

BOROUGH OF WILDWOOD CREST

COUNTY OF CAPE MAY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2015**

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, 2015



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of the 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, 2015 and 2014, 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, 2015, 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, 2015 and 2014, 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, 2015 and 2014, 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, 2015 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 relate 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. In our opinion, the supplemental information listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subjected 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 10, 2016 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.

Very truly yours,

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. 393

June 10, 2016

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EXHIBIT A - CURRENT FUND

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

	2015	2014
<u>ASSETS</u>		
Regular Fund:		
Cash:		
Treasurer	\$ 13,480,853.99	11,390,768.02
Change and Petty Cash Funds	1,225.00	1,225.00
Total Cash	13,482,078.99	11,391,993.02
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	430,338.68	423,700.07
Revenue Accounts Receivable	208,718.91	224,431.34
Interfund Receivable:		
Due from Animal Control Fund	0.93	-
Due from General Capital Fund	1,044.51	77,662.32
Due from Trusts - Other	18,489.86	11,850.03
Due from Grant Fund	196,031.81	-
Due from State of New Jersey		
Senior Citizens and Veterans	624.55	-
Total Receivables and Other Assets	855,249.25	737,643.76
Deferred Charges:		
Special Emergency Authorization	320,000.00	480,000.00
Total Regular Fund	14,657,328.24	12,609,636.78
Federal and State Grant Fund:		
Cash	171,284.07	171,284.07
Due from Current Fund	-	33,074.00
Federal and State Grants Receivable	778,159.56	265,093.82
Total Federal and State Grant Fund	949,443.63	469,451.89
Total Current Fund	\$ 15,606,771.87	13,079,088.67

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>2015</u>	<u>2014</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,499,725.44	1,504,291.40
Encumbrances Payable/Accounts Payable	707,250.51	178,710.73
Accounts Payable	54,254.02	9,778.93
Payroll Deductions Payable	1,376.88	1,012.72
Interfund Payable - Due to Grant Fund	-	33,074.00
Interfund Payable - Due to Animal Control	-	0.25
Prepaid Taxes	767,517.61	589,914.79
Overpaid Taxes	-	-
Due to State of New Jersey		
Senior Citizens and Veterans	-	1,217.92
Local School Tax Payable	2,201,095.92	2,134,904.90
County Added Tax Payable	5,151.66	6,042.04
Prepaid Sewer Rents	13,592.81	14,590.18
Sewer Rent Overpayments	13,097.58	13,097.58
Due to GWTIDA	300,328.70	440.00
Prepaid TDC Fees	900.00	800.00
Prepaid Licenses	350.00	2,800.00
Other		
Reserve for Tax Appeals	250,000.00	250,000.00
Reserve for Hurricane Sandy Expenses	303,078.20	303,078.20
Reserve for Beach Operations Offset	268,247.41	266,149.13
Reserve for Master Plan	15,000.00	15,000.00
Reserve for Insurance Proceeds	12,243.15	-
Reserve for Revaluation	13,725.46	13,725.46
	6,426,935.35	5,338,628.23
Reserve for Receivables and Other Assets	854,624.70	737,643.76
Fund Balance	7,375,768.19	6,533,364.79
Total Regular Fund	14,657,328.24	12,609,636.78
Federal and State Grant Fund:		
Unappropriated Reserves	32,298.99	39,844.87
Appropriated Reserves	700,558.83	403,451.52
Due to Current Fund	196,031.81	-
Due to General Capital Fund	15,200.00	15,200.00
Encumbrances Payable	5,354.00	10,955.50
Total Federal and State Grant Fund	949,443.63	469,451.89
Total Current Fund	\$ 15,606,771.87	13,079,088.67

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,**

	2015	2014
Revenue and Other Income Realized		
Fund Balance	\$ 1,600,000.00	1,780,000.00
Miscellaneous Revenue Anticipated	7,672,481.18	6,690,095.75
Receipts from Delinquent Taxes	423,674.23	478,888.83
Receipts from Current Taxes	26,496,647.58	25,965,615.98
Non Budget Revenue	218,044.31	540,644.55
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	1,373,428.70	1,328,687.11
Grants Cancelled	-	131,992.39
Interfund Returned	-	1.24
Total Income	37,784,276.00	36,915,925.85
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	5,599,776.00	5,544,216.55
Other Expenses	6,829,738.00	6,435,016.00
Deferred Charges & Statutory Expenditures	1,207,840.00	1,225,869.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	35,000.00	7,500.00
Other Expenses	3,665,672.11	3,664,408.50
Capital Improvements	2,979,000.00	945,000.00
Municipal Debt Service	2,510,452.61	3,447,316.57
Deferred Charges & Statutory Expenditures	160,000.00	160,000.00
Local District School Tax	6,751,500.00	6,619,118.00
County Tax	5,471,437.46	5,349,788.64
County Share of Added Tax	5,151.66	6,042.04
Interfund Created	126,054.76	86,560.37
Prior Year Senior Citizens Disallowed	250.00	325.14
Prior Year Refund	-	2,543.62
Total Expenditures	35,341,872.60	33,493,704.43
Excess in Revenue	2,442,403.40	3,422,221.42

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,**

	2015	2014
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	2,442,403.40	3,422,221.42
Fund Balance January 1	6,533,364.79	4,891,143.37
	8,975,768.19	8,313,364.79
Decreased by:		
Utilization as Anticipated Revenue	1,600,000.00	1,780,000.00
Fund Balance December 31	\$ 7,375,768.19	6,533,364.79

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, 2015**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Fund Balance Anticipated	\$ 1,600,000.00	1,600,000.00	
Total Fund Balance Anticipated	1,600,000.00	1,600,000.00	-
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Other	190,000.00	195,953.00	5,953.00
Fees and Permits	100,000.00	194,292.50	94,292.50
Fines and Costs:			
Municipal Court	120,000.00	86,699.45	(33,300.55)
Interest and Costs on Taxes	80,000.00	92,396.91	12,396.91
Parking Meters	215,000.00	276,722.07	61,722.07
Interest on Investments and Deposits	52,000.00	73,424.30	21,424.30
Municipal Pier and Concession Income	270,000.00	366,450.00	96,450.00
Interest and Costs on Delinquent Sewer Rents	19,000.00	21,748.94	2,748.94
Sewer Rents	3,580,000.00	3,777,389.34	197,389.34
Recreation Income - Pool	72,000.00	80,159.00	8,159.00
TV Cable Franchise Fee	43,500.00	44,185.28	685.28
Fees and Permits - Craft Show	4,000.00	5,625.00	1,625.00
Ambulance Fees	145,000.00	206,299.49	61,299.49
Total Section A: Local Revenues	4,890,500.00	5,421,345.28	530,845.28
Section B: State Aid Without Offsetting Appropriations			
Energy Receipts Tax	381,045.00	381,045.00	-
Total Section B: State Aid Without Offsetting Appropriations	381,045.00	381,045.00	-

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Anticipated		Realized	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	13,114.20		13,114.20	
Clean Communities Program	20,779.05		20,779.05	
Drunk Driving Enforcement Fund	3,933.30		3,933.30	
State Aid - Housing	35,000.00		35,000.00	
Police Body Armor Grant	2,018.32		2,018.32	
Small Cities Grant	220,000.00		220,000.00	
NJ Department of Transportation Trust Fund Authority Act	172,000.00		172,000.00	
NJ Department of Transportation Pacific Ave		175,000.00	175,000.00	
Small Cities CDBG ADA Intersections		200,000.00	200,000.00	
Generator Project 2015		75,000.00	75,000.00	
GWTIDA - Summer Events Grants		25,750.00	25,750.00	
Bulletproof Vest Partnership Grant		6,777.24	6,777.24	
Total Section F: Special Items - Public and Private Programs	466,844.87	482,527.24	949,372.11	-
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	142,000.00		165,218.26	23,218.26
Beach Operation Off-Set - Reserved	266,149.00		266,149.00	-
Anticipated General Capital Fund Balance	444,862.90		444,862.90	-
GWTIDA - Municipal Event Support	31,750.00		44,488.63	12,738.63
Total Section G: Special Items of General Revenue Anticipated With Prior Written Consent of Director of Local Government Services - Other Special Items	884,761.90	-	920,718.79	35,956.89
Total Miscellaneous Revenues:	6,623,151.77	482,527.24	7,672,481.18	566,802.17
Receipts from Delinquent Taxes	400,000.00		423,674.23	23,674.23

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, 2015**

	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	\$ 14,698,321.75		15,077,608.11	379,286.36
Total Amount to be Raised by Taxes for Support of Municipal Budget	14,698,321.75	-	15,077,608.11	379,286.36
Budget Totals	23,321,473.52	482,527.24	24,773,763.52	969,762.76
Non- Budget Revenues:				
Other Non- Budget Revenues:	-		218,044.31	218,044.31
	\$ 23,321,473.52	482,527.24	24,991,807.83	1,187,807.07

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, 2015**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$	26,496,647.58
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Allocated to:

School, County and Other Taxes		<u>12,228,089.12</u>
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Balance for Support of Municipal Budget Appropriations		14,268,558.46
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Increased by:

Appropriation "Reserved for Uncollected Taxes"		<u>809,049.65</u>
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Amount for Support of Municipal Budget Appropriations		<u><u>15,077,608.11</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collection		<u>423,674.23</u>
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Total Receipts from Delinquent Taxes		<u><u>423,674.23</u></u>
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Late Mercantile Penalties		5,117.00
Pension Refunds		390.65
Administration Fee - Vets and Seniors		1,170.78
Police Reports		5,864.00
Copies		975.87
Code Violations		611.50
Employee Health Insurance Premium CoPay		980.68
Statutory Excess - Dog Fund		
FEMA Reimbursements		3,746.52
Bad Check Fee		220.00
Interlocal Agreement		75,000.00
Junior Lifeguard Program		6,585.00
Notary Fees		130.00
Miscellaneous		<u>117,252.31</u>

Total Miscellaneous Revenue Not Anticipated:	\$	<u><u>218,044.31</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, 2015**

