

**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL  
FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL**

**FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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# MOHEL ELLIOTT BAUER & GASS

A P R O F E S S I O N A L A S S O C I A T I O N

FOUNDED IN 1926 BY SIDNEY MOHEL

CERTIFIED PUBLIC ACCOUNTANTS

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## Independent Auditor's Report

Board of Fire Commissioners  
District No. 3  
Township of Wall

We have audited the accompanying financial statements of The Board of Fire Commissioners District No. 3 Township of Wall as of December 31, 2010 and 2009, as listed in the Table of Contents. These financial statements are the responsibility of the Board of Fire Commissioners' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board of Fire Commissioners District No. 3 Township of Wall as of December 31, 2010 and 2009, and the results of its operations, and the changes in its fund balances and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 20, 2011 on our consideration of the Board of Fire Commissioners District No. 3 Township of Wall's internal control over financial reporting and on our test 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 and should be considered in assessing the results of our audit.

# MOHEL ELLIOTT BAUER & GASS

A P R O F E S S I O N A L   A S S O C I A T I O N  
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**Board of Fire Commissioners  
District No. 3  
Township of Wall**

**Page 2**

The management's discussion and analysis and budgetary comparison information on pages 3 through 5 and page 16, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Board of Fire Commissioners District No. 3 Township of Wall taken as a whole. The accompanying schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Mohe Elliott Bauer & Gass*

**September 20, 2011**

**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Our discussion and analysis of Board of Fire Commissioners, District No. 3, Township of Wall financial performance provides an overview of the district's financial activities for the year ended December 31, 2010. Please review it in conjunction with the Districts' basic financial statements which begin on Page 6.

**Financial Highlights**

- Total net assets increased \$240,329 which represents a 16.26 percent increase from 2009. \$278,914 was the excess of revenues over expenditures in the general fund, \$8,546 was the decrease in net assets restricted for capital projects and \$30,039 was the decrease in net assets invested in capital assets.
- The amount raised by taxation was \$939,255 or 71.44 percent of all revenues. Fees under the Uniform Fire Safety Act, interest and other income amounted to \$375,557 or 28.56 percent of all revenues.
- Total program expenses have increased \$80,686 or 8.12%. Depreciation has increased \$53,286. Other significant increases are in the following items: purchase of assets not included as capital outlays, \$10,575; other operating material and supplies, \$12,461; and maintenance and repairs, \$10,768.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statements of Net Assets and the Statements of Activities (on page 6 and 7) provide information about the activities of the District as a whole. Fund financial statements start on page 8. These statements tell how these services were financed. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

**Reporting the District as a Whole**

**The Statements of Net Assets and the Statements of Activities**

Our analysis of the District as a whole begins on page 6. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statements of Net Assets and the Statements of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in them. You can think of the District's net assets - the difference between assets and liabilities-as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net assets are one indicator of whether its *financial health* is improving or deteriorating.

**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Reporting the District's Most Significant Funds**

**Fund Financial Statements**

Our analysis of the District's major funds begins on page 8. The fund financial statements provide detailed information about the most significant funds-not the District as a whole.

General Fund - Most of the District's basic services are reported in the general fund, which focuses on how money flows into and out of the funds and the balances left at year-end that are available for spending. The general fund statements provide a detailed *short-term view* of the District's general operations and the basic services it provides. General fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

**The District as a Whole**

The District's total net assets increased \$240,329 to \$1,717,990 or 16.26 percent. Details of the changes are reflected on page 7.

**Original Versus Final Budget**

Page 16 reflects the variances between the original and final budgeted amounts.

**Final Budget Versus Actual Results**

As reflected on page 16, the District operated within budgetary constraints. Actual expenses were under the final budget by \$178,357.

**Capital Assets**

As of December 31, 2010, the District had \$3,666,895 in total capital assets - an increase of \$395,726 from 2009. The following capital expenditures were made during 2010: acquisition of a 2010 Pierce Velocity Pumper, \$601,529 and Equipment, \$67,017. During 2010 a 1996 Pierce Pumper was sold. The original cost of the pumper was \$272,820. The pumper was fully depreciated. The pumper was sold for \$93,860.00.

**Debt Administration**

As of December 31, 2009, there was no debt outstanding. In March 2010 the District entered into a new capital lease for the purchase of a Pierce Velocity Pumper. Please refer to the footnote on page 12, Commitments.

