger was not properly maintained. We noted the following deficiencies: (a) subsidiary ledgers were not properly reconciled to control totals; (b) there were revenues and expenditures that were charged/credited to improper accounts; (c) a payroll agency account that is unidentified; (d) an ordinance had been recorded in the general ledger before proper approval was obtained; and (e) the opening balances in the Grant Fund did not agree with the 2016 audited balances.

Status:

Corrective action has been taken

TOWNSHIP OF NEPTUNE

COUNTY OF MONMOUTH

PART III

FOR THE YEAR ENDED DECEMBER 31, 2018

**TOWNSHIP OF NEPTUNE
SCHEDULE OF COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Other Comments

Current Fund

Comment 2018-001:

While correct in total, the detailed allocation of the amounts posted to the MSI system did not agree to the adopted budget. As a result, Tax Assessment Salaries and Wages were overexpended by \$1,263.61.

Recommendation:

Policies and procedures should be implemented to reasonably assure the adopted budget is accurately posted.

Fixed Assets

Comment 2018-002:

The Township has not performed a recent physical inventory of its fixed assets.

Recommendation:

NJAC 5:30-5.6 provides the property management standards to control fixed assets. The Section makes reference to OMB Circular A-87 (since replaced by the *Uniform Guidance* 200.313(d)(2)) that requires a physical inventory is taken at least, once every two years. Policy and internal control procedures should be put in place to assure the policy is being carried out as the state intended.

Recreation Department

Comment 2018-003:

Two of four summer camp applications chosen for examination were incomplete.

Recommendation:

All applications on file should be complete.

Comment 2018-004:

During our examination of Recreation fees, it was noted that fees for camp and fees for vendors for Neptune Day were not being charged in accordance with the Township Code (Section 2-61.3).

Recommendation:

Fees should be charged in accordance with the existing code.

**TOWNSHIP OF NEPTUNE
SCHEDULE OF COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Other Comments (continued)

Escrow Accounts

Comment 2018-005:

There are unreconciled amounts existing in the Developers, Developers/Special Escrow account, Special Police Escrow and Inspection Fee accounts. Interest earned within several of the Escrow accounts has not been correctly allocated between certain funds and among individual's accounts. At the time this report was issued, the Township was working with the bank in resolving these issues.

Recommendation:

Policies and procedures should be implemented to reasonably assure the various escrow accounts are being administered as intended by management and the governing body.

Animal Control

Comment 2018-006:

Several monthly reports that were sent to the state were not accurate.

Recommendation:

Staff should be properly trained to identify and remedy reports that are not accurate. Corrected reports should be sent to the state.

General

Comment 2018-007:

Interfunds existed at year end. These same interfunds were liquidated before the release of this report.

Recommendation:

All interfunds should be liquidated prior to the fiscal year end.

Municipal Court

Comment 2018-008:

The Bail Cash Book (Daily Journals) for the first quarter 2018 were unavailable for examination at the time of audit.

Recommendation:

That the court follow established procedures to enable retrieval of court financial records.

**TOWNSHIP OF NEPTUNE
SCHEDULE OF COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Other Comments (continued)

Municipal Court (continued)

Comment 2018-009:

The December, 2018 Monthly Management Report indicates 564 tickets assigned not issued for more than six months.

Recommendation:

That the court administrator reissue or have the assigned tickets returned.

Comment 2018-010:

Four out of sixty bail disbursements (6%) tested did not contain two signatures as per policy.

Recommendation:

That the court follow procedures to ensure proper processing of disbursements.

***Comment 2018-011:**

The Municipal Court's general and bail bank reconciliations contained reconciling items which were not resolved on a timely basis. In addition, the general account bank reconciliations contained unreconciled differences.

Recommendation:

That reconciling items on the Municipal Court's general bank reconciliations be investigated and fully resolved in the month following the reporting month.

***Comment 2018-012:** Interest is not disbursed on a monthly basis.

Recommendation:

That interest is disbursed monthly.

Comment 2018-013: General account cash disbursements due on December 15, 2018 were paid on January 30, 2019.

Recommendation: That the court follow policies and procedures to ensure timely payments.

*Indicates a similar comment as the prior year.

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:

- Maintenance of Township of Grounds
- Washington Avenue Sewer Improvements
- Improvements to Loffredo Field
- Tremont Drive Force Main Replacement Project
- Brighton Avenue Force Main Replacement Project
- Replacement of Bulkhead at the West End of Fletcher Lake
- Emergency Medical Billings Services
- Improvements to Brighton Avenue
- Heck Avenue Sewer Rehabilitation Project

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.

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 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

GENERAL COMMENTS (continued)

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

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, 2018, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

WHEREAS, R.S. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for non-payment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and,

WHEREAS, R.S. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% be collected against any delinquency in excess of \$10,000 on properties that fail to pay the delinquency prior to the end of the calendar year;

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.

Tax Sale

The last tax sale was held on March 22, 2018.

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>
Nicholas Williams	Mayor
Carol Rizzo	Deputy Mayor
Kevin B. Mc Millan	Committeeman
Dr. Michael Brantley	Committeeman
Robert Lane Jr.	Committeeman
Vito D. Gadaleta	Business Administrator
Michael J. Bascom	Tax Collector, Chief Financial Officer, Sewer Rent Collector, Tax Search Officer
Richard J. Cuttrell	Township Clerk
Gene Anthony	Township Attorney
Robin T. Wernik	Municipal Court Judge
Ursula Postell	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 Garden State Municipal Joint Insurance Fund.

Appreciation

I express my appreciation for the cooperation received from the Township Officials and Employees and the courtesies extended during the course of the audit.

Very truly yours,

Charles J. Fallon CPA RMA

Charles J. Fallon
Registered Municipal Accountant #506

For the Firm
FALLON & COMPANY LLP