	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	\$ 42,500.00	42,500.00	42,499.15		0.85	
Other Expenses	5,000.00	5,000.00	1,893.56	285.10	2,821.34	
Fire						
Salaries and Wages	2,500.00	2,500.00	2,499.90		0.10	
Other Expenses	46,900.00	71,900.00	70,545.39		1,354.61	
Police						
Salaries and Wages	2,260,210.00	2,160,210.00	2,062,173.15		98,036.85	
Other Expenses	253,900.00	253,900.00	138,719.42	90,388.58	24,792.00	
Municipal Prosecutor						
Other Expenses	18,000.00	18,000.00	16,500.00		1,500.00	
Legal						
Other Expenses	177,500.00	187,500.00	166,129.02	5,000.00	16,370.98	
Local Code Enforcement						
Salaries and Wages	29,900.00	29,900.00	22,276.31		7,623.69	
Other Expenses	7,400.00	7,400.00	3,147.04		4,252.96	
Emergency Management Services						
Salaries and Wages	3,500.00	3,500.00	3,500.00		-	
Other Expenses	4,500.00	4,500.00	-		4,500.00	
Services of Ambulance						
Salaries and Wages	493,786.00	468,786.00	446,858.42		21,927.58	
Other Expenses	46,250.00	46,250.00	23,961.47	10,814.64	11,473.89	
Environmental Commission (N.J.S. 40:56A-1)						
Salaries and Wages	2,500.00	2,500.00	1,000.00		1,500.00	
Other Expenses	500.00	500.00			500.00	
Lifeguards						
Salaries and Wages	535,000.00	535,000.00	532,548.94		2,451.06	
Other Expenses	75,580.00	75,580.00	47,216.61	27,879.17	484.22	
Land Use Administration						
Salaries and Wages	22,000.00	22,000.00	21,184.54		815.46	
Other Expenses	70,700.00	95,700.00	45,574.96	49,284.83	840.21	
Traffic Maintenance						
Salaries and Wages	89,000.00	74,000.00	68,984.27		5,015.73	
Other Expenses	28,800.00	28,800.00	14,735.07	4,231.00	9,833.93	

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, 2015**

	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	103,400.00	103,400.00	99,456.89		3,943.11	
Other Expenses	13,600.00	13,600.00	7,888.37	1,062.99	4,648.64	
Animal Control						
Other Expenses	33,000.00	33,000.00	30,555.04		2,444.96	
Municipal Court						
Salaries and Wages	139,230.00	144,730.00	143,137.00		1,593.00	
Other Expenses	16,445.00	16,445.00	10,423.22	37.99	5,983.79	
Public Defender (P.L. 1997, C.256)						
Other Expenses	13,000.00	13,000.00	11,458.26		1,541.74	
New Jersey Public Employees						
OSHA Mandated Costs (Mandatory Vaccinations)						
Health						
Other Expenses	2,500.00	2,500.00			2,500.00	
DEPARTMENT OF REVENUE AND FINANCE:						
Director's Office						
Salaries and Wages	19,250.00	19,250.00	17,600.07		1,649.93	
Other Expenses	1,200.00	1,200.00	992.18		207.82	
Borough Administration						
Salaries and Wages	176,500.00	132,000.00	122,601.35		9,398.65	
Other Expenses	69,150.00	113,650.00	80,629.62	8,137.28	24,883.10	
Election Expense	1,200.00	1,200.00	872.23		327.77	
Financial Administration						
Salaries and Wages	194,000.00	168,000.00	139,933.68		28,066.32	
Other Expenses	114,900.00	114,900.00	63,385.45	2,541.95	48,972.60	
Municipal Audit	33,700.00	33,700.00	33,700.00		-	
Assessment of Taxes						
Salaries and Wages	43,000.00	43,000.00	37,764.49		5,235.51	
Other Expenses	17,290.00	17,290.00	9,848.56	7,077.95	363.49	
Collection of Taxes						
Salaries and Wages	155,000.00	135,000.00	131,191.65		3,808.35	
Other Expenses	17,200.00	17,200.00	7,647.75	137.99	9,414.26	

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, 2015**

	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	\$ 11,600.00	11,600.00	5,118.43			6,481.57	
Other Expenses							
Insurance							
General Liability	182,545.00	182,545.00	141,058.00	999.90		40,487.10	
Workers Compensation	374,588.00	374,588.00	374,588.00			-	
Employee Group Health	3,055,940.00	3,014,440.00	2,649,892.67	719.95		363,827.38	
Health Benefit Waiver							
Salaries and Wages	30,000.00	30,000.00	27,299.82			2,700.18	
DEPARTMENT OF PUBLIC WORKS							
PARKS AND PUBLIC PROPERTY:							
Director's Office							
Salaries and Wages	16,500.00	16,500.00	16,500.00			-	
Other Expenses	750.00	750.00	186.46	450.00		113.54	
Engineer							
Other Expenses	55,000.00	124,500.00	93,645.73	25,033.50		5,820.77	
Landfill							
Other Expenses	333,000.00	333,000.00	306,059.89			26,940.11	
Public Works							
Salaries and Wages	415,000.00	340,000.00	339,551.56			448.44	
Other Expenses	85,300.00	85,300.00	66,629.13	11,780.03		6,890.84	
Recreation Buildings							
Other Expenses	83,250.00	88,250.00	64,750.29	21,411.98		2,087.73	
Beach Cleaning							
Salaries and Wages	40,000.00	32,000.00	31,059.00			941.00	
Other Expenses	61,000.00	42,000.00	38,515.54	3,100.00		384.46	
Sanitation							
Salaries and Wages	383,000.00	338,000.00	333,842.06			4,157.94	
Other Expenses	45,000.00	45,000.00	37,496.73	1,041.00		6,462.27	
Parks and Buildings							
Salaries and Wages	182,000.00	151,000.00	140,208.88			10,791.12	
Other Expenses	114,200.00	109,700.00	94,685.30	12,844.52		2,170.18	
Sewage							
Salaries and Wages	100,000.00	100,000.00	93,814.12			6,185.88	
Other Expenses	37,100.00	16,100.00	14,984.45	300.00		815.55	

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, 2015**

	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	\$ 134,000.00	114,000.00	110,269.67		3,730.33	
Salaries and Wages	138,400.00	148,400.00	136,514.74	8,737.16	3,148.10	
Other Expenses						
Tourism						
Salaries and Wages	15,000.00	15,000.00	8,913.25		6,086.75	
Other Expenses	102,150.00	102,150.00	80,136.78	150.00	21,863.22	
Recreation Commission (N.J.S. 40:61-17)						
Salaries and Wages	305,000.00	275,000.00	266,266.68		8,733.32	
Other Expenses	33,400.00	33,400.00	18,837.64	6,792.86	7,769.50	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS						
APPROPRIATIONS OFFSET BY REVENUES						
State Uniform Construction Code						
Salaries and Wages	64,000.00	64,000.00	63,615.36		384.64	
Other Expenses	23,300.00	23,300.00	15,844.92	3,497.09	3,957.99	
UTILITY EXPENSES AND BULK PURCHASES:						
Water	70,000.00	70,000.00	44,054.14		25,945.86	
Street Lighting	185,000.00	185,000.00	184,331.16		668.84	
Telephone	120,000.00	145,000.00	109,074.96	2,973.47	32,951.57	
Fire Hydrants	47,000.00	47,000.00	32,208.00		14,792.00	
Natural Gas	90,000.00	90,000.00	74,095.02		15,904.98	
Electric	220,000.00	220,000.00	186,159.43		33,840.57	
Gasoline	190,000.00	165,000.00	111,954.86	2,979.94	50,065.20	
Accumulated Absence Liability	38,000.00	38,000.00	38,000.00		-	
TOTAL OPERATIONS WITHIN "CAPS"	12,760,514.00	12,429,514.00	11,031,195.70	309,690.87	1,088,627.43	-
Contingent						
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	12,760,514.00	12,429,514.00	11,031,195.70	309,690.87	1,088,627.43	-
Detail:						
Salaries and Wages	6,033,776.00	5,599,776.00	5,364,550.21	-	235,225.79	-
Other Expenses	6,726,738.00	6,829,738.00	5,666,645.49	309,690.87	853,401.64	-

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, 2015**

	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.	\$ 402,472.00	402,472.00	400,472.00		2,000.00	
Public Employees Retirement System	289,168.00	289,168.00	287,168.00		2,000.00	
Social Security System (O.A.S.I.)	480,000.00	480,000.00	410,993.21		69,006.79	
Unemployment Compensation Insurance	32,000.00	32,000.00	32,000.00		-	
Defined Contribution Retirement Plan	4,200.00	4,200.00	194.39		4,005.61	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	1,207,840.00	1,207,840.00	1,130,827.60	-	77,012.40	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	13,968,354.00	13,637,354.00	12,162,023.30	309,690.87	1,165,639.83	-
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Cape May County MUA - Charges	3,580,000.00	3,580,000.00	3,281,844.00		298,156.00	
TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"	3,580,000.00	3,580,000.00	3,281,844.00	-	298,156.00	-
(A) Public and Private Programs Off-Set by Revenues						
Drunk Driving Enforcement Fund	3,933.30	3,933.30	3,933.30		-	
Police Body Armor Fund	2,018.32	2,018.32	2,018.32		-	
Recycling Tonnage Grant	13,114.20	13,114.20	13,114.20		-	
Clean Communities Program	20,779.05	20,779.05	20,779.05		-	
GWTIDA Summer Events	-	25,750.00	25,750.00		-	
Matching Funds for Grants	12,000.00	12,000.00	-		12,000.00	
Municipal Alliance Consortium - Local share	1,300.00	1,300.00	762.00		538.00	
State Aid Housing						
Salaries and Wages	35,000.00	35,000.00	35,000.00		-	
Bulletproof Vest Partners		6,777.24	6,777.24		-	
Total Public and Private Programs Off-Set by Revenues	88,144.87	120,672.11	108,134.11	-	12,538.00	-

