

BOROUGH OF WILDWOOD CREST

COUNTY OF CAPE MAY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2014**

BOROUGH OF WILDWOOD CREST

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BOROUGH OF WILDWOOD CREST

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BOROUGH OF WILDWOOD CREST

PART 1

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of Board of Commissioners
Borough of Wildwood Crest, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Wildwood Crest, as of December 31, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Borough'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 the basis of accounting 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Wildwood Crest as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2014 and 2013, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting 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 Borough of Wildwood Crest’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements. Because of the significance of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2015 on our consideration of the Borough of Wildwood Crest'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Wildwood Crest's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

June 26, 2015

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EXHIBIT A - CURRENT FUND

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	2014	2013
<u>ASSETS</u>		
Regular Fund:		
Cash:		
Treasurer	\$ 11,390,768.02	9,592,342.53
Change and Petty Cash Funds	1,225.00	850.00
Total Cash	11,391,993.02	9,593,192.53
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	423,700.07	478,802.75
Revenue Accounts Receivable	224,431.34	201,487.35
Interfund Receivable:		
Due from Animal Control Fund	-	1.24
Due from General Capital Fund	77,662.32	1,070.41
Due from Trusts - Other	11,850.03	1,881.57
Total Receivables and Other Assets	737,643.76	683,243.32
Deferred Charges:		
Special Emergency Authorization	480,000.00	640,000.00
Total Regular Fund	12,609,636.78	10,916,435.85
Federal and State Grant Fund:		
Cash	171,284.07	171,284.07
Due from Current Fund	33,074.00	
Federal and State Grants Receivable	265,093.82	588,095.62
Total Federal and State Grant Fund	469,451.89	759,379.69
Total Current Fund	\$ 13,079,088.67	11,675,815.54

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,504,291.40	1,507,635.64
Encumbrances Payable/Accounts Payable	178,710.73	321,293.67
Accounts Payable	9,778.93	-
Payroll Deductions Payable	1,012.72	-
Interfund Payable - Due to Grant Fund	33,074.00	-
Interfund Payable - Due to Animal Control	0.25	-
Prepaid Taxes	589,914.79	615,164.00
Overpaid Taxes	-	1,217.01
Due to State of New Jersey		
Senior Citizens and Veterans	1,217.92	753.04
Local School Tax Payable	2,134,904.90	2,065,352.44
County Added Tax Payable	6,042.04	9,940.24
Prepaid Sewer Rents	14,590.18	15,629.25
Sewer Rent Overpayments	13,097.58	-
Prepaid GWTDA Fees	440.00	1,320.00
Prepaid TDC Fees	800.00	600.00
Prepaid Licenses	2,800.00	2,100.00
Other		
Reserve for Tax Appeals	250,000.00	250,000.00
Reserve for Hurricane Sandy Expenses	303,078.20	304,698.20
Reserve for Beach Operations Offset	266,149.13	217,620.21
Reserve for Master Plan	15,000.00	15,000.00
Reserve for Revaluation	13,725.46	13,725.46
	5,338,628.23	5,342,049.16
Reserve for Receivables and Other Assets	737,643.76	683,243.32
Fund Balance	6,533,364.79	4,891,143.37
Total Regular Fund	12,609,636.78	10,916,435.85
Federal and State Grant Fund:		
Unappropriated Reserves	39,844.87	43,126.50
Appropriated Reserves	403,451.52	707,002.93
Due to General Capital Fund	15,200.00	-
Encumbrances Payable	10,955.50	9,250.26
Total Federal and State Grant Fund	469,451.89	759,379.69
Total Current Fund	\$ 13,079,088.67	11,675,815.54

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2014	2013
Revenue and Other Income Realized		
Fund Balance	\$ 1,780,000.00	1,680,000.00
Miscellaneous Revenue Anticipated	6,690,095.75	6,183,432.03
Receipts from Delinquent Taxes	478,888.83	457,660.30
Receipts from Current Taxes	25,965,615.98	25,416,188.52
Non Budget Revenue	540,644.55	391,129.95
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	1,328,687.11	986,471.63
Prior Liabilities/Reserves Canceled	-	8,041.85
Grants Cancelled	131,992.39	-
Interfund Returned	1.24	1,798.59
Total Income	36,915,925.85	35,124,722.87
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	5,544,216.55	6,003,315.00
Other Expenses	6,435,016.00	6,069,804.00
Deferred Charges & Statutory Expenditures	1,225,869.00	1,224,984.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	7,500.00	13,000.00
Other Expenses	3,664,408.50	3,486,285.04
Capital Improvements	945,000.00	870,000.00
Municipal Debt Service	3,447,316.57	3,469,668.67
Deferred Charges & Statutory Expenditures	160,000.00	160,400.00
Local District School Tax	6,619,118.00	6,580,013.00
County Tax	5,349,788.64	5,359,335.18
County Share of Added Tax	6,042.04	9,940.24
Interfund Created	86,560.37	2,953.22
Prior Year Senior Citizens Disallowed	325.14	2,000.00
Prior Year Refund	2,543.62	-
Total Expenditures	33,493,704.43	33,251,698.35
Excess in Revenue	3,422,221.42	1,873,024.52

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2014	2013
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	-	-
Total Adjustments	-	-
Statutory Excess to Fund Balance	3,422,221.42	1,873,024.52
Fund Balance January 1	4,891,143.37	4,698,118.85
	8,313,364.79	6,571,143.37
Decreased by:		
Utilization as Anticipated Revenue	1,780,000.00	1,680,000.00
Fund Balance December 31	\$ 6,533,364.79	4,891,143.37

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Fund Balance Anticipated	\$ 1,780,000.00	1,780,000.00	
Total Fund Balance Anticipated	<u>1,780,000.00</u>	<u>1,780,000.00</u>	<u>-</u>
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Other	195,000.00	197,483.00	2,483.00
Fees and Permits	100,000.00	127,510.00	27,510.00
Fines and Costs:			
Municipal Court	130,000.00	123,590.77	(6,409.23)
Interest and Costs on Taxes	80,000.00	82,922.97	2,922.97
Parking Meters	215,000.00	253,689.93	38,689.93
Interest on Investments and Deposits	52,000.00	64,473.91	12,473.91
Municipal Pier and Concession Income	170,000.00	337,135.65	167,135.65
Interest and Costs on Delinquent Sewer Rents	19,000.00	24,350.27	5,350.27
Sewer Rents	3,418,583.33	3,595,634.50	177,051.17
Recreation Income - Pool	72,000.00	89,084.00	17,084.00
TV Cable Franchise Fee	42,000.00	43,544.20	1,544.20
Fees and Permits - Craft Show	4,000.00	6,875.00	2,875.00
Ambulance Fees	145,000.00	191,961.86	46,961.86
Total Section A: Local Revenues	<u>4,642,583.33</u>	<u>5,138,256.06</u>	<u>495,672.73</u>
Section B: State Aid Without Offsetting Appropriations			
Energy Receipts Tax	381,045.00	381,045.00	-
Total Section B: State Aid Without Offsetting Appropriations	<u>381,045.00</u>	<u>381,045.00</u>	<u>-</u>

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Section F: Special Items - Public and Private Programs			
Off-Set with Appropriations			
Recycling Tonnage Grant	13,750.74		13,750.74
Clean Communities Program	22,158.60		22,158.60
Drunk Driving Enforcement Fund	4,548.02		4,548.02
State Aid - Housing	7,500.00		7,500.00
Police Body Armor Grant	2,669.14		2,669.14
Small Cities Grant	400,000.00		400,000.00
GWTIDA Summer Events	27,000.00		27,000.00
Total Section F: Special Items - Public and Private Programs	477,626.50	-	477,626.50
Off-Set with Appropriations			
Section G: Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items;			
Uniform Fire Safety Act	160,000.00		13,239.28
Beach Operation Off-Set - Reserved	217,620.21		217,620.21
Anticipated General Capital Fund Balance	18,016.00		-
GWTIDA - Municipal Event Support	33,453.80		30,422.23
Municipal Pier and Concession Income	58,000.00		-
Reserve to Pay Bonds & Notes	61,000.00		-
Sewer Rents - New Fee Ordinance	101,416.67		101,416.67
Total Section G: Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government Services - Other Special Items	649,506.68	-	43,661.51
Total Miscellaneous Revenues:	6,150,761.51	-	539,334.24
Receipts from Delinquent Taxes	400,000.00		478,888.83

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	\$ 14,408,275.25		14,788,915.56	380,640.31
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>14,408,275.25</u>	-	<u>14,788,915.56</u>	<u>380,640.31</u>
Budget Totals	<u>22,739,036.76</u>	-	<u>23,737,900.14</u>	<u>998,863.38</u>
Non- Budget Revenues:				
Other Non- Budget Revenues:	-		540,644.55	540,644.55
	<u>\$ 22,739,036.76</u>	-	<u>24,278,544.69</u>	<u>1,539,507.93</u>

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$	25,965,615.98
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Allocated to:

School, County and Other Taxes		<u>11,974,948.68</u>
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Balance for Support of Municipal Budget Appropriations		13,990,667.30
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Increased by:

Appropriation "Reserved for Uncollected Taxes"		<u>798,248.26</u>
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Amount for Support of Municipal Budget Appropriations		<u><u>14,788,915.56</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collection	478,888.83	
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Tax Title Lien Collections	<u>-</u>	
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Total Receipts from Delinquent Taxes		<u><u>478,888.83</u></u>
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Tax Collector:

Tax Searches		120.00
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Treasurer:

Late Mercantile Penalties	6,686.00	
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Restitution	500.00	
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Administration Fee - Vets and Seniors	1,259.37	
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Police Reports	9,170.00	
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Copies	1,445.08	
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Elections	600.00	
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GWTIDA Administration Fee	30,000.00	
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CMCMUA Recycling Rebate	17,402.15	
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Statutory Excess - Dog Fund	333.00	
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FEMA Reimbursements	457,199.75	
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DMV Inspection Fines	1,557.00	
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Miscellaneous	<u>14,372.20</u>	
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Total Miscellaneous Revenue Not Anticipated:	\$	<u><u>540,524.55</u></u> <u><u>540,644.55</u></u>
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The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
DEPARTMENT OF PUBLIC AFFAIRS AND PUBLIC SAFETY:						
Directors Office						
Salaries and Wages	40,000.00	40,000.00	39,997.88		2.12	
Other Expenses	5,000.00	5,000.00	2,836.47	2,163.53	-	
Fire						500.08
Salaries and Wages	2,500.00	2,500.00	1,999.92		-	
Other Expenses	44,450.00	44,450.00	38,254.66	3,292.59	2,902.75	
Police						220,000.00
Salaries and Wages	2,193,120.00	2,185,120.00	1,890,677.28		74,442.72	
Other Expenses	176,800.00	176,800.00	124,971.01	22,597.02	29,231.97	
Municipal Prosecutor						
Other Expenses	18,000.00	18,000.00	16,500.00		1,500.00	
Legal						
Other Expenses	177,500.00	177,500.00	149,475.54	8,750.00	19,274.46	
Local Code Enforcement						8,807.25
Salaries and Wages	29,900.00	29,900.00	21,092.75		-	
Other Expenses	7,400.00	7,400.00	3,223.70	21.87	4,154.43	
Emergency Management Services						
Salaries and Wages	5,000.00	5,000.00	-	-	5,000.00	
Other Expenses	3,000.00	3,000.00	-	-	3,000.00	
Services of Ambulance						
Salaries and Wages	474,300.00	474,300.00	440,259.94		4,040.06	
Other Expenses	42,024.00	42,024.00	27,736.60	9,176.71	5,110.69	30,000.00
Environmental Commission (N.J.S. 40:56A-1)						
Salaries and Wages	2,500.00	2,500.00	961.50		38.50	1,500.00
Other Expenses	500.00	500.00	-		500.00	
Lifeguards						
Salaries and Wages	517,500.00	517,500.00	512,069.46		(0.00)	5,430.54
Other Expenses	42,630.00	42,630.00	40,854.23	800.00	975.77	
Land Use Administration						
Salaries and Wages	23,400.00	23,400.00	21,004.25		2,395.75	
Other Expenses	76,900.00	76,900.00	53,466.71	621.26	22,812.03	
Traffic Maintenance						
Salaries and Wages	73,000.00	73,000.00	70,425.38		(0.00)	2,574.62
Other Expenses	29,300.00	29,300.00	8,118.89	3,889.17	17,291.94	

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
DEPARTMENT OF PUBLIC AFFAIRS AND PUBLIC SAFETY: (CONTINUED)						
Uniform Fire Safety Act (P.L. 1983, Ch. 383)						
Fire Official	\$					
Salaries and Wages	98,000.00	100,000.00	95,943.72		-	4,056.28
Other Expenses	15,100.00	13,100.00	8,004.38	1,712.06	3,383.56	
Animal Control						
Other Expenses	33,000.00	33,000.00	26,435.00		6,565.00	
Police Dispatch						
Salaries and Wages	155,000.00	155,000.00	155,000.00		-	
Municipal Court						
Salaries and Wages	136,847.00	138,847.00	137,595.46		1,251.54	
Other Expenses	16,175.00	14,175.00	12,703.62	100.00	1,371.38	
Public Defender (P.L. 1997, C.256)						
Other Expenses	13,000.00	13,000.00	11,458.26	1,041.66	500.08	
New Jersey Public Employees						
OSHA Mandated Costs (Mandatory Vaccinations)						
Health						
Other Expenses	2,500.00	2,500.00	607.00		1,893.00	
DEPARTMENT OF REVENUE AND FINANCE:						
Director's Office						
Salaries and Wages	18,250.00	18,250.00	17,598.90		(0.00)	651.10
Other Expenses	1,200.00	1,200.00	866.52		333.48	
Borough Administration						
Salaries and Wages	181,500.00	221,500.00	215,565.32		(0.00)	5,934.68
Other Expenses	141,800.00	101,800.00	43,876.50	14,883.98	43,039.52	
Election Expense	1,200.00	1,200.00	992.39		207.61	
Financial Administration						
Salaries and Wages	144,000.00	144,000.00	131,881.84		-	12,118.16
Other Expenses	87,900.00	87,900.00	45,631.02	1,480.44	40,788.54	
Municipal Audit	33,700.00	33,700.00	32,873.94	826.06	-	
Assessment of Taxes						
Salaries and Wages	38,000.00	40,000.00	38,744.83		(0.00)	1,255.17
Other Expenses	17,290.00	15,290.00	1,368.31	906.05	13,015.64	
Collection of Taxes						
Salaries and Wages	148,000.00	148,000.00	147,621.29		(0.00)	378.71
Other Expenses	17,200.00	17,200.00	14,052.85	1,159.29	1,987.86	

