

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

**REPORT OF AUDIT  
YEAR ENDED DECEMBER 31, 2017**

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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, 2017**



## 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 balance sheets-regulatory basis of the various funds and statements of general fixed asset account group of the Township of Neptune, New Jersey (the "Township"), as of December 31, 2017, and the related statement of operations and changes in fund balance-regulatory basis, statements of revenues-regulatory basis and statements of expenditures-regulatory basis for the year then ended and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; 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 of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

As described in Note 1, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 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, 2017 and 2016, 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, 2017 and 2016, 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, 2017, in accordance with accounting principles and practices prescribe by the Division of Local Government Services, Department of Community Affairs, State of New Jersey 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 of Local Government Services, Department of Community Affairs, State of New Jersey 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 November 28, 2018 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  
November 28, 2018

**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 Ocean  
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 the financial statements of the Township of Neptune, of the State of New Jersey (the "Township"), as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated November 28, 2018.

**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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses. (2017-001)

## **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*.

## **The Township of Neptune's Response to Findings**

The Township's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Township of Neptune's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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  
November 28, 2018

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

CURRENT FUND  
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

ASSETS	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash	A-4	\$ 8,630,302.89	\$ 5,344,268.82
Cash - Change Fund	A	925.00	925.00
		<u>8,631,227.89</u>	<u>5,345,193.82</u>
Investment in General Capital Fund Notes	A	1,750,000.00	1,750,000.00
Due from State - P.L. 1971 C.20	A-6	7,136.31	11,267.12
		<u>1,757,136.31</u>	<u>1,761,267.12</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	1,239,955.82	1,022,804.86
Tax Title Liens Receivable	A-9	18,861.62	13,331.58
Property Acquired for Taxes - Assessed Valuation	A-10	5,242,800.00	5,242,800.00
Revenue Accounts Receivable	A-11	43,528.17	41,254.90
Abating Costs and Abating Liens Receivable	A-12	15,001.69	19,011.50
Interfunds Receivable	A-13	34,673.06	255,929.67
Mortgage Receivable	A-7	400,000.00	400,000.00
Pilot Program	A	130,609.69	118,522.08
		<u>7,125,430.05</u>	<u>7,113,654.59</u>
Deferred Charges:			
Special Emergency Authorization (N.J.S.40A:4-55)	A-28	200,000.00	945,372.00
		<u>17,713,794.25</u>	<u>15,165,487.53</u>
Federal and State Grant Fund:			
Cash	A-4	556,810.54	327,280.33
Interfund - Current Fund	A-24	21,657.16	
Grants Receivable	A-25	554,982.13	1,011,891.55
		<u>1,133,449.83</u>	<u>1,339,171.88</u>
Total Assets		<u>\$ 18,847,244.08</u>	<u>\$ 16,504,659.41</u>

The accompanying notes are an integral part of this statement.

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

CURRENT FUND  
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

<b>LIABILITIES, RESERVES AND FUND BALANCE</b>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Appropriation Reserves	A-3/A-15	\$ 1,370,612.53	\$ 728,496.70
Interfunds Payable	A-13	34,989.36	17,314.05
Accounts Payable	A-14	81,129.52	53,642.09
Reserve for Encumbrances	A-16	926,048.98	945,345.09
Tax Overpayments	A-17	62,364.58	68,806.16
Prepaid Taxes	A-18	3,035,308.89	863,859.33
County Taxes Payable	A-20	62,129.73	67,983.06
Local School District Tax Payable	A-21	1,467,947.50	1,100,387.50
Due to State Agencies	A-22	7,860.00	10,844.00
Various Reserves	A-23	203,328.72	250,348.92
Reserve for FEMA Reimbursements - Hurricane Sandy	A-30		91,970.75
Reserve for Revaluation	A-4	90,215.35	138,084.79
		<u>7,341,935.16</u>	<u>4,337,082.44</u>
Special Emergency Note Payable	A-29	200,000.00	945,372.00
Reserve for Receivables and Other Assets	A	7,125,430.05	7,113,654.59
Fund Balance	A-1	3,046,429.04	2,769,378.50
		<u>10,371,859.09</u>	<u>10,828,405.09</u>
		<u>17,713,794.25</u>	<u>15,165,487.53</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-26	489,780.00	548,277.06
Reserve for Encumbrances	A-26	535,756.22	750,061.00
Unappropriated Reserves	A-27	39,074.93	12,245.14
Interfund - Marina Capital Utility Fund	A	39,750.00	
Interfund - Trust Other Fund	A	29,088.68	28,588.68
		<u>1,133,449.83</u>	<u>1,339,171.88</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 18,847,244.08</u>	<u>\$ 16,504,659.41</u>

The accompanying notes are an integral part of this statement.

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

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

For the Years Ended December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 2,205,727.92	\$ 2,400,000.00
Miscellaneous Revenue Anticipated	A-2	10,622,583.62	10,464,801.75
Receipts from Delinquent Taxes	A-2	1,036,964.58	1,164,780.30
Receipts from Current Taxes	A-2	80,560,291.87	79,171,861.63
Non-Budget Revenues	A-2	702,172.43	830,741.81
Other Credits to Income:			
Trust Fund Reserve Cancelled	A-13	700.00	
Appropriated Grant Reserves Cancelled	A-13	45,788.20	2,472.00
Accounts Payable Cancelled	A-14	11,497.82	18,614.40
Unexpended Balance of Appropriation Reserves	A-15	647,271.86	261,089.08
County Taxes Cancelled	A-20	0.15	
		<hr/>	<hr/>
Total Revenue		95,832,998.45	94,314,360.97
Expenditures:			
Budget Appropriations Within Caps:			
Operations:			
Salaries and Wages	A-3	17,201,850.00	16,641,900.00
Other Expenses	A-3	13,057,350.00	12,805,100.00
Deferred Charges and Statutory Expenditures	A-3	3,764,993.00	3,565,925.00
Budget Appropriations Excluded from Caps:			
Operations:			
Salaries and Wages	A-3	404,887.00	435,693.00
Other Expenses	A-3	2,503,827.67	2,899,816.80
Capital Improvements	A-3	150,000.00	100,000.00
Municipal Debt Service	A-3	3,775,195.85	4,064,103.43
Deferred Charges	A-3	745,372.00	816,814.00
		<hr/>	<hr/>
		41,603,475.52	41,329,352.23

The accompanying notes are an integral part of this statement.



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

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

For the Years Ended December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Prior Year Senior Citizens Disallowed	A-6	\$ 9,006.16	\$ 7,921.23
Due Form State of N.J. Cancelled	A-6	10,793.14	
Interfunds Advanced	A-13		1,925.00
Grants Receivable Cancelled	A-13	47,869.61	2,472.00
Refund of Prior Year Tax Revenue	A-17	41,231.24	122,884.20
Fire District Taxes	A-19	3,612,342.00	3,610,326.00
County Taxes	A-20	10,534,013.32	10,443,940.27
Local District School Tax	A-21	<u>37,491,489.00</u>	<u>36,756,362.00</u>
Total Expenditures		<u>93,350,219.99</u>	<u>92,275,182.93</u>
Excess/(Deficit) in Revenue		2,482,778.46	2,039,178.04
Fund Balance January 1	A	<u>2,769,378.50</u>	<u>3,130,200.46</u>
		5,252,156.96	5,169,378.50
Decreased by:			
Utilized as Anticipated Revenue	A-1/A-2	<u>2,205,727.92</u>	<u>2,400,000.00</u>
Fund Balance December 31	A	<u>\$ 3,046,429.04</u>	<u>\$ 2,769,378.50</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, 2017

	<u>Ref.</u>	<u>Budget</u>	<u>Anticipated</u> Special N.J.S.A. 40A:4-87	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Fund Balance Anticipated	A-1	\$ 2,205,727.92	_____	\$ 2,205,727.92	_____
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-11	56,000.00		61,315.00	\$ 5,315.00
Other	A-11	209,440.68		218,844.51	9,403.83
Fees and Permits	A-11	365,000.00		445,781.06	80,781.06
Fines and Costs:					
Municipal Court	A-11	713,000.00		642,487.62	(70,512.38)
Interest and Costs on Taxes	A-11	310,000.00		284,554.65	(25,445.35)
Interest on Investments and Deposits	A-11	10,000.00		13,996.12	3,996.12
Consolidated Municipal Property Tax Relief Aid	A-11	642,353.00		642,353.00	
Energy Receipts Tax	A-11	4,355,101.00		4,355,101.00	
Uniform Construction Code Fees	A-11	785,000.00		683,671.01	(101,328.99)
Interlocal Services Agreements:					
Monmouth County 9-1-1 Services Personnel Loan	A-11	70,562.00		69,466.00	(1,096.00)
Neptune BOE - GREAT Program	A-11	25,000.00		25,000.00	
Fleet Maintenance - Allenhurst, Neptune					
Fire Dist., OG Fire Dist., Neptune BOE	A-11	200,000.00		158,205.50	(41,794.50)
Liability, Workman's Compensation, Pensions and					
Property Insurance - Neptune Fire, OG Fire	A-11	159,000.00		159,000.00	
Monmouth County EMS	A-11	6,000.00		6,000.00	
Community Notification System Agreement	A-11	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 REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2017

		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>
Prisoner Processing / Jail Program	A-11	\$ 29,000.00		\$ 29,237.46	\$ 237.46
Administration Fees - Off Duty Employment of Police Officers	A-11	230,000.00		292,290.98	62,290.98
Reserve for Debt Service - Capital Fund	A-11	138,835.75		138,835.75	
Cable T.V. - Franchise Fee	A-11	448,896.43		440,896.43	(8,000.00)
Commercial Garbage Removal Fees	A-11	83,000.00		86,976.23	3,976.23
OCGMA Special Police Contribution	A-11	40,000.00		30,000.00	(10,000.00)
Cell Tower Lease	A-11	94,000.00		99,683.01	5,683.01
Monmouth County Lease of Facility	A-11	150,000.00		150,000.00	
General Capital Surplus	A-11	100,000.00		100,000.00	
FEMA Reimbursement - Hurricane Sandy	A-11	91,970.75		91,970.75	
EMS Program	A-11	350,000.00		505,435.93	155,435.93
CDBG-DR Grant Non-Federal Cost Share	A-11	490,340.08		319,596.31	(170,743.77)
Interfund - Trust Other	A-13	254,004.67		221,256.61	(32,748.06)
Recycling Tonnage Grant	A-25	31,198.70		31,198.70	
Drunk Driving Enforcement Fund	A-25	12,245.14		12,245.14	
Clean Communities Program	A-25		\$ 66,442.11	66,442.11	
Alcohol Education Rehabilitation	A-25		4,439.45	4,439.45	
Click it or Ticket 2016 - Seatbelt Mobilization	A-25		5,500.00	5,500.00	
Municipal Alliance on Alcoholism and Drug Abuse - State	A-25	63,915.00		63,915.00	
Federal Emergency Management Assistance	A-25	9,400.00		9,400.00	
Older Americans Act	A-25	25,000.00		25,000.00	
2017 Drive Sober or Get Pulled Over	A-25		5,500.00	5,500.00	
Interfaith Neighbors - Senior Meal Program	A-25	22,308.00		22,308.00	

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, 2017

	<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>		
2017 Body Armor Replacement Fund	A-25		\$ 6,766.92	\$ 6,766.92	
2017 Bulletproof Vest Partnership Grant	A-25		9,152.37	9,152.37	
Statewide Insurance Fund - Safety Grant	A-25	\$ 15,661.00		15,661.00	
2018 Pedestrian Safety Education/Enforcement	A-25		6,500.00	6,500.00	
NJSP HMEP Training Grant	A-25	27,500.00		27,500.00	
Cops in Shops - Summer Shore Initiative	A-25		3,400.00	3,400.00	
SCHLIP Program (Code Enforcement)	A-25	19,000.00		19,000.00	
2017 Distracted Driving Crackdown Grant	A-25	5,500.00		5,500.00	
<b>Total Miscellaneous Revenues</b>	A-1	<u>10,649,432.20</u>	<u>107,700.85</u>	<u>10,622,583.62</u>	<u>\$ (134,549.43)</u>
Receipts from Delinquent Taxes	A-1/A-2	<u>1,021,384.02</u>		<u>1,036,964.58</u>	<u>15,580.56</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-8	28,488,546.85		29,788,987.32	1,300,440.47
Minimum Library Tax	A-8	1,253,460.23		1,253,460.23	
Total Amount to be Raised by Taxes	A-2	<u>29,742,007.08</u>		<u>31,042,447.55</u>	<u>1,300,440.47</u>
Non-Budget Revenues	A-1/A-2			<u>702,172.43</u>	<u>702,172.43</u>
<b>Total</b>		<u>\$ 43,618,551.22</u>	<u>\$ 107,700.85</u>	<u>\$ 45,609,896.10</u>	<u>\$ 1,883,644.03</u>
	<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, 2017

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	A-1/A-8	\$ 80,560,291.87
Allocated to School, County and Fire District Taxes	A-8	<u>51,637,844.32</u>

Balance for Support of Municipal Budget Appropriations		28,922,447.55
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Add:

Reserve for Uncollected Taxes	A-3	<u>2,120,000.00</u>
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Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$ 31,042,447.55</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	A-8	<u>\$ 1,036,964.58</u>
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	A-2	<u><u>\$ 1,036,964.58</u></u>
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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, 2017

Analysis of Non-Budget Revenues:

Canister Rentals	\$ 4,737.00
Tires	2,867.82
Recycling	14,461.25
DPW - Freon	4,020.00
Copies	802.18
Planning Board	31,396.24
Employee Reimbursements - Cell Phones	600.00
Sale of Maps	9.00
Workman's Compensation Refunds	6,896.06
Variance - Board of Adjustment	9,249.00
Found Monies - Police	108.67
ID Cards - Police	270.00
Returned Checks	380.00
State Administration Fee - Senior Citizen and Veterans	4,284.48
Other Unanticipated	10,075.44
Federal Disaster Assistance	86,894.48
Insurance Dividends	16.20
Sale of Trash Cans	5,930.00
DMV Inspection Fines	6,045.50
ATM Revenue	843.17
Auction Township Property	104,229.12
Attorney Fees	3,380.00
Vending Revenue	78.46
Duplicate Bill	935.00
HPC Application Fees	2,790.00
Green Recycling Cans	3,804.00
Vacant Property Registration Fee	48,125.37

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, 2017

Analysis of Non-Budget Revenues (continued):

Abating Charges	A-12	\$ 28,458.34
Payments in Lieu of Taxes on Real Property		252,186.41
Neptune City-Brush Pickup		23,538.24
Revocable License Agreement		500.00
Tax Sale Premiums Forfeited		23,800.00
Bill Board Lease		2,400.00
Cobra Fees		720.00
Refunds		<u>17,341.00</u>
	A-2/A-5	<u>\$ 702,172.43</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, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Cancelled</u>
Operations Within CAPS					
General Government Functions:					
General Administration					
Salaries and Wages	\$ 260,000.00	\$ 260,000.00	\$ 258,968.29	\$ 1,031.71	
Other Expenses	98,000.00	100,500.00	100,402.86	97.14	
Municipal Clerk					
Salaries and Wages	211,000.00	211,000.00	211,000.00		
Other Expenses	30,000.00	30,000.00	20,415.23	9,584.77	
Financial Administration					
Salaries and Wages	440,000.00	440,000.00	440,000.00		
Other Expenses	97,500.00	97,500.00	95,324.07	2,175.93	
Audit Services					
Other Expenses	45,000.00	45,000.00	45,000.00		
Computerized Data Processing					
Salaries and Wages	144,100.00	144,100.00	141,925.31	2,174.69	
Other Expenses	26,000.00	26,000.00	10,011.15	15,988.85	
Revenue Administration					
Salaries and Wages	376,600.00	376,600.00	376,600.00		
Other Expenses	32,000.00	32,000.00	29,904.08	2,095.92	
Tax Assessment Administration					
Salaries and Wages	226,000.00	226,000.00	219,100.90	6,899.10	
Other Expenses	7,900.00	7,900.00	7,894.10	5.90	
Legal Services					
Other Expenses	475,000.00	775,000.00	703,659.68	71,340.32	

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, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Cancelled</u>
Engineering Services					
Salaries and Wages	\$ 252,000.00	\$ 252,000.00	\$ 239,785.17	\$ 12,214.83	
Other Expenses	82,000.00	82,000.00	64,479.58	17,520.42	
Economic Development					
Salaries and Wages	8,000.00	8,000.00	3,799.77	4,200.23	
Other Expenses	3,000.00	3,000.00	78.68	2,921.32	
Land Use Administration:					
Planning Board					
Salaries and Wages	52,700.00	52,700.00	51,908.86	791.14	
Other Expenses	15,000.00	15,000.00	13,163.03	1,836.97	
Zoning Board of Adjustment					
Other Expenses	13,100.00	13,100.00	9,006.46	4,093.54	
Historic Preservation Committee					
Salaries and Wages	7,000.00	7,000.00	7,000.00		
Other Expenses	28,500.00	28,500.00	21,126.56	7,373.44	
Land Use Administration Office					
Salaries and Wages	79,100.00	96,100.00	96,100.00		
Other Expenses	2,100.00	2,100.00	1,999.79	100.21	
Community Programs					
Salaries and Wages	50,500.00	33,500.00	32,474.50	1,025.50	
Other Expenses	1,950.00	1,950.00	1,769.26	180.74	
Code Enforcement and Administration:					
Code Enforcement					
Salaries and Wages	241,000.00	243,000.00	242,299.96	700.04	
Other Expenses	12,000.00	12,000.00	9,919.30	2,080.70	

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, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Cancelled</u>
Mercantile Licensing					
Salaries and Wages	\$ 7,150.00	\$ 7,150.00	\$ 7,150.00		
Other Expenses	13,000.00	13,000.00	12,901.00	\$ 99.00	
Insurance					
Liability Insurance	400,000.00	400,000.00	371,562.00	28,438.00	
Workers Compensation Insurance	460,000.00	460,000.00	360,605.50	99,394.50	
Employee Group Insurance	6,088,000.00	6,023,000.00	5,859,353.55	163,646.45	
Health Benefit Waivers	12,500.00	12,500.00	12,500.00		
Public Safety Functions:					
Police Department					
Salaries and Wages	10,400,000.00	10,325,000.00	10,130,841.14	194,158.86	
Other Expenses	320,000.00	320,000.00	319,739.26	260.74	
Homeland Security Expenses	10,000.00	10,000.00	5,846.35	4,153.65	
Office of Emergency Management					
Salaries and Wages	25,000.00	25,000.00	23,363.55	1,636.45	
Other Expenses	31,000.00	31,000.00	28,769.88	2,230.12	
Homeland Security Expenses	10,000.00	10,000.00	9,072.75	927.25	
Emergency Medical Services:					
Salaries and Wages	315,000.00	390,000.00	388,534.10	1,465.90	
Other Expenses	40,500.00	65,500.00	64,340.92	1,159.08	
Aid to Volunteer Ambulance Companies					
Other Expenses	40,000.00	40,000.00	37,707.00	2,293.00	
Municipal Prosecutor's Office					
Salaries and Wages	40,000.00	40,000.00	38,817.12	1,182.88	

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, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Cancelled</u>
Public Works Functions:					
Streets and Roads Maintenance					
Salaries and Wages	\$ 1,075,000.00	\$ 885,000.00	\$ 854,722.46	\$ 30,277.54	
Other Expenses	185,000.00	185,000.00	184,134.00	866.00	
Administration of Public Works					
Salaries and Wages	259,000.00	259,000.00	229,031.17	29,968.83	
Other Expenses	19,000.00	19,000.00	18,262.02	737.98	
Solid Waste Collection					
Salaries and Wages	1,175,000.00	1,020,000.00	978,868.82	41,131.18	
Other Expenses	20,000.00	20,000.00	19,045.08	954.92	
Building and Grounds					
Salaries and Wages	360,000.00	395,000.00	388,134.09	6,865.91	
Other Expenses	130,000.00	130,000.00	119,982.56	10,017.44	
Vehicle Maintenance					
Other Expenses	1,200,000.00	1,185,000.00	1,101,622.09	83,377.91	
Health and Human Services:					
Public Health Services					
Salaries and Wages	128,000.00	128,000.00	125,775.52	2,224.48	
Other Expenses	7,500.00	7,500.00	6,251.67	1,248.33	
Environmental and Shade Tree Committee					
Salaries and Wages	1,700.00	1,700.00	1,700.00		
Other Expenses	6,500.00	6,500.00	4,687.61	1,812.39	
Animal Control Services					
Other Expenses	89,800.00	89,800.00	67,293.62	22,506.38	
Monmouth County Drug & Alcohol Abuse Program					
Other Expenses	14,000.00	14,000.00		14,000.00	

The accompanying notes are an integral part of this statement.

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

CURRENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Cancelled</u>
Park and Recreation Functions:					
Recreation Services and Programs					
Salaries and Wages	\$ 189,000.00	\$ 189,000.00	\$ 188,562.57	\$ 437.43	
Other Expenses	41,000.00	41,000.00	38,895.80	2,104.20	
Senior Citizens Programs					
Salaries and Wages	305,000.00	305,000.00	300,391.12	4,608.88	
Other Expenses	102,000.00	102,000.00	101,850.07	149.93	
Maintenance of Parks					
Other Expenses	165,000.00	165,000.00	152,042.66	12,957.34	
Publicity and Tourism					
Salaries and Wages	14,000.00	14,000.00	12,840.00	1,160.00	
Other Expenses	35,000.00	43,500.00	43,250.00	250.00	
Celebration of Public Events					
Other Expenses	8,000.00	8,000.00	3,953.83	4,046.17	
Utility Expenses and Bulk Purchases:					
Electricity	200,000.00	200,000.00	193,902.03	6,097.97	
Street Lighting	210,000.00	210,000.00	210,000.00		
Telephone	160,000.00	160,000.00	140,598.55	19,401.45	
Water	48,000.00	48,000.00	40,303.02	7,696.98	
Gas (Natural)	110,000.00	98,000.00	89,381.73	8,618.27	
Telecommunications Costs	90,000.00	90,000.00	89,199.64	800.36	
Gasoline	325,000.00	281,000.00	194,998.49	86,001.51	
Landfill / Solid Waste Disposal Costs:					
Landfill and Solid Waste Disposal Costs	1,250,000.00	1,250,000.00	1,177,039.38	72,960.62	

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, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Cancelled</u>
Municipal Court					
Salaries and Wages	\$ 315,000.00	\$ 315,000.00	\$ 289,467.82	\$ 25,532.18	
Other Expenses	23,500.00	23,500.00	23,432.62	67.38	
Public Defender (P.L. 1997, c.256)					
Salaries and Wages	11,000.00	11,000.00	5,711.25	5,288.75	
Uniform Construction Code Enforcement Functions					
Salaries and Wages	544,000.00	542,000.00	532,605.86	9,394.14	
Other Expenses	24,000.00	24,000.00	23,058.12	941.88	
	30,369,200.00	30,259,200.00	29,077,215.98	1,181,984.02	
Total Operations Within CAPS Contingent					
	30,369,200.00	30,259,200.00	29,077,215.98	1,181,984.02	
Total Operations Including Contingent Within CAPS Detail:					
Salaries and Wages	17,511,850.00	17,201,850.00	16,817,479.35	384,370.65	
Other Expenses	12,857,350.00	13,057,350.00	12,259,736.63	797,613.37	
	12,857,350.00	13,057,350.00	12,259,736.63	797,613.37	

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, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Cancelled</u>
Deferred Charges and Statutory Expenditures Within CAPS					
Statutory Expenditures:					
Public Employees' Retirement System	\$ 910,963.00	\$ 910,963.00	\$ 910,963.00		
Social Security System (O.A.S.I.)	800,000.00	800,000.00	796,061.45	\$ 3,938.55	
Police and Firemen's Retirement System	2,020,030.00	2,020,030.00	2,020,030.00		
Unemployment Insurance	30,000.00	30,000.00	30,000.00		
Defined Contribution Retirement Program	4,000.00	4,000.00	2,040.09	1,959.91	
Deferred Charges and Statutory Expenditures Within CAPS	3,764,993.00	3,764,993.00	3,759,094.54	5,898.46	
Total Appropriations Within CAPS	34,134,193.00	34,024,193.00	32,836,310.52	1,187,882.48	
Operations Excluded from CAPS					
Aid to Free Public Library	1,253,460.23	1,253,460.23	1,242,170.28	11,289.95	
Recycling Tax	65,000.00	65,000.00	43,272.18	21,727.82	
Interlocal Municipal Service Agreements					
Liability, Workers Comp., & Prop. Ins. - NFD & OGF	159,000.00	159,000.00	159,000.00		
Neptune BOE GREAT Program - Police					
Salaries and Wages	20,000.00	20,000.00	20,000.00		
Community Notification System	11,200.00	11,200.00	-	11,200.00	
ANSWER Water Rescue Team	8,000.00	8,000.00	7,272.56	727.44	
Monmouth County - EMS					
Salaries and Wages	6,000.00	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 EXPENDITURES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Cancelled</u>
Fleet Maintenance - Allenhurst, NFD,OGFD, Neptune BoE	\$ 200,000.00	\$ 200,000.00	\$ 132,664.13	\$ 67,335.87	
Neptune BOE Newsletter Cooperative	17,000.00	17,000.00	7,100.00	9,900.00	
Prisoner Processing / Jail Program					
Salaries and Wages	28,000.00	28,000.00		28,000.00	
Monmouth County 9-1-1 Services	382,500.00	382,500.00	374,609.04	7,890.96	
Monmouth County Tax Assessment Program	7,500.00	7,500.00	3,937.91	3,562.09	
Monmouth County Personnel Loan (9-1-1 Operator)					
Salaries and Wages	70,562.00	70,562.00	69,466.08	1,095.92	
Monmouth County Police Computer	40,000.00	40,000.00	40,000.00		
Public and Private Programs Offset by Revenues:					
Senior Citizen Program - Title III					
Salaries and Wages	213,000.00	213,000.00	213,000.00		
Drunk Driving Enforcement Fund	12,245.14	12,245.14	12,245.14		
Recycling Tonnage Grant	31,198.70	31,198.70	31,198.70		
Body Armor Replacement Fund		6,766.92	6,766.92		
2018 Pedestrian Safety Enforcement		6,500.00	6,500.00		
Federal Emergency Management Services					
Federal Share	9,400.00	9,400.00	9,400.00		
Municipal Match	9,400.00	9,400.00	9,400.00		
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		
Municipal Court Alcohol Education, Rehabilitation and Enforcement Fund		4,439.45	4,439.45		

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, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Cancelled</u>
COPS in Shops - Summer Shore Initiative		\$ 3,400.00	\$ 3,400.00		
Clean Communities Program		66,442.11	66,442.11		
2017 Bulletproof Vest Partnership Grant		9,152.37	9,152.37		
Interfaith Neighbors - Sr. Ctr. Meals Program					
Salaries and Wages	48,325.00	48,325.00	48,325.00		
NJDL&PS 2016 Click It or Ticket Seat Belt Mobilization		5,500.00	5,500.00		
2017 Drive Sober or Get Pulled Over Year End		5,500.00	5,500.00		
NJSP HMEP Training Grant	27,500.00	27,500.00	27,500.00		
Distracted Driving Crackdown Grant	5,500.00	5,500.00	5,500.00		
Matching Funds for Grants	20,000.00	20,000.00		\$ 20,000.00	
SCHLIP Program (Code Enforcement)					
Salaries and Wages	19,000.00	19,000.00	19,000.00		
Statewide Insurance Fund Grant	15,661.00	15,661.00	15,661.00		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Operations - Excluded from CAPS	2,801,013.82	2,908,714.67	2,725,984.62	182,730.05	
Detail:					
Salaries and Wages	404,887.00	404,887.00	375,791.08	29,095.92	
Other Expenses	2,396,126.82	2,503,827.67	2,350,193.54	153,634.13	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Capital Improvements Excluded from CAPS					
Capital Improvement Fund	150,000.00	150,000.00	150,000.00		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Capital Improvements Excluded from CAPS	150,000.00	150,000.00	150,000.00		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>	<u>Unexpended Balance Cancelled</u>
Municipal Debt Service Excluded from CAPS					
Payment of Bond Principal	\$ 1,659,000.00	\$ 1,659,000.00	\$ 1,659,000.00		
Payment of Ban Antic. Notes and Capital Notes	47,400.00	47,400.00	47,400.00		
Interest on Bonds	549,035.00	659,035.00	658,803.51		\$ 231.49
Interest on Notes	49,000.00	49,000.00	46,604.52		2,395.48
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	1,118,268.00	1,118,268.00	1,118,268.00		
Interest	163,769.40	163,769.40	163,639.58		129.82
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Municipal Debt Service Excluded from CAPS	3,667,972.40	3,777,972.40	3,775,195.85		2,776.55
Deferred Charges Excluded from CAPS					
Special Emergency Authorizations - 5 Years	745,372.00	745,372.00	745,372.00		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Appropriations Excluded from CAPS	7,364,358.22	7,582,059.07	7,396,552.47	\$ 182,730.05	2,776.55
Subtotal General Appropriations	41,498,551.22	41,606,252.07	40,232,862.99	1,370,612.53	2,776.55
Reserve for Uncollected Taxes	2,120,000.00	2,120,000.00	2,120,000.00		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Appropriations	\$ 43,618,551.22	\$ 43,726,252.07	\$ 42,352,862.99	\$ 1,370,612.53	\$ 2,776.55
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Ref.	A-2	A-3	A-1/A-3	A	

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, 2017

	<u>Ref.</u>	<u>Budget After Modification</u>
Budget	A-2	\$ 43,618,551.22
Added by N.J.S. 40A:4-87	A-2	<u>107,700.85</u>
	A-3	<u><u>\$ 43,726,252.07</u></u>
		<u>Paid or Charged</u>
Reserve for Uncollected Taxes	A-2	\$ 2,120,000.00
Disbursements	A-4	37,983,937.57
Reserve for Encumbrances	A-16	926,048.98
Deferred Charges - Special Emergency	A-28	745,372.00
Interfund - Grant Fund	A-13	(1,320.00)
Appropriated Reserves for Federal and State Grants	A-13/A-26	<u>578,824.44</u>
	A-3	<u><u>\$ 42,352,862.99</u></u>

The accompanying notes are an integral part of this statement.