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, 2015**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Total Operations - Excluded from "CAPS" Detail:	\$ 3,668,144.87	3,700,672.11	3,389,978.11	-	310,694.00	-
Salaries and Wages	35,000.00	35,000.00	35,000.00	-	-	-
Other Expenses	3,633,144.87	3,665,672.11	3,354,978.11	-	310,694.00	-
(C) Capital Improvements						
Capital Improvement Fund	1,411,000.00	1,671,000.00	1,671,000.00		-	
Emergency Sewer Repairs	120,000.00	191,000.00	45,048.75	122,559.64	23,391.61	
FEMA Refund - Due to Overpayment	275,000.00	275,000.00		275,000.00	-	
Public and Private Programs Offset by Revenues:						
New Jersey DOT Trust Fund Authority Act	172,000.00	172,000.00	172,000.00		-	
Small Cities Program						
ADA Improvements - Pacific Avenue	220,000.00	220,000.00	220,000.00		-	
ADA Intersections		200,000.00	200,000.00		-	
New Jersey DOT Trust Fund Pacific Ave Ch 159 Generator Project		175,000.00	175,000.00		-	
		75,000.00	75,000.00		-	
Total Capital Improvements	2,198,000.00	2,979,000.00	2,558,048.75	397,559.64	23,391.61	-
(D) Debt Service						
Payment of Bond Principal	1,640,000.00	1,640,000.00	1,640,000.00		-	-
Interest on Bonds	526,705.00	526,705.00	523,090.14		-	3,614.86
Interest on Notes	6,000.00	6,000.00	5,587.30		-	412.70
USRDA						
Principal	20,660.00	20,660.00	20,660.00		-	-
Interest	59,112.00	59,112.00	59,110.00		-	2.00
New Jersey Environmental Infrastructure Trust						
Principal	225,223.00	225,223.00	221,780.17		(0.00)	3,442.83
Interest	40,225.00	40,225.00	40,225.00		-	-
Total Debt Service	2,517,925.00	2,517,925.00	2,510,452.61	-	(0.00)	7,472.39
(E) Deferred Charges						
Special Emergency Authorization	160,000.00	160,000.00	160,000.00		-	-
Total Deferred Charges	160,000.00	160,000.00	160,000.00	-	-	-

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, 2015**

	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"	\$ 8,544,069.87	9,357,597.11	8,618,479.47	397,559.64	334,085.61	7,472.39
SUBTOTAL GENERAL APPROPRIATIONS	22,512,423.87	22,994,951.11	20,780,502.77	707,250.51	1,499,725.44	7,472.39
(M) Reserve for Uncollected Taxes	809,049.65	809,049.65	809,049.65			
TOTAL GENERAL APPROPRIATIONS	\$ 23,321,473.52	23,804,000.76	21,589,552.42	707,250.51	1,499,725.44	7,472.39
Budget	\$	23,321,473.52				
Appropriations by 40A.4-87		482,527.24				
		<u>23,804,000.76</u>				
Reserve for Uncollected Taxes			809,049.65			
Federal and State Grants			949,372.11			
Deferred Charges - Special Emergency Disbursements			160,000.00			
			19,671,130.66			
			<u>21,589,552.42</u>			

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EXHIBIT B - TRUST FUND

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

	<u>2015</u>	<u>2014</u>
ASSETS		
Animal Control Fund:		
Cash	\$ 2,550.93	2,423.75
Due from Current Fund		0.25
	<u>2,550.93</u>	<u>2,424.00</u>
Other Funds:		
Cash - Treasurer	<u>996,147.06</u>	<u>908,650.60</u>
	<u>996,147.06</u>	<u>908,650.60</u>
	<u>\$ 998,697.99</u>	<u>911,074.60</u>
 LIABILITIES, RESERVES AND FUND BALANCE		
Animal Control Fund:		
Due to Current Fund	0.93	-
Reserve for Expenditures	<u>2,550.00</u>	<u>2,424.00</u>
	<u>2,550.93</u>	<u>2,424.00</u>
Other Funds:		
Due to State of New Jersey:		
Marriage License Fees	275.00	175.00
DCA State Training Fees	4,061.00	2,431.00
Due to Current Fund	18,489.86	11,850.03
Reserve for Encumbrances	32,663.18	16,778.69
Reserves - Miscellaneous	<u>940,658.02</u>	<u>877,415.88</u>
	<u>996,147.06</u>	<u>908,650.60</u>
	<u>\$ 998,697.99</u>	<u>911,074.60</u>

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>2015</u>	<u>2014</u>
Cash	\$	2,935,019.71	3,668,911.82
Deferred Charges to Future Taxation -			
Funded		31,095,012.43	35,355,853.66
Unfunded		4,000,088.00	1,429,088.00
Due from Grant Fund		15,200.00	15,200.00
NJEIT Loan Receivable		2,079,077.00	6,776,119.00
		<u>40,124,397.14</u>	<u>47,245,172.48</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Due to Current Fund		1,044.51	77,662.32
Serial Bonds Payable		16,225,000.00	17,865,000.00
USRDA Loans Payable		1,335,580.73	1,356,238.79
NJEIT Loan Payable		13,534,431.70	16,134,614.87
Bond Anticipation Notes Payable		947,000.00	947,000.00
Improvement Authorizations:			
Funded		4,004,863.12	7,723,820.79
Unfunded		3,377,123.56	1,319,965.44
Reserve for Encumbrances		125,135.46	760,391.77
Reserve for Payment of BAN's		-	-
Capital Improvement Fund		502,028.09	370,028.09
Fund Balance		72,189.97	690,450.41
	\$	<u>40,124,397.14</u>	<u>47,245,172.48</u>

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

2014	482,088.00
2015	3,053,088.00

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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>2015</u>	<u>2014</u>
Beginning Balance January 1	\$	690,450.41	326,395.49
Increased by:			
Funded Improvement Authorizations Canceled		126,602.46	405,608.02
Premium Received at Note Sale		<u>-</u>	<u>84,862.90</u>
		817,052.87	816,866.41
Decreased by:			
Bond Anticipation Notes paid off			8,400.00
Surplus budgeted in Current Fund		444,862.90	18,016.00
Appropriation to Finance			
Improvement Authorizations		<u>300,000.00</u>	<u>100,000.00</u>
Ending Balance December 31	\$	<u><u>72,189.97</u></u>	<u><u>690,450.41</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>2015</u>	<u>2014</u>
General Fixed Assets:		
Land	\$ 25,173,932.00	25,214,620.00
Buildings	11,291,791.00	9,183,640.00
Machinery and Equipment	7,693,080.00	7,511,195.00
Construction in Progress	142,919.00	-
	<u>44,301,722.00</u>	<u>41,909,455.00</u>
Investment in General Fixed Assets	\$ <u>44,301,722.00</u>	<u>41,909,455.00</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, 2015 AND 2014**

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, 2015 AND 2014
(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.

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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

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.

F. Recent Accounting Pronouncements Not Yet Effective

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72 "Fair Value Measurement and Application". This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the Borough's financial reporting.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the Borough's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74 "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the Borough's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the Borough's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76 "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement, which is effective for fiscal periods beginning after June 15, 2015, will not have any effect on the Borough's financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the Borough's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78 "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the Borough's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 79 "Certain External Investment Pools and Pool Participants". This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the Borough's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80 "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the Borough's financial reporting.

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 2015 and 2014 statutory budgets included a reserve for uncollected taxes in the amount of \$809,050 and \$798,248. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2015 and 2014 statutory budgets was \$1,600,000 and \$1,780,000.

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.

The following significant budget transfers were approved in the 2015 and 2014 calendar years:

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

<u>Budget Category</u>	<u>2015</u>	<u>2014</u>
<u>Current Fund:</u>		
Fire		
Other Expenses	25,000	-
Police		
Salaries and Wages	(100,000)	(8,000)
Services of Ambulance		
Salaries and Wages	(25,000)	
Land Use Administration		
Other Expenses	25,000	
Borough Administration		
Salaries and Wages	(45,000)	40,000
Other Expenses	45,000	(40,000)
Financial Administration		
Salaries and Wages	(26,000)	
Collection of Taxes		
Salaries and Wages	(20,000)	
Public Works		
Salaries and Wages	(75,000)	
Engineer		
Other Expenses	69,500	
Fleet Maintenance		
Salaries and Wages		(17,000)
Other Expenses		17,000
Beach Cleaning		
Salaries and Wages	(8,000)	
Other Expenses	(19,000)	
Capital Improvement Fund	260,000	
Emergency Sewer Repairs	71,000	
Traffic Maintenance		
Salaries and Wages	(15,000)	
Sanitation		
Salaries and Wages	(45,000)	

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 2015 and 2014, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2015</u>	<u>2014</u>
Summer Events Grant - GWTIDA	\$ 25,750	-
NJ DoT - Pacific Ave	175,000	-
Small Cities CDBG ADA Intersections	200,000	-
Generator Project	75,000	-
Bulletproof Vest Partership Grant	6,777	-
Total	<u>482,527</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

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, 2015 was \$320,000.

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, 2015 and 2014, the Borough's balance was \$7,105 and \$7,098.

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.

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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

NOTE 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2015 and 2014:

	Balance 12/31/2013	Additions	Retirements/ Adjustments	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>

	Balance 12/31/2014	Additions	Retirements/ Adjustments	Balance 12/31/2015
Land	\$ 25,214,620	19,696	(60,384)	25,173,932
Building and Improvements	9,183,640	2,073,373	34,778	11,291,791
Equipment and Machinery	7,511,195	268,735	(86,800)	7,693,130
Construction in Progress	-	142,919	-	142,919
	<u>\$ 41,909,455</u>	<u>2,504,723</u>	<u>(112,406)</u>	<u>44,301,772</u>

NOTE 6: SHORT-TERM OBLIGATIONS

	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>

	Balance 12/31/14	Issued	Retired	Balance 12/31/15
Bond Anticipation Notes payable:				
General	\$ 947,000	-	-	947,000
	<u>\$ 947,000</u>	<u>-</u>	<u>-</u>	<u>947,000</u>

The note was reissued on 12/2/15 and is due and payable on 12/2/16 with interest at %.87. As of December 31, 2015 the entity has authorized but not issued bonds in the amount of \$3,377,124 in the General Capital Fund.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

NOTE 7: LONG TERM DEBT

Long-term debt as of December 31, 2015 and 2014 consisted of the following:

	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>

	Balance 12/31/14	Issued	Retired	Balance 12/31/15	Amounts Due Within One Year
Bonds payable:					
General	\$ 17,865,000	-	1,640,000	16,225,000	1,770,000
Total	<u>\$ 17,865,000</u>	<u>-</u>	<u>1,640,000</u>	<u>16,225,000</u>	<u>1,770,000</u>
Other liabilities:					
Loans Payable:					
General	17,490,854	-	2,620,841	14,870,013	717,301
Total long-term liabilities	<u>\$ 35,355,854</u>	<u>-</u>	<u>4,260,841</u>	<u>31,095,013</u>	<u>2,487,301</u>

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

\$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, 2015 is \$8,435,000.

\$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, 2015 is \$1,335,580.73.

\$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, 2015 is \$920,000.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

\$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, 2015 is \$2,474,922.70.

\$8,530,000 General Improvement Bonds dated August 27, 2015, 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, 2015 is \$7,790,000.

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

<u>Year</u>	<u>General Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 2,487,301	716,323
2017	2,523,255	660,169
2018	2,549,251	595,423
2019	2,780,292	529,983
2020	2,821,378	456,246
2021-2025	10,614,943	1,224,503
2026-2030	3,923,507	522,734
2031-2035	2,531,320	257,926
2036-2040	280,008	118,842
2041-2045	347,655	51,195
2046	36,625	801
	30,895,534	5,134,145

As of December 31, 2015 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 \$626,042.

