

BOROUGH OF WILDWOOD CREST

COUNTY OF CAPE MAY

NEW JERSEY

AUDIT REPORT

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

BOROUGH OF WILDWOOD CREST

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BOROUGH OF WILDWOOD CREST

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BOROUGH OF WILDWOOD CREST

PART 1

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2017



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, 2017 and 2016, 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, 2017, 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, 2017 and 2016, 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, 2017 and 2016, 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, 2017 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 8, 2018 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. 472

June 8, 2018

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EXHIBIT A - CURRENT FUND

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

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Regular Fund:		
Cash:		
Treasurer	\$ 14,952,816.40	13,535,694.16
Change and Petty Cash Funds	1,600.00	1,675.00
Total Cash	<u>14,954,416.40</u>	<u>13,537,369.16</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	447,156.56	394,624.55
Revenue Accounts Receivable	197,149.84	218,842.20
Tax Title Liens	11,640.50	-
Interfund Receivable:		
Due from Trusts - Other	14,347.90	15,022.23
Due from Grant Fund	9,418.10	93,293.82
Due from State of New Jersey		
Senior Citizens and Veterans	-	374.55
Total Receivables and Other Assets	<u>679,712.90</u>	<u>722,157.35</u>
Deferred Charges:		
Special Emergency Authorization	-	160,000.00
Total Regular Fund	<u>15,634,129.30</u>	<u>14,419,526.51</u>
Federal and State Grant Fund:		
Cash	171,284.07	171,284.07
Federal and State Grants Receivable	1,819,891.20	801,438.29
Total Federal and State Grant Fund	<u>1,991,175.27</u>	<u>972,722.36</u>
Total Current Fund	<u>\$ 17,625,304.57</u>	<u>15,392,248.87</u>

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>2017</u>	<u>2016</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 1,884,746.69	2,063,775.84
Encumbrances Payable/Accounts Payable	559,229.68	438,094.44
Accounts Payable	108,996.53	30,130.60
Payroll Deductions Payable	-	3,262.50
Prepaid Taxes	1,575,404.79	756,105.00
Overpaid Taxes	21,014.33	13,142.10
Local School Tax Payable	1,906,037.17	1,694,733.42
County Added Tax Payable	13,137.68	-
Prepaid Sewer Rents	23,810.84	24,797.21
Sewer Rent Overpayments	19,566.16	26,840.27
Due to GWTIDA	480.00	220.00
Prepaid TDC Fees	700.00	1,000.00
Prepaid Licenses	350.00	350.00
Due to State of New Jersey		
Senior Citizens and Veterans	572.17	-
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	295,216.28	273,816.02
Reserve for Master Plan	15,000.00	15,000.00
Reserve for Insurance Proceeds	23,019.02	19,876.52
Reserve for Revaluation	13,725.46	13,725.46
	7,014,085.00	5,927,947.58
Reserve for Receivables and Other Assets	679,712.90	721,782.80
Fund Balance	7,940,331.40	7,769,796.13
Total Regular Fund	15,634,129.30	14,419,526.51
Federal and State Grant Fund:		
Unappropriated Reserves	39,704.08	36,089.64
Appropriated Reserves	1,925,268.09	824,974.90
Due to Current Fund	9,418.10	93,293.82
Due to General Capital Fund	15,200.00	15,200.00
Encumbrances Payable	1,585.00	3,164.00
Total Federal and State Grant Fund	1,991,175.27	972,722.36
Total Current Fund	\$ 17,625,304.57	15,392,248.87

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,**

	2017	2016
Revenue and Other Income Realized		
Fund Balance	\$ 3,500,000.00	3,000,000.00
Miscellaneous Revenue Anticipated	8,276,732.80	6,668,521.34
Receipts from Delinquent Taxes	392,056.59	420,183.99
Receipts from Current Taxes	27,864,280.49	26,914,078.88
Non Budget Revenue	223,729.44	167,813.03
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	1,917,318.64	1,489,536.15
Payroll Deductions Payable	4,956.22	-
Grants Cancelled	-	22,294.55
Interfund Returned	84,475.05	107,251.06
Total Income	42,263,549.23	38,789,679.00
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	6,294,112.00	5,887,493.00
Other Expenses	7,136,932.00	7,171,205.80
Deferred Charges & Statutory Expenditures	1,214,066.00	1,219,840.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	21,000.00	42,000.00
Other Expenses	5,056,181.86	3,494,878.09
Capital Improvements	2,375,400.00	1,812,508.50
Municipal Debt Service	3,253,179.56	3,211,818.07
Deferred Charges & Statutory Expenditures	160,000.00	160,000.00
Local District School Tax	7,393,659.00	6,886,530.00
County Tax	5,670,633.62	5,501,895.95
County Share of Added Tax	13,137.68	7,105.21
Grants Cancelled	3,712.24	-
Prior Year Senior Citizens Disallowed	1,000.00	-
Prior Year Cancellations	-	376.44
Total Expenditures	38,593,013.96	35,395,651.06
Excess in Revenue	3,670,535.27	3,394,027.94

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,**

	2017	2016
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year	-	-
Total Adjustments	-	-
Statutory Excess to Fund Balance	3,670,535.27	3,394,027.94
Fund Balance January 1	7,769,796.13	7,375,768.19
	11,440,331.40	10,769,796.13
Decreased by:		
Utilization as Anticipated Revenue	3,500,000.00	3,000,000.00
Fund Balance December 31	\$ 7,940,331.40	7,769,796.13

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, 2017

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Fund Balance Anticipated	\$ 3,500,000.00		3,500,000.00	
Total Fund Balance Anticipated	3,500,000.00	-	3,500,000.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Other	170,000.00		171,098.00	1,098.00
Fees and Permits	133,000.00		148,849.00	15,849.00
Fines and Costs:				
Municipal Court	81,000.00		66,512.13	(14,487.87)
Interest and Costs on Taxes	80,000.00		101,550.47	21,550.47
Parking Meters	240,000.00		273,483.96	33,483.96
Interest on Investments and Deposits	65,000.00		156,101.41	91,101.41
Municipal Pier and Concession Income	280,000.00		514,400.00	234,400.00
Interest and Costs on Delinquent Sewer Rents	19,000.00		23,257.27	4,257.27
Sewer Rents	3,447,164.00		3,935,245.16	488,081.16
Recreation Income - Pool	75,000.00		81,590.00	6,590.00
TV Cable Franchise Fee	46,734.67		49,734.67	3,000.00
Fees and Permits - Craft Show	5,000.00		6,000.00	1,000.00
Ambulance Fees	160,000.00		189,012.93	29,012.93
Total Section A: Local Revenues	4,801,898.67	-	5,716,835.00	914,936.33
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	-

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, 2017

	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	13,552.02		13,552.02	
Clean Communities Program	28,876.16		28,876.16	
Drunk Driving Enforcement Fund	5,109.51		5,109.51	
State Aid - Housing	21,000.00		21,000.00	
Police Body Armor Grant	2,103.97		2,103.97	
US Bulletproof Vest Program	2,655.00		2,655.00	
2017 CY CDBG Grant-Beach Access	270,000.00		270,000.00	
FEMA-Sunset Lake	1,244,671.20		1,244,671.20	
GWTIDA - Summer Events Grants		28,500.00	28,500.00	
		-		
Total Section F: Special Items - Public and Private Programs	1,587,967.86	28,500.00	1,616,467.86	-
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	154,000.00		166,498.46	12,498.46
Beach Operation Off-Set - Reserved	273,816.00		273,816.00	-
GWTIDA - Municipal Event Support	34,102.00		54,558.16	20,456.16
Court Administrator	45,000.00		67,512.32	22,512.32
	506,918.00	-	562,384.94	55,466.94
Total Section G: Special Items of General Revenue Anticipated	7,277,829.53	28,500.00	8,276,732.80	970,403.27
With Prior Written Consent of Director of Local Government				
Services - Other Special Items				
Total Miscellaneous Revenues:			392,056.59	(7,943.41)
Receipts from Delinquent Taxes				

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, 2017

	Anticipated		Excess or
	Budget	N.J.S. 40A:4-87	(Deficit)
Amount to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes	\$ 15,155,126.97		465,462.86
Total Amount to be Raised by Taxes for Support of Municipal Budget	15,155,126.97	-	465,462.86
Budget Totals	26,332,956.50	28,500.00	1,427,922.72
Non- Budget Revenues:			
Other Non- Budget Revenues:	-		223,729.44
	\$ 26,332,956.50	28,500.00	1,651,652.16

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, 2017**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$	27,864,280.49
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Allocated to:

School, County and Other Taxes		<u>13,077,430.30</u>
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Balance for Support of Municipal Budget Appropriations		14,786,850.19
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Increased by:

Appropriation "Reserved for Uncollected Taxes"		<u>833,739.64</u>
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Amount for Support of Municipal Budget Appropriations		<u><u>15,620,589.83</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collection		<u>392,056.59</u>
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Total Receipts from Delinquent Taxes		<u><u>392,056.59</u></u>
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Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Late Mercantile Penalties		4,088.00
Pension Refunds		390.62
Administration Fee - Vets and Seniors		1,033.93
Police Department		7,147.00
Safety Incentive		977.84
Copies		1,130.42
Bad Check Fee		240.00
Employee Health Insurance Premium CoPay		2,650.28
Wellness		971.43
Notary Fees		57.50
SJ Gas Reimbursement		13,682.12
Junior Lifeguard Program		4,950.00
West Wildwood Reimbursement		42,641.91
Prior Years Voided Checks		5,467.38
Miscellaneous		<u>138,301.01</u>

Total Miscellaneous Revenue Not Anticipated:	\$	<u><u>223,729.44</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, 2017**

