

**TOWNSHIP OF WALL
COUNTY OF MONMOUTH**

**AUDIT REPORT FOR THE
YEAR ENDED DECEMBER 31, 2016**

**TOWNSHIP OF WALL
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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COUNTY OF MONMOUTH, NEW JERSEY
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HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
6 E. Park Street, P.O. Box 614, Bordentown, NJ 08505 • Tel: 609.298.8639
194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Wall
County of Monmouth
Wall Township, New Jersey 07719

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Wall, County of Monmouth, State of New Jersey as of December 31, 2016 and 2015, and the related comparative statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and comparative statement of general fixed assets group of accounts - regulatory basis for the year ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As discussed in Note 1 to the financial statements, the Township of Wall prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws 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 State of New Jersey.

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

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Wall, County of Monmouth, State of New Jersey, as of December 31, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust 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 nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements as of and for the years ended December 31, 2016 and 2015. The LOSAP Trust Fund financial activities are included in the Township’s Trust Fund, and represent 2.36% and 3.04% of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2016 and 2015.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the , County of Monmouth, State of New Jersey, as of December 31, 2016 and 2015, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2016 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds 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 is not a required part of the above 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2017, on our consideration of the Township of Wall'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Wall's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
June 26, 2017

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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*

Honorable Mayor and Members
of the Township Committee
Township of Wall
County of Monmouth
Wall Township, New Jersey 07719

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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Township of Wall (herein referred to as “the Municipality”), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Municipality’s basic financial statements, and have issued our report thereon dated June 26, 2017. Our report indicated that the Municipality’s financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note I.

Our report on the financial statements - regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund. As discussed in Note 1 the LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township of Wall’s financial statements as of and for the year ended December 31, 2016. With the exception of the LOSAP Trust Fund our opinion on the financial statements- regulatory basis was unmodified.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or

detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Municipality's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying Comment & Recommendations section as Finding N0's. 2016-001, 2016-002.

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
June 26, 2017

BASIC FINANCIAL STATEMENTS

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**TOWNSHIP OF WALL
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	REFERENCE	<u>2016</u>	<u>2015</u>
ASSETS			
Current Fund:			
Cash	A-4	\$ 12,751,177.83	\$ 12,379,033.08
Cash - Change Funds	A-5	800.00	800.00
Petty Cash	A	600.00	600.00
Due from State of New Jersey for Senior Citizen & Veteran Deductions	A-12	754.42	6,403.05
Total		<u>12,753,332.25</u>	<u>12,386,836.13</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Taxes Receivable	A-6	1,789,170.26	2,471,277.42
Tax Title Liens Receivable	A-7	1,248,236.42	1,188,383.70
Foreclosed Property - Assessed Valuation	A	621,000.00	322,900.00
Revenue Accounts Receivable	A-8	59,709.34	67,043.23
Due from:			
Due from Utility Capital Fund	D	341,279.11	-
Trust - Other	B	-	105,905.78
Animal Control Trust	B	48.22	135.13
Total Receivables & Other Assets With Full Reserves		<u>4,059,443.35</u>	<u>4,155,645.26</u>
Deferred Charges:			
Special Emergency 40A:4-55	A-18	380,000.00	570,000.00
Overexpenditure of Appropriation	A-19	-	22,090.80
Total Deferred Charges		<u>380,000.00</u>	<u>592,090.80</u>
Total Regular Funds		<u>17,192,775.60</u>	<u>17,134,572.19</u>
Federal & State Grants:			
Cash	A-4	226,528.89	284,649.89
Grants Receivable	A-25	1,100,386.88	45,388.98
Total Federal & State Grants		<u>1,326,915.77</u>	<u>330,038.87</u>
Total Assets		<u>\$ 18,519,691.37</u>	<u>\$ 17,464,611.06</u>

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

**TOWNSHIP OF WALL
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	REFERENCE	<u>2016</u>	<u>2015</u>
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 2,131,094.52	\$ 1,311,335.44
Accounts Payable	A	54,956.00	-
Encumbrance Payable	A-28	473,534.93	719,851.81
Tax Overpayments	A-10	42,508.92	69,583.12
Prepaid Taxes	A-11	695,673.39	746,988.98
Due County for Added & Omitted Taxes	A-13	17,226.83	53,266.15
Local District School Taxes Payable	A-15	399,997.04	399,997.04
Special Emergency Note Payable	A-17	-	570,000.00
Reserve for:			
Sale of Municipal Assets	A-20	926,921.22	926,921.22
State Aid	A-21	8,789.00	8,789.00
Tax Revaluation	A-22	-	592,546.84
FEMA Reimbursements	A-23	367,113.65	367,113.65
Tax Appeals Pending	A-24	1,450,000.00	1,150,000.00
Subtotal Regular Fund		<u>6,567,815.50</u>	<u>6,916,393.25</u>
Reserve for Receivables & Other Assets	A	4,059,443.35	4,155,645.26
Fund Balance	A-1	<u>6,565,516.75</u>	<u>6,062,533.68</u>
Total Regular Fund		<u>17,192,775.60</u>	<u>17,134,572.19</u>
Federal & State Grants:			
Encumbrance Payable	A-28	357,470.74	12,732.65
Unappropriated Reserves	A-26	227,119.82	100,724.28
Appropriated Reserves	A-27	742,325.21	216,581.94
Total Federal & State Grants		<u>1,326,915.77</u>	<u>330,038.87</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 18,519,691.37</u>	<u>\$ 17,464,611.06</u>

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

**TOWNSHIP OF WALL
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	REFERENCE	2016	2015
Revenue & Other Income Realized:			
Fund Balance Utilized	A-2	\$ 3,341,183.62	\$ 2,500,000.00
Miscellaneous Revenue Anticipated	A-2	7,809,316.79	7,043,639.14
Receipts From Delinquent Taxes	A-2	2,458,743.39	2,599,020.46
Receipts From Current Taxes	A-6	108,573,315.44	106,826,249.47
Nonbudget Revenue	A-2	1,652,694.07	1,550,122.72
Other Credits to Income:			
Prepaid Taxes/Overpayments Adjustments	A	42,863.61	-
Unexpended Balance of Appropriation Reserves	A-9	967,502.38	909,995.62
Liquidation of Interfunds	A	-	436.72
Bank Reconciliation Adjustment	A	56,708.40	-
Cancellation of Checks	A	39,945.71	-
Total Income		<u>124,942,273.41</u>	<u>121,429,464.13</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries & Wages	A-3	15,817,839.44	15,644,285.61
Other Expenses	A-3	10,582,664.38	10,182,041.68
Deferred Charges & Statutory Expenditures	A-3	4,069,329.01	3,860,710.37
Excluded From "CAPS":			
Operations:			
Salaries & Wages	A-3	95,673.13	153,525.13
Other Expenses	A-3	1,720,952.95	409,519.32
Capital Improvements	A-3	515,000.00	150,000.00
Municipal Debt Service	A-3	3,109,236.69	3,993,541.99
Deferred Charges	A-3	1,049,699.68	190,000.00
Local District School Tax	A-15	64,266,723.00	62,786,769.00
County Taxes	A-14	16,908,982.72	17,196,774.94
Due County for Added & Omitted Taxes	A-13	17,226.83	53,266.15
Special Fire District Taxes	A-16	2,701,050.00	2,620,811.00
Prior Year Senior Citizen Deductions Disallowed	A-6	5,442.47	-
Refund of Prior Year Revenue	A-4	-	960.10
Senior/Veteran State Adjustment	A	3,000.00	-
Interfunds Advanced	A	235,286.42	105,032.34
Total Expenditures		<u>121,098,106.72</u>	<u>117,347,237.63</u>
Excess/(Deficit) in Revenue		<u>3,844,166.69</u>	<u>4,082,226.50</u>
Statutory Excess to Fund Balance		3,844,166.69	4,082,226.50
Fund Balance January 1	A	<u>6,062,533.68</u>	<u>4,480,307.18</u>
Total		9,906,700.37	8,562,533.68
Decreased by: Utilization as Anticipated Revenue	A-2	<u>3,341,183.62</u>	<u>2,500,000.00</u>
Fund Balance December 31	A	<u>\$ 6,565,516.75</u>	<u>\$ 6,062,533.68</u>

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

**TOWNSHIP OF WALL
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 3,341,183.62	\$ -	\$ 3,341,183.62	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	46,300.00	-	37,500.00	(8,800.00)
Other	42,700.00	-	123,905.30	81,205.30
Fees & Permits - Other	117,000.00	-	106,047.14	(10,952.86)
Fines & Costs - Municipal Court	750,000.00	-	801,915.01	51,915.01
Interest & Costs on Taxes	680,000.00	-	480,828.33	(199,171.67)
Interest on Investments & Deposits	25,000.00	-	82,966.37	57,966.37
Hotel Tax	165,000.00	-	186,642.00	21,642.00
Energy Receipts Tax	3,503,725.00	-	3,503,725.00	-
Garden State Trust	11,839.00	-	11,839.00	-
Watershed Moratorium Offset Aid	8,789.00	-	8,789.00	-
Fees & Permits:				
Uniform Construction Code	800,000.00	-	702,811.20	(97,188.80)
Sea Girt/Spring Lake Heights Municipal Court	128,400.00	-	113,366.00	(15,034.00)
Water/Sewer Indirect Costs	343,758.99	-	343,758.99	-
Reserve for Payment of Bonds	66,667.00	-	66,667.00	-
Recycling Tonnage Grant	37,380.17	-	37,380.17	-
No Net Loss Grant (Tree Grant)	888,600.00	-	888,600.00	-
Monmouth County Open Space Grant	175,000.00	-	175,000.00	-
Clean Communities Program	69,820.94	-	69,820.94	-
Municipal Alliance Grant	57,852.00	-	57,852.00	-
Body Armor	9,903.34	-	9,903.34	-
Total Miscellaneous Revenues	7,927,735.44	-	7,809,316.79	(118,418.65)
Receipts From Delinquent Taxes	1,700,000.00	-	2,458,743.39	758,743.39
Local Tax for Municipal Purposes	26,647,034.76	-	27,310,062.25	663,027.49
Budget Totals	39,615,953.82	-	40,919,306.05	1,303,352.23
Nonbudget Revenues	-	-	1,652,694.07	1,652,694.07
Total	\$ 39,615,953.82	\$ -	\$ 42,572,000.12	\$ 2,956,046.30

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

**TOWNSHIP OF WALL
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections	
Revenue From Collections	\$ 108,873,315.44
Less: School, County Taxes & Special District Taxes	<u>83,893,982.55</u>
Balance for Support of Municipal Budget Appropriations	24,979,332.89
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>2,630,729.36</u>
Subtotal	27,610,062.25
Less: Reserve for Tax Appeals Pending	<u>300,000.00</u>
Total Amount for Support of Municipal Budget Appropriation	<u><u>\$ 27,310,062.25</u></u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	\$ 2,458,743.39
Tax Title Lien Collections	<u>-</u>
Total Receipts From Delinquent Taxes	<u><u>\$ 2,458,743.39</u></u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
Receipts:	
Cable Franchise Fees	\$ 447,349.00
Police Fees	18,419.21
Rents	142,253.80
Payment in Lieu of Taxes	183,687.29
EMT Fees	553,800.47
Towing Fees	59,295.00
Recycling Fees	50,753.07
Motor Vehicles Fees	3,950.00
Insurance Divended	97,240.30
Auction Proceeds	55,107.69
FEMA Reimbursements	24,124.69
Senior Citizen & Vets Administrative Payment	4,519.12
Miscellaneous	<u>12,194.43</u>
Total	<u><u>\$ 1,652,694.07</u></u>

**TOWNSHIP OF WALL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	OPERATIONS		APPROPRIATIONS			PAID OR CHARGED			UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED	EXPENDED	ENCUMBERED	RESERVED		
Administrative & Executive:										
General Administration:										
Salaries and Wages	\$ 203,945.29	242,945.29	\$ 242,565.29	\$ -	\$ 380.00					
Other Expenses	21,500.00	21,500.00	21,285.46	195.56	18.98					
Mayor & Committee:										
Salaries and Wages	22,500.00	22,500.00	17,944.94	-	4,555.06					
Municipal Clerk:										
Salaries and Wages	203,945.28	143,945.28	128,245.63	-	15,699.65					
Other Expenses	21,500.00	21,500.00	21,240.52	245.00	14.48					
Financial Administration (Treasury):										
Salaries and Wages	221,164.34	221,164.34	212,997.96	-	8,166.38					
Other Expenses	51,500.00	51,500.00	50,137.26	1,362.74	-					
Tax Assessment Administration:										
Salaries and Wages	177,257.96	208,257.96	208,257.96	-	-					
Other Expenses	15,500.00	15,500.00	13,443.65	165.30	1,891.05					
Tax Appeals	100,000.00	100,000.00	56,472.19	-	43,527.81					
Revenue Administration (Tax Collection):										
Salaries and Wages	119,010.74	124,510.74	124,289.33	-	221.41					
Other Expenses	19,900.00	19,900.00	15,276.85	309.65	4,313.50					
Legal Services (Legal Department):										
Other Expenses	413,000.00	463,000.00	414,639.74	659.00	47,701.26					
Municipal Prosecutor's Office:										
Other Expenses	37,500.00	37,500.00	37,375.00	-	125.00					
Engineering Services:										
Other Expenses	45,000.00	45,000.00	30,210.91	5,961.66	8,827.43					
Engineering and Land Use:										
Salaries and Wages	438,799.95	438,799.95	438,157.87	-	642.08					
Other Expenses	128,500.00	128,500.00	77,526.42	385.88	50,587.70					
Youth Center:										
Salaries and Wages	249,635.29	249,635.29	236,915.23	-	12,720.06					
Other Expenses	8,750.00	8,750.00	7,463.40	644.65	641.95					
Animal Control & Board of Health:										
Other Expenses	51,700.00	51,700.00	49,513.00	-	2,187.00					

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

**TOWNSHIP OF WALL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	OPERATIONS		APPROPRIATIONS		PAID OR CHARGED			UNEXPENDED	OVER-
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	BUDGET AFTER MODIFICATION	ENCUMBERED	RESERVED	BALANCE CANCELED	EXPENDITURE	
Insurance:									
General Liability	288,276.53	288,276.53	284,302.22	288,276.53	-	3,974.31	-	-	
Worker's Compensation	366,897.40	366,897.40	361,839.20	366,897.40	-	5,058.20	-	-	
Employee Group Insurance	3,676,737.95	3,676,737.95	3,649,536.06	3,676,737.95	-	27,201.89	-	-	
Health Benefit Waiver	18,000.00	18,000.00	-	18,000.00	-	18,000.00	-	-	
Police:									
Salaries and Wages	9,362,123.11	9,362,123.11	8,966,143.00	9,362,123.11	-	395,980.11	-	-	
Other Expenses	799,096.00	799,096.00	794,213.59	799,096.00	-	4,882.41	-	-	
Welfare/Administration of Public Assistance:									
Salaries and Wages	13,767.57	13,767.57	13,499.20	13,767.57	-	268.37	-	-	
Other Expenses	2,500.00	2,500.00	837.94	2,500.00	-	1,662.06	-	-	
Recreation Services and Programs:									
Salaries and Wages	98,004.75	94,504.75	54,254.58	94,504.75	-	40,250.17	-	-	
Other Expenses	54,000.00	54,000.00	41,867.31	54,000.00	741.05	11,391.64	-	-	
Buildings and Grounds:									
Salaries and Wages	727,916.85	727,916.85	697,533.21	727,916.85	-	30,383.64	-	-	
Other Expenses	289,700.00	289,700.00	267,982.96	289,700.00	21,647.16	69.88	-	-	
Street & Roads Maintenance:									
Salaries and Wages	1,714,675.37	1,699,675.37	1,624,212.79	1,699,675.37	-	75,462.58	-	-	
Other Expenses	275,500.00	275,500.00	251,632.77	275,500.00	21,304.42	2,562.81	-	-	
Street Lighting:									
Other Expenses	175,000.00	175,000.00	79,584.47	175,000.00	-	95,415.53	-	-	
Electricity:									
Other Expenses	275,000.00	275,000.00	59,797.49	275,000.00	-	215,202.51	-	-	
Gas (natural or propane):									
Other Expenses	110,000.00	110,000.00	34,889.24	110,000.00	-	75,110.76	-	-	
Water:									
Other Expenses	50,000.00	50,000.00	50,000.00	50,000.00	-	-	-	-	
Solid Waste Collection:									
Salaries and Wages	1,035,284.13	1,035,284.13	909,799.61	1,035,284.13	-	125,484.52	-	-	
Other Expenses	164,500.00	164,500.00	145,623.14	164,500.00	15,445.50	3,431.36	-	-	
Landfill/Solid Waste Disposal Costs:									
Other Expenses	1,050,000.00	1,050,000.00	949,223.61	1,050,000.00	19,328.34	81,448.05	-	-	

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

**TOWNSHIP OF WALL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATIONS	APPROPRIATIONS		PAID OR CHARGED			UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED		
Open Space Maintenance:							
Other Expenses	50,000.00	50,000.00	50,000.00	-	-	-	-
Aid to Volunteer Ambulance Companies:							
Other Expenses	40,000.00	40,000.00	30,000.00	-	10,000.00	-	-
Gasoline:							
Other Expenses	450,000.00	450,000.00	225,412.73	-	224,587.27	-	-
Telecommunication costs:							
Other Expenses	175,000.00	175,000.00	134,954.16	-	40,045.84	-	-
Community Services Act (Condo Community Costs):							
Other Expenses	60,000.00	60,000.00	58,116.72	-	1,883.28	-	-
Computer/Technology Maintenance:							
Other Expenses	115,000.00	115,000.00	66,550.46	6,154.29	42,295.25	-	-
DPW Capital Projects	625,000.00	625,000.00	288,299.87	171,987.06	164,713.07	-	-
Uniform Construction Code Appropriations							
Offset by Dedicated Revenues:							
Construction Code Official:							
Salaries and Wages	876,487.27	826,487.27	732,442.83	-	94,044.44	-	-
Other Expenses:	7,500.00	7,500.00	7,214.27	241.35	44.38	-	-
Unclassified:							
Municipal Court:							
Salaries and Wages	406,321.54	406,321.54	392,488.74	-	13,832.80	-	-
Other Expenses	22,700.00	25,700.00	20,256.62	3,961.91	1,481.47	-	-
Vehicle Maintenance/Replace:							
Vehicle Maintenance Other Expenses	57,000.00	57,000.00	-	57,000.00	-	-	-
Historical Society:							
Other Expenses	4,000.00	4,000.00	628.74	-	3,371.26	-	-
Environmental Committee:							
Other Expenses	3,000.00	3,000.00	865.56	-	2,134.44	-	-
Alliance Grant - Matching Funds:							
Other Expenses	6,906.50	6,906.50	6,906.50	-	-	-	-
Public Defender:							
Other Expenses	4,000.00	4,000.00	-	-	4,000.00	-	-
Snow Removal Costs:							
Other Expenses	400,000.00	400,000.00	400,000.00	-	-	-	-