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

**TRUST FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

As of December 31,

<b>ASSETS</b>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<b>Animal Control Trust Fund:</b>			
Cash	B-1	\$ 15,279.53	\$ 20,704.15
<b>Trust Other Fund:</b>			
Cash	B-1	4,804,706.07	5,146,722.24
Interfund - Grant Fund	B-4	29,088.68	28,588.68
Self-Insurance Receivable	B	133,836.13	133,836.13
		4,833,794.75	5,309,147.05
		\$ 4,849,074.28	\$ 5,329,851.20
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Animal Control Trust Fund:</b>			
Reserve for Animal Control Expenditures	B-2	\$ 7,527.22	\$ 5,730.93
Due to State of New Jersey	B-3	258.00	18.60
Reserve for Encumbrances	B-8	7,494.31	14,954.62
		15,279.53	20,704.15
<b>Trust Other Fund:</b>			
Interfund - Current Fund	B-4	34,673.06	255,929.67
Interfund - Sewer Operating Fund	B-4	14,779.26	14,779.26
Reserve for Escrow Funds	B-5	1,287,001.63	1,441,804.20
Various Reserves	B-6	3,359,895.07	3,523,890.39
Reserve for Encumbrances	B-7	137,445.73	72,743.53
		4,833,794.75	5,309,147.05
		\$ 4,849,074.28	\$ 5,329,851.20

The accompanying notes are an integral part of this statement.

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

**GENERAL CAPITAL FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

As of December 31,

<b>ASSETS</b>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash	C-2	\$ 8,684,459.80	\$ 123,741.33
Interfund - Current Fund	C-4		17,314.05
Interfund - Marina Utility Capital Fund	C-4		494,108.37
Grants Receivable	C-5	3,869,440.85	4,603,671.50
Deferred Charges to Future Taxation:			
Funded	C-6	24,901,534.53	16,763,822.13
Unfunded	C-7	2,614,931.13	11,778,950.23
Due from Ocean Grove Camp Meeting Association			
Association	C-10	48,023.13	789,579.98
		<u>\$ 40,118,389.44</u>	<u>\$ 34,571,187.59</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Reserve for Encumbrances	C-11	\$ 2,554,527.31	\$ 3,802,944.26
Green Trust Loans Payable	C-12	731,534.53	809,822.13
General Serial Bonds	C-13	24,170,000.00	15,954,000.00
Bond Anticipation Notes	C-14	4,647,500.00	3,617,231.00
Improvement Authorizations:			
Funded	C-8	5,927,272.86	2,224,533.85
Unfunded	C-8	1,855,613.80	7,038,150.45
Capital Improvement Fund	C-9	55,639.75	58,139.75
Reserve for: Due from Ocean Grove			
Camp Meeting Association	C-10	48,023.13	789,579.98
Various Reserves	C-15	63,237.58	139,835.75
Fund Balance	C-1	65,040.48	136,950.42
		<u>\$ 40,118,389.44</u>	<u>\$ 34,571,187.59</u>

There were bonds and notes authorized but not issued on December 31, 2017 of \$864,931.13 (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, 2017

	<u>Ref.</u>		
Balance, December 31, 2016	C		\$ 136,950.42
Increased by:			
Premium on Sale of Bond Anticipation Notes	C-2	\$ 27,836.00	
Premium on Sale of Serial Bonds	C-2	<u>754.06</u>	
			<u>28,590.06</u>
			165,540.48
Decreased by:			
Utilized as Revenue in the Current Fund	C-2	100,000.00	
Appropriated to Finance Improvement Authorizations	C-8	<u>500.00</u>	
			<u>100,500.00</u>
Balance, December 31, 2017	C		<u><u>\$ 65,040.48</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 SHEET - REGULATORY BASIS

As of December 31,

<b>ASSETS</b>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 6,987,642.19	\$ 6,085,221.45
Change Fund	D	200.00	200.00
Interfund - Current Fund	D-15	13,332.20	
Interfund - Trust Fund	D-15	14,779.26	14,779.26
Interfund - Marina Utility Operating Fund	D-15	65,175.59	
		<u>7,081,129.24</u>	<u>6,100,200.71</u>
Deferred Charges:			
Overexpenditure of Appropriations	D-4	63,787.17	1,211.37
Special Emergency Authorization	D-7		90,000.00
		<u>63,787.17</u>	<u>91,211.37</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-8	550,480.06	502,551.05
OGSA Obligation Receivable	D-24	108,703.38	144,937.84
		<u>659,183.44</u>	<u>647,488.89</u>
Total Operating Fund		<u>7,804,099.85</u>	<u>6,838,900.97</u>
<u>Capital Fund</u>			
Cash	D-5	3,218,553.17	727,330.30
Fixed Capital	D-10	20,048,840.79	19,652,886.06
Fixed Capital Authorized and Uncompleted	D-11	5,688,500.00	4,438,402.96
Total Capital Fund		<u>28,955,893.96</u>	<u>24,818,619.32</u>
Total Assets		<u>\$ 36,759,993.81</u>	<u>\$ 31,657,520.29</u>

The accompanying notes are an integral part of this statement.

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

SEWER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

<b>LIABILITIES, RESERVES AND FUND BALANCE</b>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Operating Fund</u>			
Appropriation Reserves	D-4/D-12	\$ 692,065.69	\$ 257,959.46
Reserve for Encumbrances	D-13	40,890.89	66,241.81
Customer Overpayments	D-14	18,200.24	18,296.52
Interfund - Marina Utility Operating Fund	D-15		1,235.10
Accrued Interest Payable	D-16	75,765.01	13,644.67
Accounts Payable	D	299.99	
Reserve for FEMA Reimbursement	D	7,198.91	7,198.91
		<u>834,420.73</u>	<u>364,576.47</u>
Special Emergency Note Payable	D-25		90,000.00
Reserve for Receivable	D	659,183.44	647,488.89
Fund Balance	D-1	<u>6,310,495.68</u>	<u>5,736,835.61</u>
Total Operating Fund		<u>7,804,099.85</u>	<u>6,838,900.97</u>
<u>Capital Fund</u>			
Serial Bonds	D-17	5,087,000.00	2,497,000.00
Reserve for Encumbrances	D-18	77,285.25	1,097,097.34
Improvement Authorizations:			
Funded	D-19	2,330,277.99	79,112.79
Unfunded	D-19		580,431.17
Capital Improvement Fund	D-20	419,258.25	259,258.25
Reserve for Amortization	D-21	18,612,345.08	18,262,726.85
Deferred Reserve for Amortization	D-22	1,218,093.08	927,521.84
Loans Payable	D-23	819,652.63	883,790.33
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>175,853.90</u>	<u>15,552.97</u>
Total Capital Fund		<u>28,955,893.96</u>	<u>24,818,619.32</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 36,759,993.81</u>	<u>\$ 31,657,520.29</u>

There were bonds and notes authorized but not issued on December 31, 2017 of \$250.00 (Exh. D-26)

The accompanying notes are an integral part of this statement.

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

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

For the Years Ended December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	\$ 216,312.08	
Sewer Rents	D-3	5,945,477.38	\$ 5,964,852.27
Interest on Rents	D-3	53,222.48	53,873.32
Interest on Investments	D-3	6,908.42	7,901.46
Contract - Ocean Grove Sewer Authority	D-3	93,309.08	87,388.20
Contract - Borough of Tinton Falls	D-3	779,724.44	891,160.00
Contract - Borough of Neptune City	D-3	20,000.00	40,000.00
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	96,326.67	172,028.23
Unexpended Balance of Appropriation Reserves	D-12	189,881.09	55,229.58
Sewer Overpayments Cancelled	D-14	184.00	79.97
Interfunds	D-15	79,742.89	
Total Revenue		<u>7,601,010.91</u>	<u>7,358,747.49</u>
Expenditures:			
Operating	D-4	5,634,500.00	5,551,500.00
Capital Improvements	D-4	500,000.00	200,000.00
Debt Service	D-4	562,114.56	521,275.27
Deferred Charges	D-4	90,000.00	90,000.00
Statutory Expenditures	D-4	87,000.00	67,000.00
Total Expenditures		<u>6,873,614.56</u>	<u>6,429,775.27</u>
Excess/(Deficit) in Revenue		727,396.35	928,972.22
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>	<u>1,211.37</u>
Statutory Excess to Fund Balance		789,972.15	930,183.59
Fund Balance January 1	D	<u>5,736,835.61</u>	<u>4,806,652.02</u>
		6,526,807.76	5,736,835.61
Decreased by:			
Utilization as Anticipated Revenue	D-1	<u>216,312.08</u>	
Fund Balance December 31	D	<u>\$ 6,310,495.68</u>	<u>\$ 5,736,835.61</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, 2016	D		\$ 15,552.97
Increased by:			
Excess Proceeds from the Sale of Serial Bonds	D-5	\$ 6,352.70	
Funded Improvement Authorizations Cancelled	D-19	<u>153,948.23</u>	
			<u>160,300.93</u>
Balance, December 31, 2017	D		<u>\$ 175,853.90</u>

The accompanying notes are an integral part of this statement.

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

SEWER UTILITY OPERATING FUND  
 STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	D-1	\$ 216,312.08	\$ 216,312.08	
Sewer Rent	D-1/D-3	5,693,160.70	5,945,477.38	\$ 252,316.68
Interest on Sewer Rent	D-1/D-5	50,000.00	53,222.48	3,222.48
Interest on Investments	D-1/D-5	2,000.00	6,908.42	4,908.42
Contract - Ocean Grove Sewer Authority	D-1/D-5	65,000.00	93,309.08	28,309.08
Contract - Borough of Tinton Falls	D-1/D-5	650,000.00	779,724.44	129,724.44
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	
CDBG-DR Grant Non-Federal Cost Share	D-1/D-5	33,687.92	33,687.92	
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		96,326.67	96,326.67
		<u>\$ 6,816,160.70</u>	<u>\$ 7,331,202.93</u>	<u>\$ 515,042.23</u>
	<u>Ref.</u>			
		D-4		
 <u>Analysis of Miscellaneous Revenue Not Anticipated</u>				
Sewer Connection Fees			\$ 21,120.00	
T.O.S.A. Agreement			4,140.00	
Sewer Openings			550.00	
Refund of Prior Sewerage Authority Fees			69,973.84	
Miscellaneous			542.83	
			<u>\$ 96,326.67</u>	
			<u>\$ 96,326.67</u>	
 <u>Analysis of Rents</u>				
Sewer Rents Collected	D-8		\$ 5,927,569.25	
Overpayments Applied	D-8		17,218.38	
Sewer Liens Collected	D-9		689.75	
			<u>\$ 5,945,477.38</u>	
			<u>\$ 5,945,477.38</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, 2017

	Appropriated		Expended		Unexpended Balance Cancelled	Over- Expenditure
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operating:						
Salaries and Wages	\$ 595,000.00	\$ 595,000.00	\$ 488,904.05	\$ 106,095.95		
Other Expenses	679,500.00	679,500.00	673,368.15	6,131.85		
TNSA - Annual Charge	4,200,000.00	4,200,000.00	3,844,690.76	355,309.24		
Group Insurance for Employees	160,000.00	160,000.00	160,000.00			
Capital Improvements:						
Capital Improvement Fund	250,000.00	250,000.00	250,000.00			
Capital Outlay	250,000.00	250,000.00	35,531.89	214,468.11		
Debt Service:						
Payment of Bond Principal	220,000.00	220,000.00	220,000.00			
Interest on Bonds	112,020.00	112,020.00	174,595.80			\$ 62,575.80
Interest on Notes	1,000.00	1,000.00	844.50		\$ 155.50	
Capital Lease Program	96,503.00	96,503.00	95,663.47		839.53	
NJEIT - Loan	75,137.70	75,137.70	71,010.79		4,126.91	
Deferred Charges and Statutory Expenditures						
Deferred Charges						
Special Emergency Authorizations	90,000.00	90,000.00	90,000.00			
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	40,000.00	40,000.00	40,000.00			
Social Security System (O.A.S.I.)	46,000.00	46,000.00	35,939.46	10,060.54		
Unemployment Compensation Insurance	1,000.00	1,000.00	1,000.00			
	<u>\$ 6,816,160.70</u>	<u>\$ 6,816,160.70</u>	<u>\$ 6,181,548.87</u>	<u>\$ 692,065.69</u>	<u>\$ 5,121.94</u>	<u>\$ 62,575.80</u>
	Ref.	D-3	D-3	D-1	D/D-1	D/D-1
Cash Disbursed	D-5			\$ 5,867,451.71		
Deferred Charges - Special Emergency	D-7			90,000.00		
Reserve for Encumbrances	D-13			40,890.89		
Accrued Interest Payable	D-16			183,206.27		
	D-4			<u>\$ 6,181,548.87</u>		

The accompanying notes are an integral part of this statement.

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

**MARINA UTILITY FUND**  
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

	Ref.	2017	2016		Ref.	2017	2016
<b>ASSETS</b>				<b>ASSETS</b>			
<u>Operating Fund</u>				<u>Capital Fund</u>			
Cash	E-5	\$ 224,877.70	\$ 90,452.38	Cash	E-5/E-6	\$ 288,551.62	\$ 946,875.52
Change Fund	E	50.00	50.00	Fixed Capital	E-8	5,880,400.00	5,880,400.00
Grants Receivable	E	93.04	93.04	Fixed Capital Authorized and Uncompleted	E-9	4,490,000.00	4,490,000.00
Interfund - Marina Utility Capital Fund	E-24	800,500.00	800,000.00	Grants Receivable	E-21	742,703.72	782,453.72
Interfund - Sewer Operating	E-27	<u>                    </u>	<u>1,235.10</u>	Interfund - Federal and State Grant Fund	E-21	<u>39,750.00</u>	<u>                    </u>
		<u>1,025,520.74</u>	<u>891,830.52</u>	Total Capital Fund		<u>\$ 11,441,405.34</u>	<u>\$ 12,099,729.24</u>
Deferred Charges:							
Overexpenditure of Appropriation	E-25		3,682.19				
Special Emergency Authorization (N.J.S. 40A:4-5)	E-7		<u>145,750.00</u>				
			<u>149,432.19</u>				
Total Operating Fund		<u>\$ 1,025,520.74</u>	<u>\$ 1,041,262.71</u>				
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>				<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Appropriation Reserves	E-4/E-10	\$ 11,904.06	\$ 6,821.35	Serial Bonds	E-14	\$ 1,063,000.00	\$ 1,161,000.00
Sales Taxes Payable	E-5	2,568.23	2,648.00	Bond Anticipation Notes	E-15	1,132,900.00	1,143,269.00
Reserve for Encumbrances	E-11	7,228.57	11,115.35	Improvement Authorizations:			
Accounts Payable	E-12	506.25	1,045.00	Funded	E-16		134.19
Accrued Interest Payable	E-13	14,600.47	16,247.24	Unfunded	E-16	51,392.84	17,656.78
Reserve for FEMA Reimbursement	E-26	769,760.31	808,604.64	Reserve for Encumbrances	E-16	107,360.01	325,587.46
Interfund - Sewer Operating	E-28	<u>65,175.59</u>	<u>                    </u>	Capital Improvement Fund	E-17	63,950.00	48,950.00
		<u>871,743.48</u>	<u>846,481.58</u>	Interfund - General Capital Fund	E-18		494,108.37
Special Emergency Note Payable	E-22		<u>145,750.00</u>	Reserve for Amortization	E-19	5,058,900.00	4,983,531.00
Fund Balance	E-1	<u>153,777.26</u>	<u>49,031.13</u>	Deferred Reserve for Amortization	E-20	3,048,150.00	3,015,150.00
Total Operating Fund		<u>\$ 1,025,520.74</u>	<u>\$ 1,041,262.71</u>	Reserve for Reconstruction	E-23	100,000.00	100,000.00
				Interfund - Marina Utility Operating Fund	E-24	800,500.00	800,000.00
				Fund Balance	E-2	<u>15,252.49</u>	<u>10,342.44</u>
				Total Capital Fund		<u>\$ 11,441,405.34</u>	<u>\$ 12,099,729.24</u>

Bonds and notes authorized but not issued on December 31, 2017 is \$67,450.00 (Exhibit E-29)

The accompanying notes are an integral part of this statement.

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

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

For the Years Ended December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	E-3		\$ 75,000.00
Marina Fees and Costs	E-3	\$ 475,982.20	420,616.80
Interest on Investments	E-3	819.06	1,213.82
FEMA Disaster Assistance-Hurricane Sandy	E-3	212,671.46	148,750.00
CDBG-DR Non-Federal Cost Share	E-3	16,031.00	
Miscellaneous	E-3	12,756.51	2,773.88
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-10	11,193.39	3,896.00
Accounts Payable Cancelled	E-12	1,045.00	469.06
Deferred Charges Cancelled	E-25	1,089.27	
		<hr/>	<hr/>
Total Revenue		731,587.89	652,719.56
Expenditures:			
Operating	E-4	173,650.00	166,800.00
Capital Improvements	E-4	15,181.00	50,000.00
Debt Service	E-4	278,989.30	271,882.19
Deferred Charges	E-4	150,521.46	148,750.00
Statutory Expenditures	E-4	8,500.00	8,000.00
		<hr/>	<hr/>
Total Expenditures		626,841.76	645,432.19
Excess/(Deficit) in Revenue		104,746.13	7,287.37
Add:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of succeeding Year:			
Overexpenditure of Appropriations	E-4		3,682.19
		<hr/>	<hr/>
Statutory Excess to Fund Balance		104,746.13	10,969.56
Fund Balance January 1	E	49,031.13	113,061.57
		<hr/>	<hr/>
Decreased by:		153,777.26	124,031.13
Utilization as Anticipated Revenue	E-1		75,000.00
		<hr/>	<hr/>
Fund Balance December 31	E	\$ 153,777.26	\$ 49,031.13
		<hr/> <hr/>	<hr/> <hr/>

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, 2017

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 10,342.44
Increased by:		
Premium on Sale on Bond Anticipation Notes	E-5	<u>4,910.05</u>
Balance, December 31, 2017	E	<u><u>\$ 15,252.49</u></u>

The accompanying notes are an integral part of this statement.

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

MARINA UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Ref.</u>	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Marina Fees and Costs	E-3/E-5	\$ 403,969.00	\$ 475,982.20	\$ 72,013.20
Reserve for FEMA Reimbursements	E-1/E-26	212,671.46	212,671.46	
CDBG-DR Non-Federal Cost Share	E-1/E-5	16,031.00	16,031.00	
Interest on Investments	E-1/E-5		819.06	819.06
Miscellaneous	E-1/E-5		12,756.51	12,756.51
		<u>\$ 632,671.46</u>	<u>\$ 718,260.23</u>	<u>\$ 85,588.77</u>
	<u>Ref.</u>	E-4		
<u>Analysis of Marina Fees and Costs</u>				
Summer Dockage			\$ 389,080.13	
Winter Storage Fees			54,340.51	
Ramp Fees			14,395.50	
Launching/Haul Out			3,626.56	
Summer Land Storage			<u>14,539.50</u>	
	E-1/E-3		<u>\$ 475,982.20</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, 2017

	<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	\$ 95,300.00	\$ 95,300.00	\$ 87,394.29	\$ 7,905.71	
Other Expenses	78,350.00	78,350.00	74,535.28	3,814.72	
Capital Improvements:					
Capital Improvement Fund	15,000.00	15,000.00	15,000.00		
Capital Outlay	10,000.00	181.00		181.00	
Debt Service:					
Payment of Bond Principal	98,000.00	98,000.00	98,000.00		
Payment of Bond Anticipation and Capital Notes	10,000.00	10,869.00	10,369.00		\$ 500.00
Interest on Bonds	43,000.00	51,950.00	51,466.17		483.83
Interest on Notes	25,000.00	25,000.00	20,154.22		4,845.78
MCIA Capital Equipment Lease Program - 2007	99,000.00	99,000.00	98,999.91		0.09
Deferred Charges and Statutory Expenditures					
Overexpenditure of Prior Year Appropriations	4,771.46	4,771.46	4,771.46		
Special Emergency Authorizations	145,750.00	145,750.00	145,750.00		
Statutory Expenditures:					
Public Employees' Retirement System	2,500.00	2,500.00	2,500.00		
Contribution to Social Security System (O.A.S.I.)	6,000.00	6,000.00	5,997.37	2.63	
	<u>\$ 632,671.46</u>	<u>\$ 632,671.46</u>	<u>\$ 614,937.70</u>	<u>\$ 11,904.06</u>	<u>\$ 5,829.70</u>

<u>Ref.</u>	E-3	E-1/E-4	E/E-1
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Analysis of Paid or Charged:		
Deferred Charges - Overexpenditure of Appropriation	E-25	\$ 4,771.46
Cash Disbursements	E-5	385,567.28
Deferred Charges - Special Emergency	E-7	145,750.00
Reserve for Encumbrances	E-11	7,228.57
Accrued Interest Payable	E-13	71,620.39
	E-4	<u>\$ 610,166.24</u>

The accompanying notes are an integral part of this statement.



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

LOAN AND GRANT FUND  
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

<b>ASSETS</b>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash - Treasurer	F-1	\$ 641,855.95	\$ 674,507.15
Notes Receivable:			
Reciprocal Loans	F-2	138,547.87	152,662.01
Facade Improvement Loans	F-3	63,414.21	86,167.51
		\$ 843,818.03	\$ 913,336.67
<b>LIABILITIES AND RESERVES</b>			
Reserve for Loans Receivable:			
Reciprocal Loans	F-2	138,547.87	152,662.01
Facade Improvement Loans	F-3	63,414.21	86,167.51
Reserve for Encumbrances	F, F-4		40,000.00
Reserve for Loan and Grant Fund Expenditures	F-4	641,855.95	634,507.15
		\$ 843,818.03	\$ 913,336.67

The accompanying notes are an integral part of this statement.

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

**PUBLIC ASSISTANCE FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

As of December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>			
Cash	G-1	\$ 19,340.35	\$ 19,634.56
		<u>\$ 19,340.35</u>	<u>\$ 19,634.56</u>
 <b>LIABILITIES AND RESERVES</b>			
Reserve for Public Assistance	G	\$ 19,340.35	\$ 19,634.56
		<u>\$ 19,340.35</u>	<u>\$ 19,634.56</u>

The accompanying notes are an integral part of this statement.

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

PAYROLL FUND  
 COMPARATIVE BALANCE SHEET - REGULATORY BASIS

As of December 31,

<b>ASSETS</b>	<u>2017</u>	<u>2016</u>
Cash	\$ 207,244.40	\$ 290,781.59
	<u>\$ 207,244.40</u>	<u>\$ 290,781.59</u>
<b>LIABILITIES</b>		
Pensions Payable	\$ 159,320.05	\$ 154,500.97
Miscellaneous	47,924.35	136,280.62
	<u>\$ 207,244.40</u>	<u>\$ 290,781.59</u>

The accompanying notes are an integral part of this statement.

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

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

As of December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
General Fixed Assets:			
Land	I-1	\$ 18,230,797.52	\$ 18,406,960.52
Land Improvements	I-1	411,700.15	412,519.14
Buildings and Improvements	I-1	4,727,237.72	4,730,183.72
Machinery, Equipment and Vehicles	I-1	<u>19,003,061.59</u>	<u>19,699,327.18</u>
		<u>\$ 42,372,796.98</u>	<u>\$ 43,248,990.56</u>
 Investments in General Fixed Assets	 I-1	 <u>\$ 42,372,796.98</u>	 <u>\$ 43,248,990.56</u>

The accompanying notes are an integral part of this statement.

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 1 REPORTING ENTITY**

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**

In accordance with GASB 61, the Township’s financial statements include those of the Township of Neptune and any component units. Component units are legally separate, tax-exempt organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefit to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Township) is legally entitled to or can otherwise access the organization’s resources.
2. The primary government is legally obligated or has otherwise assumed the obligations to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based on the application of the above criteria, this report includes all programs and activities operated by the Township. There were no additional entities required to be included in the reporting entity under these criteria in the current fiscal year. Furthermore, the Township is not included in any other reporting entity on the basis of such criteria.

**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.

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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.

**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 water and sewer utility.

**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.

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

Fund Accounting (continued)

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.

**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.

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Cash, Cash Equivalents and Investments (continued)**

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.

**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.



**TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**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, 2017 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 canceled 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.

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**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")

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**P. General Fixed Assets (continued)**

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.

**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**

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

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**S. Impact of Recently Issued Accounting Principles (continued)**

Recently Issued Accounting Pronouncements (continued)

for OPEB Plans. This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Township's financial statements.

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]). This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Township's financial statements.

**NOTE 2 CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Deposits**

At December 31, 2017, the Township's deposits had a carrying amount of \$34,280,799.21.