	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	32,000.00	32,000.00	28,572.62		3,427.38	
Other Expenses	5,000.00	5,000.00	1,254.14		3,745.86	
Fire						
Salaries and Wages	3,000.00	3,000.00	2,999.88		0.12	
Other Expenses	218,700.00	218,700.00	198,356.74	20,124.00	219.26	
Police						
Salaries and Wages	2,109,082.00	2,068,082.00	1,918,847.12		149,234.88	
Other Expenses	277,400.00	295,400.00	195,006.51	42,593.52	57,799.97	
Municipal Prosecutor						
Other Expenses	18,000.00	18,000.00	18,000.00		-	
Legal						
Other Expenses	209,000.00	209,000.00	190,846.20	11.00	18,142.80	
Local Code Enforcement						
Salaries and Wages	33,000.00	33,000.00	25,155.00		7,845.00	
Other Expenses	6,000.00	6,000.00	4,510.14		1,489.86	
Emergency Management Services						
Salaries and Wages	3,500.00	3,500.00	3,500.00		-	
Other Expenses	2,500.00	2,500.00			2,500.00	
Services of Ambulance						
Salaries and Wages	571,600.00	571,600.00	479,632.38		91,967.62	
Other Expenses	51,950.00	51,950.00	28,010.44	3,537.97	20,401.59	
Environmental Commission (N.J.S. 40:56A-1)						
Salaries and Wages	3,000.00	3,000.00	999.96		2,000.04	
Other Expenses	2,000.00	2,000.00			2,000.00	
Lifeguards						
Salaries and Wages	548,195.00	548,195.00	548,149.97		45.03	
Other Expenses	75,580.00	98,580.00	75,106.67	22,968.80	504.53	
Land Use Administration						
Salaries and Wages	32,500.00	32,500.00	29,230.74		3,269.26	
Other Expenses	122,100.00	122,100.00	93,315.56	10,494.46	18,289.98	
Traffic Maintenance						
Salaries and Wages	83,000.00	83,000.00	79,223.31		3,776.69	
Other Expenses	38,400.00	38,400.00	29,130.54	7,373.75	1,895.71	

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, 2017

	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	\$ 126,000.00	126,000.00	115,903.12		10,096.88	
Other Expenses	12,600.00	12,600.00	8,166.23	1,562.50	2,871.27	
Animal Control						
Other Expenses	35,000.00	35,000.00	26,128.00		8,872.00	
Police Dispatch						
Salaries and Wages	170,000.00	170,000.00	170,000.00		-	
Municipal Court						
Salaries and Wages	158,385.00	158,385.00	156,146.17		2,238.83	
Other Expenses	16,845.00	16,845.00	11,443.91	40.00	5,361.09	
Public Defender (P.L. 1997, C.256)						
Other Expenses	13,000.00	13,000.00	11,916.63		1,083.37	
DEPARTMENT OF REVENUE AND FINANCE:						
Director's Office						
Salaries and Wages	21,250.00	21,250.00	20,700.04		549.96	
Other Expenses	1,200.00	1,200.00	1,056.50		143.50	
Borough Administration						
Salaries and Wages	280,100.00	280,100.00	233,465.01		46,634.99	
Other Expenses	62,455.00	62,455.00	42,689.95	5,134.80	14,630.25	
Election Expense	1,200.00	1,200.00	954.96		245.04	
Financial Administration						
Salaries and Wages	239,000.00	239,000.00	180,876.74		58,123.26	
Other Expenses	121,700.00	121,700.00	85,365.90	1,484.92	34,849.18	
Municipal Audit	33,700.00	33,700.00	33,700.00		-	
Assessment of Taxes						
Salaries and Wages	50,000.00	50,000.00	27,660.68		22,339.32	
Other Expenses	16,680.00	16,680.00	7,384.31	2,658.46	6,637.23	
Collection of Taxes						
Salaries and Wages	155,000.00	155,000.00	141,664.14		13,335.86	
Other Expenses	23,000.00	23,000.00	14,562.01	816.50	7,621.49	

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, 2017**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
DEPARTMENT OF REVENUE AND FINANCE:						
(CONTINUED)						
Utility Billing Expenses						
Other Expenses	\$ 11,600.00	11,600.00	9,449.99	580.00	1,570.01	
Insurance						
General Liability	180,000.00	180,000.00	180,000.00		-	
Workers Compensation	360,000.00	360,000.00	317,469.66		42,530.34	
Employee Group Health	3,091,522.00	2,866,522.00	2,590,226.03	1,085.52	275,210.45	
Health Benefit Waiver						
Salaries and Wages	30,000.00	35,000.00	30,106.74		4,893.26	
DEPARTMENT OF PUBLIC WORKS PARKS AND PUBLIC PROPERTY:						
Director's Office						
Salaries and Wages	18,500.00	18,500.00	18,500.00		-	
Other Expenses	750.00	750.00	142.50	244.00	363.50	
Engineer						
Other Expenses	80,000.00	155,000.00	86,572.53	61,475.00	6,952.47	
Landfill						
Other Expenses	333,000.00	333,000.00	300,947.26		32,052.74	
Public Works						
Salaries and Wages	397,000.00	397,000.00	392,881.33		4,118.67	
Other Expenses	110,300.00	136,300.00	72,192.76	64,099.49	7.75	
Recreation Buildings						
Other Expenses	83,250.00	83,250.00	82,160.12	953.18	136.70	
Beach Cleaning						
Salaries and Wages	40,000.00	32,000.00	31,687.96		312.04	
Other Expenses	72,000.00	53,000.00	52,929.89		70.11	
Sanitation						
Salaries and Wages	383,000.00	379,000.00	373,143.38		5,856.62	
Other Expenses	46,500.00	46,500.00	31,639.34	6,500.00	8,360.66	
Parks and Buildings						
Salaries and Wages	172,000.00	152,000.00	142,666.10		9,333.90	
Other Expenses	134,200.00	127,200.00	105,323.69	19,293.69	2,582.62	
Sewage						
Salaries and Wages	120,000.00	90,000.00	88,265.82		1,734.18	
Other Expenses	37,600.00	26,600.00	24,697.13	643.00	1,259.87	

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, 2017**

	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	134,000.00	130,302.98		3,697.02	
Salaries and Wages	156,400.00	156,400.00	120,339.44	20,498.31	15,562.25	
Other Expenses						
Tourism						
Salaries and Wages	12,000.00	12,000.00	11,569.50		430.50	
Other Expenses	108,900.00	108,900.00	81,317.86	27,422.60	159.54	
Recreation Commission (N.J.S. 40:61-17)						
Salaries and Wages	325,000.00	318,000.00	316,757.43		1,242.57	
Other Expenses	26,600.00	31,600.00	24,311.19	7,150.40	138.41	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS						
APPROPRIATIONS OFFSET BY REVENUES						
State Uniform Construction Code	104,000.00	104,000.00	102,233.86		1,766.14	
Salaries and Wages	38,300.00	38,300.00	16,490.54	365.00	21,444.46	
Other Expenses						
UTILITY EXPENSES AND BULK PURCHASES:						
Water	90,000.00	90,000.00	34,744.35		55,255.65	
Street Lighting	185,000.00	185,000.00	182,059.30	705.05	2,235.65	
Telephone	110,000.00	110,000.00	80,039.24	5,839.50	24,121.26	
Fire Hydrants	47,000.00	47,000.00	47,000.00		-	
Natural Gas	100,000.00	100,000.00	53,119.50		46,880.50	
Electric	230,000.00	230,000.00	124,711.02	67.56	105,221.42	
Gasoline	180,000.00	180,000.00	87,817.54	1,832.00	90,350.46	
Accumulated Absence Liability	45,000.00	45,000.00	45,000.00		-	
Information Technology	75,000.00	75,000.00	62,166.68	1,674.70	11,158.62	
TOTAL OPERATIONS WITHIN "CAPS"	13,651,044.00	13,431,044.00	11,690,614.88	339,229.68	1,401,199.44	-
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	13,651,044.00	13,431,044.00	11,690,614.88	339,229.68	1,401,199.44	-
Detail:						
Salaries and Wages	6,399,112.00	6,294,112.00	5,845,841.98	-	448,270.02	-
Other Expenses	7,251,932.00	7,136,932.00	5,844,772.90	339,229.68	952,929.42	-

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, 2017**

	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.	\$ 380,490.00	380,490.00	358,456.23		22,033.77	
Public Employees Retirement System	293,376.00	293,376.00	287,376.00		6,000.00	
Social Security System (O.A.S.I.)	500,000.00	500,000.00	443,411.04		56,588.96	
Unemployment Compensation Insurance	36,000.00	36,000.00	36,000.00		-	
Defined Contribution Retirement Plan	4,200.00	4,200.00	1,107.20		3,092.80	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	<u>1,214,066.00</u>	<u>1,214,066.00</u>	<u>1,126,350.47</u>	<u>-</u>	<u>87,715.53</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	14,865,110.00	14,645,110.00	12,816,965.35	339,229.68	1,488,914.97	-
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS" Cape May County MUA - Charges	3,447,164.00	3,447,164.00	3,198,303.00		248,861.00	
TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"	<u>3,447,164.00</u>	<u>3,447,164.00</u>	<u>3,198,303.00</u>	<u>-</u>	<u>248,861.00</u>	<u>-</u>
(A) Public and Private Programs Off-Set by Revenues						
Drunk Driving Enforcement Fund	5,109.51	5,109.51	5,109.51		-	
Police Body Armor Fund	2,103.97	2,103.97	2,103.97		-	
Recycling Tonnage Grant	13,552.02	13,552.02	13,552.02		-	
Clean Communities Program	28,876.16	28,876.16	28,876.16		-	
GWTIDA Summer Events	-	28,500.00	28,500.00		-	
Matching Funds for Grants	12,000.00	12,000.00			12,000.00	
Bullet Proof Vest	2,655.00	2,655.00	2,655.00		-	
FEMA-Sunset Lake	1,244,671.20	1,244,671.20	1,244,671.20		-	
2017 CY CDBG Grant-Beach Access	270,000.00	270,000.00	270,000.00		-	
Municipal Alliance Consortium - Local share	1,550.00	1,550.00	1,538.50		11.50	
State Aid Housing						
Salaries and Wages	21,000.00	21,000.00	21,000.00		-	
Total Public and Private Programs Off-Set by Revenues	<u>1,601,517.86</u>	<u>1,630,017.86</u>	<u>1,618,006.36</u>	<u>-</u>	<u>12,011.50</u>	<u>-</u>

