

**TOWNSHIP OF WALL  
COUNTY OF MONMOUTH**

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

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

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Wall as of December 31, 2017 and 2016, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, the related statements of revenues - regulatory basis, and statements of expenditures - regulatory basis for the year ended December 31, 2017 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 Township'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.

## **Opinions**

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

As described in Note 1, the financial statements are prepared by the Township of Wall on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the 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, as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

### **Basis for Disclaimer of Opinion on LOSAP Trust Fund**

The Township’s supporting documents related to the 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 engaged to audit the LOSAP Trust Fund as part of our audit of the Township’s basic financial statements as of December 31, 2017 and 2016.

### **Disclaimer of Opinion on LOSAP Trust Fund**

Due to the fact that we were unable to audit the LOSAP Trust Fund for the year ending December 31, 2017 and 2016, we do not express an opinion of the LOSAP Trust Fund financial statements.

### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, 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 of the Township, as of December 31, 2017 and 2016, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statements of revenues - regulatory basis, statements of expenditures - regulatory basis of the various funds, and general fixed assets group of accounts – regulatory basis, for the year ended December 31, 2017 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**

**Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township’s basic financial statements. The supplemental schedules 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 are not a required part of the basic financial statements.

The supplemental schedules presented for the various funds are 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 29, 2018 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**



Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 483

Freehold, New Jersey  
June 29, 2018

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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 Council  
Township of Wall  
County of Monmouth  
Wall, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and 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, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 29, 2018. Our report indicated that the Township's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control Over Financial Reporting**

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

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

**HOLMAN FRENIA ALLISON, P.C.**

A handwritten signature in black ink, appearing to read 'R. Allison', written over a horizontal line.

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 483

Freehold, New Jersey  
June 29, 2018

**TOWNSHIP OF WALL  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

	REFERENCE	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>			
Current Fund:			
Cash	A-4	\$ 21,806,344.48	\$ 12,751,177.83
Cash - Change Funds	A-5	800.00	800.00
Petty Cash	A	850.00	600.00
Due from State of New Jersey for Senior Citizen & Veteran Deductions	A-12	6,455.79	754.42
Total		<u>21,814,450.27</u>	<u>12,753,332.25</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Taxes Receivable	A-6	2,550,612.02	1,789,170.26
Tax Title Liens Receivable	A-7	1,296,253.27	1,248,236.42
Foreclosed Property - Assessed Valuation	A	621,000.00	621,000.00
Revenue Accounts Receivable	A-8	52,178.74	59,709.34
Due from:			
Due from Utility Capital Fund	D	-	341,279.11
Animal Control Trust	B	-	48.22
Total Receivables & Other Assets With Full Reserves		<u>4,520,044.03</u>	<u>4,059,443.35</u>
Deferred Charges:			
Special Emergency 40A:4-55	A-17	190,000.00	380,000.00
Total Deferred Charges		<u>190,000.00</u>	<u>380,000.00</u>
Total Current Fund		<u>26,524,494.30</u>	<u>17,192,775.60</u>
Federal & State Grants:			
Cash	A-4	680,212.88	226,528.89
Grants Receivable	A-24	1,656,511.45	1,100,386.88
Total Federal & State Grants		<u>2,336,724.33</u>	<u>1,326,915.77</u>
Total Assets		<u>\$ 28,861,218.63</u>	<u>\$ 18,519,691.37</u>

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

**TOWNSHIP OF WALL  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

	REFERENCE	<u>2017</u>	<u>2016</u>
<b>LIABILITIES RESERVES &amp; FUND BALANCE</b>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 2,690,808.42	\$ 2,131,094.52
Accounts Payable	A	90,776.23	54,956.00
Encumbrance Payable	A-18	600,445.02	473,534.93
Tax Overpayments	A-10	21,952.45	42,508.92
Prepaid Taxes	A-11	6,624,833.78	695,673.39
Due County for Added & Omitted Taxes	A-13	178,350.36	17,226.83
Local District School Taxes Payable	A-15	399,997.04	399,997.04
Reserve for:			
Sale of Municipal Assets	A-20	931,921.22	926,921.22
State Aid	A-21	8,789.00	8,789.00
Sale of Liquor Licenses	A-22	1,203,289.00	-
FEMA Reimbursements	A-23	-	367,113.65
Tax Appeals Pending	A-19	1,450,000.00	1,450,000.00
Subtotal Current Fund		<u>14,201,162.52</u>	<u>6,567,815.50</u>
Reserve for Receivables & Other Assets	A	4,520,044.03	4,059,443.35
Fund Balance	A-1	<u>7,803,287.75</u>	<u>6,565,516.75</u>
Total Current Fund		<u>26,524,494.30</u>	<u>17,192,775.60</u>
Federal & State Grants:			
Encumbrance Payable	A-18	53,857.66	357,470.74
Unappropriated Reserves	A-25	75,598.48	227,119.82
Appropriated Reserves	A-26	<u>2,207,268.19</u>	<u>742,325.21</u>
Total Federal & State Grants		<u>2,336,724.33</u>	<u>1,326,915.77</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 28,861,218.63</u>	<u>\$ 18,519,691.37</u>

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

**TOWNSHIP OF WALL  
CURRENT FUND  
STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	REFERENCE	2017	2016
Revenue & Other Income Realized:			
Fund Balance Utilized	A-2	\$ 3,467,586.88	\$ 3,341,183.62
Miscellaneous Revenue Anticipated	A-2	8,613,210.71	7,809,316.79
Receipts From Delinquent Taxes	A-2	1,339,515.68	2,458,743.39
Receipts From Current Taxes	A-6	111,317,363.55	108,573,315.44
Nonbudget Revenue	A-2	1,688,062.19	1,652,694.07
Other Credits to Income:			
Prepaid Taxes/Overpayments Adjustments	A	21.47	42,863.61
Unexpended Balance of Appropriation Reserves	A-9	1,834,123.56	967,502.38
Liquidation of Interfunds	A	341,327.33	-
Bank Reconciliation Adjustment	A	-	56,708.40
Tax Overpayments Applied	A-11	40,940.41	-
Cancelation of Checks	A	32,893.47	39,945.71
		<u>128,675,045.25</u>	<u>124,942,273.41</u>
Total Income			
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries & Wages	A-3	16,434,180.75	15,817,839.44
Other Expenses	A-3	10,811,638.25	10,582,664.38
Deferred Charges & Statutory Expenditures	A-3	4,172,653.00	4,069,329.01
Excluded From "CAPS":			
Operations:			
Salaries & Wages	A-3	-	95,673.13
Other Expenses	A-3	2,079,717.57	1,720,952.95
Capital Improvements	A-3	175,000.00	515,000.00
Municipal Debt Service	A-3	3,689,456.66	3,109,236.69
Deferred Charges	A-3	490,000.00	1,049,699.68
Local District School Tax	A-15	65,747,422.00	64,266,723.00
County Taxes	A-14	17,042,914.01	16,908,982.72
Due County for Added & Omitted Taxes	A-13	178,350.36	17,226.83
Special Fire District Taxes	A-16	2,978,591.00	2,701,050.00
Prior Year Senior Citizen Deductions Disallowed	A-6	2,731.51	5,442.47
Refund of Prior Year Revenue	A-4	296.00	-
Tax Overpayments/Adjustments	A	166,736.26	-
Senior/Veteran State Adjustment	A	-	3,000.00
Interfunds Advanced	A	-	235,286.42
		<u>123,969,687.37</u>	<u>121,098,106.72</u>
Total Expenditures			

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

**TOWNSHIP OF WALL  
CURRENT FUND  
STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

Excess/(Deficit) in Revenue		<u>4,705,357.88</u>	<u>3,844,166.69</u>
Fund Balance January 1	A	<u>6,565,516.75</u>	<u>6,062,533.68</u>
Total		11,270,874.63	9,906,700.37
Decreased by: Utilization as Anticipated Revenue	A-2	3,467,586.88	3,341,183.62
Fund Balance December 31	A	<u>\$ 7,803,287.75</u>	<u>\$ 6,565,516.75</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, 2017**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 3,467,586.88	\$ -	\$ 3,467,586.88	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	37,500.00	-	38,000.00	500.00
Other	115,000.00	-	104,925.35	(10,074.65)
Fees & Permits - Other	97,000.00	-	77,246.20	(19,753.80)
Fines & Costs - Municipal Court	775,000.00	-	791,769.34	16,769.34
Interest & Costs on Taxes	465,000.00	-	372,902.57	(92,097.43)
Interest on Investments & Deposits	33,000.00	-	82,378.86	49,378.86
Hotel Tax	175,000.00	-	181,718.94	6,718.94
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	700,000.00	-	900,964.62	200,964.62
Sea Girt/Spring Lake Heights Municipal Court	126,584.00	-	131,584.00	5,000.00
Water/Sewer Indirect Costs	346,555.68	-	346,555.68	-
Capital Fund Balance	92,812.93	-	92,812.93	-
Reserve for Payment of Bonds	66,667.00	-	66,667.00	-
FEMA/Sandy	367,113.65	-	367,113.65	-
Recycling Tonnage Grant	66,923.84	-	66,923.84	-
Drunk Driving Enforcement Fund	110,165.15	-	110,165.15	-
No Net Loss Grant (Tree Grant)	758,400.00	-	758,400.00	-
Monmouth County Open Space Grant	200,000.00	-	200,000.00	-
Violence Against Women Act Grant	9,000.00	-	9,000.00	-
Smart Growth Grant	10,000.00	-	10,000.00	-
NJL Sustainable Grant	2,000.00	-	2,000.00	-
Community Forestry Management Plan	-	3,000.00	3,000.00	-
Police Special Traffic Enforcement Program	-	48,295.00	48,295.00	-
Distracted Driving Statewide Crackdown	-	5,500.00	5,500.00	-
Monmouth County Recycling Stimulus Initiative	10,000.00	-	10,000.00	-
2016 Body Worn Camera Assistance Program	32,000.00	-	32,000.00	-
CDBG - Infoage	61,174.00	-	61,174.00	-
Clean Communities Program	79,840.77	67,829.75	147,670.52	-
Municipal Alliance Grant	57,852.00	-	57,852.00	-
Body Armor	6,113.90	6,124.16	12,238.06	-
Total Miscellaneous Revenues	8,325,055.92	130,748.91	8,613,210.71	157,405.88
Receipts From Delinquent Taxes	1,650,000.00	-	1,339,515.68	(310,484.32)
Local Tax for Municipal Purposes	26,913,505.11	-	28,000,815.54	1,087,310.43
Budget Totals	40,356,147.91	130,748.91	41,421,128.81	934,231.99
Nonbudget Revenues	-	-	1,688,062.19	1,688,062.19
Total	\$ 40,356,147.91	\$ 130,748.91	\$ 43,109,191.00	\$ 2,622,294.18

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, 2017**

**ANALYSIS OF REALIZED REVENUES**

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 111,317,363.55
Less: School, County Taxes & Special District Taxes	<u>85,947,277.37</u>
Balance for Support of Municipal Budget Appropriations	25,370,086.18
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>2,630,729.36</u>
Total Amount for Support of Municipal Budget Appropriation	<u><u>\$ 28,000,815.54</u></u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	\$ 1,296,925.67
Tax Title Lien Collections	<u>42,590.01</u>
Total Receipts From Delinquent Taxes	<u><u>\$ 1,339,515.68</u></u>

**ANALYSIS OF NON-BUDGET REVENUE**

Miscellaneous Revenue Not Anticipated:	
Receipts:	
Cable Franchise Fees	\$ 453,721.91
Police Fees	19,817.74
Rents	111,338.83
Payment in Lieu of Taxes	247,512.29
EMT Fees	569,153.64
Towing Fees	53,769.09
Recycling Fees	55,060.41
Motor Vehicles Fees	6,894.93
Auction Proceeds	63,688.90
Prior Year Refunds	17,637.58
DPW Trash Cans	37,136.32
Tax Sale Costs	7,677.31
Senior Citizen & Vets Administrative Payment	4,400.37
Miscellaneous	<u>40,252.87</u>
Total	<u><u>\$ 1,688,062.19</u></u>

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, 2017**

	APPROPRIATIONS			PAID OR CHARGED			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED		
<b>OPERATIONS</b>							
<b>Administrative &amp; Executive:</b>							
General Administration:							
Salaries and Wages	252,550.47	252,550.47	\$ 251,007.40	\$ -	\$ -	1,543.07	-
Other Expenses	28,500.00	28,500.00	22,158.36	5,914.94	-	426.70	-
Mayor & Committee:							
Salaries and Wages	18,000.00	18,000.00	18,000.00	-	-	-	-
Municipal Clerk:							
Salaries and Wages	173,533.56	173,533.56	156,549.71	-	-	16,983.85	-
Other Expenses	78,500.00	78,500.00	60,849.13	795.55	-	16,855.32	-
Financial Administration (Treasury):							
Salaries and Wages	332,614.81	332,614.81	328,651.60	-	-	3,963.21	-
Other Expenses	100,268.00	97,268.00	82,579.89	961.14	-	13,726.97	-
Tax Assessment Administration:							
Salaries and Wages	213,133.31	213,133.31	177,467.49	-	-	35,665.82	-
Other Expenses	22,600.00	22,600.00	16,276.25	10.78	-	6,312.97	-
Tax Appeals	100,000.00	100,000.00	100,000.00	-	-	-	-
Revenue Administration (Tax Collection):							
Salaries and Wages	130,331.81	130,331.81	97,060.46	-	-	33,271.35	-
Other Expenses	21,100.00	21,100.00	12,145.48	631.00	-	8,323.52	-
Legal Services (Legal Department):							
Other Expenses	450,000.00	450,000.00	348,315.56	27,859.27	-	73,825.17	-
Municipal Prosecutor's Office:							
Other Expenses	51,000.00	54,000.00	49,750.00	-	-	4,250.00	-
Engineering Services:							
Other Expenses	45,000.00	98,000.00	31,706.17	62,310.40	-	3,983.43	-
Engineering and Land Use:							
Salaries and Wages	440,869.86	446,869.86	446,238.71	-	-	631.15	-
Other Expenses	129,000.00	129,000.00	87,920.83	9,360.69	-	31,718.48	-
Youth Center:							
Salaries and Wages	259,017.28	259,017.28	245,228.12	-	-	13,789.16	-
Other Expenses	8,750.00	8,750.00	5,660.69	1,063.42	-	2,025.89	-
Animal Control & Board of Health:							
Other Expenses	51,700.00	51,700.00	49,500.95	-	-	2,199.05	-
Insurance:							
General Liability	298,671.98	298,671.98	298,671.98	-	-	-	-
Worker's Compensation	356,250.00	356,250.00	356,250.00	-	-	-	-
Employee Group Insurance	3,764,551.29	3,596,551.29	3,205,952.61	100.00	-	390,498.68	-
Disability Insurance	42,000.00	49,000.00	46,959.84	-	-	2,040.16	-
Health Benefit Waiver	34,800.00	38,800.00	37,283.62	-	-	1,516.38	-