<u>Summary of Municipal Debt</u>	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Issued:</u>			
General - Bonds, Loans and Notes	\$ 32,042,012	36,302,854	25,647,905
Total Issued	32,042,012	36,302,854	25,647,905
<u>Authorized but not issued:</u>			
General - Bonds, Loans and Notes	3,053,088	482,088	13,000,000
Total Authorized But Not Issued	3,053,088	482,088	13,000,000
Total Bonds & Notes Issued and Authorized But Not Issued	\$ 35,095,100	36,784,942	38,647,905

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(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 1.743%.

	Gross Debt	Deductions	Net Debt
General Debt	\$ 37,473,503		37,473,503
	\$ 37,473,503	-	37,473,503

Net Debt \$37,473,503 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,149,359,296 = 1.743%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$	75,227,575
Net Debt		37,473,503
Remaining Borrowing Power	\$	37,754,072

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, 2015 and 2014, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2016 and 2015 were as follows:

		2016	2015
Current Fund	\$	3,000,000	1,600,000

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:

		12/31/2015		12/31/2014
Balance of Tax	\$	3,351,096	\$	3,284,905
Deferred		1,150,000		1,150,000
Tax Payable	\$	2,201,096	\$	2,134,905

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(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 12/31/15	Balance 12/31/14
Prepaid Taxes	\$ 767,518	589,915
Cash Liability for Taxes Collected in Advance	\$ 767,518	589,915

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 6.92% through June 30, 2015 and 7.06% 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 12.46% of base salary. The entity's contributions to PERS for the years ended December 31, 2015, 2014, and 2013 were \$287,168, \$271,079, and \$302,272.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(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, 2015, 2014, and 2013 were \$400,472, \$380,705, and \$405,880.

The total payroll for the year ended December 31, 2015, 2014 and 2013 was \$5,524,971, \$5,627,025, and \$5,706,182. Payroll covered by PFRS was \$1,367,388, \$1,418,300, and \$1,641,333. Payroll covered by PERS was \$2,238,027, \$2,268,982, and \$2,308,386.

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 2014, 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, 2015 AND 2014
(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 $1/60^{\text{th}}$ from $1/55^{\text{th}}$, 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 $1/7^{\text{th}}$ 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: PENSION LIABILITIES

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the Borough's pension liabilities. However, due to the fact that the Borough reports on the regulatory basis of accounting, no financial statement impact will be recognized.

The following represents the municipality's pension liabilities as June 30, 2015:

Public Employees' Retirement System

The Borough has a liability of \$7,372,812.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Borough's proportion is 0.03284396350%, which was a decrease of 5.71% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough would have recognized pension expense of \$382,764. At December 31, 2015, the Borough would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 791,781	
Net difference between projected and actual earnings on pension plan investments	175,889	(118,541)
Changes in proportion and differences between Borough contributions and proportionate share of contributions	-	(466,714)
	\$ 967,670	(585,255)
Total	\$ 967,670	(585,255)

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,		
2016	\$	133,258
2017	\$	133,258
2018	\$	133,258
2019	\$	133,258
2020	\$	(104,594)
Thereafter	\$	(46,021)
Total	\$	382,415

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate		3.04%
Salary increases:		
2012-2021		2.15% - 4.40% (based on age)
Thereafter		3.15% - 5.40% (based on age)
Investment rate of return:		7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) with adjustments for mortality improvements from the base year of 2012 based on Projections Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate.

The following presents the Municipality's proportionate share of the net pension liability calculated using the discount rate of 4.90%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.90%) or 1-percentage point higher (5.90%) than the current rate:

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
City's proportionate share of the net pension liability	\$ 9,163,503	7,372,812	5,871,509

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Police and Firemen's Retirement System

The Borough has a liability of \$7,270,007 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Municipality's proportion is .04364663000%, which is a decrease of 16.29% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough would have recognized pension expense of \$420,757. At December 31, 2015, the Borough would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 1,342,224	
Net difference between projected and actual earnings on pension plan investments	-	(189,234)
Changes in proportion and differences between City contributions and proportionate share of contributions	-	(935,377)
Total	\$ 1,342,224	(1,124,611)

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,		
2016	\$	62,510
2017	\$	62,510
2018	\$	62,510
2019	\$	62,510
2020	\$	(27,715)
Thereafter	\$	(4,712)
Total	\$	217,613

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all period in the measurement:

Inflation rate	3.04%
Salary increases:	
2012-2021	2.60% - 9.48% (based on age)
Thereafter	3.60% - 10.48% (based on age)
Investment rate of return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Municipality's proportionate share of the net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2015, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (4.79%)	Current Discount Rate (5.79%)	1% Increase (6.79%)
Twp's proportionate share of the net pension liability	\$ 10,424,678	7,270,007	5,855,080

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2015 and June 30, 2014 State special funding situation net pension liability amounts of \$1,460,720,421 and \$1,354,554,686, respectively, are the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2015 State special funding situation pension expense of \$182,203,735 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2015. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Borough of Wildwood Crest was 0.04364663000% and 0.05214010270% for 2015 and 2014 respectively. The net pension liability amounts allocated to the Borough were \$637,555.00 and \$702,706.00 respectively. For the fiscal year ending June 30, 2015 State special funding situation pension expense of \$79,526 is allocated to the Borough.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PFRS financial report.

NOTE 13: 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:

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, and vision 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, 2015 vary according to the type of coverage selected by the retiree and range from \$452 to \$3,044 monthly per retiree.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

The Borough of Wildwood Crest contributions to SHBP for post-retirement benefits for the year ended December 31, 2015 and 2014 were \$886,153 and \$791,683 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 124 total participants including 46 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.

In the April 1, 2016 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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Other Post-employment Benefit Costs and Obligations

The following reflects the components of the 2015 annual OPEB Costs, amounts paid, and changes to the net accrued OPEB obligation based on the April 1, 2016 actuarial valuation and actual OPEB payments made or accrued during 2015:

	December 31, 2015
Net OPEB Obligation - Beginning of Year	\$ 2,510,000
Annual OPEB Cost	580,000
OPEB Payments	(80,000)
Increase in Net OPEB Obligation	500,000
Net OPEB Obligation - End of Year	\$ 3,010,000
Percentage of OPEB Cost Contributed	13.8%

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2013	520,000	13.5%	2,080,000
12/31/2014	530,000	18.9%	2,510,000
12/31/2015	580,000	13.8%	3,010,000

NOTE 14: 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 for employees hired prior to 12/31/14. For employees hired after 1/1/15, personal time expires if it is not used at the end of one year.

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, 2015 is \$191,370.70. The total liability of accrued sick leave and vacation for all eligible employees at December 31, 2015 is estimated to be \$371,171.58.

NOTE 15: 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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

NOTE 16: 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, 2015 and 2014 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
2015	32,000	-	-	27,821	24,250
2014	32,000	-	-	27,562	20,071
2013	32,000	-	-	27,033	15,633

NOTE 17: 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.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)**

NOTE 18: LABOR CONTRACTS

As of December 31, 2015, the Borough's employees are organized in five collective bargaining units. The contract with the Policeman's Benevolent Association (PBA) expired 12/31/14 and has not settled a new contract as of 12/31/15; the new contract for the United Independent Union expires 12/31/18; the new contract with the Wildwood Crest Police Public Safety Tele-communicators expires 12/31/18; the new contract with the Wildwood Crest Rescue Career Employees expires 12/31/18; and the contract for Policeman's Benevolent Association (Superior Officers) expired 12/31/14 and has not settled a new contract as of 12/31/15.

<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 Tele-communicators	Tele-communicators	Public Safety Dispatchers

NOTE 19: 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, 2015 AND 2014
(CONTINUED)

NOTE 20: INTERFUND BALANCES

As of December 31, 2015, 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	\$ 0.93	
General Capital Fund	1,044.51	
Grant Fund	196,031.81	
Other Trust Fund	18,489.86	
Trust Fund:		
Current - Animal Control Fund		0.93
Current - Other Trust Fund		18,489.86
Grant Fund:		
Current Fund		196,031.81
General Capital		15,200.00
General Capital Fund:		
Current Fund		1,044.51
Grant Fund	15,200.00	
	\$ 230,767.11	230,767.11

NOTE 21: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through June 10, 2016, the date which the financial statements were available to be issued and identified no events requiring disclosure.

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 the 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, 2015, and the related notes to the financial statements, which collectively comprise Borough's basic financial statements, and have issued our report thereon dated June 10, 2016, 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.

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.

Very truly yours,

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 10, 2016

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2015**

Federal Grantor / Pass-through Grantor Program	CFDA Number	Pass-Through Entity ID#	Grant Period From To	Program or Award Amount	Unexpended Balance 12/31/14	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance 12/31/15	MEMO ONLY Accumulated Expenditures
Department of Homeland Security FEIMA Assistance	97.042	N/A	1/1/2007 12/31/2007	5,000.00	5,000.00	-	-	-	5,000.00	-
Total Department of Homeland Security					<u>5,000.00</u>	<u>-</u>	<u>-</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	30,777.80				30,777.80	278,218.20
Bulletproof Vest Partnership	16.607	N/A	1/1/2010 12/31/2010	3,260.18	2,383.90		2,031.62		352.28	2,907.90
Bulletproof Vest Partnership	16.607	N/A	1/1/2012 12/31/2012	3,770.00	923.50		923.50		-	3,770.00
Bulletproof Vest Partnership	16.607	N/A	1/1/2013 12/31/2013	-	-	3,426.54	1,778.00		1,648.54	(1,648.54)
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>36,754.34</u>	<u>3,426.54</u>	<u>4,733.12</u>	<u>-</u>	<u>-</u>	<u>35,447.76</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	N/A	1/1/2012 12/31/2013	400,000.00	7,995.16				7,995.16	392,004.84
Small Cities - Heather, Lavender and Lake	14.228	N/A	1/1/2013 12/31/2014	400,000.00	375.76				375.76	399,624.24
Small Cities - Crocus, Aster	14.228	N/A	1/1/2014 12/31/2015	400,000.00	9,168.89				9,168.89	390,831.11
Small Cities - Pacific Ave	14.228	N/A	1/1/2015 12/31/2015	220,000.00		220,000.00			-	220,000.00
Small Cities - Street ADA	14.228	N/A	1/1/2015 12/31/2015	200,000.00		200,000.00			200,000.00	-
Total Department of Housing and Urban Development				<u>18,609.59</u>	<u>420,000.00</u>	<u>220,000.00</u>	<u>220,000.00</u>	<u>-</u>	<u>218,609.59</u>	
Total Federal Assistance				<u>60,363.93</u>	<u>423,426.54</u>	<u>224,733.12</u>	<u>-</u>	<u>-</u>	<u>259,057.35</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, 2015