**Economic Factors and Next Year's Budget and Rates**

The District's governing body considered many factors when setting the 2011 budget and tax rates including the economy, the rate of inflation and planned future capital projects. The tax rate will increase from .050 to .054 per \$100 of assessed valuation.

**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board Clerk at PO Box 542, Allenwood, New Jersey 08710.

**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL**

**STATEMENTS OF NET ASSETS  
DECEMBER 31, 2010 AND 2009**

	<b>2010</b>	<b>2009</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 878,674	\$ 604,523
Investments	303,050	301,359
Accounts receivable	24,863	22,429
Prepaid expenses	18,252	16,608
Capital assets, net	1,172,799	702,838
<b>Total assets</b>	<b>2,397,638</b>	<b>1,647,757</b>
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses	179,648	170,096
Capital lease payable	500,000	-
<b>Total liabilities</b>	<b>679,648</b>	<b>170,096</b>
 <b>NET ASSETS</b>		
Invested in capital assets, net of related debt	672,799	702,838
Restricted for capital projects	145,446	153,992
Unrestricted	899,745	620,831
<b>Total net assets</b>	<b>\$ 1,717,990</b>	<b>\$ 1,477,661</b>

**The accompanying notes are an integral  
part of these financial statements.**



**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL**

**STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>Expenses:</b>		
Personnel services	\$ 436,200	\$ 452,750
Material and services	439,698	391,510
Depreciation	198,585	145,299
Interest	-	4,238
	<hr/>	<hr/>
<b>Total program expenses</b>	1,074,483	993,797
<b>Program revenues:</b>		
Charges for services	<u>261,466</u>	<u>232,161</u>
<b>Net program expenses</b>	813,017	761,636
<b>General revenues:</b>		
Amount raised by taxation	939,255	899,307
Interest and dividend income	5,962	12,735
Other income	<u>108,129</u>	<u>7,647</u>
<b>Total general revenues</b>	1,053,346	919,689
<b>Increase in net assets</b>	240,329	158,053
<b>Net assets - beginning of year - restated</b>	<u>1,477,661</u>	<u>1,319,608</u>
<b>Net assets - end of year</b>	<u>\$ 1,717,990</u>	<u>\$ 1,477,661</u>

The accompanying notes are an integral  
part of these financial statements

**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT  
OF ACTIVITIES**

**YEAR ENDED DECEMBER 31, 2010**

	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>Revenues:</b>					
Amount raised by taxation	\$ 779,255	\$ 160,000	\$ 939,255	\$	\$ 939,255
Interest income	5,962		5,962		5,962
Charges for services	261,466		261,466		261,466
Other income	108,129		108,129		108,129
<b>Total revenues</b>	<b>1,154,812</b>	<b>160,000</b>	<b>1,314,812</b>		<b>1,314,812</b>
<b>Expenditures:</b>					
Personnel services	436,200		436,200		436,200
Materials and services	439,698		439,698		439,698
Depreciation			-	198,585	198,585
Capital outlays		168,546	168,546	(168,546)	-
Debt service:					
Principal			-		-
Interest			-		-
<b>Total expenditures</b>	<b>875,898</b>	<b>168,546</b>	<b>1,044,444</b>	<b>30,039</b>	<b>1,074,483</b>
Excess of revenues over expenditures	278,914	(8,546)	270,368	(270,368)	-
Change in net assets				240,329	240,329
<b>Fund balance/net assets</b>					
Beginning of year	620,831	153,992	774,823		1,477,661
End of year	\$ 899,745	\$ 145,446	\$ 1,045,191	\$ -	\$ 1,717,990