**TOWNSHIP OF WALL  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS	APPROPRIATIONS				UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	PAID OR CHARGED ENCUMBERED	
Police:					
Salaries and Wages	9,464,220.15	9,455,220.15	9,128,123.65	-	327,096.50
Other Expenses	988,959.98	988,959.98	827,584.75	150,082.43	11,292.80
Welfare/Administration of Public Assistance:					
Salaries and Wages	13,767.57	13,767.57	13,499.28	-	268.29
Other Expenses	2,000.00	2,000.00	165.96	-	1,834.04
Recreation Services and Programs:					
Salaries and Wages	105,000.00	105,000.00	105,000.00	-	-
Other Expenses	59,400.00	64,400.00	59,313.98	2,016.99	3,069.03
Buildings and Grounds:					
Salaries and Wages	764,599.64	764,599.64	721,516.80	-	43,082.84
Other Expenses	292,500.00	292,500.00	265,799.66	26,698.86	1.48
Street & Roads Maintenance:					
Salaries and Wages	1,796,285.44	1,796,285.44	1,735,237.21	-	61,048.23
Other Expenses	297,200.00	297,200.00	264,456.63	32,729.34	14.03
Street Lighting:					
Other Expenses	175,000.00	175,000.00	60,772.27	-	114,227.73
Electricity:					
Other Expenses	275,000.00	275,000.00	73,360.45	-	201,639.55
Gas (natural or propane):					
Other Expenses	110,000.00	110,000.00	57,944.58	44.81	52,010.61
Water:					
Other Expenses	50,000.00	50,000.00	50,000.00	-	-
Solid Waste Collection:					
Salaries and Wages	1,088,952.14	1,088,952.14	962,713.74	-	126,238.40
Other Expenses	171,900.00	171,900.00	163,280.30	8,619.56	0.14
Landfill/Solid Waste Disposal Costs:					
Other Expenses	1,050,000.00	1,050,000.00	909,827.23	7,224.93	132,947.84
Open Space Maintenance:					
Other Expenses	65,000.00	65,000.00	65,000.00	-	-
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	254,418.09	30,501.34	165,080.57
Telecommunication costs:					
Other Expenses	175,000.00	175,000.00	140,156.87	4,061.47	30,781.66
Community Services Act (Condo Community Costs):					
Other Expenses	60,000.00	60,000.00	38,102.01	-	21,897.99
Computer/Technology Maintenance:					
Other Expenses	115,000.00	115,000.00	71,775.40	33,456.98	9,767.62
DPW Capital Projects	625,000.00	625,000.00	170,624.73	131,287.93	323,087.34

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, 2017**

OPERATIONS	APPROPRIATIONS			PAID OR CHARGED			UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	ENCUMBERED	RESERVED		
<b>Uniform Construction Code Appropriations</b>							
<b>Offset by Dedicated Revenues:</b>							
Construction Code Official:							
Salaries and Wages	795,887.08	795,887.08	669,410.20	-	-	126,476.88	-
Other Expenses:	8,500.00	8,500.00	7,741.44	698.68	-	59.88	-
<b>Unclassified:</b>							
Municipal Court:							
Salaries and Wages	428,416.63	438,416.63	438,071.45	-	-	345.18	-
Other Expenses	37,950.00	37,950.00	25,066.49	1,774.82	-	11,108.69	-
Vehicle Maintenance/Replace:							
Vehicle Maintenance Other Expenses	63,000.00	63,000.00	-	53,997.00	-	9,003.00	-
Historical Society:							
Other Expenses	4,000.00	4,000.00	3,493.76	-	-	506.24	-
Environmental Committee:							
Other Expenses	3,000.00	3,000.00	1,428.22	-	-	1,571.78	-
Alliance Grant - Matching Funds:							
Other Expenses	5,537.00	5,537.00	3,000.00	-	-	2,537.00	-
Public Defender:							
Other Expenses	4,000.00	4,000.00	-	-	-	4,000.00	-
Snow Removal Costs:							
Salaries and Wages	100,000.00	150,000.00	123,894.85	-	-	26,105.15	-
Other Expenses	250,000.00	200,000.00	124,267.62	8,242.69	-	67,489.69	-
Accumulated Leave Compensation	1.00	1.00	-	-	-	1.00	-
<b>Total Operation Within "CAPS"</b>	<b>27,337,819.00</b>	<b>27,245,819.00</b>	<b>24,097,232.47</b>	<b>600,445.02</b>	<b>2,548,141.51</b>	<b>-</b>	<b>-</b>
<b>Detail:</b>							
Salaries and Wages	16,377,180.75	16,434,180.75	15,617,670.67	-	-	816,510.08	-
Other Expenses (Including Contingent)	10,960,638.25	10,811,638.25	8,479,561.80	600,445.02	1,731,631.43	-	-
<b>Deferred Charges and Statutory Expenditures -</b>							
<b>Municipal - Within "CAPS"</b>							
Statutory Expenditures:							
Public Employees Retirement System	910,987.42	929,987.42	929,493.90	-	-	493.52	-
Social Security System(O.A.S.I.)	1,250,624.58	1,250,624.58	1,138,723.50	-	-	111,901.08	-
Police & Fire Retirement System	1,917,744.00	1,988,744.00	1,988,702.48	-	-	41.52	-
Defined Benefit Plan	1,297.00	3,297.00	3,066.21	-	-	230.79	-
<b>Total Deferred Charges &amp; Statutory Expenditures</b>	<b>4,080,653.00</b>	<b>4,172,653.00</b>	<b>4,059,986.09</b>	<b>-</b>	<b>112,666.91</b>	<b>-</b>	<b>-</b>

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, 2017**

OPERATIONS	APPROPRIATIONS			PAID OR CHARGED	RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED			
Total General Appropriations for Municipal Purposes Within "CAPS"	31,418,472.00	31,418,472.00	28,157,218.56	600,445.02	2,660,808.42	-
<b>OPERATIONS EXCLUDED FROM "CAPS":</b>						
LOSAP	30,000.00	30,000.00	-	-	30,000.00	-
<b>Shared Service Agreements:</b>						
Monmouth County Regional Health Commission Ch. 329 P.L. 1975 Health Services Contract	251,036.00	251,036.00	251,036.00	-	-	-
<b>Public &amp; Private Programs Offset by Revenues:</b>						
Alliance Grant	57,852.00	57,852.00	57,852.00	-	-	-
Matching Funds	14,463.00	14,463.00	14,463.00	-	-	-
Clean Communities	79,840.77	147,670.52	147,670.52	-	-	-
Recycling Tonnage	66,923.84	66,923.84	66,923.84	-	-	-
No Net Loss Grant (Tree Grant)	758,400.00	758,400.00	758,400.00	-	-	-
Monmouth County Recreation/Open Space Grant	200,000.00	200,000.00	200,000.00	-	-	-
Monmouth County Recreation/Open Space Grant Match	200,000.00	200,000.00	200,000.00	-	-	-
Violence Against Women Act Grant	9,000.00	9,000.00	9,000.00	-	-	-
Smart Growth Grant	10,000.00	10,000.00	10,000.00	-	-	-
NJL Sustainable Grant	2,000.00	2,000.00	2,000.00	-	-	-
Community Forestry Management Plan	-	3,000.00	3,000.00	-	-	-
Police Special Traffic Enforcement Program	-	48,295.00	48,295.00	-	-	-
Distacted Driving Statewide Crackdown	-	5,500.00	5,500.00	-	-	-
Monmouth County Recycling Stimulus Initiative	10,000.00	10,000.00	10,000.00	-	-	-
Drunk Driving Enforcement Fund	110,165.15	110,165.15	110,165.15	-	-	-
2016 Body Worn Camera Assistance Program	32,000.00	32,000.00	32,000.00	-	-	-
2016 Body Worn Camera Assistance Program - Local Match	50,000.00	50,000.00	50,000.00	-	-	-
CDBG Infoage	61,174.00	61,174.00	61,174.00	-	-	-
Body Armor	6,113.90	12,238.06	12,238.06	-	-	-
Total Operations Excluded from "CAPS"	1,948,968.66	2,079,717.57	2,049,717.57	-	30,000.00	-
Detail:						
Other Expenses	1,948,968.66	2,079,717.57	2,049,717.57	-	30,000.00	-
Capital Improvements - Excluded from "CAPS":						
Capital Improvement Fund	175,000.00	175,000.00	175,000.00	-	-	-
Total Capital Improvements Excluded from "CAPS"	175,000.00	175,000.00	175,000.00	-	-	-

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, 2017**

OPERATIONS	APPROPRIATIONS				UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	EXPENDED	PAID OR CHARGED ENCUMBERED	
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	1,949,346.00	1,949,346.00	1,949,346.00	-	-
Payment of Bond Anticipation Notes	500,000.00	500,000.00	500,000.00	-	-
Interest on Bonds	741,551.89	741,551.89	741,550.80	-	1.09
Interest on Notes	203,880.00	203,880.00	203,879.98	-	0.02
Green Trust Loan Repayment for Principal and Interest	298,200.00	298,200.00	294,679.88	-	3,520.12
<b>Total Municipal Debt Service Excluded from "CAPS"</b>	<b>3,692,977.89</b>	<b>3,692,977.89</b>	<b>3,689,456.66</b>	<b>-</b>	<b>3,521.23</b>
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 #2003-34	300,000.00	300,000.00	300,000.00	-	-
<b>Total Deferred Charges - Municipal - Excluded from "CAPS"</b>	<b>490,000.00</b>	<b>490,000.00</b>	<b>490,000.00</b>	<b>-</b>	<b>-</b>
Total General Appropriations Excluded from "CAPS"	6,306,946.55	6,437,695.46	6,404,174.23	-	30,000.00
Subtotal General Appropriations	37,725,418.55	37,856,167.46	34,561,392.79	600,445.02	2,690,808.42
Reserve For Uncollected Taxes	2,630,729.36	2,630,729.36	2,630,729.36	-	-
<b>Total General Appropriations</b>	<b>\$ 40,356,147.91</b>	<b>\$ 40,486,896.82</b>	<b>\$ 37,192,122.15</b>	<b>\$ 600,445.02</b>	<b>\$ 3,521.23</b>
Budget Appropriation by 40A.4-87	\$ 40,356,147.91				
		130,748.91			
<b>Total</b>	<b>\$ 40,486,896.82</b>				
Reserve for Uncollected Taxes			\$ 2,630,729.36		
Appropriated Reserves for Federal & State Grants			1,584,218.57		
Deferred Charges			190,000.00		
Cash Disbursements			32,787,174.22		
<b>Total</b>			<b>\$ 37,192,122.15</b>		

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

**TOWNSHIP OF WALL  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Animal Control Fund:			
Cash	B-1	\$ 45,765.60	\$ 37,980.82
Total Animal Control Fund		<u>45,765.60</u>	<u>37,980.82</u>
Other Funds:			
Cash	B-1	5,288,231.88	5,016,016.84
Total Other Funds		<u>5,288,231.88</u>	<u>5,016,016.84</u>
Length of Service Award Program Fund: ("LOSAP") - Unaudited			
Investments	B-7	130,867.95	122,029.77
Total LOSAP		<u>130,867.95</u>	<u>122,029.77</u>
Total Assets		<u>\$ 5,464,865.43</u>	<u>\$ 5,176,027.43</u>
<b>LIABILITIES, RESERVES &amp; FUND BALANCE</b>			
Animal Control Fund:			
Due to State of New Jersey	B-3	\$ 319.00	\$ 425.20
Due to Current Fund	B-4	-	48.22
Reserve for Animal Control Expenditures	B-2	45,446.60	37,507.40
Total Animal Control Fund		<u>45,765.60</u>	<u>37,980.82</u>
Other Funds:			
Tax Title Liens	B-6	973,149.01	989,031.36
Various Other Reserves	B-5	4,315,082.87	4,026,985.48
Total Other Funds		<u>5,288,231.88</u>	<u>5,016,016.84</u>
Length of Service Award Program Fund: ("LOSAP") - Unaudited			
Miscellaneous Reserves	B-8	130,867.95	122,029.77
Total LOSAP		<u>130,867.95</u>	<u>122,029.77</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 5,464,865.43</u>	<u>\$ 5,176,027.43</u>

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

**TOWNSHIP OF WALL  
GENERAL CAPITAL FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Cash	C-2	\$ 2,458,229.92	\$ 238,461.41
Grants Receivable	C-7	763,000.00	588,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	15,223,604.26	17,435,464.55
Unfunded	C-5	19,153,966.82	17,286,609.82
 Total Assets		 <u>\$ 37,598,801.00</u>	 <u>\$ 35,548,535.78</u>
 <b>LIABILITIES, RESERVES &amp; FUND BALANCE</b>			
Due To Utility Assessment Trust	C-10	\$ -	\$ 274,160.93
Loans Payable	C-11	348,066.26	610,580.55
General Serial Bonds	C-12	14,875,539.00	16,824,885.00
Bond Anticipation Notes	C-13	15,001,000.00	10,194,000.00
Capital Improvement Fund	C-6	28,500.00	53,500.00
Improvement Authorizations:			
Funded	C-8	964,099.67	991,539.15
Unfunded	C-8	2,879,823.44	2,739,500.76
Encumbrances Payable	C-9	1,456,818.46	1,907,097.06
Reserve For:			
Debt Service - Green Trust	C-15	866,165.00	932,832.00
Route 34	C-16	250,000.00	250,000.00
Receivables	C	588,000.00	588,000.00
Payment of BANs	C	120,779.57	-
Fund Balance	C-1	220,009.60	182,440.33
 Total Liabilities, Reserves & Fund Balance		 <u>\$ 37,598,801.00</u>	 <u>\$ 35,548,535.78</u>

There was \$4,152,966.82 bonds and notes authorized but not issued on December 31, 2017 and \$7,092,609.82 as of December 31, 2016.

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, 2017**

Balance December 31, 2016	\$ 182,440.33
Increased by Receipts:	
Premium Received on Issuance of BANs	<u>130,382.20</u>
Subtotal	312,822.53
Decreased by Disbursements:	
Budgeted Fund Balance	<u>92,812.93</u>
Balance, December 31, 2017	<u><u>\$ 220,009.60</u></u>

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

**TOWNSHIP OF WALL  
WATER-SEWER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	2017	2016
Operating Fund:			
Cash	D-8	\$ 1,440,805.44	\$ 1,533,827.60
Receivables With Full Reserves:			
Consumer Accounts Receivable	D-10	799,018.34	839,692.18
Subtotal		2,239,823.78	2,373,519.78
Deferred Charge:			
Overexpenditure of Appropriation	D-30	-	9,871.19
Total Operating Fund		2,239,823.78	2,383,390.97
Utility Assessment Fund:			
Cash	D-8	862,191.83	400,205.29
Assessments Receivables	D-12	117,823.13	120,816.50
Assessments Liens Receivable	D-13	13,143.33	13,143.33
Due From Water/Sewer Utility Capital Fund	D	-	503,486.24
Due From General Capital Fund	C	-	274,160.93
Total Utility Assessment Fund		993,158.29	1,311,812.29
Capital Fund:			
Cash	D-8	2,166,275.49	-
Prospective Assessments To Be Raised			
By Water/Sewer Utility Fund Revenue	D-17	-	68,000.00
Fixed Capital:			
Completed	D-14	44,271,150.68	43,216,150.68
Authorized & Uncompleted	D-15	13,779,775.00	14,834,775.00
Total Capital Fund		60,217,201.17	58,118,925.68
Total Assets		\$ 63,450,183.24	\$ 61,814,128.94

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

**TOWNSHIP OF WALL  
WATER-SEWER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2017	2016
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 237,629.22	\$ 196,924.27
Reserve for Encumbrances	D-3	40,957.14	286,166.66
Accrued Interest on Bonds & Notes	D-26	135,021.19	100,608.69
Subtotal		<u>413,607.55</u>	<u>583,699.62</u>
Reserve for Receivables	D	799,018.34	839,692.18
Fund Balance	D-1	<u>1,027,197.89</u>	<u>959,999.17</u>
Total Operating Fund		<u>2,239,823.78</u>	<u>2,383,390.97</u>
Utility Assessment Fund:			
Serial Bonds Payable	D-24	431,462.00	750,116.00
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>993,158.29</u>	<u>1,311,812.29</u>
Capital Fund:			
Serial Bonds	D-22	3,150,000.00	3,350,000.00
Bond Anticipation Notes Payable	D-23	6,743,500.00	3,762,000.00
Due To:			
Water/Sewer Assessment Fund	D-28	-	503,486.24
Current Fund	D-31	-	341,279.11
Improvement Authorizations:			
Funded	D-16	144,227.44	215,107.94
Unfunded	D-16	6,749,900.15	6,915,829.31
Encumbrances Payable	D-16	30,855.27	113,754.21

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

**TOWNSHIP OF WALL  
WATER-SEWER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2017	2016
Reserve For:			
Prospective Assessments To Be Raised			
By Water/Sewer Utility Fund	D-17	-	68,000.00
Amortization	D-18	42,392,286.10	41,913,786.10
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	768,500.00	822,000.00
Capital Improvement Fund	D-21	132,400.00	32,400.00
Fund Balance	D-4	67,979.92	43,730.48
Total Capital Fund		60,217,201.17	58,118,925.68
Total Liabilities, Reserves & Fund Balance		\$ 63,450,183.24	\$ 61,814,128.94

Bonds and Notes authorized but not issued as of December 31, 2017 was \$4,996,640.38 and as of December 31, 2016 was \$8,203,140.38.