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

**TOWNSHIP OF WALL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATIONS	APPROPRIATIONS		PAID OR CHARGED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED RESERVED		
Total Operation Within "CAPS"	26,400,503.82	26,400,503.82	24,054,868.20	327,740.52	2,017,895.10	-
Detail:						
Salaries and Wages	15,870,839.44	15,817,839.44	14,999,748.17	-	818,091.27	-
Other Expenses (Including Contingent)	10,529,664.38	10,582,664.38	9,055,120.03	327,740.52	1,199,803.83	-
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						
Statutory Expenditures:						
Overexpenditure	22,090.80	22,090.80	22,090.80	-	-	-
Public Employees Retirement System	850,533.42	850,533.42	850,533.42	-	-	-
Social Security System(O.A.S.I.)	1,225,825.79	1,225,825.79	1,153,616.41	-	72,209.38	-
Police & Fire Retirement System	1,969,582.00	1,969,582.00	1,969,582.00	-	-	-
Defined Benefit Plan	1,297.00	1,297.00	-	-	1,297.00	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	4,069,329.01	4,069,329.01	3,995,822.63	-	73,506.38	-
Total General Appropriations for Municipal Purposes Within "CAPS"	30,469,832.83	30,469,832.83	28,050,690.83	327,740.52	2,091,401.48	-
OPERATIONS EXCLUDED FROM "CAPS":						
Implementation of the Housing Element P. L. 195 - Chapter 22:						
Salaries and Wages	95,673.13	95,673.13	86,012.97	-	9,660.16	-
Other Expenses	24,000.00	24,000.00	23,715.04	252.08	32.88	-
LOSAP	30,000.00	30,000.00	-	-	30,000.00	-
Shared Service Agreements:						
Monmouth County Regional Health Commission Ch. 329 P.L. 1975 Health Services Contract	240,303.00	240,303.00	240,303.00	-	-	-

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

**TOWNSHIP OF WALL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATIONS	APPROPRIATIONS			PAID OR CHARGED			UNEXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED	BALANCE CANCELED	OVER-EXPENDITURE	
Public & Private Programs Offset by Revenues:								
Alliance Grant	57,852.00	57,852.00	57,852.00	-	-	-	-	-
Matching Funds	13,093.50	13,093.50	13,093.50	-	-	-	-	-
Clean Communities	69,820.94	69,820.94	69,820.94	-	-	-	-	-
Recycling Tonnage	37,380.17	37,380.17	37,380.17	-	-	-	-	-
No Net Loss Grant (Tree Grant)	888,600.00	888,600.00	888,600.00	-	-	-	-	-
Monmouth County Recreation/Open Space Grant	175,000.00	175,000.00	175,000.00	-	-	-	-	-
Monmouth County Recreation/Open Space Grant Match	175,000.00	175,000.00	175,000.00	-	-	-	-	-
Body Armor	9,903.34	9,903.34	9,903.34	-	-	-	-	-
Total Operations Excluded from "CAPS"	1,816,626.08	1,816,626.08	1,776,680.96	252.08	39,693.04	-	-	-
Detail:								
Salaries and Wages	95,673.13	95,673.13	86,012.97	-	9,660.16	-	-	-
Other Expenses	1,720,952.95	1,720,952.95	1,690,667.99	252.08	30,032.88	-	-	-
Capital Improvements - Excluded from "CAPS":								
Shark River Dredging	315,000.00	315,000.00	315,000.00	-	-	-	-	-
Capital Improvement Fund	200,000.00	200,000.00	200,000.00	-	-	-	-	-
Total Capital Improvements Excluded from "CAPS"	515,000.00	515,000.00	515,000.00	-	-	-	-	-
Municipal Debt Service - Excluded from "CAPS":								
Payment of Bond Principal	1,888,327.00	1,888,327.00	1,885,523.90	-	-	2,803.10	-	-
Interest on Bonds	824,375.75	792,376.97	772,003.89	-	-	20,373.08	-	-
Interest on Notes	94,983.00	126,981.78	125,328.78	-	-	1,653.00	-	-
Debt Service for Open Space Acquisition Including Green Acres:								
Payment of Bond Principal	278,521.13	278,521.13	278,521.13	-	-	-	-	-
Interest on Bonds	17,858.99	17,858.99	17,858.99	-	-	-	-	-
Payment of Bond Principal - 2016 Refunding	30,000.00	30,000.00	30,000.00	-	-	-	-	-
Total Municipal Debt Service Excluded from "CAPS"	3,134,065.87	3,134,065.87	3,109,236.69	-	-	24,829.18	-	-

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

**TOWNSHIP OF WALL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATIONS	APPROPRIATIONS			PAID OR CHARGED			UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED			
Deferred Charges - Municipal - Excluded "CAPS"								
Special Emergency Authorizations - 5 Years	190,000.00	190,000.00	190,000.00	-	-	-	-	-
Deferred Charges to Future Taxation - Ord #1995-31	6,460.05	6,460.05	6,460.05	-	-	-	-	-
Deferred Charges to Future Taxation - Ord #2001-18	70,000.00	70,000.00	70,000.00	-	-	-	-	-
Deferred Charges to Future Taxation - Ord #2003-34	113,575.13	113,575.13	113,575.13	-	-	-	-	-
Deferred Charges to Future Taxation - Ord #2011-16	81,664.50	81,664.50	81,664.50	-	-	-	-	-
Deferred Charges to Future Taxation - Ord #2013-28	588,000.00	588,000.00	588,000.00	-	-	-	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS"	1,049,699.68	1,049,699.68	1,049,699.68	-	-	-	-	-
Total General Appropriations Excluded from "CAPS"	6,515,391.63	6,515,391.63	6,450,617.33	252.08	39,693.04	24,829.18	-	-
Subtotal General Appropriations	36,985,224.46	36,985,224.46	34,501,308.16	327,992.60	2,131,094.52	24,829.18	-	-
Reserve For Uncollected Taxes	2,630,729.36	2,630,729.36	2,630,729.36	-	-	-	-	-
Total General Appropriations	\$ 39,615,953.82	\$ 39,615,953.82	\$ 37,132,037.52	\$ 327,992.60	\$ 2,131,094.52	\$ 24,829.18	\$ -	\$ -
Budget		\$ 39,615,953.82						
Total		\$ 39,615,953.82						
Reserve for Uncollected Taxes		\$	2,630,729.36					
Appropriated Reserves for Federal & State Grants			1,238,556.45					
Deferred Charges			190,000.00					
Overexpenditure Budget Charge			22,090.80					
Reimbursements			(1,277,835.06)					
Cash Disbursements			34,328,495.97					
Total		\$	37,132,037.52					

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

**TOWNSHIP OF WALL
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	REFERENCE	2016	2015
Animal Control Fund:			
Cash	B-1	\$ 37,980.82	\$ 30,966.13
Total Animal Control Fund		<u>37,980.82</u>	<u>30,966.13</u>
Other Funds:			
Cash	B-1	5,016,016.84	4,746,128.44
Total Other Funds		<u>5,016,016.84</u>	<u>4,746,128.44</u>
Length of Service Award Program Fund: ("LOSAP") - Unaudited			
Investments	B-9	122,029.77	149,752.13
Total LOSAP		<u>122,029.77</u>	<u>149,752.13</u>
Total Assets		<u>\$ 5,176,027.43</u>	<u>\$ 4,926,846.70</u>
LIABILITIES, RESERVES & FUND BALANCE			
Animal Control Fund:			
Due to State of New Jersey	B-3	\$ 425.20	\$ 434.80
Due to Current Fund	B-4	48.22	135.13
Reserve for Animal Control Expenditures	B-2	37,507.40	30,396.20
Total Animal Control Fund		<u>37,980.82</u>	<u>30,966.13</u>
Other Funds:			
Tax Title Liens	B-6	989,031.36	1,083,250.57
Due to Current Fund	B-7	-	105,905.78
Various Other Reserves	B-5	4,026,985.48	3,556,972.09
Total Other Funds		<u>5,016,016.84</u>	<u>4,746,128.44</u>
Length of Service Award Program Fund: ("LOSAP") - Unaudited			
Miscellaneous Reserves	B-10	122,029.77	149,752.13
Total LOSAP		<u>122,029.77</u>	<u>149,752.13</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 5,176,027.43</u>	<u>\$ 4,926,846.70</u>

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

**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	REFERENCE	<u>2016</u>	<u>2015</u>
Cash	C-2	\$ 238,461.41	\$ -
Grants Receivable	C-7	588,000.00	588,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	17,435,464.55	19,858,132.97
Unfunded	C-5	<u>17,286,609.82</u>	<u>15,919,309.50</u>
 Total Assets		 <u>\$ 35,548,535.78</u>	 <u>\$ 36,365,442.47</u>
 LIABILITIES, RESERVES & FUND BALANCE			
Due To Utility Assessment Trust	C-10	\$ 274,160.93	\$ 274,160.93
Loans Payable	C-11	610,580.55	867,921.97
General Serial Bonds	C-12	16,824,885.00	18,990,212.00
Bond Anticipation Notes	C-13	10,194,000.00	8,027,000.00
Capital Improvement Fund	C-6	53,500.00	11,500.00
Improvement Authorizations:			
Funded	C-8	991,539.15	993,982.97
Unfunded	C-8	2,739,500.76	3,888,209.47
Encumbrances Payable	C-9	1,907,097.06	1,385,328.73
Reserve For:			
Debt Service - Green Trust	C-15	932,832.00	999,499.00
Route 34	C-16	250,000.00	250,000.00
Receivables	C	588,000.00	588,000.00
Fund Balance	C-1	<u>182,440.33</u>	<u>89,627.40</u>
 Total Liabilities, Reserves & Fund Balance		 <u>\$ 35,548,535.78</u>	 <u>\$ 36,365,442.47</u>

There was \$7,092,609.82 bonds and notes authorized but not issued on December 31, 2016 and \$7,892,309.50 as of December 31, 2015.

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

**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 89,627.40
Increased by Receipts:	
Premium Received on Issuance of BANs	<u>92,812.93</u>
Balance, December 31, 2016	<u><u>\$ 182,440.33</u></u>

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

**TOWNSHIP OF WALL
WATER-SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	REFERENCE	<u>2016</u>	<u>2015</u>
ASSETS			
Operating Fund:			
Cash	D-8	\$ 1,533,827.60	\$ 1,200,266.63
Receivables With Full Reserves:			
Consumer Accounts Receivable	D-10	<u>839,692.18</u>	<u>793,371.54</u>
Subtotal		2,373,519.78	1,993,638.17
Deferred Charge:			
Overexpenditure of Appropriation	D-30	<u>9,871.19</u>	<u>19,190.06</u>
Total Operating Fund		<u>2,383,390.97</u>	<u>2,012,828.23</u>
Utility Assessment Fund:			
Cash	D-8	400,205.29	687,434.87
Assessments Receivables	D-12	120,816.50	138,259.92
Assessments Liens Receivable	D-13	13,143.33	13,143.33
Due From Water/Sewer Utility Capital Fund	D	503,486.24	503,486.24
Due From General Capital Fund	C	<u>274,160.93</u>	<u>274,160.93</u>
Total Utility Assessment Fund		<u>1,311,812.29</u>	<u>1,616,485.29</u>
Capital Fund:			
Prospective Assessments To Be Raised			
By Water/Sewer Utility Fund Revenue	D-17	68,000.00	68,000.00
Fixed Capital:			
Completed	D-14	43,216,150.68	43,216,150.68
Authorized & Uncompleted	D-15	<u>14,834,775.00</u>	<u>8,744,000.00</u>
Total Capital Fund		<u>58,118,925.68</u>	<u>52,028,150.68</u>
Total Assets		<u>\$ 61,814,128.94</u>	<u>\$ 55,657,464.20</u>

Bonds and Notes authorized but not issued as of December 31, 2016 was \$8,203,140.38 and as of December 31, 2015 was \$2,262,365.38

**TOWNSHIP OF WALL
WATER-SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

	REFERENCE	<u>2016</u>	<u>2015</u>
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 196,924.27	\$ 443,693.60
Reserve for Encumbrances	D-3	286,166.66	155,414.02
Accrued Interest on Bonds & Notes	D-26	<u>100,608.69</u>	<u>65,504.00</u>
Subtotal		<u>583,699.62</u>	<u>664,611.62</u>
Reserve for Receivables	D	839,692.18	793,371.54
Fund Balance	D-1	<u>959,999.17</u>	<u>554,845.07</u>
Total Operating Fund		<u>2,383,390.97</u>	<u>2,012,828.23</u>
Utility Assessment Fund:			
Serial Bonds Payable	D-24	750,116.00	1,054,789.00
Reserve For:			
Assessments Receivables	D-12	34,693.02	34,693.02
Assessments Lien Receivables	D-13	13,143.33	13,143.33
Fund Balance	D-7	<u>513,859.94</u>	<u>513,859.94</u>
Total Utility Assessment Fund		<u>1,311,812.29</u>	<u>1,616,485.29</u>
Capital Fund:			
Serial Bonds	D-22	3,350,000.00	3,450,000.00
Bond Anticipation Notes Payable	D-23	3,762,000.00	3,762,000.00
Due To:			
Water/Sewer Assessment Fund	D-28	503,486.24	503,486.24
Current Fund	D-31	341,279.11	-
Improvement Authorizations:			
Funded	D-16	215,107.94	65,107.94
Unfunded	D-16	6,915,829.31	1,186,651.91
Encumbrances Payable	D-16	113,754.21	377,763.79
Reserve For:			
Prosepective Asessments To Be Raised			
By Water/Sewer Utility Fund	D-17	68,000.00	68,000.00
Amortization	D-18	41,913,786.10	41,813,786.10
Sewer Extension	D-19	502.29	502.29
Payment of Bond Anticipation Notes	D-27	37,050.00	37,050.00
Deferred Reserve for Amortization	D-20	822,000.00	672,000.00
Capital Improvement Fund	D-21	32,400.00	82,400.00
Fund Balance	D-4	<u>43,730.48</u>	<u>9,402.41</u>
Total Capital Fund		<u>58,118,925.68</u>	<u>52,028,150.68</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 61,814,128.94</u>	<u>\$ 55,657,464.20</u>

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

TOWNSHIP OF WALL
WATER/SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Revenue & Other Income Realized:		
Water & Sewer Rents	\$ 11,522,420.68	\$ 11,418,630.93
Water/Sewer User Agreements	50,000.00	55,212.38
Miscellaneous	249,694.31	457,579.79
Surplus Anticipated	169,879.77	435,000.00
Water/Sewer Assessment Trust Surplus	-	220,000.00
Capital Surplus Anticipated	-	90,000.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	354,965.88	203,595.99
Prior Year Balance Adjustment	1,926.03	-
	12,348,886.67	12,880,019.09
Total Revenue		
Expenditures:		
Operating	10,188,918.63	10,517,864.15
Capital Improvements	800,000.00	171,000.00
Debt Service	389,792.70	1,187,744.27
Deferred Charges & Statutory Expenditures	391,168.44	458,520.39
Refund of Prior Year Revenues	3,949.00	-
Balance Adjustment	24.03	-
	11,773,852.80	12,335,128.81
Total Expenditures		
Excess/(Defecit) in Revenue	575,033.87	544,890.28
Adjustment to Income Before Fund Balance:		
Expenditures Included Above which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	9,871.19
	-	9,871.19
Statutory Excess to Fund Balance	575,033.87	554,761.47
Fund Balance January 1	554,845.07	435,083.60
Decreased by: Utilization as Anticipated Revenue	169,879.77	435,000.00
Balance December 31	\$ 959,999.17	\$ 554,845.07

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

**TOWNSHIP OF WALL
WATER/SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	ANTICIPATED BUDGET	REALIZED	EXCESS OR (DEFICIT)
Surplus Anticipated	\$ 169,879.77	\$ 169,879.77	\$ -
Water & Sewer Rents	11,300,000.00	11,522,420.68	222,420.68
Water/Sewer Use Agreements	50,000.00	50,000.00	-
Miscellaneous	250,000.00	249,694.31	(305.69)
	<hr/>	<hr/>	<hr/>
Total Revenues	<u>\$ 11,769,879.77</u>	<u>\$ 11,991,994.76</u>	<u>\$ 222,114.99</u>

ANALYSIS OF MISCELLANEOUS REVENUES

Miscellaneous Receipts:	
Sprinkler Fees	\$ 749.72
Connection Fees	172,996.00
Water/Sewer Tax Sale/Cost	9,011.62
Interest & Cost on Taxes	66,936.97
	<hr/>
	<u>\$ 249,694.31</u>

