

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

YEAR ENDED

DECEMBER 31, 2021

Oliwa & Company
Certified Public Accountants

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2021

Table of Contents

Part I

	<u>Pages</u>
Independent Auditor's Report	1-3
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	4-6
<u>Financial Statements</u>	<u>Exhibit</u>
<u>Current Fund</u>	
Comparative Balance Sheet - Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	A-1
Statement of Revenues - Regulatory Basis	A-2
Statement of Expenditures - Regulatory Basis	A-3
<u>Trust Fund</u>	
Comparative Balance Sheet - Regulatory Basis	B
<u>General Capital Fund</u>	
Comparative Balance Sheet - Regulatory Basis	C
Comparative Statement of General Capital Fund Balance - Regulatory Basis	C-1
<u>Sewer Utility Fund</u>	
Comparative Balance Sheet - Regulatory Basis	D
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	D-1
Statement of Revenues - Regulatory Basis	D-2
Statement of Expenditures - Regulatory Basis	D-3

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2021

Table of Contents

Part I
(Continued)

<u>Financial Statements</u>	<u>Exhibit</u>
<u>Public Assistance Trust Fund</u>	
Comparative Balance Sheet - Regulatory Basis	E
<u>General Fixed Assets Account Group</u>	
Comparative Balance Sheet - Regulatory Basis	F
<u>Notes to Financial Statements</u>	<u>Pages</u> 7-35

Part II

<u>Supplementary Schedules</u>	<u>Schedule</u>
<u>Current Fund</u>	
Schedule of Cash	A-4
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-5
Schedule of Tax Title Liens	A-6
Schedule of Property Acquired for Taxes at Assessed Valuation	A-7
Schedule of Revenue Accounts Receivable	A-8
Schedule of Appropriation Reserves	A-9
Schedule of County Taxes Payable	A-10
Schedule of Local District School Tax Payable	A-11
Schedule of Grants Receivable - Federal and State Grant Fund	A-12
Schedule of Appropriated Reserves - Federal and State Grant Fund	A-13
Schedule of Unappropriated Reserves - Federal and State Grant Fund	A-14

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2021

Table of Contents

Part II
(Continued)

Supplementary Schedules

Schedule

Trust Fund

Schedule of Cash	B-1
Schedule of Reserve for Animal Control Fund Expenditures	B-2
Schedule of Due to State of New Jersey - Animal Control Fund	B-3
Schedule of Various Reserves - Other Trust Fund	B-4
Schedule of Length of Service Award Program Fund Investments	B-5
Schedule of Reserve for Length of Service Award Program Fund	B-6

General Capital Fund

Schedule of Cash	C-2
Schedule of Analysis of General Capital Fund Cash	C-3
Schedule of Deferred Charges to Future Taxation - Unfunded	C-4
Schedule of Grants Receivable	C-5
Schedule of Capital Improvement Fund	C-6
Schedule of Improvement Authorizations	C-7
Schedule of Bond Anticipation Notes	C-8
Schedule of Lease Obligations Payable	C-9
Schedule of Bonds and Notes Authorized but Not Issued	C-10

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2021

Table of Contents

Part II
(Continued)

<u>Supplementary Schedules</u>	<u>Schedule</u>
<u>Sewer Utility Fund</u>	
Schedule of Cash	D-4
Schedule of Analysis of Sewer Utility Capital Fund Cash	D-5
Schedule of Consumer Accounts Receivable	D-6
Schedule of Appropriation Reserves	D-7
Schedule of Sewer Rent Prepayments	D-8
Schedule of Encumbrances Payable	D-9
Schedule of Fixed Capital	D-10
Schedule of Fixed Capital Authorized and Uncompleted	D-11
Schedule of Improvement Authorizations	D-12
Schedule of Capital Improvement Fund	D-13
Schedule of Reserve for Amortization	D-14
Schedule of Deferred Reserve for Amortization	D-15
<u>General Fixed Assets Account Group</u>	
Schedule of Investment in General Fixed Assets	F-1
<u>Part III</u>	
 	<u>Pages</u>
<u>Comments Section</u>	36-42
<u>Part V</u>	
<u>Comments and Recommendations</u>	<u>Page</u> 43

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART I

INDEPENDENT AUDITOR'S REPORTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Oliwa & Company

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and the general fixed assets account group of the Borough of Neptune City, County of Monmouth, State of New Jersey (the "Borough") as of December 31, 2021, and the related statement of operations and change in fund balance - regulatory basis for the year then ended, the related statement of fund balance - regulatory basis for the year then ended, the statement of revenues - regulatory basis for the year then ended and the statement of expenditures - regulatory basis for the year then ended of the various funds, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the Current Fund, General Capital Fund, Sewer Utility Fund, Public Assistance Trust Fund and the General Fixed Assets Account Group of the Borough as of December 31, 2021, and the statement of operations and change in fund balance - regulatory basis for the year then ended, the statement of fund balance - regulatory basis for the year then ended, the statement of revenues - regulatory basis for the year then ended and the statement of expenditures - regulatory basis of the various funds for the year then ended in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the Basis for Unmodified, Qualified and Adverse Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the balance sheet - regulatory basis of the Trust Fund of the Borough as of December 31, 2021 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Opinions (continued)

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter described in the Basis for Unmodified, Qualified and Adverse Opinions section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2021, or the results its operations and the changes in fund balance for the year then ended.

Basis for Unmodified, Qualified and Adverse Opinions

We conducted our audit 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. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified, qualified and adverse audit opinions.

Matter Giving Rise to Qualified Opinion on Regulatory Basis of Accounting

The financial statements of the Length of Service Award Program ("LOSAP") Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 28.54% of the assets, liabilities and reserves of the Borough's Trust Fund as of December 31, 2021.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the Borough 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 meet 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 and pervasive.

Other Matter

The financial statements of the Borough for the year ended December 31, 2020, were audited by another auditor, who expressed an adverse opinion as to conformity with accounting principles generally accepted in the United States of America and a qualified opinion as to conformity with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

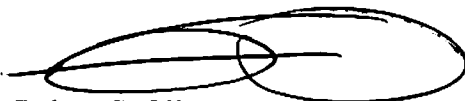
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements - regulatory basis that collectively comprise the Borough's basic financial statements. The supplementary schedules as listed 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic 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 August 29, 2022, on our consideration of the Borough'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough's internal control over financial reporting and compliance.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
August 29, 2022

Oliwa & Company

Certified Public Accountants

**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 Borough Council
Borough of Neptune City
County of Monmouth
Neptune City, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the regulatory basis financial statements of the Borough of Neptune City, County of Monmouth, State of New Jersey (the "Borough") as of and for the year ended December 31, 2021, and the related notes to the regulatory basis financial statements, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated August 29, 2022, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We expressed unmodified opinions on the regulatory basis financial statements of the Current Fund, General Capital Fund, Sewer Utility Fund, Public Assistance Trust Fund and the General Fixed Assets Account Group as to conformity with the financial reporting provisions of the Division, and a qualified opinion on the regulatory basis financial statements of the Trust Fund because the Length of Service Award Program Fund was not audited.

Report on Internal Control Over Financial Reporting

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

Report on Internal Control Over Financial Reporting (continued)

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


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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's regulatory basis 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
August 29, 2022

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Cash and Cash Equivalents:			
Cash	A-4	\$4,723,995.69	\$4,273,794.79
Change Funds		945.00	595.00
Investment in Capital Notes	C-8	923,502.95	1,033,596.49
		<u>5,648,443.64</u>	<u>5,307,986.28</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	361,263.02	361,416.97
Tax Title Liens Receivable	A-6	308.19	13,670.19
Property Acquired for Taxes - Assessed Valuation	A-7	29,300.00	29,300.00
Revenue Accounts Receivable	A-8	5,177.80	8,655.60
Due from Employees		3,187.50	228.00
	A	<u>399,236.51</u>	<u>413,270.76</u>
		<u>6,047,680.15</u>	<u>5,721,257.04</u>
Federal and State Grant Fund:			
Due from Current Fund		282,415.60	61,176.81
Grants Receivable	A-12	199,156.99	195,584.00
		<u>481,572.59</u>	<u>256,760.81</u>
		<u>\$6,529,252.74</u>	<u>\$5,978,017.85</u>

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Liabilities:			
Appropriation Reserves	A-3:A-9	\$314,322.76	\$416,913.06
Reserve for Encumbrances	A-3:A-9	150,019.25	57,571.99
Accounts Payable		104,876.80	60,000.00
Prepaid Taxes		230,518.46	172,009.42
Tax Overpayments		30,185.01	27,517.47
County Taxes Payable	A-10	2,985.86	5,730.72
Local School District Tax Payable	A-11	2,048,285.88	1,978,726.38
Due to Federal and State Grant Fund		282,415.60	61,176.81
Due to Public Assistance Fund		31,489.58	31,489.58
Due to State of New Jersey for:			
Marriage License Fees		200.00	175.00
PL 1971, Ch.20		369.24	1,369.24
Training Fees		1,443.00	2,057.00
Reserve for:			
Superstorm Sandy		2,917.78	2,917.78
Prepaid Revenue		1,000.00	
Active Shooter Program		42,841.63	6,073.48
Donations		689.47	689.47
Master Plan		11,100.00	11,100.00
Off Duty Police		927.50	927.50
		<u>3,256,587.82</u>	<u>2,836,444.90</u>
Reserves for Receivables and Other Assets	A	399,236.51	413,270.76
Fund Balance	A-1	<u>2,391,855.82</u>	<u>2,471,541.38</u>
		<u>6,047,680.15</u>	<u>5,721,257.04</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-13	227,888.78	234,556.90
Reserve for Encumbrances	A-13	2,891.21	20,859.90
Unappropriated Reserves	A-14	249,448.59	
Due to Grantor		1,344.01	1,344.01
		<u>481,572.59</u>	<u>256,760.81</u>
		<u>\$6,529,252.74</u>	<u>\$5,978,017.85</u>

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$1,262,600.00	\$1,000,000.00
Miscellaneous Revenue Anticipated	A-2	1,121,320.13	1,074,652.03
Receipts from Delinquent Taxes	A-2	363,264.76	450,312.51
Receipts from Current Taxes	A-2	14,499,624.38	14,357,178.68
Non-Budget Revenues	A-2	237,683.83	97,813.98
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-9	245,847.71	422,642.18
Cancelled Appropriated Grant Reserves	A-13		12,500.00
Due from Employees			2,736.00
Cancel Other Trust Fund Balances	A-4	139,963.72	
Other Income	A-4	360.00	
Total Income		17,870,664.53	17,417,835.38
Expenditures:			
Budget Appropriations within "CAPS":			
Operations:			
Salaries and Wages	A-3	3,324,660.00	3,245,297.00
Other Expenses	A-3	2,259,915.00	2,174,688.00
Deferred Charges and Statutory Expenditures	A-3	860,993.00	808,696.00
Budget Appropriations Excluded from "CAPS":			
Operations:			
Salaries and Wages	A-3	120,000.00	120,000.00
Other Expenses	A-3	350,954.92	279,243.34
Capital Improvements	A-3		151,000.00
Municipal Debt Service	A-3	360,000.00	360,000.00
Deferred Charges	A-3		104.07
County Taxes	A-10	1,939,282.55	1,915,538.91
Local District School Tax	A-11	7,446,582.00	7,307,463.00
Refund of Prior Year Revenue	A-4	637.50	
Prior Year Tax Appeal Granted	A-4	128.30	
Reserve for Due from Employees		2,959.50	
Active Shooter Program Adjustment		21,248.27	
Cancelled Appropriated Grants Receivable			10,000.00
Prior Year Deductions Disallowed		389.05	250.00
Total Expenditures		16,687,750.09	16,372,280.32

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Excess in Revenue		\$1,182,914.44	\$1,045,555.06
Fund Balance January 1	A	<u>2,471,541.38</u>	<u>2,425,986.32</u>
		3,654,455.82	3,471,541.38
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>1,262,600.00</u>	<u>1,000,000.00</u>
Fund Balance December 31	A	<u><u>\$2,391,855.82</u></u>	<u><u>\$2,471,541.38</u></u>

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2021

		<u>Anticipated</u>			
	<u>Ref.</u>	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$1,262,600.00		\$1,262,600.00	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-8	9,000.00		9,160.00	\$160.00
Other Licenses	A-8	11,511.50		13,480.00	1,968.50
Fines and Costs - Municipal Court	A-8	90,000.00		102,337.73	12,337.73
Interest and Costs on Taxes	A-8	89,485.80		77,018.66	(12,467.14)
Trailer Park Licenses	A-8	13,200.00		14,400.00	1,200.00
Payment in Lieu of Taxes	A-8	9,000.00		60,000.00	51,000.00
Certificates of Occupancy	A-8	12,000.00		11,508.00	(492.00)
Fire Prevention Bureau - Permits	A-8	7,500.00		26,098.00	18,598.00
Community Center Fees	A-8	1,500.00		13,060.00	11,560.00
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	A-8	477,866.00		477,866.00	
Uniform Construction Code Fees	A-8	50,000.00		102,513.00	52,513.00
Shared Services Agreement - Active Shooter Program	A-8		\$13,000.00	13,000.00	
Recycling Tonnage	A-12	14,381.64		14,381.64	
Safe and Secure Communities Program	A-12	32,400.00		32,400.00	
NJ Body Armor	A-12	1,604.89		1,604.89	
Bullet Proof Vest Program	A-12		4,428.39	4,428.39	