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

**TOWNSHIP OF WALL  
WATER/SEWER UTILITY OPERATING FUND  
STATEMENTS OF OPERATIONS AND CHANGE IN  
OPERATING FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	Reference	<u>2017</u>	<u>2016</u>
Revenue & Other Income Realized:			
Water & Sewer Rents	D-10	\$ 11,451,353.77	\$ 11,522,420.68
Water/Sewer User Agreements	D-2	50,000.00	50,000.00
Miscellaneous	D-2	406,589.02	249,694.31
Fund Balance Anticipated	D-2	384,227.22	169,879.77
Capital Surplus Anticipated	D-2	34,328.07	-
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-11	186,150.01	354,965.88
Prior Year Balance Adjustment		-	1,926.03
		<u>12,512,648.09</u>	<u>12,348,886.67</u>
Total Revenue			
Expenditures:			
Operating	D-3	10,542,145.54	10,188,918.63
Capital Improvements	D-3	400,000.00	800,000.00
Debt Service	D-3	817,000.00	389,792.70
Deferred Charges & Statutory Expenditures	D-3	302,076.61	391,168.44
Refund of Prior Year Revenues		-	3,949.00
Balance Adjustment		-	24.03
		<u>12,061,222.15</u>	<u>11,773,852.80</u>
Total Expenditures			
Excess/(Deficit) in Revenue			
		<u>451,425.94</u>	<u>575,033.87</u>
Fund Balance January 1			
		959,999.17	554,845.07
Decreased by: Utilization as Anticipated Revenue			
		<u>384,227.22</u>	<u>169,879.77</u>
Balance December 31			
	D	<u>\$ 1,027,197.89</u>	<u>\$ 959,999.17</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 REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	ANTICIPATED BUDGET	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 384,227.22	\$ 384,227.22	\$ -
Water & Sewer Rents	11,450,000.00	11,451,353.77	1,353.77
Water/Sewer Use Agreements	50,000.00	50,000.00	-
Miscellaneous	245,000.00	406,589.02	161,589.02
Capital Surplus	34,328.07	34,328.07	-
	<hr/>		
Total Revenues	<u>\$ 12,163,555.29</u>	<u>\$ 12,326,498.08</u>	<u>\$ 162,942.79</u>

**ANALYSIS OF MISCELLANEOUS REVENUES**

Miscellaneous Receipts:	
Connection Fees	\$ 306,669.00
Interest & Cost on Taxes	99,920.02
	<hr/>
	<u>\$ 406,589.02</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, 2017**

	APPROPRIATIONS		PAID OR CHARGED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBRANCES	RESERVED
Operating:					
Salaries & Wages	\$ 2,006,117.37	\$ 1,977,245.37	\$ 1,889,567.66	\$ -	\$ 87,677.71
Other Expenses	2,082,515.60	2,082,515.60	1,945,986.47	40,957.14	95,571.99
Sewer Treatment Costs	3,009,043.33	3,036,143.33	3,012,855.23	-	23,288.10
Water Treatment Costs	3,446,241.24	3,446,241.24	3,424,025.75	-	22,215.49
<b>Total Operating</b>	<b>10,543,917.54</b>	<b>10,542,145.54</b>	<b>10,272,435.11</b>	<b>40,957.14</b>	<b>228,753.29</b>
Capital Improvements:					
Capital Improvement Fund	100,000.00	100,000.00	100,000.00	-	-
Capital Outlay	300,000.00	300,000.00	299,963.97	-	36.03
<b>Total Capital Improvements</b>	<b>400,000.00</b>	<b>400,000.00</b>	<b>399,963.97</b>	<b>-</b>	<b>36.03</b>
Debt Service:					
Payment of Bond Principal	200,000.00	200,000.00	200,000.00	-	-
Payment of Bond Anticipation Notes and Capital Notes	225,000.00	225,000.00	225,000.00	-	-
Interest on Bonds	177,000.00	177,000.00	177,000.00	-	-
Interest on Notes	215,000.00	215,000.00	215,000.00	-	-
<b>Total Debt Service</b>	<b>817,000.00</b>	<b>817,000.00</b>	<b>817,000.00</b>	<b>-</b>	<b>-</b>
Deferred Charges:					
Overexpenditure	9,871.19	9,871.19	9,871.19	-	-
<b>Total Debt Service</b>	<b>9,871.19</b>	<b>9,871.19</b>	<b>9,871.19</b>	<b>-</b>	<b>-</b>
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	239,298.58	241,070.58	241,070.58	-	-
Social Security System (O.A.S.I.)	153,467.98	153,467.98	144,628.08	-	8,839.90
<b>Total Statutory Expenditures</b>	<b>392,766.56</b>	<b>394,538.56</b>	<b>385,698.66</b>	<b>-</b>	<b>8,839.90</b>
<b>Total Expenditures</b>	<b>\$ 12,163,555.29</b>	<b>\$ 12,163,555.29</b>	<b>\$ 11,884,968.93</b>	<b>\$ 40,957.14</b>	<b>\$ 237,629.22</b>
Accrued Interest on Bonds			\$ 34,412.50		
Deferred Charges			9,871.19		
Cash Disbursed			11,840,685.24		
<b>Total</b>			<b>\$ 11,884,968.93</b>		

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, 2017**

Balance, December 31, 2016	\$	43,730.48
Increased by Receipts:		
Premium on Sale of BAN's		58,577.51
Subtotal		102,307.99
Decreased by Disbursements:		
Anticipated Revenue:		
Operating Fund		34,328.07
Balance, December 31, 2017	\$	67,979.92

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 - REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017**

	ANTICIPATED BUDGET	REALIZED	EXCESS OR (DEFICIT)
Assessment Cash	\$ -	\$ 2,993.37	\$ 2,993.37
Transfer from Current for Bond Principal	318,654.00	318,654.00	-
	<hr/>		
Total Revenues	<u>\$ 318,654.00</u>	<u>\$ 321,647.37</u>	<u>\$ 2,993.37</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 - REGULATORY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2017**

	APPROPRIATIONS		PAID OR CHARGED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID	ENCUMBRANCES	RESERVED
Payment of Bond Principal	\$ 318,654.00	\$ 318,654.00	\$ 318,654.00	\$ -	\$ -
Total Expenditures	\$ 318,654.00	\$ 318,654.00	\$ 318,654.00	\$ -	\$ -

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 - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016

\$ 513,859.94

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

**TOWNSHIP OF WALL  
PUBLIC ASSISTANCE FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2017 AND 2016**

ASSETS	REFERENCE	<u>2017</u>	<u>2016</u>
Cash	E-1	<u>\$ 17,031.98</u>	<u>\$ 30,355.14</u>
Total Assets		<u><u>\$ 17,031.98</u></u>	<u><u>\$ 30,355.14</u></u>
 LIABILITIES, RESERVES & FUND BALANCE			
Reserve for Public Assistance		<u>\$ 17,031.98</u>	<u>\$ 30,355.14</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$ 17,031.98</u></u>	<u><u>\$ 30,355.14</u></u>

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

**TOWNSHIP OF WALL  
GENERAL FIXED ASSET GROUP OF ACCOUNTS  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

ASSETS	<u>2017</u>	<u>2016</u>
Land and Improvements	\$ 20,317,693.71	\$ 19,430,475.05
Machinery and Equipment	7,128,744.93	6,771,065.13
Vehicles	<u>8,262,089.05</u>	<u>7,279,567.00</u>
Total Assets	<u>\$ 35,708,527.69</u>	<u>\$ 33,481,107.18</u>
 FUND BALANCE		
Investment in Fixed Assets	<u>\$ 35,708,527.69</u>	<u>\$ 33,481,107.18</u>
Total Liabilities, Reserves & Fund Balance	<u>\$ 35,708,527.69</u>	<u>\$ 33,481,107.18</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, 2017**

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**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 1. Summary of Significant Accounting Policies**

**Description of Financial Reporting Entity**

The Township of Wall, County of Monmouth, New Jersey (hereafter referred to as the "Township") is governed by the Township form of government, with a mayor and a 4-member Township Council. Administrative responsibilities are assigned to the Township Manager. Policy is determined by Council and the Manager is responsible for carrying out such policy.

**Component Units** - GASB Statement 14, as amended by GASB Statements 39, 61 and 80, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61 and 80.

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Township 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, 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 State of America applicable to local government units. The more significant differences are explained further in this note.

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

**Current Fund** – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

**Trust Funds** – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

**General Capital Fund** – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

**Water/Sewer Utility Operating and Capital Funds** – These funds accounts for utility operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

**Utility Assessment Fund** – This fund accounts for the receipt and disbursement of funds for special assessments levied on specific property owners.

**TOWNSHIP OF WALL**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**General Fixed Asset Account Group** – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

**Public Assistance Fund** – This 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.

**Budgets and Budgetary Accounting** - The Township must adopt an annual budget for its Current and Utility 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<sup>th</sup> of each year. At introduction, the governing body must 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 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, Cash Equivalents and Investments** - 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. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost with the exception of LOSAP investments which are reported at fair value. Therefore unrealized gains or losses on investments have not been recorded.

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 utilities 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, 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

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

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.

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

**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 and 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 statements 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 acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed 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. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

**Utility Fixed Assets** – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds,

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**Foreclosed property** – Foreclosed Property or “Property Acquired for Taxes” 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 overexpenditures 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.

**Fund Balance** – Fund Balance included in the Current and Utility Operating Fund represent the amount available for anticipation as revenue in future year’s 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.

**Utility Revenues** – Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Townships utility operating fund.

**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, Fire Districts and Local School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

**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 10<sup>th</sup> 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 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Local School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district January 1<sup>st</sup> to December 31<sup>st</sup>.

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**Deferred School Taxes** – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to

fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

**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 interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided 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 and reserve for encumbrances at current year end are available until December 31<sup>st</sup> of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

**Long-Term Debt** - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General and Utility 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** – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

**Recent Accounting Pronouncements** – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the Township’s financial statements.

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 2. Deposits and Investments**

The Township is governed by the deposit and investment limitations of New Jersey state law.

**Deposits**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Although the Township does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by 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 below.

As of December 31, 2017, the Township's bank balance of \$34,212,601.73 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 30,709,156.14
Uninsured and Uncollateralized	<u>3,503,445.59</u>
	<u>\$ 34,212,601.73</u>

**Investments**

**Fair Value Measurement** – The fair value measurements of investments are required to be reported based on the hierarchy established by generally accepted accounting principles. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 2. Deposits and Investments (continued):**

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Township has no investment policy to limit exposure to custodial credit risk.

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

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A; 5-15.1, the Township's investment policies place no limit in the amount the Township may invest in any one issuer. More than 5% of the Township's investments are in LOSAP's. These investments represent 100% of the Township's total investments.

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 3. Property Taxes**

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

**Comparison Schedule of Tax Rates**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$ 2.010</u>	<u>\$ 1.956</u>	<u>\$ 3.116</u>
Apportionment of Tax Rate:			
Municipal	0.453	0.448	0.722
County General	0.287	0.285	0.466
Local School	1.107	1.080	1.700
Fire District	0.163	0.143	0.228

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2017	\$ 5,940,543,925.00
2016	5,948,773,159.00
2015	3,692,852,810.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2017	\$ 113,999,205.63	\$ 111,317,363.55	97.64%
2016	110,739,009.63	108,873,315.44	98.31%
2015	109,710,767.95	107,412,368.45	97.90%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2017	\$ 1,296,253.27	\$ 2,550,612.02	\$ 3,846,865.29	3.37%
2016	1,248,236.42	1,789,170.26	3,037,406.68	2.74%
2015	1,188,383.70	2,471,277.42	3,659,661.12	3.34%

**TOWNSHIP OF WALL  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 3. Property Taxes (continued):**

**Number of Tax Title Liens**

<u>Year</u>	<u>Number</u>
2017	33
2016	35
2015	37

The last tax sale was held on October 26, 2017.

**Note: 4: Property Acquired By Tax Title Lien Liquidation**

The value of properties acquired by liquidation of tax title liens based on the last assessed valuation of such properties as of December 31, was as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 621,000.00
2016	621,000.00
2015	322,900.00

**Note: 5: Water/Sewer Utility Service Charges**

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

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2017	\$ 839,692.18	\$ 11,458,476.88	\$ 12,298,169.06	\$ 11,499,150.72	93.50%
2016	793,371.54	11,614,871.33	12,408,242.87	11,568,550.69	93.23%
2015	838,466.89	11,373,731.74	12,212,198.63	11,418,827.09	93.50%

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 6. Fund Balances Appropriated**

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b>Current Fund:</b>			
2017	\$ 7,803,287.75	\$ 4,748,400.83	60.85%
2016	6,565,516.75	3,467,586.88	52.82%
2015	6,062,533.68	3,341,183.62	55.11%
<b>Water/Sewer Utility Operating Fund:</b>			
2017	\$ 1,027,197.89	\$ 783,275.16	76.25%
2016	959,999.17	384,227.22	40.02%
2015	554,845.07	152,599.77	27.50%

**Note 7. Disaggregated Receivable and Payable Balances**

There are no significant components of receivable and payable balances reported in the financial statements.

**Note 8. Interfund Receivables, Payables and Transfers**

There were no individual fund receivable/payable balances at December 31, 2017.

**Note 9. Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2017.

	<u>Balance December 31, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2017</u>
Land	\$ 19,430,475.05	\$ 887,218.66	\$ -	\$ 20,317,693.71
Vehicles	7,279,567.00	1,406,922.05	(424,400.00)	8,262,089.05
Machinery & Equipment	6,771,065.13	393,279.80	(35,600.00)	7,128,744.93
	<u>\$ 33,481,107.18</u>	<u>\$ 2,687,420.51</u>	<u>\$ (460,000.00)</u>	<u>\$ 35,708,527.69</u>

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. 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 <http://www.nj.gov/treasury/pensions/financial-reports.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.

The following represents the membership tiers for PERS:

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

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

**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

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

fiscal year 2017, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2017, the Township's contractually required contribution to PERS plan was \$1,073,775.00.

**Components of Net Pension Liability** - At December 31, 2017, the Township's proportionate share of the PERS net pension liability was \$26,981,810.00. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Township's proportion measured as of June 30, 2017, was 0.11591% which was a decrease of 0.00827% from its proportion measured as of June 30, 2016.

**Collective Balances at December 31, 2017 and December 31, 2016**

	<u>12/31/2017</u>	<u>12/30/2016</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 7,104,524	\$ 10,844,212
Deferred Inflows of Resources	6,981,674	125,007
Net Pension Liability	26,981,810	36,778,808
Township's portion of the Plan's total net pension Liability	0.11591%	0.12418%

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2017, the Township's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2017 measurement date is \$1,946,151.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$1,073,775.00 to the plan in 2017.

At December 31, 2017, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 635,328	\$ -
Changes of Assumptions	5,435,905	5,415,976
Net Difference between Projected and Actual Earnings on Pension Plan Investments	183,728	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>849,563</u>	<u>1,565,698</u>
	<u>\$ 7,104,524</u>	<u>\$ 6,981,674</u>

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
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	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<b>Year Ending Dec 31,</b>	<b>Amount</b>
2018	\$ 669,859
2019	1,009,154
2020	533,404
2021	(1,345,678)
2022	<u>(743,889)</u>
	<u><u>\$ 122,850</u></u>

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

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

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

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation 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 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

	<b>1% Decrease (4.00%)</b>	<b>Current Discount Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 33,472,767	\$ 26,981,810	\$ 21,574,039

**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 <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

The following represents the membership tiers for PFRS:

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

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

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

**Contributions** - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2017, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2017, the Township's contractually required contributions to PFRS plan was \$1,805,132.00.

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

**Net Pension Liability and Pension Expense** - At December 31, 2017 the Township's proportionate share of the PFRS net pension liability was \$31,488,324.00. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Township's proportion measured as of June 30, 2017, was 0.20397%, which was a decrease of 0.01585% from its proportion measured as of June 30, 2016.