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
DEPARTMENT OF REVENUE AND FINANCE:						
(CONTINUED)						
Utility Billing Expenses						
Other Expenses	\$ 11,600.00	11,600.00	9,710.14		1,889.86	
Insurance						
General Liability	175,045.00	175,045.00	172,696.00		2,349.00	
Workers Compensation	367,088.00	367,088.00	367,088.00		-	
Employee Group Health	2,893,964.00	2,893,964.00	2,482,472.85	3,269.57	408,221.58	
Health Benefit Waiver						
Salaries and Wages	28,000.00	28,000.00	22,538.37		5,461.63	
DEPARTMENT OF PUBLIC WORKS						
PARKS AND PUBLIC PROPERTY:						
Director's Office						
Salaries and Wages	15,500.00	15,500.00	15,499.90		0.00	0.10
Other Expenses	750.00	750.00	186.46	250.00	313.54	
Engineer						
Other Expenses	55,000.00	55,000.00	42,580.70	3,276.20	9,143.10	
Landfill						
Other Expenses	333,000.00	333,000.00	289,962.98		43,037.02	
Public Works						
Salaries and Wages	415,000.00	415,000.00	330,811.20		39,188.80	45,000.00
Other Expenses	85,300.00	85,300.00	63,100.12	17,881.91	4,317.97	
Recreation Buildings						
Other Expenses	93,250.00	93,250.00	49,955.37	11,770.70	31,523.93	
Beach Cleaning						
Salaries and Wages	40,000.00	40,000.00	29,724.01		-	10,275.99
Other Expenses	100,000.00	100,000.00	60,679.22		39,320.78	
Sanitation						
Salaries and Wages	393,000.00	393,000.00	339,169.03		3,983.73	49,847.24
Other Expenses	45,000.00	45,000.00	28,198.72	4,468.96	12,332.32	
Parks and Buildings						
Salaries and Wages	203,000.00	203,000.00	132,297.63		43,664.09	27,038.28
Other Expenses	105,000.00	105,000.00	68,150.43	9,631.72	27,217.85	
Sewage						
Salaries and Wages	100,000.00	100,000.00	89,988.25		-	10,011.75
Other Expenses	52,100.00	52,100.00	21,591.97	3,297.08	27,210.95	

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
DEPARTMENT OF PUBLIC WORKS						
PARKS AND PUBLIC PROPERTY:(CONTINUED)						
Fleet Maintenance						
Salaries and Wages	\$ 134,000.00	117,000.00	96,043.56		1,956.44	19,000.00
Other Expenses	116,400.00	133,400.00	103,319.74	26,193.91	3,886.35	
Tourism						
Salaries and Wages	15,000.00	15,000.00	6,737.50		-	8,262.50
Other Expenses	87,150.00	87,150.00	36,184.84		50,965.16	
Recreation Commission (N.J.S. 40:61-17)						
Salaries and Wages	300,000.00	300,000.00	263,542.03		-	36,457.97
Other Expenses	32,750.00	32,750.00	12,787.43	9,976.75	9,985.82	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS						
APPROPRIATIONS OFFSET BY REVENUES						
State Uniform Construction Code						
Salaries and Wages	60,000.00	60,000.00	59,999.97		(0.00)	0.03
Other Expenses	22,050.00	22,050.00	14,977.53	70.00	7,002.47	
UTILITY EXPENSES AND BULK PURCHASES:						
Water	70,000.00	70,000.00	39,970.83		30,029.17	
Street Lighting	160,000.00	160,000.00	142,136.28		17,863.72	
Telephone	115,000.00	115,000.00	93,833.78	3,178.03	17,988.19	
Fire Hydrants	47,000.00	47,000.00	31,476.00		15,524.00	
Natural Gas	80,000.00	80,000.00	76,941.04		3,058.96	
Electric	220,000.00	220,000.00	188,212.29		31,787.71	
Gasoline	190,000.00	190,000.00	152,074.17	4,285.21	33,640.62	
Accumulated Absence Liability	30,000.00	38,000.00	38,000.00		-	
TOTAL OPERATIONS WITHIN "CAPS"	12,475,333.00	12,475,333.00	10,575,385.66	170,971.73	1,229,875.16	499,100.45
Contingent	3,000.00	3,000.00	1,499.64		1,500.36	
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	12,478,333.00	12,478,333.00	10,576,885.30	170,971.73	1,231,375.52	499,100.45
Detail:						
Salaries and Wages	6,014,317.00	6,043,317.00	5,362,791.17		181,425.38	499,100.45
Other Expenses	6,464,016.00	6,435,016.00	5,214,094.13	170,971.73	1,049,950.14	-

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
DEFERRED CHARGES/STATUTORY EXPENDITURES						
Deferred Charges:						
none						
Statutory Expenditures:						
Contributions to:						
Police and Fire Retirement System of N.J.	\$ 409,020.00	409,020.00	380,705.00		28,315.00	
Public Employees Retirement System	304,849.00	304,849.00	271,079.00		33,770.00	
Social Security System (O.A.S.I.)	480,000.00	480,000.00	420,491.50		59,508.50	
Unemployment Compensation Insurance	32,000.00	32,000.00	32,000.00		-	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	<u>1,225,869.00</u>	<u>1,225,869.00</u>	<u>1,104,275.50</u>	<u>-</u>	<u>121,593.50</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>13,704,202.00</u>	<u>13,704,202.00</u>	<u>11,681,160.80</u>	<u>170,971.73</u>	<u>1,352,969.02</u>	<u>499,100.45</u>
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Employee Group Health	71,976.00	71,976.00	-		71,976.00	
Cape May County MUA - Charges	3,520,000.00	3,520,000.00	3,516,309.00		3,691.00	
TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"	<u>3,591,976.00</u>	<u>3,591,976.00</u>	<u>3,516,309.00</u>	<u>-</u>	<u>75,667.00</u>	<u>-</u>
(A) Public and Private Programs Off-Set by Revenues						
Drunk Driving Enforcement Fund	4,548.02	4,548.02	4,548.02		-	
Police Body Armor Fund	2,669.14	2,669.14	2,669.14		-	
Recycling Tonnage Grant	13,750.74	13,750.74	13,750.74		-	
Clean Communities Program	22,158.60	22,158.60	22,158.60		-	
GWTIDA Summer Events	27,000.00	27,000.00	27,000.00		-	
Matching Funds for Grants	12,000.00	12,000.00			-	12,000.00
Municipal Alliance Consortium - Local share	2,306.00	2,306.00	1,525.00		781.00	
State Aid Housing						
Salaries and Wages	7,500.00	7,500.00	7,500.00		-	
Total Public and Private Programs Off-Set by Revenues	<u>91,932.50</u>	<u>91,932.50</u>	<u>79,151.50</u>	<u>-</u>	<u>781.00</u>	<u>12,000.00</u>

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Total Operations - Excluded from "CAPS"	\$ 3,683,908.50	3,683,908.50	3,595,460.50	-	76,448.00	12,000.00
Detail:						
Salaries and Wages	7,500.00	7,500.00	7,500.00	-	-	-
Other Expenses	3,676,408.50	3,676,408.50	3,587,960.50	-	76,448.00	12,000.00
(C) Capital Improvements						
Capital Improvement Fund	425,000.00	425,000.00	425,000.00		-	
Emergency Sewer Repairs	120,000.00	120,000.00	37,386.62	7,739.00	74,874.38	
Public and Private Programs Offset by Revenues:						
Small Cities Program	400,000.00	400,000.00	400,000.00		-	
Storm Drainage Improvements- Crocus, Aster, Lake						
Total Capital Improvements	<u>945,000.00</u>	<u>945,000.00</u>	<u>862,386.62</u>	<u>7,739.00</u>	<u>74,874.38</u>	<u>-</u>
(D) Debt Service						
Payment of Bond Principal	2,560,000.00	2,560,000.00	2,560,000.00		-	-
Interest on Bonds	458,150.00	458,150.00	458,150.00		-	-
Interest on Notes	85,500.00	85,500.00	85,146.82		-	353.18
USRDA						
Principal	19,785.00	19,785.00	19,785.00		-	-
Interest	59,987.00	59,987.00	59,985.00		-	2.00
New Jersey Environmental Infrastructure Trust						
Principal	221,781.00	221,781.00	221,780.17		-	0.83
Interest	42,475.00	42,475.00	42,469.58		-	5.42
Total Debt Service	<u>3,447,678.00</u>	<u>3,447,678.00</u>	<u>3,447,316.57</u>	<u>-</u>	<u>-</u>	<u>361.43</u>
(E) Deferred Charges						
Special Emergency Authorization	160,000.00	160,000.00	160,000.00		-	-
Total Deferred Charges	<u>160,000.00</u>	<u>160,000.00</u>	<u>160,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 8,236,586.50	8,236,586.50	8,065,163.69	7,739.00	151,322.38	12,361.43
SUBTOTAL GENERAL APPROPRIATIONS	21,940,788.50	21,940,788.50	19,746,324.49	178,710.73	1,504,291.40	511,461.88
(M) Reserve for Uncollected Taxes	798,248.26	798,248.26	798,248.26			
TOTAL GENERAL APPROPRIATIONS	\$ 22,739,036.76	22,739,036.76	20,544,572.75	178,710.73	1,504,291.40	511,461.88

Budget	\$ 22,739,036.76
Appropriations by 40A.4-87	-
Emergency Appropriations	-
	<u>22,739,036.76</u>

Reserve for Uncollected Taxes	798,248.26
Federal and State Grants	479,151.50
Deferred Charges - Special Emergency Disbursements	160,000.00
	19,107,172.99
	<u>20,544,572.75</u>

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EXHIBIT B - TRUST FUND

TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,

	2014	2013
ASSETS		
Animal Control Fund:		
Cash	\$ 2,423.75	2,275.24
Due from Current Fund	0.25	-
	2,424.00	2,275.24
Other Funds:		
Cash - Treasurer	908,650.60	949,684.01
	908,650.60	949,684.01
	\$ 911,074.60	951,959.25
 LIABILITIES, RESERVES AND FUND BALANCE		
Animal Control Fund:		
Due to Current Fund	-	1.24
Reserve for Expenditures	2,424.00	2,274.00
	2,424.00	2,275.24
Other Funds:		
Due to State of New Jersey:		
Marriage License Fees	175.00	375.00
DCA State Training Fees	2,431.00	3,458.00
Due to Current Fund	11,850.03	1,881.57
Reserve for Encumbrances	16,778.69	-
Reserves - Miscellaneous	877,415.88	943,969.44
	908,650.60	949,684.01
	\$ 911,074.60	951,959.25

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

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EXHIBIT C - CAPITAL FUND

**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Cash	\$	3,668,911.82	3,121,006.38
Deferred Charges to Future Taxation -			
Funded		35,355,853.66	17,109,504.91
Unfunded		1,429,088.00	21,538,400.00
Due from Grant Fund		15,200.00	-
NJEIT Loan Receivable		6,776,119.00	-
		<u>47,245,172.48</u>	<u>41,768,911.29</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Due to Current Fund		77,662.32	1,070.41
Serial Bonds Payable		17,865,000.00	11,895,000.00
USRDA Loans Payable		1,356,238.79	1,376,021.87
NJEIT Loan Payable		16,134,614.87	3,838,483.04
Bond Anticipation Notes Payable		947,000.00	8,538,400.00
Improvement Authorizations:			
Funded		7,723,820.79	1,254,470.23
Unfunded		1,319,965.44	14,076,989.07
Reserve for Encumbrances		760,391.77	67,553.09
Reserve for Payment of BAN's		-	61,000.00
Capital Improvement Fund		370,028.09	333,528.09
Fund Balance		690,450.41	326,395.49
		<u>\$ 47,245,172.48</u>	<u>41,768,911.29</u>

There were bonds and notes authorized but not issued at December 31

2013	13,000,000.00
2014	482,088.00

The Accompanying Notes To The Financial Statements Are An Integral Part Of This Statement

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

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Beginning Balance January 1	\$	326,395.49	622,777.87
Increased by:			
Funded Improvement Authorizations Canceled		405,608.02	119,103.60
Premium Received at Note Sale		<u>84,862.90</u>	<u>18,016.02</u>
		816,866.41	759,897.49
Decreased by:			
Bond Anticipation Notes paid off		8,400.00	-
Surplus budgeted in Current Fund		18,016.00	32,502.00
Appropriation to Finance Improvement Authorizations		<u>100,000.00</u>	<u>401,000.00</u>
Ending Balance December 31	\$	<u><u>690,450.41</u></u>	<u><u>326,395.49</u></u>

The Accompanying Notes To The Financial Statements Are An Integral Part Of This Statement

EXHIBIT E - GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF GENERAL FIXED ASSETS
DECEMBER 31,
REGULATORY BASIS

	<u>2014</u>	<u>2013</u>
General Fixed Assets:		
Land	\$ 25,214,620.00	24,790,219.00
Buildings	9,183,640.00	8,842,833.00
Machinery and Equipment	7,511,195.00	7,506,994.00
	<u>41,909,455.00</u>	<u>41,140,046.00</u>
 Investment in General Fixed Assets	 \$ <u>41,909,455.00</u>	 <u>41,140,046.00</u>

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

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NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Wildwood Crest include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough of Wildwood Crest, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the entity is financially accountable. The entity is financially accountable for an organization if the entity appoints a voting majority of the organization's governing board and (1) the entity is able to significantly influence the programs or services performed or provided by the organization; or (2) the entity is legally entitled to or can otherwise access the organization's resources; the entity is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the entity is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the entity in that the entity approves the budget, the issuance of debt or the levying of taxes. The entity has no component units.