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

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Total Operations - Excluded from "CAPS" Detail:	\$ 5,048,681.86	5,077,181.86	4,816,309.36	-	260,872.50	-
Salaries and Wages	21,000.00	21,000.00	21,000.00	-	-	-
Other Expenses	5,027,681.86	5,056,181.86	4,795,309.36	-	260,872.50	-
(C) Capital Improvements						
Down Payments on Improvements	150,000.00	150,000.00	150,000.00		-	-
Capital Improvement Fund	1,680,000.00	1,900,000.00	1,680,000.00	220,000.00	-	-
Emergency Sewer Repairs	200,000.00	200,000.00	65,104.36		134,895.64	
Fire Department Equipment	125,400.00	125,400.00	125,336.42		63.58	
Total Capital Improvements	<u>2,155,400.00</u>	<u>2,375,400.00</u>	<u>2,020,440.78</u>	<u>220,000.00</u>	<u>134,959.22</u>	<u>-</u>
(D) Debt Service						
Payment of Bond Principal	1,800,000.00	1,800,000.00	1,800,000.00		-	-
Payment of Bond Anticipation Notes	44,000.00	44,000.00	43,010.00		-	990.00
Interest on Bonds	441,350.00	441,350.00	441,350.00		-	-
Interest on Notes	42,000.00	42,000.00	41,202.00		-	798.00
USRDA						
Principal	22,600.00	22,600.00	22,600.00		-	-
Interest	57,500.00	57,500.00	57,170.00		-	330.00
New Jersey Environmental Infrastructure Trust						
Principal	701,000.00	701,000.00	700,729.17		-	270.83
Interest	161,575.00	161,575.00	147,118.39		-	14,456.61
Total Debt Service	<u>3,270,025.00</u>	<u>3,270,025.00</u>	<u>3,253,179.56</u>	<u>-</u>	<u>-</u>	<u>16,845.44</u>
(E) Deferred Charges						
Special Emergency Authorization	160,000.00	160,000.00	160,000.00		-	-
Total Deferred Charges	<u>160,000.00</u>	<u>160,000.00</u>	<u>160,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

	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"	\$ 10,634,106.86	10,882,606.86	10,249,929.70	220,000.00	395,831.72	16,845.44
SUBTOTAL GENERAL APPROPRIATIONS	25,499,216.86	25,527,716.86	23,066,895.05	559,229.68	1,884,746.69	16,845.44
(M) Reserve for Uncollected Taxes	833,739.64	833,739.64	833,739.64			
TOTAL GENERAL APPROPRIATIONS	\$ 26,332,956.50	26,361,456.50	23,900,634.69	559,229.68	1,884,746.69	16,845.44

Budget	\$ 26,332,956.50
Appropriations by 40A.4-87	28,500.00
Emergency Appropriations	-
	<u>26,361,456.50</u>

Reserve for Uncollected Taxes	833,739.64
Federal and State Grants	1,616,467.86
Deferred Charges - Special Emergency Disbursements	160,000.00
	21,290,427.19
	<u>23,900,634.69</u>

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EXHIBIT B - TRUST FUND

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

	2017	2016
ASSETS		
Animal Control Fund:		
Cash	\$ 2,247.00	2,082.00
Due from Current Fund	-	-
	2,247.00	2,082.00
Other Funds:		
Cash - Treasurer	1,244,075.75	1,163,283.43
	1,244,075.75	1,163,283.43
	\$ 1,246,322.75	1,165,365.43
 LIABILITIES, RESERVES AND FUND BALANCE		
Animal Control Fund:		
Reserve for Expenditures	2,247.00	2,082.00
	2,247.00	2,082.00
Other Funds:		
Due to Current Fund	14,347.90	15,022.23
Reserve for Encumbrances	19,654.93	32,663.18
Reserves - Miscellaneous	1,210,072.92	1,115,598.02
	1,244,075.75	1,163,283.43
	\$ 1,246,322.75	1,165,365.43

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>2017</u>	<u>2016</u>
Cash	\$	6,202,958.23	6,016,974.51
Deferred Charges to Future Taxation -			
Funded		25,833,837.55	28,607,711.53
Unfunded		4,219,078.00	4,262,088.00
Due from Grant Fund		15,200.00	15,200.00
NJEIT Loan Receivable		-	750,701.00
		<u>36,271,073.78</u>	<u>39,652,675.04</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable		12,655,000.00	14,455,000.00
USRDA Loans Payable		1,291,483.19	1,314,009.00
NJEIT Loan Payable		11,887,354.36	12,838,702.53
Bond Anticipation Notes Payable		3,736,990.00	3,780,000.00
Improvement Authorizations:			
Funded		2,071,716.50	2,349,479.73
Unfunded		2,273,143.93	3,436,960.05
Reserve for Encumbrances		105,822.74	384,305.67
Down Payment on Improvements		158,000.00	8,000.00
Capital Improvement Fund		1,989,028.09	1,014,028.09
Fund Balance		102,534.97	72,189.97
	\$	<u>36,271,073.78</u>	<u>39,652,675.04</u>

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

2016	482,088.00
2017	482,088.00

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

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

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Beginning Balance January 1	\$	72,189.97	72,189.97
Increased by:			
Premium on Sale of BAN's		30,345.00	
		<u>102,534.97</u>	<u>72,189.97</u>
Decreased by:			
Bond Anticipation Notes paid off		-	-
Surplus budgeted in Current Fund Appropriation to Finance Improvement Authorizations		-	-
Ending Balance December 31	\$	<u><u>102,534.97</u></u>	<u><u>72,189.97</u></u>

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

EXHIBIT D - GENERAL FIXED ASSETS ACCOUNT GROUP

STATEMENT OF GENERAL FIXED ASSETS
DECEMBER 31,
REGULATORY BASIS

	<u>2017</u>	<u>2016</u>
General Fixed Assets:		
Land	\$ 25,762,031.79	25,369,474.00
Buildings	11,511,397.87	11,377,153.00
Machinery, Equipment and Vehicles	5,811,056.48	8,345,510.00
Construction in Progress		204,145.00
	<u>43,084,486.14</u>	<u>45,296,282.00</u>
Investment in General Fixed Assets	\$ <u>43,084,486.14</u>	<u>45,296,282.00</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, 2017 AND 2016**

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, 2017 AND 2016
(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, 2017 AND 2016
(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, April 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. There is a ten day grace period.

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 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 City's financial reporting.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

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 City's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81 "Irrevocable Split-Interest Agreements". This statement, which is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the City's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82 "Pension Issues – an Amendment of GASB Statements No. 67, No. 68, and No. 73". This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the City's financial reporting.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83 "Certain Asset Retirement Obligations". This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the City's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 "Fiduciary Activities". This statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the City's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85 "Omnibus 2017". This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the City's financial reporting.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86 "Certain Debt Extinguishment Issues". This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the City's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "Leases". This statement, which is effective for fiscal periods beginning after December 15, 2019, may have an effect on the City'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 2017 and 2016 statutory budgets included a reserve for uncollected taxes in the amount of \$833,740 and \$849,066. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2017 and 2016 statutory budgets was \$3,500,000 and \$3,000,000.

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.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

The following significant budget transfers were approved in the 2017 and 2016 calendar years:

<u>Budget Category</u>	<u>2017</u>	<u>2016</u>
<u>Current Fund:</u>		
Public Affairs & Public Safety		
Director's Office		
Salaries & Wages		(20,000)
Police		
Salaries and Wages	(41,000)	(100,000)
Other Expenses		100,000
Services of Ambulance		
Salaries and Wages		(25,000)
Lifeguard		
Other Expenses	23,000	
Financial Administration		
Salaries and Wages		(25,000)
Employee Group Health	(225,000)	(95,000)
Public Works		
Salaries and Wages		
Other Expenses	26,000	28,100
Engineer		
Other Expenses	75,000	
Parks & Buildings		
Salaries and Wages	(20,000)	(35,000)
Sanitation		
Salaries and Wages		(25,800)
Sewage		
Salaries and Wages	(30,000)	
Capital Improvement Fund	220,000	210,000

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 2017 and 2016, significant budget insertions were approved as listed on the following page:

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

<u>Budget Category</u>	<u>2017</u>	<u>2016</u>
Summer Events Grant - GWTIDA	\$ 28,500	
NJ DOT		180,501
Total	28,500	180,501

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, 2017 was \$0.

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, 2017 and 2016, the Borough's balance was \$7,195 and \$7,134.

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 funds that may pass to the municipality relative to the happening of a future condition.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(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, 2017 and 2016:

	Balance 12/31/2015	Additions	Retirements/ Adjustments	Balance 12/31/2016
Land	\$ 25,173,932	195,542		25,369,474
Building and Improvements	11,291,791	85,362		11,377,153
Equipment and Machinery	7,693,080	1,327,219	(674,789)	8,345,510
Construction in Progress	142,919	204,145	(142,919)	204,145
	<u>\$ 44,301,722</u>	<u>1,812,268</u>	<u>(817,708)</u>	<u>45,296,282</u>

	Balance 12/31/2016	Additions	Retirements/ Adjustments	Balance 12/31/2017
Land	\$ 25,369,474	188,413	204,145	25,762,032
Building and Improvements	11,377,153	134,245		11,511,398
Equipment and Machinery	8,345,510		(2,534,454)	5,811,056
Construction in Progress	204,145		(204,145)	-
	<u>\$ 45,296,282</u>	<u>322,658</u>	<u>(2,534,454)</u>	<u>43,084,486</u>

NOTE 6: SHORT-TERM OBLIGATIONS

	Balance 12/31/15	Issued	Retired	Balance 12/31/16
Bond Anticipation Notes payable:				
General	\$ 947,000	3,780,000	947,000	3,780,000
	<u>\$ 947,000</u>	<u>3,780,000</u>	<u>947,000</u>	<u>3,780,000</u>

	Balance 12/31/16	Issued	Retired	Balance 12/31/17
Bond Anticipation Notes payable:				
General	\$ 3,780,000	3,736,990	3,780,000	3,736,990
	<u>\$ 3,780,000</u>	<u>3,736,990</u>	<u>3,780,000</u>	<u>3,736,990</u>

The note was reissued on November 1, 2017 and is due and payable on November 1, 2018 with interest at 2.25%. As of December 31, 2017, the entity has authorized but not issued bonds in the amount of \$482,088 in the General Capital Fund.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

NOTE 7: LONG TERM DEBT

Long-term debt as of December 31, 2017 and 2016 consisted of the following:

	Balance 12/31/15	Retired	Balance 12/31/16	Amounts Due Within One Year
Bonds payable:				
General	\$ 16,225,000	1,770,000	14,455,000	1,800,000
Total	<u>\$ 16,225,000</u>	<u>1,770,000</u>	<u>14,455,000</u>	<u>1,800,000</u>
Other liabilities:				
Loans Payable:				
General	14,870,013	717,301	14,152,712	723,255
Total long-term liabilities	<u>\$ 31,095,013</u>	<u>2,487,301</u>	<u>28,607,712</u>	<u>2,523,255</u>

	Balance 12/31/16	Retired	Cancelled	Balance 12/31/17	Amounts Due Within One Year
Bonds payable:					
General	\$ 14,455,000	1,800,000		12,655,000	1,820,000
Total	<u>\$ 14,455,000</u>	<u>1,800,000</u>	<u>-</u>	<u>12,655,000</u>	<u>1,820,000</u>
Other liabilities:					
Loans Payable:					
General	14,152,712	723,255	(250,619)	13,178,838	318,511
Total long-term liabilities	<u>\$ 28,607,712</u>	<u>2,523,255</u>	<u>(250,619)</u>	<u>25,833,838</u>	<u>2,138,511</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 4.0%. The balance remaining as of December 31, 2017 is \$6,435,000.