**Collective Balances at December 31, 2017 and December 31, 2016**

	<u>12/31/2017</u>	<u>12/31/2016</u>
	June 30, 2017	June 30, 2016
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 5,121,573	\$ 9,363,303
Deferred Inflows of Resources	8,081,944	1,261,921
Net Pension Liability	31,488,324	41,991,227
Township's portion of the Plan's total net pension Liability	0.20397%	0.21982%

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2017, the Township's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2017 measurement date was \$2,855,772.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$1,805,132.00 to the plan in 2017.

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 204,278	\$ 184,810
Changes of Assumptions	3,882,861	5,156,867
Net Difference between Projected and Actual Earnings on Pension Plan Investments	600,871	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	433,563	2,740,267
	<u>\$ 5,121,573</u>	<u>\$ 8,081,944</u>

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017	-	5.59
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	-
June 30, 2017	5.00	-
Changes in Proportion and Differences between 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
June 30, 2017	5.59	5.59

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

<b>Year Ending</b>		
<b><u>Dec 31,</u></b>	<b><u>Amount</u></b>	
2018	\$	39,753
2019		745,576
2020		(442,861)
2021		(2,411,152)
2022		<u>(891,687)</u>
	<b>\$</b>	<b><u>(2,960,371)</u></b>

**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 PFRS net pension liability attributable to the Township is \$3,526,958.00 as of December 31, 2017. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The State’s proportion of the net pension liability associated with the Township was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2017 was 0.20397%, which was a decrease of 0.01585% from its proportion measured as of June 30, 2016, which is the same proportion as the Township’s. At December 31, 2017, the Township’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

Township's Proportionate Share of Net Pension Liability	\$ 31,488,324
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>3,526,958</u>
	<u>\$ 35,015,282</u>

At December 31, 2017, the State's proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2017 measurement date was \$431,427.00.

**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:

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

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality 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

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. The single blended discount rate was based on long-term expected rate of return on pension plan

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 10. Pension Obligations (continued):**

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

investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation 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 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Township’s proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Township’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.14%) or 1-percentage-point higher (7.14%) than the current rate:

	<b>1% Decrease <u>(5.14%)</u></b>	<b>Current Discount Rate <u>(6.14%)</u></b>	<b>1% Increase <u>(7.14%)</u></b>
Township's Proportionate Share of the Net Pension Liability	\$ 41,488,460	\$ 31,488,324	\$ 23,272,075
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>4,647,058</u>	<u>3,526,958</u>	<u>2,606,669</u>
	<u>\$ 46,135,518</u>	<u>\$ 35,015,282</u>	<u>\$ 25,878,744</u>

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

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt**

The following schedule represents the Township's summary of debt, as filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Issued:</b>			
General:			
Bonds, Notes and Loans	\$ 30,224,605.26	\$ 27,629,465.55	\$ 27,885,133.97
Utility:			
Bonds, Notes and Loans	10,324,962.00	7,862,116.00	8,266,789.00
	<hr/>	<hr/>	<hr/>
Total Debt Issued	40,549,567.26	35,491,581.55	36,151,922.97
	<hr/>	<hr/>	<hr/>
<b>Authorized but not issued:</b>			
General:			
Bonds, Notes and Loans	4,152,966.82	7,092,609.82	7,892,309.50
Utility:			
Bonds, Notes and Loans	4,996,640.38	8,203,140.38	2,262,365.38
	<hr/>	<hr/>	<hr/>
Total Authorized But Not Issued	9,149,607.20	15,295,750.20	10,154,674.88
	<hr/>	<hr/>	<hr/>
<b>Total Gross Debt</b>	<b>\$ 49,699,174.46</b>	<b>\$ 50,787,331.75</b>	<b>\$ 46,306,597.85</b>
	<hr/>	<hr/>	<hr/>
<b>Deductions:</b>			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	\$ 986,944.57	\$ 932,832.00	\$ 1,207,486.65
Utility:			
Self Liquidating Debt	15,321,602.38	15,315,140.38	10,529,154.38
	<hr/>	<hr/>	<hr/>
Total Deductions	16,308,546.95	16,247,972.38	11,736,641.03
	<hr/>	<hr/>	<hr/>
<b>Total Net Debt</b>	<b>\$ 33,390,627.51</b>	<b>\$ 34,539,359.37</b>	<b>\$ 34,569,956.82</b>
	<hr/>	<hr/>	<hr/>

**TOWNSHIP OF WALL  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt (continued):**

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 15,420,000.00	\$ 15,420,000.00	\$ -
General Debt	34,377,572.08	986,944.57	33,390,627.51
Utility Debt	15,321,602.38	15,321,602.38	-
	\$ 65,119,174.46	\$ 31,728,546.95	\$ 33,390,627.51

Net Debt \$33,390,627.51 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$5,915,048,765.67, equals 0.565%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2017 is calculated as follows:

Borrowing Power Under N.J.S. 40A:2-6 as Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 207,026,706.80
Net Debt	33,390,627.51
Remaining Borrowing Power	\$ 173,636,079.29

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 12,326,498.08
Deductions:	
Operating and Maintenance Costs	\$ 10,946,555.29
Debt Service	817,000.00
Total Deductions	11,763,555.29
Excess/(Deficit) in Revenue	\$ 562,942.79

\*If Excess in Revenues all Utility Debt is Deducted

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt (continued):**

**General Debt**

**A. Serial Bonds Payable**

On 12/20/2000, the Township issued \$1,000,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 5.375% to 5.450% and mature on 12/1/2020.

On 4/12/2007, the Township issued \$2,328,220.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on 12/1/2020.

On 12/01/2012, the Township issued \$2,220,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on 12/1/2019.

On 6/05/2013, the Township issued \$11,775,000 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on 8/1/2033.

On 3/02/2016, the Township issued \$3,580,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 4.00% to 5.00% and mature on 12/1/2023.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,250,000.00	406,525.00	1,656,525.00
2023-2027	3,765,000.00	1,277,125.00	5,042,125.00
2028-2032	3,100,000.00	530,100.00	3,630,100.00
2033	620,000.00	31,000.00	651,000.00
	<u>\$ 14,875,539.00</u>	<u>\$ 4,483,103.75</u>	<u>\$ 19,358,642.75</u>

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt (continued):**

**B. Bond Anticipation Notes Payable – Short Term Debt**

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2017:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2017</u>
Various Capital Improvements	6/30/2017	6/29/2018	2.000%	<u>\$ 15,001,000.00</u>
				<u>\$ 15,001,000.00</u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

**C. Bonds and Notes Authorized But Not Issued**

As of December 31, 2017, the Township had \$4,152,966.82 in various General Capital bonds and notes authorized but not issued.

**D. Loans Payable**

New Jersey Environmental Infrastructure Trust

In 1999 the Township finalized one loan agreement with the State of New Jersey Department of Environmental Protection. The Trust Loan Agreement of \$2,250,000.00 to be repaid over a 20 year period at an interest rate of 2.00%, the proceeds of the loans are to provide for the acquisition of Open Space.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 172,301.50	\$ 30,872.74	\$ 203,174.24
2019	175,764.76	27,409.49	203,174.25
	<u>\$ 348,066.26</u>	<u>\$ 58,282.23</u>	<u>\$ 406,348.49</u>

**Water/Sewer Utility Debt**

**A. Serial Bonds Payable**

On 6/05/2013, the Township issued \$3,650,000.00 of Utility Revenue Bonds. The Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on 08/01/2033.

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt (continued):**

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	195,000.00	108,150.00	303,150.00
2023-2027	975,000.00	394,500.00	1,369,500.00
2028-2032	985,000.00	169,850.00	1,154,850.00
2033	200,000.00	10,000.00	210,000.00
	<u>\$ 3,150,000.00</u>	<u>\$ 1,192,300.00</u>	<u>\$ 4,342,300.00</u>

**B. Bond Anticipation Notes Payable – Short Term Debt**

The following is a summary of bond anticipation notes payable accounted for in the Utility Capital Fund at December 31, 2017:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2017</u>
Various Water/Sewer Improvements	6/29/2017	6/28/2018	2.000%	\$ 6,743,500.00
				\$ 6,743,500.00

The purpose of these short-term borrowings was to provide resources for utility capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

**C. Bonds and Notes Authorized But Not Issued**

As of December 31, 2017 the Township had \$4,996,640.38 in various Utility bonds and notes authorized but not issued.

**Water/Sewer Utility Assessment Debt**

**A. Serial Bonds Payable**

On 4/12/2017, the Township issued \$2,120,180.00 of Utility Revenue Bonds. The Bonds were issued at interest rates varying from 3.00% to 5.00% and mature on 12/01/2020.

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 11. Municipal Debt (continued):**

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 144,141.00	\$ 20,131.66	\$ 164,272.66
2019	143,177.00	12,924.64	156,101.64
2020	144,144.00	5,765.76	149,909.76
	<u>\$ 431,462.00</u>	<u>\$ 38,822.06</u>	<u>\$ 470,284.06</u>

**Summary of Principal Debt**

A summary of the changes in long-term and short term debt of the Township is as follows:

	Balance December 31, <u>2016</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2017</u>	Balance Due Within <u>One Year</u>
<b>General Capital:</b>					
General Bonds	\$ 16,824,885.00	\$ -	\$ 1,949,346.00	\$ 14,875,539.00	\$ 1,762,859.00
Bond Anticipation Notes	10,194,000.00	15,001,000.00	10,194,000.00	15,001,000.00	15,001,000.00
Loans	610,580.55	-	262,514.29	348,066.26	85,662.75
Authorized but Not Issued	7,092,609.82	2,667,357.00	5,607,000.00	4,152,966.82	-
	<u>\$ 34,722,075.37</u>	<u>\$ 17,668,357.00</u>	<u>\$ 18,012,860.29</u>	<u>\$ 34,377,572.08</u>	<u>\$ 16,849,521.75</u>
<b>Water/Sewer Utility Capital:</b>					
Utility Bonds	\$ 3,350,000.00	\$ -	\$ 200,000.00	\$ 3,150,000.00	\$ 200,000.00
Bond Anticipation Notes	3,762,000.00	6,743,500.00	3,762,000.00	6,743,500.00	6,743,500.00
Authorized but Not Issued	8,203,140.38	-	3,206,500.00	4,996,640.38	-
	<u>\$ 15,315,140.38</u>	<u>\$ 6,743,500.00</u>	<u>\$ 7,168,500.00</u>	<u>\$ 14,890,140.38</u>	<u>\$ 6,943,500.00</u>
<b>Water/Sewer Utility Assessment:</b>					
Utility Bonds	\$ 750,116.00	\$ -	\$ 318,654.00	\$ 431,462.00	\$ 144,141.00
	<u>\$ 750,116.00</u>	<u>\$ -</u>	<u>\$ 318,654.00</u>	<u>\$ 431,462.00</u>	<u>\$ 144,141.00</u>

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 12. Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017 the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balances of the following funds:

<u>Description</u>	<u>Balance</u> December 31, 2017	<u>2018 Budget</u> <u>Appropriation</u>	<u>Balance to</u> Succeeding <u>Budgets</u>
<b>Current Fund:</b>			
Special Emergency Authorizations (40A:4-55)	\$ 190,000.00	\$ 190,000.00	\$ -

**Note 13. 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.

**Note 14. Accrued Sick, Vacation and Compensation Time**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$4,759,475.43 at December 31, 2017.

**TOWNSHIP OF WALL  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 15. Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Joint Insurance Pool**

The Township is a member of the Monmouth County Municipal Joint Insurance Fund. The Fund provides the Township with the following primary coverage and limits:

Crime	\$50,000
Commercial General Liability	\$300,000
Law Enforcement Professional Liability	\$300,000
Bodily Injury and Property Damage Liability (Auto)	\$300,000
Workers Compensation	\$300,000
Environmental Legal Liability	various

The following “excess” coverage and limits are provided to the Fund’s member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Worker’s Compensation	\$5,000,000
Commercial General Liability	\$5,000,000
Law Enforcement Professional Liability	\$5,000,000
Employer’s Liability	\$5,000,000
Auto Liability	\$5,000,000
Crime	\$1,000,000

Contributions to the Funds are payable in two installments and are based on actuarial assumptions determined by the Funds’ actuaries. The Fund publishes its own financial report for the year ended December 31, 2017 which can be obtained on the Fund’s website.

**New Jersey Unemployment Compensation Insurance**

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the “Reimbursement Method”. Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township’s unemployment trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$ 38,503.66	\$ 44,432.27	\$ 146,257.54
2016	32,728.13	54,903.63	152,186.15
2015	50,108.74	61,274.52	174,361.65

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 16. Contingencies**

Grantor Agencies

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 grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2017 the Township estimates that no material liabilities will result from such audits.

Litigation

The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2017.

**Note 17. Tax Abatements**

The Township 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"), and a Resolution of the Council dated March 13, 2007, 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, 2017, the Township abated property taxes totaling \$517,591.09 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:

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 17. Tax Abatements (continued):**

<u>Recipient</u>	<u>Purpose</u>	<u>Pilot Billings</u>	<u>Amount Abated</u>
Wexford (Assisted Living of Wall)	Affordable Housing	\$ -	\$ 177,266.50
New Belford Apts. (Spring Lake Village)	Affordable Housing	32,304.00	98,019.13
Allaire Crossing (Wall Sr. Citizen)	Other	40,424.00	117,936.65
Sunnyside Manor	Other	54,259.00	10,832.92
Mews at Collingswood	Affordable Housing	48,570.00	113,535.89
		<u>\$ 175,557.00</u>	<u>\$ 517,591.09</u>

**Note 18. Length of Service Awards Program - Unaudited**

The Township's length of service awards program ("LOSAP") is reported in the Township's trust fund Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

The tax deferred income benefits for the active volunteer firefighters and emergency medical personnel serving the residents of the Township come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Township elected to contribute between \$0.00 and \$1,150.00 for the year ended December 31, 2017 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2017, the Township contributed a total of \$18,000.00 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

**Participant Accounts** - Each participant's account is credited with the Township's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Township has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Township's creditors until distributed as benefit payments, are not available for funding the operations of the Township. The funds may also be used to pay the administrative fees charged by the Plan Administrator. Lincoln Financial Group ("Plan Administrator"), an approved Length of Service Awards

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 18. Length of Service Awards Program – Unaudited (continued):**

Program provider, is the administrator of the Plan. The Township’s practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

**Vesting** - Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

**Payment of Benefits** - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2017 payouts of \$39,746.25 were made to vested participants.

**Forfeited Accounts** – During the year ended December 31, 2017, no accounts were forfeited.

**Plan Information** - Additional information about the Township’s length of service awards program can be obtained by contacting the Plan Administrator.

**Note 19. Subsequent Events**

On April 25, 2018 the Township adopted Bond Ordinance 7-2018 providing for various 2018 Water and Sewer Utility Improvements and the acquisition of a non-passenger vehicle. The Township appropriated \$1,370,000.00 and authorized the issuance of \$1,245,000.00 bonds or notes.

**Note 20. Other Post-Employment Benefits**

**Plan Description**

The Township offers health and Medicare Part B coverage to retirees and their covered dependents. All active employees who retire from the Township and meet the eligibility criteria to participate in the Plan will receive these benefits

**Funding Policy**

The Township’s funding policy is pay-as-you-go.

**Annual OPEB Cost and Net OPEB Obligation**

The Township’s annual Other Post-Employment Benefits (“OPEB”) cost (expense) is calculated based on the annual required contribution of the employer (“ARC”), an amount actuarially-determined in accordance with the parameters of GASB Statement 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 of 30 years. The following table shows the components of the Township’s annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Township’s net OPEB obligation:

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**Note 19. Other Post-Employment Benefits (continued):**

The Township's annual OPEB Cost Summary is as follows:

		<u>2017</u>
Annually Required Contributions (ARC)	\$	1,725,200.00
Interest on the Net OPEB Obligation		423,700.00
Adjustment to the ARC		<u>(612,600.00)</u>
Annual OPEB Cost		1,536,300.00
Pay-as-you-go contributions (Existing Retirees)		<u>(1,009,200.00)</u>
Increase/(Decrease) in Net OPEB Obligation		527,100.00
Net OPEB Obligations, January 1		<u>10,592,400.00</u>
Net OPEB Obligations, December 31st	\$	<u><u>11,119,500.00</u></u>
Percentage of Annual OPEB cost contributed		9%

**Actuarial Methods and Assumptions**

The assumptions utilized in the computations are as follows:

Discount Rate	4%
Mortality Table	RP-2006 Headcount Weighted Healthy Employee Table
Turnover	Standard Turnover Assumptions
Amortization Period	30 Years
Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	Level Percentage of Payroll
Participant Percentage	100%

**Other Post Employment Benefit Costs and Obligations**

The annual non-pension post-employment benefit ("OPEB") cost is actuarially-determined in accordance with the parameters of the alternative measurement method. It represents the actuarially-determined level of funding that, if paid on an ongoing basis, is projected to cover annual benefit costs and the 30-year amortization of the difference between the actuarial accrued liability and amounts previously recognized. The Township has not recognized OPEB costs in the past.