B. Description of Funds

The accounting policies of the Borough of Wildwood Crest conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with the respect to public funds. Under this method of accounting, the Borough of Wildwood Crest accounts for its financial transactions through the following separate funds:

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

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

General Capital Fund -- receipt and disbursement of funds for the acquisition of general facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds -- Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

General Fixed Assets -- The entity has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$2,000 are capitalized.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Borough of Wildwood Crest to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Levy of Utility Charges – The entity does not operate a sewer utility fund. However, sewer rents are levied and collected in the Current Fund. Rates are determined by ordinance and changed as necessary. Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed annually and due in quarterly installments on December 1, March 1, June 1 and September 1.

Interest on Delinquent Utility Charges -- It is the policy of the entity to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of charges becoming delinquent after due date and eighteen percent (18%) per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

Capitalization of Interest -- It is the policy of the Borough of Wildwood Crest to treat interest on projects as a current expense and the interest is included in both the current and utility operating budgets with the exception of certain projects financed by the New Jersey Environmental Trust.

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

D. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the entity's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

F. Recent Accounting Pronouncements Not Yet Effective

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The impact of this statement on the net position of the entity is not presently determinable.

NOTE 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2014 and 2013 statutory budgets included a reserve for uncollected taxes in the amount of \$798,248 and \$770,162. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$1,780,000 and \$1,680,000.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by Borough Council.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

The following budget transfers were approved in the 2014 and 2013 calendar years:

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
<u>Current Fund:</u>		
Police		
Salaries and Wages	(8,000)	(62,000)
Legal		
Other Expenses		72,500
Services of Ambulance		
Other Expenses		(38,000)
Lifeguards		
Salaries and Wages		(8,000)
Fire Official		
Salaries and Wages	2,000	8,000
Other Expenses	(2,000)	
Municipal Court		
Salaries and Wages	2,000	
Other Expenses	(2,000)	
Borough Administration		
Salaries and Wages	40,000	(30,000)
Other Expenses	(40,000)	
Financial Administration		
Salaries and Wages		6,000
Other Expenses		(6,000)
Assessment of Taxes		
Salaries and Wages	2,000	8,500
Other Expenses	(2,000)	13,500
Insurance		
Employee Group Health		(6,500)
Health Benefit Waiver		
Salaries and Wages		6,500
Engineer		
Other Expenses		11,000
Fleet Maintenance		
Salaries and Wages	(17,000)	(21,000)
Other Expenses	17,000	10,000
State Uniform Construction Code		
Salaries and Wages		(9,500)
Utilities		
Telephone		5,000
Accumulated Absence Liability	8,000	40,000

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2014 and 2013, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
Summer Events Grant - GWTIDA	\$ -	26,000

The Borough may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year.

Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The entity approved a special emergency appropriation in 2012 for \$800,000. The emergency was for Hurricane Damage from Hurricane Sandy. The unfunded balance as of December 31, 2014 was \$480,000.

NOTE 3: INVESTMENTS

N.J.S.A. 40A:5-15.1 provides specific guidance for the allowable investment of public funds. In order to maximize liquidity, while complying with statutory requirements, the Borough utilizes the New Jersey Cash Management Fund ("NJCMF") and MBIA's Cooperative Liquid Assets Securities System ("CLASS") for investing purposes.

The NJCMF is administered by New Jersey Department of Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. These investments include: U.S. Treasuries, short-term commercial paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. At December 31, 2014 and 2013, the Borough's balance was \$7,098 and \$7,094.

Interest Rate Risk. The municipality 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. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The municipality places no limit on the amount the entity can invest in any one issuer.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition.

NOTE 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2014 and 2013:

	Balance 12/31/2012	Additions	Retirements/ Adjustments	Balance 12/31/2013
Land	\$ 23,702,873	1,087,346	-	24,790,219
Building and Improvements	8,196,220	662,113	(15,500)	8,842,833
Equipment and Machinery	7,625,342	500,084	(618,432)	7,506,994
	<u>\$ 39,524,435</u>	<u>2,249,543</u>	<u>(633,932)</u>	<u>41,140,046</u>

	Balance 12/31/2013	Additions	Retirements	Balance 12/31/2014
Land	\$ 24,790,219	424,401		25,214,620
Building and Improvements	8,842,833	450,607	(109,800)	9,183,640
Equipment and Machinery	7,506,994	413,222	(409,021)	7,511,195
	<u>\$ 41,140,046</u>	<u>1,288,230</u>	<u>(518,821)</u>	<u>41,909,455</u>

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 6: SHORT-TERM OBLIGATIONS

	Balance 12/31/12	Issued	Retired	Balance 12/31/13
Bond Anticipation Notes payable:				
General	\$ 7,719,400	8,538,400	7,719,400	8,538,400
	<u>\$ 7,719,400</u>	<u>8,538,400</u>	<u>7,719,400</u>	<u>8,538,400</u>
	Balance 12/31/13	Issued	Retired	Balance 12/31/14
Bond Anticipation Notes payable:				
General	\$ 8,538,400	947,000	8,538,400	947,000
	<u>\$ 8,538,400</u>	<u>947,000</u>	<u>8,538,400</u>	<u>947,000</u>

The note was issued on 12/4/14 and is due and payable on 12/4/15 with interest at %.59. As of December 31, 2014 the entity has authorized but not issued bonds in the amount of \$482,088 in the General Capital Fund.

NOTE 7: LONG TERM DEBT

Long-term debt as of December 31, 2014 and 2013 consisted of the following:

	Balance 12/31/12	Issued	Retired	Balance 12/31/13	Amounts Due Within One Year
Bonds payable:					
General	\$ 14,297,000		2,402,000	11,895,000	2,560,000
Total	<u>\$ 14,297,000</u>	-	<u>2,402,000</u>	<u>11,895,000</u>	<u>2,560,000</u>
Other liabilities:					
Loans Payable					
General	\$ 5,455,230		240,725	5,214,505	241,564
Total long-term liabilities	<u>\$ 19,752,230</u>	-	<u>2,642,725</u>	<u>17,109,505</u>	<u>2,801,564</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

	Balance 12/31/13	Issued	Retired	Balance 12/31/14	Amounts Due Within One Year
Bonds payable:					
General	\$ 11,895,000	8,530,000	2,560,000	17,865,000	1,640,000
Total	<u>\$ 11,895,000</u>	<u>8,530,000</u>	<u>2,560,000</u>	<u>17,865,000</u>	<u>1,640,000</u>
Other liabilities:					
Loans Payable:					
General	5,214,505	12,517,912	241,563	17,490,854	242,438
Total long-term liabilities	<u>\$ 17,109,505</u>	<u>21,047,912</u>	<u>2,801,563</u>	<u>35,355,854</u>	<u>1,882,438</u>

Outstanding Bonds Whose Principal and Interest are Paid From the Current Fund Budget of the Entity:

\$6,000,000 General Improvement Bonds dated September 1, 2006, due in annual installments through September 1, 2014, bearing interest at a varying rate ranging from 3.00% to 3.75%. The balance remaining as of December 31, 2014 is \$0.

\$13,135,000 General Improvement Bonds dated November 5, 2009, due in annual installments through November 1, 2023, bearing interest at a varying rate ranging from 3.0% to 4.0%. The balance remaining as of December 31, 2014 is \$9,335,000.

\$1,500,000 United States Rural Development Administration Loan dated June 23, 2006, due in semi-annual installments beginning December 23, 2006 through June 23, 2046, bearing interest at 4.375%. The balance remaining as of December 31, 2014 is \$1,356,239.

\$1,135,000 N.J. Environmental Trust Loan Bond Series A dated March 10, 2010, due in annual installments beginning August 1, 2011 through August 1, 2029, bearing interest at varying rates. The balance remaining as of December 31, 2014 is \$965,000.

\$3,476,677 N.J. Environmental Fund Loan Bond Series A dated March 10, 2010, due in semi-annual installments through August 1, 2029, bearing no interest. The balance remaining at December 31, 2014 is \$2,651,703.

\$8,530,000 General Improvement Bonds dated August 27, 2014, due in semi-annual installments through September 1, 2024, bearing interest at a varying rate ranging from 1.0% to 2.25%. The balance remaining as of December 31, 2014 is \$8,530,000.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Loans Outstanding

<u>Year</u>		<u>Principal</u>	<u>Interest</u>
2015	\$	1,882,438	622,427
2016		2,018,352	585,223
2017		2,049,306	534,069
2018		2,075,302	474,573
2019		2,296,343	414,383
2020-2024		10,139,002	1,053,649
2025-2029		1,447,849	270,652
2030-2034		215,972	182,878
2035-2039		268,148	130,702
2040-2044		332,929	65,920
2045-2046		112,301	4,896
		\$ 22,837,942	4,339,372

As of December 31, 2014 the carrying value of the above bonds and notes approximates the fair value of the bonds. No interest was charged to capital projects during the year. The total interest charged to the current budget was \$560,612.

Summary of Municipal Debt

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Issued:</u>			
General - Bonds, Loans and Notes	\$ 36,302,854	25,647,905	27,471,630
Total Issued	36,302,854	25,647,905	27,471,630
<u>Authorized but not issued:</u>			
General - Bonds, Loans and Notes	482,088	13,000,000	13,000,400
Total Authorized But Not Issued	482,088	13,000,000	13,000,400
Total Bonds & Notes Issued and Authorized But Not Issued	\$ 36,784,942	38,647,905	40,472,030

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.696%.

	Gross Debt	Deductions	Net Debt
General Debt	\$ 36,784,942		36,784,942
	\$ 36,784,942	-	36,784,942

Net Debt \$36,784,942 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,168,505,360 = 1.696%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$	75,897,688
Net Debt		36,784,942
Remaining Borrowing Power	\$	39,112,746

The Borough of Wildwood Crest School District, as a K-8 school district, is permitted to borrow up to 3.0% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

NOTE 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2014 and 2013, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015 and 2014 were as follows:

		2015	2014
Current Fund	\$	1,600,000	1,780,000

NOTE 9: SCHOOL TAXES

Local District School Taxes have been raised and a liability deferred by statute, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

		12/31/2014	12/31/2013
Balance of Tax	\$	3,284,905	3,215,352
Deferred		1,150,000	1,150,000
Tax Payable	\$	2,134,905	2,065,352

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 10: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance 12/31/14	Balance 12/31/13
Prepaid Taxes	\$ 589,915	615,164
Cash Liability for Taxes Collected in Advance	\$ 589,915	615,164

NOTE 11: PENSION FUNDS

Description of Plans

Substantially all of the entity's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system.

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 6.78% through June 30, 2014 and 6.92% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 10% of base salary. The entity's contributions to PERS for the years ended December 31, 2014, 2013, and 2012 were \$271,079, \$302,272, and \$301,213.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The entity's contributions to PFRS for the years ended December 31, 2014, 2013, and 2012 were \$380,705, \$405,880, and \$424,793.

The total payroll for the year ended December 31, 2014, 2013 and 2012 was \$5,627,025, \$5,706,182, and \$5,727,360. Payroll covered by PFRS was \$1,418,300, \$1,641,333, and \$1,628,835. Payroll covered by PERS was \$2,268,982, \$2,308,386, and \$2,394,366.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%.
- For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 12: POST-RETIREMENT BENEFITS

Plan Description The Borough of Wildwood Crest contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

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

Plan Coverage The entity currently has 5 collective bargaining units as well as unaffiliated non-union employees. The employee's post employment benefits are dependent upon the collective bargaining unit to which they are a member as well as the year of retirement. The benefits by collective bargaining unit are as follows:

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Policemen Benevolent Association Local 59 – Individuals below the rank of Lieutenant who retire with at least 25 years of service in the Police and Fireman’s Retirement System receive hospitalization, major medical, dental, prescription, vision and life insurance for the employee and spouse in effect at the time of retirement. Spousal benefits continue upon retiree’s death.

Policemen Benevolent Association Local 59 (Superior Officers) – Individuals above the rank of Lieutenant who retire with at least 25 years of service in the Police and Fireman’s Retirement System receive hospitalization, major medical, dental, prescription, vision and life insurance for the employee and spouse in effect at the time of retirement. Spousal benefits continue upon retiree’s death.

All Other Bargaining Units and Non Affiliated Employees - Individuals who retired with at least 25 years of service or after attainment of age 62 and completion of 15 years of service in the Public Employees’ Retirement System receive hospitalization, major medical, dental, prescription, vision and life insurance for the employee and spouse in effect at the time of retirement.

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough of Wildwood Crest on a monthly basis. The rates charged by the system for the year ended December 31, 2014 vary according to the type of coverage selected by the retiree and range from \$486 to \$2,844 monthly per retiree.

The Borough of Wildwood Crest contributions to SHBP for post-retirement benefits for the year ended December 31, 2014 and 2013 were \$791,683 and \$708,454 respectively, which equaled the required contribution for the year.

The Borough utilizes the New Jersey State Health Benefits Plan for Health Insurance, however, they also provide post-retirement benefits for vision, dental, and life insurance that are not included as a part of the State Health Benefits Plan. These benefits are budgeted by the Borough annually on a “pay as you go basis” and included in group insurance.