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

**TOWNSHIP OF WALL
WATER/SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS			PAID OR CHARGED			UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	BUDGET AFTER MODIFICATION	PAID	ENCUMBRANCES	RESERVED		
Operating:								
Salaries & Wages	\$ 1,952,277.29	\$ 1,888,833.86	\$ 1,835,351.40	\$ -	\$ -	\$ 53,482.46	\$ -	\$ -
Other Expenses	2,075,327.07	2,083,327.07	2,057,278.23	17,113.56	-	8,935.28	-	-
Sewer Treatment Costs	3,431,757.70	3,431,757.70	3,408,856.15	-	-	22,901.55	-	-
Water Treatment Costs	2,762,500.00	2,785,000.00	2,764,412.63	-	-	20,587.37	-	-
Total Operating	10,221,862.06	10,188,918.63	10,065,898.41	17,113.56	-	105,906.66	-	-
Capital Improvements:								
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-	-	-	-	-
Capital Outlay	700,000.00	700,000.00	414,031.47	269,053.10	-	16,915.43	-	-
Total Capital Improvements	800,000.00	800,000.00	514,031.47	269,053.10	-	16,915.43	-	-
Debt Service:								
Payment of Bond Principal	100,000.00	100,000.00	100,000.00	-	-	-	-	-
Interest on Bonds	183,139.27	195,742.70	195,742.70	-	-	-	-	-
Interest on Notes	73,710.00	94,050.00	94,050.00	-	-	-	-	-
Total Debt Service	356,849.27	389,792.70	389,792.70	-	-	-	-	-
Deferred Charges:								
Overexpenditure	9,318.87	9,318.87	9,318.87	-	-	-	-	-
Total Debt Service	9,318.87	9,318.87	9,318.87	-	-	-	-	-

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

**TOWNSHIP OF WALL
WATER/SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS			PAID OR CHARGED			UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION		PAID	ENCUMBRANCES	RESERVED		
Statutory Expenditures:								
Contribution to:								
Public Employment	233,190.58	233,190.58		233,190.58	-	-	-	-
Retirement System								
Social Security System	148,658.99	148,658.99		74,556.81	-	74,102.18	-	-
(O.A.S.I.)								
Total Statutory Expenditures	381,849.57	381,849.57		307,747.39	-	74,102.18	-	-
Total Expenditures	\$ 11,769,879.77	\$ 11,769,879.77	\$	11,286,788.84	\$ 286,166.66	\$ 196,924.27	\$	\$ -
Accrued Interest on Bonds			\$	35,104.69				
Deferred Charges				9,318.87				
Refunds				(18,760.58)				
Cash Disbursed				<u>11,261,125.86</u>				
Total			\$	<u>11,286,788.84</u>				

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

**TOWNSHIP OF WALL
WATER/SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 9,402.41
Increased by Receipts:	
Premium on Sale of BAN's	<u>34,328.07</u>
Balance, December 31, 2016	<u><u>\$ 43,730.48</u></u>

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

**TOWNSHIP OF WALL
 WATER/SEWER UTILITY ASSESSMENT FUND
 STATEMENT OF REVENUES - ASSESMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	ANTICIPATED BUDGET	REALIZED	EXCESS OR (DEFICIT)
Assessment Cash	\$ -	\$ 17,443.42	\$ 17,443.42
Fund Balance	304,673.00	304,673.00	-
	<hr/>		
Total Revenues	<u>\$ 304,673.00</u>	<u>\$ 322,116.42</u>	<u>\$ 17,443.42</u>

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

**TOWNSHIP OF WALL
 WATER/SEWER UTILITY ASSESSMENT FUND
 STATEMENT OF EXPENDITURES - ASSESSMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016**

	APPROPRIATIONS		PAID OR CHARGED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBRANCES	RESERVED
Payment of Bond Principal	\$ 304,673.00	\$ 304,673.00	\$ 304,673.00	\$ -	\$ -
Total Expenditures	\$ 304,673.00	\$ 304,673.00	\$ 304,673.00	\$ -	\$ -

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

**TOWNSHIP OF WALL
WATER/SEWER UTILITY ASSESSMENT FUND
STATEMENT OF FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015

\$ 513,859.94

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

**TOWNSHIP OF WALL
PUBLIC ASSISTANCE FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

ASSETS	REFERENCE	<u>2016</u>	<u>2015</u>
Cash	E-1	\$ 30,355.14	\$ 10,479.00
Total Assets		<u>\$ 30,355.14</u>	<u>\$ 10,479.00</u>
 LIABILITIES, RESERVES & FUND BALANCE			
Reserve for Public Assistance		\$ 30,355.14	\$ 10,479.00
Total Liabilites, Reserves & Fund Balance		<u>\$ 30,355.14</u>	<u>\$ 10,479.00</u>

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

**TOWNSHIP OF WALL
FIXED ASSETS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2016**

ASSETS	<u>2016</u>	<u>2015</u>
Land and Improvments	\$ 19,430,475.05	\$ 19,369,300.00
Machinery and Equiptment	6,771,065.13	6,538,491.00
Vehicles	<u>7,279,567.00</u>	<u>7,167,800.00</u>
Total Assets	<u>\$ 33,481,107.18</u>	<u>\$ 33,075,591.00</u>
FUND BALANCE		
Investment in Fixed Assets	<u>\$ 33,481,107.18</u>	<u>\$ 33,075,591.00</u>
Total Liabilites, Reserves & Fund Balance	<u>\$ 33,481,107.18</u>	<u>\$ 33,075,591.00</u>

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

**TOWNSHIP OF WALL
COUNTY OF MONMOUTH**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Township of Wall was incorporated on March 7, 1851 and is located along the shore of central New Jersey in the County of Monmouth. The population according to the 2010 census is 26,164. The Township of Wall, County of Monmouth, New Jersey ("Township") is governed by the Township form of government with a mayor, deputy mayor, and a 3-member Township Council. The financial statements of the Township include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Township, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operations of School Boards, Volunteer Fire Departments/Fire Districts, and First Aid Squads which are subject to separate audits. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Completed financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

Component Unit

The Governmental Accounting Standards Board ("GASB") Statement 14, as amended by GASB Statements No. 39 and 61 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Township, by statute or other directive, report separately on their financial statements. The Township had no component units in 2016.

Basis of Accounting, Measurement Focus and Basis of Presentation

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with GAAP.

The financial statements of the Township of Wall contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, and Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies

Basis of Accounting, Measurement Focus and Basis of Presentation (continued):

In accordance with the "Requirements", the Township of Wall accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund – The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds – The various Trust Funds account for receipts, custodianship, and disbursements of funds in accordance with the purpose for which each reserve was created.

General Capital Fund – The General Capital Fund accounts for receipts and disbursements of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Water/Sewer Utility Operating Fund – The Water/Sewer Utility Operating Fund accounts for revenues and expenditures necessary to operate a Township owned sewer system from user fees.

Water/Sewer Utility Capital Fund – The Water/Sewer Utility Capital Fund accounts for resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of sewer capital facilities, other than those acquired through the Sewer Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

Water/Sewer Utility Assessment Fund - is used to account for the receipt and disbursement of funds for special assessments levied on specific property owners.

Public Assistance Fund – The Public Assistance Fund accounts for receipts and disbursements of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

General Fixed Asset Account Group – The Fixed Asset Account Group accounts for all assets used in government operations.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current fund, water/sewer utility fund, and utility assessment trust fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

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

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash and Cash Equivalents - Cash and cash equivalents include petty cash, change funds, and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

Public depositories include State or federally chartered banks, savings banks, or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

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

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Township to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally over-expenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Deferred Charges to Future Taxation Funded and Unfunded - Upon authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by the future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to *N.J.S.A. 40A:2-4*, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the Current Fund Budget. As funds are raised, the deferred charges are reduced.

Fund Balance - Fund balances included in the current fund, general capital fund, utility operating fund, utility capital fund, and utility assessment trust fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues - are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

Property Tax Revenues - are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Monmouth, the Township of Wall School District (Local and Public) and the Special Districts. Unpaid property taxes are subject to tax sale in accordance with statutes.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Wall School Districts and Special Districts. Operations is charged for the full amount required to be raised from taxation to operate the local and public school districts for the period from July 1 to June 30, increased by the amount deferred at December 31, 2015 and decreased by the amount deferred at December 31, 2016.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

County Taxes - The municipality is responsible for levying, collecting and remitting County taxes for the County of Monmouth. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets is recorded as a liability in the General Capital Fund. Where an improvement is a "local improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Volunteer Length of Service Award Plan - The Township has established a Volunteer Length of Service Award Plan (“LOSAP”) (“Plan”) to ensure retention of the Township’s volunteer First Aid Squad Members. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a “Length of Service Award Plan under Section 457(e)11 of the Internal Revenue Code”.

LOSAP Trust Fund has 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 nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements.

N.J.A.C.5:30-14.49 requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accounts Statements for Accounting and Auditing Review Services.

Subsequent Events - The Township of Wall has evaluated subsequent events occurring after December 31, 2016 through the date of June 26, 2017, which is the date the financial statements were available to be issued.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended December 31, 2016, the Township implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the Township is required to measure certain investments at fair value for financial reporting purposes. In addition, the Township is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the Township’s financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

The Township implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the Township's financial statements.

The Township implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the Township's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. Impact on the implementation of this Statement has been disclosed in Note 13 of the Township's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. Implementation of this Statement did not impact the Township's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Implementation of this Statement did not impact the Township's financial statements.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Township's financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended December 31, 2017. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended December 31, 2017. Management has not yet determined the potential impact on the Township's financial statements.

Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting requirements for certain asset retirement obligations and establishes the timing and pattern of recognition of a liability and corresponding deferred outflow of resources. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement will be effective for the year ended December 31, 2019. Management does not expect this Statement to impact the Township's financial statements.

Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement will be effective for the year ended December 31, 2018. Management has not yet determined the potential impact on the Township's financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 2. Cash and Cash Equivalents

The Township is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2016, and reported at fair value are as follows:

	Type	Carrying Value
Deposits		
	Demand Deposits	\$ 20,235,953.82
	Total Deposits	<u>\$ 20,235,953.82</u>
Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance:		
	Current Fund	\$ 12,752,577.83
	State & Federal Grant Fund	226,528.89
	Animal Control Trust Fund	37,980.82
	Trust - Other Fund	5,016,016.84
	General Capital Fund	238,461.41
	Utility Fund:	
	Operating	1,533,827.60
	Assessment Trust	400,205.29
	Public Assistance Fund	<u>30,355.14</u>
	Total Cash	<u>\$ 20,235,953.82</u>

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Township 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 Township relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule that follows

As of December 31, 2016, the Township's bank balances of \$22,884,082.98 were exposed to custodial credit risk as follows:

Uninsured & Uncollateralized	\$	6,128,984.16
Insured Under F.D.I.C.		500,260.00
Collateralized		<u>16,254,838.82</u>
Total	\$	<u>22,884,082.98</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 3: Investments

Custodial Credit Risk - For an investment, this is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Township, and are held by either the counterparty's trust department or agent but not in the Township name. As of December 31, 2016 the Township's balance of investments was \$122,029.75, which consisted of mutual funds for the Township's Length of Service Awards Program in the amount of \$122,029.75 which are not exposed to custodial credit risk because the investments securities are registered in the Township's name.

Investment Interest Rate Risk - Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Township has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments at December 31, 2016, are provided in the above schedule.

Investment Credit Risk - Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits investments that the Township may purchase. The Township does not have an investment policy that would further limit its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or 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 obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Township;
- Local Government investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 3: Investments (continued):

Concentration of Credit Risk – The Township does not place a limit on the amount that may be invested in any one issuer. Of the total December 31, 2016 balance of \$122,029.77 is recorded in the Trust Fund – LOSAP.

As of December 31, 2016, the Township had the following investments and maturities:

<u>Investment</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Total Reported Value</u>
LOSAP	\$ 122,029.77	122,029.77	<u>\$ 122,029.77</u>
Total			<u><u>\$ 122,029.77</u></u>

Note 4: Property Taxes

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

Comparison of Tax Rate Information

	2016	2015	2014
Total Tax Rate	<u>\$1.813</u>	<u>\$2.888</u>	<u>\$2.825</u>
Apportionment of Tax Rate:			
Municipal	0.448	0.722	0.708
Local School	1.080	1.700	1.666
County	0.253	0.416	0.403
County Library	0.017	0.027	0.026
County Open Space	0.015	0.023	0.022
Fire District Taxes:			
Fire District #1	0.054	0.089	0.083
Fire District #2	0.048	0.077	0.070
Fire District #3	0.041	0.062	0.059

Net Valuation Taxable:

2016	<u>\$ 5,948,773,159.00</u>		
2015		<u>\$ 3,692,852,810.00</u>	
2014			<u>\$ 3,697,200,108.00</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 4: Property Taxes (continued):

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2016	\$ 110,739,009.63	\$ 108,873,315.44	98.31%
2015	109,710,767.95	107,412,368.45	97.90%
2014	107,120,464.97	104,817,700.15	97.85%

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2016	\$ 1,248,236.42	\$ 1,789,170.26	\$ 3,037,406.68	2.77%
2015	1,188,383.70	2,471,277.42	3,659,661.12	3.70%
2014	1,122,047.26	2,846,109.88	3,968,157.14	4.31%

Note 5: Property Acquired By Tax Title Lien Liquidation

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

YEAR	AMOUNT
2016	\$ 621,000.00
2015	322,900.00
2014	324,100.00

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 6: Water/Sewer Utility Service Charges

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

YEAR ENDED DECEMBER 31	PRIOR YEAR RECEIVABLE	LEVY	TOTAL	CASH COLLECTIONS	COLLECTION PERCENTAGE
2016	\$ 793,371.54	\$ 11,614,871.33	\$ 12,408,242.87	\$ 11,522,420.68	92.86%
2015	838,466.89	11,373,731.74	12,212,198.63	11,418,828.09	93.50%
2014	1,159,736.78	10,999,402.08	12,159,138.86	11,306,693.35	92.99%

Note 7: Fund Balance Appropriated

The following schedule details the amount of fund balance available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2016	\$ 6,565,516.75	\$ 3,467,586.88	52.82%
2015	6,062,533.68	3,341,183.62	55.11%
2014	4,480,307.18	2,500,000.00	55.80%
WATER/SEWER OPERATING FUND:			
2016	\$ 959,999.17	\$ 384,227.22	40.02%
2015	554,845.07	152,599.77	27.50%
2014	435,083.60	435,000.00	99.98%

NOTE 8: PENSION OBLIGATIONS

A. Public Employees' Retirement System (PERS)

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8: PENSION OBLIGATIONS (continued)

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

The following represents the membership tiers for PERS:

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8: PENSION OBLIGATIONS (continued)

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

annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Components of Net Pension Liability - At December 31, 2016, the Municipality reported a liability of \$36,778,808.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The Municipality's proportion of the net pension liability was based on the Municipality's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Municipality's proportion measured as of June 30, 2016, was .12418%, which was an increase of .00354% from its proportion measured as of June 30, 2015.

	<u>12/31/16</u>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	\$ 10,844,212.00	\$ 4,279,329.00
Deferred Inflows of Resources	125,007.00	594,016.00
Net Pension Liability	36,778,808.00	27,080,650.00
 Municipality's Portion of the Plan's Total		
Net Pension Liability	0.12418%	0.12064%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the Municipality reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8: PENSION OBLIGATIONS (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 683,974.00	\$ -
Changes of Assumptions	7,618,605.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,402,409.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	1,139,224.00	125,007.00
	\$ 10,844,212.00	\$ 125,007.00

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension expense as follows:

Year Ending	PERS
<u>Dec 31,</u>	
2017	\$ 2,422,277.00
2018	2,422,277.00
2019	2,761,572.00
2020	2,285,825.00
2021	827,255.00
	\$ 10,719,206.00

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8: PENSION OBLIGATIONS (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.75	5.72
June 30, 2016	5.57	5.57

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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8: PENSION OBLIGATIONS (continued)

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

<u>PERS</u>	
Inflation	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8: PENSION OBLIGATIONS (continued)

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

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, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local Employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8: PENSION OBLIGATIONS (continued)

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

Sensitivity of the Municipality's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98%) or 1-percentage-point higher (4.98%) than the current rate:

	Decrease (2.98%)	Discount Rate (3.98%)	Increase (4.98%)
Municipality's proportionate share of the Net Pension Liability	\$ 45,068,137.00	\$ 36,778,808.00	\$ 29,935,249.00

For the year ended December 31, 2016, the Municipality's total allocated pension expense was \$3,767,408.00.

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

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

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

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8: PENSION OBLIGATIONS (continued)

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

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

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Municipality contributions to PFRS amounted to \$1,792,281.00 for 2016.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Net Pension Liability and Pension Expense - At December 31, 2016, the Municipality's proportionate share of the PFRS net pension liability is valued to be \$41,991,227.00. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The Municipality's proportion of the net pension liability was based on the Municipality's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2016. The Municipality's proportion measured as of June 30, 2016, was .21982%, which was a decrease of .00354% from its proportion measured as of June 30, 2015.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8: PENSION OBLIGATIONS (continued)

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

	<u>12/31/16</u>	<u>12/31/15</u>
Actuarial Valuation Date (including roll Forward)	June 30, 2016	June 30, 2015
Deferred Outflows of Resources	\$ 9,363,303.00	\$ 7,757,612.00
Deferred Inflows of Resources	1,261,921.00	1,192,768.00
Net Pension Liability	41,991,227.00	37,813,496.00
 Municipality's Portion of the Plan's Total Net Pension Liability	 0.21982%	 0.22702%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2016, the Municipality had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 275,259.00
Changes of Assumptions	5,816,130.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	2,942,241.00	-
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions	<u>604,932.00</u>	<u>986,662.00</u>
	<u>\$ 9,363,303.00</u>	<u>\$ 1,261,921.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense as follows:

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8: PENSION OBLIGATIONS (continued)

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

Year Ending <u>Dec 31,</u>	<u>PFRS</u>	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
2017	\$ 2,014,676.00		
2018	2,014,677.00		
2019	2,720,500.00		
2020	1,532,065.00		
2021	<u>(180,536.00)</u>		
	<u>\$ 8,101,382.00</u>		
Differences between Expected and Actual Experience			
Year of Pension Plan Deferral:			
June 30, 2014	-	-	
June 30, 2015	-	5.53	
June 30, 2016	-	5.58	
Changes of Assumptions			
Year of Pension Plan Deferral:			
June 30, 2014	6.17	-	
June 30, 2015	5.53	-	
June 30, 2016	5.58	-	
Net Difference between Projected and Actual Earnings on Pension Plan Investments			
Year of Pension Plan Deferral:			
June 30, 2014	-	5.00	
June 30, 2015	-	5.00	
June 30, 2016	5.00	-	
Changes in Proportion and Differences between Municipality Contributions and Proportionate Share of Contributions			
Year of Pension Plan Deferral:			
June 30, 2014	6.17	6.17	
June 30, 2015	5.53	5.53	
June 30, 2016	5.58	5.58	

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8: PENSION OBLIGATIONS (continued)

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

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

Additionally, the State’s proportionate share of the net pension liability attributable to the Municipality is \$3,526,222.00 as of December 31, 2016. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2015, to the measurement date of June 30, 2016. The State’s proportion of the net pension liability associated with the Municipality was based on a projection of the Municipality’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2016 was .21982%, which was a decrease of .00354% from its proportion measured as of June 30, 2015, which is the same proportion as the Municipality’s.