**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, 2017, the Township's bank balances of \$36,028,472.20 were exposed to custodial credit risk as follows:

Insured by FDIC	\$	1,105,021.44
Insured by GUDPA		32,274,453.34
Uninsured and Uncollateralized		<u>2,648,997.42</u>
 Total	 \$	 <u><u>36,028,472.20</u></u>

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**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>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate (Per \$100 Assessed Valuation)	\$ 2.150	\$ 2.153	\$ 2.114
Apportionment of Tax Rate			
Municipality	0.823	0.820	0.795
County	0.290	0.294	0.292
Local School	1.037	1.039	1.027

Net Valuation Taxable

2017	\$3,615,695,800.00		
2016		\$3,537,256,010.00	
2015			\$3,508,485,290.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2017	\$81,838,221.55	\$80,560,291.87	98.44%
2016	80338,226.28	79,171,861.63	98.54%
2015	77,963,065.62	76,716,484.87	98.40%

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>
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%
2015	4,700.48	1,141,739.29	1,146,439.77	1.47%

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 3 PROPERTY TAXES (continued)**

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

<u>Year</u>	<u>Number of Liens</u>
2017	10
2016	10
2015	9

**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>
2017	\$5,242,800.00
2016	5,242,800.00
2015	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>
2017	\$5,993,406.39	\$502,551.05	\$5,944,787.63
2016	6,041,448.20	425,955.12	5,963,042.27
2015	6,080,763.84	426,168.58	6,080,977.30

**NOTE 6 BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

At December 31, 2017, the Township had authorized but not issued bonds and notes as follows:

General Capital Fund	
Bonds and Notes	\$ 864,931.13
Sewer Utility Capital Fund	
Bonds and Notes	250.00
Marina Utility Capital Fund	
Bonds and Notes	67,450.00

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**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.

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%.	\$ 4,500,000.00
\$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%.	3,115,000.00
\$5,180,000.00 2013 Pooled Governmental Loan Revenue Bonds due in annual installments ranging from \$290,000.00 to \$400,000.00 through December 2029, interest rates ranging from 4.000% to 5.000%	4,305,000.00
\$2,395,000.00 2016 Pooled Government Loan Refunding Bonds due in annual installments ranging from \$435,000.00 to \$520,000.00 through December 2022, interest rates ranging from 4.000% to 5.000%.	2,375,000.00
\$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 3.000% to 5.000%	<u>9,875,000.00</u>
	\$ <u>24,170,000.00</u>

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**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 \$100,000.00 to \$140,000.00 through December 2025, interest rates ranging from 4.000% to 5.000%.	\$ 940,000.00
\$291,000.00 2014 Pooled Governmental Loan Refunding Revenue Bonds due in annual installments ranging from \$55,000.00 to \$63,000.00 through December 2021, interest rates ranging from 4.000% to 5.000%.	237,000.00
\$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%.	900,000.00
\$200,000.00 2016 Pooled Government Loan Refunding Bonds due in annual installments ranging from \$35,000.00 to \$45,000.00 through December 2022, interest rates ranging from 4.000% to 5.000%.	200,000.00
\$2,810,000.00 2017B Pooled Government Loan Revenue Bonds due in annual installments ranging from \$200,000.00 to \$345,000.00 through July 2027, interest rates ranging from 3.000% to 5.000%	<u>2,810,000.00</u>
	\$ <u><u>5,087,000.00</u></u>

Marina Utility Bonds

\$181,000.00 2014 Marina Pooled Governmental Loan Refunding Revenue Bonds due in annual installments ranging from \$34,000.00 to \$40,000.00 through December 2021, interest rates ranging from 4.000% to 5.000%.	\$ 148,000.00
\$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%.	725,000.00
\$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>190,000.00</u>
	\$ <u><u>1,063,000.00</u></u>



**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 7 LONG-TERM DEBT (continued)**

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:

General Capital Fund			
Year	Principal	Interest	Total
2018	\$ 2,070,000.00	\$ 973,015.83	\$ 3,043,015.83
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
2023-2027	7,735,000.00	2,377,000.00	10,112,000.00
2028-2032	4,295,000.00	909,000.00	5,204,000.00
2033-2034	1,540,000.00	92,400.00	1,632,400.00
Total	\$ 24,170,000.00	\$ 7,754,915.83	\$ 31,924,915.83

Sewer Utility Capital Fund			
Year	Principal	Interest	Total
2018	\$ 425,000.00	\$ 208,890.28	\$ 633,890.28
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
2023-2027	2,225,000.00	408,800.00	2,633,800.00
2028-2032	315,000.00	65,650.00	380,650.00
2033-2034	140,000.00	6,825.00	146,825.00
Total	\$ 5,087,000.00	\$ 1,422,815.28	\$ 6,509,815.28

Marina Utility Capital Bonds			
Year	Principal	Interest	Total
2018	\$ 99,000.00	\$ 48,010.00	\$ 147,010.00
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
2023-2027	195,000.00	108,250.00	303,250.00
2028-2032	255,000.00	54,050.00	309,050.00
2033-2034	120,000.00	5,850.00	125,850.00
Total	\$ 1,063,000.00	\$ 363,460.00	\$ 1,426,460.00

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**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 Bradly Park acquisition. The loan is due in semi-annual installments ranging from \$2,651.56 to \$3,078.38 through September 2025, interest rate 2.00%. \$ 45,760.22

During 2005, the Township was awarded a loan of \$25,000.00 under the Green Trust Loan Program for the Bradly Park acquisition. The loan is due in semi-annual installments ranging from \$662.89 to \$769.58 through September 2025, interest rate 2.00%. 11,440.03

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 \$4,375.08 to \$5,233.24 through May 2027, interest rate 2.00%. 91,049.30

During 2008, the Township was awarded a loan of \$225,228.72 under the Green Trust Loan Program for the development of Bradly Park. The loan is due in semi-annual installments of \$5,927.07 through July 2027, interest rate 0.00%. 118,541.46

During 2009, the Township was awarded a loan for \$25,000.00 under the Green Trust Loan Program for the Bradly Park acquisition. The loan is due in semi-annual installments of \$641.03 through June 2029, interest rate 0.00%. 14,743.52

During 2011, the Township was awarded a loan of \$750,000.00 under the Green Trust Loan Program for multi-parks development. The loan is due in semi-annual installments of \$25,000 through August 2026, interest rate 0.00%. 450,000.00

\$ 731,534.53

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**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 3.00% to 5.00%. The trust loan is due in annual \$15,000.00 to \$25,000.00 through 2029. The remaining \$966,375.00 was funded by a fund loan with 0.00% interest. The fund loan is due in semi-annual installments ranging from \$16,379.23 to \$32,758.70 through 2029.

\$ 819,652.63

Total Sewer Utility Capital Fund Loan Payable

\$ 819,652.63

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
2018	\$ 78,592.15	\$ 2,888.09	\$ 81,480.24
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
2023-2027	333,481.17	3,088.72	336,569.89
2028-2029	1,922.92	-	1,922.92
Total	\$ 731,534.53	\$ 14,359.48	\$ 745,894.01

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 7 LONG-TERM DEBT (continued)**

Loans Payable (continued)

Sewer Utility Fund Loan Payable (continued)

Year	Sewer Utility Loans		
	Principal	Interest	Total
2018	\$ 64,137.70	\$ 9,250.00	\$ 73,387.70
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
2023-2027	345,688.50	21,600.00	367,288.50
2028-2029	148,275.63	3,000.00	151,275.63
Total	\$ 819,652.63	\$ 64,100.00	\$ 883,752.63

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 Rate
	Principal	Interest	Total	
2018	\$ 1,149,160.00	\$ 182,232.85	\$ 1,331,392.85	2.50% -5.00%
2019	795,040.00	134,099.00	929,139.00	4.00% -5.00%
2020	828,760.00	98,571.20	927,331.20	4.00% -5.00%
2021	417,480.00	59,085.20	476,565.20	4.00% -5.00%
2022	369,680.00	38,849.20	408,529.20	2.00% -5.00%
2023-2027	502,280.00	57,769.60	560,049.60	2.50% -5.00%
Total	\$ 4,062,400.00	\$ 570,607.05	\$ 4,633,007.05	

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 7 LONG-TERM DEBT (continued)**

Capital Lease Program (continued)

Sewer Utility Fund			
Principal	Interest	Total	Coupon Rate
\$ 119,840.00	\$ 22,259.34	\$ 142,099.34	2.50%-5.00%
105,960.00	17,860.00	123,820.00	4.00%-5.00%
110,240.00	13,239.80	123,479.80	4.00%-5.00%
61,520.00	6,709.80	68,229.80	4.00%-5.00%
38,320.00	3,663.80	41,983.80	2.00%-5.00%
41,720.00	5,415.40	47,135.40	2.50%-5.00%
\$ 477,600.00	\$ 69,148.14	\$ 546,748.14	

Marina Utility Fund			
Principal	Interest	Total	Coupon Rate
\$ 73,000.00	\$ 7,004.00	\$ 80,004.00	5.00%
19,000.00	3,376.00	22,376.00	4.00%-5.00%
20,000.00	2,504.00	22,504.00	4.00%-5.00%
11,000.00	1,330.00	12,330.00	4.00%
11,000.00	902.00	11,902.00	4.00%
11,000.00	460.00	11,460.00	4.00%
\$ 145,000.00	\$ 15,576.00	\$ 160,576.00	

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 7 LONG-TERM DEBT (continued)**

Capital Lease Program (continued)

Changes in Outstanding Debt

Transactions for the year ended December 31, 2017 are summarized as follows:

	Balance Dec. 31, 2016	Additions	Deductions	Balance Dec. 31, 2017
<u>General Capital Fund</u>				
Serial Bonds	\$ 15,954,000.00	\$ 9,875,000.00	\$ 1,659,000.00	\$ 24,170,000.00
Loans Payable	809,822.13	-	78,287.60	731,534.53
	<u>16,763,822.13</u>	<u>9,875,000.00</u>	<u>1,737,287.60</u>	<u>24,901,534.53</u>
<u>Sewer Capital Fund</u>				
Serial Bonds	2,497,000.00	2,810,000.00	220,000.00	5,087,000.00
Loans Payable	883,790.33	-	64,137.70	819,652.63
	<u>3,380,790.33</u>	<u>2,810,000.00</u>	<u>284,137.70</u>	<u>5,906,652.63</u>
<u>Marina Capital Fund</u>				
Serial Bonds	1,161,000.00	-	98,000.00	1,063,000.00
	<u>\$ 21,305,612.46</u>	<u>\$ 12,685,000.00</u>	<u>\$ 2,119,425.30</u>	<u>\$ 31,871,187.16</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 ENDED DECEMBER 31, 2017**

**NOTE 8 SHORT-TERM DEBT (continued)**

Bond Anticipation Notes (continued)

On December 31, 2017, 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	02-28-17	02-28-18	\$ 1,750,000.00	0.00%
Fletcher Lake Bulkhead, Bridge and Roadway Improvements	09-05-17	09-04-18	475,000.00	2.25%
2017 Roadway Improvements	09-05-17	09-04-18	950,000.00	2.25%
Acquisition of West Lake Avenue Development Area Property	09-05-17	09-05-18	712,500.00	2.25%
Replacement of the Municipal Complex Roof and Other Facilities Improvements	09-05-17	09-05-18	<u>760,000.00</u>	2.25%
			<u>\$ 4,647,500.00</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	09-05-17	09-04-18	\$ 195,000.00	2.25%
	02-02-17	02-01-18	25,000.00	1.23%
Various Improvements to Marina	09-05-17	09-04-18	263,500.00	2.25%
Various Improvements	09-05-17	09-04-18	76,500.00	2.25%
Reconstruction of the Municipal Marina Building	02-02-17	02-01-18	420,900.00	1.23%
Shark River Dredging	02-02-17	02-01-18	<u>152,000.00</u>	1.23%
			<u>\$ 1,132,900.00</u>	

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 8 SHORT-TERM DEBT (continued)**

Bond Anticipation Notes (continued)

Changes in Bond Anticipation Notes

	Balance Dec. 31, 2016	Additions	Deductions	Balance Dec. 31, 2017
General Capital Fund	\$ 3,617,231.00	\$ 2,897,500.00	\$ 1,867,231.00	\$ 4,647,500.00
Marine Utility Capital Fund	1,143,269.00	-	10,369.00	1,132,900.00
	\$ 4,760,500.00	\$ 2,897,500.00	\$ 1,877,600.00	\$ 5,780,400.00

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, 2017, the Township's outstanding special emergency notes were as follows:

	Date of Issue	Date of Maturity	Amount	Interest Rate
<u>Current Fund</u> Revaluation	04-03-17	04-02-18	\$ <u>200,000.00</u>	1.30%
			\$ <u>200,000.00</u>	



**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 8 SHORT-TERM DEBT (continued)**

Special Emergency Notes (continued)

Changes in Special Emergency Notes

Transactions for the year ended December 31, 2017 are summarized as follows:

	Balance Dec. 31, 2016	Additions	Deductions	Balance Dec. 31, 2017
Current Fund	\$ 945,372.00	\$ 200,000.00	\$ 945,372.00	\$ 200,000.00
Sewer Utility Capital Fund	90,000.00		90,000.00	-
Marina Capital Fund	145,750.00		145,750.00	-
	<u>\$ 1,181,122.00</u>	<u>\$ 200,000.00</u>	<u>\$ 1,181,122.00</u>	<u>\$ 200,000.00</u>

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**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 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Issued</u>			
General Bonds, Notes and Loans	29,549,034.53	\$ 20,381,053.13	\$ 20,712,442.18
Sewer Utility Bonds, Notes and Loans	5,906,652.63	3,380,790.33	3,664,928.03
Marina Utility Bonds, Notes and Loans	2,195,900.00	2,304,269.00	1,821,369.00
	<u>37,651,587.16</u>	<u>26,066,112.46</u>	<u>26,198,739.21</u>
<u>Authorized But Not Issued</u>			
General Bonds, Notes and Loans	864,931.13	8,161,719.23	5,303,880.46
Sewer Utility Bonds, Notes and Loans	250.00	1,520,250.00	950,250.00
Marina Utility Bonds, Notes and Loans	67,450.00	67,450.00	597,900.00
	<u>932,631.13</u>	<u>9,749,419.23</u>	<u>6,852,030.46</u>
Net Bonds, Notes and Loans Issued and Authorized But Not Issued	38,584,218.29	35,815,531.69	33,050,769.67
Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
General Capital Fund	43,943.33	138,835.75	256,034.29
Sewer Utility Fund	235.02	235.02	235.02
	<u>44,178.35</u>	<u>139,070.77</u>	<u>256,269.31</u>
Net Debt Issued and Authorized But Not Issued	<u>\$ 38,540,039.94</u>	<u>\$ 35,676,460.92</u>	<u>\$ 32,794,500.36</u>

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**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 0.700%.

	Gross Debt	Deductions	Net Debt
Local District School Debt	\$ -	\$ -	\$ -
General Debt	30,413,965.66	2,941,443.33	27,472,522.33
Sewer Utility Debt	5,906,902.63	5,906,902.63	-
Marina Utility Debt	2,263,350.00	2,263,350.00	-
	\$ 38,584,218.29	\$ 11,111,695.96	\$ 27,472,522.33

New Jersey statutes limit the debt of a municipality to 3.50% 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, 2017 was 0.700% as calculated below. The Township’s remaining borrowing power is 2.782%.

Net Debt \$27,472,522.33 divided by the Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$3,822,251,975.67 equals 0.718%.

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

3-1/2% Equalized Valuation Basis Municipal	\$ 133,778,819.15
Net Debt	27,472,522.33
Remaining Borrowing Power	\$ 106,306,296.82

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**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		\$ 7,331,202.93
Deductions:		
Operating and Maintenance Costs	\$ 5,721,500.00	
Debt Service Per Water Account	562,114.56	
Total Deductions		6,283,614.56
Excess Revenue		\$ 1,047,588.37

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		\$ 718,260.23
Deductions:		
Operating and Maintenance Costs	\$ 182,150.00	
Debt Service Per Water Account	278,989.30	
Total Deductions		461,139.30
Excess Revenue		\$ 257,120.93

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 ENDED DECEMBER 31, 2017**

**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, 2017, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2017	2018 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:			
Special Emergency Authorization	\$ <u>200,000.00</u>	\$ <u>200,000.00</u>	\$ <u>          -</u>

**NOTE 12 TAXES COLLECTED IN ADVANCE**

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

	Balance December 31,	
	2017	2016
Prepaid Taxes	\$ 3,035,308.89	\$ 863,859.33

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 tax payers 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.

**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 ENDED DECEMBER 31, 2017**

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

	Local District School Tax Balance December 31	
	2017	2016
Balance of Tax	\$ 18,733,672.50	\$ 18,366,112.50
Deferred	<u>17,265,725.00</u>	<u>17,265,725.00</u>
Tax Payable/(Advanced)	<u>\$ 1,467,947.50</u>	<u>\$ 1,100,387.50</u>

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**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
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
2013	3,761,814.80	2,762,000.00

Sewer Utility Fund		
Year	Balance December 31	Utilized In Budget of Succeeding Year
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	-
2013	1,652,162.11	96,399.17

Year	Balance December 31	Utilized In Budget of Succeeding Year
2017	\$ 153,777.26	\$ -
2016	49,031.13	-
2015	113,061.57	75,000.00
2014	136,667.53	120,000.00
2013	189,485.42	180,000.00

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**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/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.



**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 16 PENSION PLANS (continued)**

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

**General information about the Plan (continued)**

**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.

**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, 2017, the Township's contributions to the PERS was \$953,463.

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**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**

**Net Pension Liability** - At December 31, 2017, the Township reported a liability of \$23,762,512 as the Township's proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. 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, 2016, which was rolled forward to June 30, 2017. 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, 2017. The Township's proportion measured as of June 30, 2017, was 0.1020796568% which was a decrease of .0045987805% from its proportion measured as of June 30, 2016.

**Pension Expense** - At December 31, 2017, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$1,713,948. 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 Pension Expense** - At December 31, 2017 the State reported deferred outflows of resources and deferred inflows from resources attributable to the Township from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 559,525	
Changes in Assumptions	4,787,327	\$ 4,769,776
Net Difference between Projected and Actual Earnings on Pension Plan Investments	161,807	
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>277,257</u>	<u>979,856</u>
	<b><u>\$ 5,785,916</u></b>	<b><u>\$ 5,749,632</u></b>

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**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)**

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 and 5.48 for the years 2014, 2015, 2016 and 2017, respectively.

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.

<b>Year Ending</b>	
<b><u>Dec. 31,</u></b>	<b><u>PERS</u></b>
2018	\$ 427,690.00
2019	726,908.00
2020	365,578.00
2021	(874,956.00)
2022	<u>(608,936.00)</u>
	<u>\$ 36,284.00</u>

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 16 PENSION PLANS (continued)**

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

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).

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 16 PENSION PLANS (continued)**

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

**Actuarial Assumptions (continued)**

The actuarial assumptions used in the July 1, 2016 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, 2017) 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, 2017 are summarized in the following table:

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 16 PENSION PLANS (continued)**

**A. Public Employees' Retirement System (PERS) (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 5.00% as of June 30, 2017. 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 3.58% as of June 30, 2017 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 40% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 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 ENDED DECEMBER 31, 2017**

**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 (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	<b>1% Decrease <u>(4.00%)</u></b>	<b>Current Discount Rate <u>(5.00%)</u></b>	<b>1% Increase <u>(6.00%)</u></b>
Township's Proportionate Share of the Net Pension Liability	\$29,479,008	\$23,762,512	\$18,999,961

**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.

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 16 PENSION PLANS (continued)**

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

**Schedule of the Township's Proportionate Share of the Net Pension Liability (Last 4 Plan Fiscal Years) (unaudited)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Township's proportion of the net pension liability	0.1072688587%	0.1055188369%	0.1066784373%	0.1020796568%
Township's proportionate share of the net pension liability	\$ 20,083,664	\$ 23,686,864	\$ 31,595,093	\$ 23,762,512
Township's covered-employee payroll	\$ 7,225,450	\$ 7,290,399	\$ 7,216,068	\$ 7,092,870
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%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%

**Schedule of the Township's Contributions (Last 4 Plan Fiscal Years) (unaudited)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 884,309	\$ 907,179	\$ 947,716	\$ 945,659
Contributions in Relation to the contractually Required Contribution	884,309	907,179	947,716	945,659
Contribution deficiency (excess)	<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
Contribution as a percentage of covered-employee payroll	12.24%	11.44%	13.89%	12.56%



**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 16 PENSION PLANS (continued)**

**A. 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 (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

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

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of 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.

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 16 PENSION PLANS (continued)**

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

**General Information About the Plan (continued)**

**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 2016, 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, 2017, the Township's contributions to PFRS was \$2,173,978. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

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

**Net Pension Liability** - At December 31, 2017, the Township's proportionate share of the PFRS net pension liability is valued to be \$37,922,393. The net pension liability was measured as of June 30, 2017. 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, 2016, to the measurement date of June 30, 2017. 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, 2017. The Township's proportion measured as of June 30, 2017, was 0.2456421084 %, which was a decrease of 0.002110796 % from its proportion measured as of June 30, 2016.

**Pension Expense** - At December 31, 2017, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$4,379,258. 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 ENDED DECEMBER 31, 2017**

**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** - At December 31, 2017, the Township had deferred outflows of resources and deferred inflows of resources related to the PFRS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 246,018	\$ 222,573
Changes in Assumptions	4,676,253	6,210,579
Net Difference between Projected and Actual Earnings on Pension Plan Investments	723,648	
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	2,936,970	264,198
	<b>\$ 8,582,889</b>	<b>\$ 6,697,350</b>

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 and 5.59 for the years 2014, 2015, 2016 and 2017, respectively.

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**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**

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 <u>Dec 31,</u>	<u>Amount</u>
2018	\$ 1,403,800
2019	2,115,938
2020	620,796
2021	(1,445,225)
2022	<u>-</u>
	<u>\$ 2,695,309</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	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

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 16 PENSION PLANS (continued)**

**B. Police and Firemen's Retirement System (PFRS) (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, 2016 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.

**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, 2017) 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, 2017 are summarized in the following table:

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 16 PENSION PLANS (continued)**

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

**Long-Term Expected Rate of Return (continued)**

<u>Asset Class</u>	<u>Long-Term 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	8.25%	13.08%
	<u>100.00%</u>	

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 16 PENSION PLANS (continued)**

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

**Discount Rate** - The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. 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 3.58% as of June 30, 2017 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 40% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 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.

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 16 PENSION PLANS (continued)**

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

**Special Funding Situation (continued)**

The State’s proportionate share of the PFRS net pension liability attributable to the Township is \$4,247,627 as of December 31, 2017. The net pension liability was measured as of June 30, 2017. 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, 2016, to the measurement date of June 30, 2017. 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, 2017 was 0.2456421084%, which was an increase of 0.0021107160% from its proportion measured as of June 30, 2016, which is the same proportion as the Township’s. At December 31, 2017, the Township’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Township’s Proportionate Share of Net Pension Liability	\$	37,922,393
State of New Jersey’s Proportionate Share of the Net Pension Liability Attributable to the Township		4,247,627
	\$	42,170,020



**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 16 PENSION PLANS (continued)**

**B. Police and Firemen’s Retirement System (PFRS) (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 (5.14%) or 1-percentage-point higher (7.14%) than the current rate:

	1% Decrease <u>(5.14%)</u>	Current Discount Rate <u>(6.14%)</u>	1% Increase <u>(7.14%)</u>
Township’s Proportionate Share of the Net Pension Liability	\$ 49,965,875	\$ 37,922,393	\$ 28,027,302
State of New Jersey’s Proportionate Share of Net Pension Liability Associated with the Township	<u>5,596,598</u>	<u>4,247,627</u>	<u>3,139,293</u>
	<u>\$ 55,562,473</u>	<u>\$42,170,020</u>	<u>\$31,166,595</u>

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

**NOTE 16 PENSION PLANS (continued)**

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

**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.

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

	2014	2015	2016	2017
Township's proportion of the net pension liability	0.2219102517%	0.2272552232%	0.2477529044%	0.2456421084%
Township's proportionate share of the net pension liability	\$ 1,919,173	\$ 3,266,237	\$ 838,887	\$ 3,439,298
Township's covered-employee payroll	\$ 7,319,006.60	\$ 777,012.00	\$ 7,876,868.00	\$ 8,287,818.60
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%
Plan fiduciary net position as a percentage of the total pension liability	62.41%	56.31%	52.01%	58.60%

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

	2014	2015	2016	2017
Contractually Required Contribution	\$ 1,704,424	\$ 1,847,246	\$ 2,020,030	\$ 2,173,978
Contributions in Relation to the contractually Required Contribution	1,704,424	1,847,246	2,020,030	2,173,978
Contribution deficiency (excess)	<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
Contribution as a percentage of covered-employee payroll	23.29%	23.75%	25.65%	26.23%

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**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-reference 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 2017, the Township maintained a total of six (6) tax abatements which raised a total of \$316,997.95 under this program, reducing overall taxes that would have been due from these developments from \$1,087,476.60 (a reduction of \$770,478.65).

- 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.

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 17 TAX ABATEMENTS (continued)**

- 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.

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

Plan Description

In addition to the pension benefits described in Note 16, the Township contributes to the New Jersey State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2010, the Township authorized participation in the SHBP’s post-employment benefit program through resolution number 10-281. The Township provides post-employment benefits to employees who have completed the required number of years of service, and having attained the specific age, under PERS, PFRS or is retired on approved disability. Said retirees who have completed 25 years in the appropriate pension plan and have completed 15 years of continuous service to the Township of Neptune will be provided with hospitalization benefits for the employee and his/her dependents under the New Jersey State Health Benefits Program in accordance with State of New Jersey Statute Chapter 88. In the event the Township changes insurance carriers, substantially similar benefits will be provided.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website.

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

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

Funding Policy

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

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

<u>Year</u>	<u>Contribution</u>	<u>Number of Employees</u>
2017	\$2,592,903.60	140
2016	2,499,735.36	136
2015	2,286,400.08	130

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

Accounting Policy

As described in Note 1, the accounting policies of the Township conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (Division). New Jersey laws currently do not provide for the accrual of reserves, the establishment of irrevocable trusts, or standards regarding the issuance of debt to fund the OPEB liability. Accordingly, costs are recognized when paid.

Funding Status and Funding Progress

The Township has not had an actuarial valuation of the accrued liability for postemployment benefits as of December 31, 2017.