The following are the components of the 2017 actual accrued liability:

**TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Actuarial Date		<u>1/1/2017</u>
Actuarial Accrued Liability (AAL)	\$	19,497,900.00
Actuarial Value of Plan Assets		-
Unfunded Actuarial Accrued Liability (UAAL)	\$	19,497,900.00
Funded Ratio		0.00%
Covered Payroll (Active Plan Members)		13,512,858.00
UAAL as a Percentage of Covered Payroll		144%

**Funded Status**

The Township provides funding for the annual normal cost of OPEB benefits. The Township has not provided any funding for its unfunded accrued OPEB obligation.

**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, 2017**

	CURRENT FUND		FEDERAL & STATE GRANT FUND
Balance, December 31, 2016	\$ 12,751,177.83		\$ 226,528.89
Increased by Receipts:			
Taxes Receivable	\$ 111,715,111.59		\$ -
Prepaid Taxes	6,624,833.78		-
Tax Title Liens	42,590.01		-
Tax Overpayments	188,683.39		-
Due State of New Jersey:			
Senior Citizens & Veterans Deductions	217,018.49		-
Miscellaneous Revenue Not Anticipated	1,688,062.19		-
Revenue Accounts Receivable	6,711,878.49		-
Sale of Liquor Licenses	1,203,289.00		-
Interfund Activity	80,331.41		267,463.00
Reserve for:			
Sale of Municipal Assets	5,000.00		-
Federal & State Grants Receivable	-		750,974.18
Federal & State Grants Unappropriated	-		75,598.48
	128,476,798.35		1,094,035.66
Subtotal	141,227,976.18		1,320,564.55
Decreased by Disbursements:			
2017 Appropriations	32,787,174.22		-
2016 Appropriations	679,729.66		-
County Taxes Payable	17,042,914.01		-
Added County Taxes	17,226.83		-
Local School Taxes Payable	65,747,422.00		-
Special Fire District Taxes Payable	2,978,591.00		-
Tax Overpayments Reimbursed	168,277.98		-
Refund of Prior Year Revenue	296.00		-
Reserve for:			
Federal & State Grants Appropriated	-		640,351.67
	119,421,631.70		640,351.67
Balance, December 31, 2017	\$ 21,806,344.48		\$ 680,212.88

**TOWNSHIP OF WALL  
CURRENT FUND  
SCHEDULE OF CHANGE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

OFFICE	BALANCE DECEMBER 31, 2016 & 2017
Tax Collector	\$ 500.00
Municipal Court	<u>300.00</u>
Total	<u><u>\$ 800.00</u></u>

**TOWNSHIP OF WALL  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2017**

YEAR	BALANCE DECEMBER 31, 2016	2017 LEVY	ADDED TAXES	2016	2017	COLLECTED	DUE FROM STATE OF NEW JERSEY	OVERPAYMENTS	TRANSFER TO TAX TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2017
2014	\$ 250.00		\$ -	\$ -	\$ 250.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	10,398.72		-	-	20.00	-	-	-	-	-	10,378.72
2016	1,778,521.54		-	-	1,296,655.67	(2,731.51)	-	-	14,726.21	220,673.76	249,197.41
Total	1,789,170.26		-	-	1,296,925.67	(2,731.51)	-	-	14,726.21	220,673.76	259,576.13
2017	-	112,640,844.44	1,358,361.19	695,673.39	110,418,185.92	225,451.37	(21,947.13)		70,699.52	320,106.67	2,291,035.89
Total	\$ 1,789,170.26	\$ 112,640,844.44	\$ 1,358,361.19	\$ 695,673.39	\$ 111,715,111.59	\$ 222,719.86	\$ (21,947.13)	\$	\$ 85,425.73	\$ 540,780.43	\$ 2,550,612.02

**ANALYSIS OF 2017 PROPERTY TAX LEVY**

General Purpose Tax	\$ 112,640,844.44
Added & Omitted Taxes (54:4-6 et seq)	1,358,361.19
Total	<u>\$ 113,999,205.63</u>
TAX LEVY:	
Local District School Tax	\$ 65,747,422.00
County Taxes:	
County Tax	\$ 15,098,157.16
County Library Tax	1,057,854.52
County Open Space Preservation	886,902.33
Due County for Added & Omitted Taxes	178,350.36
Special Fire District Tax	17,221,264.37
Local Tax for Municipal Purposes	2,978,591.00
Add: Additional Taxes Levied	28,051,928.26
Total	<u>\$ 113,999,205.63</u>

**TOWNSHIP OF WALL  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 1,248,236.42
Increased by:		
New Liens - 2017 Principal	\$ 70,699.52	
Interest & Cost on Taxes	4,155.04	
Transfer from 2016 Taxes	14,726.21	
Adjustments	1,026.09	
	<u>90,606.86</u>	<u>90,606.86</u>
Subtotal		1,338,843.28
Decreased by:		
Collected	42,590.01	
	<u>42,590.01</u>	<u>42,590.01</u>
Balance, December 31, 2017		<u><u>\$ 1,296,253.27</u></u>

**TOWNSHIP OF WALL  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	ACCRUED IN 2017	COLLECTED	BALANCE DECEMBER 31, 2017
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 38,000.00	\$ 38,000.00	\$ -
Other	-	104,925.35	104,925.35	-
Fees & Permits - Other	-	77,246.20	77,246.20	-
Fines & Costs - Municipal Court	59,709.34	843,948.08	791,769.34	52,178.74
Interest & Costs on Taxes	-	372,902.57	372,902.57	-
Interest on Investments & Deposits	-	82,378.86	82,378.86	-
Hotel Tax	-	181,718.94	181,718.94	-
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	-	900,964.62	900,964.62	-
Sea Girt Municipal Court	-	131,584.00	131,584.00	-
Water/Sewer Indirect Costs	-	346,555.68	346,555.68	-
Reserve for Payment of Bonds	-	66,667.00	66,667.00	-
Capital Fund Balance	-	92,812.93	92,812.93	-
Total Anticipated Revenues	\$ 59,709.34	\$ 6,764,057.23	\$ 6,711,878.49	\$ 52,178.74

**TOWNSHIP OF WALL**  
**SCHEDULE OF 2016 APPROPRIATION RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS	ENCUMBERED	RESERVE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<b>Administrative &amp; Executive:</b>					
General Administration:					
Salaries and Wages	\$ -	\$ 380.00	\$ 380.00	\$ -	\$ 380.00
Other Expenses	195.56	18.98	4,214.54	389.66	3,824.88
Mayor & Committee:					
Salaries and Wages	-	4,555.06	4,555.06	69.23	4,485.83
Municipal Clerk:					
Salaries and Wages	-	15,699.65	10,699.65	-	10,699.65
Other Expenses	245.00	14.48	5,259.48	-	5,259.48
Financial Administration (Treasury):					
Salaries and Wages	-	8,166.38	3,166.38	-	3,166.38
Other Expenses	1,362.74	-	6,362.74	5,527.85	834.89
Tax Assessment Administration:					
Other Expenses	165.30	1,891.05	2,056.35	200.00	1,856.35
Tax Appeals	-	43,527.81	43,527.81	18,290.98	25,236.83
Revenue Administration (Tax Collection):					
Salaries and Wages	-	221.41	221.41	-	221.41
Other Expenses	309.65	4,313.50	4,623.15	309.65	4,313.50
Legal Services (Legal Department):					
Other Expenses	659.00	47,701.26	73,360.26	45,060.47	28,299.79
Municipal Prosecutor's Office:					
Salaries and Wages	-	125.00	125.00	125.00	-
Engineering Services:					
Other Expenses	5,961.66	8,827.43	14,789.09	7,030.40	7,758.69
Engineering and Land Use:					
Salaries and Wages	-	642.08	642.08	-	642.08
Other Expenses	385.88	50,587.70	50,973.58	4,420.62	46,552.96
Youth Center:					
Salaries and Wages	-	12,720.06	10,720.06	-	10,720.06
Other Expenses	644.65	641.95	3,286.60	491.57	2,795.03
Animal Control & Board of Health					
Other Expenses	-	2,187.00	2,187.00	-	2,187.00
Insurance:					
General Liability	-	3,974.31	3,974.31	-	3,974.31
Worker's Compensation	-	5,058.20	5,058.20	-	5,058.20
Employee Group Insurance	-	27,201.89	27,201.89	11,586.88	15,615.01
Health Benefit Waiver	-	18,000.00	18,000.00	-	18,000.00
Police:					
Salaries and Wages	-	395,980.11	390,980.11	-	390,980.11
Other Expenses	145,542.33	4,882.41	155,424.74	139,050.89	16,373.85
Welfare/Administration of Public Assistance:					
Salaries and Wages	-	268.37	268.37	-	268.37
Other Expenses	-	1,662.06	1,662.06	-	1,662.06
Recreation Services and Programs:					
Salaries and Wages	-	40,250.17	40,250.17	5,000.00	35,250.17
Other Expenses	741.05	11,391.64	12,132.69	524.74	11,607.95
Buildings and Grounds:					
Salaries and Wages	-	30,383.64	20,383.64	623.42	19,760.22
Other Expenses	21,647.16	69.88	31,717.04	13,612.87	18,104.17

**TOWNSHIP OF WALL**  
**SCHEDULE OF 2016 APPROPRIATION RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS	ENCUMBERED	RESERVE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<b>Street &amp; Roads Maintenance:</b>					
Salaries and Wages	-	75,462.58	65,462.58	247.40	65,215.18
Other Expenses	21,304.42	2,562.81	33,867.23	17,469.59	16,397.64
<b>Street Lighting:</b>					
Other Expenses	-	95,415.53	95,415.53	17,772.97	77,642.56
<b>Electricity:</b>					
Other Expenses	-	215,202.51	215,202.51	80,575.74	134,626.77
<b>Gas (natural or propane):</b>					
Other Expenses	-	75,110.76	75,110.76	19,545.92	55,564.84
<b>Solid Waste Collection:</b>					
Salaries and Wages	-	125,484.52	120,484.52	247.40	120,237.12
Other Expenses	15,445.50	3,431.36	23,876.86	16,840.73	7,036.13
<b>Landfill/Solid Waste Disposal Costs:</b>					
Other Expenses	19,328.34	81,448.05	100,776.39	74,107.96	26,668.43
<b>Aid to Volunteer Ambulance Companies:</b>					
Other Expenses	-	10,000.00	10,000.00	-	10,000.00
<b>Gasoline:</b>					
Other Expenses	-	224,587.27	224,587.27	33,266.68	191,320.59
<b>Telecommunication costs:</b>					
Other Expenses	-	40,045.84	40,045.84	11,972.47	28,073.37
<b>Community Services Act (Condo Community Costs)</b>					
Other Expenses	-	1,883.28	1,883.28	1,646.43	236.85
<b>Computer/Technology Maintenance:</b>					
Other Expenses	6,154.29	42,295.25	19,449.54	14,604.29	4,845.25
DPW Capital Projects	171,987.06	164,713.07	336,700.13	170,736.33	165,963.80
<b>Uniform Construction Code Appropriations</b>					
<b>Offset by Dedicated Revenues:</b>					
<b>Construction Code Official:</b>					
Salaries and Wages	-	94,044.44	89,044.44	-	89,044.44
Other Expenses:	241.35	44.38	5,285.73	241.35	5,044.38
<b>Unclassified:</b>					
<b>Municipal Court:</b>					
Salaries and Wages	-	13,832.80	13,832.80	-	13,832.80
Other Expenses	3,961.91	1,481.47	5,443.38	2,757.28	2,686.10
<b>Vehicle Maintenance/Replace 5/29/2017</b>					
Vehicle Maintenance Other Expenses	57,000.00	-	57,000.00	38,071.50	18,928.50
<b>Historical Society</b>					
Other Expenses	-	3,371.26	3,371.26	-	3,371.26
<b>Environmental Committee:</b>					
Other Expenses	-	2,134.44	2,134.44	-	2,134.44
<b>Public Defender:</b>					
Other Expenses	-	4,000.00	4,000.00	-	4,000.00
<b>Deferred Charges and Statutory Expenditures -</b>					
<b>Municipal - Within "CAPS"</b>					
<b>Statutory Expenditures:</b>					
Social Security System (O.A.S.I.)	-	72,209.38	72,209.38	56.78	72,152.60
Defined Benefit Plan	-	1,297.00	1,297.00	-	1,297.00

**TOWNSHIP OF WALL  
SCHEDULE OF 2016 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

OPERATIONS	ENCUMBERED	RESERVE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<b>OPERATIONS EXCLUDED FROM "CAPS":</b>					
Implementation of the Housing Element					
P.L. 195 - Chapter 222:					
Salaries and Wages	-	9,660.16	9,660.16	-	9,660.16
Other Expenses	252.08	32.88	284.96	30.84	254.12
LOSAP	-	30,000.00	30,000.00	18,000.00	12,000.00
	<hr/>				
Total General Appropriations	\$ 473,534.93	\$ 2,131,094.52	\$ 2,604,629.45	\$ 770,505.89	\$ 1,834,123.56
	<hr/>				

Transfer to Accounts Payable \$ 90,776.23

Cash Disbursements 679,729.66

\$ 770,505.89

**TOWNSHIP OF WALL  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 42,508.92
Increased by:		
Overpayments Created		188,683.39
Subtotal		231,192.31
Decreased by:		
Tax Overpayments Reimbursed	\$ 168,277.98	
Tax Overpayments Canceled	21.47	
Overpayments Applied to 2017 Taxes	40,940.41	
		209,239.86
Balance, December 31, 2017		\$ 21,952.45

EXHIBIT A-11

**SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 695,673.39
Increased by:		
Collections - 2018 Taxes		6,624,833.78
Subtotal		7,320,507.17
Decreased by:		
Application to 2017 Taxes Receivable		695,673.39
Balance, December 31, 2017		\$ 6,624,833.78

**TOWNSHIP OF WALL  
CURRENT FUND  
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY  
SENIOR CITIZENS & VETERANS DEDUCTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 754.42
Increased by:		
Senior Citizens' Deductions per Tax Billing	\$ 19,750.00	
Veterans' Deductions per Tax Billing	200,250.00	
Granted By Tax Collector	6,000.00	226,000.00
		226,000.00
Subtotal		226,754.42
Decreased by:		
Deductions Disallowed By Collector - 2017	548.63	
Deductions Disallowed By Collector - Prior Years	2,731.51	
Cash Received	217,018.49	220,298.63
		220,298.63
Balance, December 31, 2017		\$ 6,455.79

**TOWNSHIP OF WALL  
CURRENT FUND  
SCHEDULE OF DUE COUNTY FOR ADDED & OMITTED TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$	17,226.83
Increased by:		
County Share of 2017 Levy		178,350.36
Subtotal		195,577.19
Decreased by:		
Payments		17,226.83
Balance, December 31, 2017	\$	178,350.36

**SCHEDULE OF DUE COUNTY TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$	-
Increased by:		
County Share of 2017 Levy:		
County Tax	\$ 15,098,157.16	
County Library Tax	1,057,854.52	
County Open Space Fund Tax	886,902.33	17,042,914.01
Subtotal		17,042,914.01
Decreased by:		
Payments		17,042,914.01
Balance December 31, 2017	\$	-

**TOWNSHIP OF WALL  
CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		
School Tax Payable	\$	399,997.04
Increased by:		
Levy Calender Year 2017		<u>65,747,422.00</u>
Subtotal		66,147,419.04
Decreased by:		
Cash Disbursements		<u>65,747,422.00</u>
Balance December 31, 2017	\$	<u><u>399,997.04</u></u>
Local District School Tax Liability:		
Cash Payments	\$	65,747,422.00
School Tax Payable December 31, 2016		<u>(399,997.04)</u>
Total		65,347,424.96
School Tax Payable December 31, 2017		<u>399,997.04</u>
Amount Charged to 2017 Operations	\$	<u><u>65,747,422.00</u></u>