State Grantor / Pass-Through Grantor / Program	State Account Number	Grant Period From	Grant Period To	Grant Award	Unexpended Balance 12/31/14	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance 12/31/15	MEMO ONLY Accumulated Expenditures
Department of Transportation: Trust Fund Authority Act of 1984: By Formula										
Reconstruction of Heather Road	6320-480-601385-61	1/1/2010	12/31/2010	\$ 186,000.00	\$ 116.84		\$ -		\$ 116.84	\$ 186,883.16
Reconstruction of New Jersey Ave - Phase I	6320-480-601385-61	1/1/2012	12/31/2012	183,377.00	183,377.00		\$ 183,377.00		-	183,377.00
Reconstruction of Buttercup Road	6320-480-601385-61	1/1/2015	12/31/2015	172,000.00		\$ 172,000.00	\$ 172,000.00		-	172,000.00
Reconstruction of Pacific Ave	6320-480-601385-61	1/1/2015	12/31/2015	175,000.00		\$ 175,000.00			175,000.00	-
Total Department of Transportation					183,493.84	347,000.00	355,377.00	-	175,116.84	
Department of Community Affairs										
Cooperative Housing Inspections		1/1/2014	12/31/2014	7,500.00	2,922.14	35,000.00	(269.18)		3,191.32	4,308.68
Cooperative Housing Inspections		1/1/2015	12/31/2015	35,000.00			10,203.00		24,797.00	10,203.00
Total Department of Community Affairs					2,922.14	35,000.00	9,933.82	-	27,988.32	
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	566.82				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	5,128.67				5,128.67	294.00
Drunk Driving Enforcement Fund	6400-100-078-6400	1/1/2011	12/31/2011	4,236.91	1,006.70		1,006.70		-	4,236.91
Drunk Driving Enforcement Fund	6400-100-078-6400	1/1/2012	12/31/2012	4,550.12	4,550.12		3,690.10		860.02	3,690.10
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	665.54
Drunk Driving Enforcement Fund	6400-100-078-6400	1/1/2004	12/31/2004	1,934.83	1,269.29				1,269.29	-
Municipal Court Alcohol Educ. & Rehab Program	9735-760-098-9900	1/1/2005	12/31/2005	2,271.33	2,271.33				2,271.33	-
Municipal Court Alcohol Educ. & Rehab Program	9735-760-098-9900	1/1/2006	12/31/2006	471.62	471.62		300.00		171.62	300.00
Municipal Court Alcohol Educ. & Rehab Program	9735-760-098-9900	1/1/2010	12/31/2010	3,168.57	1,862.54		50.74		1,811.80	1,356.77
Body Armor Grant	1020-718-066-1020	1/1/2012	12/31/2012	2,338.88						2,338.88
Body Armor Grant	1020-718-066-1020	1/1/2014	12/31/2014	2,668.14	2,668.14		2,668.14		-	2,668.14
Body Armor Grant	1020-718-066-1020	1/1/2015	12/31/2015	2,018.32	2,018.32		1,812.50		205.82	1,812.50
Total Department of Law and Public Safety					41,113.51	-	9,529.18	-	31,584.33	
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	21,519.13		15,843.62		5,675.51	16,483.09
Clean Communities Program	4900-765-042-4900	1/1/2012	12/31/2012	18,873.15	-				-	18,873.15
Recycling Tonnage Grant	4855-100-042-4855	1/1/2013	12/31/2013	13,750.74	13,750.74		13,246.24		504.50	13,246.24
Recycling Tonnage Grant	4855-100-042-4855	1/1/2012	12/31/2012	12,841.89	10,300.44		3,819.45		6,210.99	6,630.90
Recycling Tonnage Grant	4855-100-042-4855	1/1/2011	12/31/2011	12,790.44	5,601.52	300.00	5,601.52		300.00	12,490.44
Recycling Tonnage Grant	4855-100-042-4855	1/1/2010	12/31/2010	5,939.49	2,309.00				2,309.00	3,630.49
Recycling Tonnage Grant	4855-100-042-4855	1/1/2015	12/31/2015	13,114.20	13,114.20				13,114.20	-
Total Department of Environmental Protection					87,104.08	300.00	38,510.83	-	48,893.25	
Total State Assistance					372,152.81	382,300.00	413,350.83	-	341,101.98	

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, 2015**

State Grantor / Pass-Through Grantor / Program	State Account Number	Grant Period From	Grant Period To	Grant Award	Unexpended Balance 12/31/14	Receipts or Revenue Recognized	Disbursements/Expenditures	Adjustments	Unexpended Balance 12/31/15	MEMO ONLY Accumulated Expenditures
Local Assistance										
Local Donation										
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	1/1/2012	12/31/2012	15,500.00	290.91				290.91	15,209.09
Summer Events	N/A	1/1/2013	12/31/2013	26,000.00	272.52	77.53			194.99	25,805.01
Summer Events	N/A	1/1/2014	12/31/2014	27,000.00	22.47	22.47			0.00	27,000.00
Summer Events	N/A	1/1/2015	12/31/2015	25,750.00		25,750.00	25,036.35		713.65	25,036.35
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>13,448.79</u>	<u>25,750.00</u>	<u>25,136.35</u>	<u>0.00</u>	<u>14,062.44</u>	
Total Federal State and Local Assistance					<u>\$ 445,965.53</u>	<u>\$ 831,476.54</u>	<u>\$ 663,220.30</u>	<u>\$ -</u>	<u>\$ 614,221.77</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, 2015

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>
Grant Fund	222,678.00	404,550.45	25,036.35	652,264.80
Total Financial Assistance	\$ <u>222,678.00</u>	\$ <u>404,550.45</u>	\$ <u>25,036.35</u>	\$ <u>652,264.80</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.

Schedule of Financial Statement Findings

NONE

Status of Prior Year Recommendations

NONE

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**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

		Current Fund
Balance December 31, 2014	\$	11,562,052.09
Increased by Receipts:		
Prepaid Taxes		767,517.61
Taxes Receivable		26,269,775.51
Revenue Accounts Receivable - Collector		3,891,535.19
Prepaid Sewer Rents		13,592.81
Revenue Accounts Receivable - Treasurer		2,548,034.57
Miscellaneous Revenue		218,044.31
State of New Jersey:		
Senior Citizen and Veterans Deductions		58,539.04
Due to GWTIDA		299,888.70
Due to TDC		63,089.00
Prepaid TDC Fees		100.00
Prepaid Licenses		350.00
Reserve - Beach Operations Off-Set		268,247.41
Due from General Capital Fund		76,617.81
Payroll Deductions Payable		364.16
Federal and State Unappropriated Reserves		32,298.99
Federal and State Receivables		396,461.50
Insurance Proceeds		12,243.15
		34,916,699.76
		46,478,751.85
Decreased by Disbursements:		
Current Year Appropriation		19,671,130.66
Prior Year Appropriations		258,308.43
Accounts Payable		6,789.91
County Taxes		5,477,479.50
Local District School Taxes		6,685,308.98
Due to TDC		63,089.00
Due to GWTIDA		
Due to Animal Control		1.18
Due from Other Trusts		6,639.83
Federal and State Disbursements		657,866.30
		32,826,613.79
Balance December 31, 2015	\$	13,652,138.06

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, 2014	Current Year Levy	Added Taxes	Collections by Cash		Adjusted	Transferred To Tax Title Lien	Cancelled	Balance Dec. 31, 2015
				2014	2015				
Arrears	\$								
2014	423,700.07		250.00		423,674.23			266.21	9.63
	423,700.07	-	250.00	-	423,674.23	-	-	266.21	9.63
2015	-	26,986,770.15	25,226.78	589,914.79	25,906,732.79	-	-	85,020.30	430,329.05
	\$	423,700.07	25,476.78	589,914.79	26,330,407.02	-	-	85,286.51	430,338.68

Cash Receipts
60,631.51 Senior Citizens and Veterans
26,330,407.02

Analysis of Current Year Tax Levy

Tax Yield:	
General Property Tax	26,986,770.15
Added Taxes (54:4-63.1 et. Seq.)	<u>25,226.78</u>
	<u>27,011,996.93</u>
Tax Levy:	
General County Taxes	4,627,357.17
County Library Taxes	627,858.05
County Open Space Taxes	216,222.24
County Added and Omitted Taxes	<u>5,151.66</u>
Total County Taxes	5,476,589.12
Local School District Tax	6,751,500.00
Local Tax for Municipal Purposes	14,698,321.75
Add: Additional Tax Levied	<u>85,586.06</u>
	<u>14,783,907.81</u>
	<u>27,011,996.93</u>