**TOWNSHIP OF NEPTUNE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2017**

**NOTE 19 DEFERRED COMPENSATION PLAN**

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

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

**NOTE 20 INTERFUND BALANCES**

The composition of interfund balances as of December 31, 2017 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Current Fund	Trust Other	\$ <u>34,673.06</u>
Federal and State Grant Fund	Current Fund	<u>21,657.16</u>
Trust Other	Federal and State Grant Fund	<u>29,088.68</u>
Sewer Utility Operating Fund	Trust Other	14,779.26
Sewer Utility Operating Fund	Current Fund	13,332.20
Sewer Utility Operating Fund	Marina Utility Operating Fund	<u>65,175.59</u>
		<u>93,287.05</u>
Marina Utility Operating Fund	Marina Utility Capital Fund	<u>800,500.00</u>
Marina Utility Capital Fund	Federal and State Grant Fund	<u>39,750.00</u>
		\$ <u>1,018,955.95</u>

**TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

**NOTE 21 FIXED ASSETS**

Fixed asset and fixed capital activity for the year ended December 31, 2017 was as follows:

Fixed Assets

	Balance 31-Dec-16	Additions	Deductions	Adjustments	Balance Dec. 31, 2017
Land	\$ 18,406,960.52			\$ (176,163.00)	\$ 18,230,797.52
Land Improvements	412,519.14	\$ 30,565.00	137.70	(31,246.29)	411,700.15
Buildings and Improvements	4,730,183.72			(2,946.00)	4,727,237.72
Machinery, Equipment and Vehicles	19,699,327.18	1,068,271.34	995,901.97	(768,634.96)	19,003,061.59
	<u>\$ 43,248,990.56</u>	<u>\$ 1,098,836.34</u>	<u>\$ 996,039.67</u>	<u>\$ (978,990.25)</u>	<u>\$ 42,372,796.98</u>

Fixed Capital - Sewer Utility

	Balance Dec. 31, 2016	Additions	Deductions	Balance Dec. 31, 2017
Sewer System	<u>\$ 19,652,886.06</u>	<u>\$ 395,954.73</u>	<u>\$ -</u>	<u>\$ 20,048,840.79</u>

Fixed Capital - Marina Utility

	Balance Dec. 31, 2016	Additions	Deductions	Balance Dec. 31, 2017
Marina	<u>\$ 5,880,400.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,880,400.00</u>

**TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

**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 2017, 2016 and 2015.

**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 \$3,445,629.46 at December 31, 2017. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

B. Litigation

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

C. Federal and State Grants

The Township receives financial assistance from the U.S. government and the State of New Jersey in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require payment to the grantor agency. As of December 31, 2017, the Township estimates that no material liabilities will result from such audits.



**TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

**NOTE 23 CONTINGENCIES (continued)**

**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, 2017 was \$129,128.59.

**NOTE 24 SUBSEQUENT EVENTS**

On March 12, 2018, the Township adopted ordinance 18-05 providing for the construction of a skate park at the Sunshine Village Fields, appropriating \$360,000. The ordinance authorizes \$185,250 of debt, a \$165,000 Monmouth County Open Space Grant and \$9,750 from the capital improvement fund.

On March 12, 2018, the Township adopted ordinance 18-06 providing for improvements to Jumping Brook Road, appropriating \$1,200,000. The ordinance authorizes \$313,000 of debt and an \$887,000 NJDOT Transportation Trust Fund Grant.

On March 12, 2018, the Township adopted ordinance 18-07 providing for various sewer utility improvements to Hecht Avenue and Tremont pump station, appropriating \$1,400,000. The ordinance authorizes \$1,330,000 of debt and \$70,000 from the capital improvement fund.

On April 23, 2018, the Township adopted ordinance 18-11 providing for Roadway Improvements to Hecht Avenue, appropriating \$386,850. The ordinance authorizes a \$386,850 NJDOT Transportation Trust Fund Grant from the NJDOT Fiscal Year 2018 Municipal Aid Program.

On June 11, 2018, the Township adopted ordinance 18-18 providing for the acquisition of office equipment and furniture for various departments, appropriating \$200,000. The ordinance authorizes \$190,000 in debt and \$10,000 from the capital improvement fund.

On June 11, 2018, the Township adopted ordinance 18-19 providing for various 2018 road improvements, appropriating \$2,000,000. The ordinance authorizes \$1,704,206 in debt, a \$223,374 NJDOT Transportation Trust Fund Grant and \$72,420 from the capital improvement fund.

On June 11, 2018, the Township adopted ordinance 18-20 providing for acquisition of a garbage truck and a field communications vehicle, appropriating \$450,000. The ordinance authorizes \$427,500 in debt and \$22,500 from the capital improvement fund.

**TOWNSHIP OF NEPTUNE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

**NOTE 24 SUBSEQUENT EVENTS (continued)**

On July 9, 2018, the Township adopted ordinance 18-23 amending and restating bond ordinance 17-20 in its entirety to increase the total appropriation therein from \$500,000 to \$550,000 to decrease the total debt authorization therein from \$475,000 to \$333,000 and to amend and restate other provisions therein.

The Township has evaluated subsequent events occurring after December 31, 2017 through the date of November 28, 2018 which is the date the financial statements were available to be issued.

**TOWNSHIP OF NEPTUNE**  
**COUNTY OF MONMOUTH**  
**SUPPLEMENTARY DATA**  
**YEAR ENDED DECEMBER 31, 2017**

**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, 2016	A	\$ 5,344,268.82		\$ 327,280.33
Increased by Receipts:				
Collector	A-5	\$ 95,050,479.67		
Interfund - Current Fund	A-24		\$ 1,320.00	
Interfund - Trust Fund	A		500.00	
Interfund - Due Marina Utility Capital	A		39,750.00	
Federal and State Grants Receivable	A-25		736,223.36	
Federal and State Grants Unappropriated Reserves	A-27		39,074.93	
		95,050,479.67		816,868.29
		100,394,748.49		1,144,148.62
Decreased by Disbursements:				
2017 Budget Appropriations	A-3	37,983,937.57		
Interfunds	A-13	267,862.11		
Accounts Payable	A-14	27,502.39		
Appropriation Reserves	A-15	960,082.29		
Tax Overpayments	A-17	68,693.05		
Fire District Taxes	A-19	3,612,342.00		
County Taxes Payable	A-20	10,539,866.50		
Local School District Tax	A-21	37,123,929.00		
Due to State Agencies	A-22	64,382.99		
Various Reserves	A-23	122,606.26		
Appropriated Reserves for Federal and State Grants	A-26		587,338.08	
Special Emergency Notes Payable	A-29	945,372.00		
Reserve for Revaluation	A	47,869.44		
		91,764,445.60		587,338.08
Balance, December 31, 2017	A	\$ 8,630,302.89		\$ 556,810.54

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

**CURRENT FUND**  
**SCHEDULE OF CASH - COLLECTOR**

	<u>Ref.</u>		
<b>Increased by Receipts:</b>			
Non-Budget Revenues	A-2	\$ 702,172.43	
State of New Jersey (Ch. 20, P.L. 1971)	A-6	214,223.98	
Taxes Receivable	A-8	80,424,700.49	
Revenue Accounts Receivable	A-11	9,969,927.57	
Interfunds	A-13	267,336.87	
Tax Overpayments	A-17	99,824.39	
Prepaid Taxes	A-18	3,035,308.89	
Due to State Agencies	A-22	61,398.99	
Various Reserves	A-23	75,586.06	
Sale of Special Emergency Notes	A-29	<u>200,000.00</u>	
			<u>\$ 95,050,479.67</u>
<b>Decreased by Disbursements:</b>			
Payments to Treasurer	A-4		<u>\$ 95,050,479.67</u>

**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, 2016	A	\$ 11,267.12
Increased by:		
Deductions per Tax Duplicate:		
Senior Citizens		\$ 51,250.00
Veterans		173,250.00
Deductions Allowed by Collector - 2017		6,750.00
Deductions Allowed by Collector - 2016		750.00
		232,000.00
Less: Deductions Disallowed by Collector		2,107.53
	A-8	229,892.47
Sub-total		241,159.59
Decreased by:		
Received from State of New Jersey	A-5	214,223.98
Deductions Disallowed by Collector - Prior Taxes	A-1	9,006.16
Cancelled	A-1	10,793.14
		234,023.28
Balance, December 31, 2017	A	\$ 7,136.31

Exhibit A-7

SCHEDULE OF MORTGAGE RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2016 and 2017	A	\$ 400,000.00

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

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

Year	Balance	2017 Levy	Added Taxes	Collections		P.L. 1971 Senior Citizens and Veterans	Tax Overpayments Applied	Transfer to Tax Title Lien	Cancelled, Remitted or Abated	Balance
	Dec. 31, 2016			2016	2017					Dec. 31, 2017
2013	\$ 1,405.99				\$ 1,405.99					
2014	1.54									\$ 1.54
2015	8,028.96		\$ 1,806.68		9,835.64					
2016	<u>1,013,368.37</u>		<u>28,017.61</u>		<u>1,024,464.25</u>	\$ 750.00	\$ 508.70		\$ 15,402.85	<u>260.18</u>
	1,022,804.86	-	29,824.29	-	1,035,705.88	750.00	508.70	-	15,402.85	261.72
2017		\$ 81,838,221.55		\$ 863,859.33	79,388,994.61	229,142.47	78,295.46	5,530.04	32,705.54	1,239,694.10
	<u>\$ 1,022,804.86</u>	<u>\$ 81,838,221.55</u>	<u>\$ 29,824.29</u>	<u>\$ 863,859.33</u>	<u>\$ 80,424,700.49</u>	<u>\$ 229,892.47</u>	<u>\$ 78,804.16</u>	<u>\$ 5,530.04</u>	<u>\$ 48,108.39</u>	<u>\$ 1,239,955.82</u>

Ref.	A	A-8	A-2/A-18	A-2/A-5	A-2/A-6	A-2/A-17	A-9	A
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Analysis of 2017 Property Tax Levy

Ref.

Tax Yield:

General Purpose Tax		\$ 77,737,459.70
Special District Taxes		3,621,528.29
Added and Omitted Tax		<u>479,233.56</u>
	A-8	<u>\$ 81,838,221.55</u>

Tax Levy:

Local District School Tax	A-21	\$ 37,491,489.00
County Taxes:		
County Tax	A-20	\$ 9,705,881.91
County Open Space Tax	A-20	570,221.42
County Health Tax	A-20	195,780.26
Due County for Added and Omitted Taxes	A-20	<u>62,129.73</u>
Total County Taxes		10,534,013.32
Fire District No. 1 (Amount Certified)	A-19	2,882,268.00
Fire District No. 2 (Amount Certified)	A-19	<u>730,074.00</u>
		3,612,342.00
Local Tax for Municipal Purposes	A-2	28,488,546.85
Minimum Library Tax	A-2	1,253,460.23
Add: Additional Tax Levied		<u>458,370.15</u>
	A-8	<u>30,200,377.23</u>
		<u>\$ 81,838,221.55</u>

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

CURRENT FUND  
 SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 13,331.58
Increased by:		
Transfer from Taxes Receivable	A-8	5,530.04
Balance, December 31, 2017	A	\$ 18,861.62

Exhibit A-10

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
 (AT ASSESSED VALUATION)

	<u>Ref.</u>	
Balance, December 31, 2016 and 2017	A	\$ 5,242,800.00



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

CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Accrued</u> <u>in 2017</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Licenses:					
Alcoholic Beverages	A-2		\$ 61,315.00	\$ 61,315.00	
Other	A-2		218,844.51	218,844.51	
Fees & Permits	A-2		445,781.06	445,781.06	
Municipal Court:					
Fines and Costs	A-2	\$ 39,430.42	646,162.44	642,487.62	\$ 43,105.24
Other Revenue:					
Interest and Costs on Taxes	A-2		284,554.65	284,554.65	
Interest on Investments and Deposits	A-2		13,996.12	13,996.12	
Consolidated Municipal Property Tax Relief Aid	A-2		642,353.00	642,353.00	
Energy Receipts Tax	A-2		4,355,101.00	4,355,101.00	
Uniform Construction Code Fees	A-2		683,671.01	683,671.01	
Interlocal Services Agreement:					
Monmouth County 9-1-1 Services					
Personnel Loan	A-2		69,466.00	69,466.00	
Neptune BOE - GREAT Program	A-2		25,000.00	25,000.00	
Fleet Maintenance	A-2		158,205.50	158,205.50	
Insurances	A-2		159,000.00	159,000.00	
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		29,237.46	29,237.46	
Administrative Fees - Off Duty Employment of Police Officers	A-2		292,290.98	292,290.98	
Reserve for Debt Service - Capital Fund	A-2		138,835.75	138,835.75	
Cable TV Franchise Fees	A-2		440,896.43	440,896.43	
Commercial Garbage Removal Fees	A-2	1,824.48	85,574.68	86,976.23	422.93
OCGMA Special Police Contribution	A-2		30,000.00	30,000.00	
Cell Tower Lease	A-2		99,683.01	99,683.01	
Monmouth County Lease of Facility	A-2		150,000.00	150,000.00	
General Capital Surplus	A-2		100,000.00	100,000.00	
Reimbursement - Hurricane Sandy	A-2		91,970.75	91,970.75	
EMS Program	A-2		505,435.93	505,435.93	
CDBG-DR Grant Non-Federal Cost Share	A-2		319,596.31	319,596.31	
		<u>\$ 41,254.90</u>	<u>\$ 10,064,171.59</u>	<u>\$ 10,061,898.32</u>	<u>\$ 43,528.17</u>
	<u>Ref.</u>	<u>A</u>		<u>A-11</u>	<u>A</u>
Cash Receipts	A-5			\$ 9,969,927.57	
Reserve for FEMA Reimbursement	A-30			<u>91,970.75</u>	
	A-11			<u>\$ 10,061,898.32</u>	

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

**CURRENT FUND**  
**SCHEDULE OF ABATING COSTS**

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 19,011.50
Increased by:		
Billings		24,448.53
		43,460.03
Decreased by:		
Collections	A-2	28,458.34
		28,458.34
Balance, December 31, 2017	A	\$ 15,001.69

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

CURRENT FUND  
 SCHEDULE OF INTERFUNDS RECEIVABLE / (PAYABLE)

	<u>Ref.</u>	<u>Total (MEMO ONLY)</u>	<u>Federal and State Grant Fund</u>	<u>Sewer Utility Operating Fund</u>	<u>General Capital Fund</u>	<u>Trust Other Fund</u>
<b>Balance, December 31, 2016:</b>						
Interfunds Receivable	A	\$ 255,929.67				\$ 255,929.67
Interfunds Payable	A	<u>(17,314.05)</u>			\$ (17,314.05)	
<b>Increased by:</b>						
Disbursements	A-4	267,862.11	\$ 218,500.00		17,314.05	32,048.06
Receipts in Grant Fund	A-3	1,320.00	1,320.00			
Trust Fund Reserve Cancelled	A-1	700.00				700.00
Grants Receivable - Budget	A-25	339,428.69	339,428.69			
Grants Appropriated Cancelled	A-1	<u>45,788.20</u>	<u>45,788.20</u>			
		<u>655,099.00</u>	<u>605,036.89</u>		<u>17,314.05</u>	<u>32,748.06</u>
		893,714.62	605,036.89			288,677.73
<b>Decreased by:</b>						
Receipts	A-5	267,336.87		\$ 13,332.20		254,004.67
Grant Appropriations	A-3	578,824.44	578,824.44			
Grants Receivable Cancelled	A-1	<u>47,869.61</u>	<u>47,869.61</u>			
		<u>894,030.92</u>	<u>626,694.05</u>	<u>13,332.20</u>		<u>254,004.67</u>
<b>Balance, December 31, 2017</b>						
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>		
		<u>\$ (316.30)</u>				
<u>Analysis of Net Charge/(Credit) to Operations</u>						
Interfunds Accounts Receivable:						
Balance, December 31, 2017	Above	\$ 34,673.06				
Balance, December 31, 2016	Above	255,929.67				
Anticipated Revenue	A-2	<u>\$ (221,256.61)</u>				

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

**CURRENT FUND**  
**SCHEDULE OF ACCOUNTS PAYABLE**

	<u>Ref.</u>		
Balance, December 31, 2016	A		\$ 53,642.09
Increased by:			
Charged to Appropriation Reserves	A-15		66,487.64
			120,129.73
Decreased by:			
Disbursements	A-4	\$ 27,502.39	
Cancelled	A-1	11,497.82	
		39,000.21	39,000.21
Balance, December 31, 2017	A		\$ 81,129.52

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

CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2016</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	\$ 1,957.77		\$ 1,957.77		\$ 1,957.77
Other Expenses	5,211.12	\$ 5,041.09	10,252.21	\$ 4,575.30	5,676.91
Municipal Clerk					
Salaries and Wages	795.08		795.08		795.08
Other Expenses	3.89	829.50	833.39	497.72	335.67
Financial Administration					
Salaries and Wages	2,390.87		2,390.87		2,390.87
Other Expenses	1,907.20	7,224.72	9,131.92	6,406.44	2,725.48
Audit Services					
Other Expenses		45,000.00	45,000.00	45,000.00	
Computerized Data Processing					
Salaries and Wages	1,963.99		1,963.99		1,963.99
Other Expenses	0.12	10,085.50	10,085.62	10,070.50	15.12
Revenue Administration					
Salaries and Wages	1,845.83		1,845.83		1,845.83
Other Expenses	11,121.80	860.98	11,982.78	1,386.68	10,596.10
Tax Assessment Administration					
Salaries and Wages	2,808.29		2,808.29		2,808.29
Other Expenses	1,039.79	9.26	1,049.05		1,049.05
Legal Services					
Other Expenses	894.65	109,071.62	109,966.27	106,242.69	3,723.58
Engineering Services					
Salaries and Wages	10,208.97		10,208.97		10,208.97
Other Expenses	4,972.53	13,748.21	18,720.74	13,031.95	5,688.79

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

CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2016</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	\$ 5,581.01		\$ 5,581.01		\$ 5,581.01
Other Expenses	2,515.32	\$ 454.68	2,970.00	\$ 454.68	2,515.32
Land Use Administration:					
Planning Board					
Salaries and Wages	1,609.77		1,609.77		1,609.77
Other Expenses	1,219.43	1,487.13	2,706.56	1,885.63	820.93
Zoning Board					
Other Expenses	97.35	105.34	202.69		202.69
Historical Preservation Committee					
Salaries and Wages	50.12		50.12		50.12
Other Expenses	126.04	2,515.04	2,641.08	2,414.00	227.08
Land Use Administration Office					
Salaries and Wages	4,031.19		4,031.19		4,031.19
Other Expenses	65.89	200.00	265.89	108.40	157.49
Community Programs					
Salaries and Wages	871.57		871.57		871.57
Other Expenses	1,179.37	279.96	1,459.33		1,459.33
Code Enforcement and Administration:					
Code Enforcement					
Salaries and Wages	4,359.13		4,359.13		4,359.13
Other Expenses	24.41	348.92	373.33	193.95	179.38
Mercantile Licensing					
Salaries and Wages	181.98		181.98		181.98
Other Expenses	734.00	6,250.00	6,984.00	5,756.34	1,227.66
Insurance					
Liability Insurance	4,845.00	379.00	5,224.00	1,404.43	3,819.57
Workers Compensation Insurance	20.00		20.00		20.00
Employee Group Insurance	72,973.46	139,039.60	212,013.06	209,495.46	2,517.60

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

CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2016</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	\$ 170,318.39		\$ 170,318.39	\$ 60,942.00	\$ 109,376.39
Other Expenses	1,699.50	\$ 12,917.65	14,617.15	10,384.54	4,232.61
Homeland Security Expenses	168.26	3,566.20	3,734.46	3,566.20	168.26
Office of Emergency Management					
Salaries and Wages	952.25		952.25		952.25
Other Expenses	38.58	1,790.57	1,829.15	1,708.07	121.08
Homeland Security Expenses	266.19	1,919.46	2,185.65	1,919.46	266.19
Emergency Medical Services					
Salaries and Wages	14,235.17		14,235.17		14,235.17
Other Expenses	12,053.85	8,277.79	20,331.64	7,508.22	12,823.42
Aid to Volunteer Fire Companies					
Other Expenses	5,666.80	9,571.40	15,238.20	9,571.40	5,666.80
Municipal Prosecutor's Office					
Salaries and Wages	943.92		943.92		943.92
Public Works Functions:					
Streets and Roads Maintenance					
Salaries and Wages	7,022.83		7,022.83		7,022.83
Other Expenses	1,543.96	66,128.46	67,672.42	66,096.47	1,575.95
Administration of Public Works					
Salaries and Wages	11,718.67		11,718.67		11,718.67
Other Expenses	3,123.31	3,558.07	6,681.38	5,109.61	1,571.77
Solid Waste Collection					
Salaries and Wages	1,370.92		1,370.92		1,370.92
Other Expenses	7,836.43	255.12	8,091.55	414.05	7,677.50
Buildings and Grounds					
Salaries and Wages	0.07		0.07		0.07
Other Expenses	12,804.57	13,598.16	26,402.73	7,787.71	18,615.02

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

CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2016</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>
Vehicle Maintenance					
Other Expenses	\$ 99,635.96	\$ 92,355.06	\$ 191,991.02	\$ 91,175.06	\$ 100,815.96
Health and Human Services:					
Public Health Services					
Salaries and Wages	564.12		564.12		564.12
Other Expenses	850.94	1,666.72	2,517.66	1,246.66	1,271.00
Environmental and Shade Tree Committee					
Salaries and Wages	80.07		80.07		80.07
Other Expenses	13.63		13.63		13.63
Animal Control Services					
Other Expenses	22,504.83		22,504.83		22,504.83
Monmouth County Drug & Alcohol Abuse Program					
Other Expenses	2,225.00		2,225.00	2,225.00	
Park and Recreation Functions:					
Recreation Services and Programs					
Salaries and Wages	2,603.20		2,603.20		2,603.20
Other Expenses	334.73	3,940.18	4,274.91	2,588.22	1,686.69
Senior Citizen Programs					
Salaries and Wages	940.29		940.29		940.29
Other Expenses	560.80	9,539.14	10,099.94	7,336.77	2,763.17
Maintenance of Parks					
Other Expenses	7.23	16,707.05	16,714.28	16,487.68	226.60
Publicity and Tourism					
Salaries and Wages	256.69		256.69		256.69
Other Expenses	1,750.00	8,750.00	10,500.00	7,000.00	3,500.00
Celebration of Public Events					
Other Expenses	149.95	126.00	275.95		275.95



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

CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2016</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>
Utility Expenses and Bulk Purchases:					
Electricity	\$ 8,396.50	\$ 5,454.10	\$ 13,850.60	\$ 13,113.20	\$ 737.40
Street Lighting	289.99	1,193.35	1,483.34	977.28	506.06
Telephone	6,861.92	14,087.76	20,949.68	13,989.48	6,960.20
Water	174.52	500.00	674.52		674.52
Natural Gas	293.56	40,000.00	40,293.56	26,345.58	13,947.98
Telecommunications	19,399.09	3,147.71	22,546.80	3,277.28	19,269.52
Gasoline	25,329.20	25,030.24	50,359.44	36,114.07	14,245.37
Landfill and Solid Waste Disposal Costs	244.01	153,002.44	153,246.45	153,246.45	
Municipal Court					
Salaries and Wages	834.58		834.58		834.58
Other Expenses	3,072.13	6,287.59	9,359.72	4,295.99	5,063.73
Public Defender (P.L. 1997, c.256)					
Salaries and Wages	62.62		62.62		62.62
Uniform Construction Code Enforcement Functions					
Salaries and Wages	7,623.05		7,623.05		7,623.05
Other Expenses	1,206.75	2,013.97	3,220.72	1,560.99	1,659.73
Deferred Charges and Statutory Expenditures:					
Social Security System	14,704.39		14,704.39		14,704.39
Defined Contribution Retirement Program	890.71	2,536.43	3,427.14	102.46	3,324.68
<u>Operations Excluded from CAPS</u>					
Declared State of Emergency costs for Snow Removal N.J.S.A. 40A:4-45(b) and N.J.S.A. 40A: 4-45.3(bb) Streets and Roads Department					
Other Expenses	36.15	18,950.50	18,986.65	4,768.97	14,217.68

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

CURRENT FUND  
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2016</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>
Aid to Free Public Library	\$ 9,641.80	\$ 26,609.69	\$ 36,251.49	\$ 36,251.49	
Recycling Tax	20,363.32	7,596.89	27,960.21	3,196.05	\$ 24,764.16
ANSWER Water Rescue Team	4.12	385.35	389.47	385.35	4.12
Fleet Maintenance - Allenhurst, NFD, OGF, Neptune BoE	40,328.35	40,526.49	80,854.84	8,869.05	71,985.79
Neptune BOE Newsletter Cooperative	6,203.00	425.00	6,628.00	4,150.00	2,478.00
Monmouth County 9-1-1 Services	3,188.89		3,188.89		3,188.89
Monmouth County Tax Assessment Program	7,500.00		7,500.00	3,934.95	3,565.05
Matching Funds for Grants	20,000.00		20,000.00		20,000.00
	<u>\$ 728,496.70</u>	<u>\$ 945,345.09</u>	<u>\$ 1,673,841.79</u>	<u>\$ 1,026,569.93</u>	<u>\$ 647,271.86</u>
<u>Ref.</u>	A	A-16		A-15	A-1
Cash Disbursed	A-4			\$ 960,082.29	
Accounts Payable	A-14			66,487.64	
	A-15			<u>\$ 1,026,569.93</u>	

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

CURRENT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 945,345.09
Increased by:		
Current Appropriations Charged	A-3	926,048.98
		1,871,394.07
Decreased by:		
Transferred to Appropriation Reserves	A-15	945,345.09
		945,345.09
Balance, December 31, 2017	A	\$ 926,048.98

Exhibit A-17

SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 68,806.16
Increased by:		
Receipts	A-5	\$ 99,824.39
Refund Prior Year Tax Revenue	A-1	41,231.24
		141,055.63
		209,861.79
Decreased by:		
Applied to Taxes Receivable	A-8	78,804.16
Refunds	A-4	68,693.05
		147,497.21
Balance, December 31, 2017	A	\$ 62,364.58

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

CURRENT FUND  
 SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance, December 31, 2016	A	\$ 863,859.33
Increased by:		
Collections, 2017 Taxes	A-5	3,035,308.89
		3,899,168.22
Decreased by:		
Applied to Taxes Receivable	A-8	863,859.33
		863,859.33
Balance, December 31, 2017	A	\$ 3,035,308.89

SCHEDULE OF FIRE DISTRICTS' TAXES PAYABLE

	<u>Ref.</u>	
Increased by:		
Fire District #1 Levy	A-8	\$ 2,882,268.00
Fire District #2 Levy	A-8	730,074.00
	A-1	\$ 3,612,342.00
Decreased by:		
Disbursed	A-4	\$ 3,612,342.00

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

CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2016	A		\$ 67,983.06
Increased by:			
County Tax	A-8	\$ 9,705,881.91	
County Open Space Tax	A-8	570,221.42	
County Health Tax	A-8	195,780.26	
Due County for Added and Omitted Taxes	A-8	<u>62,129.73</u>	
	A-1		<u>10,534,013.32</u>
			<u>10,601,996.38</u>
Decreased by:			
Payments	A-4	10,539,866.50	
Cancelled	A-1	<u>0.15</u>	
			<u>10,539,866.65</u>
Balance, December 31, 2017	A		<u>\$ 62,129.73</u>

Exhibit A-21

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	<u>Ref.</u>		
Balance, December 31, 2016:			
School Tax Payable	A	\$ 1,100,387.50	
School Tax Deferred		<u>17,265,725.00</u>	
			\$ 18,366,112.50
Increased by:			
Levy - School Year July 1, 2017 to June 30, 2018	A-1/A-8		<u>37,491,489.00</u>
			<u>55,857,601.50</u>
Decreased by:			
Payments	A-4		<u>37,123,929.00</u>
Balance December 31, 2017:			
School Tax Payable	A	1,467,947.50	
School Tax Deferred		<u>17,265,725.00</u>	
			<u>\$ 18,733,672.50</u>
<u>2017 Liability for Local School District Taxes:</u>			
Tax Paid	A-21		\$ 37,123,929.00
Taxes Payable December 31, 2017	A		<u>1,467,947.50</u>
			<u>38,591,876.50</u>
Less: Taxes Payable December 31, 2016	A		<u>1,100,387.50</u>
Amount Charged to 2017 Operations	A-1		<u>\$ 37,491,489.00</u>