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Miscellaneous Revenues (continued):					
Utility Operating Surplus of Prior Year	A-8	\$60,000.00		\$60,000.00	
Cable Television Franchise Fee	A-8	74,100.00		74,131.39	\$31.39
Uniform Fire Safety Act	A-8	8,000.00		13,932.43	5,932.43
	A-1	961,549.83	\$17,428.39	1,121,320.13	142,341.91
Receipts from Delinquent Taxes	A-1:A-2	358,000.00		363,264.76	5,264.76
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-5	5,449,572.92		5,886,388.05	436,815.13
Budget Totals		8,031,722.75	17,428.39	8,633,572.94	\$584,421.80
Non-Budget Revenues	A-1:A-2			237,683.83	
		<u>\$8,031,722.75</u>	<u>\$17,428.39</u>	<u>\$8,871,256.77</u>	
	<u>Ref.</u>	A-3	A-3		

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1:A-5	\$14,499,624.38
Allocated to School, County, Special District and Local Open Space Taxes		<u>9,385,864.55</u>
Balance for Support of Municipal Budget Appropriations		5,113,759.83
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>772,628.22</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$5,886,388.05</u></u>
<u>Receipts from Delinquent Taxes</u>		
Delinquent Tax Collections	A-5	\$347,897.22
Tax Title Lien Collections	A-6	<u>15,367.54</u>
	A-2	<u><u>\$363,264.76</u></u>

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2021

Analysis of Non-Budget Revenues

Joint Insurance Fund Dividend	\$147,919.78
Interest on Deposits	16,272.07
Street Opening Permits	13,750.00
Lease of Community Center	13,400.00
Other	11,187.09
Rental Fees	7,875.00
Police Special Duty Fee	7,830.00
Kayak Rental Fees	5,300.00
Abandoned Property Registration	3,500.00
Land Use Board Fees	3,146.08
Reimbursed Trash Collection	1,908.73
Recycling Fees	1,367.00
Board of Health	1,202.00
Vending Machine	948.00
Community Center Registration Fees	690.00
Library Fines	418.08
Duplicate Bill Fees	405.00
Report Fees	305.00
Truck Rental	150.00
Property Owners List	110.00
	<u>\$237,683.83</u>

Ref. A-1:A-2:A-4

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
GENERAL GOVERNMENT					
Administrator's Office:					
Salaries and Wages	\$59,200.00	\$59,200.00	\$58,216.78	\$983.22	
Other Expenses	22,000.00	16,400.00	14,497.62	1,902.38	
Mayor and Council:					
Salaries and Wages	41,100.00	41,100.00	40,914.19	185.81	
Other Expenses	2,750.00	2,750.00	2,735.20	14.80	
Municipal Clerk's Office:					
Salaries and Wages	54,600.00	54,600.00	54,600.00		
Other Expenses	18,450.00	18,450.00	11,812.63	6,637.37	
Financial Administration:					
Salaries and Wages	18,250.00	30,350.00	30,254.36	95.64	
Other Expenses	500.00	500.00	110.16	389.84	
Audit Services:					
Other Expenses	12,500.00	12,500.00	12,500.00		
Central Postage:					
Other Expenses	10,000.00	10,000.00	7,546.69	2,453.31	
Collection of Taxes:					
Salaries and Wages	42,700.00	35,100.00	35,100.00		
Other Expenses	4,200.00	4,200.00	3,084.82	1,115.18	
Assessment of Taxes:					
Salaries and Wages	25,300.00	25,300.00	24,242.40	1,057.60	
Other Expenses	14,100.00	14,100.00	944.01	13,155.99	

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
GENERAL GOVERNMENT					
Legal Services:					
Other Expenses	\$25,000.00	\$40,000.00	\$34,263.10	\$5,736.90	
Engineering Services and Costs:					
Other Expenses	15,000.00	25,000.00	25,000.00		
Information Technology:					
Other Expenses	62,000.00	58,500.00	54,640.91	3,859.09	
Planner:					
Other Expenses	3,000.00	3,000.00		3,000.00	
LAND USE ADMINISTRATION					
Land Use Board:					
Salaries and Wages	11,900.00	13,000.00	12,991.18	8.82	
Other Expenses	10,000.00	10,000.00	8,018.16	1,981.84	
CODE ENFORCEMENT					
Code Enforcement Office:					
Salaries and Wages	23,650.00	23,650.00	23,647.65	2.35	
Other Expenses	500.00	500.00	114.23	385.77	
INSURANCE					
General Liability	102,480.00	102,480.00	102,480.00		
Workers Compensation	77,235.00	77,235.00	77,235.00		
Employee Group Insurance	785,000.00	785,000.00	768,549.94	16,450.06	
Health Benefits Waiver	18,800.00	18,800.00	17,533.33	1,266.67	

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
PUBLIC SAFETY FUNCTIONS					
Police:					
Crossing Guards					
Salaries and Wages	\$30,000.00	\$28,000.00	\$25,604.00	\$2,396.00	
Clerical					
Salaries and Wages	71,200.00	73,200.00	73,043.06	156.94	
Officers					
Salaries and Wages	1,877,035.00	1,877,035.00	1,870,490.67	6,544.33	
Other Expenses	180,000.00	180,000.00	166,517.88	13,482.12	
First Aid Organization:					
Aid to Volunteer Ambulance Company	8,800.00	8,800.00	8,800.00		
Fire:					
Fire Hydrant Service	45,000.00	45,000.00	32,488.88	12,511.12	
Other Expenses	36,750.00	36,750.00	34,083.39	2,666.61	
Fire Prevention Bureau					
Salaries and Wages	12,950.00	14,050.00	14,050.00		
Other Expenses	3,000.00	3,000.00	2,920.84	79.16	
Emergency Management:					
Other Expenses	9,500.00	9,500.00	6,586.10	2,913.90	
Municipal Prosecutor					
Salaries and Wages	36,800.00	36,800.00	27,421.13	9,378.87	

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
PUBLIC WORKS FUNCTIONS					
Road Repair and Maintenance:					
Salaries and Wages	\$576,000.00	\$576,000.00	\$573,002.17	\$2,997.83	
Other Expenses	35,400.00	35,400.00	33,520.29	1,879.71	
Other Public Works Functions:					
Traffic Lights	8,000.00	8,000.00	2,248.60	5,751.40	
Solid Waste Collection:					
Salaries and Wages	5,400.00	5,400.00	5,381.39	18.61	
Other Expenses	370,700.00	370,700.00	361,028.28	9,671.72	
Public Buildings and Grounds:					
Salaries and Wages	22,600.00	28,600.00	27,783.83	816.17	
Other Expenses	45,000.00	45,000.00	44,961.01	38.99	
Maintenance of Borough Vehicles:					
Other Expenses	65,000.00	65,000.00	60,380.00	4,620.00	

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
HEALTH AND HUMAN SERVICES					
Animal Control:					
Other Expenses	\$13,800.00	\$13,800.00	\$13,800.00		
PARKS AND RECREATION					
Parks and Playgrounds:					
Other Expenses	14,500.00	14,500.00	12,602.32	\$1,897.68	
Community Center:					
Salaries and Wages	122,725.00	116,725.00	98,295.97	18,429.03	
Other Expenses	16,950.00	16,950.00	5,296.44	11,653.56	
EDUCATION					
Expenses in Participation in County Library:					
Salaries and Wages	51,800.00	41,800.00	38,494.91	3,305.09	
Other Expenses	3,750.00	3,750.00	591.61	3,158.39	

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
MUNICIPAL COURT					
Municipal Court:					
Salaries and Wages	\$163,500.00	\$163,500.00	\$161,658.50	\$1,841.50	
Other Expenses	6,650.00	6,650.00	1,669.03	4,980.97	
Public Defender:					
Salaries and Wages	12,400.00	12,400.00	8,845.54	3,554.46	
UNIFORM CONSTRUCTION CODE					
State Uniform Construction Code					
Construction Official:					
Salaries and Wages	31,925.00	31,925.00	31,078.58	846.42	
Other Expenses	1,300.00	1,300.00	449.85	850.15	
Sub-Code Officials:					
Building Inspectors					
Salaries and Wages	34,525.00	36,925.00	36,878.77	46.23	
Other Expenses	500.00	500.00		500.00	

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

A-3
Sheet 7 of 11

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
Celebration of Public Events	\$6,000.00	\$6,000.00	\$4,157.93	\$1,842.07	
<u>UNCLASSIFIED</u>					
Utilities					
Electricity	34,000.00	19,000.00	13,518.88	5,481.12	
Street Lighting	34,000.00	34,000.00	27,883.69	6,116.31	
Telephone	28,000.00	28,000.00	27,701.26	298.74	
Water	5,800.00	5,800.00	5,800.00		
Natural Gas	16,000.00	16,000.00	16,000.00		
Gasoline	27,000.00	27,000.00	26,929.98	70.02	
Condo Services	60,000.00	60,000.00		60,000.00	
Total Operations - Within "CAPS"	<u>5,584,475.00</u>	<u>5,584,475.00</u>	<u>5,322,997.14</u>	<u>261,477.86</u>	
Contingent	100.00	100.00		100.00	
Total Operations Including Contingent - Within "CAPS"	<u>5,584,575.00</u>	<u>5,584,575.00</u>	<u>5,322,997.14</u>	<u>261,577.86</u>	
Detail:					
Salaries and Wages	3,325,560.00	3,324,660.00	3,271,995.08	52,664.92	
Other Expenses (including Contingent)	<u>2,259,015.00</u>	<u>2,259,915.00</u>	<u>2,051,002.06</u>	<u>208,912.94</u>	

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Deferred Charges and Statutory Expenditures Within "CAPS"</u>					
STATUTORY EXPENDITURES					
Contribution to:					
Public Employees' Retirement System of N.J.	\$164,535.00	\$164,535.00	\$164,535.00		
Social Security System (O.A.S.I.)	140,000.00	140,000.00	138,761.15	\$1,238.85	
Police and Firemen's Retirement System of N.J.	554,458.00	554,458.00	554,158.00	300.00	
Defined Contribution Retirement Program	2,000.00	2,000.00	423.71	1,576.29	
Deferred Charges and Statutory Expenditures Within "CAPS"	<u>860,993.00</u>	<u>860,993.00</u>	<u>857,877.86</u>	<u>3,115.14</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>6,445,568.00</u>	<u>6,445,568.00</u>	<u>6,180,875.00</u>	<u>264,693.00</u>	

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
Length of Service Awards Program:					
Other Expenses	\$30,000.00	\$30,000.00		\$30,000.00	
Total Other Operations - Excluded from "CAPS"	<u>30,000.00</u>	<u>30,000.00</u>		<u>30,000.00</u>	
SHARED SERVICE AGREEMENTS					
RECIPIENT					
Borough of Bay Head					
Financial Administration	35,740.00	35,740.00	34,988.00	752.00	
County of Monmouth					
Police Dispatch - 911 System	145,800.00	145,800.00	145,770.00	30.00	
Township of Neptune					
Reverse 911	2,800.00	2,800.00	2,800.00		
Emergency Services	40,000.00	40,000.00	34,962.24	5,037.76	
Recycling	45,000.00	45,000.00	36,190.00	8,810.00	
Bradley Beach					
Prisoner Processing	13,200.00	13,200.00	13,200.00		
PROVIDER					
Active Shooter Program (40A:4-87, \$13,000.00+)		13,000.00	13,000.00		
Total Interlocal Municipal Service Agreements	<u>282,540.00</u>	<u>295,540.00</u>	<u>280,910.24</u>	<u>14,629.76</u>	

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Matching Funds for Grants	\$5,000.00	\$5,000.00		\$5,000.00	
Recycling Tonnage	14,381.64	14,381.64	\$14,381.64		
NJ Body Armor					
Bullet Proof Vest Program (40A:4-87, \$4,428.39+)		4,428.39	4,428.39		
Safe and Secure Communities - Salaries and Wages	120,000.00	120,000.00	120,000.00		
Cops in Shops	1,604.89	1,604.89	1,604.89		
Total Public and Private Programs Offset by Revenues	<u>140,986.53</u>	<u>145,414.92</u>	<u>140,414.92</u>	<u>5,000.00</u>	
Total Operations - Excluded from "CAPS"	<u>453,526.53</u>	<u>470,954.92</u>	<u>421,325.16</u>	<u>49,629.76</u>	
Detail:					
Salaries and Wages	120,000.00	120,000.00	120,000.00		
Other Expenses	<u>333,526.53</u>	<u>350,954.92</u>	<u>301,325.16</u>	<u>49,629.76</u>	

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget after Modification	Paid or Charged	Reserved	
<u>Municipal Debt Service Excluded from "CAPS"</u>					
Payment of Bond Anticipation Notes	\$360,000.00	\$360,000.00	\$360,000.00		
Total Municipal Debt Service Excluded from "CAPS"	<u>360,000.00</u>	<u>360,000.00</u>	<u>360,000.00</u>		
Total General Appropriations Excluded from "CAPS"	813,526.53	830,954.92	781,325.16	\$49,629.76	
Subtotal General Appropriations	7,259,094.53	7,276,522.92	6,962,200.16	314,322.76	
Reserve for Uncollected Taxes	772,628.22	772,628.22	772,628.22		
Total General Appropriations	<u>\$8,031,722.75</u>	<u>\$8,049,151.14</u>	<u>\$7,734,828.38</u>	<u>\$314,322.76</u>	<u>-</u>
	<u>Ref.</u>	A-2	A-1	A:A-1	
Budget	A-3	\$8,031,722.75			
Appropriation by 40A:4-87	A-2	<u>17,428.39</u>			
		<u>\$8,049,151.14</u>			
Reserve for Uncollected Taxes	A-2		\$772,628.22		
Cash Disbursed	A-4		6,658,765.99		
Reserve for Active Shooter Program			13,000.00		
Appropriated Reserves for Federal and State					
Grants	A-13		140,414.92		
Encumbrances Payable	A		<u>150,019.25</u>		
			<u>\$7,734,828.38</u>		