In accordance with GASB 45 and the State of New Jersey, the Borough is required to obtain an actuarial valuation of the liability for providing these benefits. This is the second valuation and the actuary is using the entry age normal funding method. The actuarial valuation report was based on 113 total participants including 40 retirees. The actuarial determined valuation of these benefits has been reviewed and will be reviewed bi-annually for the purpose of estimating the present value of future benefits for active and retired employees and their dependents as required by GASB 45.

Annual OPEB Cost and Net OPEB Obligation

The Borough’s annual OPEB cost represents the accrued cost for post-employment benefits under GASB 45. The cumulative difference between the annual OPEB cost and the benefits paid during a year will result in a net OPEB obligation. The annual OPEB cost is equal to the annual required contribution (ARC) less adjustment if a net OPEB obligation exists. The ARC is equal to the normal cost and amortization of the Unfunded Actuarial Accrued Liability (UAAL) plus interest.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates and assumptions about the probability of occurrences of events that fare into the future, including future employment, mortality and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

In the January 1, 2014 Actuarial Valuation Report, the projected unit credit method was used for all participants. The actuarial assumptions used to project future costs included a discount rate of 4.0%, annual vision care costs to increase 5% per year, Medicare Part B premiums are assumed to increase at 6.5% per year and no increases in dental claim costs or life insurance premiums. In addition, the unfunded actuarial accrued liability is being amortized over the maximum acceptable period of 30 years and is calculated assuming a level dollar amount.

Other Post-employment Benefit Costs and Obligations

The following reflects the components of the 2014 annual OPEB Costs, amounts paid, and changes to the net accrued OPEB obligation based on the January 1, 2014 actuarial valuation and actual OPEB payments made or accrued during 2014:

	December 31, 2014
Net OPEB Obligation - Beginning of Year	\$ 2,080,000
Annual OPEB Cost	530,000
OPEB Payments	(100,000)
Increase in Net OPEB Obligation	430,000
Net OPEB Obligation - End of Year	\$ 2,510,000
Percentage of OPEB Cost Contributed	18.9%

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	510,000	17.6%	1,630,000
12/31/2013	520,000	13.5%	2,080,000
12/31/2014	530,000	18.9%	2,510,000

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**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)**

NOTE 13: ACCRUED SICK AND VACATION BENEFITS

The Borough permits eligible employees to accrue unused vacation and personal time for up to one year after the time has been earned. Unused accrued vacation and personal time expires at the end of the two-year period.

The Borough also permits employees to accrue earned and unused sick time, which may be taken as time off or paid at the rate of pay applicable at time of termination. A portion of the monetary value of unused sick leave and vacation has been reserved on the balance sheet by charges to operations. This liability may be affected by conditions, which could preclude an employee from receiving full payment of the accrual. The reserve for accumulated absences in the Trust Fund at December 31, 2014 is \$188,076. The total liability of accrued sick leave and vacation for all eligible employees at December 31, 2014 is estimated to be \$422,566.

NOTE 14: ECONOMIC DEPENDENCY

The Borough of Wildwood Crest is not economically dependent on any one business. The tourism industry is a major source of tax revenue for the entity.

NOTE 15: RISK MANAGEMENT

The entity 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.

Property and Liability Insurance - The entity maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2014 and 2013 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The entity is a member of the Atlantic County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The entity is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The entity has a general liability limit of \$100,000 under JIF, which increases to \$5,000,000 under MEL.

New Jersey Unemployment Compensation Insurance – The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”. Under this plan, the Borough is required to annually appropriate funds to pay the projected costs of contributions at a rate determined by the Commissioner of Labor. Previously, the Borough funded the plan under the “Benefit Reimbursement Method” and has the following remaining in the Trust Fund:

Calendar Year	Borough Contributions	Employee Contributions	Interest Earned	Amount Contributed	Ending Balance
2014	32,000	-	-	27,562	20,071
2013	32,000	-	-	27,033	15,633
2012	30,500	-	-	26,426	10,667

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 16: DEFERRED COMPENSATION

Employees of the Borough of Wildwood Crest may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the entity. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the entity has an obligation of due care in selecting the third party administrator.

NOTE 17: LABOR CONTRACTS

As of December 31, 2014, the Borough's employees are organized in five collective bargaining units. The contract with the Policeman's Benevolent Association (PBA) and United Independent Union expires 12/31/15; the new contract with the Wildwood Crest Police Public Safety Telecommunicators expires 12/31/18; and the contract with the Wildwood Crest Rescue Career Employees Policeman's Benevolent Association (Superior Officers) expired 12/31/14.

<u>Bargaining Unit</u>	<u>Job Category</u>	<u>Members</u>
PBA	Police	All uniformed police below rank of Lieutenant excluding Chief
PBA (Superior Officers)	Police	All police above rank of Lieutenant excluding Chief
Rescue Career Workers	EMS	EMS employees covered by bargaining unit
United Independent Union	Public Works	All Sanitation employees
Public Safety Telecommunicators	Telecommunicators	Public Safety Dispatchers

NOTE 18: CONTINGENT LIABILITIES

From time to time, the entity is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the entity's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

NOTE 19: INTERFUND BALANCES

As of December 31, 2014, the following interfunds were included on the balance sheets of the various funds of the Borough of Wildwood Crest:

	Due From	Due To
Current Fund:		
Animal Control Fund	\$	0.25
General Capital Fund	77,662.32	
Grant Fund		33,074.00
Other Trust Fund	11,850.03	
Trust Fund:		
Current - Animal Control Fund	0.25	
Current - Other Trust Fund		11,850.03
Grant Fund:		
Current Fund	33,074.00	
General Capital		15,200.00
General Capital Fund:		
Current Fund		77,662.32
Grant Fund	15,200.00	
	\$ 137,786.60	137,786.60

NOTE 20: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through June 26, 2015, the date which the financial statements were available to be issued and identified no events requiring disclosure.

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SUPPLEMENTARY DATA



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of Board of Commissioners
Borough of Wildwood Crest, New Jersey

We have audited, in accordance with the 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, the regulatory basis financial statements of the various funds and account groups as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Borough's basic financial statements, and have issued our report thereon dated June 26, 2015, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's 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 Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough'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. We did not identify any deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough'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*.

Purpose of this Report

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

June 26, 2015



FORD - SCOTT

& ASSOCIATES, L.L.C.

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Independent Auditor's Report

The Honorable Mayor and
Members of the Board of Commissioners
Borough of Wildwood Crest, N.J.

Report on Compliance for Each Major Federal Program

We have audited the Borough of Wildwood Crest's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Borough of Wildwood Crest's major federal programs for the year ended December 31, 2014. The Borough of Wildwood Crest's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Wildwood Crest's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB 04-04. Those standards, OMB Circular A-133 and NJ OMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough of Wildwood Crest's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Borough of Wildwood Crest's compliance.

Opinion on Each Major Federal Program

In our opinion, the Borough of Wildwood Crest complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of the Borough of Wildwood Crest is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Wildwood Crest's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Wildwood Crest's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

June 26, 2015

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2014**

Federal Grantor / Pass-through Grantor Program	CFDA Number	Pass-Through Entity ID#	Grant Period From To	Program or Award Amount	Unexpended Balance 12/31/13	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance 12/31/14	MEMO ONLY Accumulated Expenditures
Department of Homeland Security										
FEMA Assistance	97.042	N/A	1/1/2007 12/31/2007	5,000.00	5,000.00				5,000.00	-
FEMA Assistance - Hurricane Sandy	97.036	N/A	10/1/2012 12/31/2014	619,428.95		457,199.75	457,199.75		-	626,428.95
Total Department of Homeland Security					<u>5,000.00</u>	<u>457,199.75</u>	<u>457,199.75</u>	<u>-</u>	<u>5,000.00</u>	
Department of Justice										
Police Domestic Violence	16.588	N/A	1/1/2007 12/31/2008	254,475.00					-	162,615.08
Police Domestic Violence (ARRA)	16.588	N/A	1/1/2011 12/31/2012	308,996.00	73,282.40		42,504.60		30,777.80	278,218.20
Bulletproof Vest Partnership	16.607	N/A	1/1/2006 12/31/2006	1,615.63	-				-	1,615.63
Bulletproof Vest Partnership	16.607	N/A	1/1/2010 12/31/2010	3,260.18	2,383.90				2,383.90	876.28
Bulletproof Vest Partnership	16.607	N/A	1/1/2011 12/31/2011	3,770.00	2,456.50		1,533.00		923.50	2,846.50
Bulletproof Vest Partnership	16.607	N/A	1/1/2014 12/31/2014	2,669.14	-	2,669.14			2,669.14	-
Total Department of Justice					<u>78,122.80</u>	<u>2,669.14</u>	<u>44,037.60</u>	<u>-</u>	<u>36,754.34</u>	
Department of Housing and Urban Development										
CDBG - State Administered - CDBG Cluster:										
Pass through New Jersey Department of Community Affairs										
Small Cities - Atlantic Avenue	14.228	09-0607	1/1/2009 6/30/2011	487,860.00	1,069.78				1,069.78	486,790.22
Small Cities - Cresse Ave/Lake Road	14.228	-	1/1/2012 12/31/2013	400,000.00	55,188.37		47,193.21		7,995.16	392,004.84
Small Cities - Heather, Lavender and Lake	14.228	-	1/1/2013 12/31/2014	400,000.00	47,076.68		46,700.92		375.76	399,624.24
Small Cities - Crocus, Aster	14.228	-	1/1/2014 12/31/2015	400,000.00	-	400,000.00	390,831.11		9,168.89	390,831.11
Total Department of Housing and Urban Development					<u>103,334.83</u>	<u>400,000.00</u>	<u>484,725.24</u>	<u>-</u>	<u>18,609.59</u>	
Total Federal Assistance					<u>186,457.63</u>	<u>859,868.89</u>	<u>985,962.59</u>	<u>-</u>	<u>60,363.93</u>	

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

**SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2014**

State Grantor / Pass-Through Grantor / Program	State Account Number	Grant Period From	Grant Period To	Grant Award	Unexpended Balance 12/31/13	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance 12/31/14	MEMO ONLY Accumulated Expenditures
Department of Transportation: Trust Fund Authority Act of 1984- By Formula Reconstruction of Heather Road Reconstruction of New Jersey Ave - Phase I	6320-480-601385-61 6320-480-601385-61	1/1/2010 1/1/2012	12/31/2010 12/31/2012	\$ 186,000.00 183,377.00	\$ 116.84 183,377.00		\$ -	\$ -	\$ 116.84 183,377.00	\$ 185,883.16 -
Total Department of Transportation					183,493.84	-	-	-	183,493.84	
Department of Community Affairs										
Cooperative Housing Inspections	N/A	1/1/2006	12/31/2006	33,000.00	20,271.77		(20,271.77)		-	12,728.23
Cooperative Housing Inspections	N/A	1/1/2007	12/31/2007	6,000.00	6,000.00		(6,000.00)		-	-
Cooperative Housing Inspections	N/A	1/1/2008	12/31/2008	12,000.00	12,000.00		(12,000.00)		-	-
Cooperative Housing Inspections	N/A	1/1/2009	12/31/2009	15,000.00	15,000.00		(15,000.00)		-	-
Cooperative Housing Inspections	N/A	1/1/2010	12/31/2010	91,000.00	91,000.00		(91,000.00)		-	-
Cooperative Housing Inspections	N/A	1/1/2011	12/31/2011	12,000.00	12,000.00		(12,000.00)		-	-
Cooperative Housing Inspections	N/A	1/1/2013	12/31/2013	13,000.00	13,000.00		(10,999.82)		-	2,000.18
Cooperative Housing Inspections	N/A	1/1/2014	12/31/2014	7,500.00	-	7,500.00	4,577.86		2,922.14	4,577.86
Total Department of Community Affairs					169,271.77	7,500.00	6,578.04	(167,271.59)	2,922.14	
Department of Commerce and Economic Development										
UEZ - Administrative Funding	N/A	7/1/2010	6/30/2011	11,728.73	7,262.29				7,262.29	4,466.44
UEZ - Assistance Fund	N/A	7/1/2010	6/30/2011	202,050.02	50,256.95				50,256.95	151,793.07
Total Department of Transportation					57,519.24	-	-	-	57,519.24	
Department of Law and Public Safety										
Drunk Driving Enforcement Fund	6400-100-078-6400	1/1/2006	12/31/2006	6,403.27	411.82		(155.00)		566.82	5,836.45
Drunk Driving Enforcement Fund	6400-100-078-6400	1/1/2007	12/31/2007	6,011.54	6,011.54				6,011.54	-
Drunk Driving Enforcement Fund	6400-100-078-6400	1/1/2008	12/31/2008	4,806.10	4,806.10				4,806.10	-
Drunk Driving Enforcement Fund	6400-100-078-6400	1/1/2009	12/31/2009	5,422.67	5,422.67		294.00		5,128.67	294.00
Drunk Driving Enforcement Fund	6400-100-078-6400	1/1/2010	12/31/2010	5,546.23	5,546.23		5,546.23		-	5,546.23
Drunk Driving Enforcement Fund	6400-100-078-6400	1/1/2011	12/31/2011	4,236.91	4,236.91		3,230.21		1,006.70	3,230.21
Drunk Driving Enforcement Fund	6400-100-078-6400	1/1/2012	12/31/2012	4,550.12	4,550.12				4,550.12	-
Drunk Driving Enforcement Fund	6400-100-078-6400	1/1/2013	12/31/2013	4,548.02	4,548.02				4,548.02	-
Drunk Driving Enforcement Fund	6400-100-078-6400	1/1/2014	12/31/2014	3,933.30	-	3,933.30			3,933.30	-
Municipal Court Alcohol Educ. & Rehab Program	9735-760-098-Y900	1/1/2004	12/31/2004	1,934.83	1,269.29				1,269.29	665.54
Municipal Court Alcohol Educ. & Rehab Program	9735-760-098-Y900	1/1/2005	12/31/2005	2,271.33	2,271.33				2,271.33	-
Municipal Court Alcohol Educ. & Rehab Program	9735-760-098-Y900	1/1/2006	12/31/2006	471.62	471.62				471.62	-
Body Armor Grant	1020-718-066-1020	1/1/2010	12/31/2010	3,168.57	1,244.55		(617.99)		1,862.54	1,306.03
Body Armor Grant	1020-718-066-1020	1/1/2011	12/31/2011	2,289.36	2,289.36		2,289.36		-	2,289.36
Body Armor Grant	1020-718-066-1020	1/1/2012	12/31/2012	2,338.88	2,338.88		2,338.88		-	2,338.88
Body Armor Grant	1020-718-066-1020	1/1/2013	12/31/2013	2,669.14	2,669.14				2,669.14	-
Body Armor Grant	1020-718-066-1020	1/1/2014	12/31/2014	2,018.32	-	2,018.32			2,018.32	-
Total Department of Law and Public Safety					48,087.58	5,951.62	12,925.69	-	41,113.51	
Department of Environmental Protection										
Clean Communities Program	4900-765-042-4900	1/1/2014	12/31/2014	20,779.05	-	20,779.05			20,779.05	-
Clean Communities Program	4900-765-042-4900	1/1/2013	12/31/2013	22,158.60	22,158.60		639.47		21,519.13	639.47
Clean Communities Program	4900-765-042-4900	1/1/2012	12/31/2012	18,873.15	12,817.03		12,817.03		0.00	18,873.15
Recycling Tonnage Grant	4855-100-042-4855	1/1/2013	12/31/2013	13,750.74	13,750.74				13,750.74	-
Recycling Tonnage Grant	4855-100-042-4855	1/1/2012	12/31/2012	12,841.89	12,841.89		2,811.45		10,030.44	2,811.45
Recycling Tonnage Grant	4855-100-042-4855	1/1/2011	12/31/2011	12,790.44	12,790.44		7,188.92		5,601.52	7,188.92
Recycling Tonnage Grant	4855-100-042-4855	1/1/2010	12/31/2010	5,939.49	5,939.49		239.55		2,309.00	3,630.49
Recycling Tonnage Grant	4855-100-042-4855	1/1/2014	12/31/2014	13,114.20	-	13,114.20			13,114.20	-
Recreational Trails	N/A	1/1/2005	12/31/2005	10,500.00	0.00				0.00	-
Total Department of Environmental Protection					76,907.25	33,893.25	23,696.42	-	87,104.08	
Total State Assistance					535,279.68	47,344.87	43,200.15	(167,271.59)	372,152.81	