Municipality's Proportionate Share of the Net Pension Liability	\$ 41,991,227.00
State's Proportionate Share of the Net Pension Liability Associated with the Municipality	<u>3,526,222.00</u>
Total Net Pension Liability	<u><u>\$ 45,517,449.00</u></u>

For the year ended December 31, 2016, the Municipality’s total allocated pension expense was \$4,433,473.00

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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8: PENSION OBLIGATIONS (continued)

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

	PFRS
Inflation	3.08%
Salary Increases:	
Through 2026	2.10% - 8.98% Based on Age
Thereafter	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2010 - June 30, 2013

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8: PENSION OBLIGATIONS (continued)

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

estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Municipality’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Municipality’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Municipality’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.55%) or 1-percentage-point higher (6.55%) than the current rate:

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 8: PENSION OBLIGATIONS (continued)

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

	Decrease (4.55%)	Discount Rate (5.55%)	Increase (6.55%)
Municipality's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Municipality	\$ 58,691,413.00	\$ 45,517,449.00	\$ 34,774,874.00

Note 9: Compensated Absences

As discussed in Note 1, and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused sick pay. The Township permits its employees to accumulate unused sick and vacation pay. The Township estimates the current cost of such unpaid compensation to be \$4,419,269.10. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

Note 10: Deferred Compensation Salary Account

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 11: Interfunds Receivables and Payables

The following interfunds remained as of December 31, 2016:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 341,327.33	\$ -
General Capital Fund	-	274,160.93
Utility Assessment Trust Fund	777,647.17	-
Water/Sewer Capital Fund	-	844,765.35
Trust Other Fund	-	48.22
	<u>\$ 1,118,974.50</u>	<u>\$ 1,118,974.50</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 235,286.42	\$ -
Water/Sewer Capital Fund	-	341,279.11
Animal Control	135.13	-
Trust Other Fund	105,857.56	-
	<u>\$ 341,279.11</u>	<u>\$ 341,279.11</u>

Note 12: Capital Debt

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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 12: Capital Debt (continued):

Summary of Township Debt – Annual Debt Statements

	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
Issued & Outstanding:			
General Bonds, Loans and Notes	\$ 27,629,465.55	\$ 27,885,133.97	\$ 28,664,587.26
Water/Sewer Utility Capital Bonds, Loans and Notes	7,112,000.00	7,212,000.00	6,567,606.50
Water/Sewer Utility Assessment Utility Bonds	750,116.00	1,054,789.00	1,345,000.00
Total Debt Issued	<u>35,491,581.55</u>	<u>36,151,922.97</u>	<u>36,577,193.76</u>
Deductions:			
Self-Liquidating - Water/Sewer Funds Temporarily Held to Pay Bonds and Notes	15,315,140.38	10,529,154.38	11,749,971.88
	932,832.00	1,207,486.65	1,103,216.00
Total Deductions	<u>16,247,972.38</u>	<u>11,736,641.03</u>	<u>12,853,187.88</u>
Net Debt Issued & Outstanding	<u>19,243,609.17</u>	<u>24,415,281.94</u>	<u>23,724,005.88</u>
Authorized But Not Issued:			
General Bonds and Notes	7,092,609.82	7,892,309.50	5,895,309.50
Water/Sewer Utility Bonds and Notes	8,203,140.38	2,262,365.38	3,837,365.38
Total Authorized But Not Issued	<u>15,295,750.20</u>	<u>10,154,674.88</u>	<u>9,732,674.88</u>
Total Net Debt	<u>\$ 34,539,359.37</u>	<u>\$ 34,569,956.82</u>	<u>\$ 33,456,680.76</u>

*Reflects Annual Debt Statement as requiring amendment.

Advance Refunding of Bonds, Series 2007

During March 2016, the Township had a defeasance of 2007 Series Bonds. The Committee issued \$3,580,000 of general obligation refunding bonds Series 2016 to provide resources to purchase U.S. Government Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt.

In summary, the advance refunding of outstanding callable 2007 serial bonds generated \$247,000.00 in gross debt service savings. The bonds are due to mature annually through the 2023 fiscal year at annual interest rates ranging from 2.00% to 5.00%.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 12: Capital Debt (continued):

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 0.588%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 17,740,000.00	\$ 17,740,000.00	\$ -
Water/Sewer Utility Debt	15,315,140.38	15,315,140.38	
General Debt	34,722,075.37	932,832.00	33,789,243.37
	<hr/>		
Total	\$ 67,777,215.75	\$ 33,987,972.38	\$ 33,789,243.37
	<hr/> <hr/>		

Net Debt, \$33,789,243.37 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$5,744,601,665,.67 equals 0.588%.

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 201,061,058.30
Net Debt	<u>33,789,243.37</u>
Remaining Borrowing Power	<u><u>\$ 167,271,814.93</u></u>

Calculation of Self-Liquidating Purpose - Sewer Utility per N.J.S.40A:2-45:

Cash Receipts From Fees, Rents & Other Charges	\$ 11,844,893.66
Deductions:	
Operating & Maintenance Costs	\$ 11,286,788.84
Debt Service per Water/Sewer Utility Operating Fund	<u>389,792.70</u>
	<u>11,676,581.54</u>
Excess Revenue - Self Liquidating	<u><u>\$ 168,312.12</u></u>

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Bonded Debt issued and outstanding:

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 12: Capital Debt (continued):

General Capital Fund - General Serial Bonds:

Fiscal			
Year	Principal	Interest	Total
2017	1,949,346.00	741,552.25	2,690,898.25
2018	1,762,859.00	660,930.75	2,423,789.75
2019	1,806,823.00	594,976.50	2,401,799.50
2020	1,350,857.00	521,121.50	1,871,978.50
2021	1,220,000.00	461,325.00	1,681,325.00
2022-2025	3,775,000.00	1,279,100.00	5,054,100.00
2026-2030	3,100,000.00	791,275.00	3,891,275.00
2031-2033	1,860,000.00	174,375.00	2,034,375.00
Total	<u>\$ 16,824,885.00</u>	<u>\$ 5,224,656.00</u>	<u>\$ 22,049,541.00</u>

General Capital Fund - Loans Payable:

Fiscal			
Year	Principal	Interest	Total
2017	262,514.29	35,674.20	298,188.49
2018	172,301.50	30,872.74	203,174.24
2019	175,764.76	27,409.49	203,174.25
Total	<u>\$ 610,580.55</u>	<u>\$ 93,956.43</u>	<u>\$ 704,536.98</u>

Water/Sewer Utility Capital Fund – General Serial Bonds:

Fiscal			
Year	Principal	Interest	Total
2017	200,000.00	143,950.00	343,950.00
2018	200,000.00	137,950.00	337,950.00
2019	200,000.00	131,950.00	331,950.00
2020	200,000.00	123,950.00	323,950.00
2021	195,000.00	115,950.00	310,950.00
2022-2026	975,000.00	443,250.00	1,418,250.00
2027-2031	980,000.00	209,250.00	1,189,250.00
2032-2033	400,000.00	30,000.00	430,000.00
Total	<u>\$ 3,350,000.00</u>	<u>\$ 1,336,250.00</u>	<u>\$ 4,686,250.00</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 12: Capital Debt (continued):

Water/Sewer Utility Assessment Trust Fund – General Serial Bonds:

Fiscal Year	Principal	Interest	Total
2017	318,654.00	36,064.36	354,718.36
2018	144,141.00	20,131.66	164,272.66
2019	143,177.00	12,924.61	156,101.61
2020	144,144.00	5,765.76	149,909.76
Total	<u>\$ 750,116.00</u>	<u>\$ 74,886.39</u>	<u>\$ 825,002.39</u>

Bond Anticipation Notes

On December 31, 2016, the Township had the following outstanding bond anticipation notes:

General Capital:

<u>Improvement Description</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance December 31, <u>2016</u>
Various Capital Ordinances	6/30/2017	2.00%	<u>\$ 10,194,000.00</u>
			<u>\$ 10,194,000.00</u>

Utility Capital:

<u>Improvement Description</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	Balance December 31, <u>2016</u>
Various Capital Ordinances	6/30/2017	2.00%	<u>\$ 3,762,000.00</u>
			<u>\$ 3,762,000.00</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 12: Capital Debt (continued):

During the fiscal year ended December 31, 2016 the following changes occurred in capital debt:

	December 31, 2015	Accrued/ Increases	Retired/ Decreases	December 31, 2016	Due Within One Year
General Capital:					
General Obligation Bonds	\$ 18,990,212.00	\$ 3,580,000.00	\$ (5,745,327.00)	\$ 16,824,885.00	\$ 1,949,346.00
Loans Payable	867,921.97	-	(257,341.42)	610,580.55	262,514.28
Bond Anticipation Notes	8,027,000.00	10,194,000.00	(8,027,000.00)	10,194,000.00	10,194,000.00
Authorized but Not Issued	7,892,309.50	3,000,000.00	(3,799,699.68)	7,092,609.82	-
Water/Sewer Utility Capital:					
General Obligation Bonds	3,450,000.00	-	(100,000.00)	3,350,000.00	200,000.00
Bond Anticipation Notes	2,187,000.00	3,762,000.00	(2,187,000.00)	3,762,000.00	3,762,000.00
Authorized but Not Issued	2,262,365.38	5,940,775.00	-	8,203,140.38	-
Water/Sewer Utility Assessment:					
General Obligation Bonds	1,054,789.00	-	(304,673.00)	750,116.00	318,654.00
Other:					
Special Emergency Notes	570,000.00	-	(570,000.00)	-	-
Compensated Absences	4,023,085.08	396,184.02	-	4,419,269.10	-
Total	<u>\$ 51,754,659.99</u>	<u>\$ 26,872,959.02</u>	<u>\$ (20,991,041.10)</u>	<u>\$ 55,206,600.85</u>	<u>\$ 16,686,514.28</u>

Note 13: Tax Abatements

The Township of Wall is authorized by the New Jersey Housing and Mortgage Financing Act Law of 1983, N.J.S.A. 55:14K-1 et seq. (hereinafter "HMFA Law"), to enter into property tax abatement agreements for the purpose of attracting affordable housing. The exemption of the projects from real property taxation subject to this law shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the HMFA Law, may not exceed fifty (50) years.

For the year ended December 31, 2016, the Township abated property taxes for affordable housing projects totaling \$80,874 under this program, including the following tax abatement agreement that exceeded 10 percent of the total, which is the percentage the Township considers to be material for purposes of individual disclosure:

Recipient	Purpose	Amount Abated
Spring Lake Village	Affordable Housing	\$ 32,304.00
Mews at Collingswood	Affordable Housing	48,570.00

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 13: Tax Abatements (continued):

For the year ended December 31, 2016, The Township also abated property taxes for other projects totaling \$94,683.00.

Recipient	Purpose	Amount Abated
Wall Senior Citizen	Other	\$ 40,424.00
Sunnyside Manor	Other	54,259.00

The purpose of the Tax Credit Assistance Program Loan is to assist in the funding of Spring Lake Village and Mews at Collingswood, an affordable housing project. Program Loans is also used to assist in the funding of Wall Senior Citizen and Sunnyside Manor, other funded projects. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns or by virtue of the provisions the HMFA Law, or any other applicable state law, the Project shall be taxed as an omitted property in accordance with the law.

Note 14: Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

	<u>Balance 12/31/2016</u>	<u>2017 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorizations	\$ 380,000.00	\$ 190,000.00
Water/Sewer Utility Operating Fund:		
Overexpenditure of Appropriations	\$ 9,871.19	\$ 9,871.19

Note 15: New Jersey Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.). The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. All funds collected from employees are transmitted to the State for this period. The following is a summary of the Township's Reserve for Unemployment Compensation Insurance for the current and previous year:

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 16: Other Post-Employment Benefits

The Township of Wall has completed its required actuarial valuation report for its Postretirement Healthcare Plan as of December 31, 2012 as required by Governmental Accounting Standard No. 45 (GASB 45). The following information is a summary of that report dated July 2014.

A. Eligibility

- Retire after 15 or more years of service with the Township and attainment of age 62;
- Retire after 25 or more years of service with the Township, and for non-police also attain age 55;
or
- Retire under disability retirement from PERS or PFRS

Benefits are provided to the retiree and dependents and stop after retiree attains age 65. Benefits continue for the surviving spouse until the retiree would have attained age 65.

B. Medical Benefits

Medical Benefits are provided through a fully-insured POS plan with Amerihealth Insurance Co of NJ.

C. Prescription Drug Benefits

Prescription drug benefits are provided through a fully-insured plan with Amerihealth Insurance Co of NJ. There is a Co-Pay of 20% of submitted costs.

D. Medicare

Medicare benefits coordinate with Medicare primary and the Township plan secondary for retirees eligible for Medicare. Medicare eligible retirees and dependents are required to enroll in Medicare Part B. The Township does not reimburse Medicare eligible retirees and spouses for the cost of the Medicare Part B premium.

E. Cost

Any employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retiree contributions are based on a percentage of the postretirement healthcare cost. The contribution percentages, which are phased-in over a four-year period, vary based on healthcare coverage tier and amount of PERS or PFRS pension amounts.

The plan is funded by the Township through self-insurance; therefore, there are no premium payments to the insurance carriers for these benefits.

Retirees - The Township presently funds its current retirees post-employment benefit costs on a “pay-as-you-go” basis. The Township has established a self-insurance fund, and accounts for such in its trust-other funds. The Township’s contributions, for retirees, to the plan for the year end December 31, 2016 was \$863,000.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 16: Other Post-Employment Benefits (continued):

Future Retirees - In accordance with Statement No.45 the Governmental Accounting Standards Board, the Township is required to calculate the annual contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC includes costs of both current and future retirees. As a result of the Township's basis of accounting, as described in Note 1, the ARC is not required to be expensed as it would if the Township's accounting basis followed generally accepted accounting principals (GAAP). The Township's current ARC was determined to be \$2,191,148.00 at an unfunded discount rate of four percent (4%). As stated above, the Township funded the cost of existing retirees in the amount of \$863,000.00 for the year end December 31, 2012, but has not yet begun funding the outstanding liability.

Annual OPEB Cost - For year ended December 31, 2016, the Township's annual OPEB cost of \$2,077,558.00 for the plan was equal to the ARC plus certain adjustments because of the Township's actual contributions in prior years differed from the ARC. The Township's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increases or decreases in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for the year ended December 31, 2012 and December 31, 2009 was as follows:

	Year End December 31, 2012	Year End December 31, 2009
	<u>2012</u>	<u>2009</u>
Annual Required Contribution (ARC)	\$ 2,191,148.00	\$ 2,659,057.00
Interest on the Net OPEB Obligation	254,827.00	-
Adjustment to the ARC	(368,417.00)	-
Annual OPEB Cost	2,077,558.00	2,659,057.00
Employer Contributions	863,000.00	481,700.00
Increase (Decrease) in the Net OPEB Obligation	1,214,558.00	2,177,357.00
Net OPEB Obligation, January 1	6,370,673.00	-
Net OPEB Obligation, December 31	\$ 7,585,231.00	\$ 2,177,357.00

As of December 31, 2012, the most recent actuarial valuation date, the Township's plan was 0.00% funded. The actual accrued liability for benefits was \$22,894,567.00 and the actuarial value of plan assets was \$0.00, resulting in an unfunded actuarial accrued liability (UAAL) of \$22,894,567.00. The following information provides a schedule of the funding progress of the Township's health benefit's plan.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 16: Other Post-Employment Benefits (continued)

Actuarial Valuation Date	Actuarial Accrued Liability		Market- Related Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)
	<i>Retirees</i>	<i>Active Employees</i>		
12/31/2012	\$ 11,076,354.00	\$ 11,818,213.00	\$ -	\$ 22,894,567.00
12/31/2009	5,024,200.00	17,109,900.00	-	22,134,100.00

Actuarial Assumptions and Methods

Actuarial Assumptions

Actuarial assumptions were based on the actual experience of the covered group, to the extent that creditable experience data was available, with an emphasis on expected long-term future trends rather than giving undue weight to recent past experience. The reasonableness of each actuarial assumption was considered independently based on its own merits, its consistency with each other assumption, and the combined impact of all assumptions. In accordance with local Finance Notice 2007-15 issued by the New Jersey Department of Community Affairs, demographic and health care assumptions consistent with the assumptions used by the New Jersey Division of Pensions and Benefits and the State Health Benefits Plan (SHBP) as reported in their July 1, 2012 Actuarial Valuation to value the GASB obligations were used. The actuarial assumptions to value postretirement medical liabilities can be categorized into three groups:

Economic Assumptions – the discount rate and health care cost trend rates, and salary and Social Security Taxable Wage Base increases for the determination of projected pension payments. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

- Discount Rate - The investment return assumption (discount rate) should be estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance payments of benefits. The investments expected to be used to finance the payments of health benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two plans that being partially funded. The discount rate is 4% for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded. This rate is the same discount rate as used in the previous valuation.
- Health Care Cost Trend Rates – Annual claims were assumed to decrease starting at 8.5% for Pre-65 Medical and Prescription Drugs and 5% Post-65 Medical in year 2013 and grading down to 5% in Year 2020 and later, with different periods over which 5% is reached for Pre-65 Medical, Post-65 Medical and Prescription Drug.
- Salary Increases – 3% per year.
- Social Security Taxable Wage Base Increases – 3% per year.

Benefit Assumptions – The valuation projects the cost to the Township of providing medical benefits to employees who remain in the medical plan after retirement (postemployment coverage). Future retirees are assumed to remain in the same medical plan they were covered under while active. Under the rules set

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 16: Other Post-Employment Benefits (continued)

out in GASB 45, both the direct contribution and any implicit subsidy must be considered in measuring post-retirement medical benefit obligation.