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Animal Control Fund:			
Cash and Cash Equivalents	B-1	<u>\$3,255.20</u>	<u>\$966.10</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-1	1,352,259.78	1,408,532.95
Accounts Receivable			29,066.50
		<u>1,352,259.78</u>	<u>1,437,599.45</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Investments	B-5	<u>541,436.86</u>	<u>482,588.22</u>
		<u>\$1,896,951.84</u>	<u>\$1,921,153.77</u>

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Animal Control Fund:			
Due to State of New Jersey	B-3	\$20.40	\$7.80
Reserve for Animal Control Fund Expenditures	B-2	<u>3,234.80</u>	<u>958.30</u>
		<u>3,255.20</u>	<u>966.10</u>
Other Trust Fund:			
Various Reserves	B-4	<u>1,352,259.78</u>	<u>1,437,599.45</u>
Length of Service Award Program Fund (LOSAP) - Unaudited:			
Reserve for Length of Service Award Program Fund	B-6	<u>541,436.86</u>	<u>482,588.22</u>
		<u>\$1,896,951.84</u>	<u>\$1,921,153.77</u>

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Cash and Cash Equivalents	C-2	\$102,529.69	\$542,698.53
Deferred Charges to Future Taxation:			
Unfunded	C-4	1,456,646.56	1,223,536.56
Grants Receivable	C-5	1,330,684.25	448,844.25
Leased Assets under Capital Lease		589,000.00	
		<u>\$3,478,860.50</u>	<u>\$2,215,079.34</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Capital Improvement Fund	C-6	\$296,515.94	\$308,665.64
Improvement Authorizations:			
Funded	C-7	867,830.57	258,612.20
Unfunded	C-7	665,299.96	500,452.59
Encumbrances Payable	C-7	133,917.58	110,958.92
Bond Anticipation Notes	C-8	923,502.95	1,033,596.49
Lease Obligations Payable	C-9	589,000.00	
Fund Balance	C-1	2,793.50	2,793.50
		<u>\$3,478,860.50</u>	<u>\$2,215,079.34</u>

On December 31, 2021 and 2020, there were bonds and notes authorized but not issued of \$533,143.61 and \$189,940.07, respectively. (Schedule C-10)

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF GENERAL CAPITAL FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Balance, January 1	C	\$2,793.50	\$2,793.50
Increased by:			
Permanently Funded Improvement Authorizations Canceled	C-7	-	-
		-	-
Decreased by:			
Payment to Current Fund as Anticipated Revenue	C-2	-	-
Balance, December 31	C	<u>\$2,793.50</u>	<u>\$2,793.50</u>

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Cash	D-4	\$499,634.44	\$543,450.46
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	148,882.50	147,761.95
Total Operating Fund		<u>648,516.94</u>	<u>691,212.41</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	629,771.80	529,771.80
Fixed Capital	D-10	1,772,488.06	1,772,488.06
Fixed Capital Authorized and Uncompleted	D-11	300,000.00	300,000.00
Total Capital Fund		<u>2,702,259.86</u>	<u>2,602,259.86</u>
		<u>\$3,350,776.80</u>	<u>\$3,293,472.27</u>

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3:D-7	\$35,835.53	\$137,412.36
Encumbrances Payable	D-9	32,559.75	22,318.56
Sewer Rent Prepayments	D-8	77,210.80	64,048.74
		<u>145,606.08</u>	<u>223,779.66</u>
Reserve for Receivables	D	148,882.50	147,761.95
Fund Balance	D-1	354,028.36	319,670.80
Total Operating Fund		<u>648,516.94</u>	<u>691,212.41</u>
Capital Fund:			
Capital Improvement Fund	D-13	391,756.04	291,756.04
Reserve for Amortization	D-14	1,772,488.06	1,772,488.06
Deferred Reserve for Amortization	D-15	300,000.00	300,000.00
Improvement Authorizations Funded	D-12	238,015.76	238,015.76
Total Capital Fund		<u>2,702,259.86</u>	<u>2,602,259.86</u>
		<u>\$3,350,776.80</u>	<u>\$3,293,472.27</u>

There were no bonds and notes authorized but not issued on December 31, 2021 and 2020.

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-2	\$100,000.00	\$100,000.00
Sewer Rents	D-2	1,235,334.11	1,220,049.81
Miscellaneous Revenue	D-4	19,711.47	34,967.07
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-7	129,311.98	96,566.45
Total Revenue		<u>1,484,357.56</u>	<u>1,451,583.33</u>
Expenditures:			
Operating	D-3	1,156,300.00	1,157,000.00
Capital Improvements	D-3	100,000.00	100,000.00
Statutory Expenditures	D-3	33,700.00	33,000.00
Total Expenditures		<u>1,290,000.00</u>	<u>1,290,000.00</u>
Excess in Revenue		194,357.56	161,583.33
Fund Balance January 1	D	<u>319,670.80</u>	<u>309,452.47</u>
		514,028.36	471,035.80
Decreased by:			
Utilized as Anticipated Revenue	D-1:D-2	100,000.00	100,000.00
Utilization by Current Fund Budget	D-4	60,000.00	51,365.00
		<u>160,000.00</u>	<u>151,365.00</u>
Fund Balance December 31	E	<u>\$354,028.36</u>	<u>\$319,670.80</u>

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Fund Balance Anticipated	D-1	\$100,000.00	\$100,000.00	
Sewer Rents	D-1:D-6	1,190,000.00	1,235,334.11	\$45,334.11
	D-3	<u>\$1,290,000.00</u>	<u>\$1,335,334.11</u>	<u>\$45,334.11</u>

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2021

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$174,500.00	\$174,500.00	\$155,776.21	\$18,723.79	
Other Expenses	406,800.00	406,800.00	394,698.41	12,101.59	
Neptune Township Sewerage Authority	575,000.00	575,000.00	570,173.00	4,827.00	
Total Operating	<u>1,156,300.00</u>	<u>1,156,300.00</u>	<u>1,120,647.62</u>	<u>35,652.38</u>	
Capital Improvements:					
Capital Improvement Fund	100,000.00	100,000.00	100,000.00		
Statutory Expenditures:					
Contributions to:					
Public Employees' Retirement System	21,600.00	21,600.00	21,600.00		
Social Security System (O.A.S.I.)	12,100.00	12,100.00	11,916.85	183.15	
Total Statutory Expenditures	<u>33,700.00</u>	<u>33,700.00</u>	<u>33,516.85</u>	<u>183.15</u>	
	<u>\$1,290,000.00</u>	<u>\$1,290,000.00</u>	<u>\$1,254,164.47</u>	<u>\$35,835.53</u>	
	<u>Ref.</u>				
	D-2	D-1		D:D-1	
Cash Disbursements	D-4		\$1,221,604.72		
Encumbrances Payable	D-9		32,559.75		
			<u>\$1,254,164.47</u>		

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PUBLIC ASSISTANCE TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Due from Current Fund	-	<u>\$31,489.58</u>	<u>\$31,489.58</u>
<u>Reserves</u>			
Reserve for Public Assistance	-	<u>\$31,489.58</u>	<u>\$31,489.58</u>

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
General Fixed Assets:			
Land		\$2,866,600.00	\$2,866,600.00
Buildings and Improvements		2,131,300.00	2,131,300.00
Machinery and Equipment		<u>3,743,906.60</u>	<u>3,679,961.00</u>
Total General Fixed Assets		<u>\$8,741,806.60</u>	<u>\$8,677,861.00</u>
<u>Reserves</u>			
Investment in General Fixed Assets	F-1	<u>\$8,741,806.60</u>	<u>\$8,677,861.00</u>

See Accompanying Notes

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Neptune City, County of Monmouth, State of New Jersey (the “Borough”), is governed by the Borough form of government, with a mayor and a six member Borough council.

The financial statements of the Borough includes every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. However, the financial statements of the Borough do not include the operations of Boards of Education, first aid organizations or volunteer fire companies which are subject to separate audits. The Governmental Accounting Standards Board (“GASB”) has established criteria to be used to determine which component units should be included in the financial statements of a primary government. However, the GASB criteria differ from the requirement set forth by the State of New Jersey, Department of Community Affairs, Division of Local Government Services (the “Division”) whereby certain boards, commissions and agencies of the Borough, either by statute or other directive, report separately on their respective financial statements.

B. Description of Funds

GASB is the recognized standard setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America (“GAAP”). The GASB codification establishes certain fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with GAAP

The accounting policies of the Borough conform to the accounting principles and practices prescribed by 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 Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Description of Funds (continued)

Current Fund - used to record revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Animal Control Fund - used to record animal license revenues and expenditures.

Other Trust Fund - used to record assets held by the Borough in accordance with the purpose for which each dedicated reserve was created.

Length of Service Awards Program Fund (LOSAP) - used to record transactions of the tax-deferred income benefits earned by active volunteer members of the Borough's emergency service organizations.

General Capital Fund - used to record resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including bonds and notes authorized for said purposes.

Sewer Utility Operating and Capital Funds - used to record utility operations that are financed through user fees. Operations relating to capital facilities for utility purposes are recorded in the Utility Capital Fund.

Public Assistance Fund - used to record receipts and disbursements of funds that provide assistance to certain residents of the Borough.

General Fixed Assets Account Group - used to record fixed assets utilized in general government operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant differences are as follows:

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 Borough'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.

Grant Revenues - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

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

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

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

Deferred Charges - The regulatory basis of accounting utilized by the Borough 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 sheets. 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.

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 Current Fund and the remaining obligations be recorded as a long-term obligation.

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

Interfunds - Advances in the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time of purchase. The costs of inventories are not included on the various balance sheets.

Net Pension and OPEB Liability

State of New Jersey municipalities do not follow GAAP and GASB requirements relative to recording net pension and OPEB liabilities their balance sheet. However, N.J.A.C. 5:30 6.1(c)(2) requires State of New Jersey municipalities to disclose information relative to net pension and OPEB liabilities in the notes to the financial statements in accordance with GASB requirements.

General Fixed Assets - In accordance with N.J.A.C. 5:30-5.6, issued by the Local Finance Board, Department of Community Affairs, State of New Jersey, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

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

For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated.

Reclassifications - Certain prior year amounts have been reclassified to conform with the current year financial statements presentation. The reclassifications had no impact upon previously reported fund balances.

D. Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Borough presents its financial statements, as listed in the table of contents, as required by the Division, which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash on hand, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

Deposits and Investments

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (“FDIC”), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The Governmental Unit Deposit Protection Act (“GUDPA”) is a supplemental insurance program set forth by the New Jersey Legislature to protect deposits of municipalities and local government agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. GUDPA requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits. GUDPA requires that the market value of the collateral must equal five percent of the average daily balance of public funds; or if the public funds deposited exceed seventy-five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy-five percent. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, the Borough’s deposits may not be returned to it. Although the Borough does not have a formal deposit policy for 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 GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2021 and 2020 the Borough’s bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Uninsured and Uncollateralized	\$1,395,777.31	\$1,523,949.51
GUDPA Insured and Collateralized with Securities Held by Pledging Financial Institutions	6,391,753.32	6,429,068.97
	<u>\$7,787,530.63</u>	<u>\$7,953,018.48</u>

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Deposits (continued)

Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Borough may use available funds for the purchase of the following types of securities, which, if suitable for registry, may be registered, in the name of the Borough:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Local Government investment pools, subject to certain requirements.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P. L. 1977, c. 281; or
- (8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a GUDPA bank;
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments (continued)

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough does not have a formal investment policy to limit exposure to custodial credit risk on investments.

Credit Risk

Credit risk is the risk that an investment issuer will not fulfill its obligation to the holder of the investment. State law limits investments as described in prior sections of this note to the financial statements.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough's investment policies place no limit in the amount that the Borough may invest in any one issuer. As of December 31, 2021 and 2020, more than 5.00% of the Borough's investments are in bond anticipation notes issued by the Borough's general capital fund and in LOSAP related mutual funds, and represent 100.00% of the Borough's investments.

As of December 31, 2021 and 2020, bond anticipation notes of \$923,502.95 and \$1,033,596.49, respectively, were issued by the Borough's general capital fund and recorded as investments in capital notes in the Borough's current fund.

As of December 31, 2021 and 2020, the fair value and book value of the Borough's Length of Service Award Program Fund (LOSAP) investments were \$541,436.86 and \$488,588.22, respectively. Length of Service Award Program Fund investments are invested at the discretion of each individual participant and not the Borough.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 3. TAXES COLLECTED IN ADVANCE

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

	<u>Balance December 31,</u>	
	<u>2021</u>	<u>2020</u>
Prepaid Taxes	\$230,518.46	\$172,009.42

NOTE 4. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal and utility capital expenditures. Bonds are retired in serial installments within the regulatory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes (the “notes”) are issued to temporarily finance capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. Tax anticipation notes are issued if 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.

A. Long-Term Debt

As of December 31, 2021 and 2020, the Borough had no long-term bonded debt.