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

CURRENT FUND  
 SCHEDULE OF DUE TO STATE AGENCIES

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Due to State:				
Vital Statistics - Marriage Licenses and Death Certificates	\$ 925.00	\$ 5,025.00	\$ 5,050.00	\$ 900.00
Training Fees	<u>9,919.00</u>	<u>56,373.99</u>	<u>59,332.99</u>	<u>6,960.00</u>
	<u>\$ 10,844.00</u>	<u>\$ 61,398.99</u>	<u>\$ 64,382.99</u>	<u>\$ 7,860.00</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, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Reserve for:				
State Library Aid	\$ 11,765.33	\$ 12,150.21	\$ 11,139.54	\$ 12,776.00
Insurance Refunds	228,463.47	58,235.85	106,266.72	180,432.60
Election Expenses	<u>10,120.12</u>	<u>5,200.00</u>	<u>5,200.00</u>	<u>10,120.12</u>
	<u>\$ 250,348.92</u>	<u>\$ 75,586.06</u>	<u>\$ 122,606.26</u>	<u>\$ 203,328.72</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>		
<b>Increased by:</b>			
Grants Receivable Cancelled	A-25	\$ 47,869.61	
2017 Budget Appropriations	A-26	<u>578,824.44</u>	
			<u>\$ 626,694.05</u>
			626,694.05
<b>Decreased by:</b>			
Cash Receipts	A-4	1,320.00	
2017 Anticipated Revenue	A-25	339,428.69	
Grant Expenditures in Current Fund	A-26	218,500.00	
Grants Appropriated Cancelled	A-26	<u>45,788.20</u>	
			<u>605,036.89</u>
			605,036.89
 Balance, December 31, 2017 - Due to	 A		 <u><u>\$ 21,657.16</u></u>



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

FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>2017</u> <u>Anticipated</u> <u>Revenue</u>	<u>Cash</u> <u>Received</u>	<u>Transferred</u> <u>From Grants</u> <u>Unappropriated</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
<b>Federal</b>						
US Department of Housing and Urban Development						
Passed through the Department of Community Affairs						
Sandy/Commun Resiliency North Island	\$ 45,000.00		\$ 26,975.00			\$ 18,025.00
Sandy/Comm Resiliency SRH	45,000.00		28,636.25			16,363.75
Sandy/Environmental Resources Inventory	20,000.00		19,865.00			135.00
Sandy/Ord to Reduce Flood Risk	14,500.00		14,427.50			72.50
Sandy/Parks, Rec, Open Space Master Plan	25,000.00		24,993.75			6.25
Post Sandy Planning Grant - Capital Improvement Plan	30,000.00		24,393.75			5,606.25
Post Sandy Planning Grant - Community Facilities Plan	35,000.00		34,998.75			1.25
Post Sandy Planning Grant - Land Development Ordinance	50,000.00		28,076.25			21,923.75
Total US Department of Housing and Urban Development	<u>264,500.00</u>		<u>202,366.25</u>			<u>62,133.75</u>
US Department of Justice:						
2015 Bulletproof Vest Partnership Grant	1,145.39		1,145.39			
2016 Bulletproof Vest Partnership Grant	4,775.00		4,107.11			667.89
2017 Bulletproof Vest Partnership Grant		\$ 9,152.37				9,152.37
Edward Byrne Memorial Justice Assistance Grant - 2016	54,233.00		31,204.00			23,029.00
Total US Department of Justice	<u>60,153.39</u>	<u>9,152.37</u>	<u>36,456.50</u>			<u>32,849.26</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 - 2015		3,400.00	3,400.00			
Division of Highway Traffic Safety:						
2016 Click It or Ticket Seat Belt Mobilization		5,500.00	5,500.00			
2017 Distracted Driving Crackdown Grant		5,500.00	5,500.00			
2017 Drive Sober or Get Pulled Over		5,500.00	5,500.00			
Federal Highway Administration:						
Passed Through the NJ Department of Transportation:						
Youth Corps - Urban Gateway Program	5,179.92				\$ 5,179.92	
Pipeline and Hazardous Materials Safety Administration						
Passed Through the NJ State Police						
Hazardous Materials Emergency Preparedness Training Grant (HMEP)	26,000.00	27,500.00	23,800.00		2,200.00	27,500.00
Total US Department of Transportation	<u>31,179.92</u>	<u>47,400.00</u>	<u>43,700.00</u>		<u>7,379.92</u>	<u>27,500.00</u>

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

FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	2017 <u>Anticipated</u> <u>Revenue</u>	<u>Cash</u> <u>Received</u>	<u>Transferred</u> <u>From Grants</u> <u>Unappropriated</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2017</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						
Hazardous Mitigation Grant Program-Energy Allocation Initiative	\$ 85,000.00		\$ 85,000.00			
FY 2015 Federal Emergency Management Assistance	5,000.00				\$ 5,000.00	
FY 2016 Federal Emergency Management Assistance	7,000.00		7,000.00			
FY 2017 Federal Emergency Management Assistance		\$ 9,400.00				\$ 9,400.00
Total US Department of Homeland Security	<u>97,000.00</u>	<u>9,400.00</u>	<u>92,000.00</u>		<u>5,000.00</u>	<u>9,400.00</u>
US Department of Labor:						
Passed Through the County of Monmouth:						
Monmouth County Workforce Investment Board Youth Initiative	33,334.69				33,334.69	
Total US Department of Labor	<u>33,334.69</u>				<u>33,334.69</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	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	190,761.25		2,645.00			188,116.25
US EPA - Brownfields Petroleum Assessment	154,201.24		45,250.82			108,950.42
Total US Department of Environmental Protection	<u>344,962.49</u>		<u>47,895.82</u>			<u>297,066.67</u>
US Department of Commerce:						
National Atmospheric and Oceanic Administration:						
NJ Department of Environmental Protection:						
Municipal Public Access Planning	15,000.00		14,537.50			462.50
Municipal Public Access Planning - 2016	15,000.00					15,000.00
Total US Department of Commerce	<u>30,000.00</u>		<u>14,537.50</u>			<u>15,462.50</u>
US Department of Agriculture:						
NJ Department of Environmental Protection:						
State Forestry Services:						
Cooperative Forestry Assistance - NJ Green Communities	3,000.00		3,000.00			
Total US Department of Agriculture	<u>3,000.00</u>		<u>3,000.00</u>			
Total Federal Grants	<u>\$ 889,130.49</u>	<u>\$ 90,952.37</u>	<u>\$ 464,956.07</u>		<u>\$ 45,714.61</u>	<u>\$ 469,412.18</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, 2016</u>	<u>2017 Anticipated Revenue</u>	<u>Cash Received</u>	<u>Transferred From Grants Unappropriated</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2017</u>
<b>State</b>						
NJ Department of Law and Public Safety:						
Division of Criminal Justice:						
2017 Body Armor Replacement Fund		\$ 6,766.92	\$ 6,766.92			
Division of Highway Traffic Safety:						
Drunk Driving Enforcement Fund		12,245.14		\$ 12,245.14		
Highway Safety 2015 Pedestrian Safety Grant	\$ 1,000.00				\$ 1,000.00	
Highway Safety 2016 Pedestrian Safety Grant	1,025.00				1,025.00	
Highway Safety 2017 Pedestrian Safety Grant	5,000.00		4,870.00		130.00	
Highway Safety 2018 Pedestrian Safety Grant		6,500.00				\$ 6,500.00
Total Department of Law and Public Safety	<u>7,025.00</u>	<u>25,512.06</u>	<u>11,636.92</u>	<u>12,245.14</u>	<u>2,155.00</u>	<u>6,500.00</u>
NJ Department of Health and Senior Services:						
Alcohol Education Rehabilitation and Enforcement Fund (AEREF)		4,439.45	4,439.45			
Total Department of Health and Senior Services		<u>4,439.45</u>	<u>4,439.45</u>			
NJ Department of Environmental Protection:						
Clean Communities Program		66,442.11	66,442.11			
Recycling Tonnage Grant		31,198.70	31,198.70			
Hazardous Discharge Site Remediation - Childnese Property	49,575.18		39,191.71			10,383.47
Total Department of Environmental Protection	<u>49,575.18</u>	<u>97,640.81</u>	<u>136,832.52</u>			<u>10,383.47</u>
Governor's Council on Alcoholism and Drug Abuse						
Municipal Alliance on Alcoholism and Drug Abuse - State (DEDRA)	43,846.50	63,915.00	64,058.40			43,703.10
Total Governor's Council on Alcoholism and Drug Abuse	<u>43,846.50</u>	<u>63,915.00</u>	<u>64,058.40</u>			<u>43,703.10</u>
Total State Grants	<u>\$ 100,446.68</u>	<u>\$ 191,507.32</u>	<u>\$ 216,967.29</u>	<u>\$ 12,245.14</u>	<u>\$ 2,155.00</u>	<u>\$ 60,586.57</u>
<b>Local</b>						
Interfaith Neighbors Senior Meal Program		\$ 22,308.00	\$ 22,308.00			
SCHLIP Program (Code Enforcement)	\$ 7,310.00	19,000.00	16,331.00			\$ 9,979.00
Statewide Insurance Fund - Safety Grant	15,004.38	15,661.00	15,661.00			15,004.38
Total Local Funds	<u>\$ 22,314.38</u>	<u>\$ 56,969.00</u>	<u>\$ 54,300.00</u>			<u>\$ 24,983.38</u>
	<u>\$ 1,011,891.55</u>	<u>\$ 339,428.69</u>	<u>\$ 736,223.36</u>	<u>\$ 12,245.14</u>	<u>\$ 47,869.61</u>	<u>\$ 554,982.13</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, 2016	Transfer from 2017 Budget Appropriation	Transfer from Reserve for Encumbrances	Paid	Adjustments	Reserve for Encumbrances	Cancelled	Balance Dec. 31, 2017
<b>Federal</b>								
US Department of Housing and Urban Development								
Sandy/Community Resiliency North Island	\$ 35.00		\$ 35,278.75	\$ 17,288.75		\$ 17,990.00		\$ 35.00
Sandy/Community Resiliency SRH	35.00		32,350.00	16,021.25		16,328.75		35.00
Sandy/Environmental Resources Inventory	125.00		1,455.00	1,445.00		10.00		125.00
Sandy/Ord to Reduce Flood Risk	110.00		13,967.50	13,036.75	926.25	4.50		110.00
Sandy/Parks, Rec, Open Space Master Plan	375.00		6,110.00	6,106.25		3.75		375.00
Post Sandy Planning Grant - Community Facilities Plan			1.25			1.25		
Post Sandy Planning Grant - Land Development Ordinance			20,997.50	472.50	(926.25)	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>113,662.50</u>	<u>54,370.50</u>		<u>59,292.00</u>		<u>680.00</u>
US Department of Justice:								
2015 Bulletproof Vest Partnership Grant			190.39	190.39				
2016 Bulletproof Vest Partnership Grant	3,532.89		1,242.11	4,107.11		667.89		
2017 Bulletproof Vest Partnership Grant		9,152.37						9,152.37
Edward Byrne Memorial Justice Assistance Grant - 2016	2.00		54,231.00	31,204.00		23,029.00		
Total US Department of Justice	<u>3,534.89</u>	<u>9,152.37</u>	<u>55,663.50</u>	<u>35,501.50</u>		<u>23,696.89</u>		<u>9,152.37</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		3,400.00		3,400.00				
Division of Highway Traffic Safety:								
Drive Sober or Get Pulled Over		5,500.00		5,500.00				
Click It or Ticket Seat Belt Mobilization		5,500.00		5,500.00				
Distracted Driving Crackdown Grant		5,500.00		5,500.00				
Pipeline and Hazardous Materials Safety Administration								
Passed Through the NJ State Police								
NJSP HMEP Training Grant	2,200.00	27,500.00		27,500.00			2,200.00	
Federal Highway Administration:								
Passed Through the NJ Department of Transportation:								
Youth Corps - Urban Gateway Program	5,285.92						5,285.92	
Total US Department of Transportation	<u>7,485.92</u>	<u>47,400.00</u>		<u>47,400.00</u>			<u>7,485.92</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	1,595.28		63.80	1,151.95		2.35		504.78
FY 2016 Federal Emergency Management Assistance - Federal	7,000.00							7,000.00
FY 2017 Federal Emergency Management Assistance - Federal		9,400.00						9,400.00
Total US Department of Homeland Security	<u>8,595.28</u>	<u>9,400.00</u>	<u>63.80</u>	<u>1,151.95</u>		<u>2.35</u>		<u>16,904.78</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. 31,2016	Transfer from 2017 Budget Appropriation	Transfer from Reserve for Encumbrances	Paid	Adjustments	Reserve for Encumbrances	Cancelled	Balance Dec. 31,2017
US Department of Commerce:								
National Atmospheric and Oceanic Administration:								
Passed through the NJ Department of Environmental Protection:								
Municipal Public Access Planning - 2015			\$ 5,225.00	\$ 5,224.35		\$ 0.65		
Municipal Public Access Planning -2016	\$ 15,000.00							\$ 15,000.00
Total US Department of Commerce	<u>15,000.00</u>		<u>5,225.00</u>	<u>5,224.35</u>		<u>0.65</u>		<u>15,000.00</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		143,112.49	2,645.00	\$ 45,798.76	186,266.25		1,700.00
US EPA - Brownfields Petroleum Assessment	1,700.00		198,150.00	46,075.82	(45,798.76)	106,275.42		1,700.00
Total Environmental Protection Agency	<u>3,400.00</u>		<u>341,262.49</u>	<u>48,720.82</u>		<u>292,541.67</u>		<u>3,400.00</u>
Total Federal Grants	<u>\$ 38,696.09</u>	<u>\$ 90,952.37</u>	<u>\$ 515,877.29</u>	<u>\$ 217,369.12</u>		<u>\$ 375,533.56</u>	<u>\$ 7,485.92</u>	<u>\$ 45,137.15</u>
<b>State</b>								
NJ Department of Law and Public Safety:								
Division of Criminal Justice:								
Body Armor Replacement Fund - N.J. - 2014			\$ 50.22	\$ 50.22				
Body Armor Replacement Fund - N.J. - 2015	\$ 4,393.09		1,382.28	4,247.28		\$ 1,528.09		
Body Armor Replacement Fund - N.J. - 2016	6,514.90					3,534.02		\$ 2,980.88
Body Armor Replacement Fund - N.J. - 2017		\$ 6,766.92						6,766.92
Division of Highway Traffic Safety:								
Drunk Driving Enforcement Fund	1,421.24	12,245.14		3,600.89				10,065.49
Highway Safety 2015 Pedestrian Safety Grant	19.60						\$ 19.60	
Highway Safety 2017 Pedestrian Safety Grant	4,025.00			2,870.00			1,155.00	
Highway Safety 2018 Pedestrian Safety Grant		6,500.00		3,300.00				3,200.00
Total Department of Law and Public Safety	<u>16,373.83</u>	<u>25,512.06</u>	<u>1,432.50</u>	<u>14,068.39</u>		<u>5,062.11</u>	<u>1,174.60</u>	<u>23,013.29</u>
NJ Department of Health and Senior Services:								
Alcohol Education Rehabilitation and Enforcement Fund (AEREF)	26,960.78	4,439.45						31,400.23
Total Department of Health and Senior Services	<u>26,960.78</u>	<u>4,439.45</u>						<u>31,400.23</u>
NJ Department of Environmental Protection:								
Clean Communities	123,905.92	66,442.11	12,548.20	56,583.35		5,666.91		140,645.97
Recycling Tonnage Grant	148,261.88	31,198.70	1,458.00	64,368.36		1,280.00		115,270.22
Hazardous Discharge Site Remediation - Childnese Property	47,444.61		103,488.51	47,832.51		55,656.00		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			47,287.75		1,180.00

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

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

Grant	Balance Dec. 31, 2016	Transfer from 2017 Budget Appropriation	Transfer from Reserve for Encumbrances	Paid	Adjustments	Reserve for Encumbrances	Cancelled	Balance Dec. 31, 2017
Hazardous Discharge Site Remediation - Tides Motel	\$ 3,693.95		\$ 46,878.80	\$ 35,343.85		\$ 11,534.95		\$ 3,693.95
Hazardous Discharge Site Remediation Program - Welsh Farms								
Total Department of Health and Senior Services	<u>334,063.27</u>	<u>97,640.81</u>	<u>211,661.26</u>	<u>204,128.07</u>		<u>121,425.61</u>		<u>317,811.66</u>
Governor's Council on Alcoholism and Drug Abuse								
Municipal Alliance on Alcoholism and Drug Abuse - State (DEDR)	14,235.40		15,769.61	32,390.14	2,385.13			
Municipal Alliance on Alcoholism and Drug Abuse - State (DEDR)		63,915.00		23,859.69	(4,253.33)	27,647.51		8,154.47
Total Governor's Council on Alcoholism and Drug Abuse	<u>14,235.40</u>	<u>63,915.00</u>	<u>15,769.61</u>	<u>56,249.83</u>	<u>(1,868.20)</u>	<u>27,647.51</u>		<u>8,154.47</u>
NJ Department of Community Affairs								
Neighborhood Preservation Program - Balanced Housing	11,060.65			10,212.18				848.47
Total Department of Community Affairs	<u>11,060.65</u>			<u>10,212.18</u>				<u>848.47</u>
Total State Grants	\$ 402,693.93	\$ 191,507.32	\$ 228,863.37	\$ 284,658.47	\$ (1,868.20)	\$ 154,135.23	\$ 1,174.60	\$ 381,228.12
<b>Local Funds</b>								
Interfaith Neighbors Senior Meal Program	\$ 8,004.41	\$ 48,325.00		\$ 53,280.36				\$ 3,049.05
National Parks and Recreation 2012 Achieve	2,324.00			1,877.57				446.43
Monmouth County Workforce Investment Board - youth initiative	32,127.68						\$ 32,127.68	
SCHLIP Program (Code Enforcement) S & W	19,000.00	19,000.00		19,000.00				19,000.00
Statewide Insurance Fund Grant	15,004.38	15,661.00		25,449.69		\$ 5,190.00		25.69
Total Local Funds	<u>\$ 76,460.47</u>	<u>\$ 82,986.00</u>	#	<u>\$ 99,607.62</u>		<u>\$ 5,190.00</u>	<u>\$ 32,127.68</u>	<u>\$ 22,521.17</u>
<b>Local Match - Federal Grants</b>								
FY 2015 Federal Emergency Management Assistance - Match	\$ 6,921.70		\$ 63.80	\$ 1,151.95		\$ 2.35	\$ 5,000.00	\$ 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
Senior Citizens - Title III		188,000.00		188,000.00				
Total Local Match of Federal Grants	<u>\$ 13,921.70</u>	<u>\$ 197,400.00</u>	<u>\$ 63.80</u>	<u>\$ 189,151.95</u>		<u>\$ 2.35</u>	<u>\$ 5,000.00</u>	<u>\$ 17,231.20</u>
<b>Local Match - State Grants</b>								
Hazardous Discharge Site Remediation Fund - Childnese Match	\$ 13,078.69							\$ 13,078.69
DEDR - Municipal Drug and Alcohol Alliance - Municipal Share	3,426.18		\$ 5,256.54	\$ 8,004.62	\$ (678.10)			
DEDR - Municipal Drug and Alcohol Alliance - Municipal Share		\$ 15,978.75		7,046.30	2,546.30	895.08		10,583.67
Total Local Match of State Grants	<u>\$ 16,504.87</u>	<u>\$ 15,978.75</u>	<u>\$ 5,256.54</u>	<u>\$ 15,050.92</u>	<u>\$ 1,868.20</u>	<u>\$ 895.08</u>	#	<u>\$ 23,662.36</u>
Total Grants	<u>\$ 548,277.06</u>	<u>\$ 578,824.44</u>	<u>\$ 750,061.00</u>	<u>\$ 805,838.08</u>		<u>\$ 535,756.22</u>	<u>\$ 45,788.20</u>	<u>\$ 489,780.00</u>
Ref	A	A-3/A-24	A	A-26		A	A-24	A
Cash Disbursed	A-4			\$ 587,338.08				
Interfund - Current Fund	A-24			218,500.00				
	A-26			<u>\$ 805,838.08</u>				

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

FEDERAL AND STATE GRANT FUND  
 SCHEDULE OF UNAPPROPRIATED RESERVES

<u>Grant</u>	<u>Balance Dec. 31, 2016</u>	<u>Funding Received</u>	<u>Transferred to Grants Receivable</u>	<u>Balance Dec. 31, 2017</u>
Recycling Tonnage Grant		\$ 29,391.69		\$ 29,391.69
Drunk Driving Enforcement Fund	<u>\$ 12,245.14</u>	<u>9,683.24</u>	<u>\$ 12,245.14</u>	<u>9,683.24</u>
	<u><u>\$ 12,245.14</u></u>	<u><u>\$ 39,074.93</u></u>	<u><u>\$ 12,245.14</u></u>	<u><u>\$ 39,074.93</u></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, 2016</u>	<u>Raised in 2017 Budget</u>	<u>Balance Dec. 31, 2017</u>
11-26-12	Hurricane Sandy	\$ 3,600,000.00		\$ 545,372.00	\$ 545,372.00	
10-13-13	Revaluation of Real Property & Tax Map Updates	1,000,000.00	\$ 200,000.00	<u>400,000.00</u>	<u>200,000.00</u>	<u>\$ 200,000.00</u>
				<u>\$ 945,372.00</u>	<u>\$ 745,372.00</u>	<u>\$ 200,000.00</u>
			Ref.	A	A-3	A



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

CURRENT FUND  
 SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance Dec. 31, 2017</u>
11-26-12	Hurricane Sandy	\$ 3,600,000.00				\$ 545,372.00		\$ 545,372.00	
10-10-13	Revaluation of Real Property and Tax Map Updates	800,000.00	04-03-17	04-02-18	1.30%	<u>400,000.00</u>	<u>\$ 200,000.00</u>	<u>400,000.00</u>	<u>\$ 200,000.00</u>
						<u>\$ 945,372.00</u>	<u>\$ 200,000.00</u>	<u>\$ 945,372.00</u>	<u>\$ 200,000.00</u>
			<u>Ref.</u>			A	A-5	A-4	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, 2016	A	\$ 91,970.75
Decreased by:		
Anticipated Revenue	A-11	<u>91,970.75</u>
Balance, December 31, 2017	A	<u><u>\$ -</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, 2016	B	\$ 20,704.15	\$ 5,146,722.24
Increased by Receipts:			
Reserve for Animal Control			
Trust Fund Expenditures	B-2	\$ 25,703.00	
Due to State of New Jersey	B-3	2,739.00	
Self Insurance Receivable	B		\$ 133,836.13
Escrow Funds	B-5		513,188.54
Various Reserves	B-6		6,862,162.89
		<u>28,442.00</u>	<u>7,509,187.56</u>
		49,146.15	12,655,909.80
Decreased by Disbursements:			
Animal Control Trust Fund			
Expenditures (R.S. 4:19-15.11)	B-2	31,367.02	
Due to State of New Jersey	B-3	2,499.60	
Interfunds Payable - Current	B-4		254,004.67
Escrow Funds	B-5		634,088.59
Various Reserves	B-6		6,963,110.47
		<u>33,866.62</u>	<u>7,851,203.73</u>
Balance, December 31, 2017	B	<u>\$ 15,279.53</u>	<u>\$ 4,804,706.07</u>

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

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

	<u>Ref.</u>		
Balance, December 31, 2016	B		\$ 5,730.93
Increased by:			
Dog License Fees Collected	B-1	25,703.00	
Cancellation of Encumbrances	B-8	0.62	
Encumbrances (R.S. 4:19-15.11)	B-8	14,954.00	
			40,657.62
			46,388.55
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash Disbursed	B-1	\$ 31,367.02	
Encumbrances	B-8	7,494.31	
			38,861.33
Balance, December 31, 2017	B		\$ 7,527.22

License and Penalty Fees Collected:

<u>Year</u>	<u>Amount</u>
2015	\$ 25,503.40
2016	25,985.20
	\$ 51,488.60
	51,488.60

**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, 2016	B	\$ 18.60
Increased by:		
Cash Receipts	B-1	2,739.00
		2,757.60
Decreased by:		
Cash Disbursed	B-1	2,499.60
		2,499.60
Balance, December 31, 2017	B	\$ 258.00

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

TRUST OTHER FUND  
 SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)

		<u>Total</u> <u>(MEMO ONLY)</u>	<u>Current</u> <u>Fund</u>	<u>Sewer Utility</u> <u>Operating Fund</u>	<u>Federal and</u> <u>State Grant</u> <u>Fund</u>
Balance, December 31, 2016:					
Interfunds Receivable	B	\$ 28,588.68			\$ 28,588.68
Interfunds Payable	B	\$ (270,708.93)	\$ (255,929.67)	\$ (14,779.26)	
Increased by:					
Disbursements	B-1	254,004.67	254,004.67		
Receipts in Grant Fund	B-6	500.00			500.00
		<u>254,504.67</u>	<u>254,004.67</u>	<u>-</u>	<u>500.00</u>
		<u>12,384.42</u>	<u>(1,925.00)</u>	<u>(14,779.26)</u>	<u>29,088.68</u>
Decreased by:					
Accumulated Leave	B-6	32,048.06	32,048.06		
Canceled Reserves	B-6	700.00	700.00		
		<u>32,748.06</u>	<u>32,748.06</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2017:					
Interfunds Receivable	B	<u>\$ 29,088.68</u>			<u>\$ 29,088.68</u>
Interfunds Payable	B	<u>\$ (49,452.32)</u>	<u>\$ (34,673.06)</u>	<u>\$ (14,779.26)</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, 2016	B	\$ 1,441,804.20	\$ 1,034,451.44	\$ 204,732.20	\$ 79,253.00	\$ 123,367.56
Increased by:						
Cash Receipts	B-1	513,188.54	214,008.61	97,299.74	3,479.00	198,401.19
Reserve for Encumbrances	B-7	56,395.82	6,387.21	5,272.00	479.00	44,257.61
		<u>569,584.36</u>	<u>220,395.82</u>	<u>102,571.74</u>	<u>3,958.00</u>	<u>242,658.80</u>
Decreased by:						
Cash Disbursements	B-1	634,088.59	359,365.63	80,680.91	500.00	193,542.05
Reserve for Encumbrances	B-7	90,298.34	11,491.29	19,808.16	479.00	58,519.89
		<u>724,386.93</u>	<u>370,856.92</u>	<u>100,489.07</u>	<u>979.00</u>	<u>252,061.94</u>
Balance, December 31, 2017	B	<u>\$ 1,287,001.63</u>	<u>\$ 883,990.34</u>	<u>\$ 206,814.87</u>	<u>\$ 82,232.00</u>	<u>\$ 113,964.42</u>