Demographic Assumptions – Including the probabilities of retiring, dying, terminating (without benefit), becoming disabled, recovery from disability, election (participating rates) and coverage levels.

Actuarial Methods

Actuarial Cost Method – There are several acceptable methods listed in the GASB standard. The actuarial cost method used to determine the plan’s cost is the Projected Unit Credit method, the same method used in State of New Jersey Postemployment Benefits Other Than Pension July 1, 2012 Actuarial Valuation. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age.

Asset Valuation Method – The plan is currently unfunded.

Amortization Method and Period – The unfunded accrued liability is amortized as a level dollar amounts using an open period of 30 years.

Note 17: Contingencies

State and Federal Financial Assistance

The Township receives financial assistance from the State of New Jersey and the U. S. Government 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. As of December 31, 2016, the Township estimates that no material liabilities will result from such audits.

Litigation

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

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2016**

Note 18. Accounts Receivable

Accounts receivable at December 31, 2016 consisted of intergovernmental grants, taxes, utility rents and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Township's individual major and fiduciary funds, in the aggregate, are as follows:

	Current Fund	State & Federal Grant Fund	General Capital Fund	Water/Sewer Operating Fund	Water/Sewer Assessment Fund	Total
State Aid	\$ 754.42	\$ 1,100,386.88	\$ 588,000.00	\$ -	\$ -	\$ 1,689,141.30
Utility Rents	-	-	-	839,692.18	-	839,692.18
Assessments	-	-	-	-	133,959.83	133,959.83
Taxes	3,658,406.68	-	-	-	-	3,658,406.68
Other	59,709.34	-	-	-	-	59,709.34
Total	\$ 3,718,870.44	\$ 1,100,386.88	\$ 588,000.00	\$ 839,692.18	\$ 133,959.83	\$ 6,380,909.33

Note 19: Fixed Assets

The following is a summary of the Fixed Asset Account Group for the year 2016:

	Balance December 31, 2015	Additions	Deletions	Balance December 31, 2016
General Fixed Assets Account Group:				
Land	\$ \$19,369,300.00	\$ 61,175.05	\$ -	\$ \$19,430,475.05
Building and Improvements	6,538,491.00	233,173.13	(599.00)	6,771,065.13
Machinery, Equipment, Vehicles	7,167,800.00	355,017.00	(243,250.00)	7,279,567.00
	<u>\$ \$33,075,591.00</u>	<u>\$ 649,365.18</u>	<u>\$ (243,849.00)</u>	<u>\$ 33,481,107.18</u>

Fixed asset appraisal completed in 2016, client did have detailed records available before appraisal.

SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF CURRENT CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2016**

	CURRENT FUND	FEDERAL & STATE GRANT FUND
Balance, December 31, 2015	\$ 12,379,033.08	\$ 284,649.89
Increased by Receipts:		
Taxes Receivable	\$ 110,400,828.77	\$ -
Prepaid Taxes	695,673.39	-
Due State of New Jersey:		
Senior Citizens & Verterans Deductions	225,956.16	-
Miscellaneous Revenue Not Anticipated	1,652,694.07	-
Revenue Accounts Receivable	6,570,760.34	-
Refund of Current Year Appropriations	1,277,835.06	-
Interfund Activity	432,832.49	-
Bank Reconciliation Difference - 2016	56,708.40	
Canceled Checks - 2016	39,945.71	
Transfer due from Current Fund	-	195,000.00
Reserve for:		
Federal & State Grants Recievable	-	103,834.27
Federal & State Grants Unappropriated	-	206,119.82
Total Receipts	<u>121,353,234.39</u>	<u>504,954.09</u>
Subtotal	<u>133,732,267.47</u>	<u>789,603.98</u>
Decreased by Disbursements:		
2016 Appropriations	34,328,495.97	-
2015 Appropriations	997,026.31	-
County Taxes Payable	16,908,982.72	-
Added County Taxes	53,266.15	-
Local School Taxes Payable	64,266,723.00	-
Special Fire District Taxes Payable	2,701,050.00	-
Special Emergency Note Payable	570,000.00	-
Tax Overpayments	26,719.54	-
Transfer due to Sewer Operating Fund	341,279.11	
Transfer due to Grant Fund	195,000.00	
Reserve for:		
Tax Revaluation	592,546.84	-
Federal & State Grants Appropriated	-	563,075.09
Total Disbursements	<u>120,981,089.64</u>	<u>563,075.09</u>
Balance, December 31, 2016	<u>\$ 12,751,177.83</u>	<u>\$ 226,528.89</u>

**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

OFFICE	BALANCE DECEMBER 31, 2015		INCREASE	DECREASE	BALANCE DECEMBER 31, 2016	
Tax Collector	\$	600.00	\$ -	\$ 100.00	\$	500.00
Municipal Court		100.00	200.00	-		300.00
Police Department		100.00	-	100.00		-
Total	\$	800.00	\$ 200.00	\$ 200.00	\$	800.00

**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2016**

YEAR	BALANCE DECEMBER 31, 2015	2016 LEVY	ADDED TAXES	2015	2016	COLLECTED	DUE FROM STATE OF NEW JERSEY	OVERPAYMENTS	TRANSFER TO TAX TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2016
2014	\$ 234,921.37	\$ -	\$ -	\$ -	\$ 236,089.63	\$ (1,250.00)	\$ (3,867.16)	\$ -	\$ -	\$ 3,698.90	\$ 250.00
2015	2,236,356.05	-	-	-	2,221,863.76	(3,192.47)	4,657.16	1,033.92	1,594.96	10,398.72	
Total	2,471,277.42	110,557,948.15	181,061.48	746,988.98	2,457,953.39	(4,442.47)	790.00	1,033.92	5,293.86	10,648.72	
2016	-	-	-	107,942,875.38	225,500.00	(42,048.92)	58,510.66	28,661.99	1,778,521.54		
Total	\$ 2,471,277.42	\$ 110,557,948.15	\$ 181,061.48	\$ 746,988.98	\$ 110,400,828.77	\$ 221,057.53	\$ (41,258.92)	\$ 59,544.58	\$ 33,955.85	\$ 1,789,170.26	

ANALYSIS OF 2016 PROPERTY TAX LEVY

General Purpose Tax	\$ 110,557,948.15
Added & Omitted Taxes (54:4-6 et seq)	<u>181,061.48</u>
Total	<u>\$ 110,739,009.63</u>
TAX LEVY:	
Local District School Tax	\$ 64,266,723.00
County Taxes:	
County Tax	\$ 15,015,401.85
County Library Tax	1,030,956.80
County Open Space Preservation	862,624.07
Due County for Added & Omitted Taxes	17,226.83
Special Fire District Tax	-
Local Tax for Municipal Purposes	26,647,034.76
Add: Additional Taxes Levied	<u>197,992.32</u>
Total	<u>\$ 110,739,009.63</u>

**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$	1,188,383.70
Increased by:		
New Liens - 2016 Principal	\$	1,033.92
Interest & Cost on Taxes		308.10
Transfer from 2016 Taxes		58,510.66
Adjustments		0.04
		59,852.72
Balance, December 31, 2016	\$	1,248,236.42

**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015	ACCRUED IN 2016	COLLECTED	BALANCE DECEMBER 31, 2016
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 37,500.00	\$ 37,500.00	\$ -
Other	-	123,905.30	123,905.30	-
Fees & Permits - Other	-	106,047.14	106,047.14	-
Fines & Costs - Municipal Court	67,043.23	861,624.35	801,915.01	59,709.34
Interest & Costs on Taxes	-	480,828.33	480,828.33	-
Interest on Investments & Deposits	-	82,966.37	82,966.37	-
Hotel Tax	-	186,642.00	186,642.00	-
Energy Receipts Tax	-	3,503,725.00	3,503,725.00	-
Garden State Trust	-	11,839.00	11,839.00	-
Watershed Moratorium Offset Aid	-	8,789.00	8,789.00	-
Fees & Permits:	-			-
Uniform Construction Code	-	702,811.20	702,811.20	-
Sea Girt Municipal Court	-	113,366.00	113,366.00	-
Water/Sewer Indirect Costs	-	343,758.99	343,758.99	-
Reserve for Payment of Bonds	-	66,667.00	66,667.00	-
 Total Anticipated Revenues	 \$ 67,043.23	 \$ 6,630,469.68	 \$ 6,570,760.34	 \$ 59,709.34

**TOWNSHIP OF WALL
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATIONS	ENCUMBERED	RESERVE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Administrative & Executive:					
General Administration:					
Other Expenses	\$ 147.15	\$ 82.28	\$ 229.43	\$ -	\$ 229.43
Municipal Clerk:					
Other Expenses	12.40	17.00	29.40	12.40	17.00
Financial Administration (Treasury):					
Other Expenses	12.00	3,559.79	3,571.79	1,000.00	2,571.79
Tax Assessment Administration:					
Other Expenses	60.00	6,266.84	6,326.84	-	6,326.84
Revenue Administration (Tax Collection):					
Salaries and Wages	-	14,894.98	14,894.98	-	14,894.98
Other Expenses	707.20	4,447.69	5,154.89	707.20	4,447.69
Legal Services (Legal Department):					
Other Expenses	2,448.86	60,821.20	63,270.06	55,344.80	7,925.26
Engineering Services:					
Other Expenses	-	31,359.34	31,359.34	297.50	31,061.84
Engineering and Land Use:					
Other Expenses	1,008.04	-	1,008.04	1,008.04	-
Youth Center:					
Salaries and Wages	-	28,190.84	28,190.84	-	28,190.84
Other Expenses	827.98	208.82	1,036.80	811.59	225.21
Animal Control & Board of Health					
Other Expenses	-	1,404.67	1,404.67	623.49	781.18
Insurance:					
General Liability	-	7,720.17	7,720.17	7,315.72	404.45
Employee Group Insurance	-	24,834.30	24,834.30	-	24,834.30
Police:					
Salaries and Wages	-	139,015.64	139,015.64	-	139,015.64
Other Expenses	118,796.82	17,154.23	135,951.05	125,286.76	10,664.29
Welfare/Administration of Public Assistance:					
Salaries and Wages	-	269.35	269.35	-	269.35
Other Expenses	45.37	1,919.94	1,965.31	45.37	1,919.94
Recreation Services and Programs:					
Other Expenses	3,583.29	0.29	3,583.58	3,583.29	0.29
Buildings and Grounds:					
Salaries and Wages	-	-	-	-	-
Other Expenses	44,212.52	13,073.26	57,285.78	39,261.60	18,024.18
Street & Roads Maintenance:					
Salaries and Wages	-	12,104.74	12,104.74	-	12,104.74
Other Expenses	20,989.64	118.71	21,108.35	14,476.93	6,631.42
Street Lighting:					
Other Expenses	-	112,152.21	112,152.21	31,335.60	80,816.61
Electricity:					
Other Expenses	-	197,525.59	197,525.59	119,670.35	77,855.24
Gas (natural or propane):					
Other Expenses	-	52,218.51	52,218.51	21,881.13	30,337.38

**TOWNSHIP OF WALL
SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

OPERATIONS	ENCUMBERED	RESERVE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Solid Waste Collection:					
Salaries and Wages			-		-
Other Expenses	38,434.46	328.34	38,762.80	37,406.22	1,356.58
Landfill/Solid Waste Disposal Costs:					
Other Expenses	88,411.97	161,236.22	249,648.19	157,447.98	92,200.21
Open Space Maintenance:					
Other Expenses	-	6.95	6.95	-	6.95
Aid to Volunteer Ambulance Companies:					
Other Expenses	-	10,000.00	10,000.00	-	10,000.00
Gasoline:					
Other Expenses	-	162,840.99	162,840.99	19,270.84	143,570.15
Telecommunication costs:					
Other Expenses	-	70,570.73	70,570.73	8,423.96	62,146.77
Community Services Act (Condo Community Costs)					
Other Expenses	15,444.35	-	15,444.35	15,444.35	-
Computer/Technology Maintenance:					
Other Expenses	6,563.02	1,241.21	7,804.23	7,331.71	472.52
DPW Capital Projects	358,286.92	11,138.51	369,425.43	345,244.76	24,180.67
Uniform Construction Code Appropriations					
Offset by Dedicated Revenues:					
Construction Code Official:					
Salaries and Wages	-	4,484.25	4,484.25	-	4,484.25
Other Expenses:	208.63	118.12	326.75	208.63	118.12
Unclassified:					
Municipal Court:					
Salaries and Wages	-	24,077.02	24,077.02	-	24,077.02
Other Expenses	4,502.74	1,166.20	5,668.94	5,240.01	428.93
Vehicle Maintenance/Replace5/29/2017					
Vehicle Maintenance Other Expenses	-	56,880.00	56,880.00	-	56,880.00
Historical Society					
Other Expenses	-	1.62	1.62	-	1.62
Environmental Committee:					
Other Expenses	-	1,665.99	1,665.99	-	1,665.99
Public Defender:					
Other Expenses	-	4,000.00	4,000.00	-	4,000.00
Deferred Charges and Statutory Expenditures -					
Municipal - Within "CAPS"					
Statutory Expenditures:					
Social Security System (O.A.S.I.)	-	23,050.76	23,050.76	-	23,050.76
Defined Benefit Plan	-	1,297.00	1,297.00	-	1,297.00
OPERATIONS EXCLUDED FROM "CAPS":					
Implementation of the Housing Element					
P.L. 195 - Chapter 222:					
Salaries and Wages	-	7,002.04	7,002.04	-	7,002.04
Other Expenses	3,302.08	10,869.12	14,171.20	3,302.08	10,869.12
Monmouth County 911:					
Other Expenses	-	-	-	-	-
LOSAP	-	30,000.00	30,000.00	30,000.00	-
Share Service Agreements:					
Monmouth County Regional Health Comm:					
Ch. 329 PL 1975 Health Services Contract	143.79	-	143.79	-	143.79
Total General Appropriations	<u>\$ 708,149.23</u>	<u>\$ 1,311,335.46</u>	<u>\$ 2,019,484.69</u>	<u>\$ 1,051,982.31</u>	<u>\$ 967,502.38</u>
			Transfer to AP	\$ 54,956.00	
			Cash Disbursements	<u>997,026.31</u>	
				<u>\$ 1,051,982.31</u>	

**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 69,583.15
Increased by:		
Overpayments Created - 2016		<u>42,508.92</u>
Subtotal		112,092.07
Decreased by:		
Cash Paid - Per Collector	\$ 26,719.54	
Overpayments Applied to 2016 Taxes	<u>42,863.61</u>	<u>69,583.15</u>
Balance, December 31, 2016		<u><u>\$ 42,508.92</u></u>

**SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015 (2016 Taxes)		\$ 746,988.98
Increased by:		
Collections - 2017 Taxes		<u>695,673.39</u>
Subtotal		1,442,662.37
Decreased by:		
Application to 2016 Taxes Receivable		<u>746,988.98</u>
Balance, December 31, 2016 (2017 Taxes)		<u><u>\$ 695,673.39</u></u>

**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY
SENIOR CITIZENS & VETERANS DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$ 6,403.05
Increased by:		
Senior Citizens' Deductions per Tax Billing	\$ 17,000.00	
Veterans' Deductions per Tax Billing	208,750.00	
Granted By Tax Collector - 2016	750.00	
Granted By Tax Collector - Prior Years	250.00	226,750.00
		<hr/>
Subtotal		233,153.05
Decreased by:		
Deductions Disallowed By Collector - 2016	1,000.00	
Deductions Disallowed By Collector - Prior Years	4,692.47	
Deductions Disallowed - Prior Years	750.00	
Cash Received	225,956.16	232,398.63
		<hr/>
Balance, December 31, 2016		<u><u>\$ 754.42</u></u>

**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF DUE COUNTY FOR ADDED & OMITTED TAXES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$	53,266.15
Increased by:		
County Share of 2016 Levy		17,226.83
Subtotal		70,492.98
Decreased by:		
Payments		53,266.15
Balance, December 31, 2016	\$	17,226.83

ANALYSIS OF BALANCE DECEMBER 31, 2016

Added Taxes (2015)	\$	401.50
Added Taxes (2016)		16,825.33
Total	\$	17,226.83

**SCHEDULE OF DUE COUNTY TAXES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$	-
Increased by:		
County Share of 2016 Levy:		
County Tax	\$	15,015,401.85
County Library Tax		1,030,956.80
County Open Space Fund Tax		862,624.07
Subtotal		16,908,982.72
Decreased by:		
Payments		16,908,982.72
Balance December 31, 2016	\$	-

**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		
School Tax Payable	\$	399,997.04
Increased by:		
Levy Calender Year 2016		64,266,723.00
Subtotal		64,666,720.04
Decreased by:		
Cash Disbursements		64,266,723.00
Balance December 31, 2016	\$	399,997.04
Local District School Tax Liability:		
Cash Payments	\$	64,266,723.00
School Tax Payable December 31, 2015		(399,997.04)
Total		63,866,725.96
School Tax Payable December 31, 2016		399,997.04
Amount Charged to 2016 Operations	\$	64,266,723.00

**SCHEDULE OF SPECIAL FIRE DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		
	\$	-
Increased by:		
2016 Levy:		
Fire District #1	\$	424,000.00
Fire District #2		1,127,050.00
Fire District #3		1,150,000.00
		2,701,050.00
Subtotal		2,701,050.00
Decreased by:		
Payments		2,701,050.00
Balance December 31, 2016	\$	-

**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTE PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

DESCRIPTION	ORIGINAL DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2015	DECREASE NOTE PAYOFF	BALANCE DECEMBER 31, 2016
Revaluation Note Payable	12/23/13	12/18/2016	0.93%	\$ 570,000.00	\$ 570,000.00	\$ -
				\$ 570,000.00	\$ 570,000.00	\$ -