B. Short-Term Debt

On December 31, 2021 and 2020, the Borough’s bond anticipation notes were as follows:

<u>Fund</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance Dec. 31, 2021</u>	<u>Interest Rate</u>
General Capital Fund	12/28/21	12/27/22	<u>\$923,502.95</u>	0.00%
	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance Dec. 31, 2020</u>	<u>Interest Rate</u>
General Capital Fund	11/28/20	11/27/21	\$80,888.49	0.00%
General Capital Fund	12/24/20	12/23/21	89,508.00	0.00%
General Capital Fund	6/14/20	6/13/21	232,600.00	0.00%
General Capital Fund	12/29/20	12/28/21	630,600.00	0.00%
			<u>\$1,033,596.49</u>	

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4. DEBT (continued)

B. Short-Term Debt (continued)

Bond anticipation note transactions for the years ended December 31, 2021 and 2020 are summarized as follows:

	Balance Dec. 31, 2020	Additions	Deductions	Balance Dec. 31, 2021
General Capital Fund	\$1,033,596.49	\$923,502.95	\$1,033,596.49	\$923,502.95
	Balance Dec. 31, 2019	Additions	Deductions	Balance Dec. 31, 2020
General Capital Fund	\$1,019,996.49	\$1,033,596.49	\$1,019,996.49	\$1,033,596.49

C. Bonds and Notes Authorized but not Issued

On December 31, 2021 and 2020, the Borough had bonds and notes authorized but not issued as follows:

	Balance Dec. 31, 2021	Balance Dec. 31, 2020
General Capital Fund	\$533,143.61	\$189,940.07
Sewer Utility Capital Fund	0.00	0.00

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.500% of the equalized valuation basis. As of December 31, 2021 and 2020, the Borough's net debt, expressed as a percentage of the equalized valuation basis, was .209% and .188%, respectively. As of December 31, 2021 and 2020, the Borough's net debt was \$1,456,646.56 and \$1,223,536.56 respectively, and the Borough's remaining borrowing power was \$22,961,886.05 and \$21,534,689.04, respectively.

NOTE 5. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

Upon the authorization of capital projects, the Borough 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. In accordance with New Jersey Statutes the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 6. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2021 and 2020, which were appropriated and included as anticipated revenue in budgets for the years ended December 31, 2022 and 2021 were as follows:

For the year ended December 31, 2022,

Current Fund	\$1,390,000.00
Sewer Utility Operating Fund	120,000.00

For the year ended December 31, 2021,

Current Fund	\$1,262,600.00
Sewer Utility Operating Fund	100,000.00

NOTE 7. FIXED ASSETS

Fixed assets activity for the year ended December 31, 2021 was as follows:

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Land	\$2,866,600.00			\$2,866,600.00
Buildings and Improvements	2,131,300.00			2,131,300.00
Machinery and Equipment	3,679,961.00	\$63,945.60		3,743,906.60
	<u>\$8,677,861.00</u>	<u>\$63,945.60</u>	<u>-</u>	<u>\$8,741,806.60</u>

NOTE 8. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor in each year and filed with the County Board of Taxation. Upon the filing of certified adopted budgets by the Borough, Local School District, and County, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

The Borough is responsible for remitting one hundred percent of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the Borough and not the school district or county.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS

Description of Systems

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

Funding Policy

PERS employee contributions were 7.50% of base wages. PERS prosecutor employee contributions were 10.00% of base wages. PFRS employee contributions were 10.00% of base wages. The Division of Pensions actuarially determines employer's contributions annually.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program ("DCRP") is a cost-sharing multiple employer defined contribution pension fund which was established in 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. DCRP provides eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Employee contributions to DCRP are five and one-half percent (5.50%) of base wages. Member contributions are matched by a three percent (3.00%) employer contribution.

Unfunded Pension Liability

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the Borough, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2020.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Public Employees' Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$2,739,827.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2020, the Borough's proportion was 0.0168011402 percent, which was an increase of 0.00111941413 percent from its proportion measured as of June 30, 2019. The pension expense recognized in the Borough's financial statement based on the April 1, 2020 billing was \$183,796.00.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. The actuarial valuation used the following assumptions:

	<u>June 30, 2020</u>
Inflation Rate	2.75%
Price	3.25%
Wage Salary Increase	
Through 2026	2.00% - 6.00%
Therafter	3.00% - 7.00%
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Public Employees' Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 is summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
	<u>100.00%</u>	

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Public Employees’ Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$3,476,105.00	\$2,739,827.00	\$2,154,899.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Public Employees' Retirement System (PERS) (Continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2020, the State reported deferred inflows of resources and deferred outflows of resources related to PERS from the following sources:

	<u>June 30, 2020</u>	
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$9,689.00	\$49,888.00
Changes of assumptions	1,147,191.00	88,883.00
Net difference between projected and actual earnings on pension plan investments		93,649.00
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	<u>143,208.00</u>	<u>401,403.00</u>
	<u>\$1,300,088.00</u>	<u>\$633,823.00</u>

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to PERS, in the amount of \$666,265.00 will be amortized in pension expense over the next five years.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Police and Firemen's Retirement System (PIRS)

At June 30, 2020, the State reported a net pension liability of \$6,409,451.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, in the Borough's proportion was 0.0496036929 percent, which was a decrease of 0.0023269573 percent from its proportion measured as of June 30, 2019.

The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$554,158.00.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

	<u>June 30, 2020</u>
Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	
Through all future years	3.25% - 15.25%
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 is summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
	<u>100.00%</u>	

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020, respectively. 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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$8,523,251.00	\$6,409,451.00	\$4,653,779.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2020, the State reported deferred inflows of resources and deferred outflows of resources related to PFRS from the following sources:

	<u>June 30, 2020</u>	
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$23,003.00	\$64,618.00
Changes of assumptions	1,718,336.00	16,129.00
Net difference between projected and actual earnings on pension plan investments		375,816.00
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	498,599.00	312,767.00
	<u>\$2,239,938.00</u>	<u>\$769,330.00</u>

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to PFRS, in the amount of \$1,470,608.00 will be recognized in pension expense by the Borough over the next five years.

NOTE 9. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation

In accordance with 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 by the State on behalf of the Borough 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 nonemployer contributing entity. Since the Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows, or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

At June 30, 2020, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$994,718.00.

Borough's Proportionate Share of Net Pension Liability	\$6,409,451.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>994,718.00</u>
	<u>\$7,404,169.00</u>

At June 30, 2020, the State's proportionate share of the PFRS expense associated with the Borough, calculated by the plan as of the June 30, 2020 measurement date was \$112,731.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 10. POSTEMPLOYMENT RETIREMENT BENEFITS

As of the date of issuance of these financial statements, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for other postemployment benefit obligations for the year ended June 30, 2021. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The following disclosures include the most current information made publicly available, which had a reporting date of June 30, 2020.

Plan Description

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

Benefits Provided

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

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 10. POSTEMPLOYMENT RETIREMENT BENEFITS (continued)

Special Funding Situation

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.13i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. As actuarially determined, the State's proportionate share of the net OPEB liability attributable to the Borough as of June 30, 2020 was \$4,496,841.00. The State's proportionate share of the OPEB benefit attributable to the Borough for the year ended June 30, 2020 was \$223,854.00.

Contributions

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

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2019 through June 30, 2020.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 10. POSTEMPLOYMENT RETIREMENT BENEFITS (continued)

Net OPEB Liability and Total OPEB Expense

As of June 30, 2020, the Plan reported a net OPEB liability of \$6,200,375.00 as the Borough's proportionate share of the collective total of the net OPEB liability of participating employers in the Plan. As of June 30, 2020, the Borough's proportionate share of the total net OPEB liability was 0.034549%. The Borough's net OPEB liability as of June 30, 2020, was determined by an actuarial valuation of the total OPEB liability amount as of July 1, 2019, as rolled forward to June 30, 2020, less the amount of the Borough's proportionate share of the Plan's Fiduciary Net Position. As reported by the Plan, the Borough's total OPEB expense for the year ended June 30, 2020 was \$361,515.00.

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>June 30, 2020</u>
Inflation Rate	2.50%
Salary Increases*:	
PERS	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
PFRS	
Rate for all future years	3.25% - 15.25%

*Salary increases are based on years of service within the respective plan.

Mortality rates were based on the Pub-2010 General and Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020.

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and the PERS experience studies were prepared for the periods July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 10. POSTEMPLOYMENT RETIREMENT BENEFITS (continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2021 and 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather than the discount rate is set at the municipal bond rate.

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

The following presents the net OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	June 30, 2020		
	1% Decrease	At Current Discount Rate	1% Increase
	1.21%	2.21%	3.21%
Net OPEB Liability	\$7,330,154.00	\$6,200,375.00	\$5,306,053.00

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Borough, as well as what the Borough's net OPEB liability would be if they were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	\$5,130,817.00	\$6,200,375.00	\$7,600,977.00

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 10. POSTEMPLOYMENT RETIREMENT BENEFITS (continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2020, the State reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	<u>June 30, 2020</u>	
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Changes of assumptions	\$1,378,868.00	\$927,381.00
Net difference between projected and actual earnings on pension plan investments	-	3,938.00
Difference between expected and actual experience	1,154,626.00	163,313.00
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	-	1,516,438.00
	<u>\$2,533,494.00</u>	<u>\$2,611,070.00</u>

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to OPEB, in the amount of \$77,576.00, will be amortized in OPEB expense.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 11. CAPITAL LEASE OBLIGATIONS

The Borough participates in the Capital Equipment Lease Program with the Monmouth County Improvement Authority (the "Authority"). The Authority issued revenue bonds in which the Borough pays the debt service as part of the lease agreements. The minimum lease payments are raised annually in the current fund budget.

The Borough's lease obligations payable are summarized as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>
Capital Equipment	9/30/21	\$589,000.00	4.00%-5.00%	\$589,000.00

Minimum lease payments due to the Authority are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$47,000.00	\$27,726.81	\$74,726.81
2023	50,000.00	25,300.00	75,300.00
2024	52,000.00	22,800.00	74,800.00
2025	55,000.00	20,200.00	75,200.00
2026	58,000.00	17,450.00	75,450.00
2027	60,000.00	15,130.00	75,130.00
2028	62,000.00	12,730.00	74,730.00
2029	65,000.00	10,250.00	75,250.00
2030	68,000.00	7,000.00	75,000.00
2031	72,000.00	3,600.00	75,600.00
	<u>\$589,000.00</u>	<u>\$162,186.81</u>	<u>\$751,186.81</u>

NOTE 12. LENGTH OF SERVICE AWARD PROGRAM FUND - UNAUDITED

The Borough's voters approved the creation of a Length of Service Award Program. Subsequently, the Division approved the Borough's Length of Service Award Program, provided by the Lincoln Financial Group. The Length of Service Award Program provides tax deferred income benefits to the Borough's active volunteer firefighters and emergency service personnel.

Annual Contributions - The annual contribution to be made by the Borough for each active volunteer member ranges from \$100.00 to \$1,150.00 per year of active emergency service.

Appropriations - Appropriations for the purpose of funding the Borough's Length of Service Award Program are included as a separate line item in the Borough's budget.

The Borough's contributions to Length of Service Award Program for the years ended December 31, 2021 and 2020 were \$18,350.00 and \$13,500.00, respectively.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 13. DEFERRED COMPENSATION PLAN

The Borough has adopted a Deferred Compensation Plan (the “Plan”) in accordance with Section 457 of the Internal Revenue Code and statutes of the State of New Jersey, and has been approved by the Division. The Plan enables the Borough’s employees to voluntarily authorize a portion of their salary to be withheld and invested in certain investments permitted under applicable regulations. The Borough has engaged a private contractor to administer the Plan. Since the Borough does not have a fiduciary relationship with the Plan, the investment balances and activities of the Plan are not reported in the Borough’s financial statements.

NOTE 14. INTERFUND BALANCES

Interfund receivables and payables at December 31, 2021 and 2020 are presented below:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Receivables -		
Federal and State Grant Fund	\$282,415.60	\$61,176.81
Public Assistance Fund	<u>31,489.58</u>	<u>31,489.58</u>
	<u><u>\$313,905.18</u></u>	<u><u>\$92,666.39</u></u>
 Payables -		
Current Fund	<u><u>\$313,905.18</u></u>	<u><u>\$92,666.39</u></u>

Interfund balances resulted either from the time lag between the dates that reimbursable expenditures occurred, revenues/receipts were collected or when payments were made between funds.

NOTE 15. SCHOOL TAXES

Regulations provide for deferral of not more than fifty percent of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Borough raises its local district school taxes on a school year basis and has elected to defer these taxes at December 31, 2021 and 2020 as follows:

	<u>Local District School Tax</u>	
	<u>2021</u>	<u>2020</u>
Balance of tax	\$3,723,285.88	\$3,653,726.38
Deferred	<u>1,675,000.00</u>	<u>1,675,000.00</u>
Tax Payable	<u><u>\$2,048,285.88</u></u>	<u><u>\$1,978,726.38</u></u>

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 16. UNEMPLOYMENT COMPENSATION INSURANCE

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the Benefit Reimbursement Method, whereby the Borough is required to reimburse the State of New Jersey Unemployment Trust Fund for benefits paid to its former employees. The reserves for unemployment compensation insurance at December 31, 2021, 2020 and 2019 were \$83,588.52, \$82,390.50, and \$77,121.20, respectively.

NOTE 17. CONTINGENT LIABILITIES

Compensated Absences

The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as compensatory time off or paid at a later date at an agreed upon rate. As of December 31, 2021 and 2020, the accumulated compensated absence liability was estimated by the Borough's management to be \$604,554.38 and \$585,783.22, respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements. The reserves for compensated absences, as recorded within the Borough's other trust fund at December 31, 2021 and 2020, were \$314,728.72 and \$328,659.12, respectively.

In accordance with the accounting principles and practices prescribed by the Division, the amounts estimated by the Borough's management for accumulated compensated absence liability was not subject to audit.

Grant Financial Assistance

The Borough receives certain financial assistance in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. The Borough's administration anticipates that no material liabilities will result from such audits.