\$8,530,000 General Improvement Bonds dated August 27, 2014, due in semi-annual installments through September 1, 2024, bearing interest at a varying rate ranging from 2.0% to 2.25%. The balance remaining as of December 31, 2017 is \$6,220,000.

\$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, 2017 is \$1,291,483.

\$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, 2017 is \$2,121,362.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

\$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, 2017 is \$820,000.

\$3,129,478 N.J. Environmental Trust Loan Bond Series A dated 2015, due in annual installments beginning August 1, 2016 through August 1, 2034, bearing interest at varying rates. The balance remaining as of December 31, 2017 is \$2,673,859.

\$7,010,031 N.J. Environmental Fund Loan Bond Series A dated 2015, due in semi-annual installments through August 1, 2034, bearing no interest. The balance remaining at December 31, 2017 is \$6,272,133.

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>
2018	\$ 2,549,251	595,423
2019	2,780,292	529,983
2020	2,821,378	456,146
2021	2,847,512	380,612
2022	2,978,697	305,577
2023-2027	6,428,170	783,301
2028-2032	3,506,369	411,486
2033-2037	1,362,671	178,936
2038-2042	305,324	93,525
2043-2046	254,172	22,564
	25,833,838	3,757,553

As of December 31, 2017 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 \$XXX

<u>Summary of Municipal Debt</u>	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Issued:</u>			
General - Bonds, Loans and Notes	\$ 29,570,827	\$ 32,387,712	\$ 32,042,012
Total Issued	29,570,827	32,387,712	32,042,012
<u>Authorized but not issued:</u>			
General - Bonds, Loans and Notes	482,088	482,088	3,053,088
Total Authorized But Not Issued	482,088	482,088	3,053,088
Total Bonds & Notes Issued and Authorized But Not Issued	\$ 30,052,915	\$ 32,869,800	\$ 35,095,100

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(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 1.387%.

	Gross Debt	Deductions	Net Debt
General Debt	\$ 30,052,916		30,052,916
	\$ 30,052,916	-	30,052,916

Net Debt \$30,052,916 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,166,152,383= 1.387%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$	75,815,333
Net Debt		30,052,916
Remaining Borrowing Power	\$	45,762,417

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, 2017 and 2016, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2018 and 2017 were as follows:

		2018	2017
Current Fund	\$	2,600,000	3,500,000

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:

		12/31/2017		12/31/2016
Balance of Tax	\$	3,056,037	\$	2,844,733
Deferred		1,150,000		1,150,000
Tax Payable	\$	1,906,037	\$	1,694,733

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:

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

	Balance 12/31/17	Balance 12/31/16
Prepaid Taxes	\$ 1,575,405	\$ 756,105
Cash Liability for Taxes Collected in Advance	\$ 1,575,405	\$ 756,105

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 7.20% through June 30, 2016 and 7.34% 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 13.37% of base salary. The entity's contributions to PERS for the years ended December 31, 2017, 2016, and 2015 were \$287,376, \$283,969, and \$287,168.

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, 2017, 2016, and 2015 were \$350,490, \$354,782, and \$400,472.

The total payroll for the year ended December 31, 2017, 2016, and 2015 was \$5,366,894, \$5,844,754, and \$5,524,971. Payroll covered by PFRS was \$1,418,402, \$1,350,221, and \$1,367,388. Payroll covered by PERS was \$2,672,976, \$2,396,444, and \$2,238,027.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

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.

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 $\frac{1}{60}$ th from $\frac{1}{55}$ 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 $\frac{1}{7}$ th of the required amount, beginning in fiscal years 2012.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

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 municipality's pension liabilities. However, due to the fact that the municipality 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, 2017:

Public Employees' Retirement System

The Municipality has a liability of \$8,144,962.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Municipality'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, 2017, the Municipality's proportion would be 0.0349893544%, which would be an increase of 9.15% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Municipality would have recognized pension expense of \$575,198.00. At December 31, 2017, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 191,786.00	
Changes of assumptions	1,640,929.00	(1,634,913.00)
Changes in proportion	523,024.00	(365,384.00)
Net difference between projected and actual earnings on pension plan investments	55,462.00	
Total	\$ 2,411,201.00	(2,000,297.00)

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:

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

Year ended June 30,		
2018	\$	326,904.46
2019		474,943.50
2020		282,114.53
2021		(377,170.90)
2022		(295,887.59)
Total	\$	410,904.00

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.00%

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

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

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

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

Sensitivity of the 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 3.98%, as well as what the Municipality's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.00%) or 1-percentage point higher (6.00%) than the current rate:

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Municipality's proportionate share of the net pension liability	\$ 9,771,988.17	8,144,962.00	6,791,203.56

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 Municipality has a liability of \$6,307,399.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Municipality'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, 2017, the Municipality's proportion would be 0.04085575810%, which would be a decrease of 4.96% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Municipality would have recognized pension expense of \$290,791.00. At December 31, 2017, the Municipality 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
Differences between expected & actual experience	\$ 40,918.00	(37,019.00)
Changes of assumptions	777,765.00	(1,032,958.00)
Changes in proportion		(848,332.00)
Net difference between projected and actual earnings on pension plan investments	120,359.00	
Total	\$ 939,042.00	(1,918,309.00)

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,	
2018	\$ 517,041.11
2019	1,340,200.54
2020	(42,405.27)
2021	(1,921,092.14)
2022	(873,011.23)
Total	\$ (979,267.00)

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	2.10% - 8.98% (based on age)
Thereafter	3.10% - 9.98% (based on age)
Investment rate of return:	7.00%

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and three years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

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

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

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation 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 and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the 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, 2017, 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:

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

	1% Decrease (5.14%)	Current Discount Rate (6.14%)	1% Increase (7.14%)
District's proportionate share of the net pension liability	\$ 8,138,110.67	6,307,399.00	4,803,710.44

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, 2017 State special funding situation net pension liability amount of \$1,729,193,507.00 is 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, 2017 State special funding situation pension expense of \$211,519,420.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2017. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount.

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 Municipality was 0.04085575810% for 2017. The net pension liability amount allocated to the Municipality was \$706,475.00. For the fiscal year ending June 30, 2017 State special funding situation pension expense of \$86,418.00 is allocated to the Municipality.

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. The Borough has also opted to implement the provisions of N.J.S.A. 52:14-17.38 regarding employer's payments for health benefits of certain retirees. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)

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.

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, 2017 vary according to the type of coverage selected by the retiree.

The Borough of Wildwood Crest contributions to SHBP for post-retirement benefits for the year ended December 31, 2017 and 2016 were \$964,716 and \$968,831 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 3, 2018 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 5.0% per year, annual vision, 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, 2017 AND 2016
(CONTINUED)

Other Post-employment Benefit Costs and Obligations

The following reflects the components of the 2017 annual OPEB Costs, amounts paid, and changes to the net accrued OPEB obligation based on the April 3, 2018 actuarial valuation and actual OPEB payments made or accrued during 2017:

	December 31,
	2017
Net OPEB Obligation -	
Beginning of Year	\$ 3,550,000
Annual OPEB Cost	370,000
OPEB Payments	(90,000)
Increase in Net OPEB	
Obligation	280,000
Net OPEB Obligation -	
End of Year	\$ 3,830,000
Percentage of OPEB	
Cost Contributed	24.3%

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2015	580,000	13.8%	3,010,000
12/31/2016	620,000	12.9%	3,550,000
12/31/2017	370,000	24.3%	3,830,000

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, 2017 is \$242,967. The total liability of accrued sick leave and vacation for all eligible employees at December 31, 2017 is estimated to be \$396,509.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(CONTINUED)**

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.

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, 2017 and 2016 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
2017	\$ 36,000	-	-	29,655	35,463
2016	34,000	-	-	29,132	29,118
2015	32,000	-	-	27,821	24,250

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, 2017 AND 2016
(CONTINUED)**

NOTE 18: CONTINGENT LIABILITIES

From time to time, the entity is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the entity's management, the outcome of any present legal proceedings are difficult to quantify, but an adverse outcome could have a material effect on the accompanying financial statements.

NOTE 19: INTERFUND BALANCES

As of December 31, 2017, 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:		
Grant Fund	\$ 9,418.00	
Other Trust Fund	14,348.00	
Trust Fund:		
Current - Other Trust Fund		14,348.00
Grant Fund:		
Current Fund		9,418.00
General Capital		15,200.00
General Capital Fund:		
Grant Fund	15,200.00	
	\$ 38,966.00	38,966.00

NOTE 20: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through June 8, 2018, the date which the financial statements were available to be issued and identified no events requiring disclosure.