**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-53 - SPECIAL EMERGENCY
FOR THE YEAR ENDED DECEMBER 31, 2016**

DESCRIPTION	ORIGINAL AMOUNT AUTHORIZED	1/5 OF AMOUNT AUTHORIZED	DATE	BALANCE DECEMBER 31, 2015	DECREASED BY 2016 BUDGET	BALANCE DECEMBER 31, 2016
Revaluation	\$ 950,000.00	\$ 190,000.00	9/25/2013	\$ 570,000.00	\$ 190,000.00	\$ 380,000.00
				\$ 570,000.00	\$ 190,000.00	\$ 380,000.00

**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55
FOR THE YEAR ENDED DECEMBER 31, 2016**

DESCRIPTION	ORIGINAL AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2015	REDUCED IN 2016 BUDGET	BALANCE DECEMBER 31, 2016
Overexpenditure of Appropriation	\$ 67,114.31	\$ 22,090.80	\$ 22,090.80	\$ -
		<u>\$ 22,090.80</u>	<u>\$ 22,090.80</u>	<u>\$ -</u>

**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 and 2015	<u><u>\$ 926,921.22</u></u>
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**SCHEDULE OF RESERVE FOR STATE AID
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 and 2015	<u><u>\$ 8,789.00</u></u>
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**SCHEDULE OF RESERVE FOR TAX REVALUATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 592,546.84
Decreased by:	
Cash Disbursements	<u>592,546.84</u>
Balance December 31, 2016	<u><u>\$ -</u></u>

**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 and 2015

\$ 367,113.65

**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF RESERVE FOR TAX APPEALS PENDING
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 1,150,000.00
Increased by:	
Contested Amount of 2016 Taxes Collected	<u>300,000.00</u>
Balance December 31, 2016	<u><u>\$ 1,450,000.00</u></u>

**TOWNSHIP OF WALL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

PROGRAM	BALANCE DECEMBER 31, 2015	2016 ANTICIPATED REVENUE	RECEIVED	TRANSFER FROM UNAPPROPRIATED RESERVE	BALANCE DECEMBER 31, 2016
Clean Communities Program	-	69,820.94	-	69,820.94	-
Municipal Alliance on Alcohol & Drug Abuse	45,214.58	57,852.00	66,454.10	-	36,612.48
Body Armour Grant	-	9,903.34	-	9,903.34	-
Recycling Tonnage Grant	-	37,380.17	37,380.17	-	-
Canine Grant	174.40	-	-	-	174.40
No Net Loss Tree Grant	-	888,600.00	-	-	888,600.00
Monmouth County Rec/Open Space	-	175,000.00	-	-	175,000.00
Total All Grants	\$ 45,388.98	\$ 1,238,556.45	\$ 103,834.27	\$ 79,724.28	\$ 1,100,386.88

**TOWNSHIP OF WALL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016**

GRANT	BALANCE DECEMBER 31, 2015	RECEIVED	ANTICIPATED AS REVENUE	BALANCE DECEMBER 31, 2016
State Grants:				
Clean Communities Program	\$ 69,820.94	\$ 79,840.77	\$ 69,820.94	\$ 79,840.77
Body Armour Grant	9,903.34	6,113.90	9,903.34	6,113.90
Violence Against Women Act	9,000.00	-	-	9,000.00
Smart Growth	10,000.00	-	-	10,000.00
NJL Sustainable	2,000.00	-	-	2,000.00
Monmouth County Recycling Stimulus Initiative	-	10,000.00	-	10,000.00
Drunk Driving Enforcement Fund	-	110,165.15	-	110,165.15
Total Grants	<u>\$ 100,724.28</u>	<u>\$ 206,119.82</u>	<u>\$ 79,724.28</u>	<u>\$ 227,119.82</u>

**TOWNSHIP OF WALL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS
AND MATCHING FUNDS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015	TRANSFERRED FROM 2016 BUDGET APPROPRIATION	TRANSFER FROM RESERVE FOR ENCUMBRANCES	EXPENDED	RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2016
Municipal Alliance:						
State Share	\$ 27,005.34	\$ 65,952.65	\$ 355.00	\$ 60,264.21	\$ -	\$ 33,048.78
Local Share	13,093.50	11,899.35	-	-	-	24,992.85
Juvenile Accountability Grant	1,124.18	-	-	-	-	1,124.18
Drunk Driving Enforcement Fund	25,605.01	-	987.65	9,930.75	9,575.00	7,086.91
Clean Communities Program	84,908.12	69,820.94	-	11,836.84	-	142,892.22
Body Armour Grant	698.46	9,903.34	-	5,100.00	5,436.00	65.80
Violence Against Women Act	19,967.92	-	-	-	-	19,967.92
Matching Funds-1	5,537.00	-	-	-	-	5,537.00
Matching Funds-2	587.03	-	-	-	-	587.03
Recycling Tonnage Grant	37,766.08	37,380.17	11,390.00	46,949.54	7,462.74	32,123.97
Canine Grant	289.30	-	-	-	-	289.30
Monmouth County Rec./Open Space	-	350,000.00	-	11,752.50	334,997.00	3,250.50
Not Net Loss Tree Grant	-	888,600.00	-	417,241.25	-	471,358.75
Total All Funds	\$ 216,581.94	\$ 1,433,556.45	\$ 12,732.65	\$ 563,075.09	\$ 357,470.74	\$ 742,325.21

Cash Disbursements	\$ 549,981.59
Current Fund Match	13,093.50
	<u>\$ 563,075.09</u>

**TOWNSHIP OF WALL
CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015:			
Current Fund	\$	719,851.81	
Federal and State Grant Fund		12,732.65	732,584.46
			<hr/>
Increased by:			
Current Year Encumbrances:			
Current Fund - Appropriations		327,992.60	
Prior Year Encumbrances		145,542.33	
Federal and State Grant Fund - Appropriated Grant Reserves		357,470.74	831,005.67
			<hr/>
Subtotal			\$1,563,590
Decreased by:			
Prior Year Encumbrances Reclassified:			
Current Fund - Appropriations		719,851.81	
Federal and State Grant Fund - Appropriated Grant Reserves		12,732.65	732,584.46
			<hr/>
Balance December 31, 2016:			<u>\$ 831,005.67</u>

ANALYSIS OF BALANCE, DECEMBER 31, 2016

Current Fund Appropriations	\$	473,534.93	
Federal & State Grant Fund - Appropriated Grant Reserves			357,470.74
			<hr/>
Total	\$		<u>831,005.67</u>

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TRUST FUND

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**TOWNSHIP OF WALL
TRUST FUND
SCHEDULE OF TRUST CASH
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance December 31, 2015	\$ 30,966.13	\$ 4,746,128.44
Increased by Receipts:		
Due to State	\$ 3,083.40	\$ -
Animal Control Fees Collected	74,418.20	-
Tax Title Liens	-	2,226,736.28
Due To/From:		
Current Fund	459.83	-
Various Reserves	-	23,886,405.79
	<u>77,961.43</u>	<u>26,113,142.07</u>
Total Receipts	<u>77,961.43</u>	<u>26,113,142.07</u>
Subtotal	<u>108,927.56</u>	<u>30,859,270.51</u>
Decreased by Disbursements:		
Due to State	3,093.00	-
Expenditures Under R.S. 4:19-15.11	67,307.00	-
Tax Title Liens	-	2,320,955.49
Due To/From:		
Current Fund	546.74	105,905.78
Various Reserves	-	23,416,392.40
	<u>70,946.74</u>	<u>25,843,253.67</u>
Total Disbursements	<u>70,946.74</u>	<u>25,843,253.67</u>
Balance December 31, 2016	<u>\$ 37,980.82</u>	<u>\$ 5,016,016.84</u>

**TOWNSHIP OF WALL
TRUST - ANIMAL CONTROL FUND
SCHEDULE OF RESERVE (DEFICIT) FOR ANIMAL CONTROL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$ 30,396.20
Increased by:		
Contribution from Current Fund	\$ 49,000.00	
Animal Control Fees Collected	25,418.20	74,418.20
Subtotal		104,814.40
Decreased by:		
Expenditures Under R.S.4:19-15,11:		67,307.00
Balance December 31, 2016		\$ 37,507.40

LICENSE FEES COLLECTED

	YEAR	AMOUNT
	2015	\$ 27,608.47
	2014	26,311.00
Total		\$ 53,919.47

**TOWNSHIP OF WALL
TRUST - ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 434.80
Increased by:	
Cash Receipts	<u>3,083.40</u>
Subtotal	3,518.20
Decreased by:	
Cash Disbursements	<u>3,093.00</u>
Balance December 31, 2016	<u><u>\$ 425.20</u></u>

**SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 135.13
Increased by:	
Interest Earned	<u>459.83</u>
Subtotal	594.96
Decreased by:	
Cash Disbursements	<u>546.74</u>
Balance December 31, 2016	<u><u>\$ 48.22</u></u>

**TOWNSHIP OF WALL
TRUST FUND - OTHER
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2016
Reserve For:				
Law Enforcement	\$ 46,482.29	\$ 15,802.74	\$ 2,589.06	\$ 59,695.97
Recreation	306,242.61	288,531.12	243,665.41	351,108.32
Public Defender	27,410.70	15,394.00	15,425.00	27,379.70
Developer's Escrow	1,798,559.03	756,445.40	710,430.81	1,844,573.62
Housing Trust	388,111.53	226,273.46	51,149.56	563,235.43
Hazmat Clean Up	46,930.23	-	-	46,930.23
Recycling	1,155.00	-	-	1,155.00
Snow Removal	355,524.78	400,000.00	278,863.97	476,660.81
Municipal Alliance	12,061.55	19,199.99	11,899.35	19,362.19
Police Outside Employment Trust	32,037.77	241,008.04	273,042.16	3.65
Unemployment Trust	174,361.65	32,728.13	54,903.63	152,186.15
Payroll Deductions & Net Payroll	368,094.95	21,891,022.91	21,774,423.45	484,694.41
Total	<u>\$ 3,556,972.09</u>	<u>\$ 23,886,405.79</u>	<u>\$ 23,416,392.40</u>	<u>\$ 4,026,985.48</u>

**TOWNSHIP OF WALL
TRUST - OTHER FUND
SCHEDULE OF RESERVE FOR REDEMPTION OF TAX TITLE LIENS & TAX SALE PREMIUMS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 1,083,250.57
Increased by:	
Cash Receipts	<u>2,226,736.28</u>
Subtotal	3,309,986.85
Decreased by:	
Cash Disbursements	<u>2,320,955.49</u>
Balance December 31, 2016	<u><u>\$ 989,031.36</u></u>

**SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 105,905.78
Decreased by:	
Cash Disbursements	<u>105,905.78</u>
Balance December 31, 2016	<u><u>\$ -</u></u>

**TOWNSHIP OF WALL
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF INVESTMENTS - REVIEWED
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$ 149,752.13
Increased by:		
Township Contributions	\$ 6,000.00	
Appreciation on Investments	8,259.28	14,259.28
		<hr/>
Subtotal		164,011.41
Decreased by:		
Accounting Charges	675.00	
Withdrawals	41,306.64	41,981.64
		<hr/>
Balance (Deficit) December 31, 2016		<u><u>\$ 122,029.77</u></u>

**TOWNSHIP OF WALL
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF MISCELLANEOUS RESERVES - REVIEWED
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$ 149,752.13
Increased by:		
Township Contributions	\$ 6,000.00	
Appreciation on Investments	8,259.28	14,259.28
		<hr/>
Subtotal		164,011.41
Decreased by:		
Accounting Charges	675.00	
Withdrawals	41,306.64	41,981.64
		<hr/>
Balance (Deficit) December 31, 2016		<u><u>\$ 122,029.77</u></u>

GENERAL CAPITAL FUND

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**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$	-
Increased by Receipts:			
Proceeds of Bond Anticipation Notes	\$	10,194,000.00	
Premium Received on Issuance of BANs		92,812.93	
Capital Improvement Fund		200,000.00	
Budget Appropriations		859,699.68	
Cash Reimbursements		1,091.00	
Capital Surplus		-	11,347,603.61
			<hr/>
Subtotal			11,347,603.61
Decreased by Disbursements:			
Payment of Bond Anticipation Notes		8,027,000.00	
Improvement Authorizations		3,015,475.20	
Reserve for Payment of Bonds		66,667.00	11,109,142.20
			<hr/>
Balance December 31, 2016		\$	<u><u>238,461.41</u></u>

**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE (OVERDRAFT) DECEMBER 31, 2016
Fund Balance	\$ 182,440.33
Capital Improvement Fund	53,500.00
Reserve for Encumbrances	1,907,097.06
Due To Utility Assessment Fund	274,160.93
Reserve for Payment of Bonds	932,832.00
Reserve for Route 34	250,000.00

ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATION	
95-12, 99-33,00-29	RCA	(0.45)
1995-12	Various Improvements	91.36
2002-06	Various Improvements	1,707.96
2003-34, 2006-15	Various Improvements	(854,375.87)
2006-31	Construction of New Youth Center	527.34
2006-35	Various Improvements	1,595.06
2006-13, 2006-38	Police Building Renovations	848,090.82
2007-14	Various Improvements	48,127.12
2007-27	Various Improvements	(313,883.30)
2008-11	Various Improvements	1,092.70
2009-16, 2012-09	Various Improvements	(1,257,416.43)
2009-38	Aquisition of Real Property	31,987.84
2010-10	Various Improvements	(976,306.45)
2010-16	Road Improvements to Baileys Corner Road	(73,822.30)
2011-06	Aquisition of Real Property for Open Space	1,367.23
2011-16	Various Roadway Improvements	(386,918.87)
2012-03	Various Improvements	250,545.23
2013-24	Various Improvements	25,032.76
2013-28	Acquisition of Sanitation Trucks	135,721.88
2014-13	Various Improvements	143,537.86
2015-8	Various Improvements	619,746.48
2016-9	Various Improvements	(1,608,016.88)
	Total	\$ 238,461.41

**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$	19,858,132.97
Increased by:		
Refunding Bonds Issued		<u>3,580,000.00</u>
Subtotal		23,438,132.97
Decreased by:		
2016 Budget Appropriations:		
Serial Bonds Payable	\$	1,918,327.00
Green Acres Loan Payable		257,341.42
2016 Refunding Bonds Defeased		<u>3,827,000.00</u>
		<u>6,002,668.42</u>
Balance December 31, 2016	\$	<u><u>17,435,464.55</u></u>

**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	DESCRIPTION	BALANCE DECEMBER 31, 2015	INCREASED BY IMPROVEMENT AUTHORIZATIONS	FUNDED BY CAPITAL IMPROVEMENT FUND	BUDGET APPROPRIATION	BAN PAYDOWN	Canceled	BALANCE DECEMBER 31, 2016	ANALYSIS OF BALANCE			
									BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS	
91-12, 99-33, 00-29	RCA	\$ 6,460.00	-	-	\$ 6,460.00	-	-	\$ -	-	\$ -	-	-
2001-18	Acquisition of Real Property -	70,000.00	-	-	70,000.00	-	-	854,375.82	-	-	-	-
2003-34, 2006-15	Various Capital Improvements	967,951.00	-	-	113,575.18	-	-	332,000.00	-	-	852,780.76	1,595.06
2007-27	Various Capital Improvements	332,000.00	-	-	-	-	-	1,262,233.50	-	-	330,907.30	1,092.70
2009-16, 2012-9	Various Capital Improvements	1,262,233.50	-	-	-	-	-	1,045,000.00	-	-	1,230,245.66	31,987.84
2010-10	Various Capital Improvements	1,045,000.00	-	-	-	-	-	209,000.00	-	-	909,822.30	135,177.70
2010-16	Road Improvements to Baileys Corner Road	209,000.00	-	-	-	-	-	209,000.00	-	-	209,000.00	-
2011-16	Various Roadway Improvements	471,665.00	-	-	81,664.50	-	-	390,000.50	-	-	386,919.37	3,081.13
2012-03	Various Capital Improvements	1,534,000.00	-	-	-	-	-	1,534,000.00	1,534,000.00	-	-	-
2013-24	Various Capital Improvements	1,387,000.00	-	-	-	-	-	1,387,000.00	1,387,000.00	-	-	-
2013-28	Acquisition of Sanitation Trucks	2,940,000.00	-	-	-	588,000.00	-	2,352,000.00	2,352,000.00	-	-	-
2014-13	Various Capital Improvements	2,166,000.00	-	-	-	-	-	2,166,000.00	2,166,000.00	-	-	-
2015-8	Various Capital Improvements	2,755,000.00	-	-	-	-	-	2,755,000.00	2,755,000.00	-	-	-
2015-7	Refunding	773,000.00	-	-	-	-	773,000.00	-	-	-	-	-
2016-9	Various Improvements	-	3,158,000.00	158,000.00	-	-	-	3,000,000.00	-	-	1,608,016.88	1,391,983.12
Total		\$ 15,919,309.50	\$ 3,158,000.00	\$ 158,000.00	\$ 271,699.68	\$ 588,000.00	\$ 773,000.00	\$ 17,286,609.82	\$ 10,194,000.00	\$ 5,527,692.27	\$ 1,564,917.55	

**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 11,500.00
Increased by:	
2016 Budget Appropriation - Current Fund	<u>200,000.00</u>
Subtotal	11,500.00
Decreased by:	
Appropriated to Finance Improvements	<u>158,000.00</u>
Balance December 31, 2016	<u><u>\$ 53,500.00</u></u>

**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015	<u><u>\$ 588,000.00</u></u>
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ANALYSIS OF BALANCE

NJDEP - Ridge Road Sand Mine Acquisition	I/A #09-16	\$ 400,000.00
NJDOT - Ramshorn Drive Roadway Improvements	I/A #14-19	<u>188,000.00</u>
		<u><u>\$ 588,000.00</u></u>