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

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2014	Accrued in 2015	Collected by		Balance Dec. 31, 2015
			Collector	Treasurer	
Borough Clerk:					
Licenses - Other		195,953.00		195,953.00	
Fees and Permits		194,292.50		194,292.50	
Recreation Income - Pool		80,159.00		80,159.00	
TV Cable Franchise Fee		44,185.28		44,185.28	
Municipal Court:					
Fines and Costs	3,952.59	86,631.76		86,699.45	3,884.90
Parking Meters		276,722.07		276,722.07	
Interest and Costs on Taxes		92,396.91	92,396.91		
Interest Earned on Investments and Deposits		73,424.30		73,424.30	
Municipal Pier and Concession Income		366,450.00		366,450.00	
Interest and Costs on Delinquent Sewer Rents		21,748.94	21,748.94		
Sewer Rents	220,478.75	3,761,744.60	3,777,389.34		204,834.01
Ambulance Fees		206,299.49		206,299.49	
Fees and Permits - Craft Show		5,625.00		5,625.00	
Uniform Fire Safety Act		165,218.26		165,218.26	
Energy Receipts Tax		381,045.00		381,045.00	
Anticipated General Capital Fund Balance		444,862.90		444,862.90	
GWTD Municipal Event Support		44,488.63		44,488.63	
Beach Operation Offset - Reserved		266,149.00		266,149.00	
	<u>\$ 224,431.34</u>	<u>6,707,396.64</u>	<u>3,891,535.19</u>	<u>2,831,573.88</u>	<u>208,718.91</u>
	A	Res.			A
Prepayment Applied				2,800.00	
Reserve for Beach Operations Off-Set				266,149.13	
Sewer Overpayments Applied				14,590.18	
Collected			A-4	2,548,034.57	
				<u>2,831,573.88</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, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"					
Salaries and Wages	\$	74,442.72	-	74,442.72	
Police		43,664.09	-	43,664.09	
Parks and Buildings		39,188.80	-	39,188.80	
Public Works					
Other Expenses:					
Department of Public Affairs and Public Safety:					
Director's Office	2,163.53	2,163.53	2,161.00	2.53	
Fire	6,195.34	6,195.34	3,292.59	2,902.75	
Police	51,828.99	51,828.99	27,509.99	24,319.00	
Municipal Prosecutor	1,500.00	1,500.00	-	1,500.00	
Legal	28,024.46	28,024.46	15,316.00	12,708.46	
Services of Ambulance	14,287.40	14,287.40	9,745.80	4,541.60	
Lifeguards	1,775.77	1,775.77		1,775.77	
Land Use Administration	23,433.29	23,433.29	23,371.26	62.03	
Traffic Safety	21,181.11	21,181.11	1,928.43	19,252.68	
Fire Official	5,095.62	5,095.62	1,711.95	3,383.67	
Municipal Court	1,471.38	1,471.38	100.00	1,371.38	
Public Defender	1,541.74	1,541.74	1,041.66	500.08	
Animal Control	6,565.00	6,565.00	-	6,565.00	
Local Code Enforcement	4,176.30	4,176.30	4,171.87	4.43	
New Jersey Public Employees	1,893.00	1,893.00	-	1,893.00	
Emergency Management Services	3,000.00	3,000.00	-	3,000.00	
Environmental Commission	500.00	500.00	-	500.00	
Department of Revenue and Finance:					
Borough Administration	58,131.11	58,131.11	15,126.92	43,004.19	
Financial Administration	43,095.04	43,095.04	4,241.75	38,853.29	
Collection of Taxes	3,147.15	3,147.15	1,159.29	1,987.86	
Assessment of Taxes	13,921.69	13,921.69	56.55	13,865.14	
Group Insurance	413,840.15	413,840.15	52,312.00	361,528.15	
Director's Office	333.48	333.48	-	333.48	
Utility Billing Expenses	1,889.86	1,889.86	-	1,889.86	

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, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Department of Public Works, Parks and Public Property:					
Engineer	12,419.30	12,419.30	3,411.20	9,008.10	
Landfill	43,037.02	43,037.02	12,178.36	30,858.66	
Public Works	22,199.88	22,199.88	17,246.51	4,953.37	
Recreation Buildings	43,294.63	43,294.63	12,899.59	30,395.04	
Beach Cleaning	39,320.78	39,320.78	-	39,320.78	
Sanitation	16,801.28	16,801.28	3,451.31	13,349.97	
Parks and Buildings	36,849.57	36,849.57	6,523.69	30,325.88	
Sewage	30,508.03	30,508.03	1,839.19	28,668.84	
Fleet Maintenance	30,080.26	30,080.26	22,954.44	7,125.82	
Recreation Commission (N.J.S. 40:61-17)	19,962.57	19,962.57	8,066.00	11,896.57	
Tourism	50,965.16	50,965.16	-	50,965.16	
Director's Office	563.54	563.54	-	563.54	
Uniform Construction Code - Appropriation Offset by Dedicated Revenue	7,072.47	7,072.47	7,071.75	0.72	
State Uniform Construction Code					
Utility Expenses and Bulk Purchases					
Water	30,029.17	30,029.17	10,859.14	19,170.03	
Street Lighting	17,863.72	17,863.72	13,571.99	4,291.73	
Telephone	21,166.22	21,166.22	2,874.02	18,292.20	
Fire Hydrants	15,524.00	15,524.00	10,492.00	5,032.00	
Natural Gas	3,058.96	3,058.96	-	3,058.96	
Electric	31,787.71	31,787.71	120.47	31,667.24	
Gasoline	37,925.83	37,925.83	4,285.21	33,640.62	
Capital Improvements					
Emergency Sewer Repairs	82,613.38	82,613.38	7,739.00	74,874.38	
Public Employees Retirement System	33,770.00	33,770.00	-	33,770.00	
Police and Fire Retirement System of N.J.	28,315.00	28,315.00	-	28,315.00	
Social Security System (O.A.S.I.)	59,508.50	59,508.50	-	59,508.50	
Municipal Alliance	781.00	781.00	742.50	38.50	
All Other Accounts - No Change	101,297.13	101,297.13	-	101,297.13	
\$	1,683,002.13	1,683,002.13	309,573.43	1,373,428.70	-

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, 2014			
School Tax Payable	\$	2,134,904.90	
School Tax Deferred		<u>1,150,000.00</u>	
			3,284,904.90
Increased by:			
Levy - School Year July 1, 2015 to June 30, 2016			<u>6,751,500.00</u>
			10,036,404.90
Decreased by:			
Payments			<u>6,685,308.98</u>
Balance December 31, 2015			
School Tax Payable		2,201,095.92	
School Tax Deferred		<u>1,150,000.00</u>	
			<u><u>3,351,095.92</u></u>
Current Year Liability for Local School District School Tax:			
Tax Paid			6,685,308.98
Tax Payable Ending			<u>2,201,095.92</u>
			8,886,404.90
Less: Tax Payable Beginning			<u>2,134,904.90</u>
Amount Charged to Current Year Operations	\$		<u><u>6,751,500.00</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**

Purpose	Balance Dec. 31, 2014	Transferred From 2015 Revenues	Received	Cancelled	Balance Dec. 31, 2015
FEDERAL GRANTS:					
Federal Domestic Violence Grant					
2011 Grant (ARRA)	\$ 29,708.74				29,708.74
Bulletproof Vest Partnership					
2004 Grant	1,262.69				1,262.69
2012 Grant	3,770.00		1,313.50		2,456.50
2013 Grant		3,426.54			3,426.54
2014 Grant		3,350.70			3,350.70
Small Cities - Rambler Road Bikeway	62,500.00				62,500.00
Small Cities - Heather, Lavender, Lake	377.00				377.00
Small Cities - Pacific Ave ADA		220,000.00	220,000.00		-
Total Federal	97,618.43	226,777.24	221,313.50	-	103,082.17
STATE GRANTS:					
Cooperative Housing Inspections					
2014 Grant	131.14				131.14
2015 Grant		35,000.00	20,398.00		14,602.00
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	45,844.25				45,844.25
2015- Buttercup Road		172,000.00	129,000.00		43,000.00
2015 - Pacific Ave		175,000.00	-		175,000.00
CDBG Street Intersections ADA		200,000.00			200,000.00
Generator Grant		75,000.00			75,000.00

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

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

Purpose	Balance Dec. 31, 2014	Transferred From 2015 Revenues	Received	Cancelled	Balance Dec. 31, 2015
Total State LOCAL GRANTS:	167,475.39	657,000.00	149,398.00	-	675,077.39
GWTIDA Summer Events	-	25,750.00	25,750.00	-	-
Total Local	-	25,750.00	25,750.00	-	-
	<u>\$ 265,093.82</u>	<u>909,527.24</u>	<u>396,461.50</u>	<u>-</u>	<u>778,159.56</u>

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, 2014		2015		Cancelled	Balance Dec. 31, 2015
	Appropriated	Encumbrances	Reserve for Encumbrances	Appropriations		
FEDERAL GRANTS:						
Federal Domestic Violence Grant 2011 (ARRA)	\$ 30,777.80					30,777.80
Emergency Management 2007	5,000.00					5,000.00
Bulletproof Vest Partnership	2,383.90					352.28
2010	923.50	2,055.12	2,031.62			2,055.12
2012			923.50			1,648.54
2013			1,778.00	3,426.54		3,350.70
2014				3,350.70		
Small Cities Grant	1,069.78					1,069.78
Atlantic Avenue	7,995.16					7,995.16
Cresse Avenue/Lake Road	375.76					375.76
Heather, Lavender, Lake Ave.	9,168.89					9,168.89
Crocus, Aster						
Pacific Ave						
Total Federal	57,694.79	2,055.12	220,000.00	220,000.00	-	61,794.03
			224,733.12			
STATE GRANTS:						
Clean Communities Grant:						
2012		3,968.00				3,968.00
2014	21,519.13					5,675.51
2015				20,779.05	4,054.00	20,779.05
Municipal Court Alcohol Education Program:						
2004	1,269.29					1,269.29
2005	2,271.33					2,271.33
2006	471.62		300.00			171.62
Drunk Driving Enforcement Fund:						
2006	566.82					566.82
2007	6,011.54					6,011.54
2008	4,806.10					4,806.10
2009	5,128.67					5,128.67
2011	1,006.70		1,006.70			(0.00)
2012	4,550.12		3,690.10			860.02
2014	4,548					4,548.02
2015		3,933.30				3,933.30

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, 2014		2015		Disbursed	Encumbrances	Cancelled	Balance Dec. 31, 2015
	Appropriated	Reserve for Encumbrances	Appropriations					
Cooperative Housing Inspections:								
2014	2,922.14				(269.18)			3,191.32
2015			35,000.00		10,203.00			24,797.00
Recycling Tonnage Grant								
2010	2,309.00							2,309.00
2011	5,601.52	300.00			5,601.52			300.00
2012	10,030.44				2,619.45			6,210.99
2013	13,750.74				13,246.24	1,200.00		504.50
2015			13,114.20					13,114.20
Police Body Armor Grant								
2010	1,862.54				50.74			1,811.80
2012		4,532.38			-			4,532.38
2014	2,669.14				2,669.14			-
2015			2,018.32		1,812.50			205.82
N.J. Transportation Trust Fund								
Heather Road	116.84							116.84
New Jersey Avenue - Phase I	183,377.00				183,377.00			-
Pacific Ave			175,000.00					175,000.00
2015- Buttercup Road			172,000.00		172,000.00			-
UEZ Administrative Funding - 2011	7,262.29							7,262.29
UEZ assistance Fund - 2011	50,256.95							50,256.95
CDBG Street ADA			200,000.00					200,000.00
Generator Grant			75,000.00					75,000.00
Total State	332,307.94	8,800.38	696,844.87		408,096.83	5,254.00	-	624,602.36