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SUPPLEMENTARY DATA



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of 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 group as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Borough's basic financial statements, and have issued our report thereon dated June 8, 2018, 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 8, 2018

BOROUGH OF WILDWOOD CREST
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2017

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified Opinion issued on the Financial Statements – Regulatory Basis, presented in accordance with an “Other Comprehensive Basis of Accounting”.**

Internal control over financial reporting:

- | | |
|---------------------------------------|-----------|
| 1) Material Weakness identified? | NO |
| 2) Significant Deficiency identified? | NO |

Non-Compliance material to Financial Statements – Statutory Basis noted? **NO**

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – REGULATORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

None

MANAGEMENT RESPONSES

Not Applicable

STATUS OF PRIOR YEAR FINDINGS

Not Applicable – There were no Findings in the Prior Year

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**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

		Current Fund
Balance December 31, 2016	\$	13,706,978.23
Increased by Receipts:		
Prepaid Taxes		1,575,404.79
Sewer Overpayments		19,566.16
Tax Overpayments		7,872.23
Taxes Receivable		27,449,482.08
Revenue Accounts Receivable - Collector		4,060,052.90
Prepaid Sewer Rents		23,810.84
Revenue Accounts Receivable - Treasurer		2,273,608.54
Miscellaneous Revenue		223,729.44
State of New Jersey:		3,712.24
Senior Citizen and Veterans Deductions		51,696.72
Prepaid TDC Fees		500.00
Prepaid Licenses		350.00
Reserve - Beach Operations Off-Set		295,216.28
Due from Trusts - Other		674.33
Due to GWTIDA		289,575.60
Payroll Deductions		1,693.72
Federal and State Unappropriated Reserves		39,704.08
Federal and State Receivables		486,925.31
Due to Current Fund - From Grant Fund		80,163.48
Insurance Proceeds		4,877.50
		36,888,616.24
		50,595,594.47
Decreased by Disbursements:		
Current Year Appropriation		21,290,427.19
Prior Year Appropriations		505,685.71
County Taxes		5,670,633.62
Local District School Taxes		7,182,355.25
Due to GWTIDA		289,315.60
Insurance Proceeds		1,735.00
Refund of Prior Year's Revenue		1,000.00
Due to Current Fund - From Grant Fund		80,163.48
Due to Grant Fund - Cancelled Grants		3,712.24
Federal and State Disbursements		446,465.91
		35,471,494.00
Balance December 31, 2017	\$	15,124,100.47
		Current Fund \$14,952,816.40
		Grant Fund 171,284.07
	Total	\$15,124,100.47

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

Year	Balance Dec. 31, 2016	Current Year Levy	Added Taxes	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Cancelled	Balance Dec. 31, 2017
				2016	2017				
Arrears	\$ 5,764.09				5,764.09				-
2016	388,860.46				386,292.50	(2,478.44)	5,046.40		0.00
	394,624.55	-	-	-	392,056.59	(2,478.44)	5,046.40	-	0.00
2017	-	28,288,900.68	65,003.76	756,105.00	27,108,175.49	37,246.87	5,220.52		447,156.56
	\$ 394,624.55	28,288,900.68	65,003.76	756,105.00	27,500,232.08	34,768.43	10,266.92	-	447,156.56

Cash Receipts
Senior Citizens and Veterans
27,500,232.08

Analysis of Current Year Tax Levy

Tax Yield:

General Property Tax 28,288,900.68
 Added Taxes (54:4-63.1 et. Seq.) 65,003.76
28,353,904.44

Tax Levy:

General County Taxes 4,737,341.05
 County Library Taxes 716,410.15
 County Open Space Taxes 216,882.42
 County Added and Omitted Taxes 13,137.68
Total County Taxes 5,683,771.30

Local School District Tax 7,393,659.00

Local Tax for Municipal Purposes
 Add: Additional Tax Levied 15,276,474.14

28,353,904.44

**CURRENT FUND
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2016		\$	-
Increased by:			
Transfers from Taxes Receivable	10,266.92		
Interest and Costs Accrued by Sale of October 18, 2017	1,373.58		
	<hr/>		<hr/>
			11,640.50
			11,640.50
Decreased by:			
Collections			
	<hr/>		<hr/>
			-
Balance December 31, 2017		\$	<u><u>11,640.50</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2016	Accrued in 2017	Collected by		Balance Dec. 31, 2017
			Collector	Treasurer	
Borough Clerk:					
Licenses - Other	-	171,098.00		171,098.00	
Fees and Permits	-	148,849.00		148,849.00	
Recreation Income - Pool	-	81,590.00		81,590.00	
TV Cable Franchise Fee	-	49,734.67		49,734.67	
Municipal Court:					
Fines and Costs	2,567.26	66,891.90		66,512.13	2,947.03
Parking Meters	-	273,483.96		273,483.96	
Interest and Costs on Taxes	-	101,550.47	101,550.47		
Interest Earned on Investments and Deposits	-	156,101.41		156,101.41	
Municipal Pier and Concession Income	-	514,400.00		514,400.00	
Interest and Costs on Delinquent Sewer Rents	-	23,257.27	23,257.27		
Sewer Rents	216,274.94	3,913,173.03	3,935,245.16		194,202.81
Ambulance Fees	-	189,012.93		189,012.93	
Fees and Permits - Craft Show	-	6,000.00		6,000.00	
Uniform Fire Safety Act	-	166,498.46		166,498.46	
Energy Receipts Tax	-	381,045.00		381,045.00	
Anticipated General Capital Fund Balance	-	-			
GWTD Municipal Event Support	-	54,558.16		54,558.16	
Interlocal - Court Administrator	-	67,512.32		67,512.32	
Beach Operation Offset - Reserved	-	273,816.00		273,816.00	
\$	218,842.20	6,638,572.58	4,060,052.90	2,600,212.04	197,149.84
	A	Res.			A
Prepaid Licenses Applied			A	350.00	
Prepaid TDC Fees Applied			A	800.00	
Reserve for Beach Operations Off-Set			A	273,816.02	
Sewer Prepayments Applied			A	24,797.21	
Sewer Overpayments Applied			A	26,840.27	
Collected			A-4	2,273,608.54	
				<u>2,600,212.04</u>	

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

	Balance Dec. 31, 2016	Balance After Transfers	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"				
SALARIES & WAGES:				
Department of Public Affairs and Public Safety:				
Directors Office	\$ 1,240.67	1,240.67		1,240.67
Fire		-		-
Police	61,983.71	61,983.71		61,983.71
Local Code Enforcement	8,200.00	8,200.00		8,200.00
Services of Ambulance	15,816.03	15,816.03		15,816.03
Environmental Commission (N.J.S. 40:56A-1)	999.92	999.92		999.92
Lifeguards	2,322.45	2,322.45		2,322.45
Land Use Administration	200.02	200.02		200.02
Traffic Maintenance	3,916.89	3,916.89		3,916.89
Fire Official	4,623.87	4,623.87		4,623.87
Municipal Court	31.55	31.55		31.55
Department of Revenue and Finance:				
Director's Office	1,549.95	1,549.95		1,549.95
Borough Administration	19,271.14	19,271.14		19,271.14
Financial Administration	26,543.77	26,543.77		26,543.77
Assessment of Taxes	9,710.06	9,710.06		9,710.06
Collection of Taxes	9,940.04	9,940.04		9,940.04
Health Benefit Waiver	2,336.41	2,336.41		2,336.41
Department of Public Works, Parks and Public Property:				
Public Works	9,059.46	9,059.46		9,059.46
Beach Cleaning	3,945.65	3,945.65		3,945.65
Sanitation	4,948.35	4,948.35		4,948.35
Parks and Buildings	13,619.56	13,619.56		13,619.56
Sewage	13,941.59	13,941.59		13,941.59
Fleet Maintenance	3,021.59	3,021.59		3,021.59
Tourism	2,785.75	2,785.75		2,785.75
Recreation Commission (N.J.S. 40:61-17)	805.78	805.78		805.78

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

	Balance Dec. 31, 2016	Balance After Transfers	Paid or Charged	Balance Lapsed
Uniform Construction Code - Appropriation Offset by Dedicated Revenue				
State Uniform Construction Code	1,508.44	1,508.44		1,508.44
OTHER EXPENSES:				
Department of Public Affairs and Public Safety:				
Director's Office	4,511.04	4,511.04		4,511.04
Fire	2,993.11	2,993.11	(116.00)	3,109.11
Police	195,727.43	195,727.43	144,541.00	51,186.43
Municipal Prosecutor	3,000.00	3,000.00		3,000.00
Legal	12,661.35	12,661.35	1,774.50	10,886.85
Local Code Enforcement	3,105.65	3,105.65		3,105.65
Emergency Management Services	2,500.00	2,500.00		2,500.00
Services of Ambulance	27,608.44	27,608.44	11,126.03	16,482.41
Environmental Commission (N.J.S. 40:56A-1)	500.00	500.00		500.00
Lifeguards	362.75	362.75		362.75
Land Use Administration	96,366.00	96,366.00	77,128.16	19,237.84
Traffic Maintenance	54.42	54.42		54.42
Fire Official	2,980.73	2,980.73	795.94	2,184.79
Animal Control	7,528.96	7,528.96		7,528.96
Municipal Court	3,107.59	3,107.59	52.05	3,055.54
Public Defender (P.L. 1997, C.256)	1,541.74	1,541.74	1,041.66	500.08
Department of Revenue and Finance:				
Director's Office	373.88	373.88		373.88
Borough Administration	13,521.44	13,521.44	1,490.44	12,031.00
Financial Administration	28,599.29	28,599.29	4,473.21	24,126.08
Assessment of Taxes	18,519.00	18,519.00	2,842.56	15,676.44
Collection of Taxes	5,944.66	5,944.66	106.75	5,837.91
Utility Billing Expenses	2,268.72	2,268.72	43.87	2,224.85
Workers Compensation	29,989.57	29,989.57		29,989.57
Group Insurance	698,660.93	698,660.93	48,646.66	650,014.27