**The accompanying notes are an integral  
part of these financial statements.**

**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL**

**STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities:</b>		
Cash received from operations	\$ 939,255	\$ 899,307
Charges for services	259,032	232,575
Cash paid to suppliers and employees	(867,990)	(836,702)
Interest income received	5,962	15,183
Other income	108,129	7,647
	<u>444,388</u>	<u>318,010</u>
<b>Net cash provided (used) by operating activities</b>		
<b>Cash flow from investing activities:</b>		
(Increase) decrease in investments	(1,691)	13,641
Capital expenditures	(168,546)	(99,551)
Reduction of debt		<u>(107,852)</u>
	<u>(170,237)</u>	<u>(193,762)</u>
<b>Net cash provided (used) by investing activities</b>		
<b>Net increase (decrease) in cash and cash equivalents</b>	274,151	124,248
Cash and cash equivalents at beginning of year	<u>604,523</u>	<u>480,275</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 878,674</u>	<u>\$ 604,523</u>
<b>Reconciliation of change in net assets to net cash provided (used) by operating activities:</b>		
Change in net assets	\$ <u>240,329</u>	\$ <u>158,053</u>
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation	198,585	145,299
Change in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(2,434)	414
Accrued interest receivable		2,448
Prepaid expenses	(1,644)	(14,719)
Increase (decrease) in:		
Accounts payable and accrued expenses	9,552	26,515
<b>Total adjustments</b>	<u>204,059</u>	<u>159,957</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 444,388</u>	<u>\$ 318,010</u>

The accompanying notes are an integral part of these financial statements.

**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity** - The Board of Fire Commissioners District No. 3 (the "District") is a corporate body created for the purpose of prevention and extinguishment of fires and regulation of fire hazards within the District. The District is governed by Commissioners ("Board") that acts as the governing body. The Board is comprised of five elected Commissioners.

The Board of Commissioners annually appoints the Chair(person) of the Board from existing board members. The Chair's responsibilities are to preside at all meetings of the Board; be the chief officer of the District; perform all duties commonly incident to the position of presiding officer of a board, commission or business organization and exercise supervision over the business of the District, its officers and employees to the extent set forth in their bylaws.

The accompanying statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The financial statements include all organizations, activities, and functions that comprise the District.

**Fund Accounting** - The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only uses governmental funds.

**Governmental Funds** - Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

**General Fund** - The General Fund is used to account for all financial resources of the District except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws and the bylaws of the District.

**Other Funds** - Other Funds are used to account for funds restricted for capital projects.

**Basis of Accounting** - The financial statements of the Board of Fire Commissioners District No. 3 Township of Wall have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**Inventories of Supplies** - Purchases of materials and supplies are recognized and recorded as expenditures when they are acquired, regardless of when used.

**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Reclassifications** - Certain reclassifications have been made to the 2009 financial statements to conform with the 2010 presentation.

**Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents** - For purposes of reporting cash flows, cash and cash equivalents include cash on hand and investments with an initial maturity of three months or less.

**Related Party Transactions** - District No. 3 is comprised of one fire company as follows:

- 1) South Wall Fire Co. No. 1;

The Board of Fire Commissioners has entered into an agreement with the company to provide fire fighting services.

**Reservations of Fund Balance** - The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore, are not available for appropriations or expenditure in the general fund balance sheet. Unreserved fund balance indicates that portion of fund equity, which is available for appropriations, in future periods. Fund equity reserves have been established for capital projects.

**Net Assets** - Net assets present the difference between assets and liabilities in the statement of net assets. Net assets invested in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

**Capital Assets** - General capital assets generally result from expenditures in the reserve for capital projects. These assets are reported on the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not.

**Subsequent Events** - The District has evaluated subsequent events through September 20, 2011, the date the financial statements were available to be issued.

**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL  
NOTES TO FINANCIAL STATEMENTS  
(Continued)  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**COMMITMENTS**

The Board leases facilities and equipment from South Wall Fire Co. No. 1. The premises known as 2605 Atlantic Avenue, Allenwood, New Jersey. The lease is for a term of five years. The lease is automatically renewable from year to year. If either party decides not to renew, written notice must be given sixty days prior to expiration of the term. Rental is payable as follows:

	2010	\$	83,991
	2011		<u>88,191</u>
Total minimum lease commitment		\$	<u><u>172,182</u></u>

The Board has entered into a lease with the option to purchase agreement for a 2010 Pierce Velocity Pumper. The lease dated as of March 16, 2010 in the amount of \$500,000 payable in annual installments of \$112,156 and bears interest at the rate of 3.95%.

If insufficient funds are available in lessee's budget for the next budget year to make the rental payment for the next renewal term and the funds to make such rental payment are otherwise unavailable by any lawful means, then lessees shall have the option to non-appropriate the funds to pay the rental payments for the next renewal term. If lessee chooses this option, then all obligations of the lessee under this agreement regarding rental payments for all remaining renewal terms shall be terminated.