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, 2014		2015		Cancelled	Balance Dec. 31, 2015
	Appropriated	Reserve for Encumbrances	Appropriations	Disbursed		
LOCAL GRANTS:						
Scoop Taylor Park	5,615.44					5,615.44
Rambler Road Gazebo Landscaping	2,500.00					2,500.00
GWTIDA - Summer Events						
2012	290.91			77.53		290.91
2013	272.52			22.47		194.99
2014	22.47	100.00				100.00
2015			25,750.00	24,936.35	100.00	713.65
Comcast Technology Grant - 2011	108.55					108.55
Municipal Joint Venture Program						
2007	976.00					976.00
2008	3,662.90					3,662.90
Total Local	<u>13,448.79</u>	<u>100.00</u>	<u>25,750.00</u>	<u>25,036.35</u>	<u>100.00</u>	<u>14,162.44</u>
\$	<u>403,451.52</u>	<u>10,955.50</u>	<u>949,372.11</u>	<u>657,866.30</u>	<u>5,354.00</u>	<u>700,558.83</u>

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

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES

<u>Purpose</u>	<u>Balance Dec. 31, 2014</u>	<u>Transferred To 2015 Appropriations</u>	<u>Received</u>	<u>Balance Dec. 31, 2015</u>
STATE GRANTS:				
Recycling Tonnage Grant - 2014	13,114.20	13,114.20		-
Police Body Armor Grant - 2014	2,018.32	2,018.32		-
Police Body Armor Grant - 2015			3,354.49	3,354.49
Drunk Driving Enforcement Fund - 2014	3,933.30	3,933.30		-
Drunk Driving Enforcement Fund - 2015			3,684.78	3,684.78
Clean Communities Grant - 2014	20,779.05	20,779.05		-
Clean Communities Grant - 2015			25,259.72	25,259.72
Total State	<u>39,844.87</u>	<u>39,844.87</u>	<u>32,298.99</u>	<u>32,298.99</u>
Grand Total	<u>\$ 39,844.87</u>	<u>39,844.87</u>	<u>32,298.99</u>	<u>32,298.99</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, 2014	\$ 2,423.75	908,650.60
Increased By:		
State Dog License Fees	111.60	
Municipal Dog License Fees	870.00	
Due to Current Fund	82.76	130,318.84
Marriage License Fees		750.00
DCA State Training Fees		14,148.00
Reserve for Encumbrances		32,663.18
Other Reserves		<u>985,179.95</u>
	<u>1,064.36</u>	<u>1,163,059.97</u>
	3,488.11	2,071,710.57
Decreased By:		
Paid to State of NJ	111.60	13,168.00
Dog Fund Expenditures	744.00	
Current Fund	81.58	123,679.01
Reserve for Encumbrances		16,778.69
Other Reserves		<u>921,937.81</u>
	<u>937.18</u>	<u>1,075,563.51</u>
Balance December 31, 2015	\$ <u><u>2,550.93</u></u>	<u><u>996,147.06</u></u>
Analysis of December 31, 2015 Balance		
Trust - Escrow	\$	597,732.87
Unemployment Trust		23,639.57
Recreation Commission		134,327.45
Police Forfeiture		9,242.93
Uniform Construction Code		120,639.76
TTL Redemption/Premium Account		<u>110,564.48</u>
	\$	<u><u>996,147.06</u></u>

See Accompanying Auditor's Report

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

Balance December 31, 2014	\$	2,424.00
Increased by:		
Dog License Fees Collected		870.00
		870.00
		3,294.00
Decreased by:		
Expenditures under N.J.S.A. 4:19-15.11: Cash		744.00
		744.00
Balance December 31, 2015	\$	2,550.00

License Fees Collected

<u>Year</u>	<u>Amount</u>
2014	1,155.00
2013	1,395.00
	2,550.00

See Accompanying Auditor's Report

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

Balance December 31, 2014	\$		-
Increased By:			
Collected in 2015			
State License Fees		58.00	
Pilot Clinic Fund Fees		11.60	
Animal Population Control Fees		42.00	
		111.60	111.60
Decreased By:			
Payments		111.60	
To Reserve		-	
		111.60	111.60
Balance December 31, 2015	\$		-

See Accompanying Auditor's Report

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

Reserve	Balance Dec. 31, 2014	Increased by		Decreased by		Balance Dec. 31, 2015
		Receipts	Other	Disbursements	Payments made by Current Fund	
Accumulated Absences	\$ 188,076.41	38,000.00		34,705.71		191,370.70
Borough Beautification	16,834.36	17,950.00		22,739.30		12,045.06
Fire Penalties - Non-Dedicated	64,921.83	2,882.50		4,625.41		63,178.92
Fire Prevention	41,332.24	1,087.50		4,689.00		37,730.74
Police Forfeited Funds	12,215.65	44.84		3,017.56		9,242.93
Third Party Construction Inspections	59,007.40	170,141.00		126,333.60		102,814.80
Parking Offense Adjudication Act	8,011.76	606.00		3,238.00		5,379.76
Planning and Zoning Escrow	108,356.49	4,300.00		547.52		112,108.97
Recreation Commission	109,956.84	210,763.73		196,210.55		124,510.02
Snow Removal Trust	8,666.88	-		-		8,666.88
Streets Openings - Performance Surety	20,650.00	-		-		20,650.00
Streets Openings - Maintenance Surety	13,470.00	-		-		13,470.00
Street Paving	33,297.66	190,186.89		183,549.17		39,935.38
Premiums Received at Tax Sale	114,500.00	66,400.00		74,700.00		106,200.00
Third Party Lien Redemptions	1,663.98	173,335.37		171,116.13		3,883.22
Tourism Development Commission	50,407.08	66,636.50		62,923.32		54,120.26
Unemployment Compensation Insurance	20,071.23	32,803.12		28,624.51		24,249.84
Employment of Borough Employee	5,976.07	10,042.50		4,918.03		11,100.54
	\$ 877,415.88	985,179.95	-	921,937.81	-	940,658.02

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

	<u>Ref.</u>	
Balance December 31, 2014		\$ 3,668,911.82
Increased by:		
Budget Appropriations:		
Capital Improvement Fund	1,671,000.00	
Due to Current Fund	1,044.51	
Temporary Loan Receipts	4,697,042.00	
	_____	6,369,086.51
		10,037,998.33
Decreased by:		
Improvement Authorizations	6,580,453.40	
Anticipated as a Revenue in 2015 Budget;		
Capital Fund Balance	444,862.90	
Due to Current Fund	77,662.32	
	_____	7,102,978.62
Balance December 31, 2015		\$ <u><u>2,935,019.71</u></u>

See Accompanying Auditor's Report

GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance Dec. 31, 2014	Receipts		Disbursements		Transfers		Balance Dec. 31, 2015
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 690,450.41							72,189.97
Capital Improvement Fund	370,028.09	1,671,000.00			744,862.90	126,602.46		502,028.09
Due to Current Fund	77,862.32	20,968.71			1,539,000.00			1,044.51
Due from Grant Fund	(15,200.00)			79,016.00	18,570.52			(15,200.00)
Reserve for Encumbrances	760,391.77				760,391.77	125,135.46		125,135.46
NJEIT Loan Receivable	(6,776,119.00)	4,697,042.00						(2,079,077.00)
Improvement Authorizations:								
995 Various Improvements								-
B. Sanitary Sewer Mains	50,000.00				50,000.00			-
1034 Various Improvements								-
C. New Sanitary Sewer Mains	41,869.90				41,869.90			-
1061 Various Improvements								-
C. Sanitary Sewer Mains	228,434.00							228,434.00
1066 Storm Sewer Replacement	10,000.00							10,000.00
1086 Acquisition of Public Works Equip.	16,321.67				16,321.67			-
1092 Various Improvements:								-
A. Purchase Vehicular Equipment						7,647.01		7,647.01
B. Improve Public Buildings	110.01							110.01
C. Purchase Land	3,580.00							3,580.00
D. Improvement to Various Streets	98,749.86							91,102.85
1095 Purchase of Equipment, Reconfiguration						7,647.01		
Amended by 1102 Buildings	52,743.93							52,743.93
1110 Purchase Public Safety Equipment	42,881.52			3,644.00				39,237.52
1112 Various Improvements:								
A. Purchase Trash Packer	14,969.99							14,969.99
C. Improvements to Storm Sewer System - New Jersey and Bayview Drive	142,555.01							142,555.01
D. Improvements to Storm Sewer System - Cresse Avenue	1,157.68							1,157.68
1128 Improvements to Crest Pier Recreation Center	23,224.17							23,224.17
1130 Various Improvements:								
B. Purchase Backhoe	13,794.24							13,794.24
C. Purchase Ambulance	17,416.89							
D. Replace Storm Sewer Pipes	60,769.22							60,769.22
E. Replace Sanitary Sewer Pipes	97,606.01				17,416.89			97,606.01

See Accompanying Auditor's Report

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

	<u>Ref.</u>	
Balance December 31, 2014		\$ 370,028.09
Increased by:		
Current Fund Budget Appropriation	<u>1,671,000.00</u>	<u>1,671,000.00</u>
		2,041,028.09
Decreased by:		
Appropriation to Finance Improvement Authorization	<u>1,539,000.00</u>	<u>1,539,000.00</u>
Balance December 31, 2015		\$ <u><u>502,028.09</u></u>

See Accompanying Auditor's Report

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

	<u>Ref.</u>	
Balance December 31, 2014		\$ 35,355,853.66
Increased by:		
None		-
		<hr style="width: 100%;"/>
		35,355,853.66
Decreased by:		
Serial Bonds Paid by Operating Budget	1,640,000.00	
NJEIT Loans Paid by Operating Budget	2,600,183.17	
USRDA Loans Paid by Operating Budget	<u>20,658.06</u>	
		<hr style="width: 100%;"/>
		4,260,841.23
Balance December 31, 2015		\$ <u><u>31,095,012.43</u></u>

See Accompanying Auditor's Report

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

Ord #	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Paid by Budget Appropriation	Bonds & Loans Issued	Balance Dec. 31, 2015	Bond Anticipation Notes	Analysis of Balance	
								Expenditures	Unexpended Improvement Authorizations
1149	Improve Sanitary Sewerage System	482,088.00				482,088.00			482,088.00
1198	Various Improvements	947,000.00				947,000.00	947,000.00		-
1222	Pacific Ave Phase II		2,571,000.00			2,571,000.00			2,571,000.00
		<u>\$ 1,429,088.00</u>	<u>2,571,000.00</u>	<u>-</u>	<u>-</u>	<u>4,000,088.00</u>	<u>947,000.00</u>	<u>-</u>	<u>3,053,088.00</u>
<p>Improvement Authorizations Unfunded 3,377,123.56</p> <p>Less:</p> <p>Unexpended Proceeds of Bond Anticipation Notes Issued:</p> <p style="padding-left: 20px;">Ord. Number 1198</p> <p style="padding-left: 20px;">\$ 324,035.56</p> <p style="text-align: right;"><u>\$ 3,053,088.00</u></p>									