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

	Balance	Balance	Paid or Charged	Balance Lapsed
	Dec. 31, 2016	After Transfers		
Department of Public Works, Parks and Public Property:				
Director's Office	524.04	524.04		524.04
Engineer	41,454.51	41,454.51	6,119.00	35,335.51
Landfill	5,391.25	5,391.25	5,391.25	-
Public Works	59,718.12	59,718.12	58,874.22	843.90
Recreation Buildings	8,385.80	8,385.80	3,324.91	5,060.89
Beach Cleaning	6,450.95	6,450.95	1,497.08	4,953.87
Sanitation	2,472.70	2,472.70	404.00	2,068.70
Parks and Buildings	25,441.09	25,441.09	10,925.79	14,515.30
Sewage	13,189.40	13,189.40	272.50	12,916.90
Fleet Maintenance	9,829.26	9,829.26	7,065.24	2,764.02
Tourism	18,529.57	18,529.57	18,500.00	29.57
Recreation Commission (N.J.S. 40:61-17)	2,251.85	2,251.85	971.10	1,280.75
Uniform Construction Code - Appropriation Offset by Dedicated Revenue				
State Uniform Construction Code	20,514.01	20,514.01	3,960.98	16,553.03
UTILITY EXPENSES & BULK PURCHASES				
Water	9,191.50	9,191.50	9,191.50	-
Street Lighting	34,341.87	34,341.87		34,341.87
Telephone	24,687.37	24,687.37	738.52	23,948.85
Fire Hydrants	35,170.00	35,170.00	14,831.70	20,338.30
Natural Gas	10,585.01	10,585.01		10,585.01
Electric	37,074.98	37,074.98		37,074.98
Gasoline	100,803.55	100,803.55	3,471.46	97,332.09
Information Technology	27,080.00	27,080.00	2,880.00	24,200.00

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

	Balance Dec. 31, 2016	Balance After Transfers	Paid or Charged	Balance Lapsed
STATUTORY EXPENDITURES				
Contributions to:				
Police and Fire Retirement System of N.J.	47,690.00	47,690.00	-	47,690.00
Public Employees Retirement System	5,471.51	5,471.51	-	5,471.51
Social Security System (O.A.S.I.)	58,194.12	58,194.12		58,194.12
Defined Contribution Retirement Plan	4,200.00	4,200.00	-	4,200.00
OPERATIONS - EXCLUDED FROM "CAPS"				
Cape May County MUA - Charges	254,094.00	254,094.00	63,319.00	190,775.00
PUBLIC & PRIVATE PROGRAMS OFF-SET BY REVENUES				
Matching Funds for Grants	12,000.00	12,000.00	-	12,000.00
Municipal Alliance Consortium - Local share	776.50	776.50	-	776.50
CAPITAL IMPROVEMENTS				
Emergency Sewer Repairs	160,541.41	160,541.41		160,541.41
Improvements to Borough Buildings	62,166.56	62,166.56	62,166.56	-
Improvements to Borough Facilities	18,900.00	18,900.00	16,700.00	2,200.00
	<u>\$ 2,501,870.28</u>	<u>2,501,870.28</u>	<u>584,551.64</u>	<u>1,917,318.64</u>
		Cash Disbursed	505,685.71	
		Accounts Payable	78,865.93	
			<u>584,551.64</u>	

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

Balance December 31, 2016			
School Tax Payable	\$	1,694,733.42	
School Tax Deferred		<u>1,150,000.00</u>	
			2,844,733.42
Increased by:			
Levy - School Year July 1, 2017 to June 30, 2018			<u>7,393,659.00</u>
			10,238,392.42
Decreased by:			
Payments			<u>7,182,355.25</u>
Balance December 31, 2017			
School Tax Payable		1,906,037.17	
School Tax Deferred		<u>1,150,000.00</u>	
			<u><u>3,056,037.17</u></u>
Current Year Liability for Local School District School Tax:			
Tax Paid			7,182,355.25
Tax Payable Ending			<u>1,906,037.17</u>
			9,088,392.42
Less: Tax Payable Beginning			<u>1,694,733.42</u>
Amount Charged to Current Year Operations	\$		<u><u>7,393,659.00</u></u>

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

<u>Purpose</u>	Balance Dec. 31, 2016	Transferred From 2017 Revenues	Received	Cancelled	Balance Dec. 31, 2017
FEDERAL GRANTS:					
Federal Domestic Violence Grant					
2011 Grant (ARRA)	\$ 29,708.74				29,708.74
FEIMA-Sunset Lake		1,244,671.20			1,244,671.20
Bulletproof Vest Partnership					
2004 Grant	467.30		467.30		0.00
2014 Grant	1,339.00		860.20		478.80
2017 Grant		2,655.00			2,655.00
CDBG Street Intersections ADA	200,000.00		158,323.54		41,676.46
2017 CY CDBG Grant-Beach Access		270,000.00			270,000.00
Small Cities - Heather, Lavender, Lake	377.00				377.00
Total Federal	<u>231,892.04</u>	<u>1,517,326.20</u>	<u>159,651.04</u>	<u>-</u>	<u>1,589,567.20</u>
STATE GRANTS:					
Cooperative Housing Inspections					
2017 Grant		21,000.00	13,677.00		7,323.00
2015 Grant	7,701.00		7,701.00		-
New Jersey Transportation Trust Fund:					
2008 - Seaview Avenue	35,000.00				35,000.00
2012 - New Jersey Ave. - Phase I	45,844.25		45,844.25		-
2015-- Buttercup Road	43,000.00		43,000.00		-
2015 - Pacific Ave	175,000.00		175,000.00		-
2016 - Pacific Ave	180,501.00				180,501.00
Generator Grant	75,000.00			75,000.00	-
Recycling Tonnage		13,552.02	13,552.02		-
Total State	<u>562,046.25</u>	<u>34,552.02</u>	<u>298,774.27</u>	<u>75,000.00</u>	<u>222,824.00</u>
LOCAL GRANTS:					
GWTIDA Summer Events	7,500.00		28,500.00		7,500.00
Total Local	<u>7,500.00</u>	<u>28,500.00</u>	<u>28,500.00</u>	<u>-</u>	<u>7,500.00</u>
	<u>\$ 801,438.29</u>	<u>1,580,378.22</u>	<u>486,925.31</u>	<u>75,000.00</u>	<u>1,819,891.20</u>

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

	Balance December 31, 2016		2017 Appropriations	Disbursed	Encumbrances	Cancelled	Balance Dec. 31, 2017
	Appropriated	Reserve for Encumbrances					
FEDERAL GRANTS:							
Federal Domestic Violence Grant 2011 (ARRA)	\$ 30,777.80						30,777.80
Police Body Armor Grant							
2012	1,362.82						1,362.82
2014	3,168.86			2,283.86	885.00		-
2015	2,018.32			2,018.32			-
2016	2,015.49			1,275.57			739.92
2017			2,103.97	1,837.50			266.47
2017 CY CDBG Grant-Beach Access			270,000.00				270,000.00
FEMA-Sunset Lake			1,244,671.20				1,244,671.20
CDBG Street ADA	200,000.00			174,808.01			25,191.99
Bulletproof Vest Partnership							
2017			2,655.00				2,655.00
2014	2,096.64			1,770.00			326.64
Small Cities Grant							
Atlantic Avenue	1,069.78						1,069.78
Cresse Avenue/Lake Road	7,995.16						7,995.16
Heather, Lavender, Lake Ave.	375.76						375.76
Crocus, Aster	9,168.89						9,168.89
Total Federal	260,049.52	-	1,519,430.17	183,993.26	885.00	-	1,594,601.43
STATE GRANTS:							
Clean Communities Grant:							
2017			28,876.16	20,004.08			8,872.08
2016	5,678.39	2,064.00		7,741.52			0.87
Drunk Driving Enforcement Fund:							
2017			5,109.51				-
2007	1,203.53						1,203.53
2008	4,806.10						4,806.10
2009	5,128.67			1,026.66			4,102.01
2012	860.02			860.02			-
2014	4,246.34						4,246.34
2015	3,933.30						3,933.30
2016	3,684.78						3,684.78

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

	Balance December 31, 2016	Reserve for		2017		Balance
	Appropriated	Encumbrances	Appropriations	Disbursed	Encumbrances	Dec. 31, 2017
Cooperative Housing Inspections:						
2017			21,000.00			21,000.00
2016	35,037.02			6,999.75		28,037.27
Recycling Tonnage Grant						
2012	3.00					3.00
2015	111.52			111.52		-
2016	7,045	1,000.00		7,387.85		657.25
2017			13,552.02	10,559.88	500.00	2,492.14
Alcohol Education & Rehabilitation						
					3,712.24	3,712.24
N.J. Transportation Trust Fund						
Heather Road	116.84					116.84
Pacific Ave	175,000.00			175,000.00		-
2016 - Pacific Ave	180,501.00					180,501.00
UEZ Administrative Funding - 2011	7,262.29					7,262.29
UEZ assistance Fund - 2011	50,256.95					50,256.95
Generator Grant	75,000.00					-
						(75,000.00)
Total State	559,874.85	3,064.00	68,537.69	234,800.79	500.00	324,887.99
LOCAL GRANTS:						
GWTIDA - Summer Events						
2015		100.00				100.00
2016	1,279.08					1,279.08
2017			28,500.00	27,671.86	200.00	628.14
Comcast Technology Grant - 2011	108.55					108.55
Municipal Joint Venture Program						
2008	3,662.90					3,662.90
Total Local	5,050.53	100.00	28,500.00	27,671.86	200.00	5,778.67
\$	824,974.90	3,164.00	1,616,467.86	446,465.91	1,585.00	1,925,268.09

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

	Balance Dec. 31, 2016	Transferred To 2017 Appropriations	Received	Balance Dec. 31, 2017
STATE GRANTS:				
Police Body Armor Grant - 2015	1,339.00	1,339.00		-
Police Body Armor Grant - 2016	764.97	764.97		0.00
Police Body Armor Grant - 2017			2,187.25	2,187.25
Drunk Driving Enforcement Fund - 2015	5,109.51	5,109.51		-
Clean Communities Grant - 2017			24,532.11	24,532.11
Clean Communities Grant - 2016	28,876.16	28,876.16		-
Recycling Tonnage Grant			12,984.72	12,984.72
Total State	<u>36,089.64</u>	<u>36,089.64</u>	<u>39,704.08</u>	<u>39,704.08</u>
Grand Total	<u>\$ 36,089.64</u>	<u>36,089.64</u>	<u>39,704.08</u>	<u>39,704.08</u>

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

		Animal Control	Other
Balance December 31, 2016	\$	2,082.00	1,163,283.43
Increased By:			
State Dog License Fees		121.80	
Municipal Dog License Fees		1,053.00	
Other Reserves			984,437.78
		1,174.80	984,437.78
		3,256.80	2,147,721.21

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**TRUST FUND
SCHEDULE OF CASH - TREASURER**

		Animal Control	Other
Decreased By:			
Paid to State of NJ		121.80	
Dog Fund Expenditures		718.98	
Prior Year Encumbrances			32,663.18
Current Fund		169.02	674.33
Other Reserves			870,307.95
		1,009.80	903,645.46
Balance December 31, 2017	\$	2,247.00	1,244,075.75