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

**SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2014**

State Grantor / Pass-Through Grantor / Program	State Account Number	Grant Period From	Grant Period To	Grant Award	Unexpended Balance 12/31/13	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance 12/31/14	MEMO ONLY Accumulated Expenditures
Local Assistance										
Scoop Taylor Park	N/A	N/A	N/A	5,615.44	5,615.44				5,615.44	-
Rambler Road Gazebo Landscaping	N/A	N/A	N/A	2,500.00	2,500.00				2,500.00	-
Comcast										
Technology Grant	N/A	1/1/2011	12/31/2011	15,000.00	108.55				108.55	14,891.45
GWTD										
Summer Events	N/A	1/1/2011	12/31/2011	21,000.00	12,965.80			(12,965.80)	-	21,000.00
Summer Events	N/A	1/1/2012	12/31/2012	15,500.00	2,290.91			(2,000.00)	290.91	15,209.09
Summer Events	N/A	1/1/2013	12/31/2013	26,000.00	272.52				272.52	25,727.48
Summer Events	N/A	1/1/2014	12/31/2014	27,000.00	0.00	27,000.00	26,977.53		22.47	26,977.53
County of Cape May										
Municipal Joint Venture	N/A	1/1/2007	12/31/2007	63,908.00	976.00				976.00	62,932.00
Municipal Joint Venture	N/A	1/1/2008	12/31/2008	59,119.00	3,662.90				3,662.90	55,456.10
Total Local Assistance					<u>28,392.12</u>	<u>27,000.00</u>	<u>26,977.53</u>	<u>(14,965.80)</u>	<u>13,448.79</u>	
Total Federal State and Local Assistance					<u>\$ 750,129.43</u>	<u>\$ 934,213.76</u>	<u>\$ 1,056,140.27</u>	<u>\$ (182,237.39)</u>	<u>\$ 445,965.53</u>	

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2014

Note 1: General

The accompanying schedule of expenditures of state financial assistance present the activity of all state financial assistance programs of the Borough of Wildwood Crest. The Borough is defined in Note 1 to the Borough's financial statements – regulatory basis.

Note 2: Basis of Accounting

The accompanying schedule of federal financial assistance and the schedule of state and local financial assistance are presented using the modified accrual basis of accounting in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through separate funds, which differ from the funds required by accounting principles generally accepted in the United States of America (GAAP).

Note 3: Relationship to Financial Statements

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's financial statements – regulatory basis. The financial statements – regulatory basis present the Grant Fund and Capital Funds on a budgetary basis. The Grant Fund and the Capital Funds are presented in the accompanying schedule on the grant accounting basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

	<u>Federal</u>		<u>State</u>		<u>Other</u>		<u>Total</u>
Current Fund	\$ 457,199.75	\$		\$		\$	457,199.75
Grant Fund	528,762.84		51,485.65		27,018.79		607,267.28
Total Financial Assistance	<u>\$ 985,962.59</u>	\$	<u>51,485.65</u>	\$	<u>27,018.79</u>	\$	<u>1,064,467.03</u>

Note 4: Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related state financial reports excluding the recognition of encumbrances as expenditures.

Part II - Schedule of Financial Statement Findings

NONE

Part III – Schedule of Federal and State Award Findings and Questioned Costs

NONE

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Part I -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	<u>Adverse GAAP - Unmodified Regulatory</u>		
Internal control over financial reporting:			
1) Material weakness(es) identified?	_____	yes <u> X </u>	no
2) Significant deficiency(ies) Identified?	_____	yes <u> x </u>	no
Noncompliance material to financial statements noted?	_____	yes <u> X </u>	no

Federal Awards Section

Internal Control over compliance:			
Material weakness(es) identified?	_____	yes <u> X </u>	no
Significant deficiency(ies) identified?	_____	yes <u> X </u>	no

Type of auditor's report on compliance for major programs	<u>Unmodified</u>		
---	-------------------	--	--

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	_____	yes <u> X </u>	no
---	-------	--------------------------	----

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____ 14.228 _____	_____ HUD - Small Cities Grant Program _____
_____ 97.036 _____	_____ FEMA Disaster Assistance - Hurricane Sandy _____
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>		
--	------------------	--	--

Auditee qualified as low-risk auditee?	_____	yes <u> X </u>	no	_____
--	-------	--------------------------	----	-------

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Part I -- Summary of Auditor's Results

State Awards Section

Not Applicable

Internal Control over compliance:

Material weakness(es) identified? _____ yes _____ no

Significant deficiency(ies) identified? _____ yes _____ no

Type of auditor's report on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04?

_____ yes _____ no

Identification of major programs:

GMIS Number(s)

Name of State Program

Dollar threshold used to distinguish between Type A and Type B programs:

Auditee qualified as low-risk auditee?

_____ yes _____ no _____

Status of Prior Year Recommendations

1. That internal controls be improved in the area of payment of claims to reconcile any past due amounts on vendor invoices to subsequent payments. This has been resolved, there were no old past due amounts on vendor invoices in 2014.
2. That an analysis of the activity in the payroll account be performed on a monthly basis and be maintained for audit. An analysis of payroll activity was maintained in 2014.
3. That written authorizations be obtained for all applicable employee withholdings. This has been resolved, all employees examined contained the proper written authorizations for withholdings.
4. That the calculation of all employee salaries for payroll be reviewed for accuracy in order to prevent overpayments. We reviewed employee salaries and their salaries were accurate in 2014.
5. That the amount reported to the Division of Pensions for individual employee pensionable salaries be reviewed for consistency and compared to the payroll records. The client has reviewed pensionable salaries, there were no issues in 2014.

CURRENT FUND
SCHEDULE OF CASH - TREASURER

		Current Fund
Balance December 31, 2013	\$	9,763,626.60
Increased by Receipts:		
Prepaid Taxes		589,914.79
Sewer Overpayments		13,097.58
Taxes Receivable		25,765,295.03
Revenue Accounts Receivable		3,804,324.41
Prepaid Sewer Rents		14,590.18
Miscellaneous Revenue		120.00
Revenue Accounts Receivable		2,168,055.38
Miscellaneous Revenue		540,524.55
State of New Jersey:		
Senior Citizen and Veterans Deductions		62,968.51
Prepaid GWTIDA		440.00
Due to TDC		64,234.00
Prepaid TDC Fees		200.00
Prepaid Licenses		2,800.00
Reserve - Beach Operations Off-Set		266,149.13
Due from General Capital Fund		1,070.41
Due from Animal Control Fund		1.49
Due from General Capital Fund/Grant Fund		15,200.00
Payroll Deductions Payable		1,012.72
Federal and State Unappropriated Reserves		66,844.87
Federal and State Receivables		680,256.80
		34,057,099.85
		43,820,726.45
Decreased by Disbursements:		
Current Year Appropriation		19,107,172.99
Prior Year Appropriations		488,421.67
County Taxes		5,359,728.88
Local District School Taxes		6,549,565.54
Tax Overpayments		1,217.01
Reserve for Hurricane Sandy Expenses		1,620.00
Due to TDC		64,234.00
Prior Year Refund		2,543.62
Change Fund		375.00
Due from General Capital		76,591.91
Due from Other Trusts		9,968.46
Federal and State Disbursements		597,235.28
		32,258,674.36
Balance December 31, 2014	\$	11,562,052.09

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

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

Year	Balance Dec. 31, 2013	Current Year Levy	Added Taxes	Collections by Cash		Overpayments Applied	Transferred To Tax Title Lien	Cancelled	Balance Dec. 31, 2014
				2013	2014				
Arrears \$									
2013	478,802.75		325.14	478,888.83				239.06	(0.00)
	478,802.75	-	325.14	478,888.83	-	-	-	239.06	(0.00)
2014	-	26,431,207.94	29,416.41	615,164.00	25,349,234.97	1,217.01	-	71,308.30	423,700.07
\$	478,802.75	26,431,207.94	29,741.55	615,164.00	25,828,123.80	1,217.01	-	71,547.36	423,700.07

Cash Receipts
Senior Citizens and Veterans
25,765,295.03
62,828.77
25,828,123.80

Analysis of Current Year Tax Levy

Tax Yield:
General Property Tax 26,431,207.94
Added Taxes (54-4-63.1 et. Seq.) 29,416.41
26,460,624.35

Tax Levy:
General County Taxes 4,510,508.92
County Library Taxes 624,343.99
County Open Space Taxes 214,935.73
County Added and Omitted Taxes 6,042.04
5,355,830.68

Local School District Tax 6,619,118.00
Local Tax for Municipal Purposes 14,408,275.25
Add: Additional Tax Levied 77,400.42
14,485,675.67

26,460,624.35

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2013	Accrued in 2014	Collected by		Balance Dec. 31, 2014
			Collector	Treasurer	
Borough Clerk:					
Licenses - Other		195,383.00		195,383.00	
Fees and Permits		126,190.00		126,190.00	
Recreation Income - Pool		89,084.00		89,084.00	
TV Cable Franchise Fee		43,544.20		43,544.20	
Municipal Court:					
Fines and Costs	5,222.18	122,321.18		123,590.77	3,952.59
Parking Meters		253,689.93		253,689.93	
Interest and Costs on Taxes		82,922.97	82,922.97		
Interest Earned on Investments and Deposits		64,473.91		64,473.91	
Municipal Pier and Concession Income		395,135.65		395,135.65	
Interest and Costs on Delinquent Sewer Rents		24,350.27	24,350.27		
Sewer Rents	196,265.17	3,500,786.00	3,697,051.17		220,478.75
Ambulance Fees		191,961.86		191,961.86	
Fees and Permits - Craft Show		6,875.00		6,875.00	
Uniform Fire Safety Act		173,239.28		173,239.28	
Energy Receipts Tax		381,045.00		381,045.00	
Anticipated General Capital Fund Balance		18,016.00		18,016.00	
GWTDA Municipal Event Support		63,876.03		63,876.03	
Beach Operation Offset - Reserved		217,620.21		217,620.21	
Reserve to Pay Bonds & Notes		61,000.00		61,000.00	
	<u>\$ 201,487.35</u>	<u>6,011,514.49</u>	<u>3,804,324.41</u>	<u>2,404,724.84</u>	<u>224,431.34</u>
	A	Res.			A
Prepayment Applied			A	3,420.00	
Reserve for Beach Operations Off-Set				217,620.21	
Sewer Overpayments Applied			A-4	15,629.25	
Collected				<u>2,168,055.38</u>	
				<u>2,404,724.84</u>	