**SCHEDULE OF SPECIAL FIRE DISTRICT TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$	-
Increased by:			
2017 Levy:			
Fire District #1	\$	526,000.00	
Fire District #2		1,149,591.00	
Fire District #3		<u>1,303,000.00</u>	
			<u>2,978,591.00</u>
Subtotal			2,978,591.00
Decreased by:			
Payments			<u>2,978,591.00</u>
Balance December 31, 2017	\$		<u><u>-</u></u>

**TOWNSHIP OF WALL  
CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-53 - SPECIAL EMERGENCY  
FOR THE YEAR ENDED DECEMBER 31, 2017**

DESCRIPTION	ORIGINAL AMOUNT AUTHORIZED	1/5 OF AMOUNT AUTHORIZED	DATE	BALANCE DECEMBER 31, 2016	<u>DECREASED BY</u> 2017 BUDGET	BALANCE DECEMBER 31, 2017
Revaluation	\$ 950,000.00	\$ 190,000.00	9/25/2013	\$ 380,000.00	\$ 190,000.00	\$ 190,000.00
				<u>\$ 380,000.00</u>	<u>\$ 190,000.00</u>	<u>\$ 190,000.00</u>

**TOWNSHIP OF WALL  
CURRENT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016:		
Current Fund	\$ 473,534.93	
Federal and State Grant Fund	357,470.74	831,005.67
		<hr/>
Increased by:		
Current Year Encumbrances:		
Current Fund - Appropriations	600,445.02	
Federal and State Grant Fund - Appropriated Grant Reserves	53,857.66	654,302.68
		<hr/>
Subtotal		1,485,308.35
Decreased by:		
Prior Year Encumbrances Reclassified:		
Current Fund - Appropriations	473,534.93	
Federal and State Grant Fund - Appropriated Grant Reserves	357,470.74	831,005.67
		<hr/>
Balance December 31, 2017:		<u>\$ 654,302.68</u>

**ANALYSIS OF BALANCE, DECEMBER 31, 2017**

Current Fund Appropriations	\$ 600,445.02
Federal & State Grant Fund - Appropriated Grant Reserves	53,857.66
	<hr/>
Total	<u>\$ 654,302.68</u>

**TOWNSHIP OF WALL  
CURRENT FUND  
SCHEDULE OF RESERVE FOR TAX APPEALS PENDING  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 and 2016

\$ 1,450,000.00

**TOWNSHIP OF WALL  
CURRENT FUND  
SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 926,921.22
Increased by:	
Sale of Municipal Assets	<u>5,000.00</u>
Balance December 31, 2017	<u>\$ 931,921.22</u>

**SCHEDULE OF RESERVE FOR ENERGY RECEIPTS TAX  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 and 2016	<u>\$ 8,789.00</u>
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**SCHEDULE OF RESERVE FOR SALE OF LIQUOR LICENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ -
Increased by:	
Liquor License Cash Receipts	<u>1,203,289.00</u>
Balance December 31, 2017	<u>\$ 1,203,289.00</u>

**TOWNSHIP OF WALL  
CURRENT FUND  
SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 367,113.65
Decreased by:	
Realized as Revenue in Current Year Budget	<u>367,113.65</u>
Balance December 31, 2017	<u><u>\$ -</u></u>

**TOWNSHIP OF WALL  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

PROGRAM	BALANCE DECEMBER 31, 2016	2017 ANTICIPATED REVENUE	RECEIVED	TRANSFER FROM UNAPPROPRIATED RESERVE	BALANCE DECEMBER 31, 2017
Police STEP Grant	\$ -	\$ 48,295.00	\$ 40,661.25	\$ -	\$ 7,633.75
Muni Alliance on Alcohol and Drug Abuse	36,612.48	57,852.00	60,556.43	-	33,908.05
Body Armor Grant	-	12,238.06	6,124.16	6,113.90	-
Body Worn Camera Grant	-	32,000.00	-	-	32,000.00
CDBG Infoage Grant	-	61,174.00	-	-	61,174.00
Green Communities Grant/Community Fores	-	3,000.00	-	-	3,000.00
Recycling Tonnage Grant	-	66,923.84	66,923.84	-	-
Clean Communities Grant	-	147,670.52	67,829.75	79,840.77	-
Drunk Driving Enforcement Grant	-	110,165.15	-	110,165.15	-
Violence Against Women Act	-	9,000.00	-	9,000.00	-
Smart Growth Grant	-	10,000.00	-	10,000.00	-
NJL Sustainable Grant	-	2,000.00	-	2,000.00	-
Monmouth County Recycling	-	10,000.00	-	10,000.00	-
Canine Grant	174.40	-	-	-	174.40
Distracted Driving Crackdown Grant	-	5,500.00	4,578.75	-	921.25
No Net Loss Tree Grant	888,600.00	758,400.00	504,300.00	-	1,142,700.00
Monmouth County Rec/Open Space	175,000.00	200,000.00	-	-	375,000.00
<b>Total All Grants</b>	<b>\$ 1,100,386.88</b>	<b>\$ 1,534,218.57</b>	<b>\$ 750,974.18</b>	<b>\$ 227,119.82</b>	<b>\$ 1,656,511.45</b>

Original Budget	\$ 1,403,469.66
Chapter 159	<u>130,748.91</u>
<b>Total</b>	<u><u>\$ 1,534,218.57</u></u>

**TOWNSHIP OF WALL  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

GRANT	BALANCE DECEMBER 31, 2016	RECEIVED	ANTICIPATED AS REVENUE	BALANCE DECEMBER 31, 2017
State Grants:				
Clean Communities Program	\$ 79,840.77	\$ -	\$ 79,840.77	\$ -
Body Armor Grant	6,113.90	-	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	-
Recycling Tonnage Grant	-	75,598.48	-	75,598.48
<b>Total Grants</b>	<b>\$ 227,119.82</b>	<b>\$ 75,598.48</b>	<b>\$ 227,119.82</b>	<b>\$ 75,598.48</b>

**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, 2017**

	BALANCE DECEMBER 31, 2016	TRANSFERRED FROM 2017 BUDGET APPROPRIATION	TRANSFER FROM RESERVE FOR ENCUMBRANCES	EXPENDED	RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2017
Municipal Alliance:						
State Share	\$ 33,048.78	\$ 57,852.00	\$ -	\$ 76,658.51	\$ 3,267.95	\$ 10,974.32
Local Share	24,992.85	-	-	-	-	24,992.85
Body Worn Camera Assistance Grant						
State Share	-	32,000.00	-	-	-	32,000.00
Local Share	-	50,000.00	-	-	-	50,000.00
Juvenile Accountability Grant	1,124.18	-	-	1,124.18	-	-
CDBG Infoage Grant	-	61,174.00	-	-	-	61,174.00
Drunk Driving Enforcement Fund	7,086.91	110,165.15	9,575.00	19,045.34	1,976.00	105,805.72
Clean Communities Program	142,892.22	147,670.52	-	116,464.52	31,498.54	142,599.68
Body Armor Grant	65.80	12,238.06	5,436.00	12,121.42	-	5,618.44
Violence Against Women Act	19,967.92	9,000.00	-	2,938.96	875.17	25,153.79
Matching Funds-1	5,537.00	14,463.00	-	-	-	20,000.00
Matching Funds-2	587.03	-	-	-	-	587.03
Recycling Tonnage Grant	32,123.97	66,923.84	7,462.74	29,411.24	16,240.00	60,859.31
Police Special Traffic Enforcement Program	-	48,295.00	-	40,661.25	-	7,633.75
Canine Grant	289.30	-	-	-	-	289.30
Monmouth County Recycling Stimulus Grant	-	10,000.00	-	-	-	10,000.00
Community Forestry Grant						
State Share	-	3,000.00	-	3,000.00	-	-
Local Share	-	3,000.00	-	-	-	3,000.00
Monmouth County Rec./Open Space	3,250.50	400,000.00	334,997.00	334,347.50	-	403,900.00
NJL Sustainable Grant	-	2,000.00	-	-	-	2,000.00
Distracted Driving Crackdown Grant	-	5,500.00	-	4,578.75	-	921.25
Smart Growth Grant	-	10,000.00	-	-	-	10,000.00
Not Net Loss Tree Grant	471,358.75	758,400.00	-	-	-	1,229,758.75
<b>Total All Funds</b>	<b>\$ 742,325.21</b>	<b>\$ 1,801,681.57</b>	<b>\$ 357,470.74</b>	<b>\$ 640,351.67</b>	<b>\$ 53,857.66</b>	<b>\$ 2,207,268.19</b>

**TRUST FUND**

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**TOWNSHIP OF WALL  
TRUST FUND  
SCHEDULE OF TRUST CASH  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	ANIMAL CONTROL	OTHER
Balance December 31, 2016	\$ 37,980.82	\$ 5,016,016.84
Increased by Receipts:		
Due to State	2,857.80	-
Animal Control Fees Collected	72,010.20	-
Tax Title Liens	-	1,630,203.77
Due To/From:		
Current Fund	294.33	-
Various Reserves	-	24,592,932.39
	75,162.33	26,223,136.16
Total Receipts	75,162.33	26,223,136.16
Subtotal	113,143.15	31,239,153.00
Decreased by Disbursements:		
Due to State	2,964.00	-
Expenditures Under R.S. 4:19-15.11	64,071.00	-
Tax Title Liens	-	1,646,086.12
Due To/From:		
Current Fund	342.55	-
Various Reserves	-	24,304,835.00
	67,377.55	25,950,921.12
Total Disbursements	67,377.55	25,950,921.12
Balance December 31, 2017	\$ 45,765.60	\$ 5,288,231.88

**TOWNSHIP OF WALL  
TRUST - ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE (DEFICIT) FOR ANIMAL CONTROL EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 37,507.40
Increased by:		
Contribution from Current Fund	\$ 49,500.95	
Animal Control Fees Collected	22,509.25	72,010.20
Subtotal		109,517.60
Decreased by:		
Expenditures Under R.S.4:19-15,11:		64,071.00
Balance December 31, 2017		\$ 45,446.60

**LICENSE FEES COLLECTED**

	YEAR	AMOUNT
	2016	\$ 25,418.20
	2015	27,608.47
Total		\$ 53,026.67

**TOWNSHIP OF WALL  
TRUST - ANIMAL CONTROL FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 425.20
Increased by:	
Cash Receipts	<u>2,857.80</u>
Subtotal	3,283.00
Decreased by:	
Cash Disbursements	<u>2,964.00</u>
Balance December 31, 2017	<u><u>\$ 319.00</u></u>

**SCHEDULE OF DUE TO CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 48.22
Increased by:	
Interest Earned	<u>294.33</u>
Subtotal	342.55
Decreased by:	
Cash Disbursements	<u>342.55</u>
Balance December 31, 2017	<u><u>\$ -</u></u>

**TOWNSHIP OF WALL  
TRUST FUND - OTHER  
SCHEDULE OF VARIOUS RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2017
Reserve For:				
Law Enforcement	\$ 59,695.97	\$ 32,925.54	\$ -	\$ 92,621.51
Recreation	351,108.32	379,096.22	494,036.20	236,168.34
Public Defender	27,379.70	15,830.00	22,624.97	20,584.73
Developer's Escrow	1,844,573.62	939,381.12	624,836.59	2,159,118.15
Housing Trust	563,235.43	263,983.52	28,198.40	799,020.55
Hazmat Clean Up	46,930.23	-	-	46,930.23
Recycling	1,155.00	-	-	1,155.00
Snow Removal	476,660.81	-	27,888.71	448,772.10
Municipal Alliance	19,362.19	21,256.00	15,986.52	24,631.67
Police Outside Employment Trust	3.65	412,273.87	354,111.50	58,166.02
Unemployment Trust	152,186.15	38,503.66	44,432.27	146,257.54
Payroll Deductions & Net Payroll	484,694.41	22,489,682.46	22,692,719.84	281,657.03
Total	<u>\$ 4,026,985.48</u>	<u>\$ 24,592,932.39</u>	<u>\$ 24,304,835.00</u>	<u>\$ 4,315,082.87</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, 2017**

Balance December 31, 2016	\$ 989,031.36
Increased by:	
Cash Receipts	<u>1,630,203.77</u>
Subtotal	2,619,235.13
Decreased by:	
Cash Disbursements	<u>1,646,086.12</u>
Balance December 31, 2017	<u><u>\$ 973,149.01</u></u>

**TOWNSHIP OF WALL  
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")  
SCHEDULE OF INVESTMENTS - UNAUDITED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 122,029.77
Increased by:		
Township Contributions	\$ 29,000.00	
Appreciation on Investments	20,409.43	49,409.43
		<hr/>
Subtotal		171,439.20
Decreased by:		
Accounting Charges	825.00	
Withdrawals	39,746.25	40,571.25
		<hr/>
Balance (Deficit) December 31, 2017		<u><u>\$ 130,867.95</u></u>

**TOWNSHIP OF WALL  
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")  
SCHEDULE OF MISCELLANEOUS RESERVES - UNAUDITED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 122,029.77
Increased by:		
Township Contributions	29,000.00	
Appreciation on Investments	20,409.43	49,409.43
		<hr/>
Subtotal		171,439.20
Decreased by:		
Accounting Charges	825.00	
Withdrawals	39,746.25	40,571.25
		<hr/>
Balance (Deficit) December 31, 2017		<u><u>\$ 130,867.95</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, 2017**

Balance December 31, 2016		\$ 238,461.41
Increased by Receipts:		
Proceeds of Bond Anticipation Notes	\$ 15,001,000.00	
Premium Received on Issuance of BANs	130,382.20	
Capital Improvement Fund	175,000.00	
Budget Appropriations	800,000.00	
	<u>16,106,382.20</u>	<u>16,106,382.20</u>
Subtotal		16,344,843.61
Decreased by Disbursements:		
Payment of Bond Anticipation Notes	10,194,000.00	
Improvement Authorizations	3,379,752.40	
Reserve for Payment of Bonds	66,667.00	
Interfunds Liquidated	246,194.29	
	<u>13,886,613.69</u>	<u>13,886,613.69</u>
Balance December 31, 2017		<u><u>\$ 2,458,229.92</u></u>

**TOWNSHIP OF WALL  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL CAPITAL CASH AND INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

		BALANCE (OVERDRAFT) DECEMBER 31, 2017
Fund Balance	\$	220,009.60
Capital Improvement Fund		28,500.00
Reserve for Encumbrances		1,456,818.46
Grants Receivable		(763,000.00)
Reserve for Grants Receivable		588,000.00
Reserve for Payment of BANs		120,779.57
Reserve for Payment of Bonds		866,165.00
Reserve for Route 34		250,000.00
ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATION	
95-12, 99-33,00-29	RCA	(0.45)
2003-34, 2006-15	Various Improvements	(554,375.87)
2006-35	Various Improvements	1,595.06
2006-13, 2006-38	Police Building Renovations	848,090.82
2007-14	Various Improvements	43,306.04
2007-27	Various Improvements	(332,000.00)
2009-16, 2012-09	Various Improvements	2,408.53
2009-38	Acquisition of Real Property	31,987.84
2010-10	Various Improvements	68,693.55
2010-16	Road Improvements to Baileys Corner Road	(76,331.54)
2011-06	Acquisition of Real Property for Open Space	1,367.23
2011-16	Various Roadway Improvements	(373,114.26)
2012-03	Various Improvements	243,100.93
2013-24	Various Improvements	5,759.03
2013-28	Acquisition of Sanitation Trucks	26,516.88
2014-13	Various Improvements	120,259.46
2015-8	Various Improvements	513,987.11
2016-9	Various Improvements	850,987.70
2017-7	Various Improvements	(1,731,280.77)
		(1,731,280.77)
Total		\$ 2,458,229.92

**TOWNSHIP OF WALL  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 17,435,464.55
Decreased by:		
2017 Budget Appropriations:		
Serial Bonds Payable	\$ 1,949,346.00	
Green Acres Loan Payable	262,514.29	
	<u>2,211,860.29</u>	<u>2,211,860.29</u>
Balance December 31, 2017		<u><u>\$ 15,223,604.26</u></u>