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

**TRUST OTHER FUND**  
**SCHEDULE OF VARIOUS RESERVES**

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Fire Prevention Services	\$ 474.00			\$ 474.00
POAA	11,414.96	\$ 754.00		12,168.96
Veterans Memorial Park	36,141.50	8,096.34	\$ 6,192.89	38,044.95
Fuel Agencies	82,185.75	65,526.77	118,294.85	29,417.67
Hurricane Sandy	1,496.11			1,496.11
Tax Map Revaluation		700.00	700.00	
Emergency Management		11,963.53	10,759.33	1,204.20
Public Defender	31,226.45	15,311.50	17,792.00	28,745.95
Senior Citizen Donations	21,129.93	46,690.05	34,687.41	33,132.57
Senior Citizen Building Donations	7,952.86	978.25	6,644.55	2,286.56
Law Enforcement	89,892.87	11,202.99	25,733.67	75,362.19
Unclaimed Moneys	45,073.03	5,395.39	1,540.74	48,927.68
Unemployment Trust	115,135.04	55,987.45	41,993.90	129,128.59
Municipal Alliance	18,020.97	2,131.08		20,152.05
Older Americans	0.93	250.07	250.00	1.00
Special Police	198,651.05	1,021,788.86	981,870.39	238,569.52
Police Vest	4,795.95	2,515.39	3,820.00	3,491.34
Recreation Trust	122,547.84	113,650.85	72,610.80	163,587.89
Wesley Lake Trust	264.47			264.47
Open Space	3,151.71	3.16		3,154.87
Tree Preservation	132,313.99	13,500.19	64,337.00	81,477.18
Tax Collector's Trust	1,681,220.72	5,401,300.35	5,598,595.92	1,483,925.15
Affordable Housing	865,927.26	76,682.55	10,577.30	932,032.51
Federal LETF	14,558.58	24,581.83	14,557.11	24,583.30
Accumulated Leave	40,314.42		32,048.06	8,266.36
	<u>\$ 3,523,890.39</u>	<u>\$ 6,879,010.60</u>	<u>\$ 7,043,005.92</u>	<u>\$ 3,359,895.07</u>

	<u>Ref.</u>	B		B
Cash Received	B-1		\$ 6,862,162.89	
Interfund - Grant Fund	B-4		500.00	
Reserve for Encumbrances	B-7		16,347.71	
			<u>\$ 6,879,010.60</u>	
Cash Disbursed	B-1		\$ 6,963,110.47	
Canceled	B-4		700.00	
Accumulated Leave	B-4		32,048.06	
Reserve for Encumbrances	B-7		47,147.39	
			<u>\$ 7,010,957.86</u>	



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

**TRUST OTHER FUND**  
**SCHEDULE OF RESERVE FOR ENCUMBRANCES**

	<u>Ref.</u>		
Balance, December 31, 2016	B		\$ 72,743.53
Increased by:			
Charges to Reserve for Escrow Funds	B-5	\$ 90,298.34	
Charges to Various Reserves	B-6	<u>47,147.39</u>	
			<u>137,445.73</u>
			<u>210,189.26</u>
Decreased by:			
Transfers to Reserve for Escrow Funds	B-5	56,395.82	
Transfers to Various Reserves	B-6	<u>16,347.71</u>	
			<u>72,743.53</u>
Balance, December 31, 2017	B		<u><u>\$ 137,445.73</u></u>

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

ANIMAL CONTROL TRUST FUND  
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>		
Balance, December 31, 2016	B	\$	14,954.62
Increased by:			
Charges to Reserve for Animal Control	B-2		7,494.31
			22,448.93
Decreased by:			
Cancellation of Encumbrances	B-2	\$	0.62
Transfers to Reserve for Animal Control	B-2		14,954.00
			14,954.62
Balance, December 31, 2017	B	\$	7,494.31

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

GENERAL CAPITAL FUND  
SCHEDULE OF CASH

	<u>Ref.</u>		
Balance, December 31, 2016	C		\$ 123,741.33
Increased by Receipts:			
Premium on the Sale of:			
Bond Anticipation Notes	C-1	\$ 27,836.00	
Serial Bonds	C-1	754.06	
Interfund - Marina Utility Capital Fund	C-4	494,108.37	
Interfund - Current Fund	C-4	17,314.05	
Grants Receivable	C-5	1,821,730.65	
Deferred Charges to Future Taxation - Unfunded	C-7	1,589,562.25	
Budget Appropriation - Capital Improvement Fund	C-9	150,000.00	
Due from Ocean Grove Camp Meeting Association	C-10	741,556.85	
Serial Bonds	C-13	9,875,000.00	
Bond Anticipation Notes	C-14	2,897,500.00	
Various Reserves	C-15	62,237.58	
			17,677,599.81
			17,801,341.14
Decreased by Disbursements:			
Utilized as Revenue in Current Fund	C-1	100,000.00	
Improvement Authorizations	C-8	7,058,214.59	
Bond Anticipation Notes	C-14	1,819,831.00	
Various Reserves	C-15	138,835.75	
			9,116,881.34
Balance, December 31, 2017	C		\$ 8,684,459.80

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

GENERAL CAPITAL FUND  
ANALYSIS OF GENERAL CAPITAL CASH

	Balance <u>Dec. 31, 2017</u>
Fund Balance	\$ 65,040.48
Capital Improvement Fund	55,639.75
Reserve for Encumbrances	2,554,527.31
Various Reserves	63,237.58
Grants Receivable	(3,869,440.85)
Excess Bond Anticipation Note Proceeds	2,897,500.00
 Improvement Authorizations:	
<u>Ordinance</u>	
<u>Number</u>	
1245	(291.00)
04-32	18,571.03
05-29	47,596.98
Installation of Traffic Signal	
07-38	1,353.82
07-40	15,944.99
Purchase and Installation of Street Lighting on Broadway	
09-27	16,122.48
11-02	3,236.99
12-24	11,311.10
Ocean Grove Storm Water Management Project - Phase III and Township-Wide Storm Drain Labeling and Mapping	
13-14	8,488.58
13-23	158,383.95
13-28	638,709.47
13-39	32,423.61
Acquisition of Equipment Associated with the Implementation of a Single Stream Recycling Program	
13-40	19,105.19
Various 2013 Roadway and Drainage Improvements	
14-09/14-43	(27,733.26)
14-13/14-29	64,535.92
Reconstruction of Ocean Grove Boardwalk	
14-20	40.66
Acquisition and Installation of Various Public Safety Technology and Equipment	
15-03	119,287.62
Improvements in the West Lake Avenue Redevelopment Area	

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

GENERAL CAPITAL FUND  
ANALYSIS OF GENERAL CAPITAL CASH

Balance  
Dec. 31, 2017

Improvement Authorizations (cont.):

Ordinance  
Number

15-07	Alberta Basin Drainage Project	\$	52,482.00
15-37	Various Parks Improvements		87,839.17
15-38	Various Facilities Improvements (Senior Center/Municipal Complex/Public Works Facility/OEM Facility)		161,030.39
15-40	Sunshine Village Park Improvements		73,931.69
15-46	Shark River Dredging		2,760.00
16-08	Loffredo Field Improvements		538,490.00
16-27	Various 2016 Capital Improvements		
	(i) Acquisition of heavy duty vehicles and equipment		(87,014.83)
	(ii) Acquisition of computer and communications equipment		25,240.30
	(iii) Improvements to various parks, lakes and streetscape		386,061.84
	(iv) Improvements to the Department of Public Works Complex, Senior Center, Municipal Complex and other municipal facilities		1,907,344.73
	(v) Implementation of the 2016 Community Development Block Grant Program Tenth Avenue Rehabilitation Project		(23,508.54)
16-33	Improvements to Brighton Avenue, Lakewood Road and Adjoining Roadways		498,235.20
17-20	Fletcher Lake Bulkhead, Bridge and Roadway Improvements		429,600.00
17-21	2017 Roadway Improvements		936,830.45
17-22	Acquisition of West Lake Avenue Development Area Property		747,300.00
17-23	Replacement of the Municipal Complex Roof and other Facilities Improvements		99,055.00
17-36	Acquisition of Green Acres Property Located on South Riverside Drive		<u>(44,810.00)</u>
		\$	<u>8,684,459.80</u>

Ref            C

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

**GENERAL CAPITAL FUND**  
**SCHEDULE OF INTERFUND RECEIVABLE**

	<u>Ref.</u>	<u>Total (MEMO ONLY)</u>	<u>Current Fund</u>	<u>Marina Utility Capital Fund</u>
Balance, December 31, 2016	C	\$ 511,422.42	\$ 17,314.05	\$ 494,108.37
Decreased by:				
Cash Receipts	C-2	<u>511,422.42</u>	<u>17,314.05</u>	<u>494,108.37</u>
Balance, December 31, 2017 - Due From	C	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**GENERAL CAPITAL FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**

<u>Ordinance Number</u>	<u>Grant Description</u>	<u>Balance December 31, 2016</u>	<u>2017 Grant Awards</u>	<u>Cash Receipts</u>	<u>Balance December 31, 2017</u>
11-05	FEMA Grant (Concourse/Seaview Island Flood Mitigation)	\$ 430,176.75		\$ 430,176.25	\$ 0.50
12-08	County of Monmouth Open Space (Three Park Playgrounds)	239,000.00		239,000.00	
13-13	County of Monmouth Open Space (Jumping Brook)	250,000.00		250,000.00	
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	800,114.00		558,849.90	241,264.10
15-06	NJ Department Dept. of Transportation (Central Ave. Roadway Reconstruction and Drainage Improvements).	273,590.00		205,192.50	68,397.50
15-07	NJ Office of Emergency Management/Federal Emergency Management Agency, Pre-Disaster Mitigation Program	696,084.75			696,084.75
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
16-27	Community Development Block Grant	138,512.00		138,512.00	-
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
		<u>\$ 4,603,671.50</u>	<u>\$ 1,087,500.00</u>	<u>\$ 1,821,730.65</u>	<u>\$ 3,869,440.85</u>
	<u>Ref.</u>	C	C-8	C-2	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, 2016	C		\$ 16,763,822.13
Increased by:			
Serial Bonds Issued	C-7		9,875,000.00
			26,638,822.13
Decreased by:			
Budget Appropriation to Pay Green Trust Loan	C-12	\$ 78,287.60	
Budget Appropriation to Pay Bonds	C-13	1,659,000.00	
			1,737,287.60
Balance, December 31, 2017	C		\$ 24,901,534.53



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

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	Increased by: 2017 Authorizations	Decreased by:		Balance Dec. 31, 2017	Analysis of Balance Dec. 31, 2017				
				Due from Ocean Grove Camp Meeting Association	Decreased		Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations	Excess Bond Anticipation Notes	
11-05/14-30	Concourse/Seaview Island Flood Mitigation	\$ 190,000.00			\$ 190,000.00						
1245	Installation of Traffic Signal	291.00				\$ 291.00		\$ 291.00			
13-13	Various 2013 Improvements to Parks and Other Township Facilities, Including Improvements to Jumping Brook Ballfields	128,400.00			128,400.00						
13-14	Various 2013 Roadway and Drainage Improvements	1,157,735.00			1,157,631.00	104.00				\$ 104.00	
13-23	Emergency Watershed Protection Measures Program, Including Wesley and Fletcher Basins	353,000.00			352,900.00	100.00				100.00	
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	112,500.00			112,500.00						
13-28	Pedestrian/Bicycle Lane Transportation Enhancement Project	115,800.00			115,800.00						
13-39	Implementation of the Energy Efficiency Improvement Program and the Boiler Replacement Project	712,500.00			712,500.00						
13-40	Demolition of the Welsh Farms Property	190,000.00			190,000.00						
14-09/14-43	Reconstruction of Ocean Grove Boardwalk	789,579.98		\$ 741,556.85		48,023.13		27,733.26		20,289.87	
14-12	Sidewalk and Accessibility Project on Neptune Boulevard and Other Identified Locations	150,500.00			150,500.00						
14-13/14-29	Development of Veterans Park	950,000.00			950,000.00						
14-20	Acquisition and Installation of Various Public Safety Technology and Equipment	380,000.00			380,000.00						
15-06	Central Avenue Roadway Reconstruction and Drainage Improvements	226,410.00			226,410.00						
15-07	Alberta Basin Drainage Project	253,915.25			253,915.25						
15-37	Various Parks Improvements	285,000.00			285,000.00						
15-38	Various Facilities Improvements (Senior Center/ Municipal Complex/Public Works Facility/OEM Facility)	570,000.00			570,000.00						
15-40	Sunshine Village Park Improvements	235,600.00			235,600.00						
15-46	Shark River Dredging	285,000.00			285,000.00						
16-08	Loffredo Field Improvements	332,500.00			332,500.00						
16-27	Various 2016 Capital Improvements										
	(i) Acquisition of heavy duty vehicles and equipment	665,000.00			282,161.00	382,839.00	\$ 282,161.00	87,014.83		13,663.17	
	(ii) Acquisition of computer and communications equipment	427,500.00			181,390.00	246,110.00	181,390.00			64,720.00	
	(iii) Improvements to various parks, lakes and streetscape	475,000.00			201,544.00	273,456.00	201,544.00			71,912.00	
	(iv) Improvements to the Department of Public Works Complex, Senior Center, Municipal Complex and other municipal facilities	2,232,500.00			947,256.00	1,285,244.00	947,256.00			337,988.00	
	(v) Implementation of the 2016 Community Development Block Grant Program Tenth Avenue Rehabilitation Project	324,413.00			137,649.00	186,764.00	137,649.00	23,508.54		25,606.46	

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

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	Increased by: 2017 Authorizations	Decreased by:		Balance Dec. 31, 2017	Analysis of Balance Dec. 31, 2017			
				Due from Ocean Grove Camp Meeting Association	Decreased		Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations	Excess Bond Anticipation Notes
16-33	Improvements to Brighton Avenue, Lakewood Road and Adjoining Roadways	\$ 235,806.00			\$ 235,806.00					
17-20	Fletcher Lake Bulkhead, Bridge and Roadway Improvements		\$ 475,000.00		475,000.00	\$ 475,000.00				\$ 475,000.00
17-21	2017 Roadway Improvements		950,000.00		950,000.00	950,000.00				950,000.00
17-22	Acquisition of West Lake Avenue Development Area Property		712,500.00		712,500.00	712,500.00				712,500.00
17-23	Replacement of the Municipal Complex Roof and other Facilities Improvements		760,000.00		760,000.00	760,000.00				760,000.00
17-36	Acquisition of Green Acres Property Located on South Riverside Drive		192,000.00			\$ 192,000.00		\$ 44,810.00	\$ 147,190.00	
		<u>\$ 11,778,950.23</u>	<u>\$ 3,089,500.00</u>	<u>\$ 741,556.85</u>	<u>\$ 11,511,962.25</u>	<u>\$ 2,614,931.13</u>	<u>\$ 4,647,500.00</u>	<u>\$ 183,357.63</u>	<u>\$ 681,573.50</u>	<u>\$ 2,897,500.00</u>
		<u>Ref. C</u>	<u>C-8</u>	<u>C-10</u>	<u>C-7</u>	<u>C</u>	<u>C-14</u>	<u>C-3</u>	<u>C-7</u>	<u>C-3</u>
	Serial Bonds Payable	C-6/C-13			\$ 9,875,000.00					
	Premium Applied	C-2/C-16			1,589,562.25					
	Paid by Budget Appropriation	C-14			47,400.00					
		C-7			<u>\$ 11,511,962.25</u>					
								<u>Ref.</u>		
								Improvement Authorizations Unfunded	C-8	\$ 1,855,613.80
								Unexpended Proceeds of Bond Anticipation Notes:		
							<u>Ordinance</u>			
							16-27(ii)	\$ 25,240.30		
							16-27(iii)	201,544.00		
							16-27(iv)	947,256.00		
										<u>1,174,040.30</u>
									C-7	<u>\$ 681,573.50</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, 2016		Increased by 2017		Decreased by		Balance Dec. 31, 2017	
				Funded	Unfunded	Reserve for Encumbrances	Authorizations	Paid	Reserve for Encumbrances	Funded	Unfunded
04-32	Lake Alberta Watershed Improvements	07-26-04	\$ 255,400.00	\$ 23,696.03				\$ 5,125.00		\$ 18,571.03	
05-29	Acquisition, Demolition and Improvements of Neptune Boulevard	06-27-05	300,000.00	47,596.98		\$ 6,900.00		6,900.00			47,596.98
07-38	Purchase and Installation of Street Lighting on Broadway	06-25-07	100,000.00	1,353.82		4,511.50		4,406.00	\$ 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	128,473.02		13,051.08		100,876.37	24,702.74		15,944.99
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		1,459.80		269.80	1,190.00		3,236.99
11-05/14-30	Concourse/Seaview Island Flood Mitigation	01-24-11	850,000.00	\$ 11,451.58		675,112.88		682,919.54	3,644.92		
12-17	Various Improvements to Parks and Facilities	06-11-12	250,000.00	7,365.58		88,396.54		94,403.56	1,358.56		
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
13-14	Various 2013 Roadway and Drainage Improvements	04-08-13	1,500,000.00		921,008.79	114,756.47		910,357.31	116,815.37		\$ 104.00
13-23	Emergency Watershed Protection Measures Program, Including Wesley and Fletcher Basins	08-12-13	1,500,000.00		160,883.95			2,400.00			158,383.95
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	120,000.00		1,775.67	1,680.75		585.67	2,870.75		-
13-28	Pedestrian/Bicycle Lane Transportation Enhancement Project	08-12-13	700,000.00	524,215.65	120,000.00	1,000.00		6,401.78	104.40		638,709.47
13-39	Implementation of the Energy Efficiency Improvement Program and the Boiler Replacement Project	10-10-13	750,000.00		36,342.61	641,685.06		605,257.58	40,346.48		32,423.61
13-40	Demolition of the Welsh Farms Property	10-10-13	200,000.00		20,105.19			1,000.00			19,105.19
14-09/14-43	Reconstruction of Ocean Grove Boardwalk	02-10-14									
14-12	Sidewalk and Accessibility Project on Neptune Boulevard and Other Identified Locations	10-27-14	2,200,000.00		10,034.87	38,808.62		2,581.12	25,972.50		20,289.87
14-13/14-29	Development of Veterans Park	03-24-14	300,000.00		59,844.90	20,842.34		69,844.25	10,842.99		
		08-11-14	1,000,000.00		66,335.92	29,334.74		1,800.00	29,334.74		64,535.92
14-20	Acquisition and Installation of Various Public Safety Technology and Equipment	06-09-14	400,000.00		40.66	157,976.37		157,976.37			40.66
15-03	Improvements in the West Lake Avenue Redevelopment Area	02-23-15	800,114.00	188,783.48		608,525.00		621,400.74	56,620.12		119,287.62
15-06	Central Avenue Roadway Reconstruction and Drainage Improvements	02-23-15	500,000.00		3,730.00	450,903.46		452,708.65	1,924.81		
15-07	Alberta Basin Drainage Project	02-23-15	950,000.00	595,084.75	253,915.25	67,003.75		605,178.15	258,343.60		52,482.00
15-37	Various Parks Improvements	08-24-15	300,000.00		122,132.11	25,155.00		59,433.77	14.17		87,839.17
15-38	Various Facilities Improvements (Senior Center/Municipal Complex/Public Works Facility/OEM Facility)	08-24-15	600,000.00		364,510.39	89,761.17		106,685.77	186,555.40		161,030.39
15-40	Sunshine Village Park Improvements	09-14-15	480,000.00	200,849.97	235,600.00	14,941.25		373,298.28	4,161.25		73,931.69
15-46	Shark River Dredging	10-08-15	300,000.00		4,060.00			1,300.00			2,760.00
16-08	Loffredo Field Improvements	03-24-16	600,000.00	212,650.00	332,500.00	41,380.00		22,240.00	25,800.00		538,490.00

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

GENERAL CAPITAL FUND  
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2016		Increased by 2017		Decreased by		Balance Dec. 31, 2017	
				Funded	Unfunded	Reserve for Encumbrances	Authorizations	Paid	Reserve for Encumbrances	Funded	Unfunded
16-27	Various 2016 Capital Improvements	08-22-16									
	(i) Acquisition of heavy duty vehicles and equipment		\$ 700,000.00	\$ 32,431.21	\$ 572,406.61		\$ 586,559.65	\$ 4,615.00		\$ 13,663.17	
	(ii) Acquisition of computer and communications equipment		450,000.00	322,549.76	100,958.62		301,990.08	31,558.00		89,960.30	
	(iii) Improvements to various parks, lakes and streetscape		500,000.00	482,774.84			24,801.00		\$ 184,517.84	273,456.00	
	(iv) Improvements to the Department of Public Works Complex, Senior Center, Municipal Complex and other municipal facilities		2,800,000.00	2,761,556.75	36,393.25		335,062.85	217,554.42		960,088.73	1,285,244.00
	(v) Implementation of the 2016 Community Development Block Grant Program Tenth Avenue Rehabilitation Project		480,000.00	478,760.00			422,548.75	30,604.79			25,606.46
16-33	Improvements to Brighton Avenue, Lakewood Road and Adjoining Roadways	09-26-16	500,000.00	\$ 263,794.00	235,806.00		1,300.00	64.80		498,235.20	
17-20	Fletcher Lake Bulkhead, Bridge and Roadway Improvements	06/26/17	500,000.00			\$ 500,000.00	11,000.00	59,400.00		429,600.00	
17-21	2017 Roadway Improvements	06/26/17	1,000,000.00			1,000,000.00	63,169.55			936,830.45	
17-22	Acquisition of West Lake Avenue Development Area Property	06/26/17	750,000.00			750,000.00	2,700.00			747,300.00	
17-23	Replacement of the Municipal Complex Roof and other Facilities Improvements	06/26/17	800,000.00			800,000.00	408,423.00	292,522.00		99,055.00	
17-36	Acquisition of Green Acres Property Located on South Riverside Drive	08-28-17	1,280,000.00				1,280,000.00	5,310.00	1,127,500.00		147,190.00
				<u>\$2,224,533.85</u>	<u>\$7,038,150.45</u>	<u>\$3,802,944.26</u>	<u>\$4,330,000.00</u>	<u>\$7,058,214.59</u>	<u>\$2,554,527.31</u>	<u>\$5,927,272.86</u>	<u>\$1,855,613.80</u>
	<u>Ref.</u>			C	C	C-11	C-8	C-2	C-11	C	C/C-7
	Grants and Other Receivables	C-5					\$ 1,087,500.00				
	Deferred Charges - Unfunded	C-7/C-16					3,089,500.00				
	Capital Surplus	C-1					500.00				
	Capital Improvement Fund	C-9					152,500.00				
		C-8					<u>\$ 4,330,000.00</u>				

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

**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$ 58,139.75
Increased by:		
Budget Appropriation	C-2	<u>150,000.00</u>
		208,139.75
Decreased by:		
Appropriated to Finance		
Improvement Authorizations	C-8	<u>152,500.00</u>
Balance, December 31, 2017	C	<u><u>\$ 55,639.75</u></u>

Exhibit C-10

**SCHEDULE OF DUE FROM OCEAN GROVE CAMP MEETING ASSOCIATION**

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$ 789,579.98
Decreased by:		
Cash Receipts	C-2/C-7/C-16	<u>741,556.85</u>
Balance, December 31, 2017	C	<u><u>\$ 48,023.13</u></u>

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

GENERAL CAPITAL FUND  
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$ 3,802,944.26
Increased by:		
Charged to Improvement Authorizations	C-8	2,554,527.31
		6,357,471.57
Decreased by:		
Applied to Improvement Authorizations	C-8	3,802,944.26
		3,802,944.26
Balance, December 31, 2017	C	\$ 2,554,527.31

SCHEDULE OF GREEN TRUST LOANS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2016	C	\$ 809,822.13
Decreased by:		
Paid by Budget Appropriation	C-6	78,287.60
		78,287.60
Balance, December 31, 2017	C	\$ 731,534.53

**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, 2017</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
Pooled Governmental Loan Revenue Bonds, Series 2005	12-19-05	\$ 5,147,000.00			4.000%	\$ 4,000.00		\$ 4,000.00	
Pooled Governmental Loan	12-13-07	5,518,000.00			5.000%	440,000.00		440,000.00	
General Obligation Bonds Series 2011	09-15-11	7,100,000.00	09-01-18	\$ 500,000.00	3.000%	5,000,000.00		500,000.00	\$ 4,500,000.00
			09-01-19	500,000.00	2.250%				
			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	12-01-18	460,000.00	4.000%	3,555,000.00		440,000.00	3,115,000.00
			12-01-19	480,000.00	4.000%				
			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%							
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, 2017</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
Pooled Governmental Loan Revenue Refunding Bond, Series 2016	3-24-16	2,395,000.00	12-01-18	435,000.00	4.000%	\$ 2,375,000.00		\$ 2,375,000.00
			12-01-19	455,000.00	4.000%			
			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	7-15-18	385,000.00	3.000%			
			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%						
						\$ 9,875,000.00		\$ 9,875,000.00
					\$ 15,954,000.00	\$ 9,875,000.00	\$ 1,659,000.00	\$ 24,170,000.00
				<u>Ref.</u>	C	C-2/C-7/C-16	C-6	C





COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND  
SCHEDULE OF VARIOUS RESERVES

<u>Description</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased by:</u>	<u>Decreased by:</u>	<u>Balance Dec. 31, 2017</u>
		<u>Cash Receipts</u>	<u>Anticipated as Current Revenue</u>	
Reserve to Pay Debt Service	\$ 138,835.75	\$ 43,943.33	\$ 138,835.75	\$ 43,943.33
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>\$ 139,835.75</u>	<u>\$ 62,237.58</u>	<u>\$ 138,835.75</u>	<u>\$ 63,237.58</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, 2016	Increased by:		Decreased by:		Balance Dec. 31, 2017
			2017 Authorizations	Bond Anticipation Notes Paid	Serial Bonds Issued	Due from Ocean Grove Camp Meeting Assoc.	
11-05/14-30	Concourse/Seaview Island Flood Mitigation	\$ 190,000.00			\$ 190,000.00		
1245	Installation of Traffic Signal	291.00					\$ 291.00
13-13	Various 2013 Improvements to Parks and Other Township Facilities			\$ 123,800.00	123,800.00		
13-14	Various 2013 Roadway and Drainage Improvements	104.00		1,126,631.00	1,126,631.00		104.00
13-23	Emergency Watershed Protection Measures Program, Including Wesley and Fletcher Basins	100.00		346,800.00	346,800.00		100.00
13-27	Acquisition of Real Property (Division Street Property)			111,000.00	111,000.00		
13-28	Pedestrian/Bicycle Lane Transportation			111,600.00	111,600.00		
13-39	Implementation of the Energy Efficiency Improvement Program and the Boiler Replacement Project	712,500.00			712,500.00		
13-40	Demolition of the Welsh Farms Property	190,000.00			190,000.00		
14-09/14-43	Reconstruction of Ocean Grove Boardwalk	789,579.98				\$ 741,556.85	48,023.13
14-12	Sidewalk and Accessibility Project on Neptune Boulevard and Other Identified Locations	150,500.00			150,500.00		
14-13/14-29	Development of Veterans Park	950,000.00			950,000.00		
14-20	Acquisition and Installation of Various Public Safety Technology and Equipment	380,000.00			380,000.00		
15-06	Central Avenue Roadway Reconstruction and Drainage Improvements	226,410.00			226,410.00		
15-07	Alberta Basin Drainage Project	253,915.25			253,915.25		
15-37	Various Parks Improvements	285,000.00			285,000.00		
15-38	Various Facilities Improvements (Senior Center/Municipal Complex/ Municipal Complex/Public Works Facility/OEM Facility)	570,000.00			570,000.00		
15-40	Sunshine Village Park Improvements	235,600.00			235,600.00		
15-46	Shark River Dredging	285,000.00			285,000.00		
16-08	Loffredo Field Improvements	332,500.00			332,500.00		
16-27	Various 2016 Capital Improvements						
	(i) Acquisition of heavy duty vehicles and equipment	382,839.00			282,161.00		100,678.00
	(ii) Acquisition of computer and communications equipment	246,110.00			181,390.00		64,720.00
	(iii) Improvements to various parks, lakes and streetscape	273,456.00			201,544.00		71,912.00
	(iv) Improvements to the Department of Public Works Complex, Senior Center, Municipal Complex and other municipal facilities	1,285,244.00			947,256.00		337,988.00
	(v) Implementation of the 2016 Community Development Block Grant Program Tenth Avenue Rehabilitation Project	186,764.00			137,649.00		49,115.00