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"					
Salaries and Wages	\$ 77,235.25	77,235.25	44,696.40	32,538.85	
Police	2,468.00	2,468.00	600.00	1,868.00	
Tourism					
Other Expenses:					
Department of Public Affairs and Public Safety:					
Director's Office	2,008.06	2,008.06	-	2,008.06	
Health	2,500.00	2,500.00	-	2,500.00	
Fire	4,564.48	4,564.48	2,300.00	2,264.48	
Police	49,103.00	49,103.00	34,286.09	14,816.91	
Municipal Prosecutor	3,000.00	3,000.00	3,000.00	-	
Legal	25,580.84	25,580.84	18,102.94	7,477.90	
Services of Ambulance	22,069.57	22,069.57	19,373.75	2,695.82	
Lifeguards	1,273.68	1,273.68	-	1,273.68	
Land Use Administration	21,123.51	21,123.51	9,317.66	11,805.85	
Traffic Safety	14,824.20	14,824.20	574.88	14,249.32	
Fire Official	5,915.23	5,915.23	3,147.06	2,768.17	
Municipal Court	2,276.02	2,276.02	971.47	1,304.55	
Public Defender	1,541.74	1,541.74	1,041.66	500.08	
Animal Control	5,165.00	5,165.00	-	5,165.00	
Local Code Enforcement	3,661.74	3,661.74	223.54	3,438.20	
Emergency Management Services	4,550.00	4,550.00	-	4,550.00	
Environmental Commission	500.00	500.00	-	500.00	
Department of Revenue and Finance:					
Borough Administration	7,398.21	7,398.21	7,351.29	46.92	
Financial Administration	10,576.70	10,576.70	4,222.39	6,354.31	
Collection of Taxes	3,731.58	3,731.58	29.00	3,702.58	
Assessment of Taxes	26,537.88	26,537.88	22,502.82	4,035.06	
Group Insurance	358,974.52	358,974.52	63,114.37	295,860.15	
Director's Office	35.58	35.58	-	35.58	
Utility Billing Expenses	2,609.17	2,609.17	-	2,609.17	
Health Benefit Waiver	731.01	731.01	-	731.01	
Department of Public Works, Parks and Public Property:					
Engineer	5,494.84	5,494.84	(563.02)	6,057.86	
Landfill	59,659.66	59,659.66	23,788.09	35,871.57	
Public Works	34,230.60	34,230.60	13,571.01	20,659.59	

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Recreation Buildings	33,962.87	33,962.87	1,647.58	32,315.29	
Beach Cleaning	47,726.16	47,726.16	1,917.34	45,808.82	
Sanitation	31,539.12	31,539.12	4,861.32	26,677.80	
Parks and Buildings	37,450.61	37,450.61	4,937.15	32,513.46	
Sewage	42,201.88	42,201.88	4,141.98	38,059.90	
Fleet Maintenance	20,397.73	20,397.73	14,843.97	5,553.76	
Recreation Commission (N.J.S. 40:61-17)	22,401.13	22,401.13	9,003.50	13,397.63	
Tourism	16,412.41	16,412.41	1,149.98	15,262.43	
Director's Office	618.54	618.54	-	618.54	
Contribution to Urban Enterprise Zone	13,500.00	13,500.00	-	13,500.00	
Uniform Construction Code - Appropriation Offset by Dedicated Revenue					
State Uniform Construction Code	13,984.88	13,984.88	3,387.73	10,597.15	
Utility Expenses and Bulk Purchases					
Water	36,200.53	36,200.53	9,678.50	26,522.03	
Street Lighting	14,668.70	14,668.70	13,123.01	1,545.69	
Telephone	34,087.90	34,087.90	32,711.85	1,376.05	
Fire Hydrants	12,524.00	12,524.00	10,492.00	2,032.00	
Natural Gas	16,215.65	16,215.65	1,452.49	14,763.16	
Electric	82,286.81	82,286.81	37,814.97	44,471.84	
Gasoline	30,438.68	30,438.68	7,056.17	23,382.51	
Accumulated Absence Liability	70,000.00	70,000.00	70,000.00	-	
Capital Improvements					
Emergency Sewer Repairs	45,868.79	45,868.79	-	45,868.79	
Public Employees Retirement System	2,832.06	2,832.06	371.26	2,460.80	
All Other Accounts - No Change	444,270.79	444,270.79		444,270.79	
	<u>\$ 1,828,929.31</u>	<u>1,828,929.31</u>	<u>500,242.20</u>	<u>1,328,687.11</u>	<u>-</u>

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2013			
School Tax Payable	\$	2,065,352.44	
School Tax Deferred		<u>1,150,000.00</u>	
			3,215,352.44
Increased by:			
Levy - School Year July 1, 2014 to June 30, 2015			<u>6,619,118.00</u>
			9,834,470.44
Decreased by:			
Payments			<u>6,549,565.54</u>
Balance December 31, 2014			
School Tax Payable		2,134,904.90	
School Tax Deferred		<u>1,150,000.00</u>	
			<u><u>3,284,904.90</u></u>
Current Year Liability for Local School District School Tax:			
Tax Paid			6,549,565.54
Tax Payable Ending			<u>2,134,904.90</u>
			8,684,470.44
Less: Tax Payable Beginning			<u>2,065,352.44</u>
Amount Charged to Current Year Operations	\$		<u><u>6,619,118.00</u></u>

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	Balance Dec. 31, 2013	Transferred From 2014 Revenues	Received	Cancelled	Balance Dec. 31, 2014
FEDERAL GRANTS:					
Federal Domestic Violence Grant					
2011 Grant (ARRA)	\$ 76,022.93		46,314.19		29,708.74
Bulletproof Vest Partnership					
2004 Grant	1,262.69				1,262.69
2012 Grant	3,770.00				3,770.00
Small Cities - Rambler Road Bikeway	62,500.00				62,500.00
Small Cities - Cresse Ave/Lake Drive	55,189.00		55,189.00		-
Small Cities - Heather, Lavender, Lake	31,877.00		31,500.00		377.00
Small Cities - 2014 Grant		400,000.00	400,000.00		-
Total Federal	<u>230,621.62</u>	<u>400,000.00</u>	<u>533,003.19</u>	<u>-</u>	<u>97,618.43</u>

STATE GRANTS:

Cooperative Housing Inspections					
2011 Grant	36,245.00			36,245.00	-
2012 Grant	12,000.00			12,000.00	-
2013 Grant	2,352.00		2,352.00		-
2014 Grant		7,500.00	7,368.86		131.14
New Jersey Transportation Trust Fund:					
2008 - Seaview Avenue	35,000.00				35,000.00
2009 - Seaview Avenue	40,000.00				40,000.00
2010 - Heather Road	46,500.00				46,500.00
2012 - New Jersey Ave. - Phase I	183,377.00		137,532.75		45,844.25

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	Balance Dec. 31, 2013	Transferred From 2014 Revenues	Received	Cancelled	Balance Dec. 31, 2014
Total State	355,474.00	7,500.00	147,253.61	48,245.00	167,475.39
LOCAL GRANTS:					
GWTIDA - Summer Events 2012	2,000.00			2,000.00	-
Total Local	2,000.00	-	-	2,000.00	-
	<u>\$ 588,095.62</u>	<u>407,500.00</u>	<u>680,256.80</u>	<u>50,245.00</u>	<u>265,093.82</u>

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2013		2014		Cancelled	Balance Dec. 31, 2014
	Appropriated	Reserve for Encumbrances	Appropriations	Disbursed		
FEDERAL GRANTS:						
Federal Domestic Violence Grant 2011 (ARRA)	\$ 73,282.40			42,504.60		30,777.80
Emergency Management 2007	5,000.00					5,000.00
Bulletproof Vest Partnership						
2010	2,383.90					2,383.90
2012	2,456.50	923.50		401.38	2,055.12	923.50
2014	-		2,669.14			2,669.14
Small Cities Grant						
Atlantic Avenue	1,069.78					1,069.78
Cresse Avenue/Lake Road	55,188.37			47,193.21		7,995.16
Heather, Lavender, Lake Ave.	47,076.68			46,700.92		375.76
Crocus, Aster			400,000.00	390,831.11		9,168.89
Total Federal	186,457.63	923.50	402,669.14	527,631.22	2,055.12	60,363.93
STATE GRANTS:						
Clean Communities Grant:						
2012	12,817.03	5,487.00		14,336.03		-
2014			22,158.60	639.47	3,968.00	21,519.13
Municipal Court Alcohol Education Program:						
2004	1,269.29					1,269.29
2005	2,271.33					2,271.33
2006	471.62					471.62
Drunk Driving Enforcement Fund:						
2006	411.82	155.00				566.82
2007	6,011.54					6,011.54
2008	4,806.10					4,806.10
2009	5,422.67			294.00		5,128.67
2010	5,546.23			5,546.23		-
2011	4,236.91			3,230.21		1,006.70
2012	4,550.12					4,550.12
2014	-		4,548.02			4,548.02

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2013		2014		Encumbrances	Cancelled	Balance Dec. 31, 2014
	Appropriated	Reserve for Encumbrances	Appropriations	Disbursed			
Cooperative Housing Inspections:							
2006	\$ 20,271.77					(20,271.77)	-
2007	6,000.00					(6,000.00)	-
2008	12,000.00					(12,000.00)	-
2009	15,000.00					(15,000.00)	-
2010	91,000.00					(91,000.00)	-
2011	12,000.00					(12,000.00)	-
2013	13,000.00		7,500.00	2,000.18		(10,999.82)	-
2014	-			4,577.86			2,922.14
Recycling Tonnage Grant							
2010	2,548.55	1,720.00		1,959.55			-
2011	12,790.44			6,888.92	300.00		2,309.00
2012	12,841.89			2,811.45			5,601.52
2013			13,751				10,030.44
Police Body Armor Grant							13,750.74
2010	1,244.55	923.50		305.51			1,862.54
2011	2,289.36			95.86	2,193.50		-
2012	2,338.88				2,338.88		-
N.J. Transportation Trust Fund Heather Road New Jersey Avenue - Phase I	116.84						116.84
	183,377.00						183,377.00
UEZ Administrative Funding - 2011	7,262.29						7,262.29
UEZ assistance Fund - 2011	50,256.95						50,256.95
Total State	492,153.18	8,285.50	47,957.36	42,685.27	8,800.38	(167,271.59)	329,638.80

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2013	2014		Balance
	Appropriated	Reserve for Encumbrances	Appropriations	Dec. 31, 2014
		Encumbrances	Disbursed	Cancelled
LOCAL GRANTS:				
Scoop Taylor Park	5,615.44			5,615.44
Rambler Road Gazebo Landscaping	2,500.00			2,500.00
GWTIDA - Summer Events				
2011	12,965.80			(12,965.80)
2012	2,290.91			(2,000.00)
2013	272.52			290.91
2014	-	100.00	26,877.53	272.52
			41.26	22.47
Comcast Technology Grant - 2011	108.55	41.26	41.26	108.55
Municipal Joint Venture Program				
2007	976.00			976.00
2008	3,662.90			3,662.90
Total Local	28,392.12	41.26	26,918.79	13,448.79
	707,002.93	9,250.26	477,626.50	182,237.39
			597,235.28	10,955.50
				403,451.52

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES

<u>Purpose</u>	<u>Balance Dec. 31, 2013</u>	<u>Transferred To 2014 Appropriations</u>	<u>Received</u>	<u>Balance Dec. 31, 2014</u>
STATE GRANTS:				
Recycling Tonnage Grant - 2013	\$ 13,750.74	13,750.74	-	-
Recycling Tonnage Grant - 2014	-		13,114.20	13,114.20
Police Body Armor Grant - 2013	2,669.14	2,669.14		-
Police Body Armor Grant - 2014	-		2,018.32	2,018.32
Drunk Driving Enforcement Fund - 2013	4,548.02	4,548.02		-
Drunk Driving Enforcement Fund - 2014	-		3,933.30	3,933.30
Clean Communities Grant - 2013	22,158.60	22,158.60		-
Clean Communities Grant - 2014	-		20,779.05	20,779.05
Total State	<u>43,126.50</u>	<u>43,126.50</u>	<u>39,844.87</u>	<u>39,844.87</u>
OTHER GRANTS:				
GWTDA Summer Events - 2014	-	27,000.00	27,000.00	-
Total Other	<u>-</u>	<u>27,000.00</u>	<u>27,000.00</u>	<u>-</u>
Grand Total	<u>\$ 43,126.50</u>	<u>70,126.50</u>	<u>66,844.87</u>	<u>39,844.87</u>

The Accompanying Notes To The Financial Statements Are An Integral Part of This Statement

TRUST FUND
SCHEDULE OF CASH - TREASURER

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2013	\$ 2,275.24	949,684.01
Increased By:		
State Dog License Fees	131.40	
Municipal Dog License Fees	1,155.00	
Due to Current Fund	344.02	108,419.88
Marriage License Fees		1,050.00
DCA State Training Fees		8,791.00
Reserve for Encumbrances		16,778.69
Other Reserves	-	<u>783,883.55</u>
	<u>1,630.42</u>	<u>918,923.12</u>
	3,905.66	1,868,607.13
Decreased By:		
Paid to State of NJ	131.40	11,068.00
Dog Fund Expenditures	1,005.00	
Current Fund	345.51	98,451.42
Other Reserves	-	<u>850,437.11</u>
	<u>1,481.91</u>	<u>959,956.53</u>
Balance December 31, 2014	\$ <u><u>2,423.75</u></u>	<u><u>908,650.60</u></u>
Analysis of December 31, 2014 Balance		
Trust - Escrow	\$	575,882.08
Unemployment Trust		19,459.53
Recreation Commission		114,674.81
Police Forfeiture		12,215.65
Uniform Construction Code		69,671.51
TTL Redemption/Premium Account		<u>116,747.02</u>
	\$	<u><u>908,650.60</u></u>

See Accompanying Auditor's Report

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

Balance December 31, 2013	\$		2,274.00
Increased by:			
Dog License Fees Collected		1,155.00	1,155.00
			3,429.00
Decreased by:			
Expenditures under N.J.S.A. 4:19-15.11: Cash		1,005.00	1,005.00
Balance December 31, 2014	\$		2,424.00