**TOWNSHIP OF WALL  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	DESCRIPTION	BALANCE DECEMBER 31, 2016	INCREASED BY IMPROVEMENT AUTHORIZATIONS	BUDGET APPROPRIATION	BAN PAYDOWN	BALANCE DECEMBER 31, 2017	ANALYSIS OF BALANCE			
							BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS	
2003-34, 2006-15	Various Capital Improvements	\$ 854,375.82	\$ -	\$ 300,000.00	-	\$ 554,375.82	\$ -	\$ 552,780.76	\$ 1,595.06	
2007-27	Various Capital Improvements	332,000.00	-	-	-	332,000.00	-	332,000.00	-	
2009-16, 2012-9	Various Capital Improvements	1,262,233.50	-	-	-	1,262,233.50	1,262,000.00	-	-	
2010-10	Various Capital Improvements	1,045,000.00	-	-	-	1,045,000.00	1,045,000.00	-	-	
2010-16	Road Improvements to Baileys Corner Road	209,000.00	-	-	-	209,000.00	-	209,000.00	-	
2011-16	Various Roadway Improvements	390,000.50	-	-	-	390,000.50	-	373,114.76	16,885.74	
2012-03	Various Capital Improvements	1,534,000.00	-	-	80,000.00	1,454,000.00	1,454,000.00	-	-	
2013-24	Various Capital Improvements	1,387,000.00	-	-	155,000.00	1,232,000.00	1,232,000.00	-	-	
2013-28	Acquisition of Sanitation Trucks	2,352,000.00	-	-	265,000.00	2,087,000.00	2,087,000.00	-	-	
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	-	-	
2016-9	Various Improvements	3,000,000.00	-	-	-	3,000,000.00	3,000,000.00	-	-	
2017-7	Various Improvements	-	2,667,357.00	-	-	2,667,357.00	-	1,731,280.77	936,076.23	
Total		\$ 17,286,609.82	\$ 2,667,357.00	\$ 300,000.00	\$ 500,000.00	\$ 19,153,966.82	\$ 15,001,000.00	\$ 3,198,176.29	\$ 954,557.03	

**TOWNSHIP OF WALL  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 53,500.00
Increased by:	
2017 Budget Appropriation - Current Fund	<u>175,000.00</u>
Subtotal	53,500.00
Decreased by:	
Appropriated to Finance Improvements	<u>200,000.00</u>
Balance December 31, 2017	<u><u>\$ 28,500.00</u></u>

**TOWNSHIP OF WALL  
GENERAL CAPITAL FUND  
SCHEDULE OF GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 588,000.00
Increased by:	
Grant Award	<u>175,000.00</u>
Balance, December 31, 2017	<u><u>\$ 763,000.00</u></u>

**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	188,000.00
NJDOT - Ramshorn Drive Phase IV	I/A #07-17	<u>175,000.00</u>
		<u><u>\$ 763,000.00</u></u>

**TOWNSHIP OF WALL  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2016		2017 AUTHORIZATIONS		2016 RESERVE FOR ENCUMBRANCES		2017 RESERVE FOR ENCUMBRANCES		BALANCE DECEMBER 31, 2017	
			FUNDED	UNFUNDED					FUNDED	UNFUNDED		
1995-12	Various Improvements	\$ 2,000,000.00	\$ 91.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91.36	\$ -	\$ -	\$ -
2002-06	Construction of Bike Paths	1,200,000.00	1,707.96	-	-	-	1,707.96	-	-	-	-	-
06-13, 06-38	Police Building Renovations	5,300,000.00	527.34	-	-	-	527.34	-	-	-	-	-
03-34, 06-15	Various Capital Improvements	1,830,000.00	-	1,595.06	-	-	-	-	-	-	-	1,595.06
2006-31	Construction of New Youth Center	1,000,000.00	848,090.82	-	-	-	-	-	-	-	848,090.82	-
2006-35	Various Capital Improvements	1,500,000.00	48,127.12	-	-	-	4,821.08	-	-	-	43,306.04	-
2007-14	Various Capital Improvements	1,500,000.00	18,116.70	-	-	-	10,756.00	-	-	-	-	-
2007-27	Various Capital Improvements	350,000.00	-	1,092.70	-	-	-	-	-	-	-	-
2008-11	Various Capital Improvements	3,275,000.00	4,817.07	-	-	-	2,666.28	-	-	-	2,642.03	-
09-16, 12-09	Various Capital Improvements	1,930,000.00	-	31,987.84	-	-	-	-	-	-	-	31,987.84
2009-38	Acquisition of Real Property	2,600,000.00	68,693.55	-	-	-	-	-	-	-	68,693.55	-
2010-10	Various Capital Improvements	1,100,000.00	-	135,177.70	-	-	2,509.24	-	-	-	-	132,668.46
2011-06	Acquisition of Real Property for Open	425,000.00	1,367.23	-	-	-	-	-	-	-	1,367.23	-
2014-19	Various Roadway Improvements	200,000.00	-	3,081.13	-	-	145,305.83	-	-	-	-	16,885.74
2012-03	Various Improvements	1,615,000.00	-	250,545.23	-	-	10,832.14	-	-	-	-	243,100.93
2013-24	Various Improvements	1,460,000.00	-	25,032.76	-	-	301,139.66	-	-	-	-	5,759.03
2013-28	Acquisition of Sanitation Trucks	3,100,000.00	-	135,720.88	-	-	109,940.00	-	-	-	-	26,515.88
2014-13	Various Improvements	2,279,000.00	-	143,537.86	-	-	132,466.20	-	-	-	-	120,259.46
2015-8	Various Improvements	2,900,000.00	-	619,746.48	-	-	536,338.74	-	-	-	-	513,987.11
2016-9	Various Improvements	3,158,000.00	-	1,391,983.12	-	-	1,243,795.93	-	-	-	-	850,987.70
2017-7	Various Improvements	3,042,357.00	-	-	-	3,042,357.00	906,455.45	-	-	-	-	936,076.23
<b>Total</b>			\$ 991,539.15	\$ 2,739,500.76	\$ 3,042,357.00	\$ 1,907,097.06	\$ 3,379,752.40	\$ 1,456,818.46	\$ 964,099.67	\$ 2,879,823.44		

**TOWNSHIP OF WALL  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 1,907,097.06
Increased by:	
Charges to Improvement Authorization	<u>1,456,818.46</u>
Subtotal	3,363,915.52
Decreased by:	
Prior Year Balance Reappropriated	<u>1,907,097.06</u>
Balance December 31, 2017	<u><u>\$ 1,456,818.46</u></u>

**SCHEDULE OF DUE TO UTILITY ASSESSMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 274,160.93
Decreased by:	
Cash Disbursements	<u>274,160.93</u>
Balance, December 31, 2017	<u><u>\$ -</u></u>

**TOWNSHIP OF WALL  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES TRUST LOANS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF LOAN PRINCIPAL AND INTEREST DECEMBER 31, 2017		INTEREST RATE	BALANCE DECEMBER 31, 2016	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2017
			DATE	AMOUNT				
Hurley's Pond Acquisition	01/26/88	\$ 450,000.00				\$ 28,162.34	\$ 28,162.34	\$ -
Municipal Park Addition	01/26/88	\$ 1,000,000.00				65,445.48	65,445.48	-
Open Space Acquisition	12/10/99	\$ 2,250,000.00	04/13/18	85,662.75	2.00%	516,972.73	168,906.47	348,066.26
			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						\$ 610,580.55	\$ 262,514.29	\$ 348,066.26

**TOWNSHIP OF WALL  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2017		INTEREST RATE	BALANCE DECEMBER 31, 2016		DECREASED	BALANCE DECEMBER 31, 2017
			DATE	AMOUNT		2016	2017		
General Improvement Bonds	12/20/00	\$ 1,000,000	12/01/18	3,000.00	5.375%	\$ 8,000.00	\$ 1,000.00	\$ 7,000.00	
			12/01/19	1,000.00	5.400%				
			12/01/20	1,000.00	5.450%				
2007 Refunding Bonds	04/12/07	2,328,220	12/01/18	154,859.00	5.000%	805,885.00	342,346.00	463,539.00	
			12/01/19	153,823.00	5.000%				
			12/01/20	154,857.00	4.000%				
General Improvement Bonds	12/31/07	8,224,000			541,000.00	541,000.00	-		
2012 Refunding Bonds	12/01/12	2,220,000	12/01/18	460,000.00	4.000%	1,385,000.00	445,000.00	940,000.00	
			12/01/19	480,000.00	4.000%				
2013 Serial Bonds	06/05/13	11,775,000	08/01/18	615,000.00	3.000%	10,535,000.00	620,000.00	9,915,000.00	
			08/01/19	620,000.00	4.000%				
			08/01/20	620,000.00	4.000%				
			08/01/21	620,000.00	4.000%				
			08/01/22	620,000.00	5.000%				
			08/01/23	620,000.00	5.000%				
			08/01/24	620,000.00	5.000%				
			08/01/25	620,000.00	5.000%				
			08/01/26	620,000.00	5.000%				
			08/01/27	620,000.00	5.000%				
			08/01/28	620,000.00	5.000%				
			08/01/29	620,000.00	3.000%				
			08/01/30	620,000.00	4.000%				
			08/01/31	620,000.00	3.125%				
			08/01/32	620,000.00	5.000%				
			08/01/33	620,000.00	5.000%				
Governmental Refunding Revenue Bond	3/2/2016	3,580,000.00	12/01/2018	530,000.00	4.000%	3,550,000.00	-	3,550,000.00	
			12/01/2019	550,000.00	4.000%				
			12/01/2020	575,000.00	5.000%				
			12/01/2021	600,000.00	5.000%				
			12/01/2022	630,000.00	5.000%				
12/01/2023	665,000.00	5.000%							
<b>Total</b>						<b>\$ 16,824,885.00</b>	<b>\$ 1,949,346.00</b>	<b>\$ 14,875,539.00</b>	

**TOWNSHIP OF WALL  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2016	INCREASED	DECREASED	BALANCE DECEMBER 31, 2017
2012-3	Various Capital Improvements	6/30/2016	6/30/2018	2.00%	\$ 1,534,000.00	\$ 1,454,000.00	\$ 1,534,000.00	\$ 1,454,000.00
2013-24	Various Capital Improvements	6/30/2016	6/30/2018	2.00%	1,387,000.00	1,232,000.00	1,387,000.00	1,232,000.00
2013-28	Acquisition of Sanitation Trucks	6/30/2016	6/30/2018	2.00%	2,352,000.00	2,087,000.00	2,352,000.00	2,087,000.00
2014-13	Various Capital Improvements	6/30/2016	6/30/2018	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	6/30/2018	2.00%	2,755,000.00	2,755,000.00	2,755,000.00	2,755,000.00
2009-16, 2012-09, 2015-22	Various Capital Improvements	6/30/2017	6/29/2018	2.00%	-	1,262,000.00	-	1,262,000.00
2010-10	Various Capital Improvements	6/30/2017	6/29/2018	2.00%	-	1,045,000.00	-	1,045,000.00
2016-09	Various Capital Improvements	6/30/2017	6/29/2018	2.00%	-	3,000,000.00	-	3,000,000.00
Total					<u>\$ 10,194,000.00</u>	<u>\$ 15,001,000.00</u>	<u>\$ 10,194,000.00</u>	<u>\$ 15,001,000.00</u>

**TOWNSHIP OF WALL  
GENERAL CAPITAL FUND  
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
AT DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016	2017 AUTHORIZATIONS	PAYDOWNS	NOTES ISSUED	BALANCE DECEMBER 31, 2017
91-12, 99-33, 00-29	RCA	\$ 0.45	\$ -	\$ -	\$ -	\$ 0.45
2003-34, 2006-15	Various Improvements	854,375.87	-	300,000.00	-	554,375.87
2007-27	Various Improvements	332,000.00	-	-	-	332,000.00
09-16, 09-33, 09-38, 12-09	Various Improvements	1,262,233.50	-	-	1,262,000.00	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	390,000.00	-	-	-	390,000.00
2016-09	Various Improvements	3,000,000.00	-	-	3,000,000.00	-
2017-7	Various Improvements	-	2,667,357.00	-	-	2,667,357.00
	Total	<u>\$ 7,092,609.82</u>	<u>\$ 2,667,357.00</u>	<u>\$ 300,000.00</u>	<u>\$ 5,307,000.00</u>	<u>\$ 4,152,966.82</u>

**TOWNSHIP OF WALL  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR PAYMENT OF BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016	\$ 932,832.00
Decreased by:	
Anticipated Revenue	<u>66,667.00</u>
Balance, December 31, 2017	<u><u>\$ 866,165.00</u></u>

**TOWNSHIP OF WALL  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR ROUTE 34  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 and 2016

\$ 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, 2017**

	OPERATING FUND	ASSESSMENT TRUST	CAPITAL FUND
Balance, December 31, 2016	\$ 1,533,827.60	\$ 400,205.29	\$ -
Increased by Receipts:			
Due To/From:			
General Capital Fund	\$ 136,661.21	\$ 274,160.93	\$ -
Water/Sewer Capital Fund	-	503,486.24	-
Issuance of Bond Anticipation Notes	-	-	6,743,500.00
Premium on Sale of Bond Anticipation Notes	-	-	58,577.51
Consumer Accounts Receivable	11,451,353.77	-	-
Sewer User Agreements	50,000.00	-	-
Miscellaneous	406,589.02	-	-
Assessment Receivables	-	2,993.37	-
Subtotal	<u>12,044,604.00</u>	<u>780,640.54</u>	<u>6,802,077.51</u>
Total	<u>13,578,431.60</u>	<u>1,180,845.83</u>	<u>6,802,077.51</u>
Decreased by Disbursements:			
2017 Budget Appropriations	11,840,685.24	318,654.00	-
2016 Appropriation Reserves	296,940.92	-	-
Due To/From:			
Current Fund	-	-	50,607.18
Water/Sewer Assessment Fund	-	-	503,486.24
Improvement Authorizations	-	-	319,708.60
Investment in Bond Anticipation Note	-	-	3,762,000.00
Total Disbursements	<u>12,137,626.16</u>	<u>318,654.00</u>	<u>4,635,802.02</u>
Balance, December 31, 2017	<u>\$ 1,440,805.44</u>	<u>\$ 862,191.83</u>	<u>\$ 2,166,275.49</u>

**TOWNSHIP OF WALL  
WATER/SEWER UTILITY CAPITAL FUND  
ANALYSIS OF WATER AND SEWER CAPITAL CASH AND INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2017
Reserve for Encumbrances	\$ 30,855.27
Reserve for Sewer Extension	502.29
Reserve for Payment of Bond Anticipation Notes	37,050.00
Capital Improvement Fund	132,400.00
Fund Balance	67,979.92

ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATIONS	
1992-14	Manasquan Park Sewer and Southwest Sewer	(468,935.38)
1999-11	North Wall II	20,074.40
2003-10	Eighteenth Avenue Sanitary Sewer Force Main Extensions	1,475.50
2003-14	Improvements to the Route 34 Southbound - Devlin Gym Sanitary Sewer System	(145,080.00)
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
2011-23	Water/Sewer Improvements	1,985.32
2013-17	Water/Sewer Improvements	2,196.00
2014-17	Water/Sewer Improvements	765,794.37
2016-18	Water/Sewer Improvements	1,884,293.25
	Total	\$ 2,166,275.49

**TOWNSHIP OF WALL  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF WATER AND SEWER RENTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 839,692.18
Increased by:		
Water & Sewer Rents Levied	11,382,836.07	
Overpayments Created	75,640.81	
		11,458,476.88
Subtotal		12,298,169.06
Decreased by:		
Collections	11,451,353.77	
Refund of Overpayments	3,118.95	
Transferred to Liens Receivable	60.95	
Canceled	44,617.05	
		11,499,150.72
Balance, December 31, 2017		\$ 799,018.34