**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 <u>Dec. 31, 2016</u>	Increased by:		Decreased by:		Balance <u>Dec. 31, 2017</u>
			<u>2017 Authorizations</u>	Bond Anticipation <u>Notes Paid</u>	<u>Serial Bonds Issued</u>	Due from Ocean <u>Grove Camp Meeting Assoc.</u>	
16-33	Improvements to Brighton Avenue, Lakewood Road and Adjoining Roadways	\$ 235,806.00			\$ 235,806.00		
17-20	Fletcher Lake Bulkhead, Bridge and Roadway Improvements		\$ 475,000.00		475,000.00		
17-21	2017 Roadway Improvements		950,000.00		950,000.00		
17-22	Acquisition of West Lake Avenue Development Area Property		712,500.00		712,500.00		
17-23	Replacement of the Municipal Complex Roof and other Facilities Improvements		760,000.00		760,000.00		
17-36	Acquisition of Green Acres Property Located on South Riverside Drive		192,000.00				\$ 192,000.00
		<u>\$ 8,161,719.23</u>	<u>\$ 3,089,500.00</u>	<u>\$ 1,819,831.00</u>	<u>\$ 11,464,562.25</u>	<u>\$ 741,556.85</u>	<u>\$ 864,931.13</u>
		<u>Ref.</u>	C-8	C-14		C-10	(Footnote C)
	Premiums Applied	C-7			\$ 1,589,562.25		
	Serial Bonds Payable	C-13			9,875,000.00		
					<u>\$ 11,464,562.25</u>		



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

**SEWER UTILITY CAPITAL FUND**  
**ANALYSIS OF SEWER UTILITY CAPITAL CASH**

	<u>Balance</u> <u>Dec. 31, 2017</u>
Capital Improvement Fund	\$ 419,258.25
Reserve for Encumbrances	77,285.25
Reserve for FEMA Reimbursement	215,892.76
Reserve for Debt Service	235.02
Fund Balance	175,853.90

<u>Ordinance</u> <u>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)
12-14	Various Sewer Utility Improvements	26,094.52
16-28	Various Sewer Utility Improvements and the Acquisition of a Sewer Utility Vehicle	540,145.00
17-19	Various Sewer Utility Improvements	<u>1,731,280.00</u>
		<u><u>\$ 3,218,553.17</u></u>
	<u>Ref.</u>	D

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

**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY AUTHORIZATION**

<u>Year</u> <u>Authorized</u>	<u>Purpose</u>	<u>Authorized</u>	Balance December 31, <u>2016</u>	Budget <u>Appropriation</u>	Balance December 31, <u>2017</u>
2012	Hurricane Sandy	\$ 500,000.00	<u>\$ 90,000.00</u>	<u>\$ 90,000.00</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, 2016	D	\$ 502,551.05
Increased by:		
Sewer Rents Levied		5,993,406.39
		<u>6,495,957.44</u>
Decreased by:		
Collections	D-3/D-5	\$ 5,927,569.25
Overpayments Applied	D-3/D-14	17,218.38
Transfer to Sewer Liens Receivable	D-9	<u>689.75</u>
		<u>5,945,477.38</u>
Balance, December 31, 2017	D	<u><u>\$ 550,480.06</u></u>

SCHEDULE OF SEWER LIENS RECEIVABLE

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ -
Increased by:		
Transfer from Consumer Accounts Receivable	D-8	689.75
		<u>689.75</u>
Decreased by:		
Cash Receipts	D-3/D-5	<u>689.75</u>
Balance, December 31, 2017	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, 2016	D	\$ 19,652,886.06
Transfer from:		
Fixed Capital Authorized and Uncompleted	D-11	395,954.73
Balance, December 31, 2017	D	\$ 20,048,840.79

**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, 2016	2017 Authorizations		Transfer to Fixed Capital	Cancelled	Balance Dec. 31, 2017
		Date	Amount		Capital Improvement Fund	Deferred Charges to Future Revenue			
07-41	Gables Area Sanitary Sewer System Replacement Project - Phase III	06-25-07	\$ 550,000.00	\$ 549,902.96			\$ 395,954.73	\$ 153,948.23	\$ -
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		\$ 90,000.00	\$ 1,710,000.00			1,800,000.00
				<u>\$ 4,438,402.96</u>	<u>\$ 90,000.00</u>	<u>\$ 1,710,000.00</u>	<u>\$ 395,954.73</u>	<u>\$ 153,948.23</u>	<u>\$ 5,688,500.00</u>
		<u>Ref.</u>		D	D-19/D-22	D-19/D-26	D-10	D-22	D

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

SEWER UTILITY OPERATING FUND  
 SCHEDULE OF APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2016</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	\$ 0.81		\$ 0.81		\$ 0.81
Other Expenses	14,419.50	\$ 42,107.81	56,527.31	\$ 42,442.95	14,084.36
TNSA - Annual Charge	235,950.37		160,950.37	4.99	160,945.38
Group Insurance for Employees			75,000.00	67,738.24	7,261.76
Capital Improvements:					
Capital Outlay	1,031.10	24,134.00	25,165.10	24,134.00	1,031.10
Statutory Expenditures:					
Contribution to:					
Social Security System	6,557.68		6,557.68		6,557.68
	<u>\$ 257,959.46</u>	<u>\$ 66,241.81</u>	<u>\$ 324,201.27</u>	<u>\$ 134,320.18</u>	<u>\$ 189,881.09</u>
<u>Ref.</u>	D	D-13		D-12	D-1
Cash Disbursements	D-5			\$ 134,020.19	
Accounts Payable	D			299.99	
	D-12			\$ 134,320.18	

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

**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF RESERVE FOR ENCUMBRANCES**

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 66,241.81
Increased by:		
Transferred from Budget Appropriations	D-4	40,890.89
		107,132.70
Decreased by:		
Transferred to Appropriation Reserves	D-12	66,241.81
		66,241.81
Balance, December 31, 2017	D	\$ 40,890.89

Exhibit D-14

**SCHEDULE OF CUSTOMER OVERPAYMENTS**

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 18,296.52
Increased by:		
Cash Received	D-5	18,764.72
		37,061.24
Decreased by:		
Cancelled	D-1	\$ 184.00
Cash Disbursements	D-5	1,458.62
Applied to Consumer Accounts Receivable	D-8	17,218.38
		18,861.00
Balance, December 31, 2017	D	\$ 18,200.24

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

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

	<u>Ref.</u>	Total <u>(Memo Only)</u>	Current <u>Fund</u>	Trust Other <u>Fund</u>	Marina Utility Operating <u>Fund</u>
Balance, December 31, 2016					
Interfunds Receivable	D	\$ 14,779.26		\$ 14,779.26	
Interfunds Payable	D	\$ (1,235.10)			\$ (1,235.10)
Increased by:					
FEMA Disaster Grant	D-1	79,742.89	\$ 13,332.20		66,410.69
		<u>93,287.05</u>	<u>13,332.20</u>	<u>14,779.26</u>	<u>65,175.59</u>
Balance, December 31, 2017					
Interfunds Receivable	D	<u>\$ 93,287.05</u>	<u>\$ 13,332.20</u>	<u>\$ 14,779.26</u>	<u>\$ 65,175.59</u>



**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, 2016</u>	<u>Bonds Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2017</u>
			<u>Outstanding</u>	<u>December 31, 2016</u>					
Pooled Governmental Loan	12-13-07	\$ 504,000.00				\$ 36,000.00		\$ 36,000.00	\$ -
Governmental Pooled Loan Revenue Refunding Bonds, Series 2012	05-22-12	1,310,000.00	12-01-18	\$ 100,000.00	4.000%				
			12-01-19	105,000.00	4.000%				
			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%	1,035,000.00		95,000.00	940,000.00
Pooled Governmental Loan Refunding Revenue Bonds, Series 2014	12-4-14	291,000.00	12-01-18	55,000.00	4.000%				
			12-01-19	58,000.00	5.000%				
			12-01-20	61,000.00	5.000%				
			12-01-21	63,000.00	5.000%	291,000.00		54,000.00	237,000.00
Pooled Governmental Loan Revenue Bond, Series 2014	12-24-14	1,005,000.00	12-01-18	35,000.00	4.000%				
			12-01-19	35,000.00	4.000%				
			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%	935,000.00		35,000.00	900,000.00

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

SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF SEWER UTILITY SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2016	Bonds Issued	Paid by Budget Appropriation	Balance Dec. 31, 2017
			Outstanding	December 31, 2016					
Refunding of Pooled Governmental Loan Revenue Refunding Bonds, Series 2016	03-24-16	\$ 200,000.00	12-01-18	\$ 35,000.00	4.000%	\$ 200,000.00			\$ 200,000.00
			12-01-19	40,000.00	4.000%				
			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	7-15-18	200,000.00	3.000%				
			7-15-19	245,000.00	4.000%				
			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%				
						\$ 2,497,000.00	\$ 2,810,000.00	\$ 220,000.00	\$ 5,087,000.00
					<u>Ref.</u>	D	D-5/D-26		D
Reserve for Amortization					D-21			\$ 153,663.50	
Deferred Reserve for Amortization					D-22			66,336.50	
								\$ 220,000.00	



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

**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR ENCUMBRANCES**

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 1,097,097.34
Increased by:		
Charged to Improvement Authorizations	D-19	77,285.25
		1,174,382.59
Decreased by:		
Applied to Improvement Authorizations	D-19	1,097,097.34
		1,097,097.34
Balance, December 31, 2017	D	\$ 77,285.25

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

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2016		Increased by		Decreased by			Balance Dec. 31, 2017
		Date	Amount	Funded	Unfunded	2017 Authorizations	Prior Year Encumbrances	Paid	Reserve for Encumbrances	Cancelled	Funded
07-41	Gables Area Sanitary Sewer System Replacement Project - Phase III	06-25-07	\$ 550,000.00	\$ 2.96			\$ 153,945.27			\$ 153,948.23	
08-51	Upgrades to the Pennsylvania Avenue	12-22-08	1,000,000.00								
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	46,351.36			25,702.22	\$ 41,404.06	\$ 4,555.00		26,094.52
15-36	Reconstruction of the Sanitary Sewer System	08-24-15	1,000,000.00		\$ 30,456.17		867,824.85	897,970.77	310.25		
16-28	Various Sewer Utility Improvements and the Acquisition of a Sewer Utility Vehicle	08-22-16	600,000.00		549,975.00		49,625.00	55,205.00	4,250.00		540,145.00
17-19	Various Sewer Utility Improvements	06-26-17	1,800,000.00			\$ 1,800,000.00		550.00	68,170.00		1,731,280.00
				<u>\$ 79,112.79</u>	<u>\$ 580,431.17</u>	<u>\$ 1,800,000.00</u>	<u>\$ 1,097,097.34</u>	<u>\$ 995,129.83</u>	<u>\$ 77,285.25</u>	<u>\$ 153,948.23</u>	<u>\$ 2,330,277.99</u>
	<u>Ref.</u>		D	D		D-19	D-18	D-5	D-18	D-2	D
	Capital Improvement Fund		D-11/D-20			\$ 90,000.00					
	Deferred Charges to Future Revenue		D-11			<u>1,710,000.00</u>					
			D-19			<u>\$ 1,800,000.00</u>					

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

SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 259,258.25
Increased by:		
Budget Appropriation	D-5	250,000.00
		<u>509,258.25</u>
Decreased by:		
Appropriated to Finance Improvement Authorization	D-19	90,000.00
		<u>90,000.00</u>
Balance, December 31, 2017	D	<u><u>\$ 419,258.25</u></u>

Exhibit D-21

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 18,262,726.85
Increased by:		
Serial Bonds Paid by Operating Budget	D-17	\$ 153,663.50
Transfer from Deferred Reserve for Amortization	D-22	195,954.73
		<u>349,618.23</u>
Balance, December 31, 2017	D	<u><u>\$ 18,612,345.08</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, 2016	Increased by:				Decreased by:		Balance Dec. 31, 2017
				Capital Improvement Fund	Serial Bonds Paid	Loans Paid	Premium on Bonds	Transfer to Reserve for Amortization	Cancelled	
07-41	Gables Area Sanitary Sewer System Replacement Project - Phase III	06-25-07	\$ 313,902.96		\$ 36,000.00			\$ 195,954.73	\$ 153,948.23	
09-21	Sanitary Sewer Pumping Station	06-22-09	437,345.17		9,311.20	\$ 64,137.70				\$ 510,794.07
12-14	Various Sewer Utility Improvements	06-11-12	96,273.71		21,025.30					117,299.01
15-36	Reconstruction of the Sanitary Sewer System	08-24-15	50,000.00				\$ 123,529.41			173,529.41
16-28	Various Sewer Utility Improvements and the Acquisition of a Sewer Utility Vehicle	08-22-16	30,000.00				74,117.65			104,117.65
17-19	Various Sewer Utility Improvements	06-26-17		\$ 90,000.00			222,352.94			312,352.94
			<u>\$ 927,521.84</u>	<u>\$ 90,000.00</u>	<u>\$ 66,336.50</u>	<u>\$ 64,137.70</u>	<u>\$ 420,000.00</u>	<u>\$ 195,954.73</u>	<u>\$ 153,948.23</u>	<u>\$ 1,218,093.08</u>
			D	D-11	D-17	D-23	D-5/D-26	D-21	D-11	D

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

SEWER UTILITY CAPITAL FUND  
 SCHEDULE OF LOANS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 883,790.33
Decreased by:		
Paid by Budget Appropriation	D-22	<u>64,137.70</u>
Balance, December 31, 2017	D	<u><u>\$ 819,652.63</u></u>

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

**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF OGSA OBLIGATION RECEIVABLE**

	<u>Ref.</u>	
Balance, December 31, 2016	D	\$ 144,937.84
Decreased by:		
Current Year Collections	D-3	36,234.46
Balance, December 31, 2017	D	\$ 108,703.38

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

**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF EMERGENCY NOTES PAYABLE**

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Balance Dec. 31, 2016</u>	<u>Cash Disbursed</u>	<u>Balance Dec. 31, 2017</u>
11-26-12	Hurricane Sandy	\$ 500,000.00	<u>\$ 90,000.00</u>	<u>\$ 90,000.00</u>	<u>\$ -</u>
			<u><u>\$ 90,000.00</u></u>	<u><u>\$ 90,000.00</u></u>	<u><u>\$ -</u></u>
			D	D-5	D







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

MARINA UTILITY CAPITAL FUND  
ANALYSIS OF MARINA UTILITY CAPITAL CASH

	<u>Balance</u> <u>Dec. 31, 2017</u>
Capital Improvement Fund	\$ 63,950.00
Capital Fund Balance	15,252.49
Grants Receivable	(742,703.72)
Interfund - Marina Utility Operating	800,500.00
Interfund - Federal and State Grant Fund	(39,750.00)
Reserve for Encumbrances	107,360.01
Reserve for Reconstruction	100,000.00

<u>Ordinance</u> <u>Number</u>	<u>Improvement Description</u>	
12-18	Various Improvements	411.14
15-04	Reconstruction of the Municipal Marina	33,924.92
15-51	Shark River Dredging	3,369.28
16-29	Marina Site Remediation Project	<u>(53,762.50)</u>
		<u>\$ 288,551.62</u>

Ref.                      E

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

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

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Decreased by:</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
2012	Hurricane Sandy	\$ 1,000,000.00	\$ 145,750.00	\$ 145,750.00	\$ -
			\$ 145,750.00	\$ 145,750.00	\$ -
		<u>Ref.</u>	E	E-4	E



**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, 2016 and 2017</u>
12-18	Various Improvements	6/11/2012	\$ 90,000.00	\$ 90,000.00
13-18	Various Improvements	5/13/2013	1,500,000.00	1,500,000.00
15-04	Reconstruction of the Municipal Marina Building	2/23/2015	2,500,000.00	2,500,000.00
15-51	Shark River Dredging	11/9/2015	160,000.00	160,000.00
16-29	Marina Site Remediation Project	8/22/2016	240,000.00	<u>240,000.00</u>
				<u><u>\$ 4,490,000.00</u></u>
			<u>Ref.</u>	E

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

**MARINA UTILITY OPERATING FUND**  
**SCHEDULE OF APPROPRIATION RESERVES**

	<u>Balance</u> <u>Dec. 31, 2016</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	\$ 6,204.23		\$ 6,204.23		\$ 6,204.23
Other Expenses	114.88	\$ 11,115.35	11,230.23	\$ 6,743.31	4,486.92
Capital Improvements					
Capital Outlay	502.24		502.24		502.24
	<u>\$ 6,821.35</u>	<u>\$ 11,115.35</u>	<u>\$ 17,936.70</u>	<u>\$ 6,743.31</u>	<u>\$ 11,193.39</u>
<u>Ref.</u>	E	E-11			E-1
Cash Disbursed	E-5			\$ 6,237.06	
Accounts Payable	E-12			<u>506.25</u>	
				<u>\$ 6,743.31</u>	

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

MARINA UTILITY OPERATING FUND  
 SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 11,115.35
Increased by:		
Transferred from Budget Appropriations	E-4	7,228.57
		18,343.92
Decreased by:		
Transferred to Appropriation Reserves	E-10	11,115.35
		11,115.35
Balance, December 31, 2017	E	\$ 7,228.57

Exhibit E-12

SCHEDULE OF ACCOUNTS PAYABLE

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 1,045.00
Increased by:		
Transferred from Appropriation Reserve	E-10	506.25
		1,551.25
Decreased by:		
Accounts Payable Cancelled	E-1	1,045.00
		1,045.00
Balance, December 31, 2017	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, 2016	E	\$ 16,247.24
Increased by:		
Budget Appropriations	E-4	71,620.39
		87,867.63
Decreased by:		
Interest Paid	E-5	73,267.16
		73,267.16
Balance, December 31, 2017	E	\$ 14,600.47

E-13

Analysis of Accrued Interest December 31, 2017

Principal Outstanding <u>Dec. 31, 2017</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:					
\$ 148,000.00	Various	12/1/2017	12/31/2017	30 Days	\$ 588.33
725,000.00	Various	12/1/2017	12/31/2017	30 Days	2,679.17
190,000.00	Various	12/1/2017	12/31/2017	30 Days	733.33
Bond Anticipation Notes:					
\$ 597,900.00	1.23%	2/2/2017	12/31/2017	329 Days	6,720.89
535,000.00	2.25%	9/5/2017	12/31/2017	116 Days	3,878.75
					\$ 14,600.47

E-13



**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, 2017</u>	<u>Principal Payments</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid</u>	<u>Balance Dec. 31, 2017</u>
Pooled Governmental Loan Revenue Bonds Series 2007	12/19/2007	\$ 483,000.00				\$ 35,000.00	\$ 35,000.00	
Pooled Governmental Loan Refunding Revenue Bonds Series 2014	12/4/2014	181,000.00	12/1/2018 12/1/2019 12/1/2020 12/1/2021	34,000.00 36,000.00 38,000.00 40,000.00	4.00% 5.00% 5.00% 5.00%	181,000.00	33,000.00	\$ 148,000.00
Pooled Governmental Loan Revenue Bonds Series 2014	12/24/2014	815,000.00	12/01/18-20 12/01/21 12/01/22-24 12/01/25-26 12/01/27-28 12/01/29-30 12/01/31-32 12/01/33-34	30,000.00 30,000.00 35,000.00 40,000.00 45,000.00 50,000.00 55,000.00 60,000.00	4.00% 5.00% 5.00% 5.00% 5.00% 4.00% 3.25%	755,000.00	30,000.00	725,000.00

**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</u> <u>Outstanding</u> <u>December 31, 2017</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Paid</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Pooled Governmental Loan Revenue Refunding Bonds, Series 2016	3/24/2016	\$ 190,000.00	12/1/2018	\$ 35,000.00	4.00%			
			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		\$ 190,000.00
						<u>\$ 1,161,000.00</u>	<u>\$ 98,000.00</u>	<u>\$ 1,063,000.00</u>
					<u>Ref.</u>	E	E-14	E
			Reserve for Amortization		E-19		\$ 68,000.00	
			Deferred Reserve for Amortization		E-20		<u>30,000.00</u>	
					E-14		<u>\$ 98,000.00</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, 2016	Decreases	Balance Dec. 31, 2017
06-33/ 07-19	Acquisition of Marina Property and Various Improvements	11/9/2007 2/4/2016	9/5/2017 2/2/2017	9/4/2018 2/1/2018	1.95% 2.25%	\$ 198,000.00 25,000.00	\$ 3,000.00	\$ 195,000.00 25,000.00
11-03	Various Improvements to the Shark River Marina	1/24/2011	9/5/2017	9/4/2018	2.25%	267,869.00	4,369.00	263,500.00
12-18	Various Improvements	9/14/2012	9/5/2017	9/4/2018	2.25%	79,500.00	3,000.00	76,500.00
15-04	Reconstruction of the Municipal Marina Building	2/4/2016	2/2/2017	2/1/2018	1.23%	420,900.00		420,900.00
15-51	Shark River Dredging	2/4/2016	2/2/2017	2/1/2018	1.23%	152,000.00		152,000.00
						<u>\$ 1,143,269.00</u>	<u>\$ 10,369.00</u>	<u>\$ 1,132,900.00</u>
					<u>Ref.</u>	E	E-15	E
							\$ 7,369.00	
							<u>3,000.00</u>	
							<u>\$ 10,369.00</u>	

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

**MARINA UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2016		Increased by Reserve for Encumbrances	Paid or Charged	Decreased by Reserve for Encumbrances	Balance Dec. 31, 2017 Unfunded
				Funded	Unfunded				
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	\$ 134.19		14,995.24	\$ 10,329.43	\$ 4,800.00	
15-04	Reconstruction of the Municipal Marina Building	2/23/2015	2,500,000.00			85,901.08	51,296.65	679.51	33,924.92
15-51	Shark River Dredging	11/9/2015	160,000.00		\$ 3,969.28		600.00		3,369.28
16-29	Marina Site Remediation Project	8/22/2016	240,000.00		13,687.50	224,280.00	122,399.50	101,880.50	13,687.50
				<u>\$ 134.19</u>	<u>\$ 17,656.78</u>	<u>\$ 325,587.46</u>	<u>\$ 184,625.58</u>	<u>\$ 107,360.01</u>	<u>\$ 51,392.84</u>
		<u>Ref.</u>		E	E	E	E-5	E	E

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

**MARINA UTILITY CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 48,950.00
Increased by:		
Budget Appropriation	E-5	<u>15,000.00</u>
Balance, December 31, 2017	E	<u><u>\$ 63,950.00</u></u>

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

**MARINA UTILITY CAPITAL FUND**  
**SCHEDULE OF INTERFUND - GENERAL CAPITAL FUND**

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 494,108.37
Decreased by:		
Cash Disbursements	E-5	494,108.37
Balance, December 31, 2017	E	\$ -

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

**MARINA UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR AMORTIZATION**

	<u>Ref.</u>		
Balance, December 31, 2016	E		\$ 4,983,531.00
Increased by:			
Budget Appropriation - Serial Bonds	E-14	\$ 68,000.00	
Budget Appropriation - Bond Anticipation Notes	E-15	<u>7,369.00</u>	
			<u>75,369.00</u>
Balance, December 31, 2017	E		<u><u>\$ 5,058,900.00</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, 2016	Increased by		Balance Dec. 31, 2017
				Serial Bonds Paid	Bond Anticipation Notes Paid by Budget	
12-18	Various Improvements	6/11/2012	\$ 10,500.00		\$ 3,000.00	\$ 13,500.00
13-18	Various Improvements	5/13/2013	745,000.00	\$ 30,000.00		775,000.00
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	<u>172,550.00</u>			<u>172,550.00</u>
			<u>\$ 3,015,150.00</u>	<u>\$ 30,000.00</u>	<u>\$ 3,000.00</u>	<u>\$ 3,048,150.00</u>
		<u>Ref.</u>	E	E-14	E-15	E



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

**MARINA UTILITY CAPITAL FUND**  
**SCHEDULE OF GRANT RECEIVABLE**

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 782,453.72
Decreased by:		
Interfund - Federal and State Grant Fund	E	39,750.00
Balance, December 31, 2017	E	\$ 742,703.72
E-21		
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		129,250.00
		\$ 742,703.72
E-21		

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

**MARINA UTILITY OPERATING FUND**  
**SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE**

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
11/26/2012	Hurricane Sandy	\$ 600,000.00	\$ 145,750.00	\$ 145,750.00	\$ -
			<u>\$ 145,750.00</u>	<u>\$ 145,750.00</u>	<u>\$ -</u>
			E	E-5	E

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

MARINA UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR RECONSTRUCTION

	<u>Ref.</u>	
Balance, December 31, 2016 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, 2016	E	\$ 800,000.00
Increased by:		
Cash Receipts	E-5	500.00
Balance, December 31, 2017	E	\$ 800,500.00

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

MARINA UTILITY OPERATING FUND  
 SCHEDULE OF DEFERRED CHARGES

Decreased by:

<u>Purpose</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Budget</u> <u>Appropriation</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Overexpenditure of Appropriations	<u>\$ 3,682.19</u>	<u>\$ 4,771.46</u>	<u>\$ 1,089.27</u>	<u>\$ -</u>
	<u><u>\$ 3,682.19</u></u>	<u><u>\$ 4,771.46</u></u>	<u><u>\$ 1,089.27</u></u>	<u><u>\$ -</u></u>
<u>Ref.</u>	E	E-4	E-1	E

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

**MARINA UTILITY OPERATING FUND**  
**SCHEDULE OF RESERVE FOR FEMA REMBURSEMENTS**

	<u>Ref.</u>	
Balance, December 31, 2016	E	\$ 808,604.64
Increased by:		
Cash Receipts	E-5	173,827.13
		<u>982,431.77</u>
Decreased by:		
Anticipated as Revenue	E-3	212,671.46
		<u>212,671.46</u>
Balance, December 31, 2016	E	<u><u>\$ 769,760.31</u></u>

**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, 2016	E	\$ 800,000.00
Increased by:		
Cash Disbursements	E-5	500.00
Balance, December 31, 2017	E	\$ 800,500.00

SCHEDULE OF INTERFUND - SEWER UTILITY OPERATING FUND

	<u>Ref.</u>	
Balance (Due from), December 31, 2016	E	\$ (1,235.10)
Decreased by:		
Cash Receipts	E-5	66,410.69
Balance - Due to, December 31, 2017	E	\$ 65,175.59

**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>	Balance Dec. 31, 2016 <u>and 2017</u>
16-29	Marina Site Remediation Project	\$ <u>67,450.00</u>
		E



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

LOAN AND GRANT FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance, December 31, 2016	F		\$ 674,507.15
Increased by Receipts:			
Loan and Interest Payments			
Reciprocal Loans	F-2, F-4	\$ 15,896.55	
Façade Loans	F-3, F-4	27,805.58	
Settlement	F-3, F-4	3,000.00	
Late Fees	F-4	34.74	
Paint Program - Reimbursement	F-4	536.00	
Interest on Loans	F-4	2,094.16	
Interest Income - Deposits	F-4	674.31	
		50,041.34	
			724,548.49
Decreased by Disbursements:			
Façade Grants Awarded	F-4	50,750.00	
Façade Loans Awarded	F-3, F-4	5,000.00	
World Changers Program	F-4	26,942.54	
		82,692.54	
Balance, December 31, 2017	F		\$ 641,855.95