Legal Proceedings

Based upon all information available as of August 29, 2022, the Borough's management does not anticipate that there are any legal matters pending or threatened that would have a material adverse effect on the Borough's financial position and the Borough's ability to levy, collect, and enforce the collection of taxes or other revenue for the repayment of its financial obligations.

NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 17. CONTINGENT LIABILITIES (continued)

Pending Tax Appeals

Currently there are no tax appeal cases pending against the Borough. In accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until tax appeal cases have been adjudicated. Tax appeals judgments adverse to the Borough, would be funded in succeeding year budgets or from fund balance.

NOTE 18. SUBSEQUENT EVENTS

The Borough's management has evaluated subsequent events from December 31, 2021 through August 29, 2022, the date that the financial statements were available to be issued, and has determined that there are no subsequent events to be reported.

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART II

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2021

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	A		\$4,273,794.79
Increased by Receipts:			
Taxes Receivable	A-5	\$14,634,512.18	
Tax Title Liens	A-6	15,367.54	
State of New Jersey (P.L. 1971, Ch.20)		39,610.95	
Revenue Accounts Receivable	A-8	1,055,505.21	
Miscellaneous Revenue not Anticipated	A-2	237,683.83	
Maturity of Investment in Capital Notes		1,033,596.49	
Prepaid Taxes		230,518.46	
Tax Overpayments		3,809.85	
Prepaid Revenue		1,000.00	
Other Trust Fund Balances Cancelled	A-1	139,963.72	
Other Reimbursements	A-9	4,517.28	
Other Income	A-1	360.00	
Due to the State of New Jersey:			
Marriage Licenses		725.00	
Training Fees		5,045.00	
Off Duty Police		44,852.37	
Due from Employees		948.00	
Active Shooter Program		17,000.00	
Grants Receivable	A-12	49,241.93	
Unappropriated Reserves	A-14	249,448.59	
		<u>17,763,706.40</u>	
		22,037,501.19	
Decreased by Disbursements:			
Budget Appropriations	A-3	6,658,765.99	
Appropriation Reserves	A-9	173,154.62	
County Taxes Payable	A-10	1,942,027.41	
Local District School Tax Payable	A-11	7,377,022.50	
Appropriated Reserves	A-13	165,051.73	
Investment in Capital Notes		923,502.95	
Accounts Payable		15,123.20	
Refund of Prior Year Revenue	A-1	637.50	
Prior Year Tax Appeal Granted	A-1	128.30	
Due to the State of New Jersey:			
Marriage Licenses		700.00	
Training Fees		5,659.00	
Active Shooter Program		1,480.12	
Off Duty Police		44,852.37	
Due from Employees		3,907.50	
Change Funds		350.00	
Tax Overpayments		1,142.31	
		<u>17,313,505.50</u>	
Balance, December 31, 2021	A		<u><u>\$4,723,995.69</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2021

Year	Balance	2021 Levy	Added Taxes	Collections		Senior Citizens and Veterans Deductions	Transferred to Tax Title Liens	Cancelled	Balance
	Dec. 31, 2020			2020	2021				Dec. 31, 2021
Arrears	\$7,312.76								\$7,312.76
2019	3,498.94								3,498.94
2020	350,605.27		\$389.05		\$347,897.22				3,097.10
	361,416.97		389.05		347,897.22				13,908.80
2021		\$14,855,813.55		\$172,009.42	14,286,614.96	\$41,000.00	\$2,005.54	\$6,829.41	347,354.22
	<u>\$361,416.97</u>	<u>\$14,855,813.55</u>	<u>\$389.05</u>	<u>\$172,009.42</u>	<u>\$14,634,512.18</u>	<u>\$41,000.00</u>	<u>\$2,005.54</u>	<u>\$6,829.41</u>	<u>\$361,263.02</u>
Ref.	A			Ref.			A-6		A
		Overpayments Applied			-				
		Cash Receipts		A-4	\$14,634,512.18				
					<u>\$14,634,512.18</u>				

Analysis of 2021 Property Tax Levy

Tax Yield:	
General Purpose Tax	\$14,832,970.67
Added Taxes	22,842.88
Omitted Taxes	-
	<u>\$14,855,813.55</u>

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2021

	<u>Ref.</u>		
Tax Levy:			
Local District School Tax	A-11		\$7,446,582.00
County Taxes:			
County Tax	A-10	\$1,592,702.67	
County Library Tax	A-10	119,545.24	
County Health Tax	A-10	32,608.41	
County Open Space Tax	A-10	191,440.37	
Amount Due County for Added and Omitted Taxes	A-10	<u>2,985.86</u>	
			1,939,282.55
Local Tax for Municipal Purposes	A-2	5,449,572.92	
Add: Additional Tax Levied		<u>20,376.08</u>	
Local Tax for Municipal Purposes Levied			<u>5,469,949.00</u>
			<u>\$14,855,813.55</u>

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
Year Ended December 31, 2021

Balance, December 31, 2020	<u>Ref.</u> Λ	\$13,670.19
Increased by:		
Transfers from Taxes Receivable	Λ-5	2,005.54
		<u>15,675.73</u>
Decreased by:		
Collection	Λ-2	<u>15,367.54</u>
Balance, December 31, 2021	Λ	<u><u>\$308.19</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$29,300.00
Increased by:		
Transfers from Tax Title Liens	A-6	-
		<u>29,300.00</u>
Decreased by:		
Sales of Property	A-4	-
		<u>-</u>
Balance, December 31, 2021	A	<u><u>\$29,300.00</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
Year Ended December 31, 2021

	<u>Ref.</u>	<u>Balance Dec. 31, 2020</u>	<u>Accrued in 2021</u>	<u>Realized/ Collected</u>	<u>Balance Dec. 31, 2021</u>
Alcoholic Beverage Licenses	A-2		\$9,160.00	\$9,160.00	
Other Licenses	A-2		13,480.00	13,480.00	
Fines and Costs - Municipal Court	A-2		102,337.73	102,337.73	
Interest and Costs on Taxes	A-2	\$8,655.60	73,540.86	77,018.66	\$5,177.80
Trailer Park Licenses	A-2		14,400.00	14,400.00	
Payment in Lieu of Taxes	A-2		60,000.00	60,000.00	
Certificates of Occupancy	A-2		11,508.00	11,508.00	
Fire Prevention Bureau - Permits	A-2		26,098.00	26,098.00	
Community Center Fees	A-2		13,060.00	13,060.00	
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	A-2		477,866.00	477,866.00	
Uniform Construction Code Fees	A-2		102,513.00	102,513.00	
Shared Services Agreement - Active Shooter Program	A-2		13,000.00	13,000.00	
Utility Operating Surplus of Prior Year	A-2		60,000.00	60,000.00	
Cable Television Franchise Fee	A-2		74,131.39	74,131.39	
Uniform Fire Safety Act	A-2		13,932.43	13,932.43	
		<u>\$8,655.60</u>	<u>\$1,065,027.41</u>	<u>\$1,068,505.21</u>	<u>\$5,177.80</u>
	<u>Ref.</u>	A			A
			<u>Ref.</u>		
			Cash Receipts	A-4	\$1,055,505.21
			Realized Revenue		13,000.00
					<u>\$1,068,505.21</u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>after Transfers</u>	<u>Paid, Charged</u> <u>or Adjusted</u>	<u>Balance</u> <u>Lapsed</u>
Administrator's Office:					
Salaries and Wages	\$65.76		\$65.76		\$65.76
Other Expenses		\$1,674.88	1,674.88		1,674.88
Mayor and Council:					
Salaries and Wages	0.62		0.62		0.62
Other Expenses	540.83	420.00	960.83		960.83
Municipal Clerk's Office:					
Salaries and Wages	2,639.20		2,639.20		2,639.20
Other Expenses	8,996.26	219.57	9,215.83	\$4,104.00	5,111.83
Financial Administration:					
Salaries and Wages	159.00		159.00		159.00
Other Expenses	161.00	150.00	311.00		311.00
Audit Services:					
Other Expenses	11,372.00		11,372.00	8,750.00	2,622.00
Central Postage:					
Other Expenses	1,478.63		1,478.63	488.35	990.28
Collection of Taxes:					
Salaries and Wages	47.48		47.48		47.48
Other Expenses	2,588.77		2,588.77	1,095.00	1,493.77
Assessment of Taxes:					
Salaries and Wages	40.89		40.89		40.89
Other Expenses	13,331.36		8,731.36		8,731.36
Legal Services:					
Other Expenses	111.83	4,353.45	4,465.28	4,465.28	
Engineering Services and Costs:					
Other Expenses	1,520.00		4,720.00	4,628.75	91.25

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>after Transfers</u>	<u>Paid, Charged</u> <u>or Adjusted</u>	<u>Balance</u> <u>Lapsed</u>
Information Technology:					
Other Expenses	\$937.74	\$236.53	\$1,174.27	\$236.53	\$937.74
Planner:					
Other Expenses	3,000.00		3,000.00		3,000.00
Land Use Board:					
Salaries and Wages	65.46		65.46		65.46
Other Expenses	4,470.29		4,470.29	725.00	3,745.29
Code Enforcement Office:					
Salaries and Wages	35.14		35.14		35.14
Other Expenses	400.01		400.01		400.01
General Liability					
Workers Compensation	375.00		375.00		375.00
Employee Group Insurance	20,767.22		8,967.22	8,913.55	53.67
Police:					
Crossing Guards					
Salaries and Wages	4,936.50		4,936.50		4,936.50
Clerical					
Salaries and Wages	399.09		399.09		399.09
Officers					
Salaries and Wages	25,987.16		25,987.16	(4,517.28)	30,504.44
Other Expenses	64,572.98	17,916.59	50,489.57	26,059.47	24,430.10
Fire:					
Fire Hydrant Service	6,820.00		6,820.00	6,820.00	
Other Expenses	7,998.43	937.99	8,936.42	937.99	7,998.43
Fire Prevention Bureau					
Salaries and Wages	108.00		108.00		108.00
Other Expenses	3,646.41	123.60	3,770.01	123.60	3,646.41

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>after Transfers</u>	<u>Paid, Charged</u> <u>or Adjusted</u>	<u>Balance</u> <u>Lapsed</u>
Emergency Management:					
Salaries and Wages	\$1,560.00		\$1,560.00		\$1,560.00
Other Expenses	4,077.50		4,077.50		4,077.50
Municipal Prosecutor					
Salaries and Wages	117.93		117.93		117.93
Road Repair and Maintenance:					
Other Expenses	11,091.66	\$6,635.00	17,726.66	\$6,358.14	11,368.52
Other Public Works Functions:					
Traffic Lights	5,131.27	362.74	5,494.01	426.85	5,067.16
Solid Waste Collection:					
Salaries and Wages	44.88		44.88		44.88
Other Expenses	36.02	1,828.24	46,364.26	45,722.67	641.59
Public Buildings and Grounds:					
Salaries and Wages	87.52		87.52		87.52
Other Expenses	13,521.88	5,904.90	19,426.78	4,564.38	14,862.40
Maintenance of Borough Vehicles:					
Other Expenses	3,527.55	4,046.61	8,274.16	4,151.74	4,122.42
Animal Control:					
Other Expenses	1,565.00	1,150.00	2,715.00	1,565.00	1,150.00
Parks and Playgrounds:					
Other Expenses	196.74	3,000.00	3,196.74	2,381.89	814.85
Community Center:					
Salaries and Wages	15,946.74		15,946.74	3,539.10	12,407.64
Other Expenses	12,040.54	541.23	12,581.77	176.12	12,405.65
Expenses in Participation in County Library:					
Salaries and Wages	7,994.13		7,994.13		7,994.13
Other Expenses	1,930.92		1,930.92		1,930.92

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>after Transfers</u>	<u>Paid, Charged</u> <u>or Adjusted</u>	<u>Balance</u> <u>Lapsed</u>
Municipal Court:					
Salaries and Wages	\$8,183.17		\$8,183.17		\$8,183.17
Other Expenses	3,101.09		3,101.09		3,101.09
Public Defender:					
Salaries and Wages	112.65		112.65		112.65
State Uniform Construction Code					
Construction Official:					
Salaries and Wages	996.27		996.27		996.27
Other Expenses	620.00		620.00		620.00
Sub-Code Officials:					
Building Inspectors					
Salaries and Wages	48.40		48.40		48.40
Other Expenses	100.00		100.00		100.00
Plumbing Inspector					
Salaries and Wages	87.40		87.40		87.40
Other Expenses	150.00		150.00		150.00
Electrical Inspector					
Salaries and Wages	488.15		488.15		488.15
Other Expenses	150.00		150.00		150.00
Fire Inspector					
Salaries and Wages	4.00		4.00		4.00
Other Expenses	100.00		100.00		100.00
Utilities					
Electricity	6,398.09	\$1,596.91	7,995.00	\$3,350.69	4,644.31
Street Lighting	6,184.76	2,531.00	8,715.76	5,050.35	3,665.41
Telephone	881.92	830.80	1,712.72	530.80	1,181.92
Water	850.33		850.33	277.42	572.91
Natural Gas	1,899.10	2,448.09	4,347.19	2,448.09	1,899.10
Gasoline	6,010.94		6,010.94		6,010.94