The following is a schedule of future lease payments under the lease together with the present value of the lease payments as of December 31, 2010.

Due Date	<u>2010</u>
March 15, 2011	\$ 112,156
March 15, 2012	112,156
March 15, 2013	112,156
March 15, 2014	112,156
March 15, 2015	<u>112,155</u>
	560,779
Less, amount representing interest	<u>(60,779)</u>
Present value of lease payments	<u><u>\$ 500,000</u></u>

**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**PENSION PLAN**

District No. 3 participates in the Public Employees' Retirement System and Police and Firemen's Retirement System of New Jersey which are a part of the Division of Pensions in the Department of the Treasury, State of New Jersey. The plans are funded annually based on the projected benefit method with aggregate level normal cost and frozen initial unfunded accrued liability. The plans, which covers public employees throughout the state, does not maintain separate records for each reporting unit and, accordingly, the actuarial data for the employees of the Authority who are members of the plan are not available. Pension expense was \$34,546 and \$37,182 in 2010 and 2009, respectively.

**ACCOUNT PAYABLE AND ACCRUED EXPENSES**

	<u>2010</u>	<u>2009</u>
Accounts payable	\$ 39,442	\$ 30,380
Accrued expense	25,179	16,625
LOSAP	27,500	31,836
Payroll taxes/PERS/PFRS payable	37,556	41,309
Vacation/sick pay	49,971	49,946
	<u>\$ 179,648</u>	<u>\$ 170,096</u>

**CAPITAL ASSETS**

Capital assets together with accumulated depreciation and estimated useful lives consists of the following:

	<u>2010</u>	<u>2009</u>	<u>Estimated Useful Life (Years)</u>
Land	\$ 12,301	\$ 12,301	
Firehouse and improvements	692,539	692,539	5 - 30
Apparatus and equipment	2,662,797	2,267,071	5 - 10
Vehicles	299,258	299,258	5
	3,666,895	3,271,169	
Less: accumulated depreciation	<u>(2,494,096)</u>	<u>(2,568,331)</u>	
	<u>\$ 1,172,799</u>	<u>\$ 702,838</u>	

BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL

NOTES TO FINANCIAL STATEMENTS  
(Continued)  
YEARS ENDED DECEMBER 31, 2010 AND 2009

**INVESTMENTS**

Investments in securities are presented in the financial statements at cost. Investments are composed of the following:

	2010		2009	
	Cost	Fair Value	Cost	Fair Value
U.S. Government obligations	\$	\$	\$	\$
Certificates of deposit	303,050	302,833	-	-
	\$ 303,050	\$ 302,833	\$ 301,359	\$ 300,859



**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**FAIR VALUE MEASUREMENTS**

The District uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosure.

FASB ASC topic 820, fair value measurements and disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC topic 820 are as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Significant other observable inputs.
- Level 3: Significant unobservable inputs.

The carrying amount of cash, accounts receivable, accounts payable and accrued expenses approximates fair value due to the short-term maturities of these instruments.

**SUPPLEMENTARY INFORMATION**

BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2010

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Amount raised by taxation	\$ 939,255	\$ 939,255	\$ 939,255	\$ -
BFS fees	250,000	250,000	261,466	11,466
Interest income	5,000	5,000	5,962	962
New Jersey Supplemental Fire Service Program Grant				-
Other Income			108,129	108,129
Restricted fund balance utilized	20,000	20,000	20,000	-
Unreserved fund balance utilized				-
<b>Total revenues</b>	<u>1,214,255</u>	<u>1,214,255</u>	<u>1,334,812</u>	<u>120,557</u>
<b>EXPENDITURES</b>				
Salary and wages	138,000	138,000	112,042	25,958
Fringe benefits	32,500	32,500	27,518	4,982
Purchase of assets not included as capital outlays	65,000	65,000	57,123	7,877
Rental charges	83,991	83,991	83,991	-
Insurance premiums	77,500	77,500	55,363	22,137
Professional fees	64,500	64,500	52,083	12,417
Administration	8,000	8,000	7,996	4
Advertising	1,500	1,500	1,497	3
Elections	2,000	2,000	1,164	836
Training and education	48,200	23,200	18,101	5,099
Reimbursement for expenses and losses	20,000	20,000	13,175	6,825
Other operating materials and supplies	53,064	53,064	35,394	17,670
Utilities	45,000	45,000	25,129	19,871
Appropriation for first aid/rescue squad	5,000	5,000		5,000
Maintenance and repairs	95,000	95,000	63,281	31,719
BFS salaries, fringe benefits and other	270,000	295,000	294,541	459
Capital appropriations	160,000	160,000	160,000	-
Length of service awards program	45,000	45,000	27,500	17,500
Debt service appropriation				-
<b>Total expenditures</b>	<u>1,214,255</u>	<u>1,214,255</u>	<u>1,035,898</u>	<u>178,357</u>
<b>Excess of revenues over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,914</u>	<u>\$ 298,914</u>