License Fees Collected

<u>Year</u>	<u>Amount</u>
2013	1,395.00
2012	1,029.00
	2,424.00

See Accompanying Auditor's Report

**TRUST FUND
SCHEDULE OF AMOUNT DUE TO/(FROM) STATE OF NEW JERSEY
ANIMAL CONTROL FUND**

Balance December 31, 2013	\$		-
Increased By:			
Collected in 2014			
State License Fees		77.00	
Pilot Clinic Fund Fees		15.40	
Animal Population Control Fees		39.00	
		131.40	131.40
			131.40
Decreased By:			
Payments			
To Reserve		131.40	
		-	131.40
Balance December 31, 2014	\$		-

See Accompanying Auditor's Report

**TRUST - OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Reserve	Increased by		Decreased by		Balance Dec. 31, 2014
	Balance Dec. 31, 2013	Receipts	Other	Disbursements	
Accumulated Absences	\$ 148,675.41	108,000.00		68,599.00	188,076.41
Borough Beautification	28,107.82	15,000.00		26,273.46	16,834.36
Fire Penalties - Non-Dedicated	62,921.83	2,135.00		135.00	64,921.83
Fire Prevention	39,122.81	4,130.00		1,920.57	41,332.24
Police Forfeited Funds	11,854.92	360.73		-	12,215.65
Third Party Construction Inspections	53,757.80	96,769.00		91,519.40	59,007.40
Parking Offense Adjudication Act	6,883.76	1,128.00		-	8,011.76
Planning and Zoning Escrow	110,629.97	4,809.72		7,083.20	108,356.49
Recreation Commission	129,815.45	202,767.00		222,625.61	109,956.84
Snow Removal Trust	8,666.88	-		-	8,666.88
Streets Openings - Performance Surety	25,550.00	-		4,900.00	20,650.00
Streets Openings - Maintenance Surety	14,205.00	-		735.00	13,470.00
Street Paving	45,331.19	103,578.75		115,612.28	33,297.66
Premiums Received at Tax Sale	184,000.00	22,800.00		92,300.00	114,500.00
Third Party Lien Redemptions	3,394.72	111,146.35		112,877.09	1,663.98
Tourism Development Commission	55,418.77	64,355.50		69,367.19	50,407.08
Unemployment Compensation Insurance	15,633.11	32,000.00		27,561.88	20,071.23
Employment of Borough Employee	-	14,903.50		8,927.43	5,976.07
	\$ 943,969.44	783,883.55	-	850,437.11	877,415.88

**GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	
Balance December 31, 2013		\$ 3,121,006.38
Increased by:		
Budget Appropriations:		
Capital Improvement Fund	425,000.00	
Deferred Charges - Unfunded	-	
Bond Anticipation Notes	947,000.00	
Premium Received at Note Sale	84,862.90	
Due to Current Fund	77,662.32	
Temporary Loan Receipts	5,741,793.00	
Bond Issuance	8,530,000.00	
	15,806,318.22	
		18,927,324.60
Decreased by:		
Improvement Authorizations	6,639,926.37	
Anticipated as a Revenue in 2014 Budget;		
Capital Fund Balance	18,016.00	
Due to Current Fund	62,070.41	
Bond Issuance	8,538,400.00	
	15,258,412.78	
Balance December 31, 2014		\$ <u><u>3,668,911.82</u></u>

See Accompanying Auditor's Report

GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance		Receipts		Disbursements		Transfers		Balance	
	Dec. 31, 2013		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	Dec. 31, 2014	
\$										
Fund Balance	326,395.49		84,862.90			8,400.00	118,016.00	405,608.02	690,450.41	
Capital Improvement Fund	333,528.09		425,000.00				388,500.00		370,028.09	
Due to Current Fund	1,070.41					2,424.09		79,016.00	77,862.32	
Due from Grant Fund	-						15,200.00		(15,200.00)	
Reserve for Payment of BAN's	61,000.00						61,000.00		61,000.00	
Reserve for Encumbrances	67,553.09						67,553.09		67,553.09	
NJEIT Loan Receivable		5,741,793.00					12,517,912.00	760,391.77	760,391.77	
									(6,776,119.00)	
<u>Improvement Authorizations:</u>										
953 Various Improvements										
B. Improvements to Borough Hall	-								-	
995 Various Improvements										50,000.00
B. Sanitary Sewer Mains	50,000.00									
1034 Various Improvements										41,869.90
C. New Sanitary Sewer Mains	41,869.90									
1061 Various Improvements										
B. Rambler Road - Beachfront Park										
C. Sanitary Sewer Mains	228,434.00									
1066 Storm Sewer Replacement	10,000.00									228,434.00
1071 Various Improvements										10,000.00
1077 Improvements to Storm Water and Sanitary Sewerage Systems										
B. Construction of Storage Room	-									
1086 Acquisition of Public Works Equip.	405,608.02									
1092 Various Improvements:	16,321.67						405,608.02		16,321.67	
A. Purchase of Vehicular Equipment	20,647.01				13,000.00					(0.00)
B. Improve Public Buildings	15,496.01				15,386.00		7,647.01		110.01	
C. Purchase Land	3,580.00								3,580.00	
D. Improvement to Various Streets	137,216.32				38,466.46				98,749.86	
1095 Amended by 1102										
Purchase of Equipment, Reconfiguration of Parking Area and Improve Public Buildings	53,743.93				1,000.00				52,743.93	
1110 Purchase Public Safety Equipment	46,638.46				3,756.94				42,881.52	
1112 Various Improvements:	24,181.63									
A. Purchase Trash Packer							9,211.64		14,969.99	
C. Improvements to Storm Sewer System - New Jersey and Bayview Drive	143,500.01				945.00				142,555.01	
D. Improvements to Storm Sewer System - Cresse Avenue	4,455.81				3,298.13				1,157.68	
1128 Improvements to Crest Pier Recreation Center	29,011.25				1,500.00		10,975.48	6,688.40	23,224.17	

See Accompanying Auditor's Report

GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance Dec. 31, 2013	Receipts		Disbursements		Balance Dec. 31, 2014
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	
1130 Various Improvements:						
B. Purchase Backhoe	23,794.24					13,794.24
C. Purchase Ambulance	17,416.89					17,416.89
D. Replace Storm Sewer Pipes	61,939.82			1,170.60		60,769.22
E. Replace Sanitary Sewer Pipes	147,817.55			50,211.54	10,000.00	97,606.01
1134 Acquisition of Pick-up Truck and Beach Utility Vehicle	994.00					994.00
1140 Acquire Public Works Equip.	787.52					787.52
1143 Various Improvements:						
A. Acquisition of Playground Equip.	7,902.89					7,902.89
B. Improvements to DPW Building	129,292.74			69,558.71		59,734.03
C. Improvements to Nesbitt Center	2,419.48					2,419.48
1145 Public Works Vehicular Equip, and Public Benches	511.86					511.86
1147 Various Improvements:						
A. Acquisition of Real Property	1,872.35					1,872.35
B. Police Communications Equip.	1,647.41			717.96		3,050.45
C. Acquire Emergency Generator	97,557.98				1,500.00	97,557.98
1149 Improve Sanitary Sewerage System	(692,302.34)			5,027,183.99	589,935.08	6,265,734.28
1152 Construct Beachfront Park	2,203.01					2,203.01
1156 Improvements to Various Municipally- Owned Properties and Acquisition of Equipment	54,477.22			14,713.00		39,764.22
1158 Improvements to Storm Water System	-			150.60		15,049.40
1174 Improvements to Various Municipally- Owned Buildings	915,992.46			875,541.06	1,000.00	39,451.40
1179 Replacement and Widening of Beachfront Bike Path	326,430.20			134,570.74		191,859.46
1184 Various General Improvements				317,490.07		23,009.93
1186 Storm Sewer				71,265.57		28,734.43
1198 Various General Improvements						
A. Pacific Ave		392,000.00			130,122.56	282,877.44
B. Fuel Tanks		300,000.00				314,500.00
C. Buttercup		255,000.00				267,500.00
	<u>\$ 3,121,006.38</u>	<u>6,251,655.90</u>	<u>947,000.00</u>	<u>6,639,926.37</u>	<u>14,334,180.88</u>	<u>3,668,911.82</u>

See Accompanying Auditor's Report

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

	<u>Ref.</u>	
Balance December 31, 2013		\$ 333,528.09
Increased by:		
Current Fund Budget Appropriation	<u>425,000.00</u>	<u>425,000.00</u>
		758,528.09
Decreased by:		
Appropriation to Finance Improvement Authorization	<u>388,500.00</u>	<u>388,500.00</u>
Balance December 31, 2014		\$ <u><u>370,028.09</u></u>

See Accompanying Auditor's Report

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

	<u>Ref.</u>	
Balance December 31, 2013		\$ 17,109,504.91
Increased by:		
NJ EIT Loan Issued	12,517,912.00	
BANS Permanently Financed	<u>8,530,000.00</u>	
		<u>21,047,912.00</u>
		38,157,416.91
Decreased by:		
Serial Bonds Paid by Operating Budget	2,560,000.00	
NJEIT Loans Paid by Operating Budget	221,780.17	
USRDA Loans Paid by Operating Budget	<u>19,783.08</u>	
		<u>2,801,563.25</u>
Balance December 31, 2014		\$ <u><u>35,355,853.66</u></u>

See Accompanying Auditor's Report

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

Ord #	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Paid by Budget Appropriation	Bonds & Loans Issued	Balance Dec. 31, 2014	Analysis of Balance	
							Bond Anticipation Notes	Unexpended Improvement Authorizations
1092	Various Improvements: A. Purchase of Vehicular Equipment B. Improve Public Buildings C. Purchase Land D. Improvement to Various Streets	284,900.00 1,525,700.00 183,800.00 367,600.00	-	-	284,900.00 1,525,700.00 183,800.00 367,600.00	-	-	-
1112	Various Improvements: A. Purchase Trash Packer B. Improve Swimming Pool C. Improvements to Storm Sewer System - New Jersey and Bayview Drive D. Improvements to Storm Sewer System - Cresse Avenue	214,200.00 142,800.00 1,047,600.00 95,200.00	-	-	214,200.00 142,800.00 1,047,600.00 95,200.00	-	-	-
1128	Improvements to Crest Pier Recreation Center	1,428,500.00	-	-	1,428,500.00	-	-	-
1130	Various Improvements: A. Purchase Real Property B. Purchase Backhoe C. Purchase Ambulance D. Replace Storm Sewer Pipes E. Replace Sanitary Sewer Pipes	185,700.00 90,400.00 166,600.00 119,000.00 857,100.00	-	-	185,700.00 90,400.00 166,600.00 119,000.00 857,100.00	-	-	-
1143	Various Improvements: A. Acquire Playground Equip. B. Improvements to DPW Building C. Improvements to Nesbitt Center	152,000.00 142,500.00 47,500.00	-	-	152,000.00 142,500.00 47,500.00	-	-	-
1147	Various Improvements: A. Acquisition of Real Property B. Police Communications Equip. C. Acquire of Emergency Generator	205,200.00 285,000.00 93,100.00	-	-	205,200.00 285,000.00 93,100.00	-	-	-
1149	Improve Sanitary Sewerage System	13,000,000.00	-	-	12,517,912.00	482,088.00	-	482,088.00

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2013		Authorizations		Paid/Charged or Canceled	Balance December 31, 2014	
				Funded	Unfunded	Other Funding	Deferred Charges to Future Taxation		Funded	Unfunded
995	Various Improvements B. Sanitaru Sewer Mains	2/8/2006	40,000 \$	50,000.00					50,000.00	
1034	Various Improvements C. New Sanitary Sewer Mains	3/21/2007	820,000	41,869.90					41,869.90	
1042	Installation of Sewer/Storm Mains	7/25/2007	2,900,000	-					-	
1058	Reconstruction of Beach Patrol Headquarters	3/19/2008	30,000	-					-	
1061	Various Improvements C. Sanitary Sewer Mains	6/11/2008	3,500,000	228,434.00					228,434.00	
1066	Storm Sewer Replacement	1/14/2009	240,000	10,000.00					10,000.00	
1077	Improvements to Storm Water and Sanitary Sewerage Systems	7/8/2009	6,500,000	405,608.02				405,608.02	-	
1086	Acquisition of Public Works Equip.	12/28/2009	105,000	16,321.67					16,321.67	
1092	Various Improvements: A. Purchase of Vehicular Equipment B. Improve Public Buildings C. Purchase Land D. Improvement to Various Streets	2/10/2010	310,000 1,660,000 200,000 400,000					20,647.01 15,386.00 3,580.00 38,466.46		20,647.01 110.01 3,580.00 98,749.86
1095 Amended by 1102	Purchase of Equipment, Reconfiguration of Parking Area and Improve Public Buildings	3/24/2010	200,000	53,743.93				1,000.00		52,743.93
1110	Purchase Public Safety Equipment	11/22/2010	100,000	46,638.46				3,756.94		42,881.52