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>after Transfers</u>	<u>Paid, Charged</u> <u>or Adjusted</u>	<u>Balance</u> <u>Lapsed</u>
Condo Services	\$60,000.00		\$60,000.00	\$60,000.00	
Celebration of Public Events	3,335.76	\$663.86	3,999.62	1,163.86	\$2,835.76
Contingent	3,000.00		3,000.00		3,000.00
Social Security System (O.A.S.I.)	4,801.73		4,801.73		4,801.73
Defined Contribution Retirement Program	1,480.96		1,480.96		1,480.96
Length of Service Awards Program:					
Other Expenses	30,000.00		30,000.00	18,350.00	11,650.00
Borough of Bay Head					
Financial Administration	735.00		735.00		735.00
Township of Neptune					
Recycling	5,750.00		5,750.00	5,750.00	
Matching Funds for Grants	5,000.00		5,000.00		5,000.00
	<u>\$416,913.06</u>	<u>\$57,571.99</u>	<u>\$474,485.05</u>	<u>\$228,637.34</u>	<u>\$245,847.71</u>
<u>Ref.</u>	A	A			A-1
			<u>Ref.</u>		
			A-4	\$173,154.62	
			A-4	(4,517.28)	
			A	60,000.00	
				<u>\$228,637.34</u>	

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
Year Ended December 31, 2021

Balance, December 31, 2020	<u>Ref.</u> Λ		\$5,730.72
Increased by:			
County Tax	Λ-5	\$1,592,702.67	
County Library Tax	Λ-5	119,545.24	
County Health Tax	Λ-5	32,608.41	
County Open Space Tax	Λ-5	191,440.37	
Added and Omitted Taxes	Λ-5	<u>2,985.86</u>	
	Λ-1		<u>1,939,282.55</u>
			<u>1,945,013.27</u>
Decreased by:			
Payments	Λ-4		<u>1,942,027.41</u>
Balance, December 31, 2021	Λ		<u><u>\$2,985.86</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAX PAYABLE
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020:			
School Tax Payable	A	\$1,978,726.38	
School Tax Deferred		<u>1,675,000.00</u>	\$3,653,726.38
Increased by:			
Levy - School Year July 1, 2021 to June 30, 2022	A-5		<u>7,446,582.00</u>
			11,100,308.38
Decreased by:			
Payments	A-4		<u>7,377,022.50</u>
Balance, December 31, 2021:			
School Tax Payable	A	2,048,285.88	
School Tax Deferred		<u>1,675,000.00</u>	<u><u>\$3,723,285.88</u></u>
2021 Liability for Local District School Tax:			
Tax Paid	A-11		\$7,377,022.50
Tax Payable, December 31, 2021	A-11		<u>2,048,285.88</u>
			9,425,308.38
Less: Tax Payable, December 31, 2020	A-11		<u>1,978,726.38</u>
Amount Charged to 2021 Operations	A-1		<u><u>\$7,446,582.00</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2021

<u>Grant</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Anticipated Revenue</u>	<u>Cash Received</u>	<u>Transferred from Unappropriated Reserves</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2021</u>
Hazardous Discharge Remediation		\$173,584.00					\$173,584.00
Recycling Stimulus		10,000.00					10,000.00
NJ Body Armor	A-2		\$1,604.89	\$1,604.89			
FEMA - Emergency Management Performance		12,000.00					12,000.00
Safe and Secure Communities	A-2		32,400.00	32,400.00			
Recycling Tonnage	A-2		14,381.64	14,381.64			
Bullet Proof Vest	A-2		4,428.39	855.40			3,572.99
		<u>\$195,584.00</u>	<u>\$52,814.92</u>	<u>\$49,241.93</u>	<u>-</u>	<u>-</u>	<u>\$199,156.99</u>
<u>Ref.</u>		A	A-2	A-4	A-14	A-1:A-4	A

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
Year Ended December 31, 2021

<u>Grant</u>	<u>Balance Dec. 31, 2020</u>	<u>Transfer from 2021 Budget Appropriation</u>	<u>Transferred from Reserve for Encumbrances</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2021</u>
FEMA - Emergency Management Performance	\$2,546.63					\$2,546.63
Cooperative Forestry Assistance	2,260.00					2,260.00
Safe and Secure Communities		\$120,000.00		\$120,000.00		
Bullet Proof Vest		4,428.39		855.40		3,572.99
Alcohol Education and Rehabilitation	2,427.14					2,427.14
Clean Communities Program	44,722.12		\$2,304.50	16,813.03		30,213.59
NJ Body Armor Grant	6.32	1,604.89	855.40	1,710.80		755.81
Drunk Driving Enforcement Fund	11,956.39			1,020.64		10,935.75
Hazardous Discharge Remediation	162,487.74					162,487.74
Recycling Tonnage	8,150.56	14,381.64	17,700.00	27,543.07		12,689.13
	<u>\$234,556.90</u>	<u>\$140,414.92</u>	<u>\$20,859.90</u>	<u>\$167,942.94</u>	-	<u>\$227,888.78</u>
	A	A-3	A		A-1:A-4	A
Cash Disbursements	A-4			\$165,051.73		
Reserve for Encumbrances	A			2,891.21		
				<u>\$167,942.94</u>		

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
Year Ended December 31, 2021

Grant	Balance Dec. 31, 2020	Cash Receipts	Transferred to Grants Receivable	Balance Dec. 31, 2021
Drunk Driving Enforcement		\$2,806.25		\$2,806.25
American Rescue Plan Act		240,528.34		240,528.34
Body Worn Cameras		6,114.00		6,114.00
	-	<u>\$249,448.59</u>	-	<u>\$249,448.59</u>
Ref.	A	A-4	A-12	A

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF CASH
Year Ended December 31, 2021

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>
Balance, December 31, 2020	B	<u>\$966.10</u>	<u>\$1,408,532.95</u>
Increased by Receipts:			
Reserve for Animal Control			
Fund Expenditures	B-2	3,401.60	
Due to State of New Jersey	B-3	435.00	
Accounts Receivable			29,066.50
Various Reserves	B-4		902,952.25
		<u>3,836.60</u>	<u>932,018.75</u>
Decreased by Disbursements:			
Due to State of New Jersey	B-3	422.40	
Animal Control Fund			
Expenditures (R.S. 4:19-15.11)	B-2	1,125.10	
Various Reserves	B-4		988,291.92
		<u>1,547.50</u>	<u>988,291.92</u>
Balance, December 31, 2021	B	<u>\$3,255.20</u>	<u>\$1,352,259.78</u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	B		\$958.30
Increased by:			
License Fees Collected		\$3,401.60	
Other Fees Collected		-	
	B-2	-	3,401.60
			4,359.90
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash	B-2	1,125.10	
Statutory Excess Due to Current Fund		-	
		-	1,125.10
Balance, December 31, 2021	B		\$3,234.80

License and Other Fees Collected

<u>Year</u>	<u>Amount</u>
2020	\$4,022.20
2019	4,472.20
	\$8,494.40

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
Year Ended December 31, 2021

Balance, December 31, 2020	<u>Ref.</u> B	\$7.80
Increased by:		
Collected in 2021	B-2	435.00
		<u>442.80</u>
Decreased by:		
Payments	B-2	422.40
		<u>422.40</u>
Balance, December 31, 2021	B	<u><u>\$20.40</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
OTHER TRUST FUND
SCHEDULE OF VARIOUS RESERVES
Year Ended December 31, 2021

Purpose	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
Compensated Absences	\$328,659.12		\$13,930.40	\$314,728.72
Community Center Rentals	750.00	\$3,850.00	2,550.00	2,050.00
Emergency Management	8,443.14	2,437.50	2,696.77	8,183.87
Environmental Trust	24,248.05	1,018.00		25,266.05
Developers Escrow - Undesignated	42,936.91		42,936.91 *	
Developers Escrow	29,094.25	28,017.50	21,921.50	35,190.25
Housing Rehabilitation Trust	160,261.47			160,261.47
Law Enforcement	7,042.73	17.63		7,060.36
Law Enforcement - Federal	910.00			910.00
Park Rentals	1,400.00	5,550.00	6,400.00	550.00
P.O.A.A.	871.61	44.00	671.29	244.32
Premiums on Tax Sale	618,300.00	344,500.00	425,800.00	537,000.00
Public Defender	13,427.92	2,334.50		15,762.42
Recreation Commission	19,060.49	4,283.87	4,173.58	19,170.78
Truck Rental	585.36	400.00	885.36	100.00
Unemployment Trust	82,390.50	5,585.02	4,387.00	83,588.52
Other Undesignated Balances	97,026.81		97,026.81 *	
Uniform Fire Safety	2,191.09			2,191.09
Storm Recovery Trust		141,531.84	1,529.91	140,001.93
Third Party Lien Redemption		363,382.39	363,382.39	
	<u>\$1,437,599.45</u>	<u>\$902,952.25</u>	<u>\$988,291.92</u>	<u>\$1,352,259.78</u>
<u>Ref.</u>	B	B-1	B-1	B

Analysis:

Various Dedicated Purposes	\$848,328.20
Undesignated Balances - Cancelled to Current Fund	<u>139,963.72 *</u>
	<u>\$988,291.92</u>

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF LENGTH OF SERVICE AWARD
PROGRAM FUND INVESTMENTS
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	B		\$482,588.22
Increased by:			
Borough Contributions	B-6	\$18,350.00	
Investment Earnings and Change in Market Value	B-6	<u>90,527.22</u>	
			<u>108,877.22</u>
			591,465.44
Decreased by:			
Distributions	B-6	47,933.58	
Return of Non-Vested Funds	B-6	-	
Administrative Charges	B-6	<u>2,095.00</u>	
			<u>50,028.58</u>
Balance, December 31, 2021	B		<u><u>\$541,436.86</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD
PROGRAM FUND
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	B		\$482,588.22
Increased by:			
Borough Contributions	B-5	\$18,350.00	
Investment Earnings and Change in Market Value	B-5	<u>90,527.22</u>	
			<u>108,877.22</u>
			591,465.44
Decreased by:			
Distributions	B-5	47,933.58	
Return of Non-Vested Funds	B-5	-	
Administrative Charges	B-5	<u>2,095.00</u>	
			<u>50,028.58</u>
Balance, December 31, 2021	B		<u><u>\$541,436.86</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH
Year Ended December 31, 2021

Balance, December 31, 2020	<u>Ref.</u> C		\$542,698.53
Increased by Receipts:			
Grants Receivable	C-5	-	
Budget Appropriation:			
Capital Improvement Fund	C-6	-	
Bond Anticipation Notes	C-8	<u>\$249,906.46</u>	
			<u>249,906.46</u>
			792,604.99
Decreased by Disbursements:			
Improvement Authorizations	C-7	683,975.60	
Capital Improvement Fund	C-6	6,099.70	
Payment to Current Fund as			
Anticipated Revenue	C-1	<u>-</u>	
			<u>690,075.30</u>
Balance, December 31, 2021	C		<u><u>\$102,529.69</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL FUND CASH
December 31, 2021

	Balance <u>Dec. 31, 2021</u>
Capital Improvement Fund	\$296,515.94
Fund Balance	2,793.50
Grants Receivable	(1,330,684.25) *
Due to Current Fund	
Encumbrances Payable	133,917.58

Improvement Authorizations:

Ordinance Number	Improvement Description	Ref.	
2018-06a	Municipal Building Improvements	C-7	49.99
2018-06d	Police Equipment	C-7	2,631.00
2019-04b	Community Center Equipment	C-7	1,204.49
2020-05a	Municipal Building Improvements	C-7	278.17
2020-05c	Police Equipment	C-7	6,484.42
2021-02a	Steiner Avenue Phase 3 - Grant	C-7	179,605.00
2021-03a	Adams Field - Grant	C-7	250,000.00
2021-07a	2020 Road Program - Grant	C-7	181,945.50
2021-08a	2021 Road Program - Grant	C-7	241,132.00
2021-10	Police Body Camera	C-7	4,500.00
2018-01/ 2019-05	Repairs to Windsor Avenue		\$85.50
2018-02	Park Improvements		1,851.51
2019-03	Steiner Avenue Improvements		23,313.69
2020-02c	Memorial Park Improvements		753.39
2020-06a	Municipal Building Improvements		93,286.89
2020-06b	Recycling Truck		10,680.00
2020-06c	Fire Equipment		<u>4,920.17</u>
		C-4	134,891.15
2021-11	Fire Department Equipment	C-4	<u>(2,734.80) *</u>
			<u>\$102,529.69</u>
		<u>Ref.</u>	C

* Denotes Deficit (Deduction)

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - UNFUNDED
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2021	Analysis of Balance December 31, 2021		
						Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2010-07	Improvements to Memorial Park	\$43,122.50		\$21,606.01	\$21,516.49	\$21,516.49		
2015-09/								
2016-05	Improvements to Memorial Park	8,674.50		8,674.50				
2016-06	Purchase of Pickup Truck	7,248.49		7,248.49				
2016-07	Dredging of Shark River	38,000.00		38,000.00				
2017-02	Sidewalk Improvements	57,376.50		3,350.00	54,026.50	6,952.50		\$47,074.00
2017-03	Improvements to Union Avenue	55,120.00		13,780.00	41,340.00	41,340.00		
2017-05	Acquisition of Police Vehicle	13,880.00		13,880.00				
2017-10	Improvements to Third Avenue	76,635.51		14,610.00	62,025.51	38,310.00		23,715.51
2017-12	Repairs to Windsor Court	21,760.00		21,760.00				
2018-01/								
2019-05	Repairs to Windsor Avenue	27,409.56		7,298.00	20,111.56	19,020.00		1,091.56
2018-02	Park Improvements	43,750.00		8,750.00	35,000.00	35,000.00		
2018-05	Police Radios	30,279.50		30,279.50				
2018-07	Fuel Dispensing Equipment	22,030.00		19,882.50	2,147.50			2,147.50
2018-09	Police SUV	16,106.00		16,106.00				
2018-10	Purchase of Pickup Truck	39,800.00		9,950.00	29,850.00	29,850.00		
2019-03	Steiner Avenue Improvements	42,964.00		10,740.00	32,224.00	32,220.00		4.00
2020-02a	Hawthorne and Woodland Avenues	108,955.00			108,955.00	78,607.92		30,347.08
2020-02b	First Responder Park	142,500.00		28,500.00	114,000.00	114,000.00		
2020-02c	Memorial Park Improvements	132,000.00		26,400.00	105,600.00	105,600.00		
2020-06a	Municipal Building Improvements	135,375.00		27,075.00	108,300.00	108,300.00		
2020-06b	Recycling Truck	123,500.00		24,700.00	98,800.00	98,800.00		
2020-06c	Fire Equipment	37,050.00		7,410.00	29,640.00	29,640.00		
2021-02	Steiner Avenue Phase 3		\$245,395.00		245,395.00	41,216.00		204,179.00
2021-03	Adams Field		150,000.00		150,000.00	56,729.04		93,270.96
2021-07	2020 Road Program		38,897.00		38,897.00	38,897.00		
2021-08	2021 Road Program		43,868.00		43,868.00	1,179.00		42,689.00
2021-10	Police Body Camera		85,500.00		85,500.00			85,500.00
2021-11	Fire Department Equipment		29,450.00		29,450.00	26,325.00	\$2,734.80	390.20
		<u>\$1,223,536.56</u>	<u>\$593,110.00</u>	<u>\$360,000.00</u>	<u>\$1,456,646.56</u>	<u>\$923,502.95</u>	<u>\$2,734.80</u>	<u>\$530,408.81</u>
<u>Ref.</u>		C	C-7	C-8	C	C-8	C-3	