**SCHEDULE OF 2016 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016		BALANCE		PAID OR	BALANCE
	ENCUMBERED	RESERVED	AFTER	TRANSFERS		
Operations:						
Salaries & Wages	\$ -	\$ 53,482.46	\$ 53,482.46		\$ 382.86	\$ 53,099.60
Other Expenses	17,113.56	8,935.28	26,048.84		14,119.83	11,929.01
Sewer Treatment Costs	-	22,901.55	22,901.55		-	22,901.55
Water Treatment Costs	-	20,587.37	20,587.37		8,345.51	12,241.86
Capital Improvements:						
Capital Outlay	269,053.10	16,915.43	285,968.53		274,064.76	11,903.77
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	-	74,102.18	74,102.18		27.96	74,074.22
Total	\$ 286,166.66	\$ 196,924.27	\$ 483,090.93		\$ 296,940.92	\$ 186,150.01

**TOWNSHIP OF WALL  
WATER/SEWER ASSESSMENT FUND  
SCHEDULE OF ASSESSMENTS RECEIVABLES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	PROJECT	BALANCE		COLLECTED	BALANCE		PLEDGED TO	
		DECEMBER 31, 2016	DECEMBER 31, 2016		DECEMBER 31, 2017	RESERVE	CAPITAL	
1989-42	Ocean Road	\$ 9,000.00	\$ -	-	9,000.00	\$ -	9,000.00	\$ -
1990-22	Wreck Pond	32,747.28	-	-	32,747.28	-	-	32,747.28
1992-14	Southwest Hall	5,999.61	-	-	5,999.61	5,999.61	5,999.61	-
1996-20	Hurley Pond Water	8,100.00	-	-	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
2002-43	Allenwood and Ridgewood	11,593.41	-	-	11,593.41	11,593.41	11,593.41	-
2003-09	Barbee Lane	929.09	793.59	793.59	135.50	-	-	135.50
2003-14	Route 34 - Devlin Gym Sewer Extension	2,935.89	2,199.78	2,199.78	736.11	-	-	736.11
		<u>\$ 120,816.50</u>	<u>\$ 2,993.37</u>	<u>\$ 2,993.37</u>	<u>\$ 117,823.13</u>	<u>\$ 34,693.02</u>	<u>\$ 83,130.11</u>	<u>\$ 83,130.11</u>

**TOWNSHIP OF WALL  
WATER/SEWER UTILITY ASSESSMENT FUND  
SCHEDULE OF WATER/SEWER UTILITY ASSESSMENT LIENS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2017 and 2016

\$ 13,143.33

**TOWNSHIP OF WALL  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	BALANCE DECEMBER 31, 2016	TRANSFERRED FROM AUTHORIZED & UNCOMPLETED	BALANCE DECEMBER 31, 2017
Distribution Main Hydrants and Stand Pipes	\$ 910,712.00	\$ -	\$ 910,712.00
Distribution Main	3,172,401.00	-	3,172,401.00
Equipment & Vehicles	292,741.00	90,000.00	382,741.00
Land	15,258.00	-	15,258.00
Meters, Boxes and Vaults	2,904,190.00	-	2,904,190.00
Water Plant	804,329.00	360,000.00	1,164,329.00
Pumping Station	57,303.00	-	57,303.00
Wells	1,131,799.00	-	1,131,799.00
Sewer Water Improvements	33,927,417.68	605,000.00	34,532,417.68
<b>Total</b>	<b>\$ 43,216,150.68</b>	<b>\$ 1,055,000.00</b>	<b>\$ 44,271,150.68</b>

**TOWNSHIP OF WALL  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	AMOUNT	BALANCE DECEMBER 31, 2016	FIXED CAPITAL COMPLETED	BALANCE DECEMBER 31, 2017
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 Vector 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			\$ 14,834,775.00	\$ 1,055,000.00	\$ 13,779,775.00

**TOWNSHIP OF WALL  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2016		EXPENDED	TRANSFERRED FROM RESERVE FOR ENCUMBRANCES		ENCUMBRANCES	TRANSFERRED TO RESERVE FOR ENCUMBRANCES		BALANCE DECEMBER 31, 2017	
			FUNDED	UNFUNDED		ENCUMBRANCES	ENCUMBRANCES		ENCUMBRANCES	ENCUMBRANCES	FUNDED	UNFUNDED
1999-11	North Wall II	1,400,000.00	\$ -	\$ 37,111.70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,074.40
2002-05	Various Improvements	330,000.00	672.85	-	17,037.30	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	-	-	-	-	-	-	-
2004-40	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	-	-	-	-	-	-	-	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	-	20,505.14	18,519.82	-	-	-	-	-	-	1,985.32
2013-17	Water/Sewer Improvements	750,000.00	-	47,025.26	44,829.26	-	-	-	-	-	-	2,196.00
2014-17	Water/Sewer Improvements	1,658,000.00	-	851,336.35	168,441.72	113,754.21	-	30,855.27	-	-	-	765,793.57
2016-18	Various Water/Sewer Improvements	6,090,775.00	150,000.00	5,940,775.00	14,956.75	-	-	-	-	-	135,043.25	5,940,775.00
Total			\$ 2,151,107.94	\$ 6,915,829.31	\$ 319,708.60	\$ 113,754.21	\$ 30,855.27	\$ 144,227.44	\$ 6,749,900.15			

**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, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE		BALANCE DECEMBER 31, 2016	RAISED AS REVENUE IN PRIOR YEAR	BALANCE DECEMBER 31, 2017
		TOTAL APPROPRIATED	DOWN PAYMENT			
2003-09	Barbee Lane Sanitary Sewer	\$ 900,000.00	\$ 45,000.00	\$ 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	13,000.00	-
2004-41	Route 34 Southbound - Devlin Gym Sanitary Sewer System	200,000.00	10,000.00	10,000.00	10,000.00	-
				\$ 68,000.00	\$ 68,000.00	\$ -

**TOWNSHIP OF WALL  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2016		\$ 41,913,786.10
Increased by:		
Serial Bonds	200,000.00	
BAN Paydown	225,000.00	
From Reserve for Deferred Amortization	53,500.00	
		478,500.00
Balance, December 31, 2017		\$ 42,392,286.10

**WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR SEWER EXTENSION  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016		\$ 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, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2016	TO RESERVE FOR AMORTIZATION	BALANCE DECEMBER 31, 2017
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>\$ 822,000.00</u>	<u>\$ 53,500.00</u>	<u>\$ 768,500.00</u>

**TOWNSHIP OF WALL  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$ 32,400.00
Increased by:	
Cash Receipts	<u>100,000.00</u>
Balance, December 31, 2017	<u><u>\$ 132,400.00</u></u>

**TOWNSHIP OF WALL  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2017**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE		BALANCE DECEMBER 31, 2017
			DECEMBER 31, 2017 DATE	AMOUNT		DECEMBER 31, 2016	DECREASED	
2013 Serial Bonds	06/05/13	3,650,000	08/01/18	200,000.00	3.000%	\$ 3,350,000.00	\$ 200,000.00	\$ 3,150,000.00
			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						\$ 3,350,000.00	\$ 200,000.00	\$ 3,150,000.00

**TOWNSHIP OF WALL  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORIGINAL DATE OF ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2016	INCREASED	DECREASED	BALANCE DECEMBER 31, 2017
2010-11	Various Water/Sewer Improvements	7/3/2014	6/29/2017	6/28/2018	2.00%	\$ 525,000.00	\$ 471,000.00	\$ 525,000.00	\$ 471,000.00
2011-23	Various Water/Sewer Improvements	7/3/2014	6/29/2017	6/28/2018	2.00%	950,000.00	853,000.00	950,000.00	853,000.00
2013-17	Various Water/Sewer Improvements	7/3/2014	6/29/2017	6/28/2018	2.00%	712,000.00	638,000.00	712,000.00	638,000.00
2014-17	Various Water/Sewer Improvements	7/2/2015	6/29/2017	6/28/2018	2.00%	1,575,000.00	1,575,000.00	1,575,000.00	1,575,000.00
11-1999	Various Water/Sewer Improvements	6/29/2017	6/29/2017	6/28/2018	2.00%	-	627,750.00	-	627,750.00
42-2002	Various Water/Sewer Improvements	6/29/2017	6/29/2017	6/28/2018	2.00%	-	47,500.00	-	47,500.00
28-2004	Various Water/Sewer Improvements	6/29/2017	6/29/2017	6/28/2018	2.00%	-	237,000.00	-	237,000.00
36-2006	Various Water/Sewer Improvements	6/29/2017	6/29/2017	6/28/2018	2.00%	-	218,000.00	-	218,000.00
37-2006	Various Water/Sewer Improvements	6/29/2017	6/29/2017	6/28/2018	2.00%	-	137,000.00	-	137,000.00
17-2009	Various Water/Sewer Improvements	6/29/2017	6/29/2017	6/28/2018	2.00%	-	190,000.00	-	190,000.00
18-2016	Various Water/Sewer Improvements	6/29/2017	6/29/2017	6/28/2018	2.00%	-	1,749,250.00	-	1,749,250.00
Total						\$ 3,762,000.00	\$ 6,743,500.00	\$ 3,762,000.00	\$ 6,743,500.00

BANs Renewed \$ 3,537,000.00  
New BANs Issued 3,206,500.00

\$ 6,743,500.00

**TOWNSHIP OF WALL  
 WATER/SEWER UTILITY ASSESSMENT FUND  
 SCHEDULE OF UTILITY ASSESSMENT BONDS PAYABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2017**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING			INTEREST RATE	BALANCE DECEMBER 31, 2016	DECREASED	BALANCE DECEMBER 31, 2017
			DATE	AMOUNT	DECEMBER 31, 2017				
2007 Refunding Bonds	04/12/07	\$ 2,120,180.00	12/01/18	144,141.00		5.000%	\$ 750,116.00	\$ 318,654.00	\$ 431,462.00
			12/01/19	143,177.00		5.000%			
			12/01/20	144,144.00		4.000%			
Total							\$ 750,116.00	\$ 318,654.00	\$ 431,462.00

**TOWNSHIP OF WALL  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2017**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE	DECREASED BY	BALANCE
		DECEMBER 31, 2016	BANS ISSUED	DECEMBER 31, 2017
1992-14	Manasquan Park Sewer and Southwest Sewer	\$ 468,935.38	\$ -	\$ 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	237,000.00	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	1,749,250.00	4,191,525.00
Total		\$ 8,203,140.38	\$ 3,206,500.00	\$ 4,996,640.38

**TOWNSHIP OF WALL  
WATER/SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 100,608.69
Increased by:		
Budget Appropriation		<u>392,000.00</u>
Subtotal		492,608.69
Decreased by:		
Disbursements - Water/Sewer Utility Operating Fund	255,254.36	
Cancellation	<u>102,333.14</u>	
		<u>357,587.50</u>
Balance December 31, 2017		<u><u>\$ 135,021.19</u></u>

**Analysis of Balance**

Utility Capital Fund Bonds & Notes		\$ 133,343.55
Utility Assessment Fund Bonds & Notes		<u>1,677.64</u>
		<u><u>\$ 135,021.19</u></u>

**TOWNSHIP OF WALL  
WATER/SEWER UTILITY CAPITAL FUND  
SCHEDULE OF RESERVE FOR PAYMENT OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance, December 31, 2017 & 2016

\$ 37,050.00

**TOWNSHIP OF WALL  
WATER/SEWER CAPITAL FUND  
SCHEDULE OF DUE TO WATER/SEWER ASSESSMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$	503,486.24
Decreased by:		
Cash Disbursed		503,486.24
Balance, December 31, 2017	\$	-

**WATER/SEWER ASSESSMENT FUND  
SCHEDULE OF DUE FROM GENERAL CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016	\$	274,160.93
Decreased by:		
Cash Received		274,160.93
Balance, December 31, 2017	\$	-

**WATER/SEWER OPERATING FUND  
SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55  
FOR THE YEAR ENDED DECEMBER 31, 2017**

DESCRIPTION	ORIGINAL AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2016	ADDED IN 2017	PAID DOWN IN 2017	BALANCE DECEMBER 31, 2017
Overexpenditure of Appropriation	\$ 89,172.90	\$ 9,871.19	\$ -	\$ 9,871.19	\$ -
		\$ 9,871.19	\$ -	\$ 9,871.19	\$ -
		\$ 9,871.19	\$ -	\$ 9,871.19	\$ -

**TOWNSHIP OF WALL  
WATER/SEWER CAPITAL  
SCHEDULE OF DUE TO CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance (Deficit) December 31, 2016		\$ 341,279.11
Increased by:		
Interfunds Received		6,623,106.50
Subtotal		6,964,385.61
Decreased by:		
BAN Sale Proceeds	6,743,500.00	
BAN Sale Premium	58,577.51	
Interfunds Disbursed	162,308.10	
		6,964,385.61
Balance, December 31, 2017		\$ -

**PUBLIC ASSISTANCE FUND**

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**TOWNSHIP OF WALL  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF PUBLIC ASSISTANCE CASH  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Balance December 31, 2016		\$ 30,355.14
Increased by:		
State Aid for Public Assistance	\$ 8,200.00	
Interest Earned	12.13	
	<u>                    </u>	<u>8,212.13</u>
Subtotal		38,567.27
Decreased by:		
Public Assistance	21,506.00	
Bank Fees	29.29	
	<u>                    </u>	<u>21,535.29</u>
Balance December 31, 2017		<u><u>\$ 17,031.98</u></u>

**TOWNSHIP OF WALL  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF PUBLIC ASSISTANCE REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>P.A.T.F. II</u>	<u>FUND TOTAL</u>
State Aid Payments	<u>\$ 8,200.00</u>	<u>\$ 8,200.00</u>
Total Revenues	<u><u>\$ 8,200.00</u></u>	<u><u>\$ 8,200.00</u></u>

**TOWNSHIP OF WALL  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>P.A.T.F. II</u>	<u>FUND TOTAL</u>
Payment for Current Year Assistance (Reported):		
Maintenance Payment	\$ 9,862.00	\$ 9,862.00
Temporary Rental Assistance	11,644.00	11,644.00
	<u>21,506.00</u>	<u>21,506.00</u>
Total Payments Reported	<u>21,506.00</u>	<u>21,506.00</u>
 Total Disbursements	 <u>\$ 21,506.00</u>	 <u>\$ 21,506.00</u>

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**TOWNSHIP OF WALL**

**PART II**

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -  
GOVERNMENT AUDITING STANDARDS**

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

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**TOWNSHIP OF WALL  
SCHEDULE OF FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**TOWNSHIP OF WALL  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

**FEDERAL AWARDS**

N/A – No Federal Single Audit in prior year.

**STATE FINANCIAL ASSISTANCE**

N/A – No State Single Audit in prior year.

**TOWNSHIP OF WALL**

**PART III**

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS**

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

## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2017:

<u>Name</u>	<u>Title</u>
Dominick DiRocco	Mayor
Ann Marie Conte	Councilmember
Timothy Farrell	Councilmember
George Newberry	Councilmember
Kevin Orender	Councilmember
Thomas J. O'Hara	Chief Financial Officer
Roberta Lang	Municipal Clerk
Kammie Verdolina	Tax Collector
Linda J. Smith	Court Administrator



HOLMAN | FRENIA  
ALLISON, P.C.

Certified Public Accountants & Consultants

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912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800  
194 East Bergen Place, Red Bank, NJ 07701 • Tel: 732.747.0010

[www.hfacpas.com](http://www.hfacpas.com)

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

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 ended December 31, 2017.

#### **GENERAL COMMENTS:**

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

N.J.S.A.40A:11-4 states 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 the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500 for the year ended December 31, 2017.

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.

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.

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold "for the performance of any work, or the furnishing of any materials, supplies or labor" 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*.

## **Collection of Interest on Delinquent Taxes and Assessments**

*N.J.S.54:4-67*, 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 4, 2017 adopted the following resolution authorizing interest to be charged on delinquent taxes:

*NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and*

*BE IT FURTHER RESOLVED, by the Council of the Township of Wall, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and*

*BE IT FURTHER RESOLVED, by the Council of the Township of Wall, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to 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.

### **OTHER COMMENTS (FINDINGS):**

None.

### **RECOMMENDATIONS:**

None.

**Appreciation**

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

A handwritten signature in black ink, appearing to read 'R. Allison', written in a cursive style.

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 483

June 29, 2018  
Freehold, New Jersey