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord #	Improvement Description	Ord. Date	Amount	Authorizations			Paid/Charged or Canceled	Balance December 31, 2014	
				Balance December 31, 2013 Funded	Unfunded	Other Funding		Deferred Charges to Future Taxation	Funded
1112	Various Improvements: A. Purchase Trash Packer C. Improvements to Storm Sewer System - New Jersey and Bayview Drive D. Improvements to Storm Sewer System - Cresse Avenue	11/22/2010	\$ 225,000		24,181.63		9,211.64	14,969.99	
1128	Improvements to Crest Pier Recreation Center	6/8/2011	1,500,000		29,011.25		5,787.08	23,224.17	
1130	Various Improvements: B. Purchase Backhoe C. Purchase Ambulance D. Replace Storm Sewer Pipes E. Replace Sanitary Sewer Pipes	8/10/2011	1,490,000	23,794.24 17,416.89 61,939.82 147,817.55		10,000.00		13,794.24 17,416.89 60,769.22 97,606.01	
1134	Acquisition of Pick-up Truck and Beach Utility Vehicle	11/21/2011	29,000		994.00			994.00	
1140	Acquire Public Works Equip.	1/25/2012	119,000		787.52			787.52	
1143	Various Improvements: A. Acquisition of Playground Equip. B. Improvements to DPW Building C. Improvements to Nesbitt Center	3/7/2012	360,000	7,902.89 129,292.74 2,419.48		69,558.71		7,902.89 59,734.03 2,419.48	
1145	Public Works Vehicular Equip. and Public Benches	7/25/2012	125,000		511.86			511.86	
1147	Various Improvements: A. Acquisition of Real Property B. Police Communications Equip. C. Acquire Emergency Generator	8/29/2012	614,000	1,872.35 1,647.41 93,100.00		(1,403.04)		1,872.35 3,050.45 97,557.98	
1149	Improve Sanitary Sewerage System	11/26/2012	13,000,000		12,307,697.66		5,559,875.38	6,265,734.28	482,088.00
1152	Construct Beachfront Park	12/27/2012	40,000		2,203.01			2,203.01	
1156	Improvements to Various Municipally-Owned Properties and Acquisition of Equipment	1/23/2013	242,000		54,477.22		14,713.00	39,764.22	
1158	Improvements to Storm Water System	2/6/2013	51,000				(15,049.40)	15,049.40	
1174	Improvements to Various Municipally-Owned Buildings	8/21/2013	950,000		11,992.46		876,541.06	39,451.40	

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2014		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
General Improvement Bonds of 2007	9/1/2006	6,000,000				1,660,000.00	1,660,000.00		-
General Improvement Bonds of 2009	11/5/2009	13,135,000	11/1/15	900,000.00	3.500%	10,235,000.00	900,000.00		9,335,000.00
			11/1/16-18	1,000,000.00	4.000%				
			11/1/19-21	1,200,000.00	4.000%				
			11/1/22	1,300,000.00	4.000%				
General Improvement Bonds of 2014			11/1/23	535,000.00	4.000%				
			9/1/15	740,000.00	1.000%	-	8,530,000.00		8,530,000.00
			9/1/16	770,000.00	1.000%				
			9/1/17	800,000.00	2.000%				
			9/1/18	820,000.00	2.000%				
			9/1/19	840,000.00	2.000%				
			9/1/20	870,000.00	2.000%				
		9/1/21	890,000.00	2.000%					
		9/1/22	910,000.00	2.000%					
		9/1/23	940,000.00	2.125%					
		9/1/24	950,000.00	2.250%					
						<u>11,895,000.00</u>	<u>8,530,000.00</u>	<u>2,560,000.00</u>	<u>17,865,000.00</u>

\$

**GENERAL CAPITAL FUND
SCHEDULE OF U.S.R.D.A. BONDS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds				
			Balance December 31, 2014	Interest Rate	Balance Dec. 31, 2013	Decreased	
General Improvement Loan of 2007	6/23/2006	\$ 1,500,000	10,217.28	4.375%	\$ 1,376,021.87	19,783.08	1,356,238.79
			10,440.78				
			10,669.17				
			10,902.56				
			11,141.05				
			11,384.76				
			11,633.80				
			11,888.29				
			12,148.35				
			12,414.10				
			12,685.65				
			12,963.15				
			13,246.72				
			13,536.49				
			13,832.60				
			14,135.19				
			14,444.40				
			14,760.37				
			15,083.25				
			15,413.20				
			15,750.36				
			16,094.90				
			16,446.98				
			16,806.76				
			17,174.41				
			17,550.10				
			17,934.00				
			18,326.31				
			18,727.20				
			19,136.86				
			19,555.47				
			19,983.25				
			20,420.38				
			20,867.08				
			21,323.55				
			21,790.00				
		22,266.66					
		22,753.74					
		23,251.48					
		23,760.10					
		24,279.86					
		24,810.98					
		25,353.72					
		25,908.33					

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF U.S.R.D.A. BONDS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Balance December 31, 2014	Amount					
General Improvement Loan of 2007	6/23/2006	\$ 1,500,000	6/23/2037	\$ 26,475.07	4.375%				
			12/23/2037	27,054.22					
			6/23/2038	27,646.03					
			12/23/2038	28,250.78					
			6/23/2039	28,868.77					
			12/23/2039	29,500.27					
			6/23/2040	30,145.59					
			12/23/2040	30,805.03					
			6/23/2041	31,478.89					
			12/23/2041	32,167.49					
			6/23/2042	32,871.15					
			12/23/2042	33,590.21					
			6/23/2043	34,325.00					
			12/23/2043	35,075.85					
			6/23/2044	35,843.14					
			12/23/2044	36,627.21					
		6/23/2045	37,428.43						
		12/23/2045	38,247.17						
		6/23/2046	36,624.85						
						\$ 1,376,021.87	-	19,783.08	1,356,238.79

**GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Balance December 31, 2014	Amount	Date					
NJ Environ. Infrastructure Trust Series 2010- Fund Loan	3/10/2010	\$ 3,476,677	58,926.72	2/1/15	0.000%	2,828,483.04		176,780.17	2,651,702.87	
			117,853.45	8/1/15						
			58,926.72	2/1/16						
			117,853.45	8/1/16						
			58,926.72	2/1/17						
			117,853.45	8/1/17						
			58,926.72	2/1/18						
			117,853.45	8/1/18						
			58,926.72	2/1/19						
			117,853.45	8/1/19						
			58,926.72	2/1/20						
			117,853.45	8/1/20						
			58,926.72	2/1/21						
			117,853.45	8/1/21						
			58,926.72	2/1/22						
			117,853.45	8/1/22						
			58,926.72	2/1/23						
			117,853.45	8/1/23						
			58,926.72	2/1/24						
			117,853.45	8/1/24						
		58,926.72	2/1/25							
		117,853.45	8/1/25							
		58,926.72	2/1/26							
		117,853.45	8/1/26							
		58,926.72	2/1/27							
		117,853.45	8/1/27							
		58,926.72	2/1/28							
		117,853.45	8/1/28							
		58,926.72	2/1/29							
		117,853.77	8/1/29							
NJ Environ. Infrastructure Trust Series 2010A- Trust Loan	3/10/2010	\$ 1,135,000	45,000.00	8/1/15	5.000%	1,010,000.00		45,000.00	965,000.00	
			50,000.00	8/1/16-17	5.000%					
			55,000.00	8/1/18	5.000%					
			55,000.00	8/1/19	4.000%					
			60,000.00	8/1/20	5.000%					
			60,000.00	8/1/21	3.000%					
			65,000.00	8/1/22-23	4.000%					
			70,000.00	8/1/24-25	4.000%					
			75,000.00	8/1/26	3.500%					
			80,000.00	8/1/27-28	4.000%					
		85,000.00	8/1/29	4.000%						

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Balance Date	Amount					
NJ Environ. Infrastructure Trust NJ Ave Temporary Loan		N/A		Temporary Loan	N/A		12,517,912.00		12,517,912.00
						<u>3,838,483.04</u>	<u>12,517,912.00</u>	<u>221,780.17</u>	<u>16,134,614.87</u>

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance		Decreased	Balance Dec. 31, 2014
						Dec. 31, 2013	Increased		
Various Improvements:	1092	10/21/2010	9/26/2013	9/26/2014	1.00% \$				
A. Purchase of Vehicular Equipment						284,900.00		284,900.00	-
B. Improve Public Buildings						1,525,700.00		1,525,700.00	-
C. Purchase Land						183,800.00		183,800.00	-
D. Improvement to Various Streets						367,600.00		367,600.00	-
Various Improvements:	1112	10/20/2011	9/26/2013	9/26/2014	1.00%				
A. Purchase Trash Packer						214,200.00		214,200.00	-
B. Improve Swimming Pool						142,800.00		142,800.00	-
C. Improvements to Storm Sewer System - New Jersey and Bayview Drive						1,047,600.00		1,047,600.00	-
D. Improvements to Storm Sewer System - Cresse Avenue						95,200.00		95,200.00	-
Improvements to Crest Pier Recreation Facility	1128	10/20/2011	9/26/2013	9/26/2014	1.00%				
						1,428,500.00		1,428,500.00	-
Various Improvements:	1130	10/16/2012	9/26/2013	9/26/2014	1.00%				
A. Purchase Real Property						185,700.00		185,700.00	-
B. Purchase Backhoe						90,400.00		90,400.00	-
C. Purchase Ambulance						166,600.00		166,600.00	-
D. Replace Storm Sewer Pipes						119,000.00		119,000.00	-
E. Replace Sanitary Sewer Pipes						857,100.00		857,100.00	-
Various Improvements:	1143	10/16/2012	9/26/2013	9/26/2014	1.00%				
A. Acquire Playground Equipment						152,000.00		152,000.00	-
B. Improvements to DPW Building						142,500.00		142,500.00	-
C. Improvements to Nesbitt Center						47,500.00		47,500.00	-
Various Improvements:	1147	10/16/2012	9/26/2013	9/26/2014	1.00%				
A. Acquisition of Real Property						205,200.00		205,200.00	-
B. Police Communications Equip.						285,000.00		285,000.00	-
C. Acquire Emergency Generator						93,100.00		93,100.00	-
Improvements to Municipally-Owned Building, Facilities and Property	1174	9/26/2013	9/26/2013	9/26/2014	1.00%				
						904,000.00		904,000.00	-
Various Improvements	1198	12/4/2014	12/4/2014	12/4/2015	0.59%				
						-	947,000.00	-	947,000.00
						\$	8,538,400.00	8,538,400.00	947,000.00
									947,000.00

**GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Loan Issued	Bond Antic. Notes Issued	Budget Appropriation	Balance Dec. 31, 2014
1149	Improve Sanitary Sewer System	13,000,000.00		12,517,912.00			482,088.00
1198	Various Improvements (A) Pacific Avenue (B) Fuel Tanks (C) Buttercup Road	- - -	419,000.00 285,500.00 242,500.00		419,000.00 285,500.00 242,500.00		- - -
		<u>\$ 13,000,000.00</u>	<u>947,000.00</u>	<u>12,517,912.00</u>	<u>947,000.00</u>	<u>-</u>	<u>482,088.00</u>

BOROUGH OF WILDWOOD CREST

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of 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 after public advertising for bids and bidding therefore, except as 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 \$29,000, except by contract or agreement". Effective July 1, 2010, the bid threshold was increased to \$36,000 for municipalities with a Qualified Purchasing Agent.

The governing body of the municipality has the responsibility of determining whether the expenditures of any category will exceed \$36,000 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicated the following contracts were bid in 2014: MJJ Construction – Public Works Garage Building, Gran Turk Equipment Co., Inc. for One Six Wheel Pure Vacuum Street Sweeper with Broom Assist, DR Bradley's Bike Rental for Lease of Bicycle Rental Concession on Rambler Road, H. Barber & Sons for Beach Cleaner with Hydraulic Pump Power, Perna Finnigan, Inc., for Street and Utility Reconstruction, WECO Construction, Inc., for West Side Drainage Improvements, Garden State General Construction, Inc., for Emergency Sewer Repair, S, Batata Construction, Inc., for Concrete Repair/Replacement, PopsyPop, LLC for beach concession for sale of Ice Cream, and Cape Professional Billing, Inc., for Emergency Medical Billing Services.

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work 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 individual payments, contracts or agreements in excess of \$36,000 "for the performance of any work or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

The statutes provide 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 adopted the following resolution on January 3, 2014, authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 et seq. permits the governing body to fix the rate of interest to be charged for the nonpayment of taxes, sewer or other municipal charges.

NOW, THEREFORE, BE IT RESOLVED, by the governing body of the Borough of Wildwood Crest, the rate of interest on unpaid taxes and sewer shall be eight (8) percent per annum on the first one thousand five hundred dollars (\$1,500.00) of delinquency and eighteen (18) percent per annum on any amount in excess of one thousand five hundred dollars (\$1,500.00) to be calculated from the date the tax, sewer or other municipal charges were payable until the date of actual payment. No interest shall be

charged if payment is made on or before the tenth (10th) calendar day following the date upon which the same is payable.

BE IT FURTHER RESOLVED, in addition to the interest provided above, all delinquencies in excess of ten thousand dollars (\$10,000.00) which are not paid prior to the end of the year will be subject to a year-end penalty of six (6) percent.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 22, 2014 and was complete. There were no properties in bankruptcy as of December 31, 2014.

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

<u>Year</u>	<u>Number of Liens</u>
2014	-
2013	-
2012	-

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulation of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payment of 2014 and 2015 Taxes	5
Delinquent Taxes	5
Payment of Utility Charges	5
Delinquent Utility Charges	5

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percent of Collections</u>
2014	\$ 26,460,624	25,965,616	98.13%
2013	26,032,865	25,416,189	97.63%
2012	25,308,035	24,681,183	97.52%
2011	24,617,366	24,170,822	98.19%
2010	23,971,158	23,498,405	98.03%

Comparative Schedule of Tax Rate Information

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	1.150	1.128	1.093	1.067	1.043
Apportionment of Tax Rate:					
Municipal	.627	0.612	0.593	0.576	0.561
County	.235	0.234	0.227	0.224	0.217
Local School	.288	0.282	0.273	0.267	0.265
Assessed Valuation	2,298,365,908	2,303,746,856	2,311,598,638	2,315,657,912	2,289,895,406

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>		<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2014	\$	-	423,700	423,700	1.60%
2013		-	478,803	478,803	1.84%
2012		-	470,092	470,092	1.86%
2011		-	450,928	450,928	1.83%
2010		-	475,140	475,140	1.98%

Uniform Construction Code

The Borough of Wildwood Crest construction code official is in compliance with uniform construction code rules NJAC 5:23.17(b)2 and NJAC 5:23.4.17(b)3.

RECOMMENDATIONS

NONE

The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Registered Municipal Accountant
No. 472

June 26, 2015