**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2015		2016 AUTHORIZATIONS	2015 RESERVE FOR ENCUMBRANCES		EXPENDED	2016 RESERVE FOR ENCUMBRANCES		BALANCE DECEMBER 31, 2016	
			FUNDED	UNFUNDED		CANCELLED	2015		2016	FUNDED	UNFUNDED	
1995-12	Various Improvements	\$ 2,000,000.00	91.36	-	-	-	-	-	-	-	91.36	-
99-28, 00-19, 00-30	Various Improvements and Acquisition of Open Space	5,650,000.00	-	-	-	12,323.74	-	12,323.74	-	-	-	-
03-05, 03-21, 05-03	Acquisition of Open Space	1,200,000.00	1,707.96	-	-	-	-	-	-	-	1,707.96	-
2002-06	Construction of Bike Paths	1,500,000.00	-	-	-	11,315.19	-	11,315.19	-	-	-	-
02-19, 02-23, 03-25	Acquisition of Sea Girt Inn	5,300,000.00	527.34	-	-	-	-	-	-	-	527.34	-
06-13, 06-38	Police Building Renovations	1,830,000.00	-	1,595.06	-	-	-	3,400.00	-	-	-	1,595.06
03-34, 06-15	Various Capital Improvements	1,000,000.00	848,090.82	-	-	-	-	-	-	-	848,090.82	-
2006-31	Construction of New Youth Center	1,500,000.00	48,263.03	-	-	-	-	135.91	-	-	48,127.12	-
2006-35	Various Capital Improvements	1,500,000.00	18,116.70	-	-	-	-	-	-	-	18,116.70	-
2007-14	Various Capital Improvements	350,000.00	-	1,092.70	-	-	-	-	-	-	-	1,092.70
2007-27	Various Capital Improvements	3,275,000.00	7,124.98	-	-	-	-	36,911.66	1,961.20	1,961.20	4,817.07	-
2008-11	Various Capital Improvements	1,930,000.00	-	37,247.49	-	-	-	148,446.13	22,607.95	22,607.95	-	31,987.84
09-16, 12-09	Various Capital Improvements	2,600,000.00	68,693.55	-	-	-	-	-	-	-	68,693.55	-
2009-38	Acquisition of Real Property	1,100,000.00	-	135,177.70	-	-	-	-	-	-	-	135,177.70
2010-10	Various Capital Improvements	425,000.00	-	1,367.23	-	-	-	-	-	-	1,367.23	-
2011-06	Acquisition of Real Property for Open Space	200,000.00	-	-	-	-	-	-	-	-	-	-
2014-19	Various Roadway Improvements	1,615,000.00	-	388,081.13	-	-	-	212,404.94	172,595.06	172,595.06	-	3,081.13
2012-03	Various Improvements	1,460,000.00	-	261,059.26	-	-	-	61,236.98	10,466.28	10,466.28	-	250,545.23
2013-24	Various Improvements	3,100,000.00	-	286,648.27	-	-	-	30,023.57	297,493.29	297,493.29	-	25,032.76
2013-28	Acquisition of Sanitation Trucks	2,279,000.00	-	148,489.88	-	-	-	12,034.00	735.00	735.00	-	135,720.88
2014-13	Various Improvements	2,900,000.00	-	471,915.13	-	-	-	286,237.82	132,466.20	132,466.20	-	143,537.86
2015-8	Various Improvements	773,000.00	-	1,383,902.85	-	-	-	1,243,329.97	459,339.49	459,339.49	-	619,746.48
2015-7	Refunding	3,158,000.00	-	773,000.00	-	-	-	773,000.00	-	-	-	1,391,983.12
2016-9	Various Improvements					3,158,000.00		956,584.29	809,432.59	809,432.59		
Total			\$ 993,982.97	\$ 3,888,209.47	\$ 3,158,000.00	\$ 1,385,328.73	\$ 773,000.00	\$ 3,014,384.20	\$ 1,907,097.06	\$ 991,539.15	\$ 2,739,500.76	

Cash Disbursements \$ 3,015,475.20
Reimbursements (1,091.00)
\$ 3,014,384.20

**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 1,385,328.73
Increased by:	
Charges to Improvement Authorization	<u>1,907,097.06</u>
Subtotal	3,292,425.79
Decreased by:	
Prior Year Balance Reappropriated	<u>1,385,328.73</u>
Balance December 31, 2016	<u><u>\$ 1,907,097.06</u></u>

**SCHEDULE OF DUE TO UTILITY ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015	<u><u>\$ 274,160.93</u></u>
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**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES TRUST LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF LOAN PRINCIPAL AND INTEREST		INTEREST RATE	BALANCE DECEMBER 31, 2015	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2016	
			DATE	AMOUNT					
Hurley's Pond Acquisition	01/26/88	\$ 450,000.00	05/29/17	14,011.17	2.00%	\$ 55,769.64	\$ 27,607.30	\$ 28,162.34	
			11/29/17	14,151.17					2.00%
Municipal Park Addition	01/26/88	\$ 1,000,000.00	04/30/17	32,560.01	2.00%	129,601.25	64,155.77	65,445.48	
			10/30/17	32,885.47					2.00%
Open Space Acquisition	12/10/99	\$ 2,250,000.00	04/13/17	83,974.50	2.00%	682,551.08	165,578.35	516,972.73	
			10/13/17	84,931.97					2.00%
			04/13/18	85,662.75					2.00%
			10/13/18	86,638.75					2.00%
			04/13/19	87,384.40					2.00%
			10/13/19	88,380.36	2.00%				
Total						\$ 867,921.97	\$ 257,341.42	\$ 610,580.55	

**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DECEMBER 31, 2015	ISSUED	DECREASED	DECREASED BY DEFEASANCE OF DEBT	BALANCE DECEMBER 31, 2016
			OUTSTANDING DECEMBER 31, 2016	DATE						
General Improvement Bonds	12/20/00	\$ 1,000,000	3,000.00	12/01/18	5.375%	\$ 8,000.00	-	-	-	8,000.00
			1,000.00	12/01/19	5.400%					
			1,000.00	12/01/20	5.450%					
2007 Refunding Bonds	04/12/07	2,328,220	342,346.00	12/01/17	5.000%	1,133,212.00	-	327,327.00	-	805,885.00
			154,859.00	12/01/18	5.000%					
			153,823.00	12/01/19	5.000%					
			154,857.00	12/01/20	4.000%					
General Improvement Bonds	12/31/07	8,224,000	541,000.00	12/01/17	5.000%	4,884,000.00	-	516,000.00	3,827,000.00	541,000.00
	12/01/12	2,220,000	445,000.00	12/01/17	4.000%	1,810,000.00	-	425,000.00	-	1,385,000.00
2013 Serial Bonds	06/05/13	2,220,000	620,000.00	08/01/17	3.000%	11,155,000.00	-	620,000.00	-	10,535,000.00
			615,000.00	08/01/18	3.000%					
			620,000.00	08/01/19	4.000%					
			620,000.00	08/01/20	4.000%					
			620,000.00	08/01/21	4.000%					
			620,000.00	08/01/22	5.000%					
			620,000.00	08/01/23	5.000%					
			620,000.00	08/01/24	5.000%					
			620,000.00	08/01/25	5.000%					
			620,000.00	08/01/26	5.000%					
			620,000.00	08/01/27	5.000%					
			620,000.00	08/01/28	5.000%					
			620,000.00	08/01/29	3.000%					
			620,000.00	08/01/30	4.000%					
			620,000.00	08/01/31	3.125%					
	Governmental Refunding Revenue Bond	3/2/2016	3,580,000.00	530,000.00	12/01/2018	4.000%	-	3,580,000.00	30,000.00	-
			550,000.00	12/01/2019	4.000%					
			575,000.00	12/01/2020	5.000%					
			600,000.00	12/01/2021	5.000%					
			630,000.00	12/01/2022	5.000%					
			665,000.00	12/01/2023	5.000%					
Total										
						\$ 18,990,212.00	\$ 3,580,000.00	\$ 1,918,327.00	\$ 3,827,000.00	\$ 16,824,885.00

**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2015	INCREASED	DECREASED	BALANCE DECEMBER 31, 2016
2012-3	Various Capital Improvements	6/30/2016	6/30/2017	2.00%	\$ 1,534,000.00	\$ 1,534,000.00	\$ 1,534,000.00	\$ 1,534,000.00
2013-24	Various Capital Improvements	6/30/2016	6/30/2017	2.00%	1,387,000.00	1,387,000.00	1,387,000.00	1,387,000.00
2103-28	Acquisition of Sanitation Trucks	6/30/2016	6/30/2017	2.00%	2,940,000.00	2,352,000.00	2,940,000.00	2,352,000.00
2014-13	Various Capital Improvements	6/30/2016	6/30/2017	2.00%	2,166,000.00	2,166,000.00	2,166,000.00	2,166,000.00
2015-8	Various Capital Improvements	6/30/2016	6/30/2017	2.00%	-	2,755,000.00	-	2,755,000.00
Total					\$ 8,027,000.00	\$ 10,194,000.00	\$ 8,027,000.00	\$ 10,194,000.00

**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
AT DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2015	2016 AUTHORIZATIONS	PAYDOWNS	NOTES ISSUED	ADJUSTMENTS/ (CANCELLED)	BALANCE DECEMBER 31, 2016
91-12, 99-33, 00-29	RCA	\$ 6,460.50	\$ -	\$ 6,460.05	\$ -	\$ -	\$ 0.45
2001-18	Various Improvements	70,000.00	-	70,000.00	-	-	-
2003-34, 2006-15	Various Improvements	967,951.00	-	113,575.13	-	-	854,375.87
2007-27	Various Improvements	332,000.00	-	-	-	-	332,000.00
09-16, 09-33, 09-38, 12-09	Various Improvements	1,262,233.50	-	-	-	-	1,262,233.50
2010-10	Various Improvements	1,045,000.00	-	-	-	-	1,045,000.00
2010-16	Road Improvements to Baileys Corner Road	209,000.00	-	-	-	-	209,000.00
2011-16	Various Roadway Improvements	471,664.50	-	81,664.50	-	-	390,000.00
2015-8	Various Improvements	2,755,000.00	-	-	2,755,000.00	-	-
2015-7	Refunding	773,000.00	-	-	-	773,000.00	-
2016-09	Various Improvements	-	3,000,000.00	-	-	-	3,000,000.00
Total		\$ 7,892,309.50	\$ 3,000,000.00	\$ 271,699.68	\$ 2,755,000.00	\$ 773,000.00	\$ 7,092,609.82

**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF BONDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$ 999,499.00
Decreased by:	
Anticipated Revenue	<u>66,667.00</u>
Balance, December 31, 2016	<u><u>\$ 932,832.00</u></u>

**TOWNSHIP OF WALL
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ROUTE 34
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 and 2015

\$ 250,000.00

WATER/SEWER UTILITY FUND

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**TOWNSHIP OF WALL
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF WATER/SEWER UTILITY CASH
FOR THE YEAR ENDED DECEMBER 31, 2016**

	OPERATING FUND	ASSESSMENT TRUST	CAPITAL FUND
Balance, December 31, 2015	\$ 1,200,266.63	\$ 1,465,082.04	\$ -
Increased by Receipts:			
Due To/From:			
Current Fund	\$ -	-	341,279.11
Premium on Sale of Bond Anticipation Notes	-	-	34,328.07
Capital Outlay	-	-	100,000.00
Consumer Accounts Receivable	11,526,438.77	-	-
Sewer User Agreements	50,000.00	-	-
Miscellaneous	249,694.31	-	-
Assessment Receivables	-	17,443.42	-
Refunds	18,760.58	-	-
Subtotal	<u>11,844,893.66</u>	<u>17,443.42</u>	<u>475,607.18</u>
Total	<u>13,045,160.29</u>	<u>1,482,525.46</u>	<u>475,607.18</u>
Decreased by Disbursements:			
2016 Budget Appropriations	11,261,125.86	304,673.00	-
2015 Appropriation Reserves	244,141.74	-	-
Refund of Prior Year Revenues	6,065.09	-	-
Due To/From:			
Water/Sewer Capital Fund	-	503,486.24	-
General Capital Fund	-	274,160.93	-
Improvement Authorizations	-	-	475,607.18
Total Disbursements	<u>11,511,332.69</u>	<u>1,082,320.17</u>	<u>475,607.18</u>
Balance, December 31, 2016	<u>\$ 1,533,827.60</u>	<u>\$ 400,205.29</u>	<u>\$ -</u>

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**TOWNSHIP OF WALL
WATER/SEWER UTILITY CAPITAL FUND
ANALYSIS OF WATER AND SEWER CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2016
Due To Current Fund	\$ 341,279.11
Due To Water/Sewer Assessment Fund	503,486.24
Reserve for Encumbrances	113,754.21
Reserve for Sewer Extension	502.29
Reserve for Payment of Bond Anticipation Notes	37,050.00
Capital Improvement Fund	32,400.00
Fund Balance	43,730.48

ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATIONS	
1992-14	Manasquan Park Sewer and Southwest Sewer	(468,935.38)
1999-11	North Wall II	(590,638.30)
2002-05	Various Improvements	672.85
2003-10	Eighteenth Avenue Sanitary Sewer Force Main Extensions	1,475.50
2002-42	Sewer Extensions	(47,500.00)
2003-14	Improvements to the Route 34 Southbound - Devlin Gym Sanitary Sewer System	(145,080.00)
2003-20	Various Water and Sewer Improvements	55,250.90
2004-28	Improvements to Allenwood Sewer System	(237,000.00)
2004-36	Meeting House Road Sewer	(218,000.00)
2004-40	Barbee Lane Sanitary Sewer Extension	425.61
2004-41	Devlin Gym Sanitary Sewer System	(170,924.14)
2006-36	Mtg House Road Sewer	6,183.08
2006-37	Quaker Estates	(137,000.00)
2009-17	Various Water Utility Improvements	(190,000.00)
2011-23	Water/Sewer Improvements	20,505.14
2013-17	Water/Sewer Improvements	47,025.26
2014-17	Water/Sewer Improvements	851,337.15
2016-18	Water/Sewer Improvements	150,000.00
	Total	\$ -

**TOWNSHIP OF WALL
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF WATER AND SEWER RENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015		\$	793,371.54
Increased by:			
Water & Sewer Rents Levied	\$	11,614,871.33	
Overpayments Created		4,018.09	11,618,889.42
Subtotal			12,412,260.96
Decreased by:			
Collections		11,526,438.77	
Canceled		46,130.01	11,572,568.78
Balance, December 31, 2016		\$	839,692.18

**SCHEDULE OF 2015 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015		BALANCE	PAID OR	BALANCE
	ENCUMBERED	RESERVED	AFTER TRANSFERS	CHARGED	LAPSED
Operations:					
Salaries & Wages	\$ -	\$ 150,669.55	\$ 150,669.55	\$ -	\$ 150,669.55
Other Expenses	43,601.71	179,707.68	223,309.39	111,259.78	112,049.61
Sewer Treatment Costs	-	18,812.30	18,812.30	18,812.30	-
Water Treatment Costs	-	22,186.48	22,186.48	2,110.70	20,075.78
Capital Improvements:					
Capital Outlay	111,812.31	1,723.19	113,535.50	111,958.96	1,576.54
Statutory Expenditures:					
Contribution to:					
Public Employees					
Retirement System	-	1.00	1.00	-	1.00
Social Security System					
(O.A.S.I.)	-	70,593.40	70,593.40	-	70,593.40
Total	\$ 155,414.02	\$ 443,693.60	\$ 599,107.62	\$ 244,141.74	\$ 354,965.88

**TOWNSHIP OF WALL
WATER/SEWER ASSESSMENT FUND
SCHEDULE OF ASSESSMENTS RECEIVABLES
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	PROJECT	BALANCE		BALANCE		PLEDGED TO	
		DECEMBER 31, 2015	COLLECTED	DECEMBER 31, 2016	RESERVE	CAPITAL	
1989-42	Ocean Road	\$ 9,000.00	\$ -	\$ 9,000.00	\$ 9,000.00	\$ -	\$ -
1990-22	Wreck Pond	35,747.28	3,000.00	32,747.28	-	32,747.28	-
1992-14	Southwest Hall	5,999.61	-	5,999.61	5,999.61	-	-
1996-20	Hurley Pond Water	8,100.00	-	8,100.00	8,100.00	-	-
1997-13	Hannabrand	36,594.93	-	36,594.93	-	36,594.93	-
1998-03	Hannabrand -Amd	12,710.26	-	12,710.26	-	12,710.26	-
2000-42	9 Allenwood	206.03	-	206.03	-	206.03	-
2002-07	Sewer Extensions	777.31	777.31	(0.00)	-	(0.00)	-
2002-43	Allenwood and Ridgewood	11,593.41	-	11,593.41	11,593.41	-	-
2003-09	Barbee Lane	10,208.82	9,279.73	929.09	-	929.09	-
2003-14	Route 34 - Devlin Gym Sewer Extension	7,322.27	4,386.38	2,935.89	-	2,935.89	-
		<u>\$ 138,259.92</u>	<u>\$ 17,443.42</u>	<u>\$ 120,816.50</u>	<u>\$ 34,693.02</u>	<u>\$ 86,123.48</u>	

**TOWNSHIP OF WALL
WATER/SEWER UTILITY ASSESSMENT FUND
SCHEDULE OF WATER/SEWER UTILITY ASSESSMENT LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2016 and 2015

\$ 13,143.33

**TOWNSHIP OF WALL
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BALANCE DECEMBER 31, 2015 & 2016
Distribution Main Hydrants and Stand Pipes	\$ 910,712.00
Distribution Main	3,172,401.00
Equipment	292,741.00
Land	15,258.00
Meters, Boxes and Vaults	2,904,190.00
Water Plant	804,329.00
Pumping Station	57,303.00
Wells	1,131,799.00
Sewer Water Improvements	<u>33,927,417.68</u>
 Total	 <u><u>\$ 43,216,150.68</u></u>