**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, 2016	F	\$ 152,662.01	\$ 26,544.26	\$ 16,858.05	\$ 66,446.44	\$ 25,205.16	\$ 17,608.10
Increased by:							
Accrued Interest		<u>2,681.27</u>	<u>353.36</u>	<u>584.33</u>	<u>1,239.26</u>	<u>504.32</u>	<u>17,608.10</u>
		<u>155,343.28</u>	<u>26,897.62</u>	<u>17,442.38</u>	<u>67,685.70</u>	<u>25,709.48</u>	<u>17,608.10</u>
Decreased by:							
Loan Principal Received	F-1/F-4	<u>15,896.55</u>	<u>10,488.52</u>	<u>5,408.03</u>			
Loan Interest Received	F-1/F-4	<u>898.86</u>	<u>353.36</u>	<u>545.50</u>			
		<u>16,795.41</u>	<u>10,841.88</u>	<u>5,953.53</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2017	F	<u>\$ 138,547.87</u>	<u>\$ 16,055.74</u>	<u>\$ 11,488.85</u>	<u>\$ 67,685.70</u>	<u>\$ 25,709.48</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		<u>28,194.07</u>	<u>7,858.36</u>	<u>1,066.36</u>	<u>6,016.33</u>	<u>1,300.76</u>	<u>11,952.26</u>
		<u>389,104.21</u>	<u>107,858.36</u>	<u>24,976.50</u>	<u>106,016.33</u>	<u>38,300.76</u>	<u>111,952.26</u>
Payments Made to Date on Loans		<u>250,556.34</u>	<u>91,802.62</u>	<u>13,487.65</u>	<u>38,330.63</u>	<u>12,591.28</u>	<u>94,344.16</u>
		<u>250,556.34</u>	<u>91,802.62</u>	<u>13,487.65</u>	<u>38,330.63</u>	<u>12,591.28</u>	<u>94,344.16</u>
Balance on Loans, December 31, 2017	F-2	<u>\$ 138,547.87</u>	<u>\$ 16,055.74</u>	<u>\$ 11,488.85</u>	<u>\$ 67,685.70</u>	<u>\$ 25,709.48</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	Jumping Brook Enterprises	Monmouth Auto Body	Neptune Investments	Tony's Customs
Balance, December 31, 2016	F	\$ 86,167.51	\$ 3,085.74	\$ 2,554.29	\$ 8,897.73	\$ 2,717.32	\$ 36,790.83	\$ 6,044.86	\$ 5,102.07	\$ 20,974.67	
Increased by:											
Loans Granted		5,000.00									5,000.00
Accrued Interest		1,247.58	38.04	32.59	122.29	34.91	550.41	32.49	70.64	310.99	55.22
		<u>92,415.09</u>	<u>3,123.78</u>	<u>2,586.88</u>	<u>9,020.02</u>	<u>2,752.23</u>	<u>37,341.24</u>	<u>6,077.35</u>	<u>5,172.71</u>	<u>21,285.66</u>	<u>5,055.22</u>
Decreased by:											
Loan Principal Received	F-1/F-4	27,805.58	1,092.98	920.84	3,003.23	1,877.32	7,795.29	6,044.86	2,016.24	4,493.95	560.87
Loan Interest Received	F-1/F-4	1,195.30	35.81	34.18	122.29	32.83	539.67	32.49	67.72	281.48	48.83
		<u>29,000.88</u>	<u>1,128.79</u>	<u>955.02</u>	<u>3,125.52</u>	<u>1,910.15</u>	<u>8,334.96</u>	<u>6,077.35</u>	<u>2,083.96</u>	<u>4,775.43</u>	<u>609.70</u>
Balance, December 31, 2017	F	\$ <u>63,414.21</u>	\$ <u>1,994.99</u>	\$ <u>1,631.86</u>	\$ <u>5,894.50</u>	\$ <u>842.08</u>	\$ <u>29,006.28</u>	\$ <u>-</u>	\$ <u>3,088.75</u>	\$ <u>16,510.23</u>	\$ <u>4,445.52</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	8/1/12	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%	1.625%	1.750%
Repayment Term - Years			5	5	5	5	5	5	5	5	
Original Amount of Loan		\$ 165,000.00	\$ 5,000.00	\$ 5,000.00	\$ 15,000.00	\$ 10,000.00	\$ 40,000.00	\$ 50,000.00	\$ 10,000.00	\$ 25,000.00	\$ 5,000.00
Capitalized Interest		5,299.60	191.78	182.46	627.78	413.95	762.48	2,093.54	374.94	597.45	55.22
		<u>170,299.60</u>	<u>5,191.78</u>	<u>5,182.46</u>	<u>15,627.78</u>	<u>10,413.95</u>	<u>40,762.48</u>	<u>52,093.54</u>	<u>10,374.94</u>	<u>25,597.45</u>	<u>5,055.22</u>
Payments Made to Date on Loans		106,885.39	3,196.79	3,550.60	9,733.28	9,571.87	11,756.20	52,093.54	7,286.19	9,087.22	609.70
		<u>106,885.39</u>	<u>3,196.79</u>	<u>3,550.60</u>	<u>9,733.28</u>	<u>9,571.87</u>	<u>11,756.20</u>	<u>52,093.54</u>	<u>7,286.19</u>	<u>9,087.22</u>	<u>609.70</u>
Balance on Loans, December 31, 2017	F-3	\$ <u>63,414.21</u>	\$ <u>1,994.99</u>	\$ <u>1,631.86</u>	\$ <u>5,894.50</u>	\$ <u>842.08</u>	\$ <u>29,006.28</u>	\$ <u>-</u>	\$ <u>3,088.75</u>	\$ <u>16,510.23</u>	\$ <u>4,445.52</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, 2016	F		\$ 634,507.15
Increased by:			
Prior Year's Encumbrances	F-4	\$ 40,000.00	
Cash Receipts:			
Loan Principal and Interest Receipts:			
Reciprocal Loans	F-1, F-2	15,896.55	
Façade Loans	F-1, F-3	27,805.58	
Settlement	F-1	3,000.00	
Late Fees	F-1	34.74	
Prepaid Interest	F-1	2,094.16	
Paint Program - Reimbursement	F-1	536.00	
Interest Income - Deposits	F-1	674.31	
		90,041.34	
			724,548.49
Decreased by Disbursements:			
Façade Grants Awarded	F-1, F-4	50,750.00	
Façade Loans Awarded	F-1, F-3	5,000.00	
World Changers Program	F-1, F-4	26,942.54	
		82,692.54	
Balance, December 31, 2017	F		\$ 641,855.95

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

**PUBLIC ASSISTANCE FUND**  
**STATEMENT OF CASH - TREASURER**

	<u>Ref.</u>	
Balance, December 31, 2016	G	\$ 19,634.56
Increased by:		
Interest Income		19.35
		19,653.91
Decreased by:		
Cash Disbursements		313.56
		19,340.35
Balance, December 31, 2017	G	\$ 19,340.35

**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, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
General Fixed Assets:					
Land	\$ 18,406,960.52			(176,163.00)	\$ 18,230,797.52
Land Improvements	412,519.14	\$ 30,565.00	\$ 137.70	\$ (31,246.29)	411,700.15
Buildings and Improvements	4,730,183.72			(2,946.00)	4,727,237.72
Machinery, Equipment and Vehicles	<u>19,699,327.18</u>	<u>1,068,271.34</u>	<u>995,901.97</u>	<u>(768,634.96)</u>	<u>19,003,061.59</u>
	<u>\$ 43,248,990.56</u>	<u>\$ 1,098,836.34</u>	<u>\$ 996,039.67</u>	<u>\$ (978,990.25)</u>	<u>\$ 42,372,796.98</u>
<u>Ref.</u>	I				I

**TOWNSHIP OF NEPTUNE  
COUNTY OF MONMOUTH**

**PART II**

**SINGLE AUDIT SECTION**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

**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, 2017. 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, 2017.



## 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  
November 28, 2018

**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, 2017. 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, 2017.

## 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

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended December 31, 2017**

<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>
<b>Grant Fund:</b>			
US Department of Commerce:			
National Atmospheric and Oceanic Administration:			
Passed through the NJ Department of Environmental Protection:			
Office of Policy and Planning:			
Coastal Zone Management Administration Awards:			
Municipal Public Access Planning - 2015	042-4801-443-100	11.419	\$ <u>5,224.35</u>
Total Department of Commerce:			<u>5,224.35</u>
US Department of Housing and Urban Development:			
Passed through the NJ Department of Community Affairs:			
Sandy/Community Resiliency North Island	022-8022-34-001	14.269	17,288.75
Sandy/Community Resiliency SRH	022-8022-34-001	14.269	16,021.25
Sandy/Environmental Resources Inventory	022-8022-34-001	14.269	1,445.00
Sandy/Ord to Reduce Flood Risk	022-8022-34-001	14.269	13,036.75
Sandy/Parks, Rec, Open Space Master Plan	022-8022-34-001	14.269	6,106.25
Post Sandy Planning Grant - Land Development Ordinance	022-8022-34-001	14.269	472.50
Total US Department of Housing and Urban Development			<u>54,370.50</u>
US Department of Justice:			
2015 Bulletproof Vest Partnership Grant	2015-BUBX-15075777	16.607	190.39
2016 Bulletproof Vest Partnership Grant	2016-BUBX-16083058	16.607	4,107.11
Edward Byrne Memorial Justice Assistance Grant - 2016	2016-H3518-NJ-DJ	16.738	31,204.00
Total US Department of Justice			<u>35,501.50</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	3,400.00
Division of Highway Traffic Safety:			
2017 Drive Sober or Get Pulled Over	066-1160-157-100	20.616	5,500.00
2016 Click It or Ticket Seat Belt Mobilization	066-1160-113-100	20.616	5,500.00
2017 Distracted Driving Crackdown Grant	066-1160-113-100	20.616	5,500.00
Pipeline and Hazardous Materials Safety Administration			
Passed Through the NJ State Police			
NJSP HMEP Training Grant	HM-HMP-0560-16	20.703	27,500.00
Total US Department of Transportation			<u>47,400.00</u>
US Environmental Protection Agency:			
Brownfield Assessment Grants	96277216/9627416	66.818	48,720.82
Total Environmental Protection Agency			<u>48,720.82</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, 2017**

<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>
US Department of Health and Human Services: Passed Through the County of Monmouth: Senior Citizens - Title III Part B	DOAS17AAA015	93.044	\$ <u>25,000.00</u>
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	<u>1,151.95</u>
Total Department of Homeland Security			<u>1,151.95</u>
Total Grant Fund			<u>217,369.12</u>
<b>General Capital Fund:</b>			
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	620,963.11
Passed Through Mounmouth County Community Development Block Grant - 10th Ave.	G-14-56-892-140-234	14.218	<u>138,512.00</u>
Total US Department of Housing and Urban Development			<u>759,475.11</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 Emergency Management Performance Grants Flood Mitigation Assistance	066-1200-656-100	97.029	<u>359,174.13</u>
Total US Department of Homeland Security			<u>359,174.13</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	<u>453,883.61</u>
Total Department of Homeland Security			<u>813,057.74</u>
Total General Capital Fund			<u>1,572,532.85</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, 2017**

<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>
<b>Sewer Capital Fund:</b>			
US Environmental Protection Agency:			
Passed Through the NJ Department of Environmental Protection:			
NJEIT Fund	2-00007-410009	66.458	\$ <u>638,790.33</u>
Total Environmental Protection Agency			<u>638,790.33</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			
Disaster Grants - Public Assistance (Presidentially Decl:	066-1200-A92-100	97.036	<u>102.44</u>
Total Department of Homeland Security			<u>102.44</u>
Total Sewer Capital Fund			<u>638,892.77</u>
<b>Marina Capital:</b>			
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			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)			
Federal Emergency Management Assistance - Fe	066-1200-A92-100	97.036	<u>60,850.36</u>
Total Department of Homeland Security			<u>60,850.36</u>
Total Marina Capital Fund			<u>60,850.36</u>
Total Federal Awards			<u>\$ 2,489,645.10</u>
<b>Department Totals</b>			
US Department of Commerce			\$ 5,224.35
US Department of Housing and Urban Development			813,845.61
US Department of Justice			35,501.50
US Department of Transportation			47,400.00
US Environmental Protection Agency:			687,511.15
US Department of Health and Human Services			25,000.00
US Department of Homeland Security			<u>875,162.49</u>
Total Federal Awards			<u>\$ 2,489,645.10</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, 2017**

<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>
<b>Grant Fund:</b>					
NJ Department of Environmental Protection:					
Clean Communities Program	042-4900-765-004	Open	\$ 66,442.11	\$ 56,583.35	\$ 56,583.35
Hazardous Discharge Site Remediation - Childnese	042-4815-516-003	Open	193,092.36	47,832.51	89,991.75
Hazardous Discharge Site Remediation - Welsh Farms	042-4815-516-003	Open	60,320.00	35,343.85	48,785.05
Recycling Tonnage Grant - 2013	042-4910-100-224	Open	47,025.81	11,159.01	47,025.81
Recycling Tonnage Grant - 2014	042-4910-100-224	Open	46,194.61	46,194.61	46,194.61
Recycling Tonnage Grant - 2015	042-4910-100-224	Open	55,922.82	7,014.74	7,014.74
Recycling Tonnage Grant - 2016	042-4910-100-224	Open	36,443.44		
Recycling Tonnage Grant - 2017	042-4910-100-224	Open	31,198.70		
Total NJ Department of Environmental Protection			<u>536,639.85</u>	<u>204,128.07</u>	<u>295,595.31</u>
NJ Department of Law and Public Safety:					
Division of Highway Traffic Safety:					
Pedestrian Safety Grant - 2017	066-1160-100-131	7/1/2016-5/31/2017	7,000.00	4,025.00	7,000.00
Pedestrian Safety Grant - 2018	066-1160-100-131	7/1/2017-5/31/2018	6,500.00	2,145.00	2,145.00
Drunk Driving Enforcement Fund	066-6400-100-078	Open	11,076.81	1,421.24	11,076.81
Drunk Driving Enforcement Fund	066-6400-100-078	Open	12,245.14	2,179.65	2,179.65
Total NJ Division of Highway Traffic Safety			<u>36,821.95</u>	<u>9,770.89</u>	<u>22,401.46</u>
Division of Criminal Justice					
Body Armor Replacement Fund - 2014	066-1020-718-001	Open	6,742.00	50.22	6,742.00
Body Armor Replacement Fund - 2015	066-1020-718-001	Open	6,730.37	4,247.28	6,730.37
Body Armor Replacement Fund - 2016	066-1020-718-001	Open	6,514.90		
Body Armor Replacement Fund - 2017	066-1020-718-001	Open	6,766.92		
Total Division of Criminal Justice			<u>13,472.37</u>	<u>4,297.50</u>	<u>13,472.37</u>
Total NJ Department of Law and Public Safety			<u>50,294.32</u>	<u>14,068.39</u>	<u>35,873.83</u>
NJ Department of Community Affairs:					
Neighborhood Preservation Program - Balanced Housing	022-8020-100-092	N/A	270,183.39	10,212.18	269,334.92
Total NJ Department of Community Affairs			<u>270,183.39</u>	<u>10,212.18</u>	<u>269,334.92</u>
NJ Governor's Council on Alcoholism					
Municipal Alliance on Alcoholism and Drug Abuse	Not Available	7/1/16 - 6/30/17	63,915.00	32,390.14	63,915.00
Municipal Alliance on Alcoholism and Drug Abuse	Not Available	7/1/17 - 6/30/18	63,915.00	23,859.69	28,113.02
Total NJ Governor's Council on Alcoholism			<u>127,830.00</u>	<u>56,249.83</u>	<u>92,028.02</u>
Total State Awards Grant Fund			<u>\$ 984,947.56</u>	<u>\$ 284,658.47</u>	<u>\$ 692,832.08</u>

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

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**For The Year Ended December 31, 2017**

<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>
<b>General Capital Fund:</b>					
NJ Department of Transportation: Municipal Aid	<u>078-6320-480-ALW-6010</u>	Open	<u>250,000.00</u>	<u>205,192.50</u>	<u>250,000.00</u>
Total NJ Department of Transportation			<u>250,000.00</u>	<u>205,192.50</u>	<u>250,000.00</u>
NJ Department of Environmental Protection: Green Acres Loan	<u>042-4800-533-002</u>	N/A	<u>1,506,228.72</u>	<u>809,822.13</u>	<u>809,822.13</u>
Total NJ Department of Environmental Protection			<u>1,506,228.72</u>	<u>809,822.13</u>	<u>809,822.13</u>
Total State Awards General Capital Fund			\$ <u>1,756,228.72</u>	\$ <u>1,015,014.63</u>	\$ <u>1,059,822.13</u>
<b>Sewer Capital Fund:</b>					
NJ Department of Environmental Protection: NJEIT Loan	<u>2-00007-410009</u>	Open	<u>315,000.00</u>	<u>245,000.00</u>	<u>245,000.00</u>
Total NJ Department of Environmental Protection			<u>315,000.00</u>	<u>245,000.00</u>	<u>245,000.00</u>
Total State Awards Sewer Capital Fund			\$ <u>315,000.00</u>	\$ <u>245,000.00</u>	\$ <u>245,000.00</u>
<b>Marina Capital:</b>					
NJ Department of Environmental Protection: Marina Site Remediation	N/A	Open	<u>169,435.00</u>	<u>122,399.50</u>	<u>122,399.50</u>
Total NJ Department of Environmental Protection			<u>169,435.00</u>	<u>122,399.50</u>	<u>122,399.50</u>
Total State Awards Marina Capital Fund			\$ <u>169,435.00</u>	\$ <u>122,399.50</u>	\$ <u>122,399.50</u>
Total State Awards			\$ <u>3,225,611.28</u>	\$ <u>1,667,072.60</u>	\$ <u>2,120,053.71</u>
Departments					
NJ Department of Environmental Protection				\$ 1,381,349.70	
NJ Department of Law and Public Safety				14,068.39	
NJ Department of Community Affairs				10,212.18	
NJ Department of State				56,249.83	
NJ Department of Transportation				205,192.50	
Total Departments				\$ <u>1,667,072.60</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, 2017**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards and schedule of expenditures of state financial assistance 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, 2017. 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, 2017 are as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Green Acres		\$731,534.53	\$731,534.53
NJEIT - Trust		230,000.00	230,000.00
NJEIT - Fund	<u>\$589,652.63</u>		<u>589,652.63</u>
Total	<u>\$589,652.63</u>	<u>\$961,534.53</u>	<u>\$1,551,187.16</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, 2017**

**NOTE 5. RELATIONSHIP TO THE FINANCIAL STATEMENTS**

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

Expenditures:	<u>Federal (SEFA)</u>	<u>State (SESFA)</u>	<u>Total</u>
Grant Fund General	\$217,369.12	\$284,658.47	\$502,027.59
Capital Fund Sewer	1,572,532.85	205,192.50	1,777,725.35
Capital Fund Marina	102.44		102.44
Capital Fund	<u>60,850.36</u>	<u>122,399.50</u>	<u>183,249.86</u>
Total fund expenditures	<u>1,850,854.77</u>	<u>612,250.47</u>	<u>2,463,105.24</u>
Loans (beginning balance):			
General Capital		809,822.13	809,822.13
Sewer Capital	<u>638,790.33</u>	<u>245,000.00</u>	<u>883,790.33</u>
Total Loans	<u>638,790.33</u>	<u>1,054,822.13</u>	<u>1,693,612.46</u>
Total Schedule of Awards	<u>\$2,489,645.10</u>	<u>\$1,667,072.60</u>	<u>\$4,156,717.70</u>

**TOWNSHIP OF NEPTUNE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**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?	<u>  X  </u>	Yes	<u>      </u>	No
Significant deficiency(ies) identified?	<u>      </u>	Yes	<u>  X  </u>	None reported
Noncompliance material to financial statements noted?	<u>      </u>	Yes	<u>  X  </u>	No

**a) Federal Awards**

Internal Control over major programs:

Material weakness(es) identified?	<u>      </u>	Yes	<u>  X  </u>	No
Significant deficiency(ies) identified?	<u>      </u>	Yes	<u>  X  </u>	None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	<u>      </u>	Yes	<u>  X  </u>	No
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Identification of major state programs:

Name of State Program or Cluster

CDBG - Post Sandy Planning Grant – CFDA# 14.269  
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?	<u>      </u>	Yes	<u>  X  </u>	No
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**TOWNSHIP OF NEPTUNE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Section II – Financial Statement Findings**

**Material Weakness in Internal Control Over Financial Reporting**

**Comment 2017-001:**

**Condition:**

The general ledger was incomplete at the time of audit. There were subsidiary ledgers that were not properly reconciled to control totals at the time of audit. There were revenues and expenditures that were charged/credited to inappropriate accounts. There were ordinances that had not yet been approved but were recorded in the General Ledger.

**Criteria:**

N.J.A.C. 5:30-5.7

**Context:**

During our basic audit procedures, we noted that numerous account balances in and among the funds needed to be corrected.

**Cause:**

There is a material weakness in one or all of the following: the design, implementation and monitoring over internal controls related to the preparation of financial statements that are presented fairly in accordance with New Jersey Statutes.

**Effect:**

Financial statements prepared from the general ledger may be materially misstated.

**Recommendation:**

Internal controls over the preparation and fair presentation of financial statements in accordance with the accounting principles promulgated by the Division of Local Government Services should be reviewed and revised as needed to reasonably ensure the accounting policies of the governing body and those of the Division of Local Government Services are being carried out as intended.

**Management's Response:**

Immediate action has been taken to improve internal controls so as to assure the maintenance of an accurate and complete general ledger. The 2018 and 2019 Cash Management Plan/Finance Policy has been updated to reinforce appropriate GASB compliant internal controls that will reduce the possibility of such posting errors in the future. 2017 efforts to maintain an accurate general ledger were hampered by posting errors that were a result of a communication error and the involvement of four new employees in the finance department who have since received additional training and have been counseled on the proper procedures for posting grant revenues and expenditures so as to avoid mistakes such as what had occurred in 2017.

Specifically, an ordinance was posted before it was approved, a grant was posted without proper approval from the State and an encumbrance was authorized against a grant prior to its' proper approval. In addition, a balance in the payroll agency fund which had been resolved in 2016, was reversed and recreated in 2017. All of these matters have since been resolved and it is expected that the 2018 general ledger will be in compliance with state regulations and our expectations.

**TOWNSHIP OF NEPTUNE**

**COUNTY OF MONMOUTH**

**PART III**

**SCHEDULE OF COMMENTS AND RECOMMENDATIONS**

**GENERAL COMMENTS**

**OFFICIALS IN OFFICE AND SURETY BONDS**

**APPRECIATION**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

**TOWNSHIP OF NEPTUNE  
SCHEDULE OF COMMENTS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Material Weakness**

**Comment 2017-001:**

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.

**Recommendation:**

Internal controls over the preparation and fair presentation of financial statements in accordance with the accounting principles promulgated by the Division of Local Government Services should be reviewed and revised as needed to reasonably ensure the accounting policies of the governing body and those of the Division of Local Government Services are being carried out as intended.

**Other Comments**

**Comment 2017-002:**

Various ordinances in the Township's capital funds have cash deficits.

**Recommendation:**

That adequate cash funding be in place prior to commitments being placed against an ordinance.

**Comment 2017-003:**

Our testing of the Inspection Fee Escrow, Developers Escrow and Special Escrow accounts revealed the following deficiencies: (a) inspection fee account overdrafts; (b) bank interest was improperly credited to applicant and Township accounts; and (c) an unidentified balance in the Developer Escrow and Special Escrow accounts.

**Recommendation:**

Internal controls should be assessed to ensure that escrow accounts are accounted for and administered as intended by the policies of the governing body and the Division of Local Government Services.

**Comment 2017-004:**

Interfunds receivable and payable are reflected on the various balance sheets of the funds at December 31, 2017.

**Recommendation:**

That all funds be liquidated prior to year end.

**TOWNSHIP OF NEPTUNE  
SCHEDULE OF COMMENTS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Other Comments (continued)**

**Comment 2017-005:**

Our examination of 2017 tax appeals revealed that three of thirteen appeals used incorrect tax rates.

**Recommendation:**

When inputting tax judgements the judgement should be recalculated manually and checked against what the software has calculated in order to verify the proper tax rate is being applied.

**Comment 2017-006:**

Our testing of expenditures revealed deficiencies in the application of the Township's internal control policies and procedures over expenditures. We noted the following: (a) math inaccuracies; (b) invoices dated prior to the purchase order date; (c) IRS form 1099 was not issued to qualifying vendors; (d) missing voucher packages; and (e) unable to determine proper charge to the budget.

**Recommendation:**

That the Township adhere to its internal control policies and procedures over expenditures.

**Comment 2017-007:**

The Annual Debt Statement does not agree with the audit report.

**Recommendation:**

An amended Annual Debt Statement should be filed.

**Comment 2017-008:**

Our testing of Construction Office permits revealed the following deficiencies: (a) building sub-code fees were incorrectly calculated; and (b) plumbing sub-code fee were overcharged.

**Recommendation:**

Management should assess the internal controls in place and improve upon those internal controls to reasonably ensure the fees are being calculated correctly and charge correctly.



**TOWNSHIP OF NEPTUNE  
SCHEDULE OF COMMENTS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Other Comments (continued)**

**Comment 2017-009:**

The annual UCC report submitted to the state was not complete.

**Recommendation:**

Policies and procedures should be adopted related to the preparations of the Annual UCC report that is submitted to the state. Internal controls should be designed and implemented to ensure the Annual report is completed in accordance with the objective of the policy of the governing body, state regulations and Local Finance Notice. A revised report should be submitted to the state.

**Comment 2017-010:**

During our examination of the various grants, we noted there was revenue that was not applied to appropriate receivable accounts, and furthermore, we noted the relationships between many of the receivable balances and reserve balances are not what would be considered normal given the activity within the accounts.

**Recommendation:**

That grant receivables and grant reserves should be investigated and appropriate action taken. In addition, written policies and procedures should be implemented to ensure that grant receivables and reserves are properly reflected in the Township's financial statements.

**Library:**

**Comment 2017-011:**

In the library, there are stale encumbered purchase orders.

**Recommendation:**

Purchase orders should be reviewed for cancellation on a recurring basis.

**Court**

**Comment 2017-012:**

On a monthly basis, the Municipal Court general 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 should be investigated and fully resolved in the month following the reporting month.

**TOWNSHIP OF NEPTUNE  
SCHEDULE OF COMMENTS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Other Comments (continued)**

**Court (continued)**

**Comment 2017-013:**

The December 2017 monthly management report was unavailable for examination.

**Recommendation:**

That the court maintain monthly management reports for one year per the records retention schedule.

**Comment 2017-014:**

Interest earned on the general and bail bank accounts is not disbursed monthly.

**Recommendation:**

That interest is disbursed monthly.

## 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:

- Replacement of Senior Center Roof
- 2016 Road Improvement Program
- Sunshine Village Park Track Improvements
- Improvements to 10<sup>th</sup> Avenue
- Fleet Management and Maintenance
- Lake Alberta Dredging and Drainage Improvements
- Mack LR613 Labrie Expert 33cy Refuse Truck
- Municipal Complex Roof Project
- Removal of Brush
- Removal of Leaves
- Bulk Waste Disposal

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

## GENERAL COMMENTS (continued)

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

professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered”.

### Collection of Interest on Delinquent Tax, Assessments and Sewer Charges

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

The Governing Body, on January 1, 2017, 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 April 27, 2017.

**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>
Dr. Michael Brantley	Mayor
Nicholas Williams	Deputy Mayor
Kevin B. Mc Millan	Committeeman
Carol Rizzo	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 desire to 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 Registered Municipal  
Accountant #506  
For the Firm  
FALLON & COMPANY LLP