Analysis of December 31, 2017 Balance

Trust - Escrow	871,333.52
Unemployment Trust	34,844.60
Recreation Commission	97,437.87
Police Forfeiture	5,088.54
Uniform Construction Code	154,380.75
TTL Redemption/Premium Account	80,990.47
	1,244,075.75

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

Balance December 31, 2016	\$		2,082.00
Increased by:			
Dog License Fees Collected		1,053.00	1,053.00
			3,135.00
Decreased by:			
Expenditures under N.J.S.A. 4:19-15.11:		718.98	
Statutory Excess		169.02	888.00
Balance December 31, 2017	\$		2,247.00

License Fees Collected

<u>Year</u>	<u>Amount</u>
2016	1,260.00
2015	987.00
	2,247.00

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

Balance December 31, 2016	\$		-
Increased By:			
Collected in 2017			
State License Fees		121.80	
		121.80	121.80
Decreased By:			
Payments		121.80	
		121.80	121.80
Balance December 31, 2017	\$		-

**TRUST - OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Balance Dec. 31, 2016	Increased by		Decreased by		Balance Dec. 31, 2017
		Receipts	Budget Appropriation	Expended		
<u>Reserve</u>						
Accumulated Absences	\$ 197,967.34		45,000.00			242,967.34
Borough Beautification	10,313.02	11,125.00		8,961.00		12,477.02
Fire Penalties - Non-Dedicated	61,437.19	5,739.50		4,255.06		62,921.63
Fire Prevention	39,458.81	2,637.50		24,954.00		17,142.31
Police Forfeited Funds	11,653.64	4,081.53		10,646.63		5,088.54
Unclaimed Funds - Police		2,868.79				2,868.79
Third Party Construction Inspections	135,012.20	107,742.00		102,866.40		139,887.80
Parking Offense Adjudication Act	5,865.77	328.00		1,000.95		5,192.82
Planning and Zoning Escrow	119,451.37	10,040.53		10,686.13		118,805.77
Recreation Commission	117,744.11	193,734.31		218,817.18		92,661.24
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	100,976.24	240,454.80		231,251.61		110,179.43
Premiums Received at Tax Sale	72,300.00	60,600.00		52,300.00		80,600.00
Marriage License Fees Due to State	275.00	625.00		675.00		225.00
DCA Training Fees - Due State of NJ	5,196.00	10,731.00		12,001.00		3,926.00
Third Party Lien Redemptions		139,581.07		139,581.07		-
Tourism Development Commission	54,571.34	52,663.75		32,280.75		74,954.34
Unemployment Compensation Insurance	29,118.22		36,000.00	29,655.22		35,463.00
Employment of Borough Employee	11,470.89	20,485.00		10,030.88		21,925.01
Retiree Life Insurance	100,000.00		40,000.00			140,000.00
	<u>\$ 1,115,598.02</u>	<u>863,437.78</u>	<u>121,000.00</u>	<u>889,962.88</u>		<u>1,210,072.92</u>
		Encumbered		19,654.93		
		Cash Disbursed		870,307.95		
				<u>889,962.88</u>		

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

	<u>Ref.</u>	
Balance December 31, 2016		\$ 6,016,974.51
Increased by:		
Budget Appropriations:		
Capital Improvement Fund	1,830,000.00	
Deferred Charges - Unfunded	43,010.00	
Bond Anticipation Notes	3,736,990.00	
Premium Received at Note Sale	30,345.00	
Temporary Loan Receipts	441,297.00	
	12,098,616.51	12,098,616.51
Decreased by:		
Improvement Authorizations	2,115,658.28	
Bond Anticipation Notes	3,780,000.00	
	5,895,658.28	5,895,658.28
Balance December 31, 2017		\$ <u><u>6,202,958.23</u></u>

GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance Dec. 31, 2016	Receipts		Disbursements		Transfers	Balance Dec. 31, 2017
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous		
Fund Balance	\$ 72,189.97	30,345.00					102,534.97
Capital Improvement Fund	1,014,028.09	1,830,000.00					1,989,028.09
Due to Current Fund	-						-
Due from Grant Fund	(15,200.00)						(15,200.00)
Downpayment on Improvements	8,000.00					150,000.00	158,000.00
Reserve for Encumbrances	384,305.67					384,305.67	105,822.74
NJFIT Loan Receivable	(750,701.00)	441,297.00				309,404.00	-
<u>Improvement Authorizations:</u>							
1061 Various Improvements							
C. Sanitary Sewer Mains	228,434.00						228,434.00
1066 Storm Sewer Replacement	10,000.00						10,000.00
1092 Various Improvements:							
A. Purchase Vehicular Equipment	-						
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						98,749.86
1095 Purchase of Equipment, Reconfiguration							
Amended of Parking Area and Improve Public							
by 1102 Buildings	52,743.93						52,743.93
1110 Purchase Public Safety Equipment	39,237.52						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	23,224.17						23,224.17
Recreation Center						10,975.48	
1130 Various Improvements:							
B. Purchase Backhoe	13,794.24						13,794.24
D. Replace Storm Sewer Pipes	60,769.22						60,769.22
E. Replace Sanitary Sewer Pipes	97,606.01						97,606.01
1140 Acquire Public Works Equip.	787.52						787.52
1143 Various Improvements:							
A. Acquisition of Playground Equip.	7,902.89						7,902.89
B. Improvements to DPW Building	59,734.03						59,734.03
C. Improvements to Nesbitt Center	2,419.48						2,419.48
1145 Public Works Vehicular Equip. and							
Public Benches	511.86						511.86
1147 Various Improvements:							
A. Acquisition of Real Property	1,872.35						1,872.35
B. Police Communications Equip.	3,050.45						3,050.45
C. Acquire Emergency Generator	88,057.98						88,057.98
1149 Improve Sanitary Sewerage System	500,349.80						500,349.80
1152 Construct Beachfront Park	2,203.01						2,203.01
				222,975.50			(18,252.70)
							2,203.01

GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance Dec. 31, 2016	Receipts		Disbursements		Transfers		Balance Dec. 31, 2017
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
1156								
Improvements to Various Municipally- Owned Properties and Acquisition of Equipment	39,764.22							39,764.22
1158	15,049.40							15,049.40
Improvements to Storm Water System								
1174	3,931.47					1,000.00		4,931.47
Improvements to Various Municipally- Owned Buildings								
1179	40,359.37							40,359.37
Replacement and Widening of Beachfront Bike Path								
1184	23,009.93							23,009.93
Various General Improvements								
1186	28,734.43							28,734.43
Storm Sewer								
1198	201,900.47			39,339.22				162,561.25
Various General Improvements				27,515.73		8,044.00	33,547.00	9,458.85
A. Pacific Ave	11,471.58							
B. Fuel Tanks								
1211	2,743.00							2,743.00
Various Improvements								
A. Dump Body Truck	580.00							580.00
B. Trash Truck	36,000.00			27,402.00				8,598.00
C. Parking Meter Compon	42,476.53			1,750.00			1,750.00	42,476.53
E. Buttercup Road	797.51			240.00			18,060.00	18,617.51
F. Pacific Ave ADA Curbs	277,052.40							277,052.40
G. NJ Ave Pole Relocate								
1219	94,112.12							94,112.12
Various Improvements								
A. Library Parking Lot	125,000.00							125,000.00
B. Buttercup Road	50,000.00			3,195.00		1,805.00		45,000.00
C. Pacific Ave ADA								
1234	35,000.00							35,000.00
Various Improvements								
B. Parking Cardinal Rd	3,223.81			34,636.19		2,500.00	36,776.19	2,863.81
C. Fingerprint Process				26,720.00			26,720.00	-
D. EMT Garage Floor/Vent	707.00							707.00
E. Public Safety Sign	2,750.30							2,750.30
F. Old Library Bld Arch	23,900.00							23,900.00
G. Heather Rd Bikeshop	20,000.00			37,586.70		11,290.30	26,100.00	20,000.00
I. Pool Bldg Doors	1,567.23							1,567.23
J. Outdoor Lighting								
1244	2,170,400.00							39,328.12
Various Improvements								
A. Pacific Ave Phase II	600,000.00			1,189,126.88		1,146,545.00	204,600.00	452,960.41
B. Sunset Lake				89,331.63		57,707.96		
1248								16,554.38
Various Vehicles & Equipment								
A. Police Radio System				103,445.62			120,000.00	16,554.38
B. Beach Tractor & Trash Truck				136,562.57			160,000.00	23,437.43

GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance Dec. 31, 2016	Receipts		Disbursements		Transfers		Balance Dec. 31, 2017
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
1250 Various Improvements								
A. HVAC System				2,306.40				80,000.00
B. Heather Road Bike Shop						10,455.00		60,000.00
C. EMT Building Driveway								30,000.00
D. UV Pool Filter				35,000.00				45,000.00
E. Old Library Roof				36,980.00				40,000.00
F. Nesbitt Building Improvements				63,030.04				75,000.00
G. ADA Beach Access				4,625.00				45,000.00
1255 Road Curb Ramp Access				33,889.80				50,000.00
1261 Newark Avenue Reconstruction							1,145,000.00	1,145,000.00
	<u>\$ 6,016,974.51</u>	<u>2,301,642.00</u>	<u>-</u>	<u>2,115,658.28</u>	<u>-</u>	<u>2,799,532.41</u>	<u>2,799,532.41</u>	<u>6,202,958.23</u>

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

	<u>Ref.</u>	
Balance December 31, 2016		\$ 1,022,028.09
Increased by:		
Current Fund Budget Appropriation	1,830,000.00	
Funded Improvement Authorizations Canceled	1,830,000.00	1,830,000.00
		2,852,028.09
Decreased by:		
Appropriation to Finance Improvement Authorization	705,000.00	
	705,000.00	705,000.00
Balance December 31, 2017		\$ <u><u>2,147,028.09</u></u>
Capital Improvement Fund		1,989,028.09
Down Payment on Improvements		158,000.00
		2,147,028.09