See Accompanying Auditor's Report

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2014		Authorizations		Adjustment	Balance December 31, 2015	
				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	-	-
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	-
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	1,660,000 200,000 400,000	110.01 3,580.00 98,749.86	-	-	-	(7,647.01) 7,647.01	7,647.01 110.01 3,580.00	91,102.85
1095 Amended by 1102	Purchase of Equipment, Reconfiguration of Parking Area and Improve Public Buildings	3/24/2010	200,000	52,743.93	-	-	-	-	52,743.93	-
1110	Purchase Public Safety Equipment	11/22/2010	100,000	42,881.52	-	-	-	3,644.00	39,237.52	-

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2014		Authorizations		Adjustment	Paid/Charged or Canceled	Balance December 31, 2015	
				Funded	Unfunded	Other Funding	Deferred Charges to Future Taxation			Funded	Unfunded
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	14,969.99						14,969.99	
1128	Improvements to Crest Pier Recreation Center	6/8/2011	1,500,000	23,224.17						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	13,794.24 17,416.89 60,769.22 97,606.01				17,416.89		13,794.24 0.00 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 59,734.03 2,419.48						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 3,050.45 97,557.98						1,872.35 3,050.45 97,557.98	
1149	Improve Sanitary Sewerage System	11/26/2012	13,000,000	6,265,734.28	482,088.00			4,456,024.59		1,809,709.69	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	39,764.22						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	39,451.40				35,519.93		3,931.47	

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description and Widening of	Ord. Date	Amount	Balance December 31, 2014		Authorizations		Adjustment	Paid/Charged or Canceled	Balance December 31, 2015	
				Funded	Unfunded	Other Funding	Deferred Charges to Future Taxation			Funded	Unfunded
1179	Replacement and Widening of Beachfront Bike Path	11/25/2013	\$ 350,000.00	191,859.46					51,444.62	140,414.84	
1184	Various General Improvements	1/22/2014	340,500.00	23,009.93						23,009.93	
1186	Storm Sewer	3/12/2014	100,000.00	28,734.43						28,734.43	
1198	Various General Improvements: A. Pacific Ave B. Fuel Tanks C. Buttercup	10/22/2014	995,000.00	14,500.00 12,500.00	282,877.44 300,000.00 255,000.00			27,000.00 (14,500.00) (12,500.00)	3,546.24 282,295.64 255,000.00		306,331.20 17,704.36
1211	Various Improvements A. Dump Body Truck B. Trash Truck C. Parking Meter Compon D. Library Parking E. Buttercup Road F. Pacific Ave ADA Curbs G. NJ Ave Pole Relocate	3/5/2015	1,410,000.00			47,000.00 158,000.00 36,000.00 150,000.00 374,000.00 340,000.00 305,000.00		44,442.00 157,420.00 -		2,558.00 580.00 36,000.00	
1219	Various Improvements A. Library Parking Lot B. Buttercup Road C. Pacific Ave ADA	7/8/2015	300,000.00			125,000.00 125,000.00 50,000.00		8,249.70		116,750.30 125,000.00 50,000.00	
1222	Pacific Ave Phase II	10/7/2015	2,700,000.00			129,000.00				129,000.00	2,571,000.00
			\$	7,723,820.79	1,319,965.44	1,839,000.00		-	6,071,799.55	4,004,863.12	3,377,123.56
				General Capital Fund Balance		300,000.00					
				Capital Improvement Fund		1,539,000.00					
					1,839,000.00						
									6,580,453.40		
									125,135.46		
									126,602.46		
									(760,391.77)		
									6,071,799.55		

Cash Disbursed
Encumbrances Payable
Funded Improvement Authorizations Cancelled
Prior Year Encumbrances Cancelled

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, 2015			Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
			Date	Amount	Interest Rate					
General Improvement Bonds of 2009	11/5/2009	13,135,000	11/1/16-18	1,000,000.00	4.000%	9,335,000.00		900,000.00	8,435,000.00	
			11/1/19-21	1,200,000.00	4.000%					
			11/1/22	1,300,000.00	4.000%					
			11/1/23	535,000.00	4.000%					
General Improvement Bonds of 2014	8/27/2014	8,530,000	9/1/16	770,000.00	1.000%	8,530,000.00		740,000.00	7,790,000.00	
			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%					
						\$ 17,865,000.00	-	1,640,000.00	16,225,000.00	

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds				Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
			Balance Date	Outstanding December 31, 2015	Interest Rate	Amount				
General Improvement Loan of 2007	6/23/2006	\$ 1,500,000	6/23/2016	10,669.17	4.375%	\$	1,356,238.79	20,658.06	1,335,580.73	
			12/23/2016	10,902.56						
			6/23/2017	11,141.05						
			12/23/2017	11,384.76						
			6/23/2018	11,633.80						
			12/23/2018	11,888.29						
			6/23/2019	12,148.35						
			12/23/2019	12,414.10						
			6/23/2020	12,685.65						
			12/23/2020	12,963.15						
			6/23/2021	13,246.72						
			12/23/2021	13,536.49						
			6/23/2022	13,832.60						
			12/23/2022	14,135.19						
			6/23/2023	14,444.40						
			12/23/2023	14,760.37						
			6/23/2024	15,083.25						
			12/23/2024	15,413.20						
			6/23/2025	15,750.36						
			12/23/2025	16,094.90						
			6/23/2026	16,446.98						
			12/23/2026	16,806.76						
			6/23/2027	17,174.41						
			12/23/2027	17,550.10						
			6/23/2028	17,934.00						
			12/23/2028	18,326.31						
			6/23/2029	18,727.20						
			12/23/2029	19,136.86						
			6/23/2030	19,555.47						
			12/23/2030	19,983.25						
			6/23/2031	20,420.38						
			12/23/2031	20,867.08						
		6/23/2032	21,323.55							
		12/23/2032	21,790.00							
		6/23/2033	22,266.66							
		12/23/2033	22,753.74							
		6/23/2034	23,251.48							
		12/23/2034	23,760.10							
		6/23/2035	24,279.86							
		12/23/2035	24,810.98							
		6/23/2036	25,353.72							
		12/23/2036	25,908.33							
		6/23/2037	26,475.07			\$				
		12/23/2037	27,054.22							

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, 2014	Increased	Decreased	Balance Dec. 31, 2015
			Balance Date	December 31, 2015	Amount						
NJ Environ. Infrastructure Trust Series 2010- Fund Loan	3/10/2010	\$ 3,476,677	2/1/16	58,926.72		0.000%	2,651,702.87		176,780.17	2,474,922.70	
			8/1/16	117,853.45							
			2/1/17	58,926.72							
			8/1/17	117,853.45							
			2/1/18	58,926.72							
			8/1/18	117,853.45							
			2/1/19	58,926.72							
			8/1/19	117,853.45							
			2/1/20	58,926.72							
			8/1/20	117,853.45							
			2/1/21	58,926.72							
			8/1/21	117,853.45							
			2/1/22	58,926.72							
			8/1/22	117,853.45							
			2/1/23	58,926.72							
			8/1/23	117,853.45							
			2/1/24	58,926.72							
			8/1/24	117,853.45							
			2/1/25	58,926.72							
			8/1/25	117,853.45							
		2/1/26	58,926.72								
		8/1/26	117,853.45								
		2/1/27	58,926.72								
		8/1/27	117,853.45								
		2/1/28	58,926.72								
		8/1/28	117,853.45								
		2/1/29	58,926.72								
		8/1/29	117,853.77								
NJ Environ. Infrastructure Trust Series 2010A- Trust Loan	3/10/2010	\$ 1,135,000	8/1/16-17	50,000.00		5.000%	965,000.00		45,000.00	920,000.00	
			8/1/18	55,000.00		5.000%					
			8/1/19	55,000.00		4.000%					
			8/1/20	60,000.00		5.000%					
			8/1/21	60,000.00		3.000%					
			8/1/22-23	65,000.00		4.000%					
			8/1/24-25	70,000.00		4.000%					
			8/1/26	75,000.00		3.500%					
			8/1/27-28	80,000.00		4.000%					
			8/1/29	85,000.00		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, 2014	Increased	Decreased	Balance Dec. 31, 2015
			Balance Date	Amount					
NJ Environ. Infrastructure Trust NJ Ave Temporary Loan		N/A	Temporary Loan		N/A	12,517,912.00	-	2,378,403.00	10,139,509.00
						<u>16,134,614.87</u>		<u>2,600,183.17</u>	<u>13,534,431.70</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 Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
Various Improvements	1198	12/4/2014	12/2/2015	12/2/2016	0.87%	947,000.00	-	-	947,000.00
						\$ 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, 2014	2015 Authorizations	Loan Issued	Bond Antic. Notes Issued	Budget Appropriation	Balance Dec. 31, 2015
1149	Improve Sanitary Sewer System	482,088.00					482,088.00
1222	Pacific Ave Phase II		2,571,000.00				2,571,000.00
		<u>\$ 482,088.00</u>	<u>2,571,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,053,088.00</u>

BOROUGH OF WILDWOOD CREST

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

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, 2015, the bid threshold was increased to \$40,000 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 \$17,500 within the fiscal year due to not having a Qualified Purchasing Agent. 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 2015: Lexa Concrete LLC for Pacific Avenue ADA Curb Access Improvements, Broyhill Inc. for pack and equipment, Perna Finnigan Inc. for the reconstruction of Buttercup Road, Charles Marandino LLC for Atlantic Avenue Library Parking Lot paving and Gentillini Chevrolet for the purchase of a 2016 Chevy Colorado Cab Truck.

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 \$17,500 "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 7, 2015, 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 14, 2015 and was complete. There were no properties in bankruptcy as of December 31, 2015.

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>
2015	-
2014	-
2013	-

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 2015 and 2016 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>
2015	\$ 27,011,997	26,496,648	98.09%
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%

Comparative Schedule of Tax Rate Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	1.176	1.150	1.128	1.093	1.067
Apportionment of Tax Rate:					
Municipal	0.641	0.627	0.612	0.593	0.576
County	0.240	0.235	0.234	0.227	0.224
Local School	0.295	0.288	0.282	0.273	0.267
Assessed Valuation	2,294,534,200	2,298,365,908	2,303,746,856	2,311,598,638	2,315,657,912

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>
2015	\$	-	430,329	430,329	1.59%
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%

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 10, 2016