	<u>Ref.</u>	
Improvement Authorizations - Unfunded	C-7	\$665,299.96
Less, Unexpended Proceeds of Bond Anticipation Notes Issued	C-3	(134,891.15)
		<u>\$530,408.81</u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2021

Balance, December 31, 2020	<u>Ref.</u> C	\$448,844.25
Increased by:		
New Jersey Department of Transportation - Ordinance Number 21-02	\$179,605.00	
Ordinance Number 21-03	250,000.00	
Ordinance Number 21-07	211,103.00	
Ordinance Number 21-08	<u>241,132.00</u>	
	C-7	<u>881,840.00</u>
		<u>1,330,684.25</u>
Decreased by:		
Cash Receipts	C-2	<u>-</u>
Balance, December 31, 2021	C	<u><u>\$1,330,684.25</u></u>

Detail:		
<u>Description</u>	<u>Ordinance Number</u>	<u>Balance December 31, 2021</u>
Community Development Block Grant	2017-02	\$11,083.00
Monmouth County Open Space Grant	2018-02	175,000.00
New Jersey Department of Transportation	2020-02	262,761.25
Community Development Block Grant	2021-02	179,605.00
Monmouth County Open Space Grant	2021-03	250,000.00
New Jersey Department of Transportation	2021-07	211,103.00
New Jersey Department of Transportation	2021-08	<u>241,132.00</u>
		<u><u>\$1,330,684.25</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$308,665.64
Increased by:		
2021 Budget Appropriation	C-2	<div style="text-align: right;">-</div> <hr style="width: 100px; margin-left: auto; margin-right: 0;"/> 308,665.64
Decreased by:		
Direct Charges Made for Preliminary Costs:		
Adams Field Improvements	C-2	\$6,099.70
Appropriated to Finance Improvement		
Authorizations	C-8	<div style="text-align: right;">6,050.00</div> <hr style="width: 100px; margin-left: auto; margin-right: 0;"/> 12,149.70
Balance, December 31, 2021	C	<div style="text-align: right;">12,149.70</div> <hr style="width: 100px; margin-left: auto; margin-right: 0;"/> <u>\$296,515.94</u>

See Independent Auditor's Report

**BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2021**

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2020		Encumbrances Payable 2020	2021 Authorizations	Paid or Charged	Cancelled	Balance Dec. 31, 2021	
			Funded	Unfunded					Funded	Unfunded
2017-02	Sidewalk Improvements	\$210,000.00		\$54,026.50			\$6,952.50			\$47,074.00
2017-10	Improvements to Third Avenue	280,000.00		23,715.51						23,715.51
2018-01/										
2019-05	Repairs to Windsor Avenue	270,000.00		1,177.06						1,177.06
2018-02	Park Improvements	218,750.00		10,765.81			8,914.30			1,851.51
2018-06a	Municipal Building Improvements	20,500.00			\$49.99				\$49.99	
2018-06d	Police Equipment	3,800.00	\$2,631.00						2,631.00	
2018-07	Fuel Dispensing Equipment	28,000.00		2,147.50						2,147.50
2019-03	Steiner Avenue Improvements	225,000.00		32,667.69			9,350.00			23,317.69
2019-04b	Community Center Equipment	6,200.00	1,204.49		835.08		835.08		1,204.49	
2020-02a	Hawthorne and Woodland Avenues	360,000.00	233,742.50	108,955.00			312,350.42			30,347.08
2020-02c	Memorial Park Improvements	332,000.00		16,620.93	102,715.50		118,583.04			753.39
2020-05a	Municipal Building Improvements	26,000.00	3,059.80		6,022.90		8,804.53		278.17	
2020-05b	Public Works Equipment	5,000.00	927.21				927.21			
2020-05c	Police Equipment	14,700.00	10,547.20				4,062.78		6,484.42	
2020-06a	Municipal Building Improvements	142,500.00		121,956.42	1,335.45		30,004.98			93,286.89
2020-06b	Recycling Truck	130,000.00	6,500.00	123,500.00			119,320.00			10,680.00
2020-06c	Fire Equipment	39,000.00		4,920.17						4,920.17
2021-02a	Steiner Avenue Phase 3 - Grant	179,605.00				\$179,605.00			179,605.00	
2021-02b	Steiner Avenue Phase 3 - Local	245,395.00				245,395.00	41,216.00			204,179.00
2021-03a	Adams Field - Grant	250,000.00				250,000.00			250,000.00	
2021-03b	Adams Field - Local	150,000.00				150,000.00	56,729.04			93,270.96
2021-07a	2020 Road Program - Grant	211,103.00				211,103.00	29,157.50		181,945.50	
2021-07b	2020 Road Program - Local	38,897.00				38,897.00	38,897.00			\$0.00
2021-08a	2021 Road Program - Grant	241,132.00				241,132.00			241,132.00	
2021-08b	2021 Road Program - Local	43,868.00				43,868.00	1,179.00			42,689.00
2021-10	Police Body Camera	90,000.00				90,000.00			4,500.00	85,500.00
2021-11	Fire Department Equipment	31,000.00				31,000.00	30,609.80			390.20
			<u>\$258,612.20</u>	<u>\$500,452.59</u>	<u>\$110,958.92</u>	<u>\$1,481,000.00</u>	<u>\$817,893.18</u>	<u>-</u>	<u>\$867,830.57</u>	<u>\$665,299.96</u>
	Ref.		C	C	C			C-I	C	C
	Capital Improvement Fund	C-6				\$6,050.00				
	Grants Receivable	C-5				881,840.00				
	Deferred Charges to Future Taxation									
	Unfunded	C-4:C-10				593,110.00				
						<u>\$1,481,000.00</u>				
	Cash	C-2					\$683,975.60			
	Encumbrances Payable	C					133,917.58			
							<u>\$817,893.18</u>			

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
2010-07 2015-09/	Improvements to Memorial Park	12/27/18	12/24/20	12/23/21	0.00%	\$43,122.50		\$43,122.50	
2016-05	Improvements to Memorial Park	12/29/20	12/29/20	12/28/21	0.00%	8,674.50		8,674.50	
2016-06	Purchase of Pickup Truck	12/1/17	11/28/20	11/27/21	0.00%	7,248.49		7,248.49	
2016-07	Dredging of Shark River	12/1/17	11/28/20	11/27/21	0.00%	38,000.00		38,000.00	
2017-03	Improvements to Union Avenue	6/15/19	6/14/20	6/13/21	0.00%	55,120.00		55,120.00	
2017-05	Acquisition of Police Vehicle	12/1/17	11/28/20	11/27/21	0.00%	13,880.00		13,880.00	
2017-10	Improvements to Third Avenue	6/15/19	6/14/20	6/13/21	0.00%	51,080.00		51,080.00	
2017-10	Improvements to Third Avenue	12/29/20	12/29/20	12/28/21	0.00%	1,840.00		1,840.00	
2017-12	Repairs to Windsor Court	12/1/17	11/28/20	11/27/21	0.00%	21,760.00		21,760.00	
2018-01/ 2019-05 2018-01/	Repairs to Windsor Avenue	6/15/19	6/14/20	6/13/21	0.00%	25,360.00		25,360.00	
2019-05	Repairs to Windsor Avenue	12/29/20	12/29/20	12/28/21	0.00%	958.00		958.00	
2018-05	Police Radios	12/27/18	12/29/20	12/28/21	0.00%	30,279.50		30,279.50	
2018-07	Fuel Dispensing Equipment	6/15/19	6/14/20	6/13/21	0.00%	18,280.00		18,280.00	
2018-07	Fuel Dispensing Equipment	12/29/20	12/29/20	12/28/21	0.00%	1,602.50		1,602.50	
2018-09	Police SUV	12/27/18	12/24/20	12/23/21	0.00%	16,106.00		16,106.00	
2018-10	Purchase of Pickup Truck	6/15/19	6/14/20	6/13/21	0.00%	39,800.00		39,800.00	
2019-03	Steiner Avenue Improvements	6/15/19	6/14/20	6/13/21	0.00%	42,960.00		42,960.00	
2017-02	Sidewalk Improvements	12/29/20	12/29/20	12/28/21	0.00%	3,350.00		3,350.00	
2018-02	Park Improvements	12/29/20	12/29/20	12/28/21	0.00%	43,750.00		43,750.00	
2020-02b	First Responder Park	12/29/20	12/29/20	12/28/21	0.00%	142,500.00		142,500.00	
2020-02c	Memorial Park Improvements	12/29/20	12/29/20	12/28/21	0.00%	132,000.00		132,000.00	
2020-06a	Municipal Building Improvements	12/29/20	12/29/20	12/28/21	0.00%	135,375.00		135,375.00	
2020-06b	Recycling Truck	12/29/20	12/29/20	12/28/21	0.00%	123,500.00		123,500.00	
2020-06c	Fire Equipment	12/29/20	12/29/20	12/28/21	0.00%	37,050.00		37,050.00	

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
2010-07	Improvements to Memorial Park	12/27/18	12/28/21	12/27/22	0.00%		\$21,516.49		\$21,516.49
2017-03	Improvements to Union Avenue	6/15/19	12/28/21	12/27/22	0.00%		41,340.00		41,340.00
2017-10	Improvements to Third Avenue	6/15/19	12/28/21	12/27/22	0.00%		38,310.00		38,310.00
2019-05	Repairs to Windsor Avenue	6/15/19	12/28/21	12/27/22	0.00%		19,020.00		19,020.00
2018-10	Purchase of Pickup Truck	6/15/19	12/28/21	12/27/22	0.00%		29,850.00		29,850.00
2019-03	Steiner Avenue Improvements	6/15/19	12/28/21	12/27/22	0.00%		32,220.00		32,220.00
2017-02	Sidewalk Improvements	12/28/21	12/28/21	12/27/22	0.00%		6,952.50		6,952.50
2018-02	Park Improvements	12/29/20	12/28/21	12/27/22	0.00%		35,000.00		35,000.00
2020-02b	First Responder Park	12/29/20	12/28/21	12/27/22	0.00%		114,000.00		114,000.00
2020-02c	Memorial Park Improvements	12/29/20	12/28/21	12/27/22	0.00%		105,600.00		105,600.00
2020-06a	Municipal Building Improvements	12/29/20	12/28/21	12/27/22	0.00%		108,300.00		108,300.00
2020-06b	Recycling Truck	12/29/20	12/28/21	12/27/22	0.00%		98,800.00		98,800.00
2020-06c	Fire Equipment	12/29/20	12/28/21	12/27/22	0.00%		29,640.00		29,640.00
2020-02a	Hawthorne and Woodland Avenues	12/28/21	12/28/21	12/27/22	0.00%		78,607.92		78,607.92
2021-02b	Steiner Avenue Phase 3 - Local	12/28/21	12/28/21	12/27/22	0.00%		41,216.00		41,216.00
2021-03b	Adams Field - Local	12/28/21	12/28/21	12/27/22	0.00%		56,729.04		56,729.04
2021-07b	2020 Road Program - Local	12/28/21	12/28/21	12/27/22	0.00%		38,897.00		38,897.00
2021-08b	2021 Road Program - Local	12/28/21	12/28/21	12/27/22	0.00%		1,179.00		1,179.00
2021-11	Fire Department Equipment	12/28/21	12/28/21	12/27/22	0.00%		26,325.00		26,325.00
						<u>\$1,033,596.49</u>	<u>\$923,502.95</u>	<u>\$1,033,596.49</u>	<u>\$923,502.95</u>
					Ref.	C			C
	Non-Cash Rollover						\$673,596.49	\$673,596.49	
	Issued for Cash				C-2:C-10		249,906.46		
	Paid by Budget Appropriation				C-4			360,000.00	
							<u>\$923,502.95</u>	<u>\$1,033,596.49</u>	