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

	<u>Ref.</u>	
Balance December 31, 2016		\$ 28,607,711.53
Increased by:		
None		-
		<hr style="width: 100%;"/>
		28,607,711.53
Decreased by:		
Cancelled	250,619.00	
Serial Bonds Paid by Operating Budget	1,800,000.00	
NJEIT Loans Paid by Operating Budget	700,729.17	
USRDA Loans Paid by Operating Budget	22,525.81	
	<hr style="width: 100%;"/>	
		2,773,873.98
		<hr style="width: 100%;"/>
Balance December 31, 2017		\$ <u><u>25,833,837.55</u></u>

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

Ord #	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Paid by Budget Appropriation	Balance Dec. 31, 2017	Analysis of Balance		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
1149	Improve Sanitary Sewerage System	\$ 482,088.00			482,088.00		18,252.70	463,835.30
1198	Various Improvements	947,000.00		43,010.00	903,990.00	903,990.00		-
1244	Various Improvements	2,833,000.00	(1,145,000.00)		1,688,000.00	1,688,000.00		-
1261	Newark Avenue Reconstruction		1,145,000.00		1,145,000.00	1,145,000.00		-
		<u>\$ 4,262,088.00</u>	<u>-</u>	<u>43,010.00</u>	<u>4,219,078.00</u>	<u>3,736,990.00</u>	<u>18,252.70</u>	<u>463,835.30</u>

Improvement Authorizations Unfunded	2,273,143.93
Less:	
Unexpended Proceeds of Bond	\$ 172,020.10
Anticipation Notes Issued:	492,288.53
Ord. Number	<u>1,145,000.00</u>
1198	
1244	
1261	
	<u>1,809,308.63</u>
	<u>\$ 463,835.30</u>

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2016		Cancelled	Paid/Charged or Canceled	Balance December 31, 2017	
				Funded	Unfunded			Funded	Unfunded
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	
1092	Various Improvements: 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				110.01 3,580.00 98,749.86	
1095 Amended by 1102	Purchase of Equipment, Reconfiguration of Parking Area and Improve Public Buildings	3/24/2010	200,000	52,743.93				52,743.93	
1110	Purchase Public Safety Equipment	11/22/2010	100,000	39,237.52				39,237.52	
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 1,100,000 100,000	14,969.99 142,555.01 1,157.68				14,969.99 142,555.01 1,157.68	
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 D. Replace Storm Sewer Pipes E. Replace Sanitary Sewer Pipes	8/10/2011	1,490,000	13,794.24 60,769.22 97,606.01				13,794.24 60,769.22 97,606.01	
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 88,057.98			(9,500.00)	1,872.35 3,050.45 97,557.98	
1149	Improve Sanitary Sewerage System	11/26/2012	13,000,000	500,349.80	482,088.00	(309,404.00)	209,198.50	-	463,835.30
1152	Construct Beachfront Park	12/27/2012	40,000	2,203.01				2,203.01	

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2016		Authorizations		Cancelled	Paid/Charged or Canceled	Balance December 31, 2017	
				Funded	Unfunded	Other Funding	Deferred Charges to Future Taxation			Funded	Unfunded
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	3,931.47					(1,000.00)	4,931.47	
1179	Replacement and Widening of Beachfront Bike Path	11/25/2013	350,000	40,359.37						40,359.37	
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	10/22/2014	995,000.00		201,900.47 11,471.58				39,339.22 2,012.73		162,561.25 9,458.85
1211	Various Improvements A. Dump Body Truck B. Trash Truck C. Parking Meter Compon E. Buttercup Road F. Pacific Ave ADA Curbs G. NJ Ave Pole Relocate	3/5/2015	1,410,000.00	2,743.00 580.00 36,000.00 42,476.53 797.51 277,052.40					27,402.00 - - (17,820.00)		2,743.00 580.00 8,598.00 42,476.53 18,617.51 277,052.40
1219	Various Improvements A. Library Parking Lot B. Buttercup Road C. Pacific Ave ADA	7/8/2015	300,000.00	94,112.12 125,000.00 50,000.00					5,000.00		94,112.12 125,000.00 45,000.00
1234	Various Improvements B. Parking Cardinal Rd C. Fingerprint Process D. EMT Garage Floor/Vent E. Public Safety Sign F. Old Library Bld Arch G. Heather Rd Bikeshop I. Pool Bldg Doors J. Outdoor Lighting	2/10/2016	277,000.00	35,000.00 3,223.81 707.00 2,750.30 23,900.00 20,000.00 1,567.23					360.00 - - 22,777.00		35,000.00 2,863.81 707.00 2,750.30 1,123.00 20,000.00 1,567.23
1244	Various Improvements A. Pacific Ave Phase II B. Sunset Lake	10/15/2016	2,375,000.00 600,000.00	28,900.00	2,170,400.00 571,100.00			(1,145,000.00)	986,071.88 147,039.59		39,328.12 452,960.41
1248	Various Vehicles & Equipment A. Police Radio System B. Beach Tractor & Trash Truck Compactor Body	1/4/2017	120,000.00 160,000.00			120,000.00 160,000.00			103,445.62 136,562.57		16,554.38 23,437.43

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
			Date	Amount					
General Improvement Bonds of 2009	11/5/2009	13,135,000	11/1/18	1,000,000.00	4.000%	7,435,000.00		1,000,000.00	6,435,000.00
			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	9/1/18	820,000.00	2.000%	7,020,000.00		800,000.00	6,220,000.00
			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	2.000%				
			9/1/24	950,000.00	2.125%				
					2.250%				
						\$ 14,455,000.00	-	1,800,000.00	12,655,000.00

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding						
			Balance December 31, 2017	Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017	
			Amount						
General Improvement Loan of 2007	6/23/2006	\$ 1,500,000	11,633.80	4.375%	\$ 1,314,009.00			22,525.81	1,291,483.19
	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							
6/23/2038		27,646.03							
12/23/2038		28,250.78							

**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, 2016	Increased	Decreased	Balance Dec. 31, 2017
			Balance Date	Outstanding December 31, 2017	Interest Rate	Amount				
General Improvement Loan of 2007	6/23/2006	\$ 1,500,000	6/23/2039	28,868.77						
			12/23/2039	29,500.27						
			6/23/2040	30,145.59						
			12/23/2040	30,805.03						
			6/23/2041	31,478.89						
			12/23/2041	32,167.49						
			6/23/2042	32,871.15						
			12/23/2042	33,590.21						
			6/23/2043	34,325.00						
			12/23/2043	35,075.85						
			6/23/2044	35,843.14						
			12/23/2044	36,627.21						
			6/23/2045	37,428.43						
			12/23/2045	38,247.17						
		6/23/2046	36,624.85							
						\$ 1,314,009.00	-	22,525.81	1,291,483.19	

**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, 2016	Decreased	Cancelled	Balance Dec. 31, 2017
			Balance Date	Amount					
NJ Environ. Infrastructure Trust Series 2010- Fund Loan	3/10/2010	\$ 3,476,677			0.000%	\$ 2,298,142.53	176,780.17		2,121,362.36
			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			5.000%	870,000.00	50,000.00		820,000.00
			8/1/18	55,000.00					
			8/1/19	55,000.00					
			8/1/20	60,000.00					
			8/1/21	60,000.00					
			8/1/22-23	65,000.00					
			8/1/24-25	70,000.00					
			8/1/26	75,000.00					
			8/1/27-28	80,000.00					
			8/1/29	85,000.00					
NJ Environ. Infrastructure Trust NJ Ave Temporary Loan		N/A			N/A	9,670,560.00	473,949.00	(250,619.00)	8,945,992.00
			Temporary Loan						
						\$ 12,838,702.53	700,729.17	(250,619.00)	11,887,354.36

**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, 2016	Increased	Decreased	Balance Dec. 31, 2017
Various Improvements	1198	12/4/2014	12/2/2015	11/30/2017	1.09%	947,000.00	903,990.00	947,000.00	-
Various Improvements	1198	12/4/2014	11/1/2017	11/1/2018	2.25%				903,990.00
Various Improvements	1244/1261	11/30/2016	11/30/2016	11/30/2017	1.09%	2,833,000.00	-	2,833,000.00	-
Various Improvements	1244/1261	11/30/2016	11/1/2017	11/1/2018	2.25%		2,833,000.00		2,833,000.00
						<u>\$ 3,780,000.00</u>	<u>3,736,990.00</u>	<u>3,780,000.00</u>	<u>3,736,990.00</u>
				Renewals			3,736,990.00		
				Issued for Cash				-	
				Paid by Budget Appropriation					
							<u>3,736,990.00</u>	<u>-</u>	<u>-</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Bond Antic. Notes Issued	Cancelled	Balance Dec. 31, 2017
1149	Improve Sanitary Sewer System	482,088.00				482,088.00
		\$ 482,088.00	-	-	-	482,088.00

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BOROUGH OF WILDWOOD CREST

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

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 \$40,000, except by contract or agreement".

The governing body of the municipality has the responsibility of determining whether the expenditures of any category will exceed \$40,000 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 2017:

Reconstruction of Pacific Avenue
Curb Ramp Access Improvements
Website Development
Ice Cream Vendor
Bike Concession (4 Year)

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 \$40,000 "for the performance of any work or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

The statutes provide the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body adopted the following resolution 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 2017 tax sale was held and was complete. There were no properties in bankruptcy as of December 31, 2017.

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>
2017	1
2016	-
2015	-

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 2017 and 2018 Taxes	5
Delinquent Taxes	12
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>
2017	\$ 28,353,904	27,864,280	98.27%
2016	27,405,074	26,914,079	98.21%
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%

Comparative Schedule of Tax Rate Information

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	1.233	1.194	1.176	1.150	1.128
Apportionment of Tax Rate:					
Municipal	0.661	0.651	0.641	0.627	0.612
County	0.249	0.242	0.240	0.235	0.234
Local School	0.323	0.301	0.295	0.288	0.282
Assessed Valuation	2,294,314,735	2,292,297,710	2,294,534,200	2,298,365,908	2,303,746,856

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>		Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage Of Tax <u>Levy</u>
2017	\$	11,641	447,157	458,798	1.62%
2016		-	394,624	394,624	1.44%
2015		-	430,329	430,329	1.59%
2014		-	423,700	423,700	1.60%
2013		-	478,803	478,803	1.84%

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.

BOROUGH OF WILDWOOD CREST

FINDINGS AND RECOMMENDATIONS

NONE

Should any questions arise as to our audit please do not hesitate to contact 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 8, 2018