**TOWNSHIP OF WALL
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	AMOUNT	BALANCE DECEMBER 31, 2015	AUTHORIZED	BALANCE DECEMBER 31, 2016
2002-42	Various Improvements	\$ 330,000.00	\$ 330,000.00	-	\$ 330,000.00
2003-09, 2004-40	Barbee Lane Sanitary Sewer Extension (Assessment)	1,150,000.00	1,150,000.00	-	1,150,000.00
2003-10, 2006-14	Eighteenth Avenue Sanitary Sewer Force Main Extensions	760,000.00	760,000.00	-	760,000.00
2003-14, 2004-41	Improvements to Rt. 34 Southbound				
	Devlin Gym Sanitary Sewer System (Assessment)	450,000.00	450,000.00	-	450,000.00
2003-20	Various Water/Sewer Improvements	725,000.00	725,000.00	-	725,000.00
2004-28	Improvements to Allenwood Sewer System	250,000.00	250,000.00	-	250,000.00
2005-30	Acquisition of a Vactor Vehicle	245,000.00	245,000.00	-	245,000.00
2006-36	Meeting House Road Sewer	230,000.00	230,000.00	-	230,000.00
2006-37	Quaker Estates	145,000.00	145,000.00	-	145,000.00
2007-26	Improvements to Water/Sewer System	300,000.00	300,000.00	-	300,000.00
2009-17	Various Water Utility Improvements	200,000.00	200,000.00	-	200,000.00
2010-11	Various Water Utility Improvements	553,000.00	553,000.00	-	553,000.00
2011-23	Various Water Utility Improvements	998,000.00	998,000.00	-	998,000.00
2013-17	Various Water Utility Improvements	750,000.00	750,000.00	-	750,000.00
2014-17	Various Water Utility Improvements	1,658,000.00	1,658,000.00	-	1,658,000.00
2016-18	Various Water Utility Improvements	6,090,775.00	-	6,090,775.00	6,090,775.00
Total		\$ 8,744,000.00	\$ 8,744,000.00	\$ 6,090,775.00	\$ 14,834,775.00

**TOWNSHIP OF WALL
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2015		2016 AUTHORIZATIONS		2015 RESERVE FOR ENCUMBRANCES		2016 RESERVE FOR ENCUMBRANCES		BALANCE DECEMBER 31, 2016	
			FUNDED	UNFUNDED	FUNDED	UNFUNDED	FUNDED	UNFUNDED	FUNDED	UNFUNDED	FUNDED	UNFUNDED
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1999-11	North Wall II	1,400,000.00	-	37,111.70	-	-	-	-	-	-	-	37,111.70
2002-05	Various Improvements	330,000.00	672.85	-	-	-	-	-	-	-	672.85	-
2003-10	Eighteenth Avenue Sanitary Sewer Force Main Extensions	760,000.00	1,475.50	-	-	-	-	-	-	-	1,475.50	-
2003-20	Various Water and Sewer Improvements	1,139,715.00	55,250.90	-	-	-	-	-	-	-	55,250.90	-
2004-28	Improvements to Allenwood Sewer System	250,000.00	-	-	-	-	-	-	-	-	-	-
2004-40	Barbee Lane Sanitary Sewer Extension	250,000.00	1,525.61	-	-	-	-	-	-	-	1,525.61	-
2004-41	Devlin Gym Sanitary Sewer System	250,000.00	-	19,075.86	-	-	39,931.23	-	-	-	-	19,075.86
2006-36	Mfg House Road Sewer	230,000.00	6,183.08	-	-	-	-	-	-	-	6,183.08	-
2011-23	Water/Sewer Improvements	998,000.00	-	58,443.20	-	-	15,800.00	-	-	-	-	20,505.14
2013-17	Water/Sewer Improvements	750,000.00	-	76,283.76	-	-	115,418.31	-	-	-	-	47,025.26
2014-17	Water/Sewer Improvements	1,658,000.00	-	995,737.39	-	-	206,614.25	-	-	113,754.21	-	851,336.35
2016-18	Various Water/Sewer Improvements	6,090,775.00	-	-	6,090,775.00	-	-	-	-	-	150,000.00	5,940,775.00
Total			\$ 65,107.94	\$ 1,186,651.91	\$ 6,090,775.00	\$ 475,607.18	\$ 377,763.79	\$ 113,754.21	\$ 215,107.94	\$ 6,915,829.31		

**TOWNSHIP OF WALL
 WATER/SEWER UTILITY CAPITAL FUND
 SCHEDULE OF PROSPECTIVE ASSESSMENTS TO BE
 RAISED BY WATER/SEWER UTILITY FUND REVENUE
 FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2015 & 2016
		TOTAL APPROPRIATED	DOWN PAYMENT	
2003-09	Barbee Lane Sanitary Sewer	\$ 900,000.00	\$ 45,000.00	\$ 45,000.00
2003-14	Route 34 Southbound - Devlin Gym Sanitary Sewer System	250,000.00	13,000.00	13,000.00
2004-41	Route 34 Southbound - Devlin Gym Sanitary Sewer System	200,000.00	10,000.00	10,000.00
				<u>\$ 68,000.00</u>

**TOWNSHIP OF WALL
 WATER/SEWER UTILITY CAPITAL FUND
 SCHEDULE OF RESERVE FOR AMORTIZATION
 FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2015	\$	41,813,786.10
Increased by:		
Paid by Utility Operating Fund:		
Serial Bonds		100,000.00
Balance, December 31, 2016	\$	41,913,786.10

**WATER/SEWER UTILITY CAPITAL FUND
 SCHEDULE OF RESERVE FOR SEWER EXTENSION
 FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015	\$	502.29
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**TOWNSHIP OF WALL
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2015	ADDITIONS	BALANCE DECEMBER 31, 2016
2002-05	Various Improvements	\$ 16,500.00	\$ -	\$ 16,500.00
2003-09	Barbee Lane	57,500.00	-	57,500.00
2003-10	18th Avenue Force Main	38,000.00	-	38,000.00
2003-14	Devlin Gym	23,000.00	-	23,000.00
2003-20	Various Improvements	37,000.00	-	37,000.00
2004-28	Improvements to Allenwood Sewer	13,000.00	-	13,000.00
2008-30	Sewer Vactor	245,000.00	-	245,000.00
2006-36	Mtg. House Sewer	12,000.00	-	12,000.00
2006-37	Quaker Estate Sewer	8,000.00	-	8,000.00
2007-26	Improvements to Water/Sewer System	15,000.00	-	15,000.00
2009-17	Various Water Utility Improvements	10,000.00	-	10,000.00
2010-11	Various Water Utility Improvements	28,000.00	-	28,000.00
2011-23	Various Water Utility Improvements	48,000.00	-	48,000.00
2013-17	Water/Sewer Improvements	38,000.00	-	38,000.00
2014-17	Water/Sewer Improvements	83,000.00	-	83,000.00
2016-18	Water/Sewer Improvements	-	150,000.00	150,000.00
		<u>\$ 672,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 822,000.00</u>

**TOWNSHIP OF WALL
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$ 82,400.00
Increased by:	
Cash Receipts	<u>100,000.00</u>
	182,400.00
Decreased by:	
Appropriated to Finance Improvements	<u>150,000.00</u>
Balance, December 31, 2016	<u><u>\$ 32,400.00</u></u>

**TOWNSHIP OF WALL
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2015	BALANCE DECEMBER 31, 2016	
			DECEMBER 31, 2016	AMOUNT				
2013 Serial Bonds	06/05/13	3,650,000	08/01/17	200,000.00	3.000%	\$ 3,450,000.00	\$ 100,000.00	
			08/01/18	200,000.00	3.000%			
			08/01/19	200,000.00	4.000%			
			08/01/20	200,000.00	4.000%			
			08/01/21	195,000.00	4.000%			
			08/01/22	195,000.00	5.000%			
			08/01/23	195,000.00	5.000%			
			08/01/24	195,000.00	5.000%			
			08/01/25	195,000.00	5.000%			
			08/01/26	195,000.00	5.000%			
			08/01/27	195,000.00	5.000%			
			08/01/28	195,000.00	5.000%			
			08/01/29	195,000.00	3.000%			
		08/01/30	195,000.00	4.000%				
		08/01/31	200,000.00	3.130%				
		08/01/32	200,000.00	5.000%				
		08/01/33	200,000.00	5.000%				
Total							\$ 3,450,000.00	\$ 100,000.00
Total							\$ 3,450,000.00	\$ 3,350,000.00

**TOWNSHIP OF WALL
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORIGINAL DATE OF ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2015	INCREASED	DECREASED	BALANCE DECEMBER 31, 2016
2010-11	Various Water/Sewer Improvements	7/3/2014	6/30/2016	6/30/2017	2.00%	\$ 525,000.00	\$ 525,000.00	\$ 525,000.00	\$ 525,000.00
2011-23	Various Water/Sewer Improvements	7/3/2014	6/30/2016	6/30/2017	2.00%	950,000.00	950,000.00	950,000.00	950,000.00
2013-17	Various Water/Sewer Improvements	7/3/2014	6/30/2016	6/30/2017	2.00%	712,000.00	712,000.00	712,000.00	712,000.00
2014-17	Various Water/Sewer Improvements	7/2/2015	6/30/2016	6/30/2017	2.00%	1,575,000.00	1,575,000.00	1,575,000.00	1,575,000.00
Total						\$ 3,762,000.00	\$ 3,762,000.00	\$ 3,762,000.00	\$ 3,762,000.00

BANs Renewed \$ 3,762,000.00
 New BANs Issued -
\$ 3,762,000.00

**TOWNSHIP OF WALL
WATER/SEWER UTILITY ASSESSMENT FUND
SCHEDULE OF UTILITY ASSESSMENT BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2016**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING			INTEREST RATE	BALANCE DECEMBER 31, 2015	DECREASED	BALANCE DECEMBER 31, 2016
			DATE	DECEMBER 31, 2016	AMOUNT				
2007 Refunding Bonds	04/12/07	\$ 2,120,180.00	12/01/17	318,654.00		5.000%	\$ 1,054,789.00	\$ 304,673.00	\$ 750,116.00
			12/01/18	144,141.00		5.000%			
			12/01/19	143,177.00		5.000%			
			12/01/20	144,144.00		4.000%			
Total							\$ 1,054,789.00	\$ 304,673.00	\$ 750,116.00

**TOWNSHIP OF WALL
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2016**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2015	INCREASED BY 2016 AUTHORIZATIONS	ADJUSTMENT	BALANCE DECEMBER 31, 2016
1992-14	Manasquan Park Sewer and Southwest Sewer	\$ 578,935.38	\$ -	\$ (110,000.00)	\$ 468,935.38
1999-11	North Wall II	627,750.00	-	-	627,750.00
2002-42	Sewer Extensions	47,500.00	-	-	47,500.00
2004-40	Improvements to Barbee Lane Sanitary Sewer Extension (Assessment)	1,100.00	-	-	1,100.00
2003-14	Improvements to the Route 34 Southbound - Devlin Gym Sanitary Sewer System (Assessment)	145,080.00	-	-	145,080.00
2004-41	Improvements to the Route 34 Southbound - Devlin Gym Sanitary Sewer System (Assessment)	190,000.00	-	-	190,000.00
2004-28	Improvements to Allenwood Sewer System	127,000.00	-	110,000.00	237,000.00
2004-36	Meeting House Road Sewer	218,000.00	-	-	218,000.00
2006-37	Quaker Estates	137,000.00	-	-	137,000.00
2009-17	Various Water/Sewer Improvements	190,000.00	-	-	190,000.00
2016-18	Various Water/Sewer Improvements	-	5,940,775.00	-	5,940,775.00
Total		<u>\$ 2,262,365.38</u>	<u>\$ 5,940,775.00</u>	<u>\$ 110,000.00</u>	<u>\$ 8,203,140.38</u>

**TOWNSHIP OF WALL
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015	\$	65,504.00
Increased by:		
Budget Appropriation		289,792.70
Subtotal		355,296.70
Decreased by:		
Disbursements - Water/Sewer Utility Operating Fund		254,688.01
Balance December 31, 2016	\$	100,608.69

Analysis of Balance

Utility Capital Fund Bonds & Notes	\$	97,603.33
Utility Assessment Fund Bonds & Notes		3,005.36
	\$	100,608.69

**TOWNSHIP OF WALL
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015

\$ 37,050.00

**TOWNSHIP OF WALL
WATER/SEWER CAPITAL FUND
SCHEDULE OF DUE TO WATER/SEWER ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015	<u>\$ 503,486.24</u>
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**SCHEDULE OF DUE FROM (TO) GENERAL CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance, December 31, 2016 & 2015	<u>\$ 274,160.93</u>
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**SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55
FOR THE YEAR ENDED DECEMBER 31, 2016**

DESCRIPTION	ORIGINAL AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2016	ADDED IN 2016	PAID DOWN IN 2016	BALANCE DECEMBER 31, 2017
Overexpenditure of Appropriation	\$ 89,172.90	<u>\$ 19,190.06</u>	\$ -	\$ 9,318.87	<u>\$ 9,871.19</u>
		<u>\$ 19,190.06</u>	<u>\$ -</u>	<u>\$ 9,318.87</u>	<u>\$ 9,871.19</u>

**TOWNSHIP OF WALL
 WATER/SEWER OPERATING
 SCHEDULE OF DUE TO CURRENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance (Deficit) December 31, 2015	\$	-
Increased by:		
Cash Receipts		341,279.11
Balance, December 31, 2016	\$	341,279.11

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PUBLIC ASSISTANCE FUND

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**TOWNSHIP OF WALL
PUBLIC ASSISTANCE FUND
SCHEDULE OF PUBLIC ASSISTANCE CASH
FOR THE YEAR ENDED DECEMBER 31, 2016**

Balance December 31, 2015		\$ 10,479.00
Increased by:		
State Aid for Public Assistance	\$ 54,700.00	
Supplementary Security Income	12,555.00	<u>67,255.00</u>
Subtotal		77,734.00
Decreased by:		
Public Assistance - 2016	47,069.00	
Bank Fees	309.86	<u>47,378.86</u>
Balance December 31, 2016		<u><u>\$ 30,355.14</u></u>

**TOWNSHIP OF WALL
PUBLIC ASSISTANCE FUND
SCHEDULE OF PUBLIC ASSISTANCE REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>P.A.T.F. II</u>	<u>FUND TOTAL</u>
State Aid Payments	\$ 54,700.00	\$ 54,700.00
Supplemental Security Income	12,555.00	12,555
 Total Revenues	 <u>\$ 67,255.00</u>	 <u>\$ 67,255.00</u>

**TOWNSHIP OF WALL
PUBLIC ASSISTANCE FUND
SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>P.A.T.F. II</u>	<u>FUND TOTAL</u>
Payment for Current Year Assistance (Reported):		
Maintenance Payment	\$ 15,330.00	\$ 15,330.00
Temporary Rental Assistance	31,539.00	31,539.00
Shelter/Motel Housing	<u>200.00</u>	<u>200.00</u>
 Total Payments Reported	 <u>47,069.00</u>	 <u>47,069.00</u>
 Total Disbursements	 <u>\$ 47,069.00</u>	 <u>\$ 47,069.00</u>

**TOWNSHIP OF WALL
COUNTY OF MONMOUTH**

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333
 618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
 912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
 6 E. Park Street, P.O. Box 614, Bordentown, NJ 08505 • Tel: 609.298.8639
 194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010
 795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
 926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

The Honorable Mayor and Members of the
Township Committee
Township of Wall
Wall, New Jersey 07719

We have audited the financial statements – statutory basis of the Township of Wall in the County of Monmouth for the year ended December 31, 2016.

Scope of Audit

The audit covered the financial transactions of the Treasurer, Tax Collector, and Water-Sewer Utility Collector, the activities of the Mayor and Committee and the records of the various outside departments.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Township Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Township records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

A test was conducted to determine that expenditures greater than \$2,625 obtained solicitation of quotes. The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Township Council.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. No such violations were noted

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

Tax Collector

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 6, 2016 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“**BE IT RESOLVED** that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable.”

The Township also charges an additional 6% penalty on delinquencies in excess of \$10,000 at the end of the calendar year.

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

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2016 included real estate taxes for 2016 and 2015.

The last tax sale was held on September 27, 2016 and was complete.

Inspection of 2016 tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

YEAR	NUMBER OF LIENS
2016	35
2015	37
2014	46

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

Deductions from Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a partial payment or estimate.

Tax Collector's Annual Report

N.J.S.54:4-91 requires that on or before May 1st of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2016 with the governing body.

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of the Township employees.

Municipal Court

A separate report for the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Township, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

A test sample was selected of fifteen (10) traffic and (5) criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper

procedures were in effect for defendants paying on a the partial payment system. This test disclosed no discrepancies regarding fines being properly levied, entering of dispositions and closure procedures.

The computer software does not allow for a posting distribution in the cash receipts journal when a transaction involves both a check and cash payment being made by the defendant. The computer system requires this particular type of transaction be posted as either entirely cash or check. As a result of this limitation no test can be conducted to determine if the receipt detail batch totals from the journal agree with the detail of cash and checks deposited for that particular day.

A review of the partial payment system indicated that collection procedures are being enforced to collect delinquent balances.

Deposit of Funds Paid to Local Unit

N.J.S.40A:5-15 States:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall within 48 hours after the receipt thereof, either;

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or;
- b. be deposited to the credit of the local unit in its designated legal depository.”

Finance Office:

***Finding 2016-001:**

As of December 31, there were deferred charges in the General Capital Fund over five years old, where the projects have been completed and payments made from cash not provided by permanent or temporary financing.

Recommendation:

That cash be provided for the deficit balances in the General Capital Fund.

Management Response:

The Township agrees with this finding and will correct it accordingly

Other Matters-Footernote Disclosure

***Finding 2016-002:**

The Township did not complete the disclosures for Other Post-Employment Benefits (OPEB) as required by GASB 45.

Recommendation:

The Township complete the required footnote disclosures for Other Post-Employment Benefits (OPEB) as required by GASB 45 will be completed and contracted for in 2016.

Managements Response:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan

*Denotes Prior Year Finding

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2016:

<u>NAME</u>	<u>TITLE</u>
Ann Marie Conte	Mayor
George Newberry	Committee Member
Timothy Farrell	Committee Member
Dominick DiRocco	Committee Member
Clint Hoffman	Committee Member
Jeffrey Bertrand	Administrator
Kathleen Kohri	Assistant Administrator
Stephen M. Mayer	Chief Financial Officer (01/01/2016 – 08/01/2016)
Thomas J. O’Hara	Chief Financial Officer (11/14/2016 – 12/31/2016)
Kammie Verdolina	Tax Collector & Water/Sewer Collector
Roberta Lang	Clerk
Joseph Defino	Judge
Linda J. Smith	Court Administrator
Sean T. Kean, Esq	Attorney

Employees are covered under the Blanket Bond Coverage through the Monmouth County Municipal Joint Insurance Fund for \$1,000,000.00.

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
CR 483

Freehold, New Jersey
June 26, 2017