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF LEASE OBLIGATIONS PAYABLE
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	C	-
Increased by:		
Lease Obligations Authorized		<u>\$589,000.00</u>
		589,000.00
Decreased by:		
Paid by Budget Appropriation		<u>-</u>
Balance, December 31, 2021	C	<u><u>\$589,000.00</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Bond Anticipation Notes Issued	Balance Dec. 31, 2021
2017-02	Various Capital Improvements	\$54,026.50		\$6,952.50	47,074.00
2017-10	Improvements to Third Avenue	23,715.51			23,715.51
2018-01/		1,091.56			1,091.56
2019-05	Repairs to Windsor Avenue	2,147.50			2,147.50
2018-07	Fuel Dispensing Equipment	4.00			4.00
2020-02A	Hawthorne and Woodland Avenues	108,955.00		78,607.92	30,347.08
2021-02	Steiner Avenue Phase 3		\$245,395.00	41,216.00	204,179.00
2021-03	Adams Field		150,000.00	56,729.04	93,270.96
2021-07	2020 Road Program		38,897.00	38,897.00	0.00
2021-08	2021 Road Program		43,868.00	1,179.00	42,689.00
2021-10	Police Body Camera		85,500.00		85,500.00
2021-11	Fire Department Equipment		29,450.00	26,325.00	3,125.00
		<u>\$189,940.07</u>	<u>\$593,110.00</u>	<u>\$249,906.46</u>	<u>\$533,143.61</u>
	<u>Ref.</u>	(Footnote C)	C-7	C-8	(Footnote C)

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY FUND
SCHEDULE OF CASH
Year Ended December 31, 2021

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2020	D	\$543,450.46	\$529,771.80
Increased by Receipts:			
Consumer Accounts Receivable	D-6	\$1,171,285.37	
Miscellaneous Revenue	D-1	19,711.47	
Sewer Rent Prepayments	D-8	77,210.80	
Capital Improvement Fund	D-13		\$100,000.00
		<u>1,268,207.64</u>	<u>100,000.00</u>
		1,811,658.10	629,771.80
Decreased by Disbursements:			
Appropriations	D-3	1,221,604.72	
Appropriation Reserves	D-7	30,418.94	
Sewer Utility Surplus to Current Fund	D-1	60,000.00	
Improvement Authorizations	D-12		-
		<u>1,312,023.66</u>	<u>-</u>
Balance, December 31, 2021	D	<u><u>\$499,634.44</u></u>	<u><u>\$629,771.80</u></u>

See Independent Auditor's Report

BOROUGH ON NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF SEWER UTILITY CAPITAL FUND CASH
December 31, 2021

		<u>Balance</u> <u>Dec. 31, 2021</u>
Capital Improvement Fund		\$391,756.04
Improvement Authorizations:		
<u>Ordinance Number</u>	<u>Improvement Description</u>	
2016-04	Sewer Line Rehabilitation	238,015.76
		<u>\$629,771.80</u>
	<u>Ref.</u>	D

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	D		\$147,761.95
Increased by:			
Sewer Rents Levied			<u>1,236,454.66</u>
			1,384,216.61
Decreased by:			
Collections	D-4	\$1,171,285.37	
Prepayments Applied	D-8	<u>64,048.74</u>	
	D-2		<u>1,235,334.11</u>
Balance, December 31, 2021	D		<u><u>\$148,882.50</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2021

		<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Balance After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages		\$30,181.59	\$30,181.59		\$30,181.59
Other Expenses		113,371.47	113,371.47	\$30,418.94	82,952.53
Neptune Township Sewerage Authority		11,874.00	11,874.00		11,874.00
Statutory Expenditures:					
Social Security System (O.A.S.I.)		4,303.86	4,303.86		4,303.86
		<u>\$159,730.92</u>	<u>\$159,730.92</u>	<u>\$30,418.94</u>	<u>\$129,311.98</u>
	<u>Ref.</u>			D-4	D-1
Appropriation Reserves	D	\$137,412.36			
Encumbrances Payable	D-9	22,318.56			
		<u>\$159,730.92</u>			

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER RENT PREPAYMENTS
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$64,048.74
Increased by:		
Prepayments in 2021	D-4	<u>77,210.80</u>
		141,259.54
Decreased by:		
Application to Consumer Accounts Receivable	D-6	<u>64,048.74</u>
Balance, December 31, 2021	D	<u><u>\$77,210.80</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$22,318.56
Increased by:		
Transferred from Budget Appropriations	D-3	32,559.75
		<u>54,878.31</u>
Decreased by:		
Transferred to Appropriation Reserves	D-7	\$22,318.56
Transferred to Accounts Payable		<u>-</u>
		<u>22,318.56</u>
Balance, December 31, 2021	D	<u><u>\$32,559.75</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
Year Ended December 31, 2021

<u>Account</u>	<u>Balance December 31, 2021 and 2020</u>
Sewer System Improvements and Equipment	<u><u>\$1,772,488.06</u></u>
<u>Ref.</u>	D

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2020</u>	<u>2021 Authorizations</u>		<u>Balance Dec. 31, 2021</u>
		<u>Date</u>	<u>Amount</u>		<u>Deferred Reserve for Amortization</u>	<u>Deferred Charges to Future Revenue</u>	
2016-04	Sewer Line Rehabilitation	7/25/16	\$300,000.00	\$300,000.00	-	-	\$300,000.00
			<u>Ref.</u>	D			D

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2020 Funded	2021 Authorizations	Transferred from Encumbrances Payable	Paid or Charged	Balance Dec. 31, 2021 Funded
2016-04	Sewer Line Rehabilitation	7/25/16	\$300,000.00	<u>\$238,015.76</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$238,015.76</u>
			<u>Ref.</u>	D			D-4	D

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$291,756.04
Increased by:		
2021 Budget Appropriation	D-4	<u>100,000.00</u>
Balance, December 31, 2021	D	<u><u>\$391,756.04</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2021 and 2020	D	<u><u>\$1,772,488.06</u></u>

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2020</u>	<u>Notes Paid by Operating Budget</u>	<u>Balance Dec. 31, 2021</u>
2016-04	Sewer Line Rehabilitation	7/25/16	<u>\$300,000.00</u>	<u>-</u>	<u>\$300,000.00</u>
		<u>Ref.</u>	D		D

See Independent Auditor's Report

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS
Year Ended December 31, 2021

	Balance Dec. 31, 2020	Additions and Adjustments	Dispositions	Balance Dec. 31, 2021
General Fixed Assets:				
Land	\$2,866,600.00			\$2,866,600.00
Buildings and Improvements	2,131,300.00			2,131,300.00
Machinery and Equipment	3,679,961.00	\$63,945.60		3,743,906.60
	<u>\$8,677,861.00</u>	<u>\$63,945.60</u>	<u>-</u>	<u>\$8,741,806.60</u>
<u>Ref.</u>	F			F

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART III

COMMENTS

YEAR ENDED DECEMBER 31, 2021

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
COMMENTS
YEAR ENDED DECEMBER 31, 2021

Contracts and Agreements Required to be Advertised per 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 year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the municipal attorney’s opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation by categories of payments for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not be reasonably ascertained.

Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory limit for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

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

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

N.J.S. 40A:11-6.1 states, “For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor.” In the auditing of the Borough’s expenditures, we performed tests of the Borough’s compliance with N.J.S. 40A:11-6.1 and noted no exceptions.

COMMENTS (continued)

Examination of Claims

In auditing the Borough's expenditures, we did not and were not required to determine or establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being subject to the Borough's system of internal control over the approval and payment of claims in accordance with N.J.S. 40A:5-16. However, we tested the Borough's compliance with its established internal control system over the approval and payment of claims in accordance N.J.S. 40A:5-16 and noted no exceptions.

Payroll Withholdings

We did not and were not required to determine the propriety of withholdings from individual employee salaries for pensions, income taxes, social security and medicare taxes, and for other purposes.

Collection of Interest on Delinquent Taxes, Assessments and Sewer Maintenance Fees

N.J.S. 54:4-67 provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes, assessments, or municipal liens or charges, unless otherwise provided by law, on or before the date when they would become delinquent.

On January 1, 2021, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Neptune City as follows:

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

Effective January 1, 2021 there will be a ten (10) day grace period of quarterly tax, assessment, or sewer maintenance payments made by cash, check or money order.

Any payments not made in accordance in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

This resolution shall be published in its entirety in an official newspaper of the Borough of Neptune City.

Based upon our audit of the tax collector's records, interest on delinquent accounts was charged in accordance with the foregoing resolution.

COMMENTS (continued)

Tax Title Liens

The last tax sale was held on December 16, 2021 and was complete. As of December 31, 2021, there was one tax title lien receivable in the amount of \$308.19.

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

On December 31, 2021, 2020 and 2019, the value of property acquired by tax title lien liquidation, on the basis of the last assessed valuation of such properties, was \$29,300.00, \$29,300.00 and \$82,513.00, respectively.

COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31

<u>Year</u>	<u>Current Fund Balance</u>	<u>Utilized in Budget of Succeeding Year</u>
2021	\$2,391,855.82	\$1,390,000.00
2020	2,471,541.38	1,262,600.00
2019	2,425,986.32	1,000,000.00

<u>Year</u>	<u>Sewer Utility Operating Fund Balance</u>	<u>Utilized in Sewer Utility Budget of Succeeding Year</u>
2021	\$354,028.36	\$120,000.00
2020	319,670.80	100,000.00
2019	309,452.47	100,000.00

COMMENTS (continued)

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND APPORTIONMENT (Excluding Special District Tax Rate)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Municipal	\$0.804	\$0.851	\$0.90
Local School	1.098	1.141	1.18
County	0.286	0.299	0.29
Total Tax Rate	<u>\$2.188</u>	<u>\$2.291</u>	<u>\$2.367</u>

ASSESSED VALUATIONS

2021	\$677,923,700.00
2020	640,359,500.00
2019	607,598,200.00

COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2021	\$14,855,813.55	\$14,499,624.38	97.60%
2020	14,711,788.65	14,357,178.68	97.58%
2019	14,443,507.25	13,983,807.58	96.81%

DELINQUENT TAXES AND TAX TITLE LIENS

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Title Liens	\$308.19	\$13,670.19	\$9,665.49
Delinquent Taxes	<u>361,263.02</u>	<u>361,416.97</u>	<u>468,166.40</u>
Total Delinquent	<u>\$361,571.21</u>	<u>\$375,087.16</u>	<u>\$477,831.89</u>
% of Tax Levy	2.43%	2.55%	3.31%

COMMENTS (continued)

SUMMARY OF MUNICIPAL DEBT

<u>Issued</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Bonds, Notes and Loans:			
General	\$923,502.95	\$1,033,596.49	\$1,019,996.49
Sewer Utility	-	-	-
Total Issued	<u>923,502.95</u>	<u>1,033,596.49</u>	<u>1,019,996.49</u>
Less:			
Funds on Hand to Pay Notes	-	-	-
Net Debt Issued	<u>923,502.95</u>	<u>1,033,596.49</u>	<u>1,019,996.49</u>
<u>Authorized but not Issued</u>			
Bonds and Notes:			
General	533,143.61	189,940.07	144,765.53
Sewer Utility	-	-	-
	<u>533,143.61</u>	<u>189,940.07</u>	<u>144,765.53</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$1,456,646.56</u>	<u>\$1,223,536.56</u>	<u>\$1,164,762.02</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .209%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$3,040,000.00	\$3,040,000.00	-
Sewer Utility Debt	-	-	-
General Debt	<u>1,456,646.56</u>	-	\$1,456,646.56
	<u>\$4,496,646.56</u>	<u>\$3,040,000.00</u>	<u>\$1,456,646.56</u>

Net Debt \$1,456,646.56 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$697,672,360.33 equals .209%.

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

3½% of Equalized Valuation Basis	\$24,418,532.61
Net Debt	<u>1,456,646.56</u>
Remaining Borrowing Power	<u>\$22,961,886.05</u>

The 2021 Annual Debt Statement filed by the chief financial officer is in agreement with the Summary of Municipal Debt as presented above.

COMMENTS (continued)

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

Cash Receipts from Fees, Rents, Other Charges and Fund Balance Utilized		\$1,355,045.58
Deductions:		
Operating and Maintenance Cost	\$1,190,000.00	
Debt Service	<u>-</u>	
Total Deductions		<u>1,190,000.00</u>
Excess in Revenue		<u>\$165,045.58</u>

COMPARISON OF SEWER UTILITY LEVIES

Sewer Utility Fund

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>
2021	\$1,236,454.66	\$1,235,334.11
2020	1,237,197.88	1,220,049.81
2019	1,238,040.08	1,238,726.46

*Annual amounts include collection of prior year receivables.

COMMENTS (continued)

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as of December 31, 2021:

<u>Name</u>	<u>Title</u>
Andrew Wardell	Mayor
David Calhoun	Council President
Brian Thomas	Councilman
John Pietrunti	Councilman
Danielle Pappas	Councilwoman
Pamela Renee	Councilwoman
Glen Kocsis	Councilman
Tamara Brown	Borough Clerk
Kevin A. Kane	Borough Administrator
William E. Antonides, Jr.	Chief Financial Officer
Albert Jardine	Tax Collector
Carol Berlen	Court Administrator
William Fitzpatrick	Tax Assessor
Paul Capotorto	Municipal Court Judge

Borough employees are covered by a public employee dishonesty bond in the amount of \$50,000.00 by the Monmouth County Municipal Joint Insurance Fund. In addition, Borough employees are covered by a public employee dishonesty and faithful performance bond in the amount of \$950,000.00 by the Municipal Excess Liability Insurance Fund.

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART IV

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

BOROUGH OF NEPTUNE CITY
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

Other Internal Control and Compliance Matters

There are no current year recommendations.

Status of Prior Year Recommendations

The prior year recommendations relative to the analysis and cancellation of unidentified other trust fund reserve balances and obtaining signature approval of the Chief Financial Officer or Business Administrator on all purchase orders and requisitions prior to the purchase of goods or services have been resolved.