**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL**

**STATISTICAL INFORMATION**

**PROPERTY TAX LEVIES:**

Following is a tabulation of district assessed valuations, tax levies and property tax rates per \$100 of assessed valuations for the current year and preceding three years:

<u>Calendar Year</u>	<u>Assessed Valuations (Unaudited)</u>	<u>Total Tax Levy</u>	<u>Property Tax Rates</u>
12/31/2010	\$ 1,871,891,200	\$ 939,255	.050
12/31/2009	\$ 1,899,451,500	\$ 899,307	.047
12/31/2008	\$ 1,852,272,369	\$ 801,120	.043
12/31/2007	\$ 1,855,832,808	\$ 770,312	.042

**UNRESERVED FUND BALANCE:**

Following is a tabulation of unreserved fund balance and subsequent budget action thereon for the current and preceding three years:

<u>Calendar Year Ended</u>	<u>End of Calendar Year</u>	<u>Utilization in Subsequent Budget</u>
12/31/2010	\$ 899,745	\$ 50,000
12/31/2009	\$ 620,831	\$ -
12/31/2008	\$ 585,331	\$ 25,000
12/31/2007	\$ 478,645	\$ 12,474

**BOARD OF FIRE COMMISSIONERS  
DISTRICT NO. 3  
TOWNSHIP OF WALL  
  
ROSTER OF OFFICIALS**

<u>Name</u>	<u>Amount of Dishonesty Bond</u>
<u>Board of Commissioners</u>	
James Wilson, III, President	\$ 300,000
Eric Olsen, Vice President	\$ 300,000
Edward Clark, Treasurer	\$ 300,000
Ralph G. Tancredi, Sr., Secretary	\$ 300,000
Mark J. Pellecchia, Commissioner	\$ 300,000

<u>Company Name</u>
Selective Insurance Company of America

**Board of Fire Commissioners  
District No. 3  
Township of Wall**

**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**

We have audited the financial statements of Board of Fire Commissioners, District No. 3, Township of Wall as of and for the year ended December 31, 2010, and have issued our report thereon dated September 20, 2011. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Board of Fire Commissioners, District No. 3, Township of Wall's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Fire Commissioners, District No. 3, Township of Wall's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Fire Commissioners, District No. 3, Township of Wall's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board of Fire Commissioners, District No. 3, Township of Wall's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board of Fire Commissioners, District No. 3, Township of Wall's financial statements that is more than inconsequential will not be prevented or detected by the Board of Fire Commissioners, District No. 3, Township of Wall's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board of Fire Commissioners, District No. 3, Township of Wall's internal control.

# MOHEL ELLIOTT BAUER & GASS

A P R O F E S S I O N A L   A S S O C I A T I O N  
C E R T I F I E D   P U B L I C   A C C O U N T A N T S

**Board of Fire Commissioners  
District No. 3  
Township of Wall**

**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  
(Continued)**

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board of Fire Commissioners, District No. 3, Township of Wall's financial statements are free of 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 of compliance disclosed the following instance of noncompliance required to be reported under *Government Auditing Standards*. The Board of Fire Commissioners, District No. 3, Township of Wall has not had an audit completed and filed with the Authority within four months after the close of the fiscal year as required by N.J.S.A. 40A:5A - 15. We considered this instance of noncompliance in forming our opinion on whether the Board of Fire Commissioners, District No. 3, Township of Wall's financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated September 20, 2011.

This report is intended for the information and use of management of the Board of Fire Commissioners, District No. 3, Township of Wall and the Division of Local Government Services. However, this report is a matter of public record and its distribution is not limited.

*MoHEL Elliott Bauer & Gass*